




**CITY of CALABASAS**  
**CITY COUNCIL AGENDA REPORT**

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**DATE:** FEBRUARY 12, 2021

**TO:** HONORABLE MAYOR AND COUNCILMEMBERS

**FROM:** JOHN BINGHAM, ADMINISTRATIVE SERVICES MANAGER 

**SUBJECT:** DISCUSSION OF SOUTHERN CALIFORNIA EDISON RATE INCREASES

**MEETING DATE:** FEBRUARY 24, 2021

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**SUMMARY RECOMMENDATION:**

That the City Council discuss February 1, 2021 Southern California Edison (SCE) electric utility rate increase, the past rate increases and the planned increase is expected for June 2021.

**BACKGROUND:**

At the Clean Power Alliance (CPA) Board of Directors meeting held February 4, 2021 the city was informed of an SCE rate increase of 10-11% for residential and non-residential customers which took effect February 1, 2021. Since November 2018 through February 2021 there have been nine rate changes from SCE leading to significant overall rate increases. In addition, SCE has another rate increase anticipated for June 2021. SCE's filing for its February SCE rate increase occurred just before the City Council approved an increase to Calabasas' CPA default rate from the Lean 36% renewable power level to the 100% Green renewable power level which would increase the average monthly bill 8-10% for customers choosing not to opt down or out from the new default rate. The City Council was unaware of the recent and planned SCE rate increases when the CPA default rate change was deliberated.

## **DISCUSSION/ANALYSIS:**

To summarize, the Management Report (Attachment 1) from Executive Director Ted Bardacke from the February 4, 2021 CPA Board of Directors meeting, "On January 11, 2021, SCE filed its Advice Letter to implement new generation, delivery and PCIA (Power Change Indifference Adjustment), beginning February 1, 2021. While SCE generation rates are roughly flat, the PCIA is increasing approximately 27% and delivery charges are increasing approximately 14%. These rate increase will result in a 10-11% overall bill increase for CPA customers and portends a revenue squeeze for CPA."

The SCE and CPA February 1 Detail (Attachment 2) illustrates the SCE rate increase based on an average monthly residential bill for the three rates: Lean 36% renewable energy, Clean 50% and 100% Green tier.

Prior to SCE's rate change, the average monthly CPA residential customer bill was between \$122 and \$132 per month depending on the rate tier. With this SCE rate change, including the PCIA, it will be \$135 and \$145 per month. This change is entirely due to an increase in SCE charges, as CPA rates are not changing at this time.

The last attachment is a Fact sheet on PICA (Attachment 3) from the California Public Utilities Commission (CPUC). SCE rate increases are approved by the CPUC.

The City has requested that a representative of CPA and SCE attend the February 24, 2021 Council meeting to answer questions related to the rate increases and their notification process of the rate changes.

## **FISCAL IMPACT/SOURCE OF FUNDING:**

The SCE rate increase will increase the utility costs at city facilities 10-11%, approximately \$40,000 annually.

## **REQUESTED ACTION:**

That the City Council discuss the SCE electrical utility rate increases.

## **ATTACHMENTS:**

1. CPA Management Report from Executive Director Ted Bardacke
2. SCE and CPA February 1 Rate Increase detail
3. PICA fact sheet from the CPUC