

COMMUNITY CHOICE ENERGY - JOINING MONTEREY BAY COMMUNITY POWER AUTHORITY

Presentation to the City Council
August 20, 2019

Presentation by:
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Presentation Overview

1. Update on Actions by Local Jurisdictions
2. Background & Council Direction
3. Monterey Bay Community Power (MBCP) Overview
4. Required Actions to Join MBCP
5. Next Steps
6. City Council Recommendation

1. Actions by Local Jurisdictions

A. County of Santa Barbara

- ✓ July 16th - Board of Supervisors Direction to Join MBCP & 1st Reading of Ordinance
- ✓ August 13th - 2nd Reading & Adoption of Resolution

B. City of Carpinteria

- ✓ July 8th - City Council Information Item
- ✓ August 26th - Council Consideration of Joining MBCP

C. City of Santa Guadalupe

- ✓ July 9th - Council Consideration of Joining MBCP
- ✓ July 23th - Direction to Join MBCP & 1st Reading
- ✓ August 27th – Second Reading



1. Actions by Local Jurisdictions

D. City of Santa Maria

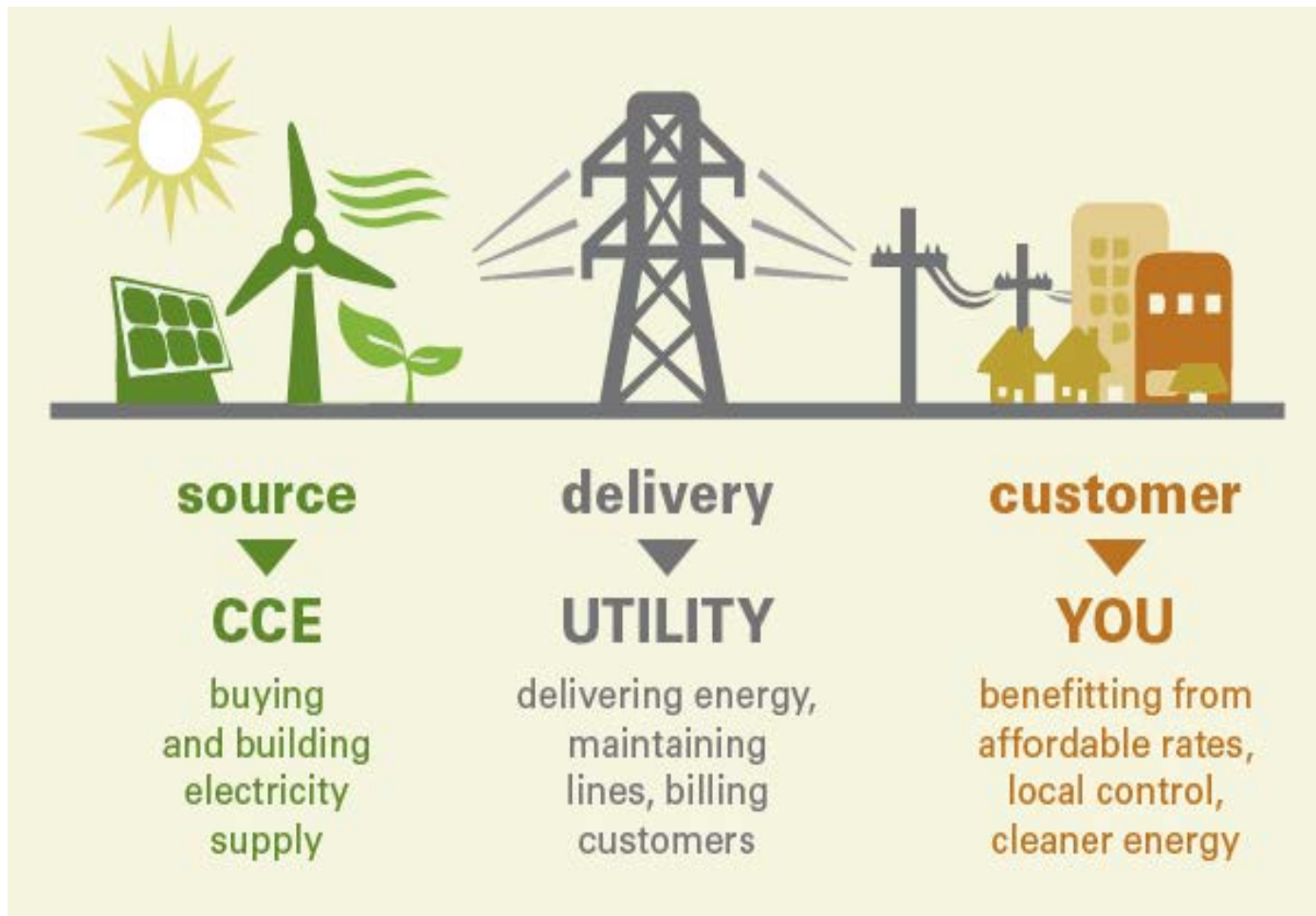
- ✓ May 21st – Council Consideration of Joining MBCP
- ✓ August 20th - 1st Reading of Ordinance & Adoption of Resolution

E. City of Santa Barbara

- ✓ July 23rd – Council Consideration of City-only Scenario
- ✓ July 30th – Council Action to Approve Agreement with California Choice Energy Authority (CalChoice)

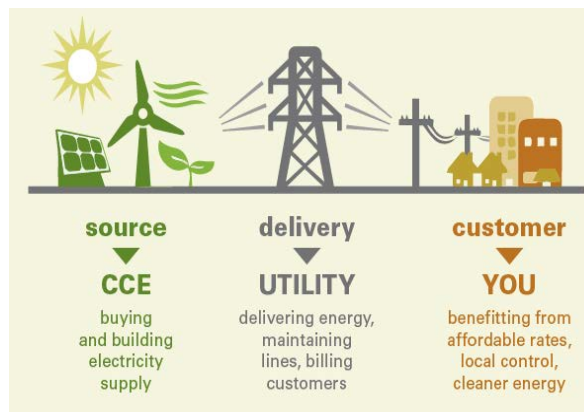
2. Background – How CCE Works

19 CCE Programs in Operation



2. Background – How CCE Works

- Opt-Out Program
 - ✓ Voluntary
 - ✓ Customers Can Remain or Return to SCE
- Customer Day to Day Experience is the Same
 - ✓ SCE Continues to Provide Metering, Billing, & Customer Service



2. Background – City Council Direction

A. July 16, 2019 City Council Meeting:

- Received Update on Santa Barbara County CCE Feasibility Study
- Received Presentation by Monterey Bay Community Power (MBCP) Representatives
- Unanimously Supported Joining Monterey Bay Community Power
 - ✓ Direction to Return with Appropriate Documents

2. Background – City Council Direction

B. Relationship to Other Goals & Plans:

- December 2017 - Adopted 100% Renewable Electricity Goal
- July 2019 – Adopted the Strategic Energy Plan as a Roadmap to Reach the Goal
 - ✓ CCE Contributes Significantly
- Consistent with CAP Measure CCA-1
 - ✓ CCE Identified as Key Mitigation Measure

3. Monterey Bay Community Power (MBCP)

A. Overview:

- Interest in Unifying Central Coast
- Begun in Early 2018
- Serves Counties of Santa Cruz, San Benito & Monterey
 - ✓ Plus 16 Incorporated Cities
 - ✓ Estimated 305,000 Customers in 2020
- Timing Component - CPUC Requirements

3. Monterey Bay Community Power (MBCP)

B. Key Components

- Financial Health
 - ✓ Initial Start-up Debt Repaid
 - ✓ \$70 Million in Reserves (June); Meeting Target Early 2021
- Rate Structure & Service Offerings
 - ✓ Rate Parity & Carbon-Free with Rebates as Bill Credit
 - ✓ Estimates 2% Discount in SCE Territory for 2021
 - ✓ 100% Renewable Option for a Premium

3. Monterey Bay Community Power (MBCP)

B. Key Components

- Governance & Representation
 - ✓ Number of Board Seats Based on Geography & Population
 - ✓ Policy & Operations Boards; Community Advisory Council
- Programs & Local Economic Benefits
 - ✓ Focus is Transportation & Building Electrification & Solar
 - ✓ EV Incentive & Solar Effort for Low Income Customers
 - ✓ Over \$4.4 Million in Customer Rebates in 2018

3. Monterey Bay Community Power (MBCP)

B. Key Components

- Energy Procurement
 - ✓ Portfolio Mix Meets RPS + Large Hydro-Electric
 - ✓ Solar + Storage Project with Silicon Valley Clean Energy
 - ✓ Potential Offshore Wind Project - MOU
- SB County Presence
 - ✓ Satellite Office & Rebranding Effort
- Participation Withdrawal Process
 - ✓ JPA Agreement, Article 6

4. Required Actions to Join MBCP

A. Implementing Ordinance & Joint Powers Authority Agreement

- Adopt an Ordinance Authorizing the Implementation of a CCE program by Participating in MBCP's Program
 - ✓ 2nd Reading of the Ordinance on September 3rd
- Adopt a Resolution for Membership in MBCP and Authorize Execution of the Amended JPA Agreement

4. Required Actions to Join MBCP

B. Estimated Project Schedule to Launch 2021

Activity	Date
City introduce & pass resolution to join MBCP & conduct 1st reading of the ordinance.	August 20, 2019
Public hearing to conduct second reading of the CCE ordinance.	September 3, 2019
Submit required documents (resolution and ordinance) to MBCP.	September 4, 2019
Deadline to establish MOU for shared seat & identify Policy & Operations Board members.	November 15, 2019
MBCP Policy Board Meeting to accept new members, amend the JPA, and swear in all new Board members.	December 4, 2019
Deadline for MBCP to approve & submit the Updated Implementation Plan to CPUC.	December 31, 2019
Decision on default energy service offering.	February 2020
Program Implementation & Operations Preparation.	Mid 2020 – Late 2020

5. Next Steps

A. Coordination with Cities of Carpinteria & Guadalupe

- Governance Structure Requires Shared Seat
 - ✓ Policy & Operations Boards
- Likely Temporary
 - ✓ Dependent on Cities of Solvang & Buellton
- Memorandum of Understanding to Identify Process
 - ✓ Return to Council for Final Approval on October 15th
 - ✓ Identify the Policy & Operations Board Members

5. Next Steps

B. Default Energy Service Offering

- MBCP Rate Impact Analysis - Late November
- City Council Green Committee Review & Recommendation
- Return to Council for Final Approval

C. Authorize Financial Participation to Update MBCP's Implementation Plan & JPA Agreement

✓ \$7,500

6. City Council Recommendation

- A. Introduce and conduct the first reading by title only, of an Ordinance Specifying the Intent to Implement a Community Choice Aggregation Program By and Through Participation in Monterey Bay Community Power Authority's Community Choice Aggregation Program. (Attachment 1)
- B. Adopt a Resolution Requesting Membership in the Monterey Bay Community Power Joint Powers Authority. (Attachment 2)

6. City Council Recommendation

- C. Determine the above recommended actions are not subject to the California Environmental Quality Act (“CEQA”). (Attachment 4)
- D. Consider and approve rescission of Resolution 18-41, which directed City staff to pursue formation of a new Joint Powers Authority and Local Community Choice Energy program. (Attachment 5)

6. City Council Recommendation

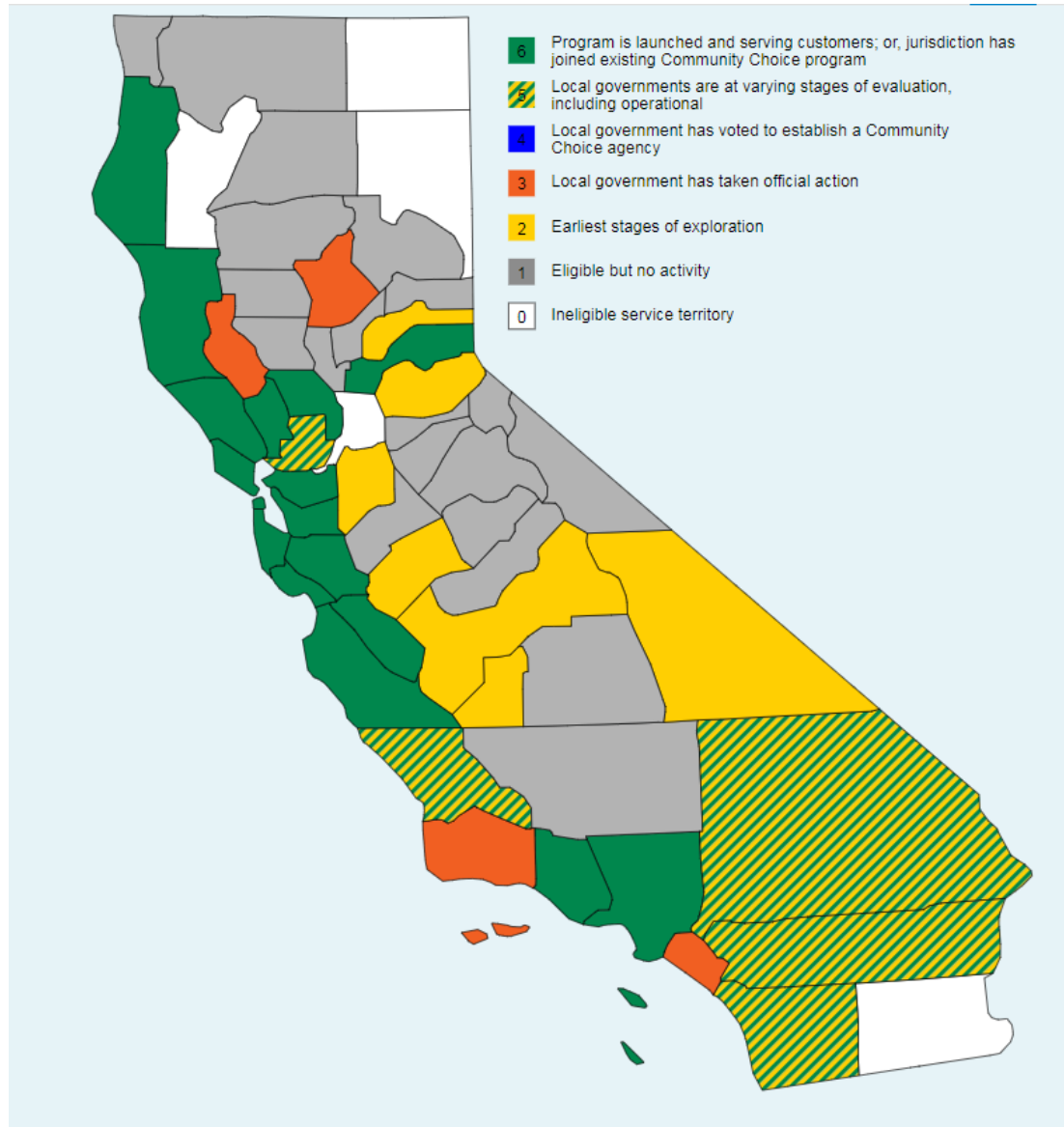
- F. Authorize the City Manager to execute the JPA Agreement with MBCP, in substantial conformance with Attachment 3, with amendments as approved by the City Attorney. (Attachment 3)
- G. Approve a budget appropriation of \$7,500 for the City's Cost Share to Update MBCP's Implementation Plan and JPA agreement.

6. City Council Recommendation

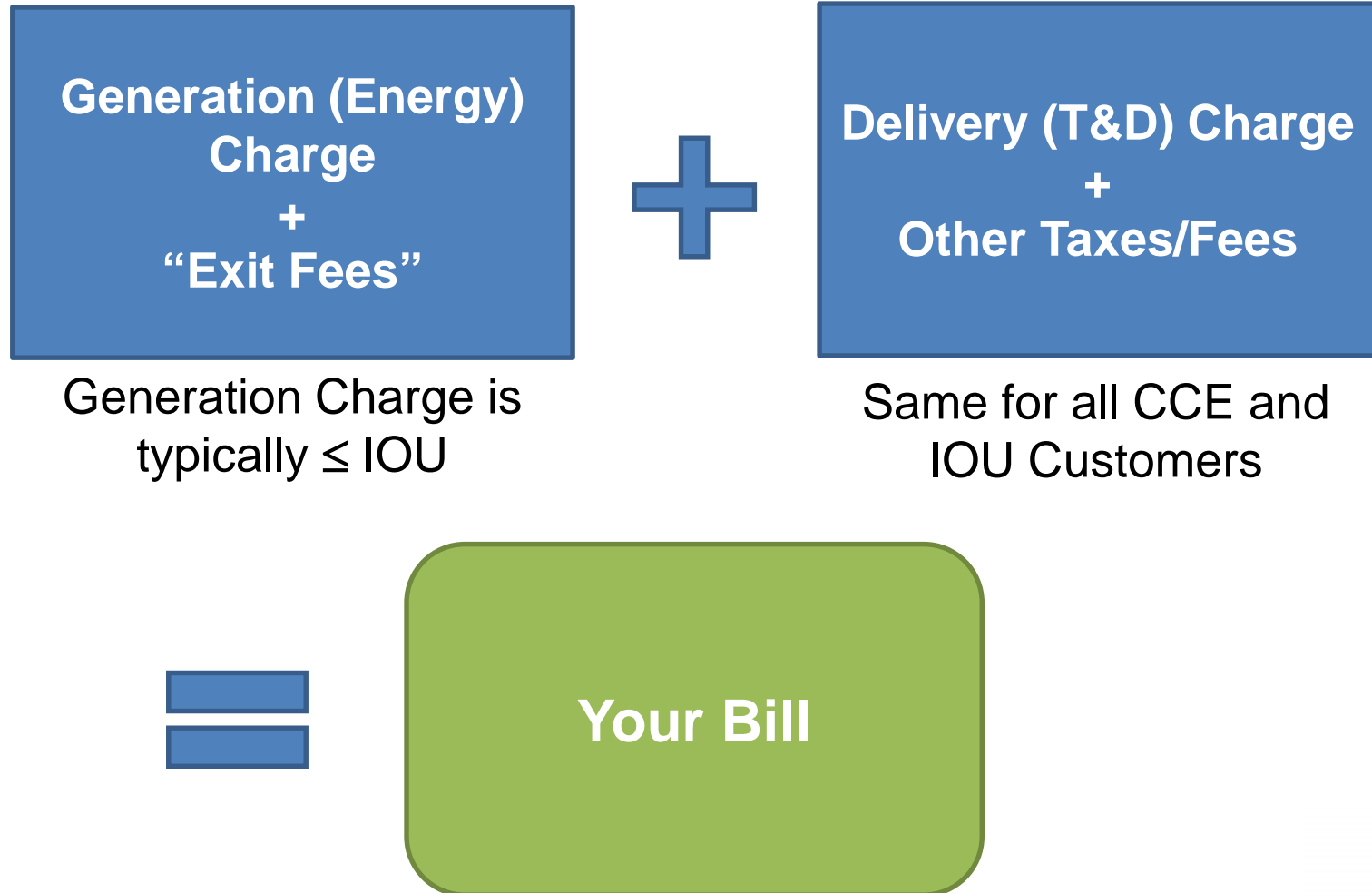
- H. Direct staff to negotiate a MOU with staff of the Cities of Carpinteria and Guadalupe, as appropriate, for MBCP representation and return to Council for final approval.

APPENDICES

2. Background – Existing CCEs



2. Background – How CCE Competes: Rates



2. Background – Potential Risks & Benefits

Benefits	Risks
Customer Choice of Energy Sources	Regulatory & Policy Uncertainty
Local Control Over Purchasing, Pricing, Energy Mix & Programs	Changing Energy Costs
Local Reinvestment Supporting Economic Development & Resiliency	Rate Competitiveness with the IOUs
Community-Focused Incentives & Programs	Customer Opt-Out
Supports SEP & CAP Goals	

2. Background – City Council Actions

B. July 2018 City Council Actions:

- Received Update on Santa Barbara County-only CCE Feasibility Study
 - ✓ Finding: Viable
- Adopted Resolution of Intent 18-41
 - ✓ Participate in Governance & Financing Discussions for a Proposed CCE JPA
 - ✓ Return to Council for Authorization to Participate & Allocation of Funds

2. Background – Following Council Action

C. JPA Formation Discussions Paused:

- Power Cost Indifference Adjustment (PCIA)
- Direct Access Program Expansion
- Accelerated State Renewable & GHG-free Electricity Goals
- Lack of Interest by North County Jurisdictions