



Legislation Text

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TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Anne McIntosh, Community Development Director
Dana Murray, Environmental Manager

SUBJECT:

Update on Clean Power Alliance of Southern California, a Community Choice Energy Program (Community Development Director McIntosh).

RECEIVE AND FILE

RECOMMENDATION:

Staff recommends the City Council receive and file an update on the Clean Power Alliance.

FISCAL IMPLICATIONS:

There are no fiscal implications associated with the recommended action.

BACKGROUND:

The Clean Power Alliance (CPA) is a nonprofit entity and a community choice energy (CCE) program, formed through a Joint Powers Authority (JPA) made up of 31 public agencies across Los Angeles and Ventura counties, working together to bring affordable, clean energy to our communities. CPA purchases clean power and sells it to customers, while Southern California Edison (SCE) is responsible for delivery, billing, and for resolving any electricity service issues.

The CCE program allows government agencies to buy and/or generate clean electricity for their residents and businesses by creating a partnership between the municipality and the existing utility provider. Public entities who are part of the CPA have the option to purchase up to 100% renewable/clean electricity - such as solar, wind, bioenergy, geothermal, and hydroelectric - at competitive rates, which helps communities achieve their climate action goals and reduce greenhouse gas emissions. This enables municipalities to buy power from cleaner renewable sources while still using existing utilities (e. g. SCE) to deliver clean electricity to customers.

In December 2017, City Council unanimously approved a motion to become a member of the CPA. On February 20, 2018, City Council selected the 50% renewable energy tier offered by CPA to power customers (residents and businesses) in the City. Within the Clean Power Alliance structure, each individual city and county member has the authority to set the default renewable energy tier that will be offered to its residents and businesses within its own jurisdiction. The method by which each member makes this determination is entirely within the agency's purview, as there are no legal

requirements governing this selection. Manhattan Beach power customers will be automatically enrolled at the time CPA service commences (February 2019 for residential customers and May 2019 for nonresidential customers). Customers may opt up, opt down, or opt out of the CPA service at any time regardless of the City's overall 50% renewable selection.

DISCUSSION:

Since the City Council action in February 2018, the CPA Board has established a Chair and Vice-Chair; hired a permanent Executive Director and filled specialized staff positions; proceeded with various contracts for continued legal, personnel, power procurement services; and formed several committees (i.e. Finance, Community Outreach, Legislative Affairs) to facilitate decision-making.

As of January 2019, CPA has initiated service to municipal and commercial customers in unincorporated Los Angeles County and the founding cities of Rolling Hills Estates and South Pasadena. In February 2019, CPA will phase in all residential customers within its service territory (Phase 3), and in May 2019, all remaining non-residential customers in its service territory (Phase 4). Phasing in customers over the course of 12 to 16 months ensures a smooth transition of customer accounts, data, and billing.

By virtue of City membership in the Clean Power Alliance, Manhattan Beach's residents and businesses will be automatically enrolled in the Clean Power Alliance unless they choose otherwise. However, before automatic enrollment into the program begins, prospective CPA customers received two written notices in the mail from the CPA Authority that explained the program's goals, terms, and conditions and how customers can opt-up, opt-down, or opt-out of the program if desired. In Manhattan Beach, these notices were sent respectively at 60 days (December 2018) and 30 days (January 2019) prior to automatic enrollment. After transfer of service, two additional notices will be sent to CPA customers (at 30 and 60 days after enrollment), notifying them again of the shift from SCE to CPA, the program details, and the ability to opt-out.

Default Renewable Energy Tiers

The CPA Board approved setting rates at the upper end of the ranges approved by the Board in August 2018 and November 2018. This results in the following discounts or premiums for each CPA tier, compared to SCE's default rate:

- Lean Power (36% renewable): 1-2% bill discount over SCE's default rate
- Clean Power (50% renewable): 0-1% bill discount over or parity with SCE's default rate
- 100% Green Power: 7-9% bill increase over SCE's default rate

SCE has proposed a double digit increase to 2019 rates charged to both SCE and CPA customers to make up for a budget shortfall of almost \$1 billion dollars. If SCE's proposed increases are approved by the California Public Utilities Commission, they will likely go into effect in March or April 2019. If this happens, all customers will see a rate increase and CPA will adjust their own rates as needed to ensure the Board-approved savings/premiums do not change. Any future changes to CPA rates will be adopted at public meetings of the Board of Directors.

CPA Communications and Outreach

CPA entered into an agreement in March 2018 with The Energy Coalition to provide consultant services for communications, outreach, and marketing. Since that time, the Energy Coalition

established a foundation for CPA' s overall brand and communications strategy moving forward and conducted initial outreach to its members and the many stakeholders across its territory. The Energy Coalition also provided communications materials required for Phases 3 and 4, including enrollment notices, rate comparison mailers, management of CPA' s full website, and implementation of CPA' s overall communications and marketing strategy.

City staff continues to work with CPA staff to utilize all appropriate communications and outreach tools including, but not limited to, the City' s website, media relations, and social media tools to deliver additional messaging and content about the program through diverse distribution channels.

PUBLIC OUTREACH/INTEREST:

The City has provided information on CCE, and specifically CPA, to the public through a variety of outlets and venues, including:

- Social media
- Website updates
- Ads and articles in local newspapers
- Manhattan Beach Farmer's Market
- An information table at the City Council Environmental Sustainability Study Session in January 2018
- Press releases
- The Mayor's Town Hall on the Environment in August 2018
- to approximately 100 seniors at a CPA-focused Dine 'N Discover event in January 2019
- Through multiple presentations and reports to City Council from 2014-2019

The City continues to work in conjunction with the CPA to ensure that the community is well-informed and up-to-date on the process. Concurrently, staff has updated the City's website with information about the CPA at www.citymb.info/cleanpoweralliance .

ENVIRONMENTAL REVIEW

This is not a project pursuant to the California Environmental Quality Act (CEQA.) However, participation of the City in CPA will shift 22% of the City's utility source generation to clean renewable energy, thereby reducing its overall greenhouse gas emissions and better positioning the City to achieve Climate Action goal

LEGAL REVIEW

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.