



**Contra  
Costa  
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: June 21, 2016

Subject: Memorandum of Understanding for Community Choice Energy Technical Study

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## **RECOMMENDATION(S):**

APPROVE and AUTHORIZE the Conservation and Development Director, or designee, to execute the Memorandum of Understanding with participating cities regarding a technical study to evaluate alternatives for potentially implementing Community Choice Energy within the jurisdictions included in the study.

## **FISCAL IMPACT:**

None associated with the recommended action. Upon entering into a contract with a selected consultant to conduct a technical study, the recommended MOU will allow the County to receive proportional reimbursement for costs associated with the technical study from participating cities.

## **BACKGROUND:**

Community Choice Energy (CCE) is described in State law as Community Choice Aggregation. CCE involves cities and counties, or a joint powers authority (JPA) comprised

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☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

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Action of Board On: **06/21/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

### **VOTE OF SUPERVISORS**

AYE: Candace Andersen, District II  
Supervisor  
Mary N. Piepho, District III  
Supervisor  
Karen Mitchoff, District IV  
Supervisor  
Federal D. Glover, District V  
Supervisor

ABSENT: John Gioia, District I  
Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: June 21, 2016

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stephanie Mello, Deputy

Contact: Jason Crapo,  
925-674-7723

cc:

of cities and/or counties, pooling ("aggregating") retail electricity customers for the purpose of procuring and selling electricity. Under a CCE program, the CCE entity would become the default electricity provider to all electricity customers within the service area. Customers would have the ability to opt out of service from the CCE and return to service from the incumbent electrical utility. In Contra Costa County, the incumbent electrical utility is Pacific Gas and Electric (PG&E).

## BACKGROUND: (CONT'D)

Following the successful launch of CCE programs in Marin County in 2010 (now known as MCE Clean Energy) and Sonoma County in 2014, most other counties in the Bay Area and many counties throughout California are now in the process of implementing or studying the creation of CCE programs. The City and County of San Francisco launched its CCE programs in May 2016. San Mateo County is scheduled to launch its program in October 2016. Alameda County and Santa Clara County are both establishing JPAs for this purpose and plan to launch programs in 2017.

On March 15, 2016, the Contra Costa County Board of Supervisors (Board) directed County staff to work with interested cities within Contra Costa County to conduct a technical study of Community Choice Energy. The cost of the technical study is estimated not to exceed \$150,000. The Board authorized expenditures not to exceed \$50,000 for the County's share of cost for conducting a technical study and directed County staff to request that each participating city contribute financially towards the cost of the technical study in an amount proportional to the size of that city's population.

The technical study will analyze electrical load data that the County has requested from PG&E for the unincorporated area and the 14 cities in Contra Costa County that are not currently participating in a CCE program (5 cities in Contra Costa are members of the CCE program originated in Marin County known as MCE Clean Energy). The study will provide participating jurisdictions information concerning the projected electricity rates that might be charged by a CCE program and the revenues that such a program might generate, the ability of a CCE program to lower greenhouse gas emissions generated from energy use within the County and the extent to which a CCE program could stimulate economic activity in the County through implementation of local renewable energy generation projects and other program activities. Similar technical studies have been performed recently in other Bay Area counties that are in the process of implementing Community Choice Energy programs, such as Alameda County, San Mateo County and Santa Clara County.

The technical study will compare 3 different CCE program models that could be implemented by participating jurisdictions in Contra Costa County. These are: forming a new joint powers authority (JPA) of interested jurisdictions in Contra Costa County, forming a similar JPA in partnership with jurisdictions in Alameda County, and joining the existing CCE program known as MCE Clean Energy.

The attached Memorandum of Understanding (MOU) describes the roles and responsibilities of the County and cities regarding the technical study. All 14 of the cities within Contra Costa County that are not already members of a CCE program have authorized the County to obtain electrical load data from PG&E for the purpose of the technical study. The MOU reflects that 8 of these 14 cities have decided to contribute financially towards the technical study, and 6 cities have decided not to contribute financially. Cities that have decided to contribute financially towards the cost of the study

are designated in the MOU as "Funding Cities," and cities that are not contributing financially are designated as "Non-Funding Cities." The MOU provides Non-Funding cities the opportunity to become Funding Cities by providing a notice to that effect to the other parties by September 1, 2016 (reference MOU Section 3F). Accordingly, the City of San Ramon notified the County on June 14 that it will contribute up to \$20,000 to the costs of the technical study, effectively bringing the number of Funding Cities up to 9 and decreasing the number of Non-Funding cities to 5.

The County has recently issued a Request for Proposals (RFP) to select a consultant to perform the technical study. The County and several of the Funding Cities will screen the proposals submitted in response to the RFP, and the County will enter into a contract with the selected consultant. Upon completion of the technical study, the Funding Cities will each reimburse the County for their proportionate share of cost based on their population size, up to maximum amount established in the MOU.

The County will provide the Funding Cities with a draft of the technical study report once it is prepared by the selected consultant. The Funding Cities will have an opportunity to comment on the draft study. The Final Report will be provided to the Funding Cities, and the County and its consultants will assist in presenting the Final Report to the City Councils, and to the Board of Supervisors. The Final Report will assist all the jurisdictions included in the study to decide whether to participate in the implementation of a CCE program.

#### CONSEQUENCE OF NEGATIVE ACTION:

If the Board does not approve the recommended action, the County will not be able to receive reimbursement from participating cities for costs associated with the CCE technical study.

#### ATTACHMENTS

MOU for CCE Technical Study