



City Council Agenda Item

City Council Meeting Date: May 21, 2024

TO: Dean Albro, City Manager

FROM: Brad Wilkie, Utility Director
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SUBJECT: Adoption of Resolution No. 6652(24) Authorizing the City Manager or Designee to Execute the Transmission Owner Rate Case Program Agreement with Northern California Power Agency

Recommendation:

Staff recommends the City Council adopt Resolution No. 6652(24) (Attachment 1), authorizing the City Manager or designee to execute the Transmission Owner Rate Case Program Agreement with Northern California Power Agency (Attachment 2).

Background/Discussion:

Lompoc is a member of the Transmission Agency of Northern California (TANC) and Northern California Power Agency (NCPA). TANC, acting on behalf of its members, has supported, through their Program Agreement No. 6 a focused effort with legal counsel and consultants to reduce, or limit the increase of, the transmission owner charges collected by the California Independent System Operator (CAISO), through transmission access and wheeling access charges.

TANC's Program Agreement No. 6, and the associated efforts, expired at the end of 2023. Based upon NCPA's expectation that TANC will no longer engage in the transmission owner rate cases and related work, NCPA's Commission previously approved budgeted funds through the Fiscal Year 2024 (FY 2024) budget process to be used for legal and consulting services, focused on active participation and engagement in transmission owner rate cases at the Federal Energy Regulatory Commission (FERC).

The proposed adoption of the Transmission Owner Rate Case Program (TORC Program) Agreement enables the continuation of the work by NCPA that was previously performed by TANC under its Program Agreement No. 6 and the bridge provided in the NCPA FY 2024 budget.

A copy of the TORC Program Agreement (Attachment 2) is attached to this staff report.

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Execution of Transmission Owner Rate Case Program Agreement

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Fiscal Impact:

There is no direct fiscal impact to the City's General Fund. Pursuant to the terms and conditions of the TORC Agreement, each Participant, including Lompoc, acknowledges and agrees to be bound by the terms and conditions of the TORC Agreement.

Lompoc's participant share of costs related to the TORC Agreement is determined by Lompoc's energy delivered/scheduled energy as a ratio of all participants energy delivered/scheduled energy based on the NCPA FY 2024 budget. Lompoc budgeted load is 135,765 MWh while the total load for all participants in the TORC Agreement is 7,291,328 with a percentage share of costs attributable to Lompoc of 1.86%. The City's share of costs under the NCPA FY 2024 budget for the services approved for FY 2024 is \$5,580. As these services have been provided previously either through TANC or NCPA, there are no incremental additional costs related to the services proposed in the TORC Program Agreement.

Conclusion:

The adoption of Resolution No. 6652(24) will authorize the City Manager or designee to execute the TORC Program Agreement to continue services provided currently and in the past.

Respectfully submitted,

Brad Wilkie, Utility Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

Attachments: 1) Resolution No. 6652(24)
2) Transmission Owner Rate Case Agreement