



Agenda Date: 12/08/2015
Agenda Item: 5.3

STAFF REPORT

Date: December 8, 2015
To: Bryan Montgomery, City Manager
From: Joshua McMurray, Planning Manager

Approved and Forwarded to City Council:

Bryan Montgomery, City Manager

SUBJECT: Adoption of a Resolution Authorizing the City Manager to Send a Non-Binding Letter of Intent to Marin Clean Energy (MCE) Expressing the City's Interest in Exploring Potential Membership

Summary

City Staff recently attended a meeting at the City of Brentwood where representatives from Pacific Gas and Electric (PG&E), Marin Clean Energy (MCE), and the Contra Costa Clean Energy Alliance presented information relating to Community Choice Energy (CCE) programs. Since that meeting, Staff has been in contact with MCE and as a result of those conversations has drafted a resolution that would authorize the City Manager to sign a non-binding Letter of Intent that would allow the City to explore a potential membership into MCE.

Background

CCE is a hybrid approach between investor-owned utilities, like PG&E, and municipal utilities, like Palo Alto's, that was authorized by AB 117 in 2002. CCE enables local governments and some special districts to procure and/or develop power on behalf of their public facilities, residents and businesses. The existing utility (like PG&E) continues to be responsible for transmitting and distributing electricity through the grid, maintaining infrastructure, billing customers, and customer services.

MCE was the first CCE to begin operating in California. MCE is a public, not-for-profit electricity provider operating under the Community Choice Energy model formed in 2008. It gives all residential, commercial, and municipal electric customers the choice of having 50% to 100% of their electricity supplied by renewable sources. MCE is governed by a 17-member Board of Directors representing each of the member communities it serves.

MCE Membership Process

The first step to potentially join MCE is for the City to send a non-binding Letter of Intent requesting MCE membership consideration. There is no cost to submit such a letter. The City of Walnut Creek, City of Lafayette, Yolo County, the City of Davis and all five cities in Napa County have submitted letters of intent already, and based on the meeting in City of Brentwood last week, it appears others will consider soon whether to

submit such a letter. Most recently, the Cities of Calistoga and American Canyon have already passed Ordinances to join MCE. Although Staff feels there is more research and analysis that needs to be done, submitting a Letter of Intent will keep the door open to joining MCE should the City decide to do so in the future. Submitting a letter does not obligate the City to conduct a membership analysis. It simply states that the City is interested in possibly joining MCE and puts Oakley in line with the other jurisdictions doing the same.

MCE's Board recently addressed how to expand to include new communities at its September Board meeting. The MCE Board decided to have an open inclusion period, ending March 31, 2016. Based on the decision by MCE's Board to have an open inclusion period, the next step for Oakley, after we submit a Letter of Intent, would be to pass an ordinance to join MCE (which requires two separate votes), and pass a resolution, Memorandum of Understanding and PG&E load data request. All of these items are referenced in the attached Membership Application Checklist. Once these steps are completed, MCE will conduct the membership analysis. Prior to the inclusion period, the membership analysis required a not-to-exceed Contract in the amount of \$15,000; however that amount has been reduced to \$0 if the City were to have a completed application submitted to MCE prior to the March 31st deadline.

Assuming the conclusions of the analysis are positive (i.e. inclusion of the new community would 1) help MCE and the City reduce energy-related Green House Gasses; and 2) preserve or enhance the competitiveness of MCE's electricity generation rates (both within the City and throughout MCE's existing service area), MCE's Board would then vote to include the new community, and it would officially become a member of MCE's JPA.

This means that if the City were to proceed with the items required by the application checklist prior to the March 31st deadline, the City would essentially be committed to joining MCE as long as the membership analysis was favorable.

Other CCE Membership Possibilities:

Contra Costa County is currently looking at the options available. The County has come up with three options which include: 1) form a Contra Costa County Program, 2) partner with Alameda County on a joint Program, or 3) join Marin Clean Energy. Staff is currently monitoring the County and how they proceed.

Fiscal Impact

There is no fiscal impact to submit the Letter of Intent to MCE. Furthermore, as long as the City was able to submit a complete Membership Application to MCE prior to the March 31, 2016 deadline, there would be no cost to the City for the membership analysis.

Recommendation

Staff recommends the City Council adopt the Resolution authorizing the City Manager to send a non-binding, no-cost Letter of Intent to MCE regarding consideration of possible membership in the CCE.

Attachments

1. Resolution Authorizing a Letter of Intent to MCE
2. Membership Application Checklist

RESOLUTION NO. XX-15

A RESOLUTION OF THE CITY OF OAKLEY CITY COUNCIL AUTHORIZING THE CITY MANAGER TO SEND A NON-BINDING LETTER OF INTENT TO MARIN CLEAN ENERGY (MCE) EXPRESSING THE CITY'S INTEREST IN EXPLORING POTENTIAL MEMBERSHIP

WHEREAS, the City is interested in exploring a potential membership into the Marin Clean Energy (MCE) Joint Powers Authority (JPA); and

WHEREAS, formally expressing interest by submitting a letter of intent has no obligation or cost for the City of Oakley.

NOW, THEREFORE, BE IT RESOLVED, that the City of Oakley City Council does authorize the City Manager or his designee to send a non-binding letter of intent to Marin Clean Energy expressing the City's interest in exploring possible membership.

PASSED AND ADOPTED by the City Council at a meeting held on the 8th day of December 2015, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

APPROVED:

, Mayor

ATTEST:

Libby Vreonis, City Clerk

Date

MCE Membership Application Checklist

- ✓ Request for load data for PG&E signed by Mayor, City Manager, Board president or Chief County Administrator
- ✓ County assessor data for all building stock in jurisdiction
- ✓ Adoption of a resolution requesting membership in MCE
- ✓ Adoption of the ordinance required by the Public Utilities Code Section 366.2(c) (10) to join MCE's CCA program, adopted governing Board, subject to MCE Board approval
- ✓ Executed 'Agreement for Services' or 'Memorandum of Understanding' (if during inclusion period) to cover:
 - Community agrees to publicize and share information about MCE with community during the 6 month enrollment period. Options to publicize include but are not limited to website, social media, public events, community workshops, and newsletter announcements (where feasible), as well as distribution of flyers and handouts provided by MCE at community offices.
 - Community agrees to provide desk space for up to 2 MCE staff during the 6 month enrollment period, and agrees to consider ongoing desk space availability if needed for effective and efficient outreach.
 - Community agrees to assign staff member as primary point of contact with MCE. Assigned staff member will support and facilitate communication with other community staff and officials, as well as provide input and high-level assistance on community outreach.
 - Community agrees to cover of quantitative analysis cost, not to exceed \$10,000; waived under inclusion period.