

# Memo

To: Mayor Khan and the City Council  
From: Larry Agran, City Councilmember  
(A second is needed)  
Date: March 1, 2022  
**Re: Request for an Audit of the Orange County Power Authority**

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The Orange County Power Authority will launch service for *commercial* customers (business and industry) on April 1, 2022. According to a 2019 Finance Commission staff report, “A CCE program in Irvine can provide a potential two percent discount on electricity rates when compared to SCE rates...[with] the potential to increase the amount of renewable energy in the community.”

It remains to be seen if OCPA will deliver on that promise. According to a City report delivered to Council on February 3, 2022, *residential* customers enrolled on October 1, 2022 in the Smart Choice and 100% Renewable Energy Choice will pay, respectively, on average 3.7% (\$4.25 per month) and 5.6% (\$6.38 per month) more than those households enrolled in Southern California Edison.

Similarly, commercial customers are expected to pay 4% to 7% more for electricity per month if they are enrolled in all but the Basic Plan, which has no higher costs but no higher renewable electricity content than SCE.

OCPA’s commercial launch on April 1 will provide a real-world market test of the Joint Power Authority’s rate structures and operational viability. Meanwhile, in accordance with OCPA’s Joint Powers Agreement (JPA), I am requesting that the City Council place on the March 8 Council meeting agenda an item to direct the City Manager to commence a City audit of the Orange County Power Authority.<sup>1</sup>

cc: City Manager  
City Clerk  
City Attorney

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<sup>1</sup> Per Section 4.1 of the “Form of Capital Loan Agreement,” Attachment D of the “Orange County Power Authority Joint Powers Agreement” the City signed on November 20, 2020, “*Prior to January 1, 2023, the City may audit the Authority’s expenditures of Pre-Launch Costs to confirm that such expenditures have been made consistent with the purposes of this Agreement (emphasis added).*”