



## EXECUTIVE OFFICE

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August 30, 2023

Gary Thompson, Executive Officer  
Riverside County Local Agency Formation Commission  
6216 Brockton Avenue, Suite 111-B  
Riverside, CA 92506

Re: Initial Comments to Alternative Governance and Electricity Services Study -  
Imperial Irrigation District (March 2023 Draft)

Dear Mr. Thompson:

The County of Riverside ("County") is appreciative of the work done to date by the Riverside and Imperial County Local Agency Formation Commissions (LAFCO) in the preparation of the Alternative Governance and Electricity Study. We also appreciate the granting of an extension to the comment period requested by the Coachella Valley Energy Commission (CVEC) to October 15, 2023, and LAFCO's willingness to prepare and circulate a financial analysis prior to that date to provide all stakeholders and the public with the ability to offer more complete comments. We offer these initial comments on the March 2023 draft Alternative Governance and Electricity Services Study - Imperial Irrigation District (the "Draft Study") in the interest of sharing initial observations with LAFCO and stakeholders, while expecting to submit additional comments by October 15<sup>th</sup>.

The County unincorporated area constitutes the largest jurisdictional subdivision within the Imperial Irrigation District ("IID") Electric Service Territory in Riverside County. The County's current unincorporated area population within that territory is estimated to exceed 60,000. As we look back over the tremendous growth that the Electric Service Territory has experienced during the 90 years that the arrangement with IID has been in place, it is critically important to plan for how the area may continue to grow into the future.

### Guiding Principles

As LAFCO and the stakeholders move closer to identifying the most beneficial alternatives, the County offers the following comments on key aspects that we would like to see addressed moving forward as the alternatives are narrowed down:

a. Governance.

Population projections based on build-out of General Plan land uses forecast a future unincorporated area population of about 350,000 residents (not accounting for possible annexations). Having a governance model which provides for a greater direct voice for our growing unincorporated area, through a means of representation, is one of the key desired outcomes in order to have an electric utility system which is responsive to the needs of its customers – our County constituents.

b. Ability to provide reliable electricity.

A reliable and resilient system for the provision of electricity services is paramount to assure that the needs of our existing residents are met to protect their health, safety and quality of life. The system should include the necessary capital improvement and preventative maintenance components to assure that power can continue uninterrupted, and to be able to quickly respond to emergency conditions to restore power as soon as practicable

c. Cost-effective service for ratepayers.

Having a system that can provide cost-efficient services in order to keep utility rates comparatively low will be another key component for consideration. The County unincorporated area includes several disadvantaged communities, which are particularly sensitive to the impacts of high utility costs. The financial analysis being conducted by LAFCO will provide important insight on this topic to further inform future discussions.

d. Ability to plan for and equitably pay for future growth.

Given the significant growth that is expected to occur in our unincorporated area, we need to collectively plan for a system that can feasibly expand in order to support our growing population and allow for economic development opportunities. The cost of expanding infrastructure to accommodate growth should be primarily borne by those development projects contributing to the expansion need, while minimizing any impacts to existing residents and ratepayers.

e. Operational ability.

The electric service provider needs to have, or reasonably be able to develop, the operational and organizational capacity and know-how to operate a complex electrical system, so that it can be responsive to the needs of the community while providing reliable and resilient electrical service.

### **Initial Comments on Service Options.**

We acknowledge and appreciate the commitments by LAFCO to provide the requested additional financial analysis, which will yield needed additional information to assess the alternatives against the collective priorities of all stakeholders. Based on County staff's review of the eight (8) alternatives identified in the Draft Study, in light of our guiding principles noted above, it is our assessment that Option 1.A (Maintain Status Quo), Option 2.A (Merge to Investor-Owned Utility) and Option 2.D (Form a Community Choice Aggregator) are the least likely to meet the County's objectives. This opinion is also shared by the Draft Study which identified those as the lowest ranked of the alternatives studied. As such, if there is a need or interest in narrowing down the alternatives as part of the next steps of the analysis, those three alternatives would warrant less consideration.

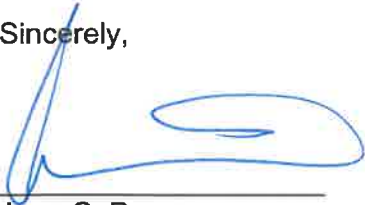
### **Financial Analysis**

The County requests that certain information be included and considered as part of the fiscal analysis, to the practicable extent possible, as part of the cost comparison of alternatives:

- Overall number and mix (residential, commercial, etc.) of ratepayers, by jurisdiction.
- Rate revenue collected over a reasonably available period of time, by jurisdiction.
- Available information on the inventory of transmission and other assets, by jurisdiction.
- Summary information of what may be currently programmed through IID's approved Capital Improvement Program, by jurisdiction.

The County extends our thanks to all of the stakeholders that have come together, using CVEC as a forum, and the work being done by LAFCO and its consultants as we work to plan the best electrical energy future possible for the Coachella Valley. We appreciate the ability to submit our initial comments now and look forward to commenting further as the additional fiscal analysis becomes available, and to continuing to work in collaboration with all stakeholders through CVEC as this moves forward to the next stage of analysis and discussion

Sincerely,

A handwritten signature in blue ink, appearing to read 'Juan C. Perez', with a large, stylized flourish extending to the right.

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Juan C. Perez  
Chief Operating Officer