



POWERFUL BEGINNINGS

*History of the City of Lompoc Electric Division
Providing 100 Years of Service to Lompoc*

For 100 years, the City of Lompoc Electric Division, a community-owned electric utility, has proudly provided safe and reliable electric power to its users at a reasonable cost. Each citizen living within the city limits is an owner of the system, as well as one of its customers. Utility rates and policies are established by the City of Lompoc City Council.

The Utility's original electric system was purchased from an investor-owned operator by a City of Lompoc Board of Trustees' action on February 23, 1923. Throughout the years, the electric system has been modernized and expanded to provide the level of service required by its customers.

EARLY YEARS

LOMPOC LIGHT AND POWER COMPANY

On May 5, 1920, at a Board of Trustees meeting, Lompoc Light & Power Company (LL&PC) offered to sell its electric system to the City. In exchange, the company would receive, bonds bearing 5.5% interest. The Board appointed a committee of three to investigate the value of the system and the feasibility of the purchase by the City. Board members Moore, Sudden and Attorney Hardenbrook were appointed to the Committee.

LL&PC was a privately-owned company operating within the City limits. At one time, the company produced the power it sold. By the time they offered the system for sale to the City, the company purchased power from Midland Counties Public Service Corporation, a subsidiary of San Joaquin Light and Power. San Joaquin Light and Power was later taken over by Pacific Gas & Electric Company (PG&E).

At the next Board meeting held May 18, 1920, the LL&PC made another offer to sell its electric system to the City. At this time, the system included 460 meters, 40 transformers, nine miles of pole-lines, six lots and a substation building. The system was considerably run down and distribution losses were high and so were electric rates. Citizens paid 15 cents per kilowatt hour of electricity which was extremely high. This high rate and undependable service is what piqued the Board's interest in purchasing the company. The Board felt the City would be able to operate the system more efficiently than LL&PC and still charge less per kWh.

The purchase of LL&PC was often discussed at Board of Trustee meetings. Finally on July 6, 1920, the Board determined that public interest and necessity demanded the acquisition of the electrical system. An election was held on August 18, 1920, to determine whether or not bonds in the sum of \$27,000.00 should be issued for the purchase of the electric system. The citizens voted in favor of the issuance of bonds and the action was further approved by ordinance by the Board of Trustees. It took another two years of investigation, discussion and another election before the purchase was finalized. On December 19, 1922, the City issued bonds in the aggregate principal sum of \$30,000.00 in the denomination of \$1,000.00 each bearing interest at 5.5%.

Finally, on February 23, 1923, the electric system was purchased from LL&PC by the City for \$30,000.00. The purchase included seven lots, all franchises owned or possessed for the sale and delivery of electric energy, power or light, together with substation equipment, pole lines, transformers, meters, office equipment, a Ford car, tools, stock of poles, line material and merchandise on hand. The original substation building still stands between E and F Streets near Chestnut Avenue.

CITY OF LOMPOC ELECTRIC DIVISION

The City of Lompoc Electric Division (Division) was created to run the newly purchased electric system owned and operated by the City. The Division soon began to produce a significant profit and the City was able to lower rates from 9 cents per kilowatt hour (kWh) to approximately 5.5 cents per kWh. From the operating revenues of the Division, the City was able to retire, year by year, the bonds and pay the interest on the bonds, as it came due. The Division was fully self-supporting and was a revenue producer enabling the City to further improve the system.

By the mid-1970s, the City had grown and the system had over 8,800 customers. The system consisted of a receiving station and metering station, seven distribution substations and approximately 115 miles of overhead and 10 miles of underground distribution lines. Due to the growth, plans were underway for the development and construction of a new electric receiving station. The new receiving station would allow the Division to purchase power at a higher voltage from Pacific Gas and Electric (PG&E). This was needed to keep up with projected growth of the City and for the purchase of power at a considerable savings.

In 1978, and the Division began construction of the new electric receiving station located at 1110 North D Street. Construction was completed in 1979. The receiving station was designed to have three transformers. The third transformer was later constructed in 1989.

NORTHERN CALIFORNIA POWER AGENCY (NCPA)

In 1950, the Northern California Municipal Electric Association (NCMEA) was formed. This organization was composed of municipal electric utilities who were located within areas otherwise serviced by PG&E. The common goal of the members of the association was to find and/or create, either jointly or collectively, a future source of power to meet the ever-growing demand of the member utilities.

By 1967, the cost of wholesale electricity from PG&E was increasing steadily and the NCMEA members were now beginning to look for even more ways to provide less costly power to an increasing population base. For the first time since the City purchased the electric system, the City was faced with charging higher rates to its customers than the rates charged to PG&E customers.

In 1968, Northern California Power Association (NCPA) was formed from NCMEA members. This was achieved under a Joint Exercise of Powers Act. Up until this time, the eleven member cities (Lompoc, Lodi, Healdsburg, Alameda, Ukiah, Briggs, Gridley, Palo Alto, Redding, Santa Clara and Roseville) owned their own distribution systems, but did not own any power generation capacity. As a member of the newly formed NCPA, the foundation was laid for the Utility to become a producer of electricity as well as a distributor of electricity. In 1983, NCPA's first power plant was completed. This plant produced electric power from geothermal energy.

Today, NCPA is a not-for-profit Joint Powers Agency, whose members include the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Shasta Lake, and Ukiah, as well as the Bay Area Rapid Transit District, Port of Oakland, the Truckee Donner Public Utility District, and the Plumas-Sierra Rural Electric Cooperative.

NCPA's portfolio of power plants is among the cleanest in the nation. NCPA's owned generation facilities include geothermal and hydropower plants that have operated since the 1980s, and a state-of-the-art, fast-start natural gas facility built in 2012. NCPA's major generation assets are the 102 megawatt (MW) Geysers geothermal plants; the 259 MW North Fork Stanislaus River hydroelectric facility; and the 300 MW natural gas-fired Lodi Energy Center. Approximately half of the Agency's portfolio is emission free. Greenhouse gas emissions from the Agency's fleet of plants are well below the California state average and are significantly below statewide greenhouse gas emission targets proposed by the U.S. Environmental Protection Agency. NCPA has been a pioneer in use of innovative technologies to benefit the environment. If electric demand exceeds supply capabilities, NCPA will purchase additional electricity for distribution to members from the least expensive source on the open market. That source could include electricity produced by PG&E or any other generator with power to sell on the open grid.

TODAY

Today, the Electric Division provides safe and reliable electricity at a reasonable rate to its owners and citizens because of decades of careful planning by the City of Lompoc, City Council and its predecessors. The citizens of the City continue to place a high value on local choice and therefore have chosen to operate a community-owned, not-for-profit electric utility since 1923. As utility customers and owners of the utility, citizens have a direct say in utility priorities and policies.

New equipment and energy conservation programs continue to be added to better meet public demand and to assure dependable service at a rate that is still below that of the large investor-owned electric utilities in California. Currently, the electric system consists of a receiving station, one distribution substation and 60 miles of overhead and 65 miles of underground distribution lines with 15,463 meters. The Division is still a member of NCPA and works through NCPA for the production and/or purchase of the electricity that is distributed to the customer.

Electric Division staff, along with staff from other City Departments, work hard together to have an award-winning utility that provides Lompoc homes, businesses, schools, and local government agencies with reliable, efficient, and safe electricity employing sound business practices designed to ensure the best possible service at not-for-profit rates. The Electric Division is a current recipient of the prestigious American Public Power Agency (APPA) RP3 Designation, APPA Safety Award of Excellence. as well as the APPA Smart Energy Provider.