

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA APPROVING CONTINUATION OF THE ELECTRICITY COMMODITY PURCHASES FROM SHELL ENERGY AND AUTHORIZING THE CITY MANAGER TO EXECUTE ALL DOCUMENTS IN CONJUNCTION WITH UPDATING THE PURCHASE RATES

WHEREAS, the California Public Utilities Commission began implementation of Assembly Bill 1890 in 1998 to make the generation of electricity more competitive in California through the creation of "Direct Access Services;" and

WHEREAS, Direct Access allows commercial, industrial, and agricultural customers to purchase electricity from a third-party Electric Service Provider, instead of from the local Investor-Owned Utility; and

WHEREAS, Direct Access allows these customers to potentially negotiate better electricity commodity rates or higher renewable energy power mixes from the open market; and

WHEREAS, the City of Chula Vista has four electricity accounts that are under Direct Access Service with Shell Energy; and

WHEREAS, under the contract with Shell Energy, the City "locks-in" electricity procurement rates for certain time periods through a Confirmation Letter to minimize utility cost fluctuations; and

WHEREAS, the City's current Confirmation Letter and associated rates are expiring; and

WHEREAS, the City is now updating its electricity procurement rates with Shell Energy and can purchase electricity with 45% renewable content which is equal to what San Diego Gas and Electric (SDG&E) currently provides;

WHEREAS, this 45% renewable product from Shell Energy is projected to cost \$47,933 less than the comparable product from SDG&E.

NOW, THEREFORE, the City Council of the City of Chula Vista does hereby resolve that it:

1. Approves continuation of electricity commodity purchases from Shell Energy; and
2. Authorizes and directs the City Manager, or designee, to execute an up to 2-year Confirmation letter with rates not to exceed \$55 per Megawatt Hour, in the form presented, with such modifications as may be approved or required by the City Attorney, to be kept on file in the office of the City Clerk.

Presented by

Approved as to form by

Eric Crockett
Director of Economic Development

Glen R. Googins
City Attorney