



**CITY OF LOS ALTOS
CITY COUNCIL MEETING
February 23, 2016**

CONSENT CALENDAR

Agenda Item # 2

SUBJECT: Adopt Ordinance No. 2016-419, authorizing the implementation of a Community Choice Aggregation program

BACKGROUND

At its February 9, 2016 City Council meeting, the Council introduced and waived further reading of an ordinance authorizing the implementation of a Community Choice Aggregation program.

EXISTING POLICY

None

PREVIOUS COUNCIL CONSIDERATION

March 10, 2015; March 17, 2015; March 24, 2015; April 28, 2015; August 25, 2015, December 8, 2015, January 23, 2016 and February 9, 2016

DISCUSSION

This is the second reading and adoption of this ordinance. This ordinance will go into effect on the thirty-first day following its adoption.

PUBLIC CONTACT

The City of Los Altos Environmental Commission and City Council held study sessions and meetings related to the concepts and formation of CCEs during the period of July 2013 to February 2016.

An informational community meeting on CCE was hosted by the City on January 13, 2016, at the Los Altos Youth Center.

Posting of the meeting agenda serves as notice to the general public.

FISCAL/RESOURCE IMPACT

The initial cost to join Silicon Valley Clean Energy Authority are \$150,000 and will be appropriated from the General Fund

ENVIRONMENTAL REVIEW

The Ordinance to authorize participation in a Community Choice Aggregation program is exempt from the requirements of CEQA pursuant to the State CEQA Guidelines, as it is not a "project" and 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 assure the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308.)

RECOMMENDATION

Adopt Ordinance No. 2016-419, authorizing the implementation of a Community Choice Aggregation program

ALTERNATIVES

1. Do not adopt Ordinance No. 2016-419

Prepared by: J. Logan, Assistant City Manager

Approved by: Marcia Somers, City Manager

ATTACHMENT:

1. Community Choice Aggregation Ordinance

ORDINANCE NO. 2016-419

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
LOS ALTOS AUTHORIZING THE IMPLEMENTATION OF A
COMMUNITY CHOICE AGGREGATION (CCA) PROGRAM**

NOW THEREFORE, the City Council of the City of Los Altos does hereby ordain as follows:

SECTION 1. FINDINGS. The City Council finds as follows:

1. The Cities of Cupertino, Mountain View and Sunnyvale and the County of Santa Clara formed and sponsored the Silicon Valley Community Choice Energy Partnership (SVCCEP) to investigate options to provide electric service to customers within the City of Los Altos and surrounding municipalities with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of local renewable energy projects, reduced greenhouse gas emissions, and the implementation of energy conservation and efficiency projects and programs.
2. The City of Los Altos, through its participation in SVCCEP, has prepared a Technical Feasibility Study for a Community Choice Aggregation (“CCA”) program under the provisions of Public Utilities Code Section 366.2. The Technical Feasibility Study shows that implementing a community choice aggregation program would likely provide multiple benefits, including the following:
 - a. Providing customers a choice of power providers;
 - b. Increasing local control over energy rates and other energy-related matters;
 - c. Providing electric rates that are competitive with those provided by the incumbent utility;
 - d. Reducing greenhouse gas emissions arising from electricity use in the City;
 - e. Increasing local and regional renewable generation capacity;
 - f. Increasing energy conservation and efficiency projects and programs;
 - g. Increasing regional energy self-sufficiency; and
 - h. Improving the local economy by implementing new local renewable and energy conservation and efficiency projects.
3. The Joint Powers Agreement creating the Silicon Valley Clean Energy Authority (“Authority”) will govern and operate the CCA program on behalf of its member jurisdictions. The Initial Participants within the County of Santa Clara, as defined by the Joint Powers Agreement, may participate in the Authority by adoption of a resolution approving the execution of the Joint Powers Agreement and adoption of the CCA ordinance required by Public Utilities Code Section 366.2(c)(12) by March 31, 2016. Municipalities choosing to participate in the Authority will have membership on the Board of Directors of the Authority as provided in the Joint Powers Agreement.

4. The Authority will enter into agreements with electric power suppliers and other service providers and, based upon those agreements, the Authority plans to provide electrical power to residents and businesses at rates that are competitive with those of the incumbent utility. Once the California Public Utilities Commission approves the implementation plan prepared by the Authority, the Authority may provide service to customers within the City of Los Altos and those cities that choose to participate in the Silicon Valley Clean Energy Authority; and
5. 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 continue to receive service from the incumbent utility will be able to do so at any time; and
6. On February 9, 2016, the Los Altos City Council held a public hearing at which time interested persons had an opportunity to testify either in support or in opposition to implementation of the Silicon Valley Clean Energy CCA program in the City of Los Altos; and
7. This ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a “project” and 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 negative 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 assure the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308.) The Director of Community Development shall cause a Notice of Exemption to be filed as authorized by CEQA and the State CEQA Guidelines.

SECTION 2. The above findings are true and correct.

SECTION 3. AUTHORIZATION TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM. Based upon the foregoing, and in order to provide businesses and residents within the City of Los Altos with a choice of power providers, the City of Los Altos hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating in the Community Choice Aggregation program of the Silicon Valley Clean Energy Authority, as described in its Joint Powers Agreement.

SECTION 4. CONSTITUTIONALITY. If any section, subsection, sentence, clause or phrase of this code is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this code.

SECTION 5. PUBLICATION. This ordinance shall be published as provided in Government Code section 36933.

SECTION 6. EFFECTIVE DATE. This ordinance shall be effective upon the commencement of the thirty-first day following the adoption date.

The foregoing ordinance was duly and properly introduced at a regular meeting of the City Council of the City of Los Altos held on _____, 2016 and was thereafter, at a regular meeting held on _____, 2016 passed and adopted by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Jeannie Bruins, MAYOR

Attest:

Jon Maginot, CMC, CITY CLERK