



MEMORANDUM

TO: CITY COUNCIL

FROM: JAMES A. BERGMAN, CITY MANAGER

BY: RORY R. MCCLISH, PUBLIC WORKS INTERN

SUBJECT: CONSIDERATION OF ADOPTION OF AN ORDINANCE AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN MONTEREY BAY COMMUNITY POWER AUTHORITY'S COMMUNITY CHOICE AGGREGATION PROGRAM

DATE: JUNE 25, 2019

SUMMARY OF ACTION:

The Council will consider adoption of an implementation Ordinance to join Monterey Bay Community Power (MBCP), a community choice energy program.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

If the City moves forward with joining, it is estimated that the financial obligation to amend the MBCP implementation plan and joint powers authority agreement would be \$5,000 to \$7,500. This cost may be reduced depending on the number of cities that join MBCP next year.

RECOMMENDATION:

It is recommended the City Council adopt an Ordinance authorizing the implementation of a community choice aggregation program by participating in Monterey Bay Community Power Authority's community choice aggregation program.

BACKGROUND:

On June 11, 2019 Council held a public hearing and considered the value of participating in community choice aggregation. The Council voted unanimously to introduce an Ordinance, without modification, to begin the process of joining MBCP.

ANALYSIS OF ISSUES:

The Ordinance is now ready for adoption. The Ordinance will become effective thirty days after final passage of the Ordinance.

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JUNE 25, 2019
PAGE 2**

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Adopt an Ordinance authorizing the implementation of a community choice aggregation program by participating in Monterey Bay Power Authority's community choice aggregation program; or
2. Modify and reintroduce the Ordinance; or
3. Provide alternative direction to staff.

ADVANTAGES:

Adoption of the Ordinance is consistent with the Council's decision on June 11, 2019.

DISADVANTAGES:

There are no disadvantages.

ENVIRONMENTAL REVIEW:

The establishment of a CCE is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to the CEQA Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment because energy will be transported through existing infrastructure (14 Cal. Code Regs. § 15378(a)). Further, establishing a CCE is exempt from CEQA as there is no possibility that this it would have a significant effect on the environment (14 Cal. Code Regs. § 15061(b)(3)). Further, the establishment of a CCE is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment (14 Cal. Code Regs. § 15308).

PUBLIC NOTIFICATION AND COMMENTS:

A summary of the Ordinance was published in The Tribune on June 15, 2019 pursuant to State law. The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE, CALIFORNIA, AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN MONTEREY BAY COMMUNITY POWER'S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City Council has previously directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) program under the provisions of the Public Utilities Code section 366.2 in order to provide electric service to customers within the City of Arroyo Grande (City) with the intent of achieving reduced greenhouse gas emissions, local renewable power development, competitive electric rates, and the implementation of energy conservation and other energy programs; and

WHEREAS, Monterey Bay Community Power Authority (MBCPA) is an established CCA program capable of providing the desired financial and environmental benefits, and

WHEREAS, MBCPA will enter into agreements with electric power suppliers and other service providers and, based upon those agreements, MBCPA will be able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility ("PG&E"). Once the California Public Utilities Commission certifies the amended Implementation Plan adopted by MBCPA, MBCPA will be able to provide service to customers within the City; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so; and

WHEREAS, on April 9, 2019 the City Council received a presentation and on June 11, 2019 the City Council held a public meeting on the manner in which the City will participate in a CCA program at which time interested persons had an opportunity to testify either in support of or opposition to the implementation of a CCA program serving the City through MBCPA; and

WHEREAS, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308).

ORDINANCE NO.

PAGE 2

NOW, THEREFORE BE IT ORDAINED by the City Council of the City of Arroyo Grande as follows:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Based upon the forgoing, and in order to provide businesses and residents within the City with a choice of power providers and with the benefits described above, the City Council hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating as a group in the Community Choice Aggregation Program of MBCPA, as generally described in its Joint Powers Agreement.

SECTION 3. This Ordinance shall take effect thirty (30) days after its adoption.

On motion of Council Member _____, seconded by Council Member _____, and on the following roll call vote to wit:

AYES:

NOES:

ABSENT:

The foregoing Ordinance was adopted this _____ day of _____, 2019.

CAREN RAY RUSSOM, MAYOR

ATTEST:

JESSICA MATSON, DEPUTY CITY CLERK

APPROVED AS TO CONTENT:

JAMES A. BERGMAN, CITY MANAGER

APPROVED AS TO FORM:

HEATHER K. WHITHAM, CITY ATTORNEY

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