

Introduced by: _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA AMENDING TITLE 13, CHAPTER 13.04 OF THE PASADENA MUNICIPAL CODE, THE LIGHT AND POWER RATE ORDINANCE TO REMOVE DIRECT ACCESS AND RELATED TARIFFS AND TO AMEND LONG-TERM CONTRACT PROVISIONS

The People of the City of Pasadena ordain as follows:

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

“Summary

This proposed ordinance repeals and amends provisions of Title 13, Chapter 13.04 of the Pasadena Municipal Code, the Light and Power Rate Ordinance, to end Direct Access Service and related tariffs and update requirements for Long-term contracts for energy and energy related products and services. This proposed ordinance repeals Sections 13.04.095, 13.04.096, and 13.04.097 concerning Direct Access Service and amends Sections 13.04.170 and 13.04.173 to remove references to Direct Access Service. This proposed ordinance also amends Section 13.04.075 concerning Long-term contracts to update eligibility requirements and end prescriptive equity adjustments.

Ordinance No. _____ shall take effect upon publication.”

SECTION 2. Pasadena Municipal Code, Title 13, Chapter 13.04.075 - Long-term contracts is amended to read as follows:

“13.04.075 – Long-term contracts.

A. For the purposes of this section, certain terms used herein are defined as follows:

“Energy and energy-related products and services” means only the energy, products and services provided by the Department.

“Long-term contract” means a contract between the department and eligible customers for a minimum of five years pursuant to this section.

“Peak Demand” means the highest kW of measured maximum demand recorded in the last 12 months, including the current billing month at the time of application. Demand is determined to the nearest kW.

“Primary Voltage” means customers receiving electric service on the distribution system at 1.3kV.

“Sub-transmission voltage” means customers receiving electric service on the distribution system at 34.5kV.

“Transmission voltage” means customers receiving electric service on the transmission system at 69kV or greater.

B. Applicability.

1. PWP at the discretion of the General Manager may enter long-term contracts to provide energy and energy-related products and services.
2. Customers that receive electric service at primary, sub-transmission voltage, or transmission voltage and that have a Peak Demand equal to or greater than 10,000kW are eligible for long-term contracts. For new customers that do not have an existing load profile or consumption data establishing a Peak Demand equal to or greater than 10,000kW, PWP may accept, in the sole discretion of the General Manager, a customer-provided load profile as evidence of qualifying Peak Demand.
3. Customers must own and maintain customer equipment and infrastructure beyond PWP’s metering location.

C. Character of Service Furnished. 3 phase at applicable customer delivery voltage, 60 cycle alternating current service.

D. Metering of Demand. Demand meters for Long-term contracts will be adjusted to measure the maximum integrated demand over a 15-minute interval, or if the demand is of an intermittent character, PWP may adjust the meters to measure the demand during a shorter interval.

E. Rates. Long-term contract customers shall pay charges as applicable to the level of service(s) provided customers by PWP.”

SECTION 3. Pasadena Municipal Code, Title 13, Chapter 13.04 (the Light and Power Rate Ordinance), Sections 13.04.095 – Direct access service, 13.04.096 – Direct access transition charge, and 13.04.097 – Direct access service charge are repealed in their entirety.

SECTION 3. Pasadena Municipal Code, Title 13, Chapter 13.04 (the Light and Power Rate Ordinance), Section 13.04.170 – Transmission services charge, shall be amended to read as follows:

“Section 13.04.170 – Transmission services charge.

- A. The transmission services charge is designed to capture the transmission revenue requirement and net cost savings from joining participating transmission owner with California Independent System Operator as defined in subsection (C)(4) of this section and shall be based on actual data obtained from the city's accounting system, forecast data obtained from the annual operational plan approved by the city council, and updated forecast data prepared monthly by PWP.
- B. PWP shall calculate the TSC on a quarterly basis, and the revised value for this charge shall remain in effect for three months.
- C. For purposes of this section, the following definitions apply:

"Full service customers" means customers who choose PWP as their energy supplier.

"Net cost savings from being a participating transmission owner with California Independent System Operator (NCS PTO CAISO)" means all PTO revenues received from CAISO, including, but not limited to, PTO TRR, net firm transmission right (FTR) revenues, and high voltage wheeling revenues less all expenses paid to CAISO including, but not limited to, transmission access charges (TAC) and grid-management charges. NCS PTO CAISO shall be subject to an adjustment by CAISO transmission revenue balancing adjustment account.

"System energy sales" means the estimated total energy sales delivered to all customers.

"Transmission revenue requirement" means the sum of all costs related to the high-voltage transmission of energy, including, but not limited to, all transmission contracts, wheeling fees, pertinent labor and operating costs, associated general fund transfer, operating margin, debt service, and ISO access fees, less the sum of all wholesale revenues received in connection with the sale of any transmission entitlements.

- D. The transmission services charge shall be calculated quarterly as follows:

- 1. Commencing July 1, 2002, a separate transmission services charge fund (TSCF) account shall be maintained for balancing costs and revenues associated with high-voltage transmission and related services. Any transmission access charge fund (TACF) over collection or under collection existing on July 1, 2002 shall be deposited in the TSCF balance.
- 2. The TSCF account balance shall be calculated as the sum of actual revenues from the TSC less the actual TRR plus NCS PTO CAISO.

3. The transmission services charge shall be calculated based on the forecasts for the following twelve months for TRR, NCS PTO CAISO, system energy sales, and the TSCF balance as follows:

[TRR Forecast - NCS PTO CAISO Forecast - TSCF Balance]

[System Energy Sales Forecast]

4. The result of the formula shall be rounded to the nearest mill per kilowatt-hour. This shall be the transmission service charge to be implemented.
5. The transmission services charge for customers served under Schedules M-2 and L-2 or for service metered and delivered at 17kV or higher shall be reduced by \$ 0.00019 per kWh."

SECTION 4. Pasadena Municipal Code, Title 13, Chapter 13.04, Section

13.04.173 – Power cost adjustment is amended to read as follows:

"Section 13.04.173 – Power cost adjustment.

- A. Power Cost Adjustment (PCA) shall be added to the energy services charge set forth in the service schedules of this chapter. Each customer shall pay the applicable energy services charge plus a PCA for each kWh delivered to the customer.
- B. The PCA shall be based on actual data obtained from the city's accounting system, forecast data obtained from the annual operational plan approved by the City Council, and updated forecast data prepared monthly by PWP.
- C. PWP shall recalculate the PCA each month, and the resulting values for these charges shall be automatically implemented on the first day of the following month.
- D. For purposes of this section, the following definitions apply:
 1. "Energy Costs" means the sum of all costs related to the procurement and generation of energy for delivery to Full Service Customers, including, but not limited to, Power Production Costs and Purchased Power Costs, operating margin, debt service and the general fund transfer associated with these costs.
 2. "Energy Cost Forecast" means the forecast of projected Energy Costs for the twelve months immediately following the last actual billing period. This forecast shall be updated monthly by PWP.
 3. "Energy Services Charge Revenue Forecast" means the forecast of projected Energy Services Charge Revenue for the twelve months immediately following the last actual billing period. The energy services charge set forth in the schedules reflects the energy cost forecast as of July 1, 2002, based on the approved rate restructuring plan approved by the City Council adjusted to each customer group's load profile, and shall remain in effect until modified by Ordinance.

4. "Energy revenue credit" is a percentage of the Wholesale Net Income used to reduce the Energy Charge. The Energy Revenue Credit shall be applied when the Wholesale Net Income is greater than zero and shall be determined at least quarterly based on the actual accounting data as follows: (i) 75% of the Wholesale Net Income shall be applied as a credit; (ii) additional amounts may be authorized by Council Resolution.
 5. "Energy revenue forecast" means the forecast of projected Energy Revenue Credits for the twelve months immediately following the last actual billing period. This forecast shall be updated monthly by PWP.
 6. "Fuel costs" means the sum of the cost of fuel gas consumed, the cost of fuel oil consumed, and the cost of procuring, scheduling, testing and in-plant handling of that fuel gas and fuel oil. Fuel oil includes both residual fuel oil and distillate fuel oil.
 7. "Full service customers" shall mean customers who choose PWP as their energy supplier.
 8. "Full service energy sales forecast" means the forecast of projected energy sales (in kilowatt-hours) to Full Service Customers for the twelve months immediately following the last actual billing period. This forecast shall be updated monthly by PWP.
 9. "Power production costs" means the sum of all costs for the generation of electric energy at facilities owned and operated by PWP, including, but not limited to, Fuel Costs, labor, operating and maintenance expenses, materials, and emissions credits.
 10. "Purchased power costs" means the cost of energy and ancillary services, including, but not limited to, capacity and energy charges from third parties and all non-transmission charges charged by the California Independent System Operator (ISO).
 11. "System energy sales" means the estimated total energy sales delivered to all customers.
 12. "Wholesale net income" means the sum of revenues realized from wholesale energy and ancillary service sales, less the associated production cost and purchased power cost attributable to the wholesale sales.
- H. The PCA shall be added to the energy service charge set forth in the service schedules, and shall be calculated monthly as follows:
1. Commencing July 1, 2002, a separate Energy Services Charge Fund (ESCF) account shall be maintained for balancing costs, revenues, and credits associated with energy delivered to Full Service Customers. Any Energy Charge Fund over collection or under collection existing on July 1, 2002 shall be deposited in the ESCF balance.
 2. The ESCF account balance shall be calculated as the sum of actual revenues from the Energy Services Charge, the Energy Revenue Credit,

SECTION 7. This ordinance shall take effect upon publication.

Signed and approved this _____ day of _____, 2024.

Victor Gordo
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its meeting held this _____ day of _____ 2024, by the following vote:

AYES:

NOES:

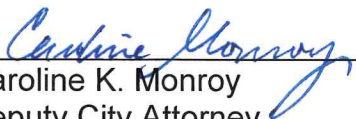
ABSENT:

ABSTAIN:

Date Published:

Mark Jomsky
City Clerk

Approved as to form:



Caroline K. Monroy
Deputy City Attorney