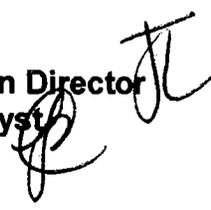


**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: The Honorable City Council

FROM: Jeremy Laurentowski, Parks and Recreation Director
BY: Jessica Sandifer, Senior Management Analyst 

DATE: October 21, 2015 (CC Meeting of 11/4/15)

SUBJECT: Consider Participating in Feasibility Study for Community Choice Energy (CCE) with the County of Santa Barbara, County of Ventura, and County of San Luis Obispo; and Resolution Amending the Fiscal Year 2015/16 Budget to Fund the Study

BACKGROUND

On August 19, 2015, several members of the public addressed the City Council regarding participating in Community Choice Aggregation (CCA). Community Choice Aggregation is authorized by Assembly Bill 117 (AB 117) and was signed into law in 2002. CCAs allow local governments to pool (or aggregate) their electricity load in order to purchase and/or develop power on behalf of their residents, businesses, and municipal accounts. CCAs facilitate the purchase and sale of electrical energy, set their own rates, and choose the sources of their electricity, which can contribute to reductions in Greenhouse Gas emissions when power is purchased from renewable energy resources ("green energy"). In this way, CCAs can assist with meeting Greenhouse Gas Emission reduction goals outlined in AB 32, The Global Warming Solutions Acts, which requires a reduction in Greenhouse Gas Emissions to 1990 levels by the year 2020. CCAs can also contribute to economic development by increasing the demand for renewable energy resources, thereby creating additional jobs in the renewable energy market. CCAs work in partnership with the existing utility, which would continue to deliver the power, maintain the grid and infrastructure, and provide consolidated billing and other customer services. CCAs have all the public power benefits associated with non-profit municipal utilities, such as lower rates, cost efficiencies, and local control, but without the infrastructure maintenance costs. CCAs are monitored and regulated by the California Public Utilities Commission (CPUC).

Currently, there are three Community Choice Aggregators operating in California. Marin Clean Energy (MCE) and Sonoma Clean Power (SCP) are located in northern

California. Lancaster Choice Energy (LCE) is the first CCA in Southern California. Each of the CCAs have realized some of the stated benefits of a CCA. MCE has been in operation for five years. In that time, they've reduced greenhouse gas emissions by 60,000 tons which is the equivalent of removing 12,500 cars from the road for one year. In 2014 they averaged \$5.9 million in bill savings and are on track to double that for 2015. MCE has also developed renewable energy resources in the form of solar and wind farms, creating 2,400 California jobs, and they've achieved a 56% renewable energy mix, exceeding the state mandate that requires all California utility providers to obtain 33% of the energy they sell from renewable resources by 2020. For comparison purposes, at last report, Pacific Gas and Electric's (PG&E) has only been able to achieve a 27% renewable energy mix. SCP launched in May 2014. In their first year of operation, they have realized a 48% reduction in greenhouse gas emissions below PG&E 2013 data, provided \$13 million in bill savings to customers, and achieved a 36% renewable energy mix. LCE launched in May 2015. They are already able to offer a 35% renewable energy mix and offer rate stability due to the fact that rates are only changed once annually, instead of multiple times annually, as can happen with Southern California Edison.

DISCUSSION

In June 2015, the County of Santa Barbara elected to fund a feasibility study for a Community Choice Energy Program. The County offered to expand the scope of the feasibility study to include the County of Ventura and its ten cities. The County of Ventura Board of Supervisors agreed to participate in the study and allocated \$50,000 to the study, with the caveat that if the cost of the feasibility study increased beyond the initial estimate of \$275,000, the County would reach out to the cities to request a contribution. The County of Santa Barbara now estimates the cost of the feasibility study to be \$500,000. On September 18, 2015, the County of Ventura CEO's office sent a letter requesting Moorpark's participation in the feasibility study and a funding contribution of \$10,000, based on population. If the City contributes toward the study, Moorpark will be able to appoint one technical staff member to the advisory working group. Subsequent to this request, the County of Santa Barbara reached out to the County of San Luis Obispo (SLO) to join the study. SLO agreed, which caused a restructuring of the populations and the funding tiers. The requested contribution from cities with a population between 20,000 and 45,000 is now \$15,000. The CEO's office is requesting a response as soon as practical. Regardless of the City's financial participation in the study, the County is requesting the City's cooperation by obtaining electrical load data for our jurisdictions from the utility providers.

Staff is recommending participating in the feasibility study and contributing the requested contribution at a cost not to exceed \$15,000. Should there be funding left after the completion of the study, it is proposed that the advisory working group would determine how best to use the leftover funding. As a reminder, by contributing the funding, the City would have a seat on the advisory working group. The creation of a

CCA could ultimately lower electrical costs and offer rate stability to the City, its residents, and businesses, while reducing greenhouse gas emissions, as required by AB 32, and creating jobs in the green energy market.

FISCAL IMPACT

The suggested contribution, based on our population is \$15,000. Funds are not budgeted for this study. A budget amendment is needed from the General Fund (1000) to fully fund Moorpark's participation in the study.

STAFF RECOMMENDATION (ROLL CALL VOTE)

1. Approve Moorpark's participation in the Community Choice Energy feasibility study at a cost not to exceed \$15,000, and authorize the City Manager to sign all documents necessary for the City's participation in the study; and
2. Adopt Resolution No. 2015-_____, amending the FY 2015/16 Budget to fund the study.

Attachment:

Resolution No. 2015 - _____

ATTACHMENT 1

RESOLUTION NO. 2015-_____

A RESOLUTION OF CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, AMENDING THE FISCAL YEAR 2015/2016 BUDGET BY APPROPRIATING \$15,000 FROM THE GENERAL FUND (1000) FOR FUNDING FEASIBILITY STUDY FOR COMMUNITY CHOICE ENERGY PROGRAM IN CONJUNCTION WITH THE COUNTY OF VENTURA, COUNTY OF SANTA BARBARA AND COUNTY OF SAN LUIS OBISPO

WHEREAS, on June 17, 2015, the City of Moorpark adopted the Operating and Capital Improvement budget for Fiscal Year 2015/16; and

WHEREAS, on November 4, 2015, a staff report was presented to the City Council requesting a budget amendment of \$15,000 from the General Fund (1000) to fund a feasibility study for a community choice energy program in conjunction with the County of Ventura, County of Santa Barbara, and County of San Luis Obispo; and

WHEREAS, Exhibit "A", attached hereto and made a part hereof, describes said budget amendment and the resultant impact to the budget line item.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. An aggregate budget amendment of \$15,000 from General Fund (1000) for a feasibility study for a community choice energy program in conjunction with the County of Ventura, as more particularly described in Exhibit "A", attached hereto, is hereby approved.

SECTION 2. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 4th day of November, 2015.

Janice S. Parvin, Mayor

ATTEST:

Maureen Benson, City Clerk

Exhibit A – Budget Amendment

EXHIBIT A
BUDGET AMENDMENT FOR

General Fund (1000) for Feasibility Study for Community Choice Energy Program
 2015/16

FUND ALLOCATION FROM:

Fund	Account Number	Amount
General Fund	1000-5500	\$ 15,000.00
Total		\$ 15,000.00

DISTRIBUTION OF APPROPRIATION TO EXPENSE ACCOUNTS:

Account Number	Current Budget ¹	Revision	Amended Budget
1000.7100.0000.9103	\$ -	\$ 15,000.00	\$ 15,000.00
			\$ -
			\$ -
		\$ -	\$ -
		\$ -	\$ -
			\$ -
			\$ -
Total	\$ -	\$ 15,000.00	\$ 15,000.00

Approved as to Form: 