

Riverside Public Utilities Federal Legislative Platform

Riverside Public Utilities (RPU) is a publicly owned utility (POU) and a member of the national American Public Power Association (APPA). RPU is the 25th largest of over 2,000 community owned electric utilities. Combined, public power serves more than 48 million people nationally, 14% of the nation's electricity consumers. As stewards of a publicly-owned utility, the Mayor, City Council and Board of Public Utilities work to protect and enhance the value of the utility for Riverside residents. In this spirit, RPU has been committed to planning for and implementing Utility 2.0, a strategic plan to advance the utility's infrastructure and technology. Every RPU customer is a utility owner, with a direct stake in policies that affect rates and services, unlike the customers of investor-owned, State-regulated utilities.

FOCUS AREA #1: Support local control by allowing municipalities flexibility to proactively implement programs and policies

Local control is central to the operation and success of a publicly owned utility and allows for lower rates, community involvement, public accountability, local decision making and full attention to customer service. As conservation and efficiency measures continue to play a significant role in creating a sustainable community, the utility must have control of implementation of these measures to allow for RPU's continued success as we move green initiatives forward.

Related Federal Action Items:

- Support preserving the local rate-making authority of municipally-owned utilities and promote voluntary compliance in programs and practices that strengthen the utility.
- Support the passage of the Public Power Risk Management Act (PPRMA), which seeks to treat a utility operations-related swap with a public power utility the same as a utility operations-related swap with any other type of entity.
- Safeguard the utility against attempts by the Federal Energy Regulatory Commission (FERC) to exercise jurisdiction over and regulate municipally-owned utilities as this would have a significant (detrimental?) impact on the rate-setting authority of the City Council and the Utility board, support of local programs and services, and the approval of utility sites and facilities.
- Support and advocate for federal laws and or regulations that allow for flexible implementation and can be tailored to the needs of the individual utility.

FOCUS AREA #2: Maintain, protect and grow reliable, affordable energy and water delivery to the City

Riverside embraces its obligation to provide reliable energy and water delivery to its customers while simultaneously recognizing regulatory and geographic hurdles put strains on the Nation's electric and water infrastructure as it struggles to meet the growing demand for water and power.

By proactively maintaining the local distribution system, protecting valuable infrastructure, supporting the enhancement of the statewide electric and water conveyance system, and

securing new reliable sources of water and energy within the City, RPU continues to provide customers with reliable utility service.

Related Federal Action Item:

- Support enactment of a reasonable federal renewable energy standard (RES) that does not compromise grid reliability, does not jeopardize existing or future out of state contracts for renewable energy, and recognizes the need for greater access to transmission.
- Support enactment of federal drought legislation that rewards and incentivizes communities and utilities that have established successful water conservation measures and allows authorization of and federal funding for local water reuse projects and projects focused on drought resiliency and sustainability.
- Support comprehensive energy legislation that would strengthen and protect public power and understands regional differences between power agencies.
- Seek authorization of and federal funding for water or electric, transmission, distribution and generation system improvements.
- Support efforts to improve cyber security standards for the utility industry that protect both infrastructure and customers while also enhancing cyber security information sharing from the federal government to the public power industry.
- Advocate for clarification of the Environmental Protection Agency's Water's of the United States (WOTUS) rule to limit negative impacts to utility water projects that fall under WOTUS jurisdiction.

FOCUS AREA #3: Protect and promote the financial well-being of publicly-owned utilities

By ensuring public power entities minimize their costs and maximize eligible incentives, RPU will be able to better serve and enhance its customer-owned utility.

Federal Action Items:

- Encourage modifications to the tax code that currently inhibit public power utilities from developing new generation and transmission.
- Seek codification of current IRS policy deeming payments publicly-owned electric utilities make to investor-owned utilities to fund or reimburse construction costs for capital facilities (including interconnection and associated facilities) used to serve the publicly-owned Utility's customers as non-taxable transactions to the investor-owned utility.
- Support increased funding for water reclamation and reuse (USBR Title XVI) projects.
- Support and protect Direct Payment Bonds, also known as Build America Bonds.
- Seek full implementation funding for the Water Infrastructure Finance and Innovation Act \

FOCUS AREA #4: Support efforts to modernize the Endangered Species Act and other laws and regulations to allow water infrastructure projects, water supply and water quality activities to proceed while protecting the species and habitats

Water conveyance is essential for sustainability, but as our water demands increase, the natural state of the water system changes. Working together with state, federal and regional water agencies, we must find innovative solutions to address these challenges and ensure we meet our region's water needs.

Federal Action Item:

- Advocate for changes in the Critical Habitat Designation process so that local water needs, human population and local economic conditions are given higher consideration.