



STAFF REPORT
9/25/2024

TO: Honorable Mayor and City Council Members

FROM: Dr. Gabriel Martin, City Manager
Ismael Ortiz, Student Intern

SUBJECT: Authorize the City Manager to Execute Professional Services Agreements with Strategic Energy Experts Consulting for Assistance in Providing Greenfield Electric Utility and Electric Service for the City Municipal Utility.

STAFF RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager to execute the attached Professional Services Agreement with Strategic Energy Experts (S.E.E) Consulting for assistance in providing greenfield electric utility and electric service for its newly formed City Municipal Utility (CMU).

BACKGROUND:

The City has a goal to begin serving electricity to its two EDZs and ultimately the entire CMU. The seemingly easiest and most efficient way to achieve this goal is to phase the City into the electric utility business via setting up a “greenfield” electric utility to serve primarily the EDZs (Phase 1), then later expanding the City’s electric utility footprint to the City’s entire CMU (Phase 2). SEE proposes to be the Project Manager for these undertakings. This phase-in plan is described in more detail below.

On June 12, 2024 (Item 32), the City Council authorized staff to create a Request for Proposals (RFP) for a public-private partnership for implementing the City’s municipal electric utility per the feasibility study conducted by GDS.

DISCUSSION/ANALYSIS:

California regulation provides for a municipality to offer electrical service in undeveloped areas where there is little incumbent electric utility equipment. These new municipal electric utility entities are called “greenfield” utilities. The City’s General Plan (GP) divides the City into planning zones (Subareas) and provides zoning development information along with the amount of undeveloped land.

Subareas 7 and 10 each contain an EDZ. These two Subareas are prime locations for the City to initiate Phase 1 of its greenfield electric utility as both Subareas 7 and 10 have large amounts of undeveloped land and little incumbent electric utility facilities. This undeveloped land could be used for new warehouse space, industrial development, commercial applications and other retail purposes. Based upon the aforementioned scope of services and standard billing rates, we estimate the labor budget for this Project as follows:

Task	Fee
<i>Phase 1-Supervision and Management</i>	
▪ Finalize Greenfield Utility Paperwork	\$ 5,000
▪ Analysis of Existing IID Transmission Capacity and Determine Process for Obtaining	\$ 5,000
▪ Define Harrison/Polk Substation Timing, Location and Cost	\$ 5,000
▪ Determine Best Power Supply Option for Phase 1	\$ 5,000
▪ RFP for turnkey developer/operator	\$ 5,000
Phase 1 subtotal	\$ 25,000
<i>Phase 2-Supervision and Management</i>	
▪ Determine Best Power Supply Options for Phase 2	\$ 5,000
▪ Define new 230 kV Transmission Timing, Location and Cost, and Determine Feasibility of SCE Interconnection	\$ 5,000
▪ Phase 2 Proforma	\$ 5,000
<i>General-Supervision and Management</i>	
▪ Review west Riverside Munis	\$ 3,000
▪ Verify CMU Map	\$ 3,000
▪ LAFCO Paperwork	\$ 5,000
▪ Confirm 1934 Compromise Agreement Boundaries	\$ 3,000
▪ Develop Financial Plan	\$ 5,000
TOTAL	\$59,000

ALTERNATIVES:

1. Continue this item and provide staff direction.

FISCAL IMPACT:

The fiscal impact of this action would immediately be \$59,000 and would require an appropriation from the General Fund (Fund 101).

ATTACHMENT(S):

1. Professional Services Agreement (PSA) with Strategic Energy Experts for on-call utility services
2. Proposal – Strategic Energy Experts Consulting