

RESOLUTION NO. 20-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING AN ESCROW AGREEMENT WITH RIVER CITY BANK AND SOUTHERN CALIFORNIA EDISON ON BEHALF OF THE COMMERCE COMMUNITY CHOICE AGGREGATION PROGRAM TO COMPLY WITH CALIFORNIA PUBLIC UTILITIES COMMISSION FINANCIAL SECURITY REQUIREMENTS.

WHEREAS, Community Choice Aggregator (“CCA”), authorized by Assembly Bill 117, is a state law that allows cities, counties, and other authorized entities to aggregate electricity demand within their jurisdictions in order to purchase and/or generate alternative energy supplies for residents and businesses within their jurisdiction while maintaining the existing electricity provider for transmission and distribution services; and

WHEREAS, on November 20, 2018, the City Council of the City of Commerce adopted Ordinance 703 Establishing a Community Choice Aggregation Program; and

WHEREAS, on April 2, 2019, the City Council of the City of Commerce adopted Resolution No. 19-44 approving an Agreement for Consulting Services between the City of Commerce, a California Municipal Corporation and the California Choice Energy Authority, a Public Entity created pursuant to the Joint Exercise of Powers Act; and

WHEREAS, on April 16, 2019, the City Council of the City of Commerce adopted Resolution No. 19-51 authorizing the City’s entry into a Joint Exercise of Powers Agreement regarding the California Choice Energy Authority and directing the taking of further actions related thereto; and

WHEREAS, on September 15, 2020, the City Council of the City of Commerce adopted Resolution No. 20-93 approving the Commerce Choice Aggregation Program’s Integrated Resource Plan; and

WHEREAS, on October 8, 2020, the California Public Utilities Commission (CPUC) adopted Resolution E-5059 (Resolution) finalizing the implementation of the Investor Owned Utilities (IOU) advice letters, and setting the Financial Security Requirement (FSR) at \$147,000. To date, the CCAs have been operating under an interim amount of \$100,000, which was submitted to the CPUC as part of the City’s CCA registration process: and

WHEREAS, as a CCA, the City’s CCA is required to meet certain state mandated obligations, including the posting of a FSR instrument per the CPUC Resolution; and

WHEREAS, the Escrow Agreement is intended to describe and make effective the FSR instrument used by the CCA for the purpose of satisfying the CCA’s FSR obligation with a cash deposit held by the Bank.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE DOES HEREBY RESOLVE, DECLARE AND DETERMINE AS FOLLOWS:

Section 1. Finds and declares that the foregoing recitals are true and correct, and incorporates said recitals into this Resolution as substantive findings.

Section 2. Approves an Escrow Agreement with River City Bank and Southern California Edison to comply with California Public Utilities Commission Financial Security Requirements, in substantially the same form as attached, subject to final and technical revisions as approved by legal counsel.

Section 3. Authorize a payment of CCA Bond to California Public Utilities Commission in the amount of \$147,000.

PASSED, APPROVED, AND ADOPTED ON THIS 17th day of NOVEMBER, 2020.

Ivan Altamirano, Mayor

ATTEST:

Lena Shumway, City Clerk