



Staff Report

Date: June 28, 2016

To: City Council

From: Valerie J. Barone, City Manager

Reviewed by: Victoria Walker, Director of Community and Economic Development

Prepared by: Laura Simpson, Planning Manager
Laura.simpson@cityofconcord.org
(925) 671-3369

Subject: **Considering adopting Resolution No. 16-45 authorizing the City Manager to authorize the County to collect electrical usage data on behalf of the City and to allocate up to \$35,000 of City funding for a Community Choice Aggregation Technical Study (General Fund)**

Report in Brief

On January 12, 2016, the City Council approved Resolution No. 16-7 authorizing the County of Contra Costa to collect electrical demand data for Concord and approving an expenditure of up to \$25,000 toward a technical study to evaluate the costs/benefits to establish and participate in a joint powers authority Community Choice Aggregation energy program.

Contra Costa County staff leading the effort report that nine cities, plus Contra Costa County have committed to funding the technical study. The County estimates the cost of the technical study will be approximately \$150,000. With the costs allocated on a pro-rata basis by population to the 10 participating jurisdictions, the City of Concord would have a maximum share cost of \$35,000; this is \$10,000 more than Council's current authority allows as a commitment to this project. Staff has prepared a resolution authorizing the allocation of up to a maximum of \$35,000 for a Community Choice Aggregation technical study.

Recommended Action

Staff recommends the City Council adopt Resolution No. 16-45 authorizing the City Manager authorize the County to collect electrical usage data on behalf of the City and to allocate up to \$35,000 of City funding for a Community Choice Aggregation Technical Study.

Background

Community Choice Energy (CCE) is described in State law as Community Choice Aggregation. CCE involves cities and counties, or a joint powers authority (JPA) composed of cities and/or counties, pooling (“aggregating”) retail electricity customers for the purpose of procuring and selling electricity. Under a CCE program, the CCE entity would become the default electricity provider to all electricity customers within the service area. Customers would have the ability to “opt out” of service from the CCE and return to service from the incumbent electrical utility. In Contra Costa County, the incumbent electrical utility is Pacific Gas and Electric Company (PG&E).

Following the successful launch of CCE programs in Marin County in 2010 and Sonoma County in 2014, most other counties in the Bay Area and many counties throughout California are now in the process of implementing or studying the creation of CCE programs. The City and County of San Francisco and San Mateo County are planning to launch CCE programs in 2016. Alameda County and Santa Clara County are both in the process of establishing JPAs for this purpose and plan to launch programs in 2017.

On October 13, 2015, the Contra Costa County Board of Supervisors (Board) directed County staff to initiate outreach to cities within the County to determine the level of interest cities may have in joining with the County to investigate three alternatives for potentially implementing CCE in Contra Costa County. These three alternatives are:

1. Form a new Joint Powers Authority (JPA) of the County and interested cities within Contra Costa County for the purpose of CCE;
2. Form a new JPA in partnership with Alameda County, and interested cities in both counties;
3. Join the existing CCE program initiated in Marin County known as Marin Clean Energy, or MCE

Analysis

Nine cities have agreed to participate with Contra Costa County in the technical study.. The study is estimated to cost approximately \$150,000, and the County has asked each City to pay its proportionate share based on population. Concord’s share would be approximately \$35,000. Since the City Council previously committed up to \$25,000, staff is requesting up to an additional \$10,000 to fund the technical study.

The County has asked the City Managers of participating cities to sign a Memorandum of Understanding to allow them to proceed with the Request for Proposals for a consultant. Once a consultant is selected, the County anticipates it will take several months to complete the study. In October, the participating cities will review the draft technical study prior to its publication and then review the study hearings before the participating City Councils. County staff will reach out to stakeholders and the community to ensure that there is adequate and appropriate public review of the study and its findings.

Financial Impact

Resolution No.16-45, if approved by the City Council, would allocate up to an additional \$10,000 from the General Fund in expenditures toward a technical study, with a maximum contribution of \$35,000.

Public Contact

The City Council Agenda was posted.

Attachments

1. Resolution No. 16-45

**BEFORE THE CITY COUNCIL OF THE CITY OF CONCORD
COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA**

**A Resolution Authorizing the City Manager to
Authorize the County to Collect Electrical Usage Data
on behalf of the City and to Allocate up to \$35,000 of
City Funding for a Community Choice Aggregation
Technical Study**

Resolution No. 16-45

WHEREAS, the City of Concord has demonstrated its commitment to an environmentally sustainable future through its policy goals and actions, including energy reduction, clean energy and sustainability programs, and the adoption of a local Climate Action Plan; and

WHEREAS, the County of Contra Costa and the City Council of Concord have identified Community Choice Aggregation as a potential strategy to meet local clean energy goals and projected greenhouse gas reduction targets; and

WHEREAS, Community Choice Aggregation is a mechanism by which local governments assume responsibility for providing electrical power for residential and commercial customers in their jurisdiction in partnership with Pacific Gas & Electric Co.; 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 Concord; and

WHEREAS, Community Choice Aggregation also 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, determining technical feasibility and public support requires the analysis of energy load data from PG&E and a focused stakeholder education and outreach effort; and

WHEREAS, on January 12, 2016, the City Council approved Resolution No. 16-7 authorizing the County of Contra Costa to collect electrical demand data for Concord and approving the expenditure of up to \$25,000 toward a technical study to evaluate the costs/benefits to establish and participate in a joint powers authority Community Choice Aggregation energy program; and

1 **WHEREAS**, on May 26, 2016 Contra Costa County staff updated the estimated cost of the
2 technical study cost to be \$150,000, raising the City of Concord’s maximum share cost to \$35,000; and
3

4 **WHEREAS**, an additional expenditure of up to \$10,000 will be required to participate on a
5 pro-rata basis in the technical study as proposed by Contra Costa County.

6 **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CONCORD DOES**
7 **RESOLVE AS FOLLOWS:**

8 **Section 1.** The City of Concord indicates its interest to participate in the pre-development and
9 feasibility phase of Community Choice Aggregation in partnership with Contra Costa, and allocates
10 from the General Fund an amount up to \$35,000 toward a countywide CCA technical feasibility study
11 and to allow the County and/or its technical consultants to request energy usage/load data from Pacific
12 Gas & Electric Company so that it may be analyzed as part of a countywide CCA technical study.

13 **Section 2.** Adoption of this resolution in no way binds or otherwise obligates the City of
14 Concord to participate in Community Choice Aggregation, unless it so chooses by passage of a City
15 ordinance.

16 **Section 3.** This resolution shall become effective immediately upon its passage and adoption.

17 **PASSED AND ADOPTED** by the City Council of the City of Concord on June 28, 2016, by
18 the following vote:

19 **AYES:** Councilmembers -

20 **NOES:** Councilmembers -

21 **ABSTAIN:** Councilmembers -

22 **ABSENT:** Councilmembers –

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I HEREBY CERTIFY that the foregoing Resolution No. 16-45 was duly and regularly adopted at a regular meeting of the City Council of the City of Concord on June 28, 2016.

Joelle Fockler, MMC
City Clerk

APPROVED AS TO FORM:

Susanne Meyer Brown
City Attorney