

HAYWARD CITY COUNCIL

RESOLUTION NO. 16-\_\_\_

Introduced by Council Member \_\_\_

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE THE EAST BAY  
COMMUNITY ENERGY JOINT EXERCISE OF POWERS AGREEMENT

WHEREAS, the County of Alameda adopted Ordinance No. \_\_\_ on October 4, 2016, creating the East Bay Community Energy (EBCE) program; and

WHEREAS, the Alameda County Board of Supervisors has examined and identified Community Choice Aggregation as a key strategy to meet local clean energy goals and projected greenhouse gas (GHG) reduction targets; and,

WHEREAS, Community Choice Aggregation (CCA) is a mechanism by which local governments assume responsibility for providing electrical power for residential and commercial customers in their jurisdiction in partnership with local commercial energy purveyors and owners of transmission facilities, which in the case of Alameda County is Pacific Gas & Electric Co.; and,

WHEREAS, the City of Hayward General Plan includes policy NR-2.4 (Community Greenhouse Gas Reduction), which states, “The City shall work with the community to reduce community-based GHG emissions by 20% below 2005 baseline levels by 2020, and strive to reduce community emissions by 61.7%and 82.5%by 2040 and 2050, respectively.”; and

WHEREAS, the City of Hayward General Plan includes policy NR-4.8 (Community Choice Aggregation), which states, “The City shall assess and, if appropriate, pursue participation in community choice aggregation, or other similar programs. The City shall seek partnerships with other jurisdictions to minimize start up and administration costs.”; and

WHEREAS in 2015 Alameda County engaged MRW & Associates to prepare a Technical / Feasibility Study (Technical Study for Community Choice Aggregation Program in Alameda County, Draft (MRW & Associates, July 2016); and,

WHEREAS the Technical Study provides information about CCA Program feasibility, including data on energy load for the County and its Cities, projections of energy cost and availability, projections of customer costs, and opportunities for meeting State requirements for Renewable Portfolio Standards (RPS) and GHG Reductions; and the Technical Study also explores the prospects for economic and employment growth through program investments in renewable energy projects and energy efficiency programs; and

WHEREAS the Technical Study finds that total electrical load for the eligible portion of the County (unincorporated area plus all cities except Alameda) is approximately 8,000 gigawatt-hours (GWh) per year, with approximately 25% of that load from the City of Oakland alone, and with the Cities of Oakland, Hayward and Fremont accounting for approximately half of the total load. The Commercial and Residential sectors combined account for about 75% of the total load, with the Industrial and Public Sectors making up the remainder; and

WHEREAS four energy supply scenarios were considered: 1) Minimum Renewable Portfolio Standard (RPS) Compliance: The CCA meets the state-mandated 33% RPS requirement in 2020 and the 50% RPS requirement in 2030; 2) More Aggressive: The CCA's supply portfolio is set at a constant 50% RPS from the first year onward, plus additional amounts of non-RPS compliant large hydro power to reduce Greenhouse gas (GHG) emissions; 3) Ultra-Low GHG: The CCA's supply portfolio is set at 50% RPS in the first year and increases to 80% RPS by the fifth year; and 4) Aggressive Local Renewable Buildout, in which funds for renewable energy would be strongly directed toward local projects to achieve 50% renewable sources in-County by 2030; and

WHEREAS each of these four scenarios was favorable toward reducing energy costs for consumers compared to the incumbent utility (PG&E), with the estimated electric bill reductions (about 6.5% reduction, varying depending upon year of calculation) coming from Scenarios 1, 2 and 4 but with a smaller reduction possible (about 3%) for Scenario 3; and

WHEREAS an economic and employment analysis was conducted which showed that numerous jobs would be both created and supported at both the local and statewide levels, with varying degrees of job creation and distribution depending upon the energy supply scenario chosen for analysis; and that these jobs numbers ranged as high as 2,282 jobs created in Alameda County by 2023, with the average annual earnings for the average job projected at \$102,120; and

WHEREAS the Technical Study performed a sensitivity analysis, and identified several potential conditions that could result in relative increases in cost of CCA service compared to the incumbent utility (PG&E); that these included relicensing of Diablo Canyon Nuclear Facility by PG&E; increased renewable energy costs; increased PG&E exit fees; high natural gas prices; lower PG&E costs; and a combination of all of these; and the analysis suggests that the CCA results are relatively robust against these conditions; and

WHEREAS taken comprehensively, the Technical Study suggests that an Alameda County CCA would be feasible, could operate economically, could provide ratepayers reductions on their electric bills, and could both increase renewable energy and reduce greenhouse gas emissions if the right balance is achieved by a JPA; and

WHEREAS the findings of the Technical Study were accepted by the Alameda County Board of Supervisors at its meeting on October 4, 2016; and

WHEREAS the draft Joint Powers Agreement states that EBCE will seek to:

- a) Provide electricity rates that are lower or competitive with those offered by PG&E for similar products;
- b) Offer differentiated energy options (e.g. 33% or 50% qualified renewable) for default service, and a 100% renewable content option in which customers may “opt-up” and voluntarily participate;
- c) Develop an electric supply portfolio with a lower greenhouse gas (GHG) intensity than PG&E, and one that supports the achievement of the parties’ greenhouse gas reduction goals and the comparable goals of all participating jurisdictions;
- d) Establish an energy portfolio that prioritizes the use and development of local renewable resources and minimizes the use of unbundled renewable energy credits;
- e) Promote an energy portfolio that incorporates energy efficiency and demand response programs and has aggressive reduced consumption goals;
- f) Demonstrate quantifiable economic benefits to the region (e.g. union and prevailing wage jobs, local workforce development, new energy programs, and increased local energy investments);
- g) Recognize the value of workers in existing jobs that support the energy infrastructure of Alameda County and Northern California. The Authority, as a leader in the shift to a clean energy, commits to ensuring it will take steps to minimize any adverse impacts to these workers to ensure a “just transition” to the new clean energy economy;
- h) Deliver clean energy programs and projects using a stable, skilled workforce through such mechanisms as project labor agreements, or other workforce programs that are cost effective, designed to avoid work stoppages, and ensure quality;
- i) Promote personal and community ownership of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities;
- j) Provide and manage lower cost energy supplies in a manner that provides cost savings to low-income households and promotes public health in areas impacted by energy production; and
- k) Create an administering agency that is financially sustainable, responsive to regional priorities, well managed, and a leader in fair and equitable treatment of employees through adopting appropriate best practices employment policies, including, but not limited to, promoting efficient consideration of petitions to unionize, and providing appropriate wages and benefits.

WHEREAS if a municipality is to form a CCA with other municipalities, it must become a part of a Joint Powers Agency (JPA) as required by the legislation that permits CCAs, Assembly Bill 117 (Migden, 2002); and

WHEREAS a draft JPA Agreement has been prepared by the Office of the County Counsel and has been reviewed by City Attorneys and the membership of the Steering Committee over the course of several months; and

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes the City Manager to execute on behalf of the City of Hayward that certain agreement between the City of Hayward, THE COUNTY OF ALAMEDA, AND OTHER PARTICIPAING CITIES IN Alameda county establishing the CCA JPA in a form approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2016

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward