

City of Brisbane

Agenda Report

TO: Honorable Mayor and City Council

FROM: Randy Breault, Director of Public Works/City Engineer via City Manager

SUBJECT: Community Choice Aggregation

DATE: February 5, 2015

City Council Goals:

To develop plans and pursue opportunities to protect natural resources.

To promote intergovernmental opportunities that enhances services and/or reduces cost of operations and services to city residents.

Purpose:

To obtain council's concurrence that the Mayor should authorize the County of San Mateo to obtain the city's electric energy load data from PG&E for the purpose of developing a technical study to investigate the feasibility of implementing a Community Choice Aggregation (CCA) program in all or part of San Mateo County. This action is consistent with the city's value of being environmentally progressive.

Recommendation: Authorize the Mayor to sign the attached letter to the County of San Mateo.

Background:

As noted in the attached email correspondence to the City Manager dated January 21, 2015, the County of San Mateo is taking the lead in gauging the interest of establishing a CCA within the county, by first requesting municipal electrical load data from all of the cities.

A CCA is an option under California law that allows cities and counties to offer their residents and businesses the opportunity to purchase a higher percentage of their energy from clean sources than the portfolio provided by their franchise electric utility (in our case, Pacific Gas & Electric). The purpose of completing the technical study is to determine at what cost levels a San Mateo County CCA could deliver clean energy compared to the PG&E portfolio, if this CCA could deliver a higher percentage of clean energy than the PG&E portfolio, and if the assumed participation in the CCA would deliver a higher greenhouse gas reduction than the PG&E portfolio of renewable energy.

The two active CCAs in Marin and Sonoma offer varying levels of energy portfolios to their customers. A baseline case typically has 50% of the energy provided by clean sources. At the high end, a more costly portfolio comprised of 100% renewable sources can be selected, and in one case, customers can choose to have 100% of their demand met by local, renewable sources. The experience in these two counties is that the 50% portfolio costs slightly less for most residential customers and sometimes significantly less for businesses and cities; however, there is no guarantee that a CCA's portfolio will always be less costly than PG&E. Completion of the technical study will be essential to develop answers to this question.

Discussion:

The recommended action does not commit the city to any further action than allowing the County to access our energy load data from PG&E. In addition to the extensive outreach that would be necessary before rolling out CCA options to our citizens, multiple additional steps, including the following, would have to first be completed; establishment of a Joint Powers Agency for the participating cities, passing of ordinances by the individual cities to offer the CCA choice to its citizens, completion of an Implementation Plan and Utility Service Agreement (both requiring California Public Utilities Commission approval), and finally, customer enrollment (which is required to include 4 opportunities within a 120-day period for customers to opt out of the CCA power purchase).

Fiscal Impact:

There is no requested funding for the technical study. Staff presumes that if the study results in the creation of a JPA and CCA, the County will ask to be reimbursed by the CCA for the costs it expends in advance of that creation. An additional important note is that the CCA is expected to be self-funded by utility customers, and that the JPA is expected to create financial firewalls between the CCA and cities to ensure city general funds are not exposed to any liabilities the CCA might incur.

Measure of Success

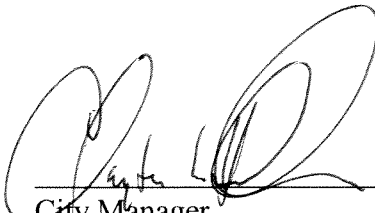
The completion of a Technical Study on the implementation of a CCA within San Mateo County.

Attachments:

1/21/15 email correspondence from Supervisor Pine
Proposed letter for Mayor O'Connell's signature



Director of Public Works/City Engineer



City Manager

From: "DPine@smcgov.org" <DPine@smcgov.org>
To: "Dave Pine" <DPine@smcgov.org>
Subject: Re: **Community Choice Aggregation Technical Study for San Mateo County**

January 21, 2015

Dear City Manager:

At its December 9, 2014 meeting, the San Mateo County Board of Supervisors directed County staff to begin exploring the possibility of establishing a Community Choice Aggregation (CCA) program for unincorporated San Mateo County and interested cities. California Assembly Bill 117, passed in 2002, allows California cities and counties to pool the electric load of their residents, businesses and public facilities in order to purchase and develop clean electricity. To date, two CCAs are operating in Northern California, Marin Clean Energy and Sonoma Clean Power, and another CCA is now launching in Southern California in the City of Lancaster. There are also several other jurisdictions throughout the Bay Area and the State investigating CCA for its economic and environmental potential in their communities.

The first step in investigating a CCA program in San Mateo County is the preparation of a technical study that will assess: the current electrical load; the number of potential customers; projected economic impacts; and various clean energy options and greenhouse gas reduction scenarios. The technical study will also be helpful in determining whether or not the CCA can provide electricity rates that are competitive with those offered by PG&E, which is an essential element in any decision to move forward. The technical study requires, among other things, electrical load data from PG&E for all cities within the County who may be interested in joining a CCA program.

In order to be as comprehensive as possible, the San Mateo County Office of Sustainability would like to conduct the study county-wide, and is hopeful that all 20 cities in the County will authorize the release of their load data. The Office of Sustainability can submit a single load data request to PG&E provided it receives consent from each city willing to be included in the study area. This consent can be provided either by a letter signed by the City Manager or by a Council resolution. We have included a draft letter and resolution for your use. If you choose to authorize your city's participation in the technical study and release of your city's load data, please send your letter or Council resolution by **Friday, February 20, 2015** to County Manager John Maltbie at the following address:

John Maltbie
County Manager
County of San Mateo
400 County Center, 1st Floor
Redwood City, CA 94063

Please note that by authorizing the release of your city's load data, there is no obligation to participate in a future CCA program, nor is there any cost to you associated with the load data request or your participation in the study itself. Once we have received substantial interest in a CCA program from the cities, the Office of Sustainability anticipates returning to the Board of Supervisors in late February or March to request authorization and funding to move forward with the technical study.

Finally, I invite you, members of your staff, and your Councilmembers to attend an informational workshop about CCA on Wednesday, January 28th. Morning and afternoon sessions will be held in the City of South San Francisco (morning) and Redwood City (afternoon). A copy of the workshop invitation and agenda is attached. Attendance at one of these meetings is strongly encouraged.

Thank you for your consideration of this request. If you have any questions or comments, please contact Jim Eggemeyer, who is the Director of the County's Office of Sustainability, at (650) 363-4189. We look forward to hearing from you by Friday, February 20, 2015.

Sincerely,



CITY OF BRISBANE

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Brisbane, California 94005-1310
(415) 508-2100
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February 6, 2015

John Maltbie
County Manager
County of San Mateo
400 County Center, 1st Floor
Redwood City, CA 94063

Re: Authorization for Electrical Load Data Request

Dear Mr. Maltbie:

We have reviewed the letter from Supervisors Dave Pine and Carole Groom which explains the County's plan to request electric energy load data from PG&E for unincorporated San Mateo County and its cities. We support this request and authorize the County of San Mateo to receive and analyze the electrical load data on behalf of the City of Brisbane as part of a technical study to investigate the feasibility of implementing a Community Choice Aggregation (CCA) program in all or part of San Mateo County.

We understand that by making this authorization and request, the City of Brisbane is not obligated to pursue any alternative electricity procurement through a CCA program. We further understand we will not bear any of the costs associated with the load data request or the technical study.

Sincerely,

Terry O'Connell
Mayor