



# Monterey County

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## Board Report

Legistar File Number: ORD 17-004

March 21, 2017

**Introduced:** 3/10/2017

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** Ordinance

Adopt an ordinance authorizing the County of Monterey to implement a Community Choice Aggregation program within the unincorporated area of the County by joining with other participating counties and cities in the tri-county region of Monterey, Santa Cruz, and San Benito Counties to form the Monterey Bay Community Power Authority.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

Adopt an ordinance authorizing the County of Monterey to implement a Community Choice Aggregation program within the unincorporated area of the County by joining with other participating counties and cities in the tri-county region of Monterey, Santa Cruz, and San Benito Counties to form the Monterey Bay Community Power Authority.

### SUMMARY/DISCUSSION:

On March 7, 2017, the Monterey County Board of Supervisors introduced, waived reading, and set March 21, 2017 for adoption of an ordinance authorizing the implementation of a Community Choice Aggregation (CCA) program in the County of Monterey. Additionally, the Board adopted a resolution approving the Joint Powers Agreement (JPA) establishing the Monterey Bay Community Power (MBCP) Authority, establishing the County of Monterey as one of the founding members of the MBCP Authority. Per state law and the terms of the JPA resolution adopted on March 7, the resolution does not become effective until the Board adopts the ordinance.

The MBCP proposal is a regional CCA initiative for local jurisdictions to aggregate the electrical load of customers within the tri-county region of Monterey, Santa Cruz, and San Benito counties to procure cost competitive and clean-sourced electric energy on behalf of customers, thereby supporting the County's efforts to reduce greenhouse gas emissions, and providing economic benefits to Monterey County residents.

Public Utilities Code section 366.2(c)(12) enables cities and counties to participate together as a group in a CCA program through a joint powers authority, provided that each participating jurisdiction adopts an ordinance to implement a CCA program. Each of the jurisdictions which is choosing to participate in the MBCP Authority must adopt an authorizing ordinance. The proposed ordinance, which the Board introduced on March 7 and which is in substantially the same form as is being adopted by all of the jurisdictions who are choosing to participate, is attached as Attachment A. Staff is recommending that the Board of Supervisors adopt the ordinance to authorize the implementation a CCA program in the County of Monterey.

CEQA: As set forth in the JPA resolution adopted on March 7 and this ordinance, the establishment of the MBCP Authority is not a project under the California Environmental Quality Act (CEQA) because it involves organizational and administrative activities of government that will not themselves result in direct or indirect physical changes in the environment. The MBCP is protective of the environment by establishing an organizational mechanism to reduce greenhouse gas emissions related to the use of electric power in the tri-county area and therefore would also be categorically exempt under CEQA Guideline section 15308 as an action by a regulatory agency involving procedures to enhance and protect the environment.

OTHER AGENCY INVOLVEMENT:

The Auditor-Controller, CAO Budget & Analysis Division, CAO- Intergovernmental and Legislative Affairs Division, and County Counsel have been involved in the MBCP investigation, discussion, and formation of recommendations. County Counsel has approved the CCE ordinance as to form.

FINANCING:

A \$3 million start-up loan to fund operation of the JPA will be required. Each participating agency will be required to share a portion of the credit guarantee for the total loan. Based upon current estimates, the County of Monterey's portion of the credit would equal \$272,730 for which funding will need to be identified.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Monterey Bay Community Power (MBCP) proposal is consistent with the Board of Supervisors' Strategic Initiatives for Economic Development, Administration, Infrastructure, and Health and Human Services. Joining the MBCP JPA is expected to directly affect customer utility rates and increase the use of renewable energy, thus impacting the economic well-being of Monterey County utility customers, and promoting a sustainable and healthy environment.

Check the related Board of Supervisors Strategic Initiatives:

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

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Attachment: A - CCA Ordinance

