

**SOUTHERN CALIFORNIA  
PUBLIC POWER AUTHORITY**



**2018-19**  
ANNUAL REPORT

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# SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

## WHO WE ARE

Southern California Public Power Authority (SCPPA), is a joint powers authority, created in 1980, for the purpose of providing joint financing, construction, and operation of transmission and generation projects. Comprised of 11 municipal utilities and one irrigation district, SCPPA's members serve more than 5 million Californians (2 Million customers) across a service area of 7,000 square miles.

## WHAT WE DO

SCPPA members are leading the charge for new energy solutions. Each publicly-owned utility invests in a portfolio of traditional and renewable energy generation and efficiency projects to best meet the unique needs of the diverse communities they serve. Matching the reliability of traditional energy supplies with cost-competitive renewable options, public utilities ensure that even the most disadvantaged communities receive clean energy supplies at affordable rates.



## SCPPA'S 12 PUBLICLY OWNED UTILITIES ARE:

## COMMUNITY-OWNED, CUSTOMER DRIVEN

- Not-for-profit
- Locally-governed
- Accountable to communities
- Achieving and exceeding state renewable goals
- More affordable than investor-owned, for-profit utilities
- Achieving conservation and energy efficiency savings
- Committed to serving customers' long-term needs

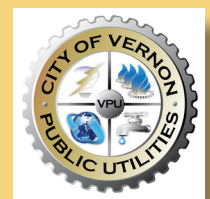
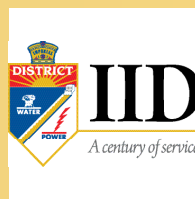
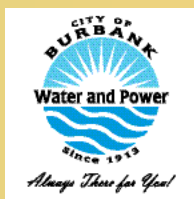
Through a constant evolution of science and technology and an unwavering commitment to innovation and progress, SCPPA members have powered communities and businesses across the region for more than a century. Today, the region's publicly owned utilities are pooling their resources and investing in energy supply projects throughout the western United States to build a cleaner, more reliable and affordable energy future for generations of Southern Californians.

## OUR VISION

The Southern California Public Power Authority will help our Members work together to power sustainable communities.

## OUR MISSION

SCPPA serves its Members by creating operational efficiencies and cost savings through joint procurement and financing of projects, value-added services, and collaborative advocacy.





**JORGE SOMOANO**  
SCPPA BOARD PRESIDENT

For many years now, the public utilities of Southern California have recognized we are on the cusp of change. We are integrating ever-larger amounts of renewable generation while encouraging and facilitating energy conservation. Our customers are increasingly engaged: on service levels, on electric rates, and on environmental attributes. At the same time, Community Choice Aggregators and distributed renewable energy resources are playing an expanded role in meeting end users' energy needs.

In this dynamic context, the SCPPA Board kicked off a very productive strategic planning effort in April. It was a timely opportunity to reframe our thinking about the changes we see in our customers and in our industry. We considered new and important questions across our businesses. For example, how can we support building and transportation electrification while reducing greenhouse gas (GHG) emissions? How can demand-side programs help align solar and other renewable energy resources with customer loads? How do we cost-effectively procure renewable energy and deliver it reliably to our customers?



# SCPPA BOARD PRESIDENT'S LETTER

More broadly, the strategic planning effort was an opportunity to revisit the Mission of SCPPA and to articulate our Vision and Values. The Strategic Plan gives us a way to codify and communicate who we are and where we're going. I am confident that the Plan has set SCPPA and its Members on a path to success in this new and dynamic era.

It was a true team effort. From the Board to the Working Groups and to SCPPA staff: I appreciate your engagement and contributions. The Strategic Plan reflects the deep experience in and intimate knowledge of our complex business of all involved. It also reflects the collaboration, sustainability, efficiencies, savings, and service that define SCPPA and its Members. We couldn't have done it without you.

This Annual Report, in turn, reflects that same approach: collaboration, sustainability, efficiencies, savings, and service. You'll also see that the Members are at the forefront of everything we do.

As SCPPA approaches 40 years of serving its Members, it's an opportunity to reflect on the successes of the past and prepare for the future. I'd like to thank the leadership and staff at SCPPA for another year of hard work. I know all the Board Members and our respective Member staffs recognize the immense value we get through our membership at SCPPA. I'd also like to thank the various Member staffs that engage with SCPPA and challenge everyone to look for new ways to benefit from joint action. We all look forward to another productive year ahead.

*-Gerge Somoano*

The Board of Directors set the direction for SCPPA over the next three to five years with the development of a comprehensive Strategic Plan. This plan has provided clear direction to SCPPA Staff and the Member Working Groups to align their goals and action items around five Strategic Priorities.

- Be trustworthy stewards of public funds through the responsible administration of financial and physical assets and obligations.
- Help Members thrive and excel for the long term by exploring technological and operational solutions to emerging industry challenges and opportunities.
- Champion decarbonization efforts for Member communities through collective projects, programs, and services to meet sustainability goals while maintaining reliability, low costs, and local control.
- Emphasize the unique needs of Member communities by facilitating proactive advocacy.
- Foster collaboration and professionalism for SCPPA and its Working Groups to maximize the value of SCPPA to its Members and the communities they serve.

I am proud to report we have already made progress on these strategic priorities. For example,

- SCPPA's annual meeting brought over 300 Member staff together to discuss important emerging issues that are impacting our utilities.
- Working Groups are communicating and collaborating between each other on issues of mutual interest. For example, SCPPA held a small targeted workshop to discuss lessons learned and best practices on energy storage technologies with several Working Groups participating.
- Our workforce development program continues to increase its value to the Members by increasing course offerings to train staff to better manage generation, transmission, and energy efficiency assets and programs.
- SCPPA Staff and the Finance Committee successfully refinanced the Southern Transmission System for a savings of nearly \$5 million over the remaining life of the bonds.
- SCPPA Staff are now responsible for managing 41 projects for the benefit of the Members.
- We awarded two new contracts for utility scale renewable energy and storage. One was for geothermal energy. The second was for solar energy and battery storage, which at the time of SCPPA's approval, this was the largest and least expensive solar and battery project in the world.

## SCPPA EXECUTIVE DIRECTOR'S LETTER





- We continue to help Member reduce their cost in implementing energy efficiency and demand reduction programs and are currently managing 75 active contracts.
- SCPPA successfully helped members communicate on important legislative issues such as wildfire mitigation strategies and forced procurement mandates and regulations on the Renewable Portfolio Standard and the use of Sulfur Hexafluoride in electric distribution equipment.

These are just a few of the successes of SCPPA Staff and Members as we continue to define and implement the highest-value initiatives to fulfill the strategic priorities as set forth by the Board.

The benefits of joint action are never more important with the rapid technological changes, increased customer expectations, legislative and regulatory oversight, decarbonization of the electric grid, and increased pressure to do this and more while keeping electric rates as low as possible. Joint action helps utilities drive costs down and implement proven solutions to meet these challenges. I continue to be honored to work with the SCPPA Board, SCPPA Staff, and the many Member Staff that collaborate in the Working Groups to meet these significant challenges. You are truly the best,

*-Mike Webster*



**MICHAEL S. WEBSTER**

SCPPA EXECUTIVE DIRECTOR



**MICHAEL WEBSTER**

EXECUTIVE  
DIRECTOR



**RICHARD MORILLO**

GENERAL  
COUNSEL



**TANYA DERIVI**

DIRECTOR OF  
GOVERNMENT AFFAIRS



**KATHERINE ELLIS**

DIRECTOR OF ASSET  
MANAGEMENT &  
SPECIAL PROJECTS



**AILEEN MA**

CHIEF FINANCIAL &  
ADMINISTRATIVE  
OFFICER



**DANIEL HASHIMI**

SENIOR ASSISTANT  
GENERAL COUNSEL



**BRYAN COPE**

PROGRAM  
DEVELOPMENT  
MANAGER



**RANDY KRAGER**

PROJECT  
DEVELOPMENT  
MANAGER



**AMY MMAGU**

STATE GOVERNMENT  
AFFAIRS MANAGER






**SALPI ORTIZ**





ADMINISTRATIVE  
SERVICES  
MANAGER








# GLENDORA & SACRAMENTO

				
<b>NICHOLAS BLAIR</b>	<b>JOHN QUAN</b>	<b>NICOLE SOLANO</b>	<b>JOANNA LOPEZ</b>	<b>ROBERT DURAN</b>
REGULATORY POLICY ANALYST	UTILITY ANALYST	UTILITY ANALYST	UTILITY ANALYST	UTILITY ACCOUNTANT

		
<b>JESSICA CHU</b>	<b>RACHEL POWELL</b>	<b>BRITTNEY ROBLES</b>
ADMINISTRATOR II	ADMINISTRATOR II	ADMINISTRATOR I

				
<b>YOLANDA PANTIG</b>	<b>JOAN ILAGAN</b>	<b>ASHANTI ANDRADA</b>	<b>ADRIAN CHUNG</b>	<b>JONATHAN DELLA</b>
SCPPA ACCOUNTING MANAGER	SCPPA INVESTMENT MANAGER	SENIOR UTILITY ACCOUNTANT	UTILITY ACCOUNTANT	SENIOR UTILITY ACCOUNTANT

				
<b>ATIF HAJI DATOO</b>	<b>FRANCISCO OLIVARES</b>	<b>HOUBERT ZADEH</b>	<b>LERIZA FLORES</b>	<b>LESLIE COX-TONEY</b>
UTILITY ACCOUNTANT	UTILITY ACCOUNTANT	UTILITY ACCOUNTANT	UTILITY ACCOUNTANT	SENIOR ADMINISTRATIVE CLERK

SCPPA STAFF  
**LOS ANGELES**



# SCPPA BOARD OFFICERS 2018-19

PRESIDENT



**JORGE SOMOANO**  
BURBANK  
WATER & POWER

VICE PRESIDENT



**GURCHARAN BAWA**  
PASADENA  
WATER & POWER

2ND VICEPRESIDENT



**TOM MILLER**  
CITY OF BANNING  
ELECTRIC UTILITIES

TREASURER/AUDITOR &  
ASSISTANT SECRETARY



**MIKE WEBSTER**  
SOUTHERN CALIFORNIA  
PUBLIC POWER AUTHORITY

SECRETARY



**DAVE WRIGHT**  
LOS ANGELES  
DEPARTMENT OF  
WATER & POWER

ASSISTANT  
SECRETARY



**MARIO IGNACIO**  
LOS ANGELES  
DEPARTMENT OF  
WATER & POWER

# SCPPA PROJECT SUMMARY



## BIOMASS

B1 Loyalton

## FOSSIL/ NUCLEAR

- F1 Apex Natural Gas CC
- F2 Canyon Natural Gas CT
- F3 Magnolia Natural Gas CC
- F4 Palo Verde Nuclear Station

## GEOTHERMAL

- G1 Don A. Campbell I
- G1 Don A. Campbell II
- G2 Heber South/Gould 2
- G2 Heber 1
- G2 Ormesa Geothermal Complex
- G1 Northern Nevada Geothermal Portfolio (NNGP)

## HYDROPOWER

- H1 MWD Small Hydro
- H2 Tieton

## LANDFILL GAS

- L1 Chiquita Canyon
- L2 Puente Hills

## NATURAL GAS

- N1 Barnett Shale Gas Reserves
- N2 Pinedale Gas Reserves
- N3 Prepaid Natural Gas

## SOLAR

- S1 Antelope Big Sky Ranch
- S1 Antelope DSR I
- S1 Antelope DSR II
- S1 Astoria 2
- S1 Columbia Two
- S2 Copper Mountain Solar 3
- S1 Kingbird B
- S1 Springbok I
- S1 Springbok II
- S1 Springbok III
- S1 Summer Solar

## TRANSMISSION

- • Mead-Adelanto
- • Mead-Phoenix
- • Southern Transmission System

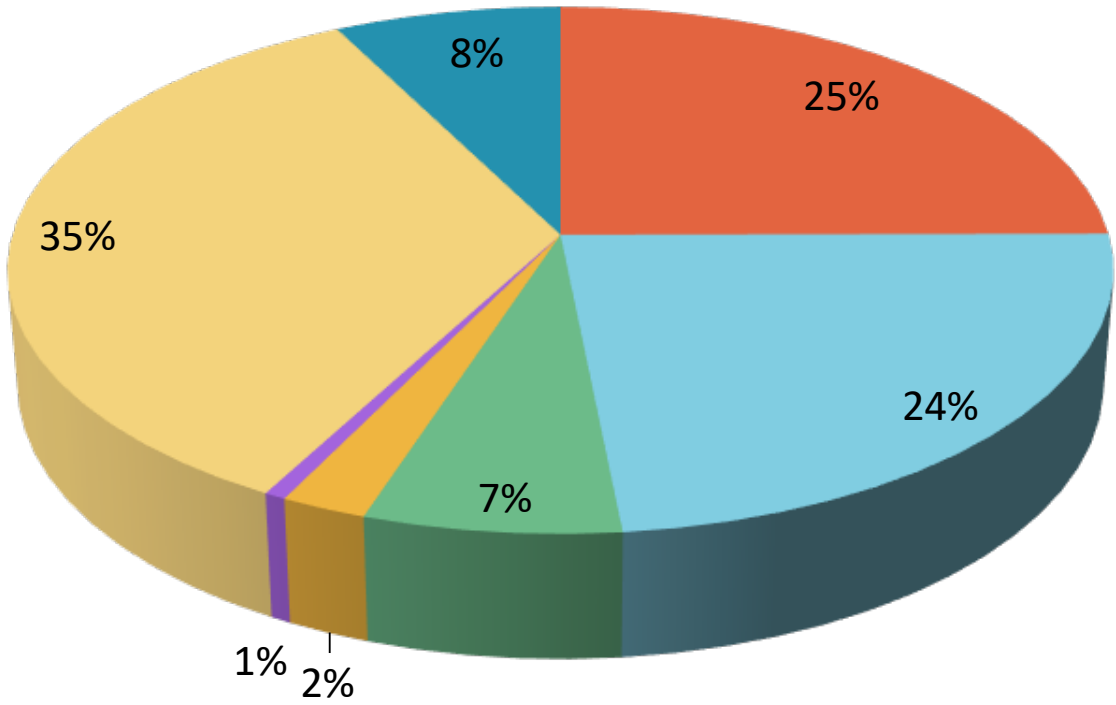
## WIND

- W1 Linden
- W2 Milford I
- W2 Milford II
- W3 Pebble Springs
- W4 Windy Flats



TEXAS

# SCPPA Capacity Mix



■ Solar ■ Wind ■ Geothermal ■ Biomass/LFG ■ Hydro ■ Gas ■ Nuclear





# NEW PROJECT

## SPRINGBOK III

### SPRINGBOK III

*LADWP (100%)*

The Springbok III solar facility is a sister project to both Springbok I & II. It will provide 90MW of long-term, renewable solar energy for the Los Angeles Department of Water and Power. SCPPA entered into a 27-year Power Purchase Agreement with 8 Minute Energy for deliveries beginning July 19th, 2019. The agreement includes several purchase options beginning on the 15th anniversary of commercial operation. During its first 3 months in operation this fiscal year, Springbok III delivered 56,060 MWhs of energy, realizing a capacity factor of 29%.



# SCPPA FINANCING ACTIVITIES

For fiscal year ending June 30, 2019, SCPPA completed one financial transaction that captured market opportunity and accomplished Participant objectives.

On October 10, 2018, SCPPA issued \$48.535 million Southern Transmission Project Revenue Bonds, 2018 Subordinate Refunding Series A (2018 Series A Bonds) to refund all of its Southern Transmission Project Revenue Bonds, 2008 Subordinate Refunding Series A then outstanding in the par amount of \$43.86 million and \$8.935 million of its Southern Transmission Project Revenue Bonds, 2009 Subordinate Refunding Series A then outstanding in the par amount of \$37.0 million.

The 2018 Series A Bonds have a final maturity date of July 1, 2023 and fixed rate coupons of 4.00% and 5.00%. Additionally, 2018 Series A Bonds are not subject to redemption prior to maturity. The transaction was completed at an All-in True Interest Cost of 2.06% and has an average life of 3.2 years. At the time of issuance, the transaction was assigned a long-term rating of AA by Fitch Ratings, Inc. The transaction achieved significant savings of \$4.6 million, representing 8.8% of refunded par, on a present value basis.

In addition to this financing activity completed during the fiscal year, SCPPA continues to plan for and develop financing options for renewable projects to help its members meet renewable energy goals, expects to complete financings for additional renewable energy projects in the coming years, and continues to aggressively pursue competitively priced renewable energy projects for its members.

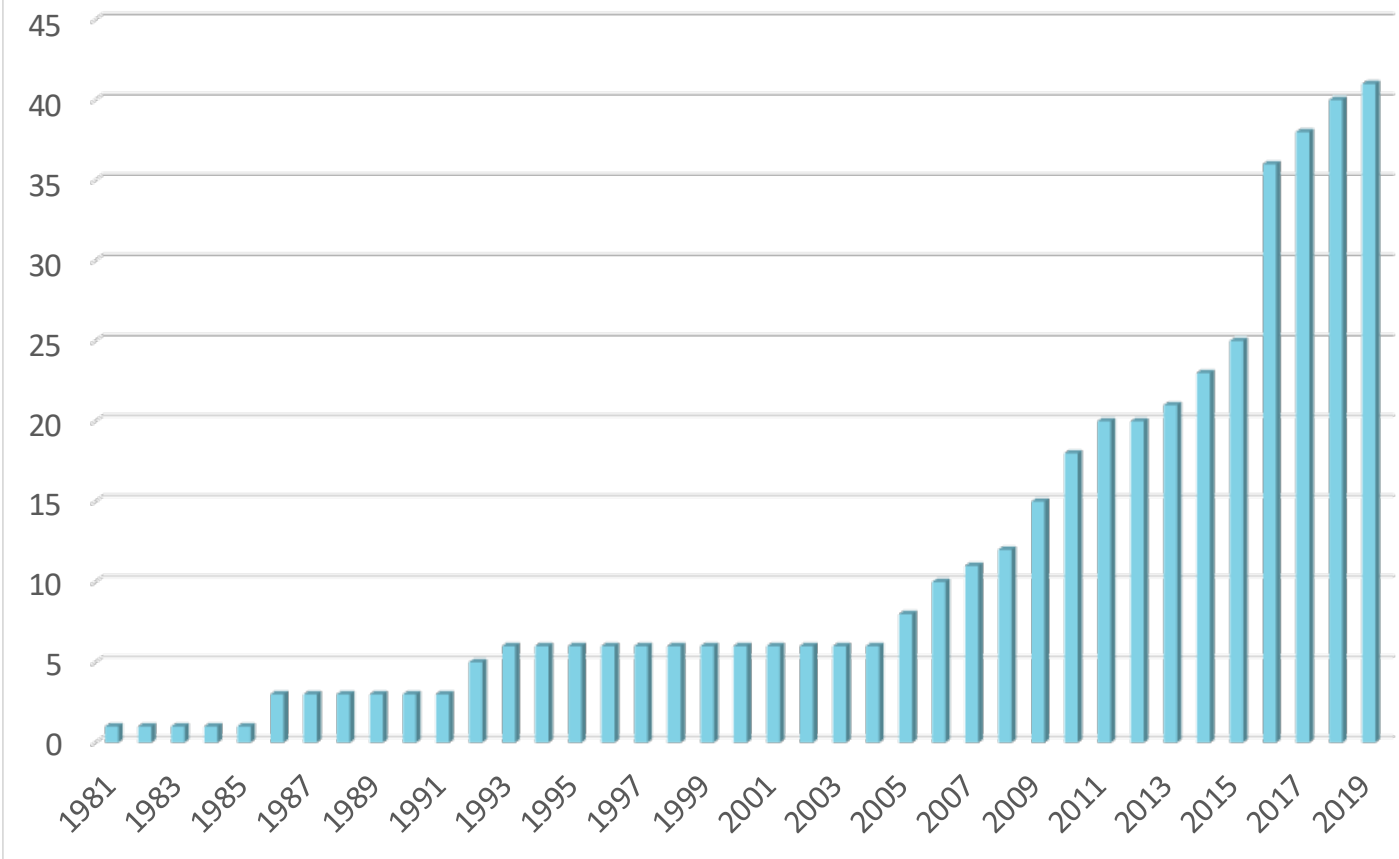
SCPPA also continuously evaluates other financing opportunities and the existing portfolio of financings to balance the lowest possible cost and smallest amount of financial risk exposure for its members.



pfm

*The Financing Activities Report was provided by Public Financial Management at the request of SCPPA.*

## SCPPA Project Count



SCPPA



# COMBINED SUMMARY OF FINANCIAL CONDITION AND CHANGES IN NET POSITION

The Combined Summary of Financial Condition and Changes in Net Position was taken from the Moss Adams Report of Independent Auditors and Combined Financial Statements for June 30, 2019 and 2018.



The full report can be viewed and downloaded on the SCPPA website at the following link:

<http://scppa.org/page/Annual-Report>

(IN THOUSANDS)

	JUNE 30,		
	2019	2018	2017
		(Restated)	(Restated)
<b>ASSETS</b>			
Net Utility Plant	\$ 1,441,741	\$ 1,507,609	\$ 1,567,960
Investments	693,454	648,816	740,656
Cash and Cash Equivalents	247,855	277,645	224,652
Prepaid and Other	784,532	842,175	916,328
Total Assets	3,167,582	3,276,245	3,449,596
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	154,827	167,606	190,934
Total Assets and Deferred Outflows of Resources	\$ 3,322,409	\$ 3,443,851	\$ 3,640,530
<b>LIABILITIES</b>			
Noncurrent Liabilities	\$ 2,769,102	\$ 2,934,274	\$ 3,135,884
Current Liabilities	426,088	427,036	432,349
Total Liabilities	3,195,190	3,361,310	3,568,233
<b>DEFERRED INFLOWS OF RESOURCES</b>	61	50	87
<b>NET POSITION</b>			
Net Investment in Capital Assets	(138,447)	(189,747)	(142,599)
Restricted	385,434	404,782	393,361
Unrestricted	(119,829)	(132,544)	(178,552)
Total Net Position	127,158	82,491	72,210
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 3,322,409	\$ 3,443,851	\$ 3,640,530
<b>REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30</b>			
Operating Revenues	\$ 1,012,325	\$ 970,156	\$ 995,236
Operating Expenses	(903,743)	(836,888)	(832,403)
Operating Income	108,582	133,268	162,833
Investment and Other Income	41,672	10,237	13,973
Derivative Gain (Loss)	(3,485)	8,632	7,569
Inflation of ARO Liability	(3,004)	(5,086)	(3,469)
Debt Expense	(111,313)	(116,543)	(126,895)
Change In Net Position Before Special Items	32,452	30,508	54,011
Special Items	-	(3,261)	(61,839)
Changes In Net Position	32,452	27,247	(7,828)
<b>NET POSITION, BEGINNING OF YEAR</b>	82,491	72,210	(48,951)
<b>CUMULATIVE EFFECT OF RESTATEMENT OF GASB 83</b>	-	-	142,633
<b>NET POSITION-BEGINNING OF YEAR, AS ADJUSTED</b>	82,491	72,210	93,682
<b>NET CONTRIBUTIONS (WITHDRAWALS) BY PARTICIPANTS</b>	12,215	(16,966)	(13,644)
<b>NET POSITION, END OF YEAR</b>	\$ 127,158	\$ 82,491	\$ 72,210

A significant amount of staff time in 2019 focused on state regulatory activities as California continues to position itself as a global leader in efforts to address the effects of climate change. Priority issues vary each year depending on signed legislation, and regulatory agencies implementing rulemakings.

### RENEWABLES PORTFOLIO STANDARDS

The RPS requires renewable energy resources serve a certain percentage of electricity sales by all electricity utilities in the state, including publicly owned utilities (POUs). Most recently, SB 100 increased the renewable energy mandate from 50% to 60% by 2030. SCPPA has been heavily involved with the California Energy Commission (CEC) as POU RPS Rules were re-opened this year. SCPPA led the statewide effort to comment on the long-term procurement requirements that at least 65% of renewables contracts are for 10+ years starting in 2021 both in meetings with the CEC, and in written commentary. CEC plans to have similar meetings and opportunities for SCPPA to provide feedback leading into early 2020 as they try to implement additional updates by the end of 2020.

SCPPA also has been heavily involved with the California Air Resources Board (CARB) as POU RPS penalties are incorporated into CARB's Enforcement Policy. SCPPA led the statewide effort to incorporate POU priority asks into CARB's enforcement policy, and successfully got most requests incorporated into the document, including: providing the complete submission to the Energy Commission, submitting mitigating factors, and developing comparable but not identical penalties to CPUC Enforcement Policy for the

Investor Owned Utilities. This effort had been on hold since 2016, but has remained a priority for SCPPA in representing its members before CARB.

### SULFUR HEXAFLUORIDE

Due to its high global warming potential, CARB adopted the Regulation for Reducing Sulfur Hexafluoride (SF6) Emissions from Gas Insulated Switchgear in 2010. As new technologies using lower or zero GWP insulators emerge, CARB staff have proposed to amend the current regulation to further reduce greenhouse gas emissions and to increase flexibility in complying with the standards.

SCPPA has been heavily involved in CARB's efforts to phase out the use of SF6. Over the past year and a half, CARB has taken meetings with utilities and manufacturers to better understand the timeframe for adoption of non-SF6 equipment into transmission and distribution systems and substations. Currently, switching to non-SF6 equipment alternatives is expensive, and the products are unproven for maintaining reliability to ratepayers, and when competing state goals (more electrification and reliance upon renewables). In the short term, increased electrification of utility functions will likely result in an increased use of SF6 for constructing new transmission lines. Throughout 2019, SCPPA has collaborated with CARB and a collection of utilities to work through pressing issues for utilities in phasing out SF6 equipment. While there is still work to be done, these efforts have resulted in a favorable framework for equipment labeling, nameplate capacity accuracy, reduced administrative burdens, avoiding phantom

# SCPPA REGULATORY REPORT



emission reporting, and solidifying exemption request options for SCPPA members.

### POWER SOURCE DISCLOSURE PROGRAM

The Power Source Disclosure Program (PSD), under AB 1110, discloses to consumers a retail supplier's various sources of electricity compared with the electricity mix of California as a whole and will require disclosure of a retail supplier's greenhouse gas (GHG) emissions intensity factors for its retail electricity offerings starting in 2020 for the 2019 calendar on the Power Content Label (PCL).

SCPPA has awaited movement on the CEC's long delayed PSD Program. SCPPA is speaking to member concerns on: timing of disclosure as burdensome to POUs, ensuring enforced procurement data standards align with data moving forward and not retrospectively, recommending alternative calculations for total retail sales, and unspecified power reporting standards.

### ADVANCED CLEAN TRUCK RULE

CARB is in the process of developing proposals for new approaches and strategies to achieve greater adoption of zero emission medium and heavy-duty fleet vehicles through its Advanced Clean Truck (ACT) Rule. CARB is promoting the development and use of advanced clean trucks to help achieve its emission reduction strategies as outlined in state implementation plans, Sustainable Freight Action Plan, SB 350, and AB 32.

SCPPA was the first, and for much of 2019 the only, representative advocating on behalf of POUs as the

CARB held workshops to develop the ACT Rule. SCPPA spoke to concerns that regulation of fleet vehicles would have unintended consequences on: regional disaster responses, catastrophic wildfire responses, nationwide mutual aid efforts, regional maintenance efforts and needs, and downplaying the importance of plug-in hybrid vehicles. Additionally, as CARB has geared up for developing a mandatory one-time fleet reporting survey for completion in 2021, SCPPA has worked to ensure that CARB is cognizant of the time and data requests required for completion meet CARB's goals while not being overly burdensome or prescriptive for SCPPA members. CARB recognized and appreciated SCPPA's contribution to the process.

### CONCLUSION

This year has proven to be yet another busy one in California's regulatory cycle as the state strives to meet its energy and environmental goals. SCPPA continues to participate as an advocate for members, and act as a valuable resource for regulatory agencies in Sacramento as they move forward to implement their programs. SCPPA strives to ensure that maintaining local control, reliability, and affordability for SCPPA members are priorities defended in state rulemaking processes.

The 2019 Legislative Session started off differently than many in the past. Democrats regained and strengthened their supermajorities in the Senate and Assembly, and Gavin Newsom was elected by a double-digit margin. The election of Newsom marked the first time in 130 years since a Democrat succeeded another Democrat for the Governor's office. Democrats now hold their largest party advantage in the Senate since 1962 and the Assembly since 1883.

Newsom has promised significant progress on priority issues. He campaigned on universal preschool and childcare, healthcare for all, more money for higher education and job training, additional spending on roads, public transit and bridges, and millions of new housing units. With this bold agenda, there are still few details on specifics or cost impacts. Directly affecting SCPA Members, Newsom has stated that he will seek to codify Governor Brown's Executive Order on carbon neutrality.

While Newsom's agenda is a distinct shift from climate and energy policy priority the state has seen in over the past decade, this does not mean that energy was not a focus of the Legislature. 2019 began with an onslaught of energy and climate related Legislation. This Legislative session was packed with high-profile energy initiatives: a clean energy standard, procurement mandates, self-generation, microgrids, natural gas and wildfires. In the end, most of these proposals were sidelined to make room for major legislation to address the continuing threat of wildfires. Next year will see a resurgence of many of the issues that were not completed this year.

### WILDFIRES

Following on the heels of SB 901 (Chapter 626, Statutes of 2018) and yet another year of unprecedented wildfires, the Legislature and Newsom continued to focus on wildfire prevention, response and utility solvency. On



STATE  
LEGISLATIVE  
REPORT





July 12, 2019, ahead of the Legislature's Summer recess, Newsom signed into law AB 1054 (Chapter 76, Statutes of 2019) which was seen as a comprehensive approach to improve wildfire prevention efforts by utilities while creating a new fund for Investor Owned Utilities to aid in solvency. As the wildfire fund only pertains to the IOUs, we will focus on the components of the legislation directly affecting Publicly Owned Utilities (POUs).

Within AB 1054, there is a new requirement for POUs to annually submit their wildfire mitigation plans (WMPs) to the newly established California Wildfire Safety Advisory Board (Wildfire Board) which will review the WMPs and provide opinions on their content and sufficiency will providing recommendations on mitigating wildfire risk no later than July 1, 2020.

### **FORCED PROCUREMENT MANDATES**

In light of advancing renewables and achieving our greenhouse gas emission reduction targets, multiple bills were introduced which sought to force new renewable procurement mandates upon utilities. Many of these pieces of legislation were not advanced and await hearings upon the return of the Legislature in January of 2020.

The most significant of these mandates was SB 772 (Bradford). SB 772 would have required the California Independent System Operator to solicit a competitive bid process by 2022 to procure at least 2,000 megawatts (MW) up to 4,000 MW of "long duration bulk storage" projects. While long duration bulk storage projects were defined in the bill to meet certain characteristics, the bill was clearly written to suggest pumped hydro storage was the preferred technology. In addition, SB 772 required the CAISO to develop a cost-recovery mechanism that would apply to all utilities within the CAISO. SCPPA led efforts to oppose the legislation and helped to ensure the failure of the bill on the Senate floor with an 11-11-18 vote ahead of the house of origin deadline. While SB 772 was stopped in June, there continued to be multiple efforts to revive the pumped

storage mandate. In the end, continued pressure prevented a re-introduction of the legislation in 2019. Proposals are already in the works by the proponents to continue the efforts in 2020.

### **SELF-GENERATION BILL OF RIGHTS**

Another significant piece of legislation defeated in 2019 was SB 288 (Wiener) which sought to establish a "Self-Generation Bill of Rights for customers. SB 288 had two components: establishment of a standardized interconnection process and tariffs. SB 288 attempted to subordinate the POU regulatory authority over the development of their interconnection processes by allowing the California Energy Commission ("CEC") to establish "a streamlined and standardized process." While POUs are committed to assisting customers who want on-site renewable energy systems, they need to ensure those systems are safe and installed properly, meet local regulatory requirements and environmental policies, and do not unfairly shift costs to other customers. In addition, SB 288 attempted to mandate the CEC to create one or more tariffs for "fair compensation for customer-sited energy systems" and for energy that can be exported to the grid. SB 288 was held in the Senate Appropriations Committee and failed to move forward. This effort is likely to be revisited in 2020.

### **2019 RECAP**

Upon completion of the 2019 Legislative year, SCPPA fared well with both the Legislature and Governor. All opposed legislation was either defeated or amended to remove opposition and the bills we supported were signed into law, garnering a 100 percent win rate. At the finish of bill signing, analysis places Newsom amongst the most moderate of all democrats in the Capitol, with only two Democrat Assemblymembers more conservative on policy.

With Democrats taking back the House of Representatives and the Republicans firmly in the driver seat in the Senate and White House, SCPPEA divided its advocacy, making incremental progress in all areas.

### MUNICIPAL FINANCE

Tax-exempt municipal bonds are a vital financing tool for SCPPEA and public power utilities. Unfortunately, it remains an attractive “pay-for” on both sides of the aisle. Many Republicans view it as an inefficient subsidy to municipal governments and other public entities, and many Democrats view it as a “tax free” loophole for the wealthy. Nevertheless, without tax-exempt municipal bonds, SCPPEA would lose a valuable tool to finance new generation and transmission assets. SCPPEA continued to take a leadership role in advocating for these bonds and worked with the Municipal Bonds for America coalition, who helped organize an annual fly-in and briefed over 30 key House and Senate staffers.

Additionally, the Tax Cuts and Jobs Act of 2017 eliminated advance refunding bonds, which allows public power utilities to roll over existing bond issues early to take advantage of lower interest rates—just like one would refinance a mortgage. SCPPEA is currently working with the House Ways and Means Committee on restoring advance refunding bonds as part of a broader infrastructure package.

### VEGETATION MANAGEMENT

Following multiple years of work to get the Electric Reliability and Forest Protection Act signed into law, SCPPEA is working with Congress and federal agencies on implementing those provisions. Utilities

operate more than 3,000 transmission lines in and around national forests and grasslands. Dead and dying trees threaten transmission lines and power structures, so coordination and collaboration between utilities and federal agencies is critical to reducing fire risk and increasing grid reliability.

SCPPEA is working with federal regulators and lawmakers on regulations to swiftly and consistently implement vegetation management plans along electric transmission and distribution rights-of-ways on Federal lands. This fall, the U.S. Forest Service finally released draft regulations establishing options and incentives for collaboration on vegetation management between the National Forest Service and utilities.

### TELECOMMUNICATIONS

Without any evidence that public power utilities are a barrier to broadband deployment, the Federal Communications Commission released a rulemaking forcing a slew of one-size-fits-all regulations on attachments to public power utilities’ poles. The problem is that public power has a long-standing exemption from FCC regulation of pole attachments. This rulemaking attempts to bypass that exemption and force public power utilities to give telecommunications providers unfettered access to locally owned distribution infrastructure.

In response to the FCC rulemaking, SCPPEA worked with California lawmakers to draft legislation to overturn the FCC ruling and restore the ability of local utilities to control how their grid infrastructure is used for wireless deployment. In the House, Rep. Anna Eshoo (D-CA) introduced the Accelerating Wireless Broadband

# FEDERAL LEGISLATIVE REPORT



# SCPPA

Development by Empowering Local Communities Act, and in the Senate, Judiciary Committee Ranking Member Dianne Feinstein (D-CA) introduced the Restoring Local Control Over Public Infrastructure Act. Additionally, the American Public Power Association filed with the Ninth Circuit U.S. Court of Appeals a brief appealing the FCC's rulemaking. The outcome of the litigation will drive any potential legislative activity in this arena.

## 6GHZ SPECTRUM SHARING

SCPPA has also worked on behalf of its Members to raise awareness over another problematic rulemaking from the FCC: a recently proposed rule to allow unlicensed spectrum sharing in the 6 GHz band. Current license holders, including SCPPA Members, are infrastructure owners and operators who utilize this band for mission-critical communications. Opening this spectrum to unlicensed sharing may cause harmful interference.

SCPPA took the lead on this issue, working with lawmakers on a bipartisan House letter to the FCC led by Reps. Jim Costa (D-CA) and Ken Calvert (R-CA) and signed by 11 other Southern California delegates. In October 2019, Senator Jim Risch (R-ID) sent a similar letter, along with Senator Feinstein, to the FCC urging them to ensure that critical infrastructure owners and operators are protected from potential radio-frequency interference.

## SPENT FUEL

SCPPA continued to advocate for responsible spent fuel disposal options in the 116th Congress. In September,

the House Energy and Commerce Committee approved a bipartisan bill, the Nuclear Waste Policy Amendments Act which would advance the licensing of a permanent spent fuel repository, promote consensus-based interim storage sites, and provide funds for the State of Nevada. In the Senate, Sens. Lisa Murkowski (R-AK), Lamar Alexander (R-TN), and Dianne Feinstein reintroduced a companion measure, the Nuclear Waste Administration Act, on April 30, 2019. SCPPA will continue to work with others in the industry and their allies on Capitol Hill to build support and advance legislation.

## ELECTRIC VEHICLES, ENERGY STORAGE & CLIMATE CHANGE

Electrification of the transportation sector and commercialization of energy storage technologies are long-term goals of SCPPA and its member utilities. SCPPA continues to monitor legislative activity to promote research and development, and federal incentives to promote energy storage technology and expand tax credits, for new plug-in electric vehicles and electric vehicle infrastructure. Additionally, the House Select Committee on the Climate Crisis and the House Energy and Commerce Committee continues to hold hearings and meet with stakeholders in their efforts to develop a comprehensive plan to reduce carbon emissions to net zero by 2050. SCPPA will continue to actively monitor this activity into the second session of the 116th Congress.

## ABOUT SCPPA PROGRAMS

In accordance with the California Joint Exercise of Power Act and the SCPPA Joint Powers Agreement, SCPPA manages the development and implementation of numerous joint-action and individualized Programs that directly affect the generation and transmission of energy to improve the electric utility operating efficiencies and reduce costs for participating Members.

In order to maximize the value SCPPA provides to its Members and the communities they serve, SCPPA has developed and implemented programs specifically aimed to:

- address emerging industry challenges and explore opportunities;
- champion decarbonization efforts;
- Achieve GHG reductions;
- Improve electric utility system operations;
- Stabilize or reduce electric rates for customers; and
- Better serve Members' disadvantaged communities;

SCPPA provides a collaborative forum which allows Members to exchange program successes, failures, best practices and lessons learned to develop “next practices” that create leading-edge concepts for Program enhancements and improvements.

These Programs are in multiple fields that typically are implemented “behind the meter” on the demand-side, including:

- Energy Efficiency
- Demand Response
- Transportation & Building Electrification as they relate to demand side management
- Energy Storage to manage customer demand and optimize renewable generation
- Customer Engagement & Key Accounts to promote energy efficiency and demand response programs
- Rate Design to promote energy efficiency and demand response programs

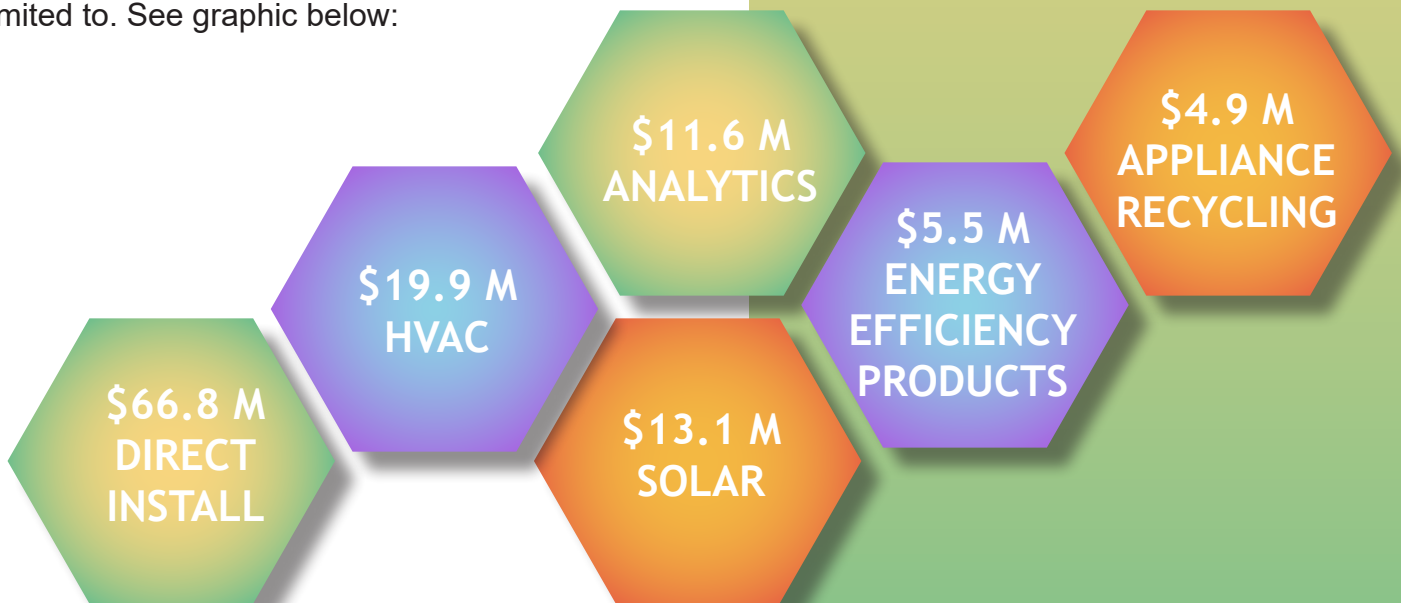
PROGRAM  
DEVELOPMENT



## PROGRAM OPERATIONAL VALUE

In FY 2018-2019, SCPPA administered 75 different contracts with suppliers to procure goods and services on behalf of our Members totaling \$135 Million which provided cost savings between \$15 and \$20 million.

The largest single program was energy efficiency which accounted for more than \$80 million in expenditures. Of this, nearly \$66.8 Million was spent on direct installation programs where suppliers provided and installed efficiency measures to residences and businesses directly on behalf of the participating Member. SCPPA also administered additional contracts to support Members efficiency programs including, but not limited to. See graphic below:



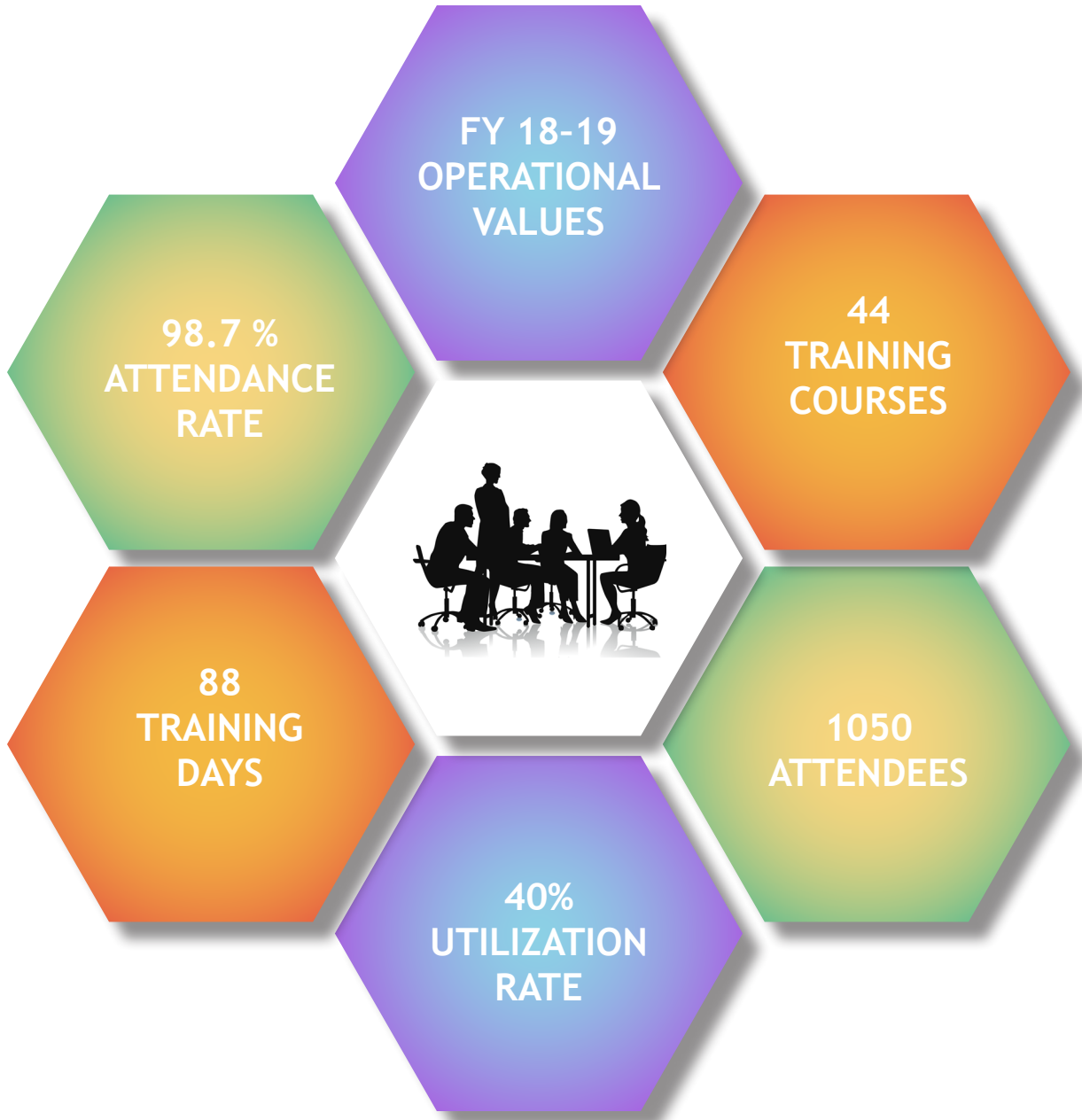
# WORKFORCE DEVELOPMENT

## OBJECTIVES

- Provide high quality, cost-effective training
- Facilitate Member workforce development opportunities
- Promote individual and organizational effectiveness
- Provide high quality and cost effective training to enhance knowledge of:
  - Generation, transmission, and distribution development, operation, and maintenance
  - Energy efficiency programs
  - Demand reductions and demand side management including electrification

## OPERATIONAL HIGHLIGHTS & OUTLOOK

- To foster collaboration among all SCPPA Members, SCPPA turned the unfurnished space at the Training Center into a welcoming lunch & break area, which provides an opportunity for Members to network, exchange ideas, and collaborate.
- The outlook of fiscal year 19-20 starts with 21 scheduled courses in a total of 43 training days.





## DUKKU LEE | GENERAL MANAGER ANAHEIM PUBLIC UTILITIES

Anaheim Public Utilities (APU) began operations in 1894 as the first municipal electric utility in Southern California. Today, APU provides affordable and reliable water and power to a city of over 358,000 residents, 20,000 businesses, and 25 million annual visitors, featuring vibrant neighborhoods and a thriving business community that includes world-class convention, sports, and entertainment venues.

Anaheim’s electric system supports a diverse customer base, and has a historic peak demand of 593 MW. Distinguishing features include commissioning the nation’s first underground substation in 2006, undergrounding over 130 circuit miles as part of an aggressive underground conversion program, and operating a 2.4 MW photovoltaic system on the roof of the Anaheim Convention Center, one of the largest solar arrays on a municipally owned convention center in the country.

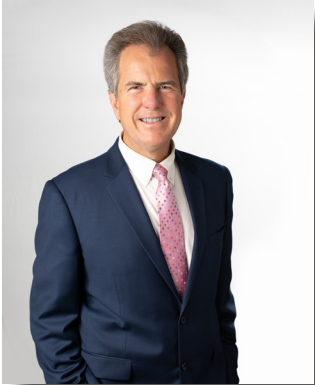
APU provides electricity to its customers from a wide array of renewable resources including landfill gas, geothermal, wind, and solar. Currently, renewables comprise nearly 33% of APU’s retail sales and will increase to 60% by 2030 for enhanced sustainability and compliance with statewide mandates.

CUSTOMERS-RETAIL .....	120,403*
POWER GENERATED AND PURCHASED (IN MWH)	
SELF-GENERATED .....	60,890*
PURCHASED .....	3,120,825*
TOTAL .....	3,181,715*
OPERATING REVENUES (000s) .....	\$444,182*
OPERATING COSTS (000s) .....	\$402,137*

\*PRELIMINARY & UNAUDITED FISCAL YEAR END JUNE 30, 2019 INFORMATION







**MANNY ROBLEDO | DIRECTOR OF UTILITIES**  
**AZUSA LIGHT & WATER**

Azusa’s electric utility was established in 1904 after the City purchased a private power company. Its water utility was established in 1900. The City operates these two utilities through the Azusa Light & Water (ALW) brand. Both utilities provide service within the City of Azusa and the water utility also serves portions of Covina, Glendora, Irwindale, West Covina, and Los Angeles county unincorporated areas. ALW’s water and electric utilities are each responsible for resource planning and delivery to retail customers through the City owned, operated and maintained distribution systems.

ALW’s electric utility operates within the California ISO Balancing Authority acting as a Utility Distribution Company (UDC) and a Participating Transmission Owner (PTO). The electric utility currently receives power from 11 renewable resource projects and 4 conventional power resources, with total power production capability of up to approximately 300,000 MWH/year. Azusa’s utilities are fully compliant with all state and federal laws. The electric utility is on track to meet/exceed the 33% renewable power content in 2020 with estimated 2018 deliveries to exceed 33%. Azusa is compliant with AB32 (Global Warming Solutions Act) through its participation in the State’s cap-and-trade program.

CUSTOMERS-RETAIL .....	16,695*
POWER GENERATED AND PURCHASED (IN MWH)	
SELF-GENERATED .....	177,278*
PURCHASED .....	85,518*
TOTAL .....	262,796*
OPERATING REVENUES (000s) .....	\$36,620*
OPERATING COSTS (000s) .....	\$29,907*

\*PRELIMINARY & UNAUDITED FISCAL YEAR END JUNE 30, 2019 INFORMATION



## THOMAS MILLER | ELECTRIC UTILITY DIRECTOR BANNING ELECTRIC UTILITY

The City of Banning Electric Utility provides electric service to approximately 12,000 accounts covering an area of approximately 22 square miles. Originally established in 1913 as a private utility, the City of Banning purchased the Utility in 1922 and has been providing electric service to its residents since that time. Banning’s energy resource base includes portions of coal, nuclear, geothermal, solar, landfill gas-to-energy, and hydro generating plants, that provide the majority of electricity required to meet its summer peak demand of 49 MW.

The City supports clean-energy and is committed to additional renewable energy resources to its already diverse portfolio. The Utility met the renewable energy requirement of Compliance Period #1 through energy produced from two geothermal generating facilities located in the Imperial Valley. In addition, the Utility has two Power Sales Agreements for energy from Solar and Landfill Gas facilities, which put the Utility at 61 percent renewable in 2018, far exceeding the current State mandate of 50 percent by 2030. The Utility is dedicated to continue providing quality service to its customers in a safe and reliable manner, at reasonable rates.

CUSTOMERS-RETAIL .....	12,015*
POWER GENERATED AND PURCHASED (IN MWH)	
SELF-GENERATED .....	0
PURCHASED .....	148,961*
TOTAL .....	148,961*
OPERATING REVENUES (000s) .....	\$32,483*
OPERATING COSTS (000s) .....	\$30,420*

\*PRELIMINARY & UNAUDITED FISCAL YEAR END JUNE 30, 2019 INFORMATION





**JORGE SOMOANO | GENERAL MANAGER**  
**BURBANK WATER AND POWER**

Established in 1913, Burbank Water and Power (BWP) is a community owned utility which primarily provides electric and water services to the residents and businesses of Burbank, CA. Within the City's 17 square miles, BWP provides over 100,000 residents, and almost as many additional people during business hours, with excellent utility services. BWP is committed to providing reliable, affordable and sustainable utility services to Burbank; and these three key principles are what BWP focuses on to deliver value to Burbank residents and businesses. BWP's power availability rate for Fiscal Year 2018-19 was 99.997%; and the average Burbank customer could expect to experience only one electric service outage of just 16 minutes every 2.5 years. BWP's average electric rates are lower than the California investor owned utilities and amongst the lowest in the region. In the fiscal year ending June 2019, BWP met 29% of its energy demand with renewable resources. BWP offers other valuable services to Burbank, including fiber optic services to businesses, free citywide wireless broadband service, and public access to dozens of electric vehicle charging stations. BWP is also the operator of SCPPA's Magnolia Power Project (MPP). MPP is a large, clean, highly efficient power plant that utilizes combined-cycle electric generation technology. MPP improves regional electric reliability by reducing dependence on long-distance transmission lines.

CUSTOMERS-RETAIL .....	53,298*
POWER GENERATED AND PURCHASED (IN MWH)	
SELF-GENERATED .....	11,540*
PURCHASED .....	1,070,910*
TOTAL .....	1,082,450*
TOTAL REVENUES (000s) .....	\$190,414*
OPERATING COSTS (000s) .....	\$151,074*

\*PRELIMINARY & UNAUDITED FISCAL YEAR END JUNE 30, 2019 INFORMATION



## ART GALLUCCI | CITY MANAGER CITY OF CERRITOS ELECTRIC UTILITY

The City of Cerritos became a member of SCPA in 2003. Since 2005, the City of Cerritos has been serving the electrical demands of the City's business community. Over the years, the City's customer base has steadily increased and the utility currently serves 300 accounts. The utility serves educational institutions, City-owned facilities and major retail businesses in the City with the primary goal of providing an economical and reliable supply of electricity. Cerritos Electric Utility (CEU) continues to receive power primarily from the Magnolia Power Plant. However, starting in October of 2017, CEU received a

small allocation of hydroelectric power from the Western Area Power Administration, generated from the Boulder Canyon Power project.

CUSTOMERS-RETAIL .....	300*
POWER GENERATED AND PURCHASED (IN MWH)	
SELF-GENERATED .....	61,000*
PURCHASED .....	11,000*
TOTAL .....	72,000*
TOTAL REVENUES (000s) .....	\$5,500*
OPERATING COSTS (000s) .....	\$5,860*

\*PRELIMINARY & UNAUDITED FISCAL YEAR END JUNE 30, 2019 INFORMATION





**DAVE KOLK | ELECTRIC UTILITY DIRECTOR**  
**CITY OF COLTON ELECTRIC UTILITY**

The largest and oldest municipal utility in San Bernardino County, the Colton Electric Department has been meeting the electric needs of Colton’s businesses and residents since 1895. Today, the Department serves approximately 19,621 customers with a diverse mix of generation resources.

The Department’s main focus is ensuring that customer’s use electricity effectively to minimize their costs and promote sustainability. Colton’s residents want improved environmental quality and support the steps taken by the Department to improve the quality of life in the city. Department efforts include acquiring renewable resources and working with residential and business customers to install energy efficient equipment and appliances.

The Department looks forward to serving the electric needs of the community with low-cost, reliable supplies for the next 125 years and to serve as an asset helping promote economic development in the City.

CUSTOMERS-RETAIL .....	19,638*
POWER GENERATED AND PURCHASED (IN MWH)	
SELF-GENERATED .....	6,392*
PURCHASED .....	404,459*
TOTAL .....	410,851*
TOTAL REVENUES (000s) .....	\$62,160*
OPERATING COSTS (000s) .....	\$56,359*

\*PRELIMINARY & UNAUDITED FISCAL YEAR END JUNE 30, 2019 INFORMATION



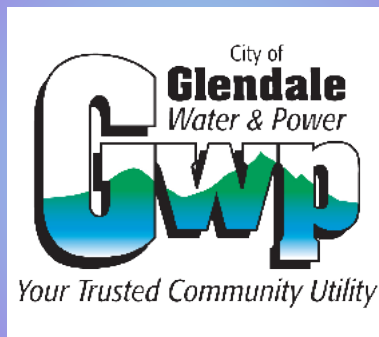
## STEPHEN ZURN | GENERAL MANAGER GLENDALE WATER & POWER

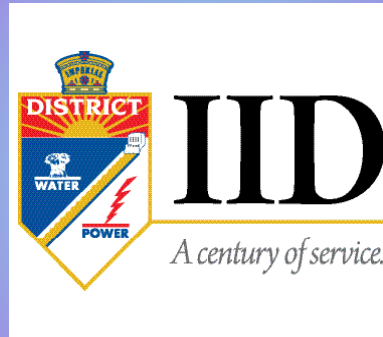
Incorporated in 1906, Glendale purchased its electric utility in 1909, obtaining power from outside suppliers. In 1937, it began receiving power from the Hoover Dam and inaugurated the first of its own steam generating plant units with 288 MW of gas-fired steam and combustion generating capacity. Glendale Water & Power (GWP) has a diversified portfolio that also includes coal, nuclear, and hydro generating resources, as well as a comprehensive renewables resource program comprised of landfill gas, wind, and geothermal projects.

Today, GWP provides reliable electric services to over 89,500 residential, commercial, and industrial customers within a 31 square mile area. GWP continues to invest in improving the system infrastructure to ensure its long-term reliability. Our vision is to deliver reliable, high quality, environmentally-sensitive, and sustainable water and power services to our customers in a caring and cost-competitive manner, while creating a stimulating and rewarding work experience for our employees.

CUSTOMERS-RETAIL .....	89,564*
POWER GENERATED AND PURCHASED (IN MWH)	
SELF-GENERATED .....	79,210*
PURCHASED .....	1,530,808*
TOTAL .....	1,610,018*
TOTAL REVENUES (000s) .....	\$217,692*
OPERATING COSTS (000s) .....	\$199,588*

\*PRELIMINARY & UNAUDITED FISCAL YEAR END JUNE 30, 2019 INFORMATION





**ENRIQUE MARTINEZ | GENERAL MANAGER**  
**IMPERIAL IRRIGATION DISTRICT**

The Imperial Irrigation District (IID) was established in 1911 and entered the power business in 1936. Proudly serving Imperial and Coachella valleys and a portion of San Diego County, IID has service area of 6,611 square miles that encompasses an expanding 1,803-mile transmission network and 5,062-miles of distribution lines. One of eight balancing authorities in the state, IID controls over 1,100 MW of energy derived from a diverse resource portfolio that includes native generation, SCPPA partnerships, and long- and short-term power purchases. IID, in the enviable position of having access to locally-generated geothermal, solar, wind and biomass resources, is on track to meet the 33 percent Renewable Portfolio Standard by 2020. A valuable public resource, IID is regarded as an affordable and reliable service provider serving 157,024 customers.

CUSTOMERS-RETAIL .....	157,024*
POWER GENERATED AND PURCHASED (IN MWH)	
SELF-GENERATED .....	1,439,564*
PURCHASED .....	2,419,029*
TOTAL .....	3,858,593*
TOTAL REVENUES (000s) .....	\$455,588*
OPERATING COSTS (000s) .....	\$439,863*

\*PRELIMINARY & UNAUDITED FISCAL YEAR END JUNE 30, 2019 INFORMATION



## DAVE WRIGHT | GENERAL MANAGER LOS ANGELES DEPARTMENT OF WATER & POWER

Providing service for more than a century, the Los Angeles Department of Water and Power (LADWP) began delivering water to the city in 1902, and with the water came power. In 1916, LADWP first delivered electricity to the city purchased from the Pasadena Municipal Plant. A year later, LADWP began generating its own hydroelectric power at the San Francisquito Power Plant No. 1. After purchasing the remaining distribution system of Southern California Edison within the city limits in 1922, LADWP became the sole water and electricity provider for the City of Los Angeles. It is now the largest municipally owned electric utility in the nation, serving a population of 4.0 million residents over a 473 square mile area. LADWP remains on firm financial footing and serves as a valuable asset to the City of Los Angeles. LADWP reached its 20% renewable goal in 2010 and 32% (unaudited) in 2018 with a significant portion of such goal accomplished with projects transacted through SCPPA. LADWP is undergoing a transformation of its power supply, as documented in its Power Strategic Long-Term Resource Plan. Over the next 15 years, there will be a transition away from coal, replacing such energy through meeting a mandated 33% renewable goal by 2020, a mandated 60% renewable goal by 2030, a long-term aspirational 80% renewable goal by 2036, doubling energy efficiency by 2027, balancing the system demands with increased use of natural gas for peak capacity from new and existing facilities, ensure units comply with once-through-cooling mandates to eliminate the use of ocean water for cooling, increasing deployment of energy storage and distributed energy resources, investing in the Power System Reliability Program to ensure robust power system, and supporting electric transportation growth to decrease overall greenhouse gas emissions in the L.A. Basin.

CUSTOMERS-RETAIL .....	1,529,232*
POWER GENERATED AND PURCHASED (IN MWH)	
SELF-GENERATED .....	16,862,000*
PURCHASED .....	8,966,000*
TOTAL .....	25,828,000*
TOTAL REVENUES (000s) .....	\$4,068,275*
OPERATING COSTS (000s) .....	\$3,530,364*

\*PRELIMINARY & UNAUDITED FISCAL YEAR END JUNE 30, 2019 INFORMATION







PASADENA  
Water & Power



## GURCHARAN BAWA | GENERAL MANAGER PASADENA WATER & POWER

Pasadena Water and Power (“PWP”) has been providing utility services since 1906. Its current service territory spans approximately 23 square miles and includes almost 66,000 electric and 38,000 water accounts.

The City of Pasadena has long been a leader in adopting and implementing aggressive sustainability goals. For over twenty years PWP has periodically prepared Integrated Resource Plans (“IRP”) to set forth renewable resource and energy efficiency targets. Since FY 2008, PWP’s annual electric energy sales have declined 20%, renewable resources have reached approximately 33% of supply, and PWP’s greenhouse gas (“GHG”) emissions have declined about 46% from 1990 levels. PWP’s energy efficiency programs have resulted in additional energy savings averaging 1.3% of PWP’s retail sales over each of the last ten years, with annual savings of 16,424 MWh per year, or 1.57% of retail sales, contributed in fiscal year 2018 alone.

Culminating a two-year process with extensive community outreach and involvement, PWP’s 2018 IRP was approved by the City Council on December 10, 2018 and California Energy Commission (“CEC”) on August 10, 2019. PWP worked closely with the public to identify key issues for resource planning, and assembled a stakeholder advisory committee representing a cross section of PWP customers to provide input on the development of the IRP. The IRP further enhanced several key sustainability goals, including: Compliance with renewable portfolio standard (“RPS”) targets established by Senate Bill 100 (60% RPS by 2030); the decision to exit participation in the Intermountain Power Project Gas Renewal Project; a commitment to limit all future long-term energy supplies to GHG-free resources and reduce GHG emissions by at least 75% in 2030 (as compared to 1990 levels).

CUSTOMERS-RETAIL .....	67,025*
POWER GENERATED AND PURCHASED (IN MWH)	
SELF-GENERATED .....	67,244*
PURCHASED .....	1,033,370*
TOTAL .....	1,100,614*
TOTAL REVENUES (000s) .....	\$218,055*
OPERATING COSTS (000s) .....	\$187,445*

\*PRELIMINARY & UNAUDITED FISCAL YEAR END JUNE 30, 2019 INFORMATION



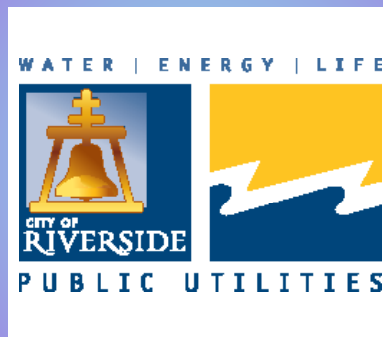
## TODD CORBIN | GENERAL MANAGER RIVERSIDE PUBLIC UTILITIES

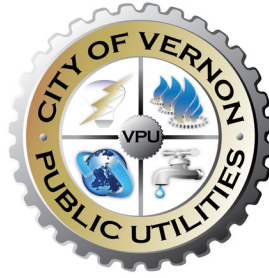
Established in 1895, Riverside Public Utilities (RPU) is a consumer-owned water and electric utility that provides high quality, reliable services to 110,000 metered electric customers, and 66,000 metered water customers throughout an 82 square mile area in and around the City of Riverside, California, serving a population of 328,000. RPU is committed to providing the highest quality water and electric services at the lowest possible rates to benefit its customer owners.

To maintain its energy delivery commitment, the utility maintains a diverse resource portfolio mix that includes: 236 MW of simple-cycle, natural gas peaking generation, and 29.5 MW combined-cycle natural gas generation; participation in joint SCPPA (12.3 MW) and Intermountain Power Agency (137.1 MW) generation projects; long-term renewable power purchase agreements (230.5 MW), as well as short, mid, and long-term contracts from various other power providers. Riverside is committed to promoting sustainable communities and becoming a municipal leader in the use of renewable energy resources. RPU met the 25 percent mandate by December 31, 2016 and is on target to meet additional future mandates with resource procurement actions as outlined in the Renewables Portfolio Standard Procurement Plan. For calendar year 2018, renewable resources provided 34 percent of retail sales requirements.

CUSTOMERS-RETAIL .....	110,480*
POWER GENERATED AND PURCHASED (IN MWH)	
SELF-GENERATED .....	108,000*
PURCHASED .....	2,153,700*
TOTAL .....	2,,261,700*
TOTAL REVENUES (000s) .....	\$362,659*
OPERATING COSTS (000s) .....	\$322,402*

\*PRELIMINARY & UNAUDITED FISCAL YEAR END JUNE 30, 2019 INFORMATION





**ABRAHAM ALEMU | INTERIM GENERAL MANAGER**  
**VERNON PUBLIC UTILITIES**

City of Vernon Public Utilities has completed its Integrated Resource Plan (IRP) that was designed to provide a long term strategy to meet the electric service needs of its customers and comply with state and federal energy policies.

CUSTOMERS-RETAIL .....	1,915*
POWER GENERATED AND PURCHASED (IN MWH)	
SELF-GENERATED .....	4,141*
PURCHASED .....	1,115,074*
TOTAL .....	1,119,215*
TOTAL REVENUES (000s) .....	\$187,224*
OPERATING COSTS (000s) .....	\$153,838*

\*PRELIMINARY & UNAUDITED FISCAL YEAR END JUNE 30, 2019 INFORMATION

The central white hexagon features a light blue map of Louisiana. Overlaid on the map is the acronym 'SCPPA' in a bold, dark blue, sans-serif font. A yellow and orange brushstroke graphic sweeps across the letters from the bottom left to the top right.

**SCPPA**

ANNUAL REPORT