



## Staff Report

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**TO:** Honorable Mayor and Members of the Town Council  
**FROM:** Sean Rabé, Town Manager  
**DATE:** October 13, 2020  
**RE:** Pioneer Community Energy Presentation on Possible Expansion

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### Recommendation

Staff recommends the Town Council receive a presentation from Pioneer Community Energy Executive Director Don Eckert regarding possible expansion of the agency into El Dorado County.

### Issue Statement and Discussion

Pioneer Community Energy is a Community Choice Aggregation Joint Powers Authority that provides a choice for purchasing energy and provides local control over rates and energy incentives. Pioneer also provides opportunities to utilize locally-generated power to meet customer electricity needs. The Town of Loomis, the cities of Colfax, Auburn, Rocklin and Lincoln, and the unincorporated areas of Placer County, are all members of Pioneer Community Energy.

The County of El Dorado and City of Placerville recently entered into discussions with Pioneer to join the Joint Powers Authority (JPA). According to Pioneer Executive Director Don Eckert, initial conversations revealed mutual interest to consider the County and City to join Pioneer's JPA and to begin receiving electricity service from Pioneer in 2022. The City and County and Pioneer agreed to explore the opportunity contingent upon a favorable impact assessment study.

According to Pioneer Staff report for the JPA's September 17, 2020 meeting, there are several reasons that expansion of Pioneer's service territory would be advantageous, including:

- Financial – Increased margins from the addition of more customers will result in strengthening Pioneer's balance sheet, achieve targeted levels of reserves, and help mitigate against rate increases.
- Power Supply – An increased electricity load to serve also leads to larger power procurement needs. The larger power procurement proposals will attract suppliers with better credit profiles and could lead to better pricing and access to more diverse power supply sources.
- Legislative & Regulatory – Through representing a larger service territory, Pioneer would improve its status with state legislators and the CPUC in representing its customers' interests. It also increases access to a greater pool of elected officials for Pioneer to promote its agenda and for support in response to adverse regulation.
- Power Supply Programs – One of Pioneer's goals is to invest in power supply programs that not only diversify the power supply portfolio but create jobs through locally sourced programs. The strengthening of Pioneer's financial position permits increases in this endeavor.

There are also several advantages for El Dorado County and Placerville, including:

- Time – By joining Pioneer, the time horizon to start enjoying the benefits of rate savings and local control is significantly reduced.
- Start-Up Capital – The County and the City would avoid much of the risk and start-up capital by joining an operational CCA as opposed to forming their own.
- Operations and Experience – By joining Pioneer, the County and City can step into a fully operational CCA program and leverage the knowledge of Board Directors, staff and consultants compared to having to build or acquire those resources.

The Pioneer Staff report notes that there are specific criteria for Pioneer to consider any possible expansion. Those criteria include:

- Financial – Favorable results from the Impact Assessment Study to show that Pioneer's financial position is strengthened with expansion is critical.
- Strategic – Pioneer will only seek expansion candidates that share the same vision and goals set by the Board.

At this point, the Town is not being asked to approve any modifications to the JPA that established Pioneer. Upon favorable results of the Impact Assessment Study showing the expansion financially benefits all parties, further discussion and action to amend the JPA will be requested of the Council in November.

#### **CEQA Requirements**

There are no CEQA implications associated with the recommended action.

#### **Financial and/or Policy Implications**

There are no financial implications associated with the recommended action.

#### **Attachments**

None.