



City of Arts & Innovation

City Council Memorandum

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TO: HONORABLE MAYOR AND CITY COUNCIL DATE: APRIL 13, 2021

FROM: PUBLIC UTILITIES DEPARTMENT WARDS: ALL

**SUBJECT: SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY SEMI-ANNUAL
EXPENDITURE REPORT FOR THE PERIOD OF JULY 2020 THROUGH
DECEMBER 2020**

ISSUE:

Receive an update on the Southern California Public Power Authority semi-annual expenditures for the period of July 2020 through December 2020.

RECOMMENDATION:

That the City Council receive the Southern California Public Power Authority semi-annual expenditure report for the period of July 2020 through December 2020.

BOARD OF PUBLIC UTILITIES RECOMMENDATION:

On March 22, 2021, the Board of Public Utilities, with six members present, unanimously voted to receive an update on the Southern California Public Power Authority biannual expenditure report for the period of July 2020 through December 2020 and recommended that the report name be updated to the Southern California Public Power Authority semi-annual expenditure report.

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 has the choice to participate 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 and directed staff to provide a semi-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 the Utilities General Manager.

DISCUSSION:

This SCPPA semi-annual expenditure report covers the first six months of expenditures for Fiscal Year 2020-21 from July 2020 through December 2020 (see table below).

SCPPA Category		Jul-Dec 2020
Joint Power Supply & Transmission	Generation Projects	\$ 1,227,968
Joint Power Supply & Transmission	Transmission Projects	6,188,169
Joint Power Supply & Transmission	Renewable Projects	1,818,217
Other Member Services	Power Resources Grid Management	80,690
Other Member Services	Energy Efficiency Program Support	25,227
Other Member Services	Training	475
Other Member Services	Legislation & Regulatory	48,747
Total Actual Expenditures		\$ 9,389,493

Existing joint generation, transmission, and renewable project agreements approved by the Board and City Council represent approximately 98% of SCPPA expenditures. The remaining 2% 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.

SCPPA Project Approvals

Generation, Renewable and Transmission Projects:

Pursuant to the SCPPA Agreement, the City Council approved Riverside’s joint participation in the following five (of SCPPA’s six) original generation and transmission projects to continue to self-provide electric power for Riverside’s energy needs. The transmission agreements allowed for the delivery of power from specific generation projects (in which Riverside had entitlements) located long distances from the City.

- Palo Verde Nuclear Generation Station (1981)
- Hoover Uprating Project (1986)
- Southern Transmission System (1983)
- Mead-Adelanto Transmission Project (1992)
- Mead-Adelanto Transmission Project (1992)

Beginning in 2012, in order to cost-effectively meet California’s renewable portfolio standard mandates, Riverside expanded its project participation in SCPPA from the original five generation and transmission projects, to include renewable power purchase agreements (PPA) approved by

the Board and City Council. These PPAs also provide economies-of-scale pricing similar to the initial generation and transmission project.

- Columbia II Solar, approved by City Council on 9/24/2013
- Kingbird B, approved by City Council on 9/24/2013
- Summer Solar, approved by City Council on 1/8/2013
- Antelope Big Sky Ranch, approved by City Council on 1/8/2013
- Antelope DSR 1, approved by City Council on 7/28/2015
- Loyaltan Biomass, approved by City Council on 1/23/2018

Energy Efficiency Program Support:

Beginning in Fiscal Year 2019-20, RPU opted to procure all energy efficiency programs through the City of Riverside’s procurement process. This current fiscal year, expenditures for energy efficiency programs shown were for advertising and for a pass-through payment for the energy efficiency online reporting tool procured by the California Municipal Utilities Association on behalf of public utilities. The online reporting tool is used by all public utilities in the State of California to report their energy efficiency program savings to the California Energy Commission in compliance with SB 1037.

Training and Legislative/Regulatory Services:

SCPPA members have been able to secure economies-of-scale pricing on member services such as training and for legislative and regulatory services.

Training: SCPPA is able to provide training on relevant industry topics, hosts workshops facilitated by industry experts, and has hired consultants to provide important market updates, conduct studies of common interest, and represent its interest in various regulatory or legislative matters. Due to the rapid changes occurring in the industry and workforce retirements, the need for training has become even more urgent and vital. RPU only pays for training attended by RPU staff members.

Legislative and Regulatory Services: The electric utility industry is transforming due to rapid changes in both technology and in legislation and regulation. To assist all member agencies, including RPU, SCPPA has secured both legislative and regulatory services from consultants that have expertise in the electric utility industry and with the regulations and issues facing SCPPA members. RPU pays a proportional share for these services.

FISCAL IMPACT:

There is no fiscal impact associated with 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: Kristi J. Smith, Interim City Attorney

Attachment: Draft Board of Public Utilities Minutes – March 22, 2021