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City Manager's Report
January 23, 2024, City Council Meeting
Prepared by: Cleve Morris, City Manager
Item #: 7.8

Subject: Consider adoption of a resolution approving the second amended and restated joint exercise of powers agreement for Pioneer Community Energy.

Recommendation: Adopt a resolution approving the second amended and restated joint exercise of powers agreement for Pioneer Community Energy.

Purpose: To approve the Joint Powers Agreement with Pioneer Community Energy to amend the agreement to allow for more efficient operations and to provide the protections necessary for City and citizen participation.

Strategic Plan Strategy: Good Governance

2) Strategy – Set direction for the City reflective of the community's priorities

Background: Pioneer Community Energy ("Pioneer") is a Joint Powers Authority formed between the Counties of Placer and El Dorado, the Town of Loomis, and the Cities of Auburn, Colfax, Grass Valley, Lincoln, Nevada City, Placerville, and Rocklin. Pioneer is a Community Choice Aggregation Program ("CCA") authorized under Assembly Bill 117 (2002). The CCA provides local control over the electricity supply with a primary goal of providing stable and competitive electricity rates to the residents and businesses within its member jurisdictions. Pioneer purchases the electricity supply and PG&E transmits and delivers the power through PG&E's infrastructure (poles and wires). PG&E continues to own, operate, and maintain its distribution infrastructure. PG&E also continues to provide meter reading and billing services for Pioneer's customers.

On December 19, 2023, the City of Placerville received notice from Pioneer of a proposed vote to adopt a Second Amended and Restated Joint Powers Agreement (JPA). The majority of the proposed amendments to the JPA would clarify language and correct clerical errors. The primary substantive change would be to amend Section 19, Amendments, to streamline adoption of amendments to the JPA that do not directly impact the member agencies or change the nature of Pioneer or its powers.

Currently, notice of a proposed amendment must be sent to each member agency 30 days in advance of the Pioneer Governing Board's consideration of the amendment. A two-thirds majority of the Board is required to approve an amendment. Further, the amendment must be approved by separate resolution of each of the member agencies, and finally, notice must be provided to members after the amendment is final.

The proposed change would specify that only amendments to Section 4, Powers, and the addition of new member agencies would require member agency approval by resolution. Other amendments could be approved by the Pioneer Governing Board with a two-thirds vote, with notice provided to the member agencies 30 days prior and after the action. This is intended to allow amendments that are more internal in nature (affecting board membership, agency governance, etc.) to proceed with solely a two-thirds vote by the Pioneer Governing Board. That said, under the proposed process, the City would still be given notice and an opportunity to object to any proposed amendment.

Discussion: Councilmember David Yarbrough is the City's representative on the Pioneer Community Energy Board. In reviewing the proposed changes. Staff does not feel they will have a material impact on the operation of Pioneer Community Energy or on the City's participation.

The proposed changes are attached to this report for review.

Options:

1. Approve the resolution and Second Amended Agreement as presented.
2. Recommend changes to the agreement and ask Councilmember Yarbrough to present the proposed changes to the Pioneer Community Energy Board.
3. Request additional information to be brought back for consideration.

Environmental: This agreement does not qualify as a project under the California Environmental Quality Act (CEQA) and therefore no Environmental Statement is necessary.

Cost: None

Budget Impact: None



M. Cleve Morris, City Manager

Attachments:

- A. Resolution Approving the Second Amended and Restated Joint Powers Agreement for Pioneer Community Energy
- B. November 16, 2023 –Staff Report by Pioneer Community Energy on Proceeding with Adopting of Second Amended and Restated Joint Powers Agreement for Pioneer Community Energy
- C. Second Amended and Restated Agreement