

CITY OF NAPA CITY COUNCIL
AGENDA REPORT

ADMIN CALENDAR
AGENDA ITEM 6.A.
Date: August 18, 2015

To: Honorable Mayor and Members of City Council

From: Jacques R. LaRochelle, Public Works Director

Prepared by: Julie Lucido, Senior Civil Engineer

Subject: Marin Clean Energy

ISSUE STATEMENT:

Receive a presentation regarding potential participation of the City of Napa in the Marin Clean Energy program and provide direction to staff regarding submitting a non-binding letter of interest.

DISCUSSION:

The City of Napa has been approached by representatives of Sustainable Napa County and the Marin Clean Energy (MCE) program about participating in the MCE Community Choice Aggregate (CCA) program.

MCE has already contacted the other municipalities in the county, and is making similar presentations to interested municipalities. The Town of Yountville received a presentation on August 4, 2015, and directed staff to submit a non-binding letter of interest. The City of Calistoga has also received the presentation and will be putting the decision to send a non-binding letter of interest on their agenda this month. St. Helena unanimously approved sending the non-binding letter of interest on July 28th. The City of American Canyon will be hearing a presentation and asking for staff direction tonight. The unincorporated areas of Napa County have been served by MCE since 2014.

In 2002, California State Legislature passed Assembly Bill 117, enabling Community Choice Aggregation. This law allows groups of communities to purchase power on behalf of their residents and businesses, completely supported by revenues, rather than taxpayer subsidies. This historic bill paved the road to cleaner energy for California residents. Not only did Assembly Bill 117 enable California to join the small but growing number of states allowing CCAs, it mandated that customers be automatically enrolled in their local CCA, with an option to opt out. This crucial mandate helped launch California's first CCA program: Marin Clean Energy.

MCE is a public, not-for-profit electricity provider that gives all current PG&E customers the choice of having 50% to 100% of their electricity supplies be derived from renewable resources such as solar, wind, bioenergy, geothermal, and hydroelectric. Participating

communities automatically have their residents included in the 50% renewable energy program, giving the residents the choice to elect even higher renewable sources. Typically, participants derive financial saving from the basic service option and can also elect to opt out entirely and continue to be served by traditional PG&E sources if they do not wish to participate.

The City of Napa is now being asked to receive the presentation from MCE and determine if there is sufficient interest in the program to warrant further study by MCE staff as to whether the program would benefit City of Napa utility customers. If there is interest to continue to study the program, the Council will be asked to authorize the City Manager to send a letter expressing interest in being included in the analysis which will be done jointly for interested Napa County cities. After the letter is sent, MCE would evaluate the City's request. If approved, the City would enter into a contract with MCE to fund the analysis. The contract costs would be split amongst the municipalities participating in the study.

Upon completion of the study, the results will be shared publicly with residents and the City Council. The City Council would then be able to approve a resolution requesting membership in MCE for City of Napa residents alongside an ordinance authorizing community choice aggregation and approval of a Joint Powers Authority Agreement. Once all this is approved, the MCE Board would adopt a resolution authorizing the City's membership in the program.

FINANCIAL IMPACTS:

An action tonight would not result in a financial impact. A future cost of \$18,000 would be split amongst the municipalities within Napa County that chose to pursue participation in the program. This funding would complete a study to determine whether the program would benefit utility customers in the study area and would require a future action of the Council.

CEQA:

The Public Works Director has determined that the Recommended Action described in this Agenda Report is not subject to CEQA, pursuant to CEQA Guidelines Section 15060(c).

DOCUMENTS ATTACHED:

1. Attachment 1: Draft Non-Binding Letter of Interest

NOTIFICATION:

None.

RECOMMENDED ACTION:

Staff recommends that the City Council move, second and approve each of the actions set forth below, in the form of the following motion. Move to:

Authorize the City Manager to send a non-binding letter of interest to the Marin Clean Energy Joint Powers Authority requesting an exploratory analysis of the City of Napa's participation in the JPA.