



Ordinance Fact Sheet

DATE: September 19, 2011

TO: CITY COUNCIL

FROM: CITY ATTORNEY

SUBJECT: AN ORDINANCE OF THE CITY OF PASADENA, AMENDING SECTION 13.04.071, OF THE LIGHT AND POWER RATE ORDINANCE, CHAPTER 13.04, OF THE PASADENA MUNICIPAL CODE, TO EXTEND THE AUTHORITY OF THE GENERAL MANAGER OF THE WATER AND POWER DEPARTMENT TO IMPLEMENT EXPERIMENTAL ELECTRIC RATES

TITLE OF PROPOSED ORDINANCE:

AN ORDINANCE OF THE CITY OF PASADENA, AMENDING SECTION 13.04.071, OF THE LIGHT AND POWER RATE ORDINANCE, CHAPTER 13.04, OF THE PASADENA MUNICIPAL CODE, TO EXTEND THE AUTHORITY OF THE GENERAL MANAGER OF THE WATER AND POWER DEPARTMENT TO IMPLEMENT EXPERIMENTAL ELECTRIC RATES

PURPOSE OF THE ORDINANCE:

The City Council directed the preparation of this ordinance on August 1, 2011. The Pasadena Water and Power Department ("PWP"), has existing authority under Pasadena Municipal Code Section 13.04.071, to enter into temporary special rate agreements with selected Schedule M-1, Schedule M-2, Schedule L-1 and Schedule L-2, customers to experiment with load management and conservation. The purpose of this proposed ordinance is to expand this existing authority to all customers and permit PWP to also offer experimental rate schedules to achieve a broader diversity of goals.

Under the proposed ordinance, PWP will be able to enter into temporary special rate agreements and/or rate schedules in order to: (a) encourage experimentation in load management and conservation programs within customer premises and allow evaluation of load management's effect on the power system; (b) evaluate how best to accommodate the load impacts of new technologies on the power system; (c) experiment with

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electricity rates and the timing of customer payments for time-of-use meters and other interconnection facilities in order to incentivize customers to shift their electric usage from on-peak to off-peak hours when system costs are lower; and/or (d) reduce the power system's aggregate on-peak electricity demand.

REASONS WHY LEGISLATION IS NEEDED:

Section 1403, of the Pasadena City Charter requires that charges for electrical energy be prescribed by ordinance. An ordinance is also required in order to amend existing Section 13.04.071, of the Pasadena Municipal Code.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:

Utilizing the authority of the proposed ordinance, PWP may offer various types of load management and conservation programs, up to a maximum of three percent of total system energy sales. PWP will allocate to each customer group a percentage of the system energy sales based on that customer group's contribution. PWP electric customers who meet the program qualifications specified by PWP will be eligible to participate, provided that no individual participating customer may receive more than ten percent of the energy sales allocated to its customer group.

FISCAL IMPACT:

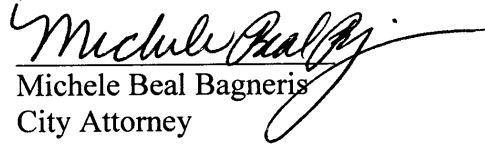
As reported in the Agenda Report dated August 1, 2011, the fiscal impact of the proposed ordinance will be minimal since the experimental rates can be cancelled at any time and will be designed to have little or no impact on net income to the Power Fund. Implementation of the program is not anticipated to have any indirect or support cost requirements. The impact upon other PWP operational programs or capital projects, if any, is also anticipated to be minimal.

POLICY CHANGES:

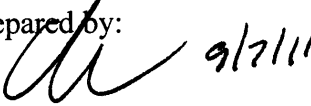
This proposed ordinance will increase conservation and sustainability, reduce the need to procure additional energy and promote energy efficiency. Since these goals are

consistent with the General Plan Energy Element and the City Council's Strategic Planning Goals, the proposed ordinance does not result in any policy changes.

Respectfully submitted,



Michele Beal Bagneris
City Attorney

Prepared by:

 9/2/11

Nicholas George Rodriguez
Chief Assistant City Attorney

Concurrence:



Michael J. Beck
City Manager

P.M.C. 13.04.071 Redline
September 19, 2011 Proposed Revisions

13.04.071 Special load management and conservation service.

~~A. PWP may enter into temporary special rate agreements with selected Schedule M-1, Schedule M-2, Schedule L-1, and Schedule L-2 customers where load management will result in operating efficiency benefits to PWP. The purpose of this rate agreement shall be to encourage experimentation in load management and conservation programs within customer premises and allow evaluation of load management's effect on the power system.~~

~~B. Said temporary rate agreements shall not exceed twelve months' duration. At that time PWP shall cancel the special rate or develop a class of service applicable to all like service.~~

A. Subject to the conditions set forth in this section, PWP may enter into temporary special rate agreements and/or rate schedules with qualifying customers in order to: encourage experimentation in load management and conservation programs within customer premises and allow evaluation of load management's effect on the power system; evaluate how best to accommodate the load impacts of new technologies on the power system; experiment with electricity rates and the timing of customer payments for time-of-use meters and other interconnection facilities in order to incentivize customers to shift their electric usage from on-peak to off-peak hours when system costs are lower; and/or reduce the power system's aggregate on-peak electricity demand.

B. PWP shall publish the temporary rate schedules listing the effective date, customer qualification requirements, and all relevant terms.

C. Customer shall make application to PWP to take service under any rates schedule offered under this section. All applications meeting the published requirements shall be accepted in the order of receipt by PWP, subject to the limitations in paragraph E of this section.

D. Said temporary special rate agreements and/or rate schedules may be cancelled by PWP at any time, on notice to the customer, but in no event shall be in effect for a period exceeding thirty-six (36) months.

E. The energy sales under this section shall be limited to three percent (3%) of the total system energy sales in megawatt-hours, as reported in PWP's most recent annual report. Each customer group shall be allocated a percentage of the energy sales based on the customer group's contribution to the total system energy sales. Each participating customer shall be limited to ten percent (10%) of the energy sales within its customer group.

Introduced by _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA, AMENDING SECTION 13.04.071, OF THE LIGHT AND POWER RATE ORDINANCE, CHAPTER 13.04, OF THE PASADENA MUNICIPAL CODE, TO EXTEND THE AUTHORITY OF THE GENERAL MANAGER OF THE WATER AND POWER DEPARTMENT TO IMPLEMENT EXPERIMENTAL ELECTRIC RATES

The People of the City of Pasadena ordain as follows:

SECTION 1. Title 13, Chapter 13.04, Section 13.04.071, of the Pasadena Municipal Code is hereby amended to read as follows:

"13.04.071 Special load management and conservation service.

- A.** Subject to the conditions set forth in this section, PWP may enter into temporary special rate agreements and/or rate schedules with qualifying customers in order to: encourage experimentation in load management and conservation programs within customer premises and allow evaluation of load management's effect on the power system; evaluate how best to accommodate the load impacts of new technologies on the power system; experiment with electricity rates and the timing of customer payments for time-of-use meters and other interconnection facilities in order to incentivize customers to shift their electric usage from on-peak to off-peak hours when system costs are lower; and/or reduce the power system's aggregate on-peak electricity demand.
- B.** PWP shall publish the temporary rate schedules listing the effective date, customer qualification requirements, and all relevant terms.
- C.** Customer shall make application to PWP to take service under any rates schedule offered under this section. All applications meeting the published requirements shall be accepted in the order of receipt by PWP, subject to the limitations in paragraph E of this section.
- D.** Said temporary special rate agreements and/or rate schedules may be cancelled by PWP, at any time, on notice to the customer, but in no event shall be in effect for a period exceeding thirty-six (36) months.
- E.** The energy sales under this section shall be limited to three percent (3%) of the total system energy sales in megawatt-hours, as reported in PWP's most recent annual report. Each customer group shall be allocated a percentage of the energy sales based on the customer group's contribution to the total system energy sales.

F. Each participating customer shall be limited to ten percent (10%) of the energy sales within its customer group.”

SECTION 3. This ordinance shall take effect upon its publication.

Signed and approved this _____ day of September, 2011.

William Bogaard
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council at its meeting held this _____ day of _____, 2011, by the following vote:

AYES:

NOES:

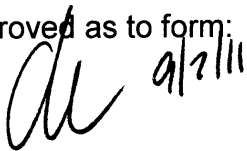
ABSENT:

ABSTAIN:

Date Published:

Mark Jomsky, CMC
CITY CLERK

Approved as to form:



Nicholas George Rodriguez
Chief Assistant City Attorney