



MINUTES
Environmental Sustainability Commission
Special Meeting of June 30, 2016

The meeting was called to order at 4:07 p.m. by Chair Godfrey.

Present: Richard Godfrey, Carolyn Obata, Daniel O’Donnell, John Rennels, Hetav Gore

Absent: Shiva Swaminathan, Nina Moore

Oral Communications:

Chair Godfrey reported that the idea of holding another Niles Canyon Roll & Stroll event may now be making a little bit of progress. Originally, there was pushback from Alameda County Supervisor Richard Valle due to a lack of support from CalTrans. However, while an event for 2016 is unlikely, Chair Godfrey reported that he is working with the Niles Rotary to try and organize a 5k/10k run that could potentially raise funds to support another Roll & Stoll event in 2017. Commissioner Rennels commented that in order to pull off a successful event, approximately \$40K would need to be raised.

Approval of Minutes: Meeting minutes of March 3, 2016 were approved unanimously.

Scheduled Items:

5.1 Presentation from Alameda County regarding Community Choice Energy Program:

In June 2014, the Alameda County Board of Supervisors voted unanimously to allocate \$1.3 Million to explore the creation of an Alameda County Community Choice Aggregation (CCA) program, and directed County staff to undertake the necessary steps to evaluate its feasibility. CCA enables the County and/or its cities to pool the electricity demand of participating communities' homes, businesses, and municipal facilities to buy and/or develop power on their behalf. The electricity continues to be distributed and delivered over the existing electricity lines by the incumbent utility, which is Pacific Gas and Electric (PG&E) in Alameda County.

Established by AB117 in 2002, the development of community choice aggregation programs is relatively new in California. There are currently four active CCA Programs in CA: Marin County (Marin Clean Energy), Sonoma County (Sonoma Clean Power), the City/County of San Francisco (Clean Power SF), and the City of

Lancaster (Lancaster Choice Energy). Within the Bay Area, San Mateo County (Peninsula Clean Energy) and Santa Clara County (Silicon Valley Clean Energy) are currently in the process of launching their programs and will be active in early 2017. Dozens of other local governments are exploring CCA options across the state.

Alameda County has been in the process of studying the viability of a County-wide CCA program over the past few years, and a technical study has now been completed. Seth Baruch, a consultant to Alameda County on the CCA Feasibility Study, presented to the Commission the results of the Draft Analysis produced by MRW & Associates.

The technical feasibility study provides stakeholders with information on what the proposed EBCE could look like at both the time of launch and over a forecasted period in terms of:

- total electric load of existing PG&E customers in the County
- possible percentage of renewable content for EBCE
- projected price of energy to EBCE customers compared with PG&E rates
- amount of localized build out of renewable energy projects
- amount of economic growth created

The total electricity load in 2014 from Alameda County was approximately 8,000 GWh. The cities of Oakland (25%), Fremont (16%), and Hayward (10%) were together responsible for over half of the County load, with Berkeley, San Leandro, and Pleasanton also contributing substantially. Residential and commercial customers made up the majority of the County load, with smaller contributions from the industrial and public sectors. If formed EBCE would be twice as large in terms of load than any other CCA currently operating in California.

The study looked specifically at 3 forecasts that balanced potential EBCE cost savings with GHG emission reduction:

1. Minimum RPS Compliance: Would meet the state-mandated 33% RPS (Renewable Portfolio Standard) requirement in 2020 and the 50% RPS requirement in 2030
2. More Aggressive: Would meet the 50% RPS from the first year onward, plus additional amounts of non-RPS compliant large hydro power to reduce GHG emissions
3. Ultra-Low GHG: Would launch with a 50% RPS in the first year and increase to 80% RPS by the fifth year.

Under the Scenario 1, EBCE would result in the greatest rate savings to customers, but would actually have a higher GHG emissions factor than PG&E. Therefore, the study omitted deeper analysis of Scenario 1, instead focusing on Scenarios 2 and 3 as the only viable options. Scenarios 2 and 3 would result in annual cost savings to customers as well. Scenario 2 would offer greater cost savings than Scenario 2, but the GHG emission reductions would be limited under Scenario 2 until about the year 2025, when PG&E is expected to ultimately retire the Diablo Canyon Nuclear Power

Plant, which currently produces 2,000 GWh of GHG-free electricity annually). Scenario 3 would offer the greatest GHG emission reductions, but would minimize cost savings.

Another area of consideration involved how each scenario impacts local deployment of renewable energy projects (specifically within Alameda County) as well as how many jobs it would create. While Scenario 3 would result in the creation of more jobs specifically related to the development of renewable energy projects in County, Scenario 2 would result in greater cost savings, thereby freeing up money that consumers would have otherwise spent on utility bills, resulting in greater job growth overall (but not specific to the renewable energy industry).

Finally, it is important to note that cost savings were calculated based not only on the projected price of renewable energy, but also on the cost of non-renewable energy, renewable energy credits (offsets), operations and maintenance costs, and the Power Charge Indifference Adjustment (“PCIA”), which is a PG&E exit fee that is charged to CCA customers. Should any one of these significantly vary in price than what has been forecasted for the study, it could result in a relative increase or decrease in the consumer cost of electricity under EBCE.

In order to create the proposed East Bay Community Energy (EBCE) CCA, the County must pass an ordinance to adopt a Joint Powers Authority (JPA) Agreement, scheduled to go in front of the County Board of Supervisors on July 19, 2016. Each city within Alameda County (except for the City of Alameda, which has its own electric utility), will then need to get its respective City Council’s approval to join the JPA before the EBCE program can effectively be launched. Once it is determined if all or a subset of all applicable cities within Alameda County will participate in the JPA, then the final EBCE cost and renewable content mix can be determined. Once those numbers are reported to the cities that join the JPA, then the Cities will have a window of opportunity to withdraw their membership in the JPA without penalty, or choose to move forward. A City’s participation in the JPA would mean that all existing PG&E customers within that jurisdiction would automatically become a customer of EBCE. Each customer would have the option to opt-out and remain customers of PG&E during the initial launch without penalty, and would always have the option to revert back to PG&E at a later time.

With this information, the Commission will be asked at a subsequent meeting to make a formal recommendation to City Council regarding on whether the City of Fremont should become party to the EBCE JPA and participate in the CCA program.

5.2 Staff follow-up on Commission of recommendation to City Council to support a second annual Niles Canyon Stroll & Roll Event for 2016:

At the March 3, 2016 Sustainability Commission meeting, the Commission voted unanimously to make a formal recommendation to City Council to support a “Second Annual Niles Canyon Stroll & Roll” event. Staff since learned that Alameda County Supervisors Valle and Haggerty had organized last year’s the event

to coincide with the CalTrans closure of Niles Canyon for annual maintenance, and that it was not anticipated by CalTrans to be an annual event.

Staff does not plan to take forward the Commission's recommendation to Council at this time. Should conditions change, however, staff will revisit the topic and proceed in taking forward the Commission's recommendation.

5.3 Staff Updates:

Staff updated the Commission on the following items:

- A second round of SunShares is currently in the planning stage, with a request for proposals out to both solar vendors and auto dealerships for their product offerings and discounts. Governments and corporations from throughout the East Bay and Peninsula are participating this year in the program, making its potentially regional impact substantial. The program will officially launch August 1 for registration, and will close on October 28.
- The Fremont Festival of the Arts is coming up on August 6 & 7, and the theme this year will be Fremont's Future: Safe, Sustainable, Vibrant, and Innovative. For Sustainability, we will be highlighting the forthcoming LED streetlight upgrade, the Fremont Green Challenge platform, and the Sunshares Program. Staff encourages Sustainability Commissioners to participate if possible as volunteers at the booth.
- The Commission agreed to setting a special meeting time in August for a deeper discussion on the 2016 Building Code and possible reach codes related to energy and water efficiency, solar PV, and electric vehicles. At that same special meeting or at the regularly scheduled September meeting, the Commission will be asked to make a recommendation to the City Council regarding participation in the East Bay Community Energy CCA.

5.4 Commissioner Announcements: None.

The meeting adjourned at 6:40 p.m.

APPROVED BY:



Rachel DiFranco
Sustainability Coordinator