



DATE: May 9, 2016

AGENDA ITEM # 4

TO: Environmental Commission

FROM: J. Logan, Staff Liaison

SUBJECT: Receive update on Silicon Valley Clean Energy Authority and CCE community outreach

BACKGROUND

State and Local Mandates

State Assembly Bill 32, the Global Warming Solutions Act, was signed into law in 2006 and directed public agencies in California to support the state-wide target of reducing greenhouse gas (GHG) emissions to 1990 levels by 2020. In addition, California adopted ambitious energy and environmental policies to reduce state-wide greenhouse gas (GHG) emissions to 20% of 1990 levels by 2050 and, to provide 33% of electricity demands in 2020 from renewable resources utilizing clean energy technologies and environmental benefits.

To address the reduction of GHG emissions at the local level, the City Council adopted a Los Altos Climate Action Plan (CAP) on December 10, 2013. The CAP is a comprehensive strategy with goals and measurements to reduce GHG emissions within five focus areas: Transportation, Energy, Resource Conservation, Green Community and Municipal Operations. The CAP was adopted with a target of reducing the community's GHG emissions by at least 15% by 2020 and with an overarching plan for how the City can achieve up to a stretch-goal of 17% reduction in the GHG emissions by 2020.

Community Choice Energy

One method that has the potential to reduce the GHG emission associated with energy consumption is the establishment of Community Choice Energy (CCE), a system that allows cities, counties and Joint Power Authorities (JPA) to aggregate the purchasing power of an identified customer base within a defined area to secure alternative energy supply contracts with the goal of increasing the percentage of energy from renewable sources. The purchase of alternative energy supplies includes renewable sources such as hydroelectric, wind and geothermal as opposed to non-renewable fossil fuels such as coal, oil and natural gas. The consequences inherent in the use of fossil fuels to generate energy are particularly high carbon dioxide equivalents or GHG emissions which contribute to global warming. The ability to form CCEs has been adopted into law in California and a few other states.

In the 2005 Los Altos GHG Community Inventory baseline, residential and commercial electricity account for 18% of Los Altos community-wide GHG emissions. Reducing the GHG intensity of the electricity currently flowing through the PG&E grid by incorporating more energy from renewable sources is an effective way to directly reduce community GHG emissions. If by establishment of a CCE, Los Altos purchased electricity that was 25% cleaner than PG&E-provided grid electricity, the use of renewal-source energy could potentially reduce overall city emissions by up

to 4.5%. If 100% renewable/clean energy were purchased, Los Altos emissions could be reduced by up to 18% and could attain the 2020 stretch goal of 17% reduction in GHG. As such, implementing a CCE has the potential to rapidly reduce community GHGs more so than any other measure currently identified in the Climate Action Plan.

It is noted that the GHG reductions by 2020 are only the first step in the State's GHG reduction goals. The state is proposing additional targets for 2030 and 2050. The initiative of establishing community choices to purchase energy produced by renewal sources is quickly becoming a viable option to achieve GHG reductions. Currently operating Community Choice Energy Programs can demonstrate savings to residents on energy bills and the attainment of sufficient GHG reductions to propel communities to reach short and long-term state goals for clean energy.

In July 2013, the City of Los Altos Environmental Commission explored the concept of GHG reductions that could be achieved by Community Choice Energy and is continuing to hear presentations on the topic and take action for recommendations to Council.

Council Actions

City Council convened a study session on Community Choice Aggregation (Energy) on March 10, 2015. The full staff report and video of the Council CCE study session is posted on the City Website at http://los-altos.granicus.com/GeneratedAgendaViewer.php?view_id=4&clip_id=911

On April 3, 2015 the City of Sunnyvale sent invitations to Santa Clara County cities to participate in the South Bay Technical Feasibility Study currently composed of and partnered by the Cities of Sunnyvale, Mountain View, Cupertino and Unincorporated Santa Clara County. This partnership is investigating the feasibility of a Community Choice Energy program for the South Bay.

At its April 28, 2015 meeting, Council received a staff report proposing CCE Goals and an Approach Plan to formulate and recommend a CCE business model.

In accordance with direction given to the Environmental Commission by Council at the March 10, 2015 Study Session, the CCE Subcommittee convened meetings that were held throughout 2015 and part of 2016 to research and determine the feasibility of joining a CCE for the City of Los Altos.

A Regular meeting of the Environmental Commission was held on July 13, 2015 and was immediately followed by a Study Session on CCE. Melody Tovar, Regulatory Programs Divisions Manager, City of Sunnyvale Environmental Services Department delivered a presentation on the Silicon Valley CCE Partnership (SVCCEP).

On August 25, 2015 the Environmental Commission presented a CCE Interim Report to Council and included an update on the progress of the Silicon Valley CCE Partnership.

The Environmental Commission assisted with outreach efforts to promote the CCE Community meeting held at LAYC (Los Altos Youth Center) on January 13, 2016. The presentation provided information about SVCCEP's efforts to form a group of agencies under a Joint Powers Authority to establish a CCE Program within Santa Clara County.

Receive update on Silicon Valley Clean Energy Authority and CCE community outreach

On January 26, 2016, the Environmental Commission presented its Final CCE Report to Council. Council expressed appreciation to the Commission and directed staff to move forward with the necessary steps for membership in Silicon Valley Clean Energy Authority (SVCEA) and the establishment of a CCA program for Los Altos at its February 9, 2016 meeting. At its February 9 and February 23, 2016 meetings, Council finalized the steps for membership in SVCEA and establishment of a CCA for the City. Mayor Buins was appointed as the SVCEA regular member of the Board of Directors and Commissioner Don Bray as the alternate member.

DISCUSSION

SVCEA held its initial Board of Directors' meeting at the Santa Clara Board of Supervisors chambers on April 13, 2016. The agenda packet and video of the proceedings are available at http://www.svcleanenergy.org/app_pages/view/297 Staff will provide an update of the meeting.

The next SVCEA Board of Directors' meeting is May 11, 2016 at 7 pm at the Santa Clara Board of Supervisors chambers.

Attachment:

A. SVCEA Work Plan and May 11, 2016 agenda

	APR 2016	MAY	JUN	JUL	AUG	SEP	OCT
MILESTONES	BOD Kickoff			Implementation Plan to CPUC			
	April 13, 2016	May 11, 2016	June 15, 2016	July 13, 2016	August 10, 2016	September 14, 2016	October 12, 2016
ADMIN. POLICIES	Swearing-in Introduce Election of Officers Approval of Mtg Date/Time Introduce OR&R Intro Conflict of Interest Code Approve Initial Budget	Election of Officers Approve OR&R Approve Conflict of Interest Code	Establish ICEO Authorities Approve FY 16-17 Budget		Approve Personnel Policies	Approve Personnel Classifications Approve Benefits Package Approve Salary and Comp Resolution	
STAFFING	Approve AdHoc Comm to interview ICEO Candidates	Approve ICEO Contract	Approve Energy Services RFP	Approve Staffing Plan			Appoint AdHoc regarding permanent CEO
CONTRACTS	Approve Legal Services Agmt Approve Tech Services Agmt Approve Program Support Agmt Approve Admin Svc Agmt(s)		Approve Legal/Energy Svc Agmt	Authority to Execute Svcs Agmt w/PG&E		Authorize CEO to Negotiate Aamts w/Benefits Providers	
PROGRAM, STRATEGIC DIRECTION	Consideration of Committees Work Plan Review, Technical Update Staff/Resource Plan Review	Consideration of Committees	Approve Initial Power Supply Goals Approve Phasing Plan	Approve Implementation Plan			

	NOV	DEC	JAN 2017	FEB	MAR	APR
MILESTONES	Finalize Energy Services Contract(s)		Finalize Rates Ph 1 Notices	Ph 1 Notices		LAUNCH, Ph 1
<i>2nd Meeting may be needed</i>						
	November 9, 2016	December 14, 2016	January 11, 2017	February 8, 2017	March 8, 2017	April 12, 2017
ADMIN, POLICIES		Presentation on Rate Setting Provide feedback on Noticing	Approve Rates	Operational Launch Overview		
STAFFING	Staff Appointments					
CONTRACTS	Delegate Energy Services Contract Approval Approve Data Mgmt Svcs Agmt					
PROGRAM, STRATEGIC DIRECTION						



City of Campbell

City of Cupertino

City of Gilroy

City of Los Altos

Town of Los Altos Hills

Town of Los Gatos

City of Monte Sereno

City of Morgan Hill

City of Mountain View

County of Santa Clara

City of Saratoga

City of Sunnyvale

svcleanenergy.org

**Silicon Valley Clean Energy Authority
Board of Directors Meeting**

Wednesday, April 13, 2016

5:00 pm

Santa Clara County Board Room
70 West Hedding Street, 1st Floor
San Jose, CA

AGENDA

Call to Order

Roll Call

Consent Calendar

No Items

Regular Calendar

- 1) Swearing in of new Board members
- 2) Approve Interim Board Chair (Action)
- 3) Adopt Conflict of Interest Code (Action)
- 4) Approve ongoing meeting date and time (Action)
- 5) Receive presentation on operations and program development
- 6) Approve initial budget (Action)
- 7) Approve administrative and fiscal services agreement with the City of Sunnyvale (Action)
- 8) Receive an introduction regarding election of officers and appoint the Treasurer-Auditor (Action)
- 9) Approve administrative services agreement with the City of Cupertino for community engagement and human resources support (Action)



- City of Campbell
 - City of Cupertino
 - City of Gilroy
 - City of Los Altos
 - Town of Los Altos Hills
 - Town of Los Gatos
 - City of Monte Sereno
- 10) Appoint a Board Ad Hoc Committee to recommend selection of an interim Chief Executive Officer and negotiate a draft agreement for Board approval (Action)
 - 11) Approve professional services agreement with Richards Watson and Gershon for legal services (Action)
 - 12) Approve professional services agreement with Pacific Energy Advisors for technical services (Action)
 - 13) Approve professional services agreement with MIG for outreach and community engagement services (Action)
 - 14) Approve professional services agreement with Joint Venture Silicon Valley for business and stakeholder engagement services (Action)

City of Morgan Hill

Board Member Announcements

City of Mountain View

Public Comment on Matters Not Listed on the Agenda

County of Santa Clara

Adjourn

City of Saratoga

City of Sunnyvale

svcleanenergy.org



(1)

Board of Directors

SILICON VALLEY CLEAN ENERGY AUTHORITY

The Silicon Valley Clean Energy Authority officially becomes effective March 31, 2016. The Authority is governed by a Board of Directors comprised of representatives from each of the participating communities. The regular Director must be from the governing body of each community. The alternate is appointed by the respective governing body but can be from body itself, staff or a member of the public.

CURRENT ROSTER

Campbell Vice Mayor Liz Gibbons	Campbell (<i>Alternate</i>) Councilmember Jeffrey Cristina
Cupertino Councilmember Rod Sinks	Cupertino (<i>Alternate</i>) Councilmember Darcy Paul
Gilroy Councilmember Daniel Harney	Gilroy (<i>Alternate</i>) Mayor Pro Tempore Peter Leroe-Muñoz
Los Altos Mayor Jeannie Bruins	Los Altos (<i>Alternate</i>) Environmental Commissioner Don Bray
Los Altos Hills Mayor John Harpootlian	Los Altos Hills (<i>Alternate</i>) City Manager Carl Cahill
Los Gatos Councilmember Rob Rennie	Los Gatos (<i>Alternate</i>) Vice Mayor Marico Sayoc
Monte Sereno Councilmember Burton Craig	Monte Sereno (<i>Alternate</i>) Councilmember Evert Wolsheimer
Morgan Hill Mayor Steve Tate	Morgan Hill (<i>Alternate</i>) City Manager Steve Rymer
Mountain View Councilmember John McAlister	Mountain View (<i>Alternate</i>) Mayor Pat Showalter
Saratoga Councilmember Howard Miller	Saratoga (<i>Alternate</i>) Vice Mayor Emily Lo
Sunnyvale Councilmember Jim Griffith	Sunnyvale (<i>Alternate</i>) Councilmember Tara Martin-Milius
Santa Clara County Supervisor Joe Simitian	Santa Clara County (<i>Alternate</i>) Vacant