

STAFF REPORT
City of Lancaster

NB 4
08/26/14
MVB

Date: August 26, 2014
To: Mayor Parris and City Council Members
FROM: Jason Caudle, Deputy City Manager
Barbara Boswell, Finance Director
SUBJECT: **Community Choice Aggregator Registration Packet**

Recommendation:

Approve the Community Choice Aggregator (CCA) Service Agreement with Southern California Edison (SCE), Electric Service Provider (ESP) Registration Application Form, and up to \$100,000.00 payment to satisfy deposit requirements and to begin the process of registration with the California Public Utility Commission and Southern California Edison. Authorize the City Manager or his designee to execute all related documents.

Fiscal Impact:

A deposit is required to be submitted along with the ESP Registration Application. Funds for payment of the deposit will come from a loan from the General Fund. Repayment of the deposit is projected to come from future revenues of the Community Choice Aggregation program.

Background:

On May 13, 2014 the City Council introduced Ordinance 997, which declared the City of Lancaster's intent to establish Community Choice Aggregation (CCA), and approved the associated Implementation Plan.

On May 16, 2014 staff released a Request for Information (RFI) for power procurement and associated services needed for CCA operation and is currently vetting and interviewing the Respondents. Staff anticipates bringing a recommendation before the Council for approval before the end of September.

On June 9, 2014, in accordance with California Public Utilities Commission (CPUC) Code Section 366.2 (3), staff submitted the approved Implementation Plan to the CPUC for review and certification. Final certification from the CPUC is expected to be received by the end of August.

This is the next step in the process of forming and implementing a CCA. The Community Choice Aggregator (CCA) Service Agreement with Southern California Edison (SCE), Electric Service Provider (ESP) Registration Application Form, and required deposit posting comprise the “Registration Packet” as required by the CPUC. The CCA Service Agreement governs the business relationship between the CCA and SCE. The Service Agreement details the request for specialized services (i.e. CCA services) to be provided by SCE and the associated responsibilities of each party. However, this is not the final step in CCA formation; additional agreements, such as the Binding Notice of Intent (BNI), will be brought before the Council for approval.

Upon submission of the BNI to SCE, which occurs in the first quarter of 2015, Lancaster Choice Energy would be committed and authorized to serve energy to all of its consumers within its jurisdiction. The commitment to serve the consumers will be structured by the three phase roll out as detailed in the approved Implementation Plan.

Program Customers	Enrollment Schedule	Eligible Accounts
Phase 1 – Municipal	May 2015	640
Phase 2 – Commercial & Industrial	November 2015	5,500
Phase 3 – Residential	May or Nov 2016	48,865
TOTAL		55,040

It is essential to note that in forming a CCA, the City would not supplant SCE as the electric utility for the City of Lancaster. Rather, SCE would maintain ownership of and responsibility for transmission and distribution lines throughout the service area. SCE would also continue to provide billing and customer service, thus ensuring minimal impact and maximum ease of use for local residents. The CCA would provide electrical energy to the consumer and would be empowered to set its own rates for that energy. SCE would continue to charge users and set rates for transmission and distribution costs.

JC:hs

Attachments:

- Community Choice Aggregator Service Agreement
- Electric Service Provide Registration Application Form