

Introduced by _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE LIGHT AND POWER RATE ORDINANCE, TITLE 13, CHAPTER 13.04 OF THE PASADENA MUNICIPAL CODE TO ESTABLISH ECONOMIC DEVELOPMENT INCENTIVES FOR NEW COMMERCIAL CUSTOMERS OR EXPANDED SERVICES BY EXISTING CUSTOMERS UNDER SPECIFIED CONDITIONS.

The People of the City of Pasadena ordain as follows:

SECTION 1. This ordinance, due to its length and the corresponding costs of publication, will be published by title and summary as permitted by Section 508 of the Charter. The approved summary of this ordinance reads as follows:

"SUMMARY

The purpose of Ordinance No. _____ is to amend the Light and Power Rate Ordinance to add a new section which will authorize Pasadena Water and Power to establish economic development incentives for new commercial customers or expanded services by existing customers under specified conditions.

This ordinance shall take effect upon its publication."

SECTION 2. A new Section **13.04.073** is hereby added to Title 13, Chapter 13.04 of the Pasadena Municipal Code to read as follows:

"13.04.073 - Economic Development Rates

The rates and conditions of services hereunder shall be as provided by Schedule ED, as follows:

Schedule ED

Economic Development Rates for Medium and Large Commercial and Industrial Customers

A. Applicability.

1. The Economic Development Rate is available to new medium and large commercial and industrial customers that:
 - i. Have a 2012 North American Industry Classification System ("NAICS") code in one of the following categories: Construction (23), Manufacturing (31-33), Information (51), Scientific, Technical, and Professional Services (54), or restaurants (722511 or 722110);

- ii. Must upgrade the existing building and/or the electrical service interconnection thereto; and
 - iii. Are adding a minimum of 50 kW of projected electrical demand.
2. For existing medium and large commercial and industrial customers, the projected incremental demand must be a minimum of 50kW or 10% of existing demand, whichever is greater.
3. Customer shall make application to PWP to take service under this schedule. Such application shall indicate whether customer elects to take service under Section 13.04.073(C) (three year rate discount) or Section 13.04.073(D).
4. The City's Economic Development Manager will evaluate the applications to determine whether they meet the proposed business use criteria and the PWP General Manager shall determine whether the customer meets the electrical requirements and qualifies to take service under this Schedule ED.

B. Agreement.

Customers shall execute an economic development rate agreement as specified by PWP prior to the effective date of any discount.

C. Option 1 Rate Discount.

1. Except as provided herein, all rates charged will be in accordance with customer's otherwise applicable rate schedule as set forth in the applicable sections of this chapter.
2. The total of the unbundled electric service charges for the distribution, energy, and transmission service charges under the customer's otherwise applicable rate schedule on customer's electric bill associated with the new or incremental load shall be reduced by 20% in the first contract year, 10% in the second contract year; and, 5% in the third and final contract year.
3. For existing customers, the discount will be prorated to reflect only the incremental load that qualifies for the Economic Development Rate.
4. Customer shall compensate PWP for the full cost of electric service connection fees in accordance with Section X of Regulation 21 to qualify for the Rate Discount. Customer must remit 100% of the total estimated cost in advance of PWP performing the work.

D. Option 2 Discounted Interconnection Fees.

In lieu of the Rate Discount provided in section C, customer may choose to receive a discount on labor and materials on work performed by PWP to install a new or upgraded electric service connection in accordance with Section X of Regulation 21. The maximum discount for each customer would be \$200 per kilowatt of new or incremental load or \$100,000, whichever is less. Customer must remit the balance of the total estimated cost in advance of PWP performing the work.

E. Special Provisions

1. Customer shall comply with all applicable PWP rules and regulations, including without limitation, Regulation 21.

2. Customer must meet Economic Development Rate Qualifying Criteria as determined by the City's Economic Development Manager.
3. Discounts are limited to a maximum of \$100,000 per customer over the term of the agreement.
4. The Economic Development Rate will be offered to eligible customers on a first-come first-served basis for three years (from the rate effective date) or until cumulative estimated discounts reach \$1,000,000, whichever occurs first."

SECTION 3. This ordinance shall take effect upon its publication by title and summary.

Signed and approved this ____ day of April, 2016:

Terry Tornek
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 _____, 2016, by the following vote:

AYES:

NOES:

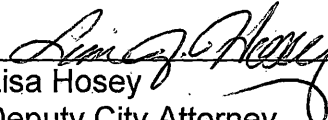
ABSENT:

ABSTAIN:

Date Published:

Mark Jomsky, CMC
CITY CLERK

Approved as to form:



Lisa Hosey
Deputy City Attorney