



CITY OF ORLAND STAFF REPORT

MEETING DATE: February 4, 2025

TO: Honorable Mayor and City Councilmembers

FROM: Pete Carr, City Manager

SUBJECT: **Pioneer Community Energy JPA Resolution and Ordinance**
(Discussion/Action)

BACKGROUND:

Pioneer Community Energy (Pioneer) is a Joint Powers Authority formed between the Counties of Placer and El Dorado, the Town of Loomis, and the Cities of Auburn, Colfax, Grass Valley, Lincoln, Nevada City, 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 objective of providing competitive rates to the residents and businesses within its member jurisdictions.

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

ANALYSIS:

In November, the Pioneer executive team met with the City Manager and corresponding officials from Glenn County and Willows to discuss the benefits of joining a CCA, how Pioneer may be a fit for their region, and necessary next steps required to join Pioneer.

On November 19, the Pioneer executive team gave a presentation to the City Council. This presentation was an overview of the many benefits of CCAs in general and Pioneer specifically. At this meeting, the Council directed Staff to proceed with initiating the project. On December 3, the Council adopted a Letter of Intent and authorized \$5000 to share the cost of a feasibility study.

At the December 19, 2024 Pioneer Governing Board meeting, the Board approved unanimously to allow its staff to begin the process of amending the JPA to allow the Counties of Butte, Nevada, Sutter, and Tuolumne; the Cities of Chico, Oroville, Live Oak, Sonora, and Yuba City; and the Town of Paradise to join. The Board also approved to cost share an Impact Assessment Study (feasibility analysis) for Orland, Willows and Glenn County.

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 2023, Pioneer customers have saved \$85 million, with an additional \$21 million in anticipated savings in 2024.
- **Local Control** – As a member of the JPA, the City/County will have one seat on the Pioneer Board of Directors. This person is appointed by the Council/Board from the elected officials. All meetings are open to the public and every representative’s voice will be heard.
- **Legislative & Regulatory Influence & Advocacy** – Pioneer is an advocate for the member agency residents and businesses by working with the California State Legislature, the California Public Utilities Commission (CPUC), the California Energy Commission, and PG&E on behalf of customer interests and concerns.
- **Local Jobs and Power Supply Resources** – Pioneer supports local business and prioritizes local power contracts, goods and services. The projected savings for Pioneer customers will result in additional spending by residents and businesses, further stimulating the local economy.
- **Programs** – The new members will have an impact on energy efficiency programs that are developed and the ability to customize programs to meet their specific needs.

If approved by Orland, Pioneer plans to submit an Implementation Plan detailing Pioneer’s expansion and planned service launch to the CPUC in March 2025. Based on results of the Impact Assessment Study, the optimal time for a service launch into expansion territories is October 2027, which allows Pioneer’s procurement team the time needed to secure power resources while remaining in compliance and avoids the costly summer months. Pioneer will work with Orland on a comprehensive education and outreach campaign to ensure a strong public understanding of expansion into the area.

CEQA Analysis: The adoption of the Resolution does not constitute a project and is therefore exempt from the requirements of California Environmental Quality Act (CEQA) in accordance with Section 15378 of the CEQA Guidelines. Further, the action is exempt from CEQA, as there is no possibility that the resolution or its implementation would have a significant effect on the environment. (14 Cal. Code Reg. § 15061(b)(3)).

There will still be another step (also functioning as a potential off-ramp) in the future before the process is finalized for Orland to join the CCA.

Attachments (2):

1. Resolution and Amended and Restated Joint Powers Agreement for Pioneer Community Energy expanding the Joint Power Authority membership
2. Ordinance authorizing the implementation of a Community Choice Aggregation Program in Orland under Public Utilities Code section 366.2.
3. [Pioneer Community Energy | Key Documents and Resources](#)

RECOMMENDATION:

- 1) Approve the Resolution and Amended and Restated Joint Powers Agreement for Pioneer Community Energy expanding the Joint Power Authority membership to include the Counties of Butte, Glenn, Nevada, Sutter, and Tuolumne; the Cities of Orland, Willows, Chico, Oroville, Live Oak, Sonora, and Yuba City; and the Town of Paradise as Voting Members and authorize the Mayor/Board Chair to execute same; and
- 2) Introduce and carry out the first reading of the Ordinance authorizing the implementation of a Community Choice Aggregation Program in Orland under Public Utilities Code section 366.2.

FISCAL IMPACT OF RECOMMENDATION:

The fiscal impact was a cap of \$15,000, split between Glenn/Willows/Orland to fund half of the cost of the Impact Assessment Study, with Pioneer funding the other half. There is no risk to the General Fund as the cost to serve the new members is funded through Pioneer rates.