



County of Monterey

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

Legislation Details (With Board Report)

File #:	16-1180	Name:	10/12 AEE reso of intent
Type:	General Agenda Item	Status:	Agenda Ready
File created:	10/10/2016	In control:	Alternative Energy and Environment Committee
On agenda:	10/12/2016	Final action:	
Title:	a. Receive a status update on a public opinion survey for the Monterey Bay Community Power Project; and b. Recommend that the Board of Supervisors adopt a non-binding Resolution of Intent to affirm County's intent to participate in discussions for the proposed Monterey Bay Community Power Joint Powers Authority.		

Sponsors:

Indexes:

Code sections:

Attachments: 1. Staff Report, 2. Attachment A, 3. Attachment B, 4. Attachment C

Date	Ver.	Action By	Action	Result
10/12/2016	1	Alternative Energy and Environment Committee		

- a. Receive a status update on a public opinion survey for the Monterey Bay Community Power Project; and
- b. Recommend that the Board of Supervisors adopt a non-binding Resolution of Intent to affirm County's intent to participate in discussions for the proposed Monterey Bay Community Power Joint Powers Authority.

RECOMMENDATION:

- a. Receive a status update on a public opinion survey for the Monterey Bay Community Power Project; and
- b. Recommend that the Board of Supervisors adopt a non-binding Resolution of Intent to affirm County's intent to participate in discussions for the proposed Monterey Bay Community Power Joint Powers Authority.

SUMMARY:

The Monterey Bay Community Power (MBCP) proposal includes the Counties of Monterey, Santa Cruz, and San Benito, and the 18 cities within their boundaries. MBCP is a proposed Community Choice Energy (CCE) initiative for jurisdictions to form a Joint Powers Authority (JPA) to purchase electric energy on behalf of customers.

Since receiving direction at the September 22, 2016 Alternative Energy and Environment (AEE) Committee meeting, staff has worked to identify public opinion survey firms and to develop cost estimates and timelines. Staff is also working to identify potential funding sources to offset the County cost of conducting such a survey.

The MBCP project staff has drafted a non-binding resolution of intent to determine interest in the project. In order to meet time frames spelled out by the MBCP, it has been requested that all interested jurisdictions place the resolution of intent on their respective governing board agendas for consideration on or about October 31, 2016.

DISCUSSION:

At the September 22, 2016 AEE meeting, staff was directed to research the process of conducting a public opinion survey and related costs. The survey would need to be in English and Spanish. In order for a public

opinion survey to yield accurate results with a margin of error between 3-7%, the County will need to hire a specialized polling firm. To conduct the survey, telephone operators would place calls to residents to ask various questions regarding the MBCP proposal. The process for this survey takes 4 - 6 weeks to complete and ranges in cost from \$18,000 - \$30,000.

Currently, no funding source has been identified to conduct the survey. There have been on-going discussions with the City of Salinas to partner with Monterey County to conduct a survey. Information collected will provide valuable insight and assist the Board of Supervisors to make a final decision as to whether or not to join the proposed JPA. To adhere to the timeline provided by the MBCP, the results of the survey are needed by December 1, 2016.

On September 14, 2016, a draft resolution of intent to join was received from the MBCP project team (Attachment A). The purpose of this non-binding resolution of intent is to determine which cities and counties are interested in becoming an early adopter. On September 23, 2016, Monterey County and the City of Salinas submitted a joint letter commenting on the resolution's proposed Joint Powers Authority (JPA) governance structure and expressed concern that there has been no survey conducted to gauge public opinion (Attachment B). On October 3, 2016, the MBCP issued a final draft resolution of intent with no modifications to the proposed governance structure or plans to conduct a public opinion survey (Attachment C).

The timeline proposed by staff for the MBCP project is as follows:

- October 31, 2016 - Boards of Supervisors and City Councils to consider the MBCP draft resolution of intent
- November/December 2016 - MBCP meetings to finalize JPA Agreement, CCE ordinance and financing arrangements
- January 31, 2017- Deadline to pass binding JPA resolution and CCE ordinance to join MBCP as an early adopter
- Spring 2018 - MBCP begins supplying power to customers
- Spring 2019 - Late adopters eligible to receive power from MBCP

While staff recognizes the merit of the MBCP proposal, additional consideration is needed to create a fair and balanced voting structure and governance model. One possible way to address this is to structure board member seats so a weighted vote is invoked for decisions on capital projects or financial transactions. In order to fully evaluate the proposed governance and finance details, the County will need to identify which jurisdictions will be involved. Staff recommends that the AEE recommend that the non-binding resolution of intent be brought to the Board of Supervisors for consideration on November 1, 2016.

OTHER AGENCY INVOLVEMENT:

Auditor-Controller, CAO Budget & Analysis, CAO- Intergovernmental and Legislative Affairs, and County Counsel have been involved in the MBCP investigation, discussion, and formation of recommendations to the AEE committee. In addition, staff has had extensive discussion regarding the MBCP proposal with the City of Salinas, other Monterey County cities, and jurisdictions within, and including Santa Cruz County and San Benito County.

FINANCING:

The total cost for a public opinion survey ranges from \$18,000 - \$30,000. A funding source has not yet been identified for the cost of conducting a public opinion survey. Staff has been in discussion with the City of Salinas, as well as non-profits, which may wish to assist with funding.

Revised JPA start-up costs presented to date by the MBCP team are projected to be approximately \$3 million. Early adopters may be responsible for providing a credit guarantee for the MBCP JPA to secure a loan. Without knowing how many partners will join MBCP, it is unclear how much of the start-up funding the County would be required to guarantee should the County ultimately opt to join the JPA.

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Approved by: Nick Chiulos, Assistant County Administrative Officer, CAO-IGLA

ATTACHMENTS:

Attachment A - MBCP Resolution of Intent to Join

Attachment B - City/County Comments to Draft Resolution of Intent

Attachment C - Response to Comments from County of Santa Cruz