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**FOR IMMEDIATE RELEASE**

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## **Vernon City Council approves two-stage Light and Power rate adjustment to pay rising costs for state-mandated renewable energy portfolio requirements, strict California greenhouse gas emission standards**

**Vernon, CA** – The five-member Vernon City Council, in a special meeting today, voted unanimously to approve a recommended two-stage electric power rate adjustment for the city's utility customers. The approved electric power rate adjustment recommendation came after six weeks of study and review by business and labor members of the Vernon Advisory Committee on Electric Rates, a panel created by the Vernon City Council as part of its previously approved municipal governance reform package.

Vernon Light and Power Director Carlos Fandino said, "Statewide utility mandates for power suppliers' use of costly wind, solar and geothermal renewable energy resources coupled with state mandates requiring all utilities in California to comply with stricter greenhouse gas emissions standards are significant factors contributing to Light and Power's need for ongoing power rate adjustments. Light and Power needs adequate added revenue to meet state mandates, cover operating expenses and maintain a prudent reserve for unanticipated emergencies and system repair and maintenance costs."

Based on the City Council's approval of the Advisory Committee on Electric Rates' recommendation, Vernon Light and Power will implement a two-step rate adjustment: an 8% electricity rate increase will take effect on July 1, 2011 with a second 8% rate increase taking place on January 1, 2012. Power rate increases of 5% are projected annually from 2012 to 2017.

"I am greatly appreciative of the work of the Vernon Advisory Committee of Electric Rates in reviewing the finances and revenue and expense projections for Vernon Light and Power, and for helping structure a rate adjustment recommendation to City Council that has had the input of Vernon's business and labor communities," Mr. Fandino said.

Mr. Fandino said the five-member Vernon Advisory Committee on Electric Rates would continue to meet and confer with Vernon Light and Power officials on a quarterly basis in upcoming years.

Despite the Council-approved rate adjustments, Vernon Light and Power electricity rates for medium-to-large commercial power users will remain 20-30% lower than comparable commercial power rates charged by Southern California Edison (SCE) and City of Los Angeles Department of Water and Power (LADWP) to their commercial customers when proposed rate increases being sought by SCE and LADWP are factored into their rate schedules.

**Vernon was founded in 1905 to create jobs in California. Vernon's 1,800 businesses create more than 105,000 jobs in the Los Angeles area – including 55,000 jobs within the city's 5.2-mile boundary. The Los Angeles County Economic Development Corporation designated Vernon as California's 'Most Business Friendly City.' Vernon generates more than \$330 million in state income and sales taxes, \$1.1 billion in taxable spending. Vernon's businesses provide more than 4.4 billion in salaries and wages annually for workers in Los Angeles County.**

To view 'Vernon Works', go to: <http://cityofvernon.org/iworkinvernon/>.

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