





CITY OF HUNTINGTON BEACH

City Council Interoffice Communication

To: Honorable Mayor and City Council Members

From: Barbara Delgleize, City Council Member 
Kim Carr, City Council Member 

Date: July 23, 2019

Subject: CITY COUNCIL MEMBER ITEM FOR THE AUGUST 5, 2019, CITY COUNCIL MEETING – COMMUNITY CHOICE ENERGY FEASIBILITY STUDY

STATEMENT OF ISSUE:

The concept of community choice aggregation (CCA) has gained a lot of momentum since the enactment of California's CCA enabling legislation - Assembly Bill 117 (Chapter 838, Statutes of 2002). Under the CCA model (also known as a community choice energy model), cities and counties buy and/or generate electricity for local government, residents, and businesses and make key decisions about rates, what types of electricity to purchase, and which programs to offer customers. Though reducing electricity costs for residents, businesses, and the City are initial drivers, many cities are now also looking at it as a means of economic opportunity and job creation for their communities. Currently there are 19 operational CCAs in California (nearly 4 million customer accounts¹) with 9 more set to launch in 2020. Additionally, 12 cities and 7 counties are currently in the exploratory phase.

In August of 2017, then Mayor Barbara Delgleize was authorized by City Council to sign a Non-Disclosure Agreement with Southern California Edison (SCE) so that the City could obtain customer class energy usage data to analyze and conduct a Community Choice Energy (CCE) feasibility study to see if a CCE would be economically feasible for the city's customers (residential, industrial, governmental, and commercial). At that time, the Public Works Department issued a Request for Qualifications and firms submitted proposals, but the effort did not proceed from there. This Council Member Item requests that the Study be completed and the analysis reported back to the City Council, as it would be prudent for the City to at least study the feasibility of a CCE. A study that in no way means the City would leave the electric utility and form its own CCE but the City Council should at least be presented with the pros and cons.

RECOMMENDED ACTION:

Direct the City Manager and the Public Works Director to complete a Community Choice Energy Feasibility Study and report back to the City Council within six (6) months.

xc: Dave Kiff, Interim City Manager
Travis Hopkins, Interim Assistant City Manager
Robin Estanislau, City Clerk
Michael Gates, City Attorney

¹ <https://cal-cca.org/cca-impact/#toggle-id-11-closed>