



CITY OF POMONA COUNCIL REPORT

January 6, 2025

To: Honorable Mayor and Members of the City Council

From: Anita D. Scott, City Manager

Submitted By: Chris Diggs, Water Resources Director

SUBJECT: APPROVE EXPANSION OF THE POMONA CHOICE ENERGY POWER CHOICE SOLAR AND BATTERY PROGRAM AND AMEND THE AGREEMENT

RECOMMENDATION:

It is recommended that the City Council take the following action:

1. Approve expansion of the Pomona Choice Energy Power Choice Solar and Battery Program;
2. Approve Amendment No. 1 to the Power Choice Management Agreement; and,
3. Authorize the City Manager, or her designee, to execute all contracts and make any non-substantive changes to the expansion of Pomona Choice Program, through a partnership with Participate.Energy, LLC in a form approved by CalChoice attorneys.

EXECUTIVE SUMMARY:

Executing the attached amendment (Attachment No. 1) will allow for the expansion of the Pomona Choice Energy (PCE) Power Choice Solar and Battery Program (“Program”) to include commercial and industrial customers.

SB1439/GOVERNMENT CODE §84308 APPLICABILITY:

When this box is checked, it indicates the agenda item is subject to the Levine Act SB1439 requirements. Councilmembers are reminded to check their campaign contributions and determine whether they have received a campaign contribution of \$250 or more that would require disclosure and/or recusal from discussing or acting on this agenda item. Campaign contributions of \$250 or more made: 1) by any person or entity who is identified in the agenda report as the applicant or proposer; or 2) on behalf of the applicant or participant, including a parent, subsidiary or otherwise related business entity; or 3) by any person who has a financial interest in the agenda item requires a councilmember to comply with SB1439.

FISCAL IMPACT:

There is no fiscal impact to the General Fund.

Compensation for services will be based on a minimum “per watt” installed for each system that has reached operational status. Currently the City collects a one-time fee of \$0.40 per watt installed during construction. The average one-time revenue the City receives via the Program Management Agreement Fee, for a residential system, is \$380. In an effort to increase Program participation, the \$0.40 that the City currently receives will be adjusted to \$0.35, and \$0.05 going towards marketing the Program.

Under the new structure, the City will receive \$332.50; however, with the additional marketing that will take place, it is anticipated the gross revenues will increase significantly, as there are currently five systems scheduled for installation. With the introduction of Channel Partners, it is anticipated the City would achieve 5 to 10 times the volume in 2025, and the City will increase the revenues up to \$195,220 annually. Additionally, the City will continue to receive the revenues from the monthly service fee of \$0.02 per kilowatt-hour (kWh) generated and the monthly fee of \$15.00 for each Powerwall installed.

PREVIOUS RELATED ACTION:

On August 7, 2023, City Council approved to execute agreements for the Program

DISCUSSION:

Approved by City Council on August 7, 2023, and launched on December 1, 2023, the Program allows PCE residential customers to acquire solar panels and battery storage with no upfront costs or credit check. The Program provides residential PCE customers with the benefits of low cost solar energy, backup power, and the opportunity to participate in grid services, making clean energy more accessible. Currently only available to residential customers, the agreement amendment will extend the Program to commercial and industrial customers.

The commercial and industrial components of the Program will be designed similarly to the residential program and require no upfront costs and finance commercial systems for a term of 25 years. Each system will be engineered and designed to optimize energy and cost savings. Since the launch of the Program, staff has undertaken several marketing activities to increase participation, including a targeted social media campaign across the City’s platforms, in Pomona newsletters, and at public events.

Expanding the outreach through the use of the marketing firm, Channel Partners, provides an opportunity to enhance the program’s reach. Participate.Energy, the City’s Program partner, propose engaging Channel Partners to increase program awareness, offer customers more choices, and boost participation by fostering competition among installers. PCE customers will be able to select from various local and regional installers, each providing consistent solar and battery specifications. With all Channel Partners customers operating under the same Program policies and pricing structure, customers will be able to easily compare different options and select the proposal that best meets their needs.

Based on the foregoing, staff recommends City Council grant to the City Manager, or her designees, the authority to execute all contracts, and with the approval of the City Attorney, make any non-

substantive changes, related to the Program to include Commercial and Industrial customers.

Prepared by:

Julie Carver

Environmental Compliance Supervisor

ATTACHMENTS:

Attachment No. 1 - Amendment No. 1 Program Management Agreement with exhibits