

TO: James L. App, City Manager
FROM: Doug Monn, Public Works Director
SUBJECT: SLO Clean Energy
DATE: September 3, 2013

NEEDS: For City Council to review a presentation by SLO Clean Energy on 'Community Choice Aggregation'.

- FACTS:**
1. SLO Clean Energy contacted the City on June 6, 2013 requesting the opportunity to speak to the City Council about joining shared cost feasibility study regarding Community Choice Aggregation.
 2. Community Choice Aggregation is a mechanism through which an authority represented by participating local governments within its jurisdiction procures electrical power on behalf of its residential and commercial customers and resells it.
 3. Community Choice Aggregation (CCA) was signed into State law in 2002 shortly after the California electricity crisis (AB117). CCA is a de facto public utility that allows cities and counties to aggregate the buying power of individual customers within a defined jurisdiction in order to secure alternative energy supply contracts.
 4. SLO Clean Energy is a volunteer-led effort committed to local clean energy transformation of communities within San Luis Obispo County with the SLO Clean Energy fund held by the San Luis Obispo County Community Foundation, operating under a 501(c)3.
 5. It is the position of the CCA that should we focus on local energy resources, the millions of dollars paid by residents of San Luis Obispo County communities would stay "at home" rather than be paid to the utility, thus creating local jobs and growing our local economy. It is estimated that up to \$115 million per year could be available through a CCA program.
 6. A program like CCA is typically implemented by a special purpose "enterprise" agency, and is funded exclusively by power rates paid by residents participating in the program. Thus substantial program benefits would be provided without using tax revenues and without impact to the public entity participants' general funds.
 7. The purpose of forming such group is to allow selection of the type of power it provides to its customers, it could focus on carbon-free, renewable power sources, and reduce its reliance on generation using fossil fuels such as gas or coal. The price of solar electricity has dropped 70% between 2009 and 2012 and the trend continues. This means there is an increasing opportunity for our homes, farms, and businesses to maximize the benefit through local ownership.

ANALYSIS &

CONCLUSION: The staff report contains a suggested Resolution from SLO Energy. If passed it will attest to Councils interest in exploring CCA (Community Choice Aggregation) and appoints a representative to participate in the steering committee. It in no way commits or otherwise binds the City to participate in a CCA should it be established, however, it could result in a future request in a contribution from the General Fund should the organization not be able to secure private funds to cover the feasibility study.

POLICY

REFERENCE: Assembly Bill 117 allows counties or groups of Cities to form a local electrical power agency.

FISCAL

IMPACT: Possible future contribution requests to fund a feasibility study.

- OPTIONS:**
- a. Adopt Resolution No. 13-xx, confirming the City of Paso Robles participation in a Community Choice Aggregation (CCA) feasibility study.
 - b. Amend, modify, or reject the above option.

Attachment: Resolution

RESOLUTION NO. 13-xxx

A RESOLUTION CONFIRMING CITY OF PASO ROBLES PARTICIPATION IN A COMMUNITY CHOICE AGGREGATION (CCA) FEASIBILITY STUDY

WHEREAS, the Paso Robles City Council has demonstrated its commitment to increasing energy efficiency, and to supporting more broad availability and use of local renewable power sources within the City; and

WHEREAS, Community Choice Aggregation (CCA) is a mechanism through which an authority, represented by participating local governments within its jurisdiction, procures electrical power on behalf of its residential and commercial customers; and

WHEREAS, Pacific Gas & Electric Company (PG&E) remains an important partner, responsible for reliable delivery of power and enhancement and maintenance of grid infrastructure; and

WHEREAS, the Paso Robles City Council has identified CCA as a potential strategy that could be very effective in helping the City meet its AB32 greenhouse gas reduction targets; and

WHEREAS, Community Choice Aggregation, if determined to be technically and financially feasible, could provide substantial environmental and economic benefits to all residents and businesses in the City of Paso Robles; and

WHEREAS, Community Choice Aggregation provides the opportunity to fund and implement a wide variety of energy related programs of interest to the community; and

WHEREAS, in addition to technical and financial feasibility, it is important to determine whether there is adequate public support for Community Choice Aggregation; and

WHEREAS, it is intended for the CCA Exploration Advisory Committee (CEAC) to be an advisory group comprised of local agency staff, local elected officials or their designees, and members of the public with expertise in energy, financial and/or organizational mechanisms; with the charge to develop CCA feasibility information and to advise the Paso Robles City Council and participating local agencies; and

WHEREAS, determining technical and financial feasibility requires obtaining and analyzing energy load data from PG&E, and conducting public education and outreach.

NOW, THEREFORE, BE IT RESOLVED by the Paso Robles City Council that:

1. The City of Paso Robles agrees to participate in an inter-jurisdictional effort to investigate the feasibility of Community Choice Aggregation (CCA), including support for efforts by a CCA Exploration Advisory Committee (CEAC) to guide preparation of a feasibility study, without obligation of the expenditure of General Funds unless separately authorized in a future action by the Paso Robles City Council.
2. The Paso Robles City Council authorizes the City Manager to appoint a designee to participate as a member of the CEAC.
3. The City Manager is authorized to execute the appropriate documentation to allow the CEAC and its technical consultants to request energy usage load data from PG&E so it may be analyzed as part of the feasibility study

4. Adoption of this resolution in no way binds or otherwise obligates the City of Paso Robles to participate in a community Choice Aggregation program.

PASSED AND ADOPTED by the Paso Robles City Council, State of California, this 3rd day of September 2013, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Duane Picanco, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk