

Introduced by McAustin

ORDINANCE NO. 7280

AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE LIGHT AND POWER RATE ORDINANCE, TITLE 13, CHAPTER 13.04 OF THE PASADENA MUNICIPAL CODE TO ESTABLISH ECONOMIC DEVELOPMENT INCENTIVES FOR NEW COMMERCIAL CUSTOMERS OR EXPANDED SERVICES BY EXISTING CUSTOMERS UNDER SPECIFIED CONDITIONS.

The People of the City of Pasadena ordain as follows:

SECTION 1. This ordinance, due to its length and the corresponding costs of publication, will be published by title and summary as permitted by Section 508 of the Charter. The approved summary of this ordinance reads as follows:

"SUMMARY

The purpose of Ordinance No. 7280 is to amend the Light and Power Rate Ordinance to add a new section which will authorize Pasadena Water and Power to establish economic development incentives for new commercial customers or expanded services by existing customers under specified conditions.

This ordinance shall take effect upon its publication."

SECTION 2. A new Section **13.04.073** is hereby added to Title 13, Chapter 13.04 of the Pasadena Municipal Code to read as follows:

"13.04.073 - Economic Development Rates

The rates and conditions of services hereunder shall be as provided by Schedule ED, as follows:

Schedule ED

Economic Development Rates for Medium and Large Commercial and Industrial Customers

A. Applicability.

1. The Economic Development Rate is available to new medium and large commercial and industrial customers that:
 - i. Have a 2012 North American Industry Classification System ("NAICS") code in one of the following categories: Construction (23), Manufacturing (31-33), Information (51), Scientific, Technical, and Professional Services (54), or restaurants (722511 or 722110);

- ii. Must upgrade the existing building and/or the electrical service interconnection thereto; and
 - iii. Are adding a minimum of 50 kW of projected electrical demand.
2. For existing medium and large commercial and industrial customers, the projected incremental demand must be a minimum of 50kW or 10% of existing demand, whichever is greater.
3. Customer shall make application to PWP to take service under this schedule. Such application shall indicate whether customer elects to take service under Section 13.04.073(C) (three year rate discount) or Section 13.04.073(D).
4. The City's Economic Development Manager will evaluate the applications to determine whether they meet the proposed business use criteria and the PWP General Manager shall determine whether the customer meets the electrical requirements and qualifies to take service under this Schedule ED.

B. Agreement.

Customers shall execute an economic development rate agreement as specified by PWP prior to the effective date of any discount.

C. Option 1 Rate Discount.

1. Except as provided herein, all rates charged will be in accordance with customer's otherwise applicable rate schedule as set forth in the applicable sections of this chapter.
2. The total of the unbundled electric service charges for the distribution, energy, and transmission service charges under the customer's otherwise applicable rate schedule on customer's electric bill associated with the new or incremental load shall be reduced by 20% in the first contract year, 10% in the second contract year; and, 5% in the third and final contract year.
3. For existing customers, the discount will be prorated to reflect only the incremental load that qualifies for the Economic Development Rate.
4. Customer shall compensate PWP for the full cost of electric service connection fees in accordance with Section X of Regulation 21 to qualify for the Rate Discount. Customer must remit 100% of the total estimated cost in advance of PWP performing the work.

D. Option 2 Discounted Interconnection Fees.

In lieu of the Rate Discount provided in section C, customer may choose to receive a discount on labor and materials on work performed by PWP to install a new or upgraded electric service connection in accordance with Section X of Regulation 21. The maximum discount for each customer would be \$200 per kilowatt of new or incremental load or \$100,000, whichever is less. Customer must remit the balance of the total estimated cost in advance of PWP performing the work.

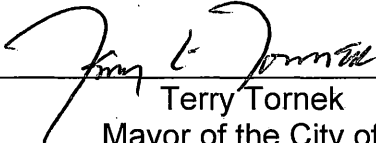
E. Special Provisions

1. Customer shall comply with all applicable PWP rules and regulations, including without limitation, Regulation 21.

2. Customer must meet Economic Development Rate Qualifying Criteria as determined by the City's Economic Development Manager.
3. Discounts are limited to a maximum of \$100,000 per customer over the term of the agreement.
4. The Economic Development Rate will be offered to eligible customers on a first-come first-served basis for three years (from the rate effective date) or until cumulative estimated discounts reach \$1,000,000, whichever occurs first."

SECTION 3. This ordinance shall take effect upon its publication by title and summary.

Signed and approved this 18th day of April, 2016.



Terry Tornek
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council at its meeting held this 18th day of April, 2016, by the following vote:

AYES: Councilmembers Gordo, Hampton, Kennedy, Madison, McAustin, Wilson, Vice Mayor Masuda, Mayor Tornek

NOES: None

ABSENT: None

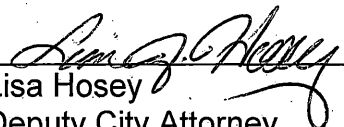
ABSTAIN: None

Date Published: April 21, 2016
Pasadena Journal

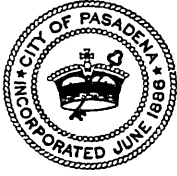


Mark Jomsky, CMC
CITY CLERK

Approved as to form:



Lisa Hosey
Deputy City Attorney



Ordinance Fact Sheet

TO: CITY COUNCIL DATE: APRIL 11, 2016
FROM: CITY ATTORNEY
SUBJECT: AMENDMENT OF THE LIGHT AND POWER RATE ORDINANCE
TO ESTABLISH AN ECONOMIC DEVELOPMENT RATE
SCHEDULE

TITLE OF PROPOSED ORDINANCE:

AN ORDINANCE OF THE CITY OF PASADENA AMENDING THE LIGHT AND POWER RATE ORDINANCE, TITLE 13, CHAPTER 13.04 OF THE PASADENA MUNICIPAL CODE TO ESTABLISH ECONOMIC DEVELOPMENT INCENTIVES FOR NEW COMMERCIAL CUSTOMERS OR EXPANDED SERVICES BY EXISTING CUSTOMERS UNDER SPECIFIED CONDITIONS.

PURPOSES OF THE ORDINANCE:

The purpose of this Ordinance is to amend the light and power rate ordinance to add economic development incentives for new commercial customers or expanded services by existing customers under specified power use thresholds.

REASONS WHY LEGISLATION IS NEEDED:

The City Council directed preparation of this amendment at its meeting of November 2, 2015. The reason why legislation is needed is that Pasadena's Economic Development Strategic Plan and subsequent Economic Development Task Force report recommended that the City "provide utility incentives or flexible payment terms to targeted job producers that upgrade outdated facilities." As a result, Pasadena Water and Power ("PWP") staff considered various options that would help meet certain economic development goals without adversely impacting PWP customers. The establishment of an Economic Development Rate schedule meets these objectives.

MEETING OF ~~04/11/2016~~ 04/18/2016
AGENDA ITEM NO. ~~20~~ - 14

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

On November 2, 2015, the City Council found that the proposed amendment to the light and power rater ordinance is not a project subject to the California Environmental Quality Act ("CEQA"), as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines.

PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:

The Pasadena Water and Power Department, its new and existing customers, the City, and the general public would be positively impacted by this amendment.

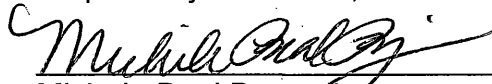
FISCAL IMPACT:

The proposed Economic Development Rate may reduce electric revenues from qualifying new customer load by a total of up to \$1,000,000 over a three- to five-year period, depending upon the amount and pace of customer participation. The proposed incentive rate schedule is expected to encourage new customer load that otherwise would not have occurred, which will bring additional revenues to the Light and Power Fund that offset costs for all customers. Thus, it is anticipated that there will be no adverse impact to PWP's overall electric customer base (e.g., no rate increases will result from this program). In addition, the City would benefit from the new and expanded businesses, jobs, and improvements to existing infrastructure and building stock as a result of the economic development stimulated by the Economic Development Rate incentives.


POLICY CHANGES:

This ordinance amendment does not result in any policy changes, and is consistent with recommendations in Pasadena's Economic Development Strategic Plan, the subsequent Task Force report, and the City Council's goals.

Respectfully submitted,


Michele Beal Bagnaris
City Attorney

Prepared by:


Lisa Hosey
Deputy City Attorney

Concurrence:


Steve Mermell
Interim City Manager

Introduced by McAustin

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"SUMMARY


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This ordinance shall take effect upon its publication."

SECTION 2. The City Clerk shall certify the adoption of this ordinance and shall cause this ordinance to be published by title and summary.

SECTION 3. This ordinance shall take effect upon its publication by title and summary.

Signed and approved this 18th day of April, 2016.



Terry Tornek
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council at its meeting held this 18th day of April, 2016, by the following vote:

AYES: Councilmembers Gordo, Hampton, Kennedy, Madison, McAustin, Wilson, Vice Mayor Masuda, Mayor Tornek

NOES: None

ABSENT: None


ABSTAIN: None

Date Published: April 21, 2016
Pasadena Journal



Mark Jomeky, CMC
CITY CLERK

Approved as to form:



Lisa Hosey
Deputy City Attorney

THE PASADENA JOURNAL NEWS
1541 N. Lake Ave., Suite A
Pasadena, CA 91104

This space is for Clerk's filing Stamp

PROOF OF PUBLICATION
(2025.5 C.C.P.)

STATE OF CALIFORNIA
County of Los Angeles

I am a citizen of the United States and a resident of the County of aforesaid. I am the Principal clerk of the printer of the Pasadena Journal, a newspaper of general circulation printed and published weekly in the County of Los Angeles and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California,

under the date of April 16, 1991, Case Number GS000541, that the notice of which is annexed is a printed copy (set in type not smaller than nonpareil) has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dated twit
Published April 21, 2016

I certify and declare under penalty perjury that the foregoing is true and correct

Dated at Pasadena, California, this 21st day of April, 2016.

Introduced by Councilmember McAustin
ORDINANCE NO. 7280

SEE ATTACHMENT


Signature

Jeanette M. Beard

PROOF OF PUBLICATION

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ABSENT: None

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Mark Jomsky, CMC
CITY CLERK

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