

AGENDA

ORANGE COUNTY POWER AUTHORITY SPECIAL MEETING OF THE BOARD OF DIRECTORS

**Tuesday, July 30, 2024
10:00 a.m.**

This meeting will proceed as an in-person meeting at the **Travelers Building, 3333 Michelson Dr., Irvine, CA 92612 in the Palm Room** and at the **Whistler Public Library, 4329 Main Street, Whistler, BC, Canada, V8E 1B2**. In addition, as a convenience to the public, the Orange County Power Authority is also providing an option for members of the public to remotely view and participate in the meeting. Further details are below. Please note that, in the event of a technical issue causing a disruption in the remote participation option, the meeting may continue unless otherwise required by law.

Note: Any member of the public may provide comments to the Orange County Power Authority Board of Directors on any agenda items by requesting to speak during Item 4. When providing comments to the Board, it is requested that you provide your name and city of residence for the record. Commenters are requested to address their comments to the Board as a whole through the Chair. Comments may be provided in the following manner:

To provide comments during the meeting, in-person attendees, please fill out the public speaker slip and provide it to the clerk at the beginning of the meeting. Before Item 4, the Chair or Clerk will ask members of the public to join the queue to provide public comment. The queue will remain open for a reasonable amount of time to allow members of the public sufficient time to request to speak and inform the Board of the number of speakers. After such time, the queue will be closed and the members of the public who have joined the queue to speak will be recognized at the appropriate time may speak. To join the queue on Zoom video conference by computer or mobile phone, use the “Raise Hand” feature. If joining the meeting using the Zoom dial-in number, you can raise your hand and join the queue by pressing *9. Members of the public will not be shown on video but will be able to speak when called upon.

Comments shall generally be limited to three minutes when speaking, provided that the Chair may equally reduce each speaker’s time to accommodate a large number of speakers or a large number of agenda items. If you have anything that you wish to be distributed to the Board, please provide it via comments@ocpower.org, who will distribute the information to the Members.

The public may participate using the following remote options:

ZOOM WEBINAR

Please click the link below to join the webinar:

[Launch Meeting - Zoom](#)

Dial-in: 1-669-900-6833

Webinar ID: 865 9485 5880

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

4. **PUBLIC COMMENTS ON AGENDA ITEMS ONLY**

Opportunity for members of the public to address the Board on any item on the agenda only.

5. **REGULAR CALENDAR**

The following items call for discussion or action by the Board of Directors. The Board may discuss and/or take action on any item listed below if the Board is so inclined.

1. **CITY OF FOUNTAIN VALLEY FEASIBILITY STUDY**

Recommended Action:

1. Review and file City of Fountain Valley ("City") Feasibility Study.
2. Direct OCPA staff to extend invitation to the City to join OCPA and work with the City in effectuating its membership, including satisfaction of all Joint Powers Agreement obligations and preparing an Implementation Plan Amendment for consideration by the Board of Directors at future meeting.

6. **ADJOURNMENT**

Compliance with the Americans with Disabilities Act

Board of Directors meetings comply with the protections and prohibitions of the Americans with Disabilities Act. Individuals with a disability who require a modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may contact 949-263-2612. Requests for disability-related modifications or accommodations require different lead times and should be provided at least 72-hours in advance of the public meeting.

Availability of Board Documents

Copies of the agenda and agenda packet are available at www.ocpower.org. Late-arriving documents related to a Board meeting item which are distributed to a majority of the Board prior to or during the Board meeting are available for public review as required by law. Public records, including agenda-related documents, can be requested electronically at clerk@ocpower.org or by mail to 15642 Sand Canyon Avenue, P.O. Box 54283, Irvine, CA 92619-4283. The documents may also be posted at the above website. Such public records are also available for inspection, by appointment, at 3349 Michelson Drive, Suite 200, Irvine, CA 92612. Please contact clerk@ocpower.org to arrange an appointment.

ORANGE COUNTY POWER AUTHORITY
Staff Report – Item 5.1

To: Orange County Power Authority Board of Directors

From: Joe Mosca, Chief Executive Officer

Subject: CITY OF FOUNTAIN VALLEY FEASIBILITY STUDY

Date: July 30, 2024

RECOMMENDATIONS

1. Review and file City of Fountain Valley (“City”) Feasibility Study.
2. Direct OCPA staff to extend invitation to the City to join OCPA and work with the City in effectuating its membership, including satisfaction of all Joint Powers Agreement obligations and preparing an Implementation Plan Amendment for consideration by the Board of Directors at future meeting.

BACKGROUND

The City of Fountain Valley (“City”) has expressed interest in being considered as a member of the Orange County Power Authority (“OCPA”). In November 2023, the City held its annual strategic planning meeting. At this meeting, the City Council discussed OCPA and directed City staff to include an item in the City’s strategic plan regarding exploring OCPA membership. Subsequently, the OCPA team met with City staff to provide further information on OCPA and to schedule a presentation to the City Council. On January 30, 2024, Joe Mosca, CEO, Tiffany Law, CFO, and members of the OCPA external affairs team presented to the Fountain Valley City Council about OCPA. At the end of the meeting, the City Council directed the City Manager to move forward with further exploring membership with OCPA and to execute a non-disclosure agreement with Southern California Edison Company (“SCE”) for OCPA to receive the City’s electric load data to develop a feasibility study.

Consistent with OCPA policy on the addition of new members, OCPA staff has evaluated the City’s interest and has determined that it has available internal resources to consider the City’s membership. OCPA staff has also acquired and analyzed the City’s load data and prepared a quantitative analysis consisting of a feasibility and impact study (“Study”) to explore the potential fiscal and operational impacts of adding the City as an OCPA member.

The Study assumes customer enrollment beginning in October 2026, consistent with California Public Utilities Commission rules for CCA expansion. It assumes 90% of customer accounts enrolled in Basic Choice and 10% enrolled in 100% Renewable Choice, with 10% of those residential and 5% of commercial customer accounts opting out, except for streetlight accounts. The Study projects revenue based on cost-of-service rates to meet revenue requirements. It also

assumes that approximately 18,500 new customer accounts in the City would be serviced by OCPA, translating to approximately 225,500 MWh of forecasted incremental annual consumption.

Based on the Study's assumptions, the outlook for the City joining OCPA is currently positive with a prospective launch in October 2026 that would result in a net positive result to OCPA. OCPA staff does note, though, that California energy markets are volatile with prices shifting quickly, and thus, the Study's results can change depending on the current market conditions at the time the City joins. In addition to the positive outlook, there are additional compelling reasons for the City to join OCPA. The City's load would increase membership in the agency, make further progress towards the agency's goals to increase renewable energy consumption and decrease GHG emissions in the region, and increase customer choice and local control.

OCPA staff recommends that the OCPA Board of Directors receive and file the Study and direct staff to formally extend an invitation for the City to join OCPA and work with the City on all aspects of its membership. Per the requirements of the JPA Agreement and Public Utilities Code, the City will need to adopt an ordinance implementing OCPA's CCA program within its City boundaries. The City will also need to adopt a resolution expressing its intent to join OCPA and approving the JPA Agreement. OCPA staff will prepare an Amended Implementation Plan for Board consideration at a public hearing anticipated to occur at the November 2024 meeting, which amended plan is required to be submitted to the California Public Utilities Commission for certification no later than December 31, 2024 for a City launch in 2026. Staff will also bring back an update to the Study at the time of the Amended Implementation Plan being considered to account for varying market conditions. As part of the City's membership, OCPA will need to provide at least 30 days' advance written notice to OCPA's Member agencies that the Board will be considering the City's membership. The notice must include all substantive documents necessary to meaningfully deliberate and consider the approval. The City's approval is subject to a two-thirds supermajority vote as required by the JPA Agreement.

FISCAL IMPACT

The Study finds that the addition of Fountain Valley as a member of OCPA will result in an estimated total revenue of \$21,800,587 in fiscal year 2026/27; \$38,308,087 in fiscal year 2027/28; \$33,012,849 in fiscal year 2028/29; and \$32,633,679 in fiscal year 2029/30. These additional revenue projects result in an estimated operating margin of \$4,577,877 in fiscal year 2026/27; \$6,309,723 in in fiscal year 2027/28; \$5,349,848 in fiscal year 2028/29; and \$5,131,812 in fiscal year 2029/30.

ATTACHMENTS

Attachment A – City of Fountain Valley Feasibility Study.

	FYE	2027	2028	2029	2030
I. Revenue					
Base Rate Revenue	\$	21,564,539	\$ 37,968,016	\$ 32,670,193	\$ 32,288,419
Product 2 Premium	\$	-	\$ -	\$ -	\$ -
Product 3 Premium	\$	236,048	\$ 340,071	\$ 342,656	\$ 345,260
Total Revenue	\$	21,800,587	\$ 38,308,087	\$ 33,012,849	\$ 32,633,679
II. Operating Expenses					
Power Supply	\$	16,505,210	\$ 31,010,114	\$ 26,737,070	\$ 26,576,776
Staff	\$	-	\$ -	\$ -	\$ -
Marketing and Customer Enrollment	\$	262,345	\$ 264,339	\$ 266,348	\$ 268,372
Other Operating Expenses	\$	-	\$ -	\$ -	\$ -
Data Management	\$	157,389	\$ 211,181	\$ 212,785	\$ 214,403
Service Fees	\$	25,250	\$ 33,879	\$ 34,137	\$ 34,396
Uncollectibles/Other	\$	272,507	\$ 478,851	\$ 412,661	\$ 407,921
Subtotal Operating Expenses	\$	17,222,700	\$ 31,998,364	\$ 27,663,001	\$ 27,501,867
Operating Margin	\$	4,577,887	\$ 6,309,723	\$ 5,349,848	\$ 5,131,812
IX. Retail Sales		157,366	226,714	228,437	230,173
Incremental Avg Rate (\$/MWh)	\$	138.53	\$ 168.97	\$ 144.52	\$ 141.78
Incremental Power Supply Cost (\$/MWh)	\$	104.88	\$ 136.78	\$ 117.04	\$ 115.46

Basic Choice 90%
100% Renewable 10%

	FYE	2027	2028	2029	2030
Base Cost Delta		8%	25%	6%	4%
Base Revenue Baseline	\$	19,958,665	\$ 30,480,891	\$ 30,712,546	\$ 30,945,962
Product 3 Rev Premium	\$	15.00			
Baseline Power Supply	\$	16,060,615	\$ 30,418,037	\$ 26,342,862	\$ 26,258,319
Product 3 Cost Premium	\$	28.25	\$ 26.12	\$ 17.26	\$ 13.84