



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 5, 2019
FROM: PUBLIC UTILITIES DEPARTMENT WARDS: ALL
**SUBJECT: SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY BI-ANNUAL
EXPENDITURE REPORT FOR FISCAL YEAR 2018-19**

ISSUE:

Receive the Southern California Public Power Authority bi-annual expenditure report for Fiscal Year 2018-19.

RECOMMENDATION:

That the City Council receive this Southern California Public Power Authority bi-annual expenditure report for Fiscal Year 2018-19.

BOARD OF PUBLIC UTILITIES RECOMMENDATION:

On September 23, 2019, the Board of Public Utilities, with eight members present, unanimously voted to recommend that the City Council receive and file this Southern California Public Power Authority bi-annual expenditure report for Fiscal Year 2018-19.

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.

RPU's participation in SCPPA activities is voluntary and undertaken only when participating through SCPPA is expected to add value in the form of: 1) cost savings as compared to Riverside acting individually; and/or 2) 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.

On February 21, 2017, the City Council received an update on RPU's participation and involvement in SCPPA. City Council directed staff to provide a bi-annual report to the Board of Public Utilities (Board) and the City Council on expenditures. City Council also directed staff to seek Board and City Council approval for services procured through SCPPA over \$50,000. Consistent with the City's procurement process, services between \$25,000 and \$50,000 are approved by the City Manager and services up to \$25,000 are approved by RPU General Manager.

DISCUSSION:

This SCPPA bi-annual expenditure report as of June 30, 2019 covers 12 months of activities for Fiscal Year 2018-19.

The following expenditures were paid through SCPPA by the Electric Utility for Fiscal Year 2018-19:

SCPPA Category		Jul-Dec 2018	Jan-Jun 2019	Fiscal Year Total
Joint Power Supply & Transmission	Generation Projects	\$ 1,458,577	\$ 2,130,496	\$ 3,589,073
Joint Power Supply & Transmission	Transmission Projects	7,294,061	9,703,746	16,997,807
Joint Power Supply & Transmission	Renewable Projects	3,719,803	4,300,657	8,020,460
Other Member Services	Energy Efficiency Programs	771,265	1,593,598	2,364,863
Other Member Services	Power Resources Grid Management	12,581	39,324	51,905
Other Member Services	Energy Efficiency Programs Support	-	3,889	3,889
Other Member Services	Industry Association	99,019	-	99,019
Other Member Services	Training	19,167	20,573	39,740
Other Member Services	Legislation & Regulatory	22,354	22,430	44,784
Total Actual Expenditures		\$ 13,396,827	\$ 17,814,713	\$ 31,211,540

Existing joint generation, transmission, and renewable project agreements approved by the Board and City Council represent approximately 92% of SCPPA expenditures. The remaining 8% are comprised of energy efficiency programs and other member services. All expenditures were included in the Electric Utility's biennial budget and approved by the Board and City Council as part of the budget process.

In addition, all approved SCPPA procurement requests are tracked and monitored by RPU staff. The attachment lists the SCPPA procurement requests that were approved from July 2018 to June 2019. Timing of actual expenditures will depend on when services are incurred.

FISCAL IMPACT:

There is no fiscal impact related to the receipt of this report.

Prepared by: Todd M. Corbin, Utilities General Manager
 Certified as to
 availability of funds: Edward Enriquez, Chief Financial Officer/City Treasurer
 Approved by: Al Zelinka, FAICP, City Manager
 Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. Approved SCPPA Procurement Requests – 7/1/2018 through 06/30/2019
2. Draft Board of Public Utilities Minutes – September 23, 2019