



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legislation Details (With Board Report)

File #: 16-653 **Name:** CCA (AEE)
Type: General Agenda Item **Status:** Agenda Ready
File created: 5/18/2016 **In control:** Alternative Energy and Environment Committee
On agenda: 5/26/2016 **Final action:**

Title: a. Receive a status report of the Monterey Bay Community Power Project (MBCP).
b. Provide direction to staff as appropriate.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Attachment A - Sonoma Start-Up Costs, 2. Attachment B - Sonoma Labor Hours Summary, 3. Attachment C - Ad Hoc Subcommittee Recommendations

Date	Ver.	Action By	Action	Result
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- a. Receive a status report of the Monterey Bay Community Power Project (MBCP).
- b. Provide direction to staff as appropriate.

RECOMMENDATION:

It is recommended that the Alternative Energy and the Environment Committee (AEE):

- a. Receive a status report of the Monterey Bay Community Power Project.
- b. Provide direction to staff as appropriate.

SUMMARY:

At the April 28, 2016 AEE Committee meeting, they received a status update on the MBCP project that outlined the anticipated project timeframe, current investigation process, and potential start-up costs associated with forming a regional with forming a regional Community Choice Energy (CCE) Joint Powers Authority (JPA). On May 3, 2016, the Board of Supervisors received a presentation from MBCP. Since that time, County staff has continued doing its diligence by updating critical county staff on the MBCP Technical Study, interviewing external organizations and preparing for the MBCP Special Study Session scheduled for May 24, 2016 at the County of Monterey Board Chambers.

DISCUSSION:

Monterey County staff has continued its research and interviews with Sonoma County and Sonoma Clean Energy JPA staff for insight into questions related to implementation of an operational CCE JPA. With the fundamental concept of not trying to 'reinvent the wheel' County staff interviewed Cordel Stillman, Deputy Chief Engineer, Sonoma County Water Agency, to learn and understand their project management process, financing, and operational budget costs during the analysis phase prior to presenting recommendations to the Sonoma County Board of Supervisors. Their start-up costs were approximately \$440,000 that included two full time equivalent (FTE) staff; a Deputy Chief Engineer and Deputy Counsel, a part-time intern and an outside consultant during a fourteen month period. *Attachments A and B.* The Deputy Chief Engineer has expressed his willingness to assist the County of Monterey in sharing other project information and to meet with County staff to offer guidance and to answer additional questions. Due to the technical nature and the knowledge required to conduct a thorough analysis of the Technical Study, staff recommends an outside expert to lead the project investigation and form recommendations to the Board of Supervisors.

On May 12, 2016, the MBCP Project Advisory Development Committee (PDAC) held their monthly meeting to discuss and review JPA governance options and recommendations which came from an MBCP Ad Hoc Committee. One of the recommendations was the governance structure of the proposed JPA. The committee recommended an equitable representation of a Board of Directors that aligned with jurisdiction population density and electricity usage. Primary members and alternates of the JPA would be elected officials. In this recommendation, Monterey County would be given three of the thirteen available seats. Three seats represents the highest number of seats for any one jurisdiction in the proposed JPA. In addition, the committee recommended the formation of a Technical Advisory Committee comprised of technical and industry experts to be appointed per each governing board member. The report is included as *Attachment C*.

On May 24, 2016, the PDAC will host a Special Study Session for local government staff and representatives to review the findings of the MBCP investigation. Staff have met to form a list of questions that will be submitted to MBCP prior to the special study session. Critical county executive staff have been invited to the study session. Staff will verbally update the AEE on the Special Study Session outcomes. Following the special study session, staff has scheduled a meeting to analyze the information given and to determine if it is necessary to request an additional study session for Monterey County.

OTHER AGENCY INVOLVEMENT:

Various departments and executive leadership will be involved in the investigation, discussion, and formation of recommendations to the Board of Supervisors.

FINANCING:

Start-up costs are projected to be approximately \$2.25 million to start a tri-county CCE. It has not been determined the portion of the start-up costs for Monterey County. It is also not clear at this time what type of funding or financing options are available should the County ultimately opt to join the JPA. In addition, funds have not been identified at this time in the event the County chooses to hire an outside expert to assist in analysis of the technical information related to JPA formation and/or operations.

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Approved by: Nick Chiulos, Assistant CAO

Attachments:

Attachment A - Sonoma Clean Power Summary of Start-up Costs

Attachment B - Sonoma Clean Power Labor Hours Summary

Attachment C - Monterey Bay Community Power Governance Ad Hoc Subcommittee Recommendations