



Long Beach Water

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Board of Water Commissioners

May 26, 2022

CHRISTOPHER J. GARNER, General Manager

Subject

Authorize the General Manager to enroll the Water Department in the Southern California Edison Green Rate Program.

Executive Summary

City and Water Department staff have partnered with key members of the Southern California Edison (SCE) Strategic Planning Team to create a Clean Energy Pathways Partnership. The objective of this partnership is to implement a framework that identifies, prioritizes, and efficiently executes sustainable, affordable, and reliable energy improvement opportunities using existing and future resources of the City and SCE organizations. One component is the Clean Energy Transition, whose goal is to increase public awareness and participation in existing SCE clean energy programs to bring real, tangible benefits to the community and further its sustainability efforts while reducing costs to ratepayers.

SCE's Green Rate Program gives customers an opportunity to purchase renewable energy directly through SCE, usually at a price premium. Participation in the Green Rate helps support local solar power, reduces greenhouse gas emissions associated with electricity, and helps play a key role in creating a cleaner, healthier environment.

Under the Green Rate Program, SCE will purchase, on the Department's behalf, solar energy from independently-owned solar farms in California. This is a voluntary program with the Water Department having the option to request SCE purchase green power for either 50% or 100% of Departmental energy usage. If the Department opts for the 50% green rate option, the other 50% of the Department's needs would be met with energy from SCE's standard portfolio of energy.

Green energy cost premiums are normally estimated to be approximately 7-12% higher than default power rates, depending on the percentage of green power chosen. There is no contract or timeframe requirement, and customers can disenroll at any time without a penalty.

Recommendation

Authorize the General Manager to enroll the Water Department in the Southern California Edison Green Rate Program.

Fiscal Impact: Cost impacts will be determined by future power consumption and future green power rates. However, under the current Green Rate pricing, there is a temporary price anomaly that allows for a projection of no additional costs during FY 2022.

Because this program is voluntary, the Department could disenroll due to cost or budgetary constraints at any time. SCE will recalculate future rates annually. Estimated future Green Rate premiums ranging from 7-12% would translate to approximately \$44,000 - \$75,000 in additional expense annually. Staff will return to the Board once SCE establishes new Green Rate pricing. If the Board approves continuing with the Green Rate going forward, these amounts would be included in future budgets and financial projections.



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Assistant General Manager



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General Manager