

Moore, Tania

From: Linda K <lkteamtalk@gmail.com>
Sent: Tuesday, January 17, 2023 1:56 PM
To: supplementalcomm@surfcity-hb.org; CITY COUNCIL
Subject: Item 19: Please keep OCPA and continue to give energy choice to HB residents and clean energy options to everyone

To the City Council,

Thank you for supporting healthy outdoor recreation as Orange County's #1 Surf and Beach City!

Please continue to show leadership in sustainability and support energy choice and independence for Huntington Beach residents.

There has never been a choice with our utilities.

It's either Opt-in to SCE or have no electricity at all.

I urge you to delay your decision to make changes to your OCPA accounts.

Community Choice Energy is the only program that brings revenue back to customers rather than sending it to utility investors.

OCPA is a local Joint Power Authority (JPA).

Huntington Beach already enjoys local control with waste management and water districts.

JPA's include our OC Vector Control as well as our OC Fire Authority.

Energy independence can't happen when monopolies are in charge.

Despite what you might hear in the media, OCPA is doing well financially.

OCPA has a "strong" financial standing by one of the top CCA auditors in California.

CalCCA, the member organization representing CCAs in California, published it, here:

<https://cal-cca.org/independent-auditor-issued-a-clean-audit-opinion-on-material-accuracy-of-orange-county-power-authoritys-financial-statements-and-identified-no-material-weakness-in-internal-control/>

All expenses to operate OCPA are paid by the revenue from ratepayers (typically going to SCE investors). Because of its non-profit status, the extra revenue must go back into the communities (after reserves are met in the first few years).

The new rate in January 2023 will be 2% lower (for generation charge) than the SCE rate, and the rate is also dropping at the higher renewable levels.

SCE's PCIA charge brings the rate savings to .8%. This PCIA charge will go down every year.

Here is a screenshot from this morning's OCPA Board Meeting at which the OCPA 2023 rate schedule was approved.

**SUPPLEMENTAL
COMMUNICATION**

Meeting Date: 1/17/2023

Agenda Item No.: #19(23-042)

ATTACHMENT B

Basic Choice				
Charge Type	OCPA	SCE	Difference (\$)	Difference (%)
Equivalent Generation Charge**	\$55.53	\$56.66	(\$1.13)	-2.0%
SCE Generation Surcharges	\$6.74	\$6.74	\$0.00	0.0%
SCE Delivery Costs	\$72.08	\$72.08	\$0.00	0.0%
Total Bill	\$134.35	\$135.48	(\$1.13)	-0.8%

Smart Choice				
Charge Type	OCPA	SCE	Difference (\$)	Difference (%)
Equivalent Generation Charge**	\$59.78	\$56.66	\$3.12	5.3%
SCE Generation Surcharges	\$6.74	\$6.74	\$0.00	0.0%
SCE Delivery Costs	\$72.08	\$72.08	\$0.00	0.0%
Total Bill	\$138.60	\$135.48	\$3.12	2.3%

100% Renewable Energy Choice				
Charge Type	OCPA	SCE	Difference	Difference (%)
Equivalent Generation Charge**	\$61.91	\$56.66	\$5.24	9.3%
SCE Generation Surcharges	\$6.74	\$6.74	\$0.00	0.0%
SCE Delivery Costs	\$72.08	\$72.08	\$0.00	0.0%
Total Bill	\$140.72	\$135.48	\$5.24	3.9%

**SCE Equivalent Generation Charge calculated as SCE generation rate less generation surcharges applicable to OCPA customers.

In the [December 2022 OCPA Board Meeting](https://www.ocpower.org/wp-content/uploads/2022/12/December-13-2022-OCPA-Board-Agenda.pdf), the following financial strengths were shared, (page 54 to 56):

- OCPA is predicted to have reserves at \$53.2 million by December 31, 2023, at the current Opt-Out rate, (even though the Opt-Out rate is lower than expected).
- OCPA is expected to reach investment credit rating 3 years after launch in 2025.
- OCPA reported that adopting the recommended 2023 rate design will increase OCPA's projected reserves by approximately \$19.5 million for FY2022/23.
- OCPA has paid all start-up debt payments to The City of Irvine on time or ahead of time.

Also on page 54 of this December 2022 OCPA Board Meeting is an explanation in part of the SCE Rate increase approved for 2023 of 24% to correct for undercharging in 2022,

"Several factors led to an increase in SCE generation rates. SCE rates were set too low in 2021 and 2022, resulting in an under-collection. SCE increased rates in 2022 to recover \$777 million of under-collection and will still need to recover an additional \$970 million via their 2023 rate increases"

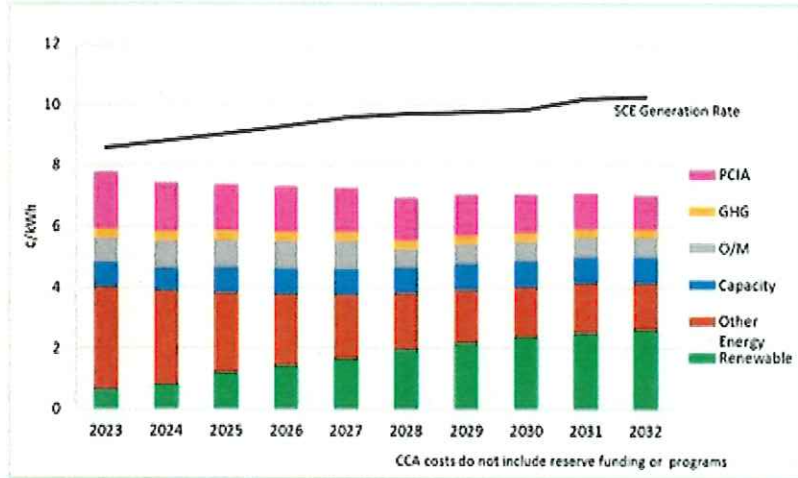
This slide from the well respected MRW consulting company, showed the trends of CCAs to have increasingly better rates compared to IOUs over time.

After initial start-up, rates decrease over time.

Competitive rates has always been the goal:

Projected Cost: CCE vs. SCE

Figure ES-3. Average Lake Forest CCA Cost Projection versus SCE Generation Rate



Source:
City of Lake Forest
CCA feasibility study by
MRW & Associates
Feb. 2021

Please also delay the decision to move to the Basic rate.

Huntington Beach has a legacy of strong sustainability and protecting its beaches.

The vast majority of member cities model this easy choice to keep it's operations 100% clean and unlike other programs, there is no implementation costs.

There is no real Green Choice with the utilities.

The utilities historically offer a tiny % of customers an expanded green/renewables program.

In 2021, out of roughly 5 million SCE customers, a mere 2,452 customers were allowed on the Green Tariff program,

[filing to the PUC:](#)

<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M459/K669/459669929.PDF>

Other reasons to maintain utility choice.

SCE and the other utilities spent over 40 million dollars in recent years lobbying for a California solar tax and a 75% drop in credit for sharing extra solar to the Grid! The CPUC just voted for the 75% cut on December 15th. Community Choice agencies are not subject to the CPUC rules.

OCPA currently gives back 10% more to solar customers than SCE.

Regarding trust of renewable energy content:

Every year, we will see a Power Content Label for all utilities, including OCPA and SCE.

SCE's current Power Content label for 2021 is 31.4% Renewables and 9.2% nuclear.

Many residents in Huntington Beach don't have the luxury of owning a home or putting solar on their roofs.

I hope you'll continue to allow them the option of choosing 100% clean energy for the price of a cup of coffee (\$5.24 for the average residential bill).

You can see all 2021 Power Content Labels here:

<https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure/power-content-label>

Our group has over 300 members in Orange County and a large number in Huntington Beach. We support sensible ways to keep our air and environment clean.

If I can be of any assistance in providing any further helpful information, please let me know.

Thank you,

Linda Kraemer, M.S.

Chapter Chair

The Climate Reality Project: Orange County, CA Chapter

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