



# RIVERSIDE PUBLIC UTILITIES

## Board Memorandum

**BOARD OF PUBLIC UTILITIES**

**DATE:** FEBRUARY 26, 2018

**ITEM NO:** 7

**SUBJECT: SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY BI-ANNUAL EXPENDITURE REPORT FOR THE PERIOD OF JULY THROUGH DECEMBER 2017**

**ISSUE:**

Recommend City Council receive and file this Southern California Public Power Authority bi-annual expenditure report for the period of July through December 2017.

**RECOMMENDATION:**

That the Board of Public Utilities recommend that the City Council receive and file this Southern California Public Power Authority bi-annual expenditure report for the period of July through December 2017.

**BACKGROUND:**

Riverside Public Utilities (RPU) is a member of the Southern California Public Power Authority (SCPPA), a joint powers authority, formed to capture the economies of scale by collectively working with 12 local publicly owned utilities.

On February 21, 2017, City Council received an update on RPU's participation and involvement in SCPPA. City Council directed staff to provide a detail of proposed expenditures included within each object code of RPU's annual budget to the Board of Public Utilities (Board) and include this information in their budget recommendation to City Council. In addition, City Council directed staff to provide a bi-annual report to the Board and City Council on expenditures. After discussion, City Council directed staff to seek Board and Council approval for services procured through SCPPA over \$50,000.

**DISCUSSION:**

This SCPPA bi-annual expenditure report covers the first six months of expenditures for Fiscal Year 2017-18 from July through December 2017.

RPU's participation in SCPPA activities is voluntary and undertaken only when participating through SCPPA is expected to add value in the form of i) cost savings as compared to Riverside acting individually and/or ii) staff savings achieved by collaborating on common issues and avoiding the duplication of effort at each utility.

The majority of RPU's expenditures associated with SCPPA relate directly to its participation in the generation, transmission, and renewable projects, where there is joint interest by other utilities. RPU also participates in other joint member utility services such as energy efficiency programs, training,

association dues, and legislative or regulatory advocacy where services are procured using economies-of-scale pricing from the collective buying power of SCPPA members, resulting in significant ratepayer savings. Authorization of these expenditures must be recommended by the Board and approved by the City Council through the City’s biennial budget process as are other operating costs.

**SCPPA Expenditures**

The following table summarizes expenditures paid through SCPPA by the Electric Fund for the period of July through December 2017:

| SCPPA Category                    |                                    | Jul-Dec 2017         | Fiscal Year To Date  |
|-----------------------------------|------------------------------------|----------------------|----------------------|
| Joint Power Supply & Transmission | Generation Projects                | \$ 1,766,277         | \$ 1,766,277         |
| Joint Power Supply & Transmission | Transmission Projects              | \$ 7,657,974         | \$ 7,657,974         |
| Joint Power Supply & Transmission | Renewable Projects                 | \$ 2,343,705         | \$ 2,343,705         |
| Other Member Services             | Energy Efficiency Programs         | \$ 357,240           | \$ 357,240           |
| Other Member Services             | Power Resources Grid Management    | \$ 84,946            | \$ 84,946            |
| Other Member Services             | Energy Efficiency Programs Support | \$ 76,546            | \$ 76,546            |
| Other Member Services             | Industry Association               | \$ 70,952            | \$ 70,952            |
| Other Member Services             | Training                           | \$ 26,469            | \$ 26,469            |
| Other Member Services             | Legislation & Regulatory           | \$ 13,880            | \$ 13,880            |
| <b>Total</b>                      | <b>Total</b>                       | <b>\$ 12,397,988</b> | <b>\$ 12,397,988</b> |

Existing joint power supply and transmission agreements previously approved by the Board and City Council represent approximately 95% of SCPPA expenditures. The remaining 5% are primarily comprised of energy efficiency programs and other member services. In the past six months, expenditure requests approved included online subscription services in support of customer management, sustainability, and power resources grid management in addition to annual fees for industry associations, training, and legislative/regulatory project support. Attached is the detailed list of approved SCPPA expenditure requests for the six-month period ending December 31, 2017, of which \$528,566 was expended in the same period and is included in the table above summarizing all expenditures paid to SCPPA through December 31, 2017.

**FISCAL IMPACT:**

There is no fiscal impact related to Board action.

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 Approved by: John A. Russo, City Manager  
 Approved as to form: Gary G. Geuss, City Attorney

Certifies availability of funds: Laura M. Nomura, Utilities Assistant General Manager/Finance

Attachment: Approved SCPPA Expenditure Requests – 7/1/2017 through 12/31/2017