



DATE: September 11, 2017

AGENDA ITEM # 4

**TO:** Environmental Commission

**FROM:** J. Logan, Staff Liaison

**SUBJECT:** Receive report on Silicon Valley Clean Energy Authority

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## **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 40% of 1990 levels by 2030 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.

### **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](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.

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 Bruins was appointed as the SVCEA regular member of the Board of Directors and Councilmember Mordo as the alternate member.

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 monthly proceedings are available at [http://www.svcleanenergy.org/app\\_pages/view/297](http://www.svcleanenergy.org/app_pages/view/297).

## **DISCUSSION**

The Environmental Commission will review SVCEA monthly agendas, materials and meeting summary notes for purposes of discussion at its Environmental Commission meetings. The results of Commission discussions and recommendations will be provided to Director Bruins. This is in accordance with the Work Plan project to provide resources to Director Bruins on policy and programs guidance. In the event the subcommittee needs to convene for items pertaining to SVCEA, the meeting will be agendaized to the public and will comply with requirements of the Brown Act.

At its November 2016 meeting, Commissioners discussed the GreenPrime opt-up electricity choice for municipal operations and the default GreenStart mix. The Commission requested estimated cost information for both energy choices. This information was provided and discussed. By consensus, the Commission recommends the Council consider the opt-up GreenPrime choice for municipal operations.

At its January 10, 2017 meeting, Council approved a Subordination Agreement required by SVCEA for purposes of banking and finance procedures. In addition, Council approved to opt up to the purchase of GreenPrime electricity service for municipal operations. Staff reports on these topics are posted on the Council agenda webpage.

Delivery of GreenPrime electricity service in Los Altos will commence in April followed by a second phase-in of remaining customers in July 2017. SVCE staff held a community meeting on June 21, 2017 at Hillview Community Center, and hosted tables at the Farmers' Market and at the Art & Wine event. Information and a question and answer opportunities were provided to residents about the operations and delivery of carbon-free electricity by SVCE.

At the July 12, 2017 and August 1, 2017 meetings of the SVCEA Sustainability Managers' Roundtable, SVCEA staff presented 14 programs focused on reducing Greenhouse Gas Emissions. SVCEA Staff requested feedback from each of the Roundtable representatives, gauging level of interest for their particular jurisdiction. City staff attends the SVCEA Sustainability Managers' Roundtable meetings. Three of these programs were presented at the SVCEA Board of Director's meeting on August 9, 2017, item 8. The Board of Directors meeting also included a closed session to discuss the

appointment of a new Chief Executive Officer. Commissioner Bray and staff will provide additional details under the agenda items.

At the Environmental Commission meeting on August 14, 2017, Commissioner Bray briefed the Environmental Commission on the August 9, 2017 SVCEA Board of Director's meeting. The programs that SVCEA staff presented included GHG accounting for all SVCE territories; a Commercial Demand Management program to incentivize customers who are eligible for Peak Day Pricing with PG&E to stay with SVCE; and a Seasonal Savings Program that partners SVCE with Nest, an in-home energy management device. In addition to conducting a search for a new Chief Executive Officer, the Board directed staff to compose a proposal focused on the creation of a consumer advisory board to source additional community feedback. The advisory board will consist of representatives from all 12 of the communities within the SVCE service area and will include commercial and residential consumers. City staff will continue to attend the SVCEA Sustainability Managers' Roundtable to represent the City's interest and will report monthly at the Environmental Commission meetings. Staff will also will continue to update and get input from SVCEA Director Bruins.

Attachments: None