



CITY COUNCIL AGENDA REPORT

CITY HALL

CITY OF SONORA 94 N. WASHINGTON STREET, SONORA, CA 95370 P: (209) 532-4541

SERVICE, INNOVATION, INTEGRITY, COLLABORATION, RESPECT, LEADERSHIP

DATE: February 18, 2025

TO: Honorable Mayor and Members of the City Council

FROM: Melissa Eads, City Administrator

SUBJECT: Waive the Second Reading and Adopt Ordinance No. 902 and Resolution 02-18-2025-A, Adding Chapter 1.30 – Community Choice Aggregation Program, to Title 1, General Provisions, of the Sonora Municipal Code, and Approve the Amended and Restated Joint Powers Agreement for Pioneer Community Energy Authorizing the Implementation of a Community Choice Aggregation Program Under Public Utilities Code Section 366.2.

RECOMMENDATION:

Waive the Second Reading and Adopt Ordinance No. 902 and Resolution 02-18-2025-A, Adding Chapter 1.30 – Community Choice Aggregation Program, to Title 1, General Provisions, of the Sonora Municipal Code, and Approve the Amended and Restated Joint Powers Agreement for Pioneer Community Energy Authorizing the Implementation of a Community Choice Aggregation Program Under Public Utilities Code Section 366.2.

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 for 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 (poles and wires). PG&E continues to own, operate, and maintain its distribution infrastructure, as well as provide meter reading and billing services for Pioneer's customers.

DISCUSSION / ANALYSIS:

On July 1, 2024, 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, how Pioneer may be a fit for their region, the necessary next steps required to join Pioneer, and authorized staff to proceed with an Impact Assessment Study.



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On December 16, 2024, the Pioneer executive team gave a presentation to the City Council. This presentation was an overview of the results of the Impact Assessment Study related to joining Pioneer Community Energy.

At the December 19, 2024, Pioneer Governing Board meeting, the Board approved unanimously to allow 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.

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 businesses 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 impact the development of energy efficiency programs and the ability to customize programs to meet their specific needs.

Pioneer plans to submit an Implementation Plan detailing Pioneer's expansion and planned service launch to the CPUC in March 2025. Based on the 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 the City of Sonora on a comprehensive education and outreach campaign to ensure a strong public understanding of expansion into each area.

FISCAL IMPACT:

The fiscal impact was a cap of \$15,000, split between jurisdictions 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.



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ATTACHMENTS:

Ordinance No. 902
Resolution 02-18-2025-A
Amended and Restated Joint Powers Agreement

CORE COUNCIL PRIORITIES:

Fiscal Responsibility and Stability, Infrastructure and Engineering, Economic Development/Growth and General Plan