



Legislation Text

File #: 19-0240, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Anne McIntosh, Community Development Director
Dana Murray, Environmental Sustainability Manager

SUBJECT:

Consider Increasing the City's Renewable Energy Tier to 100% Green Power for City Facilities within the Clean Power Alliance of Southern California, a Community Choice Energy Program (Community Development Director McIntosh).

- a) **DISCUSS AND PROVIDE DIRECTION**
- b) **ADOPT RESOLUTION NO. 19-0048**

RECOMMENDATION:

Staff recommends the City Council select a renewable energy tier which will be applied to the energy utilized at City facilities.

FISCAL IMPLICATIONS:

The City pays Southern California Edison (SCE) approximately \$1,000,000 annually for electrical service to all its City-owned facilities. At the 50% Clean Power tier, which the City is currently at, the City's electricity costs would be about 0-1% less than SCE, estimated to save the City about \$1,000 annually. At the 100% Green Power tier, the City's electricity costs would increase by about 7-9% or approximately \$70,000-\$90,000 annually. The Fiscal Year 2019-2020 budget will be adjusted, as necessary, to reflect the direction provided by the City Council.

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 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 were 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:

As of May 2019, CPA has initiated service to over 1 million residential, commercial, and municipal energy customers in 31 jurisdictions in Los Angeles County and Ventura County.

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

About one third of the jurisdictions in CPA selected the 100% Green Power tier for their communities and city power accounts including Culver City, Ojai, Oxnard, Rolling Hills Estates, Santa Monica, South Pasadena, Thousand Oaks, Ventura, Ventura County, and West Hollywood. Committing to 100% Green Power is deemed the single-most important environmental or climate action cities have taken in Southern California.

Clean Power Alliance's energy is procured from mostly non-polluting, clean and renewable sources such as solar, wind, and hydroelectric power. CPA does not use coal or nuclear power. Unlike fossil fuels, such as oil, natural gas, and coal, which cannot be replaced (and produce GHG emissions), renewable energy regenerates naturally in a short period of time. The projects that produce CPA's electricity are located in California and on the western grid. The exact proportion of each source varies with time, based on demand and availability. Each year, Clean Power Alliance procures an amount of renewable energy sufficient to meet the sum of the individual choices of all its customers. As a Clean Power Alliance customer, the City's energy choices directly impact the overall amount of renewable power Clean Power Alliance is buying. Selecting 100% Green Power means that Clean Power Alliance will procure additional, incremental renewable power to meet that demand.

Selecting the 100% Green Power energy tier would enable Manhattan Beach to join other regional jurisdictions in meeting the California's SB 100 mandate early, to power 100% of the state's electricity consumption with zero-carbon, clean renewable energy electricity by 2045. By staying at the current default tier of 50% clean power, our City would meet SB 100's 2025 mandate early. SB 100 also mandates 60% renewable energy by 2030.

According to the City's most recent GHG Emissions Inventory report from April 2019, ~44% of the City's emissions come from electricity used in City buildings, facilities, and streetlights (1,795 metric tons of CO2 emitted annually). Therefore, opting up to the 100% Green Power tier would reduce the City's emissions by ~44%. Remaining at the 50% Clean Power tier would reduce the City's emissions by ~22%.

Opting up to 100% Green Power would be the **single-most impactful** environmental climate action Manhattan Beach has taken to date, and would cut the City's GHG Emissions by nearly half. This is important for our own responsibility as a City, but will also count towards our State required reductions now and in the future.

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:

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
- Information table at the City Council Environmental Sustainability Study Session in January 2018
- Press releases
- Mayor's Town Hall on the Environment in August 2018
- 100 seniors attended a CPA-focused Dine 'N Discover event in January 2019
- 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 the City's utility source generation to 50% or 100% clean renewable energy, thereby reducing its overall greenhouse gas emissions by 22% or 44% and better

positioning the City to achieve local and state Climate Action goals.

LEGAL REVIEW:

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

ATTACHMENTS:

1. Resolution No. 19-0048
2. Clean Power Alliance Letter