



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: OCTOBER 28, 2024

SUBJECT: SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY SEMI-ANNUAL EXPENDITURE REPORT FOR FISCAL YEAR 2023-24

ISSUE:

Consider receiving an update on the Southern California Public Power Authority semi-annual expenditures for Fiscal Year 2023-24.

RECOMMENDATION:

That the Board of Public Utilities receive and forward a recommendation to the City Council to receive the Southern California Public Power Authority semi-annual expenditure report for Fiscal Year 2023-24.

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. The 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 12 months of expenditures for Fiscal Year 2023-24 from July 1, 2023, through June 30, 2024, see table below.

SCPPA Category		Jul-Dec 2023	Jan-Jun 2024	Fiscal Year Total
Joint Power Supply & Transmission	Generation Projects	\$ 1,730,767	\$ 1,919,258	\$ 3,650,025
Joint Power Supply & Transmission	Transmission Projects	3,088,712	4,055,445	7,144,157
Joint Power Supply & Transmission	Renewable Projects	4,438,898	9,804,635	14,243,533
Other Member Services	Energy Efficiency Programs	-	-	-
Other Member Services	Training	5,201	14,660	19,861
Other Member Services	Legislation & Regulatory	-	-	-
Total Actual Expenditures		\$ 9,263,578	\$15,793,998	\$25,057,576

Existing joint generation, transmission, and renewable project agreements approved by the Board and City Council represent approximately 100% of SCPPA expenditures and less than 1% of other member services. All expenditures were included in the Electric Utility's 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 four original generation and transmission projects to 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) - Generation
- Southern Transmission System (1983) - Transmission
- Mead-Adelanto Transmission Project (1992) - Transmission
- Mead-Phoenix Transmission Project (1992) - Transmission

Beginning in 2012, to cost-effectively meet California's renewable portfolio standard mandates, Riverside expanded its project participation in SCPPA from the original four generation and transmission projects, to include renewable, Power Sales Agreements and Buyers Joint Project Agreements, approved by the Board and City Council. These agreements also provide economies-of-scale pricing similar to the initial generation and transmission projects.

- Columbia II Solar, approved by City Council on 9/24/2013 – Renewable
- Kingbird B, approved by City Council on 9/24/2013 – Renewable

- Summer Solar, approved by City Council on 1/8/2013 – Renewable
- Antelope Big Sky Ranch, approved by City Council on 1/8/2013 – Renewable
- Antelope DSR 1, approved by City Council on 7/28/2015 – Renewable
- Coso Geothermal, approved by City Council on 1/5/2021 – Renewable
- Roseburg Biomass, approved by City Council on 3/17/2020 – Renewable

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 fiscal year, there are no charges against Energy Efficiency Program Support.

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 can provide training on relevant industry topics, host 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. As the chart reflects, there are no specific task orders to provide legislative and regulatory services directly for Riverside.

STRATEGIC PLAN ALIGNMENT:

This item contributes to:

- Strategic Priority No. 4 Environmental Stewardship and Goal 4.1 - Rapidly decrease Riverside's carbon footprint by acting urgently to reach a zero-carbon electric grid with the goal of reaching 100% zero-carbon electricity production by 2040 while continuing to ensure safe, reliable, and affordable energy for all residents.
- Strategic Priority No. 5 High Performing Government and Goal 5.4 – Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The SCPPA Semi-Annual Expenditure report is provided to the Board and the City Council two times a year to provide an update on RPU's involvement in SCPPA.
2. **Equity** – The joint power agreements made possible through RPU's participation with SCPPA enable RPU to provide renewable and sustainable energy on an equitable basis to all customers.
3. **Fiscal Responsibility** – 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.
4. **Innovation** – The ongoing collaboration with SCPPA facilitates the roadmap for RPU to continue to improve on the delivery of energy, in line with the community's ever-changing needs.
5. **Sustainability & Resiliency** – SCPPA is aligned with RPU's philosophy of sustainability and resiliency. This is particularly notable with the joint renewable energy agreements, at the heart of which sustainability is paramount. These agreements also assist RPU in supporting the community in its efforts in improving overall environmental stewardship.

FISCAL IMPACT:

There is no fiscal impact associated with receipt of this report.

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Attachment: Presentation