

STAFF REPORT
City of Lancaster

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12/09/14
MVB

Date: December 9, 2014

To: Mayor Parris and Council Members

From: Barbara Boswell, Finance Director

Subject: **Professional Services Agreement to Provide Assistance with Implementation of Lancaster Choice Energy**

Recommendation:

Approve the Professional Services Agreement with Pacific Energy Advisors (PEA) to assist with implementation of Lancaster Choice Energy (LCE) for an amount not to exceed \$150,000 and authorize the City Manager or his designee to execute the agreement.

Fiscal Impact:

Actual costs will be dependent upon actual work performed. The cost of this agreement will be reimbursed through future revenues generated by Lancaster Choice Energy.

Background:

The City is in the process of implementing its Community Choice Aggregation (CCA) program to provide electric service to residents and businesses within city limits. The feasibility study indicates that the program, known as Lancaster Choice Energy, can not only recover all of its costs of doing business, but can do so while saving our customers money.

The next steps in the process are critical to the success of the program. These steps include rate setting, financial modeling, and regulatory compliance. Staff recommends contracting with Pacific Energy Advisors to assist with these activities. PEA has provided similar services to both Marin Clean Energy and Sonoma Clean Power, the only two other CCA programs in the state of California, achieving the goals of these programs while saving money for their customers when compared to PG&E.

BB:jw

Attachment:

Exhibit A: Scope of Services