

# CITY OF MORENO VALLEY

## EVALUATING THE FORMATION OF A GREENFIELD MUNICIPAL ELECTRIC UTILITY

The City of Moreno Valley (City) expressed an interest in forming a municipal electric utility to service new residential and commercial customers within the City's boundaries. If established, this "greenfield" municipal utility would allow the City to pass on to new residential and commercial customers the benefits of local control and potentially lower electric utility-related charges from those currently imposed by Southern California Edison (SCE).

EES Consulting performed the following services for the City:

### ■ Engineering Services

- Critique or perform engineering design/construction management activities
- Develop/assess operational costs and requirements
- Propose internal staffing for new utility operations
- Recommend/confirm potential third party O&M and construction vendors
- Assist in mapping/GIS needs
- Engineer of record for official statements needed in conjunction with any utility revenue bonds

### ■ Economic/Financial

- Proforma feasibility studies and sensitivity analysis
- Benchmarking for comparable utilities
- Assessment of California PUC impacts on greenfield utility developments
- Cost-effectiveness of power purchases vs. generation ownership
- Power cost/O&M expense projection
- Critique/develop construction costs
- Interaction with City financial advisor
- Critique/develop cost-effectiveness of paying WDAT vs. construction City-owned substation
- Review third party vendor billings
- Develop City utility retail rates

■ Strategic/Administrative

- Strategic advice on whether/how to set up greenfield utility
- Options for other City energy projects
- Project management/owner's agent role
- Public relations input