



Monterey County

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Board Report

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Matter Type: General Agenda Item

- a. Receive a presentation on the Monterey Bay Community Power Project.
- b. Provide direction to staff as appropriate.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a presentation on the Monterey Bay Community Power Project.
- b. Provide direction to staff as appropriate.

SUMMARY:

The Monterey Bay Community Power (MBCP) project is a collaborative effort established through a Resolution among Monterey County, Santa Cruz County, and San Benito County (a total of 21 jurisdictions including 18 cities). For the past three years, the MBCP has been investigating the formation of a Community Choice Energy (CCE) agency to serve the Monterey Bay Region. In 2002, the State Legislature adopted AB 117, which amended various provisions of the Public Utilities Code and allows for local governments to create a CCE agency which would aggregate utility customer's electricity loads within their jurisdictions and to procure energy supplies on their behalf, while maintaining the existing electricity transmission and distribution service provider.

In 2013, organizers of the MBCP formed the Project Development Advisory Committee (PDAC). With Gine Johnson from the Office of Santa Cruz County Supervisor Bruce McPherson acting as Team Manager, the PDAC is comprised of representatives from across the tri-county area, including a Monterey County staff member. The PDAC meets regularly to conduct the investigation into a local CCE and to lead project activities. A Technical Study was conducted to analyze the potential costs, benefits, and risks of a CCE formation, as well as, to compare these projected costs with the current electric utility provider, Pacific Gas & Electric (PG&E). Moreover, the Technical Study, performed by Pacific Energy Advisors (PEA), outlines how a local CCE can provide competitive utility rates, offer complementary programs, enhance the use of carbon-free energy sources, increase local distributed energy generation within the region, and provide economic development opportunities. These studies have been funded through grants received by the Community Foundation - Santa Cruz County.

DISCUSSION:

Santa Cruz County Fifth District Supervisor Bruce McPherson and his staff member Gine Johnson will present to the Monterey County Board of Supervisors on the basics of a CCE, provide an update on established CCEs in other regions throughout California, as well as, provide a status update on the MBCP project and the completed Technical Study draft.

As part of the investigation into the CCE for the Monterey Bay Region, the PDAC has looked to Marin Clean Energy, now in its sixth year of operations, and Sonoma Clean Power, now in its second year, to provide examples and best practices of established CCEs. The investigation being conducted by the MBCP used Marin Clean Power CCE and Sonoma Clean Energy CCE as templates for success.

In Phase 1 of the MBCP project, the PDAC has and will continue to investigate the viability of a CCE program throughout the Monterey Bay Region. The PDAC has overseen the development of a technical study, which provides data-sourced recommendations and insights that will help county and city staff develop recommendations to the PDAC. In addition, the PDAC has structured and implemented communications and outreach strategies, which will continue into Phase 2 if investigative efforts continue. The MBCP has the following next steps:

- **April 30, 2016:** Project Development Advisory Committee will finalize the information packet with recommendations and form two subcommittees, Governance and Finance.
- **May through August 2016:** Regional outreach program will be deployed, including public workshops and presentations. PDAC subcommittees will meet to recommend final structure of the CCE agency.
- **May through August 2016:** A comprehensive regional outreach and communications program to engage and educate the community at large will be implemented by a professional consulting firm.
- **October 31, 2016:** Final formation decisions by early adoptive county and city partners.

Phase 2

- **September/October 2017:** If the investigation and adoption of the MBCP proceeds, Phase 2 will see the overall program design. This includes soliciting energy procurement services, seeking California Public Utilities Commission approval of an implementation plan, executing a service agreement with PG&E, and expanding community engagement. CCE agency staff will also complete all remaining legal requirements, enroll customers and prepare to launch an independent operation. If the Monterey Bay tri-county region moves forward to implement a CCE, the proposed launch date for the MBCP CCE is anticipated to be in October 2017.

OTHER AGENCY INVOLVEMENT:

If the Board of Supervisors wishes to proceed further in this effort, multiple County departments will be involved in the investigation, discussion, and (if adopted) implementation of the MBCP Project. This matter was reviewed by the Alternative Energy and the Environment Committee on March 24, 2016.

FINANCING:

Monterey County Staff will review and evaluate the financial analysis in the MBCP Technical Study. Start-up costs are projected to be approximately \$2.25 million shared among Monterey

County, Santa Cruz County, and San Benito County. Given the extremely constrained nature of the County budget for FY 16-17, staff must point out that it is not clear at this time if start-up funds will be available in the next fiscal year absent further direction and prioritization from the Board of Supervisors.

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Attachments:

- MBCP Project Info Packet
- MBCP PowerPoint