



AGENDA ITEM 16

CITY COUNCIL AGENDA REPORT

MEETING DATE: March 18, 2025

SUBJECT: Selection of Clean Power Alliance Board Representatives and Primary Energy Option

PRESENTER: Maged El-Rabaa, P.E., Director of Public Works

BY: Jeannette Klein, Sr. Management Analyst II

PROPOSED ACTION: Motion to: (i) Appoint Primary and Secondary Representatives to the Clean Power Alliance Board of Directors; (ii) Provide Direction to Staff on Selection of the Primary Energy Option for the Community; and (iii) Provide Direction to Staff on Selection of the Primary Energy Option for City Electricity Accounts

ENVIRONMENTAL IMPACT: None

FISCAL IMPACT: An estimated increase of between 7%-14% on the City's annual electricity costs, depending on the energy rate option chosen. Funds will be budgeted in FY 2025-26 when service is scheduled to begin

BACKGROUND:

On November 21, 2023, the City Council voted to join the Clean Power Alliance of Southern California (CPA), a Joint Powers Authority Community Choice Aggregator (CCA) that provides clean and renewable energy generation services. Subsequently, the California Public Utilities Commission (CPUC) approved the addition of La Cañada Flintridge to CPA's service territory on March 20, 2024. The transition of energy generation services from SCE to CPA is scheduled to occur October 1, 2025, or later. With the approaching transition of service, the City Council needs to (i) appoint primary and secondary directors to the CPA Board of Directors, and (ii) select the preferred energy option for residential and commercial customers within the City.

As a reminder, Clean Power Alliance provides energy generation services only. The transition of energy generation services from Southern California Edison (SCE) to CPA will not impact existing delivery services; SCE will continue to deliver electricity to La Cañada Flintridge residents and businesses.

DISCUSSION/ANALYSIS:

Appointment of City’s CPA Director

To ensure local control, CPA is governed by a Board of Directors that consists of one representative from each member jurisdiction. CPA currently consists of 35 member jurisdictions, with 3 new member jurisdictions appointing directors in 2025 (including La Cañada Flintridge). The City Council must appoint one primary director, who must be a member of the City Council, and may also appoint up to two alternate directors, which may be another councilmember, City staff, or members of the public with demonstrated knowledge in energy-related matters. The appointed director(s) serve at the pleasure of the City Council and may be removed and replaced by the City Council at any time.

Primary Energy Option

Clean Power Alliance has three energy rate options: Lean, Clean, and Green. Table 1 summarizes the power content mix for each CPA rate option. The City Council must select a primary CPA energy option that all residential and commercial accounts will automatically be transitioned to when CPA service begins. All customers can choose to opt out of CPA services entirely or select a different energy option at any time (waiting periods may apply).

Table 1: Power Content Mix by Energy Rate Option

	Clean Power Alliance		
	Lean	Clean	Green
Renewable Energy	-	-	100%
Clean Energy	40%	50%	-
Other/Unspecified Energy	60%	50%	-

In December 2024, the CPA Board adopted a FY 2025-26 rate policy for the three new member jurisdictions, including La Cañada Flintridge, that sets a whole-of-bill rate for residential and small/medium businesses that is targeted to SCE’s Base rate; if the SCE Base rate changes, so may CPA’s rate. The policy also ensures that customers are offered at least one energy option tier that is discounted from the SCE Base rate. Table 2 summarizes the FY 2025-26 rates for residential and small/medium businesses for joining jurisdictions.

Table 2: CPA New Member FY 2025-26 Rate Policy, Residential and Small Business

	SCE	Clean Power Alliance		
	Base	Lean	Clean	Green
Discount/Premium to SCE Base Rate	-	-1.0%	0.0%	+5.0%
Projected Avg. Total Monthly Bill – Residential	\$193	\$191	\$193	\$202
Projected Avg. Total Monthly Bill – Small Business	\$275	\$272	\$275	\$289

The Board also adopted a FY 2025-26 rate policy in December 2024 for medium/large commercial, industrial, and streetlighting rates, which set the rate at the existing bill comparison level, however, the CPA Board may revisit the policy during the upcoming FY 2025-26 rate setting process based on updated cost of service and competitive analysis. Table 3 summarizes the FY 2025-26 rate policy for medium/large commercial, industrial, and streetlighting rates.

Table 3: CPA New Member FY 2025-26 Rate Policy, Medium/Large Commercial, Industrial, and Streetlighting

	Clean Power Alliance		
	Lean	Clean	Green
Medium/Large Commercial	+2.3%	+3.4%	+8.7%
Industrial	+2.3%	+3.4%	+8.8%
Lighting and Traffic Control	+19.2%	+20.4%	+26.7%

Outreach

Clean Power Alliance has standard outreach practices for onboarding new jurisdictions, including sending two (2) mailers to all customers beginning 60 days before the scheduled transition of service, as well as bill inserts with the first two (2) SCE bills after the transition of service. Administration department staff have also developed a public outreach plan (Attachment 3) to begin outreach before CPA’s scheduled mailers. Many of these efforts, including presentations and town halls, are supported and attended by CPA staff, availability permitting.

FISCAL IMPACT:

The City has electricity accounts that fall in the small commercial, medium/large commercial, and streetlighting rate tiers that will automatically transition to the primary energy option selected by the City Council unless the City Council votes to opt out or select a different energy option for City accounts. Table 4 presents an estimated annual fiscal impact to the City’s electricity accounts based on FY 2023-24 SCE billings.

Table 4: Estimated Annual Fiscal Impact on City Electricity Accounts

	Clean Power Alliance		
	Lean	Clean	Green
Small Commercial	(\$170)	\$0	\$850
Medium/Large Commercial	\$2,650	\$3,900	\$10,000
Lighting & Traffic Control	\$9,990	\$10,610	\$13,890
Estimated Annual Fiscal Impact (\$)	\$12,470	\$14,510	\$24,740
Estimated Annual Fiscal Impact (%)	6.8%	7.9%	13.4%

NEXT STEPS:

Upon appointment, the city's appointed director can begin attending CPA Board meetings. FY 2025-26 budget discussions are anticipated to begin in April.

OPTIONS:

1. Motion to: (i) Appoint Primary and Secondary Representatives to the Clean Power Alliance Board of Directors; (ii) Provide Direction to Staff on Selection of the Primary Energy Option for the Community; and (iii) Provide Direction to Staff on Selection of the Primary Energy Option for City Electricity Accounts; or
2. Defer and provide further direction to staff

RECOMMENDATION:

Option No. 1 – It is recommended that the City Council take the following action(s): (i) Appoint Primary and Secondary Representatives to the Clean Power Alliance Board of Directors; (ii) Provide Direction to Staff on Selection of the Primary Energy Option for the Community; and (iii) Provide Direction to Staff on Selection of the Primary Energy Option for City Electricity Accounts

ATTACHMENTS:

1. Staff Report, City Council, April 16, 2024
2. Staff Report, City Council, November 7, 2023 (Attachments not included)
3. Draft Public Outreach Plan for the Transition of Electricity Generation Services from SCE to CPA



CM Review: DJ
 Fiscal Review: AK

CITY COUNCIL AGENDA REPORT

MEETING DATE: April 16, 2024

SUBJECT: CPUC Acceptance of Clean Power Alliance Implementation Plan Addendum Adding La Cañada Flintridge to its Service Territory

PRESENTER: Patrick V. DeChellis, Director of Public Works

BY: Jeannette Klein, Management Analyst

PROPOSED ACTION: Receive and File CPUC Acceptance of Clean Power Alliance Implementation Plan Addendum Adding La Cañada Flintridge to its Service Territory

ENVIRONMENTAL IMPACT: An estimated reduction of greenhouse gas emissions up to 123 million pounds per year, depending on the preferred energy option selected by the City

FISCAL IMPACT: None

BACKGROUND:

At its regular meeting on November 21, 2023, the City Council approved the City's membership in Clean Power Alliance of Southern California (CPA). Subsequently, the CPA Board of Directors approved the City's membership at their December 7, 2023, Board meeting, and on December 18, 2023, CPA submitted an Implementation Plan Addendum to the California Public Utilities Commission (CPUC) for approval to add La Cañada Flintridge to its service territory.

On March 20, 2024, CPA informed the City that the CPUC approved CPA's Implementation Plan Addendum, with the transition of service to occur October 1, 2025, or later.

DISCUSSION/ANALYSIS:

Staff held a Townhall event on January 23, 2023, to begin the process of informing residents about the anticipated transition of electricity generation services from Southern California Edison (SCE) to CPA and to answer questions. CPA representative

Dalia Gomez addressed topics including Community Choice Aggregation, rates, and rooftop solar.

Staff will continue outreach efforts throughout the year-and-a-half leadup to the transition of service. Staff is scheduled to make a presentation to the LCF Chamber of Commerce Board of Directors Meeting in April and scheduled two additional Townhall events on Tuesday, May 14 at 6:00pm, and Tuesday, June 11 at 6:00pm. An informational article was included in the Winter LCF Vista, and a dedicated webpage on the City's website has been created. CPA will also ramp up their outreach efforts in Spring 2025, including presentations to community groups and informational mailers.

NEXT STEPS:

The City Council should appoint an elected representative to the CPA Board of Directors and must select a preferred energy option for the City from three rate options: Lean (40% clean energy), Clean (50% renewable energy), and Green (100% renewable energy). CPA recommends these selections be made by March 2025; staff will return to Council in Fall 2024 to get further direction on these selections and with updates on outreach efforts.

OPTIONS:

1. Receive and File CPUC Acceptance of Clean Power Alliance Implementation Plan Addendum Adding La Cañada Flintridge to its Service Territory
2. Decline/Defer and provide direction to staff

RECOMMENDATION:

Option No. 1 – It is recommended that the City Council take the following action(s): Receive and File CPUC Acceptance of Clean Power Alliance Implementation Plan Addendum Adding La Cañada Flintridge to its Service Territory

ATTACHMENTS:

None



CM Review: DJ
 Fiscal Review: AK

CITY COUNCIL AGENDA REPORT

MEETING DATE:	November 7, 2023
SUBJECT:	First Reading and Introduction of Ordinance, Approving the City's Membership in Clean Powers Alliance of Southern California
PRESENTER:	Patrick V. DeChellis, Director of Public Works
BY:	Jeannette Klein, Management Analyst
PROPOSED ACTION:	Motion to: (i) Direct the City Attorney to read the title of the attached ordinance, waive further reading, and introduce the ordinance on a roll call vote; (ii) Authorize implementation of a Community Choice Aggregation program; and (ii) Approve the City's membership in Clean Power Alliance of Southern California, a Joint Powers Authority
ENVIRONMENTAL IMPACT:	An estimated reduction of greenhouse gas emissions up to 123 million pounds per year, depending on the default rate selected
FISCAL IMPACT:	Should the City opt in as a Clean Power Alliance customer, the impact to electricity costs is estimated to be +/- 5%. The City also receives a Franchise Fee from SCE; implementing Community Choice Aggregation is not expected to impact the Franchise Fee

BACKGROUND:

In 2017, the City Council received a staff report on the implementation of Community Choice Aggregation (CCA) for the City, a California Public Utilities Commission (CPUC) program, that allows cities, counties, and Joint Power Authorities (JPA) to procure electricity for individual customers within a defined jurisdiction. Due to a tight timeline and uncertainty surrounding the program at the time, the City Council declined to join a newly forming CCA led by LA County and other local jurisdictions.

At the request of the City Council, staff returned with an update on implementing a CCA program in December 2022. Following subsequent presentations from Southern California Edison (SCE) and Clean Power Alliance (CPA), the City Council directed staff at the June 6, 2023, City Council meeting to take the initial step of seeking membership with CPA. CPA is the same JPA that the City Council considered joining in 2017; today, it serves over 3,000,000 customers in 35 communities throughout Los Angeles and Ventura Counties. It is the fifth largest electricity provider in the state and has the most customers in the nation receiving 100% renewable energy.

The initial step for CPA membership was an Applicant Impact Study—an analysis performed by CPA on the impact of the City's potential membership on existing members. The Study was favorable

for the City, and, on October 5, 2023, the CPA Board voted to invite La Cañada Flintridge to join as a member.

DISCUSSION/ANALYSIS:

CPA offers three tier rates defined by the amount of renewable energy in the portfolio tier: Lean (40% renewable), Clean (50% renewable), and Green (100% renewable). The City Council will be responsible for establishing the default rate for the City for all customers to be automatically enrolled; all customers will have the option to select their desired renewable energy tier or to opt out of the program.

One of the foundational goals of the 2023 Draft Climate Action and Adaptation Plan (CAAP) is transitioning to 100% renewable energy by 2050; membership in Clean Power Alliance is identified as a "Top 10 Biggest Bang for Your Buck" key strategy for reaching this foundational goal. Additionally, CPA has estimated a greenhouse gas emissions reduction of up to 123 million pounds per year in 2025 (the earliest start of service), advancing the City's goals towards 2035 GHG emissions reduction targets.

Should the City opt in as a CPA customer, the financial impact on the City's electricity costs will ultimately be determined by the renewable tier rate selected. While there are no rate guarantees, CPA's monthly rates, inclusive of SCE delivery charges, averaged +/- 5% of SCE's rates over the last three years, depending on the tier rate.

Additionally, the City receives an annual franchise fee from SCE that has averaged \$481,959 per year over the previous three calendar years. Implementing a CCA program is not expected to impact the amount of the fee to be paid by SCE; the California legislature has enacted statutory provisions intended to protect municipal revenues that were affected by unbundling electricity generation from delivery.

Finally, if the City decides to withdraw from CPA after CPA has procured electricity for City residents, CPA must make a good faith effort to sell electricity procured on behalf of the City that will not be used. Please note that the City will remain responsible for paying for any unsold portion of the liability.

Next Steps

The final steps for CPA membership require the City, by November 30, 2023, to (1) pass an Ordinance implementing a CCA program as required by CPUC §366.2(c)(12), and (2) execute the attached JPA Agreement. The CPA Board will then vote at its December 7, 2023, meeting to approve filing an Implementation Plan Addendum with the CPUC by December 31, 2023, to expand service to La Cañada Flintridge with service starting in 2025.

Notably, the anticipated start of service in 2025 may be delayed to 2026 or later due to recent regulatory changes. In July of this year, CPUC restricted the expansion of CCAs based on Resource Allocation requirements. CPA staff reports that they are fully compliant on all Resource Allocation filings. Should the CPUC not accept CPA's Implementation Plan Addendum or delays the start of service to later than 2025, the City may rescind the Ordinance on or before November 1, 2024, without being subject to the withdrawal provisions of the JPA Agreement.

Upon CPUC's approval of CPA's Implementation Plan Addendum, staff will begin working with CPA to notify all residents and businesses of the change. If the start of service is delayed past 2025, staff will return to the Council with an update at that time.

Prior to the start of service, the City Council must (1) select a default renewable energy tier rate for the City, and (2) appoint a City Councilmember to represent the City on CPA's Board of Directors, plus up to two alternates. City representation on the CPA Board of Directors may begin once CPUC accepts CPA's Implementation Plan Addendum.

OPTIONS:

1. (i) Direct the City Attorney to read the title of the attached ordinance, waive further reading, and introduce the ordinance on a roll call vote; (ii) Authorize implementation of a Community Choice Aggregation program; and (ii) Approve the City's membership in Clean Power Alliance of Southern California, a Joint Powers Authority

2. Defer action and provide direction to staff

RECOMMENDATION:

Option No. 1 – It is recommended that the City Council take the following action(s): (i) Direct the City Attorney to read the title of the attached ordinance, waive further reading, and introduce the ordinance on a roll call vote; (ii) Authorize implementation of a Community Choice Aggregation program; and (ii) Approve the City's membership in Clean Power Alliance of Southern California, a Joint Powers Authority

ATTACHMENTS:

1. Ordinance
2. Clean Power Alliance Joint Powers Authority Agreement
3. Staff Report, June 6, 2023

CITY OF LA CAÑADA FLINTRIDGE

DRAFT PUBLIC OUTREACH PLAN

Clean Power Alliance

GOAL

The City of La Cañada Flintridge has selected Clean Power Alliance (CPA) as our new electricity provider. Starting October 2025, home and/or businesses will automatically receive clean, competitively priced energy from CPA. This outreach plan aims to inform residents and businesses of the upcoming changes, how to learn more, and how to opt out.

AUDIENCE

Location: Citywide

Target Audience: Residents and Business in La Cañada Flintridge

MESSAGING

1. How does it work?
 - a. In October 2025 residents and businesses will automatically begin receiving electricity purchased by CPA
 - b. Southern California Edison (SCE) will continue to deliver this electricity from CPA to residents and businesses, with billing coming from SCE
 - c. CPA is not an extra charge on the SCE bill, it replaces the previous generation charge from SCE
2. What are my choices?
 - a. Residents and businesses will automatically be enrolled in the energy tier selected by the City Council
 - b. Residents and businesses can also choose to select the other energy tiers directly through CPA starting August 2025
 - c. Residents and businesses can also choose to opt out and stay with SCE by contacting CPA
3. What will it cost for residents and small businesses?
 - a. In August 2025, CPA will have a comparison tool on their website which will calculate the savings for the different renewable energy tier options
4. Learn more about CPA by visiting their website or by calling their customer service team beginning in August 2025
5. Learn more by attending the City hosted town halls



CITY OF LA CANADA FLINTRIDGE

DRAFT PUBLIC OUTREACH PLAN

Clean Power Alliance

THE OUTREACH PLAN SCHEDULE

March	- Article in the LCF Vista and Monthly E-Newsletter
April	- Article in the Monthly E-Newsletter
May	- CPA presentation to the Public Works and Traffic Commission - Presentations to Auxiliary Groups - Article in the LCF Vista and Monthly E-Newsletter
June	- Ad in the Outlook and social media posts - Article in the LCF Vista and Monthly E-Newsletter
July	- Presentations to Auxiliary Groups - Ad in the Outlook and social media posts - Town Hall hosted by the City - Article in the Monthly E-Newsletter
August	- Presentations to Auxiliary Groups - Ad in the Outlook and social media posts - 1st notice sent from CPA via mailer - Town Hall hosted by the City - Article in the Monthly E-Newsletter - CPA booth at the Farmers Market
September	- Ad in the Outlook and social media posts - 2nd notice sent from CPA via mailer - Town Hall hosted by the City - Article in the Monthly E-Newsletter - CPA booth at the Farmers Market
October	- Transition to CPA energy generation services - Article in the Monthly E-Newsletter
November	- CPA mailer
December	- CPA presentation to City Council on enrollment update - CPA mailer

