



CITY OF HUNTINGTON BEACH
CITY COUNCIL MEETING – COUNCIL MEMBER ITEMS REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: GRACEY VAN DER MARK, MAYOR PRO TEM
CASEY MCKEON, CITY COUNCILMEMBER

DATE: DECEMBER 20, 2022

SUBJECT: REQUEST TO SWITCH THE CITY OF HUNTINGTON BEACH’S (THE ORGANIZATION) OCPA ENERGY RATE TO BASIC CHOICE AND PROVIDE RECOMMENDATIONS TO WITHDRAW AS A FOUNDING MEMBER OF THE OCPA

In December 2020, the City of Huntington Beach was entered into the Orange County Power Authority (OCPA) as a founding member. The OCPA is a joint powers authority with three other founding members including the cities of Irvine, Buena Park, and Fullerton.

The City Council, in February 2022, approved the 100% Renewable Choice energy rate as the default rate for Huntington Beach customers, including the City. This rate is the most ambitious and aggressive plan that has the potential to impose a substantial financial burden on our residents in their purchase of energy.

Since the City of Huntington Beach pays the highest rates from OCPA, it is irresponsible to the taxpayer to spend more money than is necessary for a product of service. In all other contracts with our City, the lowest responsible bid is chosen. In this case the highest rates were chosen, yet the power comes from the same source as the lowest rate. This highly ambitious energy-pricing plan for residents, in light of the questionable return on investment, should be corrected by the City Council in order to protect residents. As such, the City should switch its default rate for City facilities from 100% Renewable Choice to Basic Choice, the lowest rate that is also most comparable to the current SCE default rate.

RECOMMENDED ACTION

We request the City Manager to present options at the next City Council meeting on the City's pursuit to immediately switch the City of Huntington Beach facilities to OCPA's Basic Choice Option. We also request for staff to return at a study session before the end of February 2023 to provide options, costs and paths forward to remove/withdraw the City entirely from the Orange County Power Authority.