

**STAFF REPORT**  
**City of Lancaster**

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MVB

Date: January 27, 2015

To: Mayor Parris and City Council Members

From: Barbara Boswell, Finance Director

**Subject: Establish bank accounts to support Lancaster Choice Energy and related documents**

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**Recommendation:**

Authorize the City Manager or his designee to execute the documents and establish bank accounts necessary to carry out the agreements.

**Fiscal Impact:**

The fees associated with the accounts will be paid through the revenues collected as a result of selling power to Lancaster Choice Energy (LCE) customers.

**Background:**

The City is in the process of implementing Lancaster Choice Energy, to provide electric generation service through a suite of retail energy products to residents and businesses within City limits. The feasibility study indicates that the LCE program can not only recover all of its operating costs, but can do so while saving LCE customers money as well as providing cleaner energy.<sup>1</sup> The benefits of the City operating LCE are to provide a choice of electricity providers, products and rates to our citizens and businesses.

It is anticipated that unique bank accounts will be required to track the cash flows and activities of LCE. This action allows for those accounts to be established.

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<sup>1</sup> The LCE feasibility study was conducted in consideration of then-current prices for electric power and related services. These prices are subject to change over time, but foreseeable trends in California's electric power market appear to support near-term LCE operations that will allow for the recovery of operating costs associated with the LCE program while also promoting rate savings for participating customers.