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Municipal Electricity Provider in California Files Bankruptcy.

- **Western Community Energy serves six Inland Empire towns**
- **Agency blames governor's ban on disconnections during pandemic**

Western Community Energy, a local government agency that sells electricity to six small towns in Southern California, filed bankruptcy blaming its financial woes in part on an inability to shut off service to customers who quit paying during the pandemic.

Western Community owed creditors as much as $100 million, but had less than $50 million of available assets, according to court papers filed Monday in U.S. Bankruptcy Court in Riverside, California. The agency buys power wholesale and resells it to residents of Eastvale, Hemet, Jurupa Valley, Norco, Perris, and Wildomar, which are cities in Riverside County on the edge of the desert.

"The ongoing impacts of Covid-19 severely limited the organization's options moving forward and forced today's action," said Todd Rigby, chairperson of Western Community and a city council member for Eastvale, a former dairy farm turned suburb.

The agency said it has been unable to shut off customers for not paying their bills under an emergency order issued by California Gov. Gavin Newsom. Late bills have averaged ten-times higher than before the pandemic and have cost the agency millions of dollars, Western Community said in an emailed statement.

Higher than normal demand for air conditioning during a 2020 heat wave also forced the agency to incur $12 million in unexpected energy costs, the agency said.

A representative for Newsom did not immediately respond to a request for comment.

The Chapter 9 bankruptcy petition allows the agency to halt certain debt payments and reorganize itself and its finances.

Western Community was set up under state rules as a so-called community choice aggregator, which resells power using utility lines owned by traditional electric utilities. About two dozen aggregators have been set up in California, according to California Community Choice Association, an advocacy group for the power agencies.

The case is Western Community Energy, 6:21-bk-12821, U.S. Bankruptcy Court, Central District of California (Riverside)

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By Steven Church

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— With assistance by Allison McNeely

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