



TO THE HONORABLE MAYOR AND COUNCIL:

DATE: January 12, 2016

SUBJECT: CONSIDERATION OF RESOLUTION NO. 16-7 AUTHORIZING CONTRA COSTA COUNTY TO COLLECT ELECTRICAL USAGE DATA ON BEHALF OF THE CITY AND AUTHORIZING THE CITY TO CONTRIBUTE FUNDING OF UP TO \$25,000 (GENERAL FUND) FOR A COMMUNITY CHOICE AGGREGATION TECHNICAL STUDY

Report in Brief

The Contra Costa County Board of Supervisors directed County staff in October 2015 to research the County’s options for implementing Community Choice Aggregation (CCA), which is a local energy model that allows cities to pool the electricity load of their residents and businesses with the goal of offering consumer choice, local control, and cleaner energy. Two initial steps in the research process are for the County to collect electrical demand data for each city and the unincorporated area from the current electrical supplier, Pacific Gas & Electric (PG&E), and for the County to perform a study to analyze electrical demand and estimate electrical rates that might be charged under CCA. In order for the County to collect demand data for Concord from PG&E, the City must provide authorization. In addition, the County is requesting that interested cities indicate their willingness to contribute funds to support the cost of the study; the County estimates Concord’s “fair share” cost for the study as \$25,000 or less. . Resolution 16-7, if approved by the City Council, would allow the County to collect electrical data usage for Concord and authorize the City Manager to approve an expenditure of up to \$25,000 toward the technical study.

Background

Assembly Bill (AB) 117 (2002) established Community Choice Aggregation (CCA) in California. CCA is a mechanism through which electrical consumers that normally can only access “bundled” electricity service (supply, transmission, and distribution) through a single utility (PG&E) can elect to procure electricity from an alternative supplier (the CCA). AB 117 describes essential CCA program elements and requires the State’s utilities to provide certain services to CCAs, including transmission, distribution, metering, and billing.

Many local governments in the Bay Area and throughout the state are exploring CCA as a way to reduce greenhouse gas emissions, with San Francisco set to launch in early 2016 and San Mateo and Alameda Counties forming Joint Powers Authorities to administer CCAs.

Some California communities have already established CCA, notably Marin and Sonoma Counties. The Contra Costa County Board of Supervisors directed County staff in October 2015 to research the County's options for implementing CCA. The County has, in turn, requested the assistance of cities in obtaining electrical demand data for their communities and to help fund the necessary technical study. There will be a presentation on the County's goals and efforts in regards to the formation of a countywide CCA under the "Presentation" portion of the Council's public meeting on January 12th.

Discussion

To start a new CCA, there are two phases: the technical feasibility study and the formation of the new CCA. The technical study looks at the electricity load and analyzes the environmental and economic impacts of different electricity supply scenarios, providing the cities and County with information on whether or not it is feasible to start a new local CCA. Based on the study's results, the cities and County would then need to decide whether to proceed further and actually authorize forming a new JPA Authority to administer the CCA. This later vote is the real decision point to move ahead with a local CCA.

Contra Costa County is asking cities to indicate by January 31, 2016 if they 1) authorize the County to pull the City's PG&E load data for a technical feasibility study, and 2) are willing to pay for a portion of the study. The County estimates that Concord's share of the study's costs would be no more than \$25,000. The County will likely know by early February if there is an interest in starting a County CCA. Start-up costs are estimated by the County to range from \$1 million to \$1.2 million.

Another option cities and the County may explore is joining an existing group, such as Marin Clean Energy (MCE). Currently MCE serves 17 cities, including Marin cities, as well as Richmond, El Cerrito and San Pablo. The Cities of Walnut Creek and Lafayette have sent a letter expressing interest in joining to MCE.

County staff will make a presentation earlier in the meeting on January 12th that will outline the benefits and risks of establishing a Contra Costa County CCA. Below is a brief discussion of benefits and risks. It should be noted that if the Council chooses to participate in the technical study, more information will be provided to the City on the benefits and risks of forming a Countywide CCA as part of the technical study.

Benefits: The most significant benefit to Concord results from the CCA's higher reliance on clean energy options which would have a positive impact on Concord's ability to achieve its goals under its adopted Climate Action Plan. It would take a combination of multiple other green-house gas reduction strategies to equal the same level of reductions, some of which could have more significant impacts on existing and future residents and businesses. Additionally, the formation of a Contra Costa County CCA would maintain local control over the expenditure of CCA funds—some of which would likely become investments in local clean energy production. Last, historically customers of CCAs have had lower electricity bills (approximately 3-5%); however, it is not known if this trend will continue.

Risks: The most significant risks relate to start-up costs and the possibility for future changes in state legislation which may make operating a CCA more costly or difficult.

Fiscal Impact

Resolution No. 16-7, if approved by the Council, would authorize the City Manager to approve expenditure of up to \$25,000 toward the technical study. Should Council approve Resolution 16-7, staff will ask Council for an appropriation of the funding as part of Council's mid-year review of the adopted budget (expected to occur on January 26th).

Public Contact

The Agenda was posted.

Recommendation for Action

Staff recommends the City Council adopt Resolution No. 16-7 authorizing the City Manager to execute documents authorizing the County to collect electrical demand data for Concord and approving the expenditure of up to \$25,000 toward the technical study.

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Attachment 1: Resolution No. 16-7

**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 Contribute City Funding
for a Community Choice Aggregation Technical
Study Before the City Council of the City of Concord
County of Contra Costa, State of California**

Resolution No. 16-7

WHEREAS, The City of Concord has an adopted local Climate Action Plan which sets
greenhouse gas reduction goals; 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.

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

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1 **Section 1.** The City of Concord indicates its interest to participate in the pre-development and
2 feasibility phase of Community Choice Aggregation in partnership with Contra Costa, and authorizes
3 the City Manager to execute the appropriate documents in an amount not to exceed \$25,000 toward a
4 countywide CCA technical feasibility study and to allow the County and/or its technical consultants to
5 request energy usage/load data from Pacific Gas & Electric Company so that it may be analyzed as
6 part of a countywide CCA technical study.
7

8 Adoption of this resolution in no way binds or otherwise obligates the City of Concord to
9 participate in Community Choice Aggregation, unless at a future date after the technical study is
10 received, the City Council chooses to do so by passage of a City ordinance.

11 **Section 2.** This resolution shall become effective immediately upon its passage and adoption.

12 **PASSED AND ADOPTED** by the City Council of the City of Concord on January 12, 2016,
13 by the following vote:

14 **AYES:** Councilmembers -

15 **NOES:** Councilmembers -

16 **ABSTAIN:** Councilmembers -

17 **ABSENT:** Councilmembers –

18 **I HEREBY CERTIFY** that the foregoing Resolution No. 16-7 was duly and regularly
19 adopted at a regular meeting of the City Council of the City of Concord on January 12, 2016.
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22 _____
Joelle Fockler, CMC
City Clerk

23 **APPROVED AS TO FORM:**

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Brian Libow
Interim City Attorney
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