



City of Grass Valley City Council Agenda Action Sheet

Title: Second Reading of Ordinance No. 819 Pioneer Community Energy - Community Choice Aggregation Program (CCA) for the City of Grass Valley

Recommendation: That Council 1) adopt Resolution No. 2022-77 again, with Ordinance adoption date, requesting membership in Pioneer Community Energy and Authorizing the Execution of Amendment No. 5 to the Amended and Restated Joint Exercise of Powers Agreement; and 2) approve and waive full reading of Ordinance No. 819 Authorizing the Implementation of a Community Choice Aggregation Program in the City of Grass Valley.

Prepared by: Timothy Kiser, City Manager

Council Meeting Date: 10/25/2022

Date Prepared: 10/18/2022

Agenda: Consent

Background Information: Pioneer Community Energy (Pioneer) is a Joint Powers Authority (JPA) formed between the Counties of Placer and El Dorado, the Town of Loomis, and the Cities of Auburn, Colfax, Lincoln, Placerville, and Rocklin.

Pioneer is a Community Choice Aggregation Program (CCA) authorized under Assembly Bill 117 (2002). The CCA provides local control over the electricity supply with a primary goal of providing stable and competitive electricity rates to the residents and businesses within its member jurisdictions.

Pioneer purchases the electricity supply and PG&E transmits and delivers the power through PG&E's infrastructure (poles and wires). PG&E continues to own, operate, and maintain its distribution infrastructure. PG&E also continues to provide meter reading and billing services for Pioneer's customers.

On September 17, 2021, the Pioneer executive team met with City staff to discuss the benefits of joining a CCA, how Pioneer may be a fit for this region and necessary next steps.

On January 25, 2022, the Pioneer executive team gave a presentation to the City Council. This presentation was a general introduction to a CCA and Pioneer. At this meeting, the City Council authorized staff to proceed with an Impact Assessment Study.

At the September 15, 2022, Pioneer Governing Board meeting, the Board received results of the Impact Assessment Study and unanimously approved a resolution authorizing Pioneer staff to begin the process of amending the Joint Exercise of Powers Agreement to allow the City of Grass Valley and Nevada City to join the JPA.

According to the Impact Assessment Study and the Pioneer leadership team, the expansion provides potential benefits to the residents and businesses in the new member service territories. Significant benefits include:

- **Stable and Competitive Rates** - From 2018 through 2021, Pioneer customers have saved \$21.9 million. The Impact Assessment Study indicates that the City residents and businesses should expect to see annual savings of more than \$650,000, based on 2022 electric rates.
- **Local Control** - As a member of the JPA, the City will have one seat on the Pioneer Board of Directors. This Board member is appointed by the City Council. All meetings are open to the public and every person's voice will be heard.
- **Legislative & Regulatory Influence & Advocacy** - Pioneer is an advocate for the member agency residents and businesses by working with the state legislature, the California Public Utilities Commission, and PG&E on behalf of customer interests and concerns.
- **Local Jobs and Power Supply Resources** - Pioneer supports local business. This occurs through power contracts and non-power contracts and purchases. The projected savings for Pioneer customers will result in more spending by residents and businesses, further stimulating the local economy.
- **Programs** - The new members will have an impact on Pioneer's energy efficiency programs and the ability to customize programs to meet their specific needs.

At the October 11th, 2022 City Council Meeting, the City Council approved Resolution No. 2022-77 requesting membership in Pioneer Community Energy, and authorizing the Mayor to execute Amendment No. 5 to the Amendment and Restated Joint Powers Agreement. At that meeting, City Council also introduced and conducted first reading of an ordinance authorizing the establishment of a CCA program in the City.

A Second Reading of the proposed Ordinance No. 819 is required to finalize the processing of the ordinance. Should the City Council adopt a second reading of the ordinance on October 25, 2022, the ordinance will become effective 30 days thereafter. Additionally, staff is requesting Council to readopt Resolution No. 2022-77 to add the date the Council approved and finalized Ordinance No. 819.

The next step in this process will be for Pioneer's Board of Directors to take action on the Amendment to the Joint Powers Agreement, allowing the City to join Pioneer as a member and Pioneer to commence the programs outlined above.

ENVIRONMENTAL CLEARANCE

The adoption of the Resolution does not constitute a project and is therefore exempt from the requirements of CEQA in accordance with Section 15378(b)(4) and (5).

Council Goals/Objectives: The item executes portions of work tasks towards achieving/maintaining Strategic Plan - High Performance Government and Quality Service.

Fiscal Impact: The City bore a fiscal impact capped at \$15,000 to fund half the cost of an impact assessment study with Pioneer funding the other half. There is no risk to the general fund related to joining of Pioneer and approving an ordinance to institute a CCA program in the City. The cost to serve the new members is funded through Pioneer rates. Overall, by joining Pioneer the City should save money on our yearly energy cost compared to PG&E.

Funds Available: N/A

Account #: N/A

Reviewed by: City Manager

Attachments: R2022-77, O.819, Pioneer JPA amendment no.5