

Fw: Pioneer Community Energy - Message from the Executive Director

Tiffany Schmid <Tiffany.Schmid@edcgov.us>

Mon 5/8/2023 8:30 PM

To: Jeffrey A. Warren <Jeffrey.Warren@edcgov.us>; Laura Schwartz <laura.schwartz@edcgov.us>; Ted D. Wood <Ted.Wood@edcgov.us>

FYI

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From: Teresa Willock <TeresaW@PioneerCommunityEnergy.org>

Sent: Monday, May 8, 2023 10:48 AM

To: John Hidahl <john.hidahl@edcgov.us>

Cc: Tiffany Schmid <Tiffany.Schmid@edcgov.us>

Subject: Pioneer Community Energy - Message from the Executive Director

Message sent on behalf of Executive Director Eckert

Topic: SB1383 Solution – Contract Follow Up

Good Morning Governing Board,

Staff sent out the negotiated contract template to all member agencies that were interested last week. Staff has received some inquiries on understanding the pricing exhibit (Schedule 1) and the different tiers referenced. The purpose of this email is to help our member agencies prepare the contract for adoption and/or assist in the decision process. Except for Rocklin, all our member agencies are either moving forward with this alternative or are still in the decision phase. The intent of this note is not to pressure any member agency to join this effort but only to provide clarification.

The contract references various tiers of pricing based on attributes commissioned. If neither El Dorado nor Placer County join, the remaining member agencies would fall under Tier 1 pricing. If one of the counties joins, then Tier 2 pricing would apply to all member agencies and if both counties join, Tier 3 pricing would then apply. Member agencies will not be paying different rates based on when they join but the tier rate will apply to all member agencies. The table below illustrates the pricing by tiers:

| Price/Attribute | <u>2023</u> | <u>3-Yr Avg</u> | <u>5-Yr Avg.</u> | |
|----------------------------------|--------------------|------------------------|-------------------------|---|
| Tier 1 (ending in 10,000) | \$31.50 | \$32.45 | \$33.45 | Excludes El Dorado/Placer County |
| Tier 2 (ending in 20,000) | \$30.74 | \$29.88 | \$30.79 | With either El Dorado/Placer County joining |
| Tier 3 (ending in 30,000) | \$29.69 | \$27.30 | \$28.14 | With both El Dorado/Placer County joining |
| Note: Rocklin not included | | | | |

The following table shows the expected attributes purchased by member agency and cumulative cost over 3 years. We can show it with 5 years but I believe most of you will land in the 3 year term. With the Tier 1 scenario, neither county is joining:

| Member Agency | Attributes Purchased | | | | Tier 1 - Projected Costs |
|------------------|----------------------|-------|-------|-------|--------------------------|
| | 2023 | 2024 | 2025 | Total | 3-Yrs |
| Placerville | 261 | 566 | 871 | 1,698 | \$55,100 |
| Auburn | 347 | 751 | 1,155 | 2,253 | \$73,110 |
| Colfax | 52 | 113 | 174 | 339 | \$11,001 |
| Lincoln | 1,191 | 2,581 | 3,970 | 7,742 | \$251,228 |
| Loomis | 164 | 336 | 336 | 836 | \$27,128 |
| Rocklin | - | - | - | - | \$0 |
| Placer County | - | - | - | - | \$0 |
| El Dorado County | - | - | - | - | \$0 |
| Nevada City | 74 | 159 | 246 | 479 | \$15,544 |
| Grass Valley | 306 | 664 | 1,021 | 1,991 | \$64,608 |

The tables below show the Tier 2 scenario with only Placer County joining and then the scenario with only El Dorado County joining:

| Member Agency | Attributes Purchased | | | | Tier 2 - Projected Costs |
|----------------------|----------------------|-------|-------|--------|--------------------------|
| | 2023 | 2024 | 2025 | Total | 3-Yrs |
| Placerville | 261 | 566 | 871 | 1,698 | \$50,736 |
| Auburn | 347 | 751 | 1,155 | 2,253 | \$67,320 |
| Colfax | 52 | 113 | 174 | 339 | \$10,129 |
| Lincoln | 1,191 | 2,581 | 3,970 | 7,742 | \$231,331 |
| Loomis | 164 | 336 | 336 | 836 | \$24,980 |
| Rocklin | - | - | - | - | \$0 |
| Placer County | 2,751 | 5,960 | 9,169 | 17,880 | \$534,254 |
| El Dorado County | - | - | - | - | \$0 |
| Nevada City | 74 | 159 | 246 | 479 | \$14,313 |
| Grass Valley | 306 | 664 | 1,021 | 1,991 | \$59,491 |

| Member Agency | Attributes Purchased | | | | Tier 2 - Projected Costs |
|-------------------------|----------------------|-------|-------|--------|--------------------------|
| | 2023 | 2024 | 2025 | Total | 3-Yrs |
| Placerville | 261 | 566 | 871 | 1,698 | \$50,736 |
| Auburn | 347 | 751 | 1,155 | 2,253 | \$67,320 |
| Colfax | 52 | 113 | 174 | 339 | \$10,129 |
| Lincoln | 1,191 | 2,581 | 3,970 | 7,742 | \$231,331 |
| Loomis | 164 | 336 | 336 | 836 | \$24,980 |
| Rocklin | - | - | - | - | \$0 |
| Placer County | - | - | - | - | \$0 |
| El Dorado County | 3,866 | 6,587 | 6,587 | 17,040 | \$509,155 |
| Nevada City | 74 | 159 | 246 | 479 | \$14,313 |
| Grass Valley | 306 | 664 | 1,021 | 1,991 | \$59,491 |

And lastly, if both counties join, then Tier 3 pricing applies, and the table below shows the projected costs:

| Member Agency | Attributes Purchased | | | | Tier 3 - Projected Costs |
|-------------------------|----------------------|-------|-------|--------|--------------------------|
| | 2023 | 2024 | 2025 | Total | 3-Yrs |
| Placerville | 261 | 566 | 871 | 1,698 | \$46,355 |
| Auburn | 347 | 751 | 1,155 | 2,253 | \$61,507 |
| Colfax | 52 | 113 | 174 | 339 | \$9,255 |
| Lincoln | 1,191 | 2,581 | 3,970 | 7,742 | \$211,357 |
| Loomis | 164 | 336 | 336 | 836 | \$22,823 |
| Rocklin | - | - | - | - | \$0 |
| Placer County | 2,751 | 5,960 | 9,169 | 17,880 | \$488,124 |
| El Dorado County | 3,866 | 6,587 | 6,587 | 17,040 | \$465,192 |
| Nevada City | 74 | 159 | 246 | 479 | \$13,077 |
| Grass Valley | 306 | 664 | 1,021 | 1,991 | \$54,354 |

Please reach out with further questions. Staff will be at Loomis and Nevada City Council meetings this week and meeting with El Dorado and Placerville staff. As a reminder, the contract was negotiated with a June 30th deadline to make a decision.

Thank You,
Don

Donald Eckert Jr.

Executive Director

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