

SEAB RECOMMENDATION TO MAYOR AND CITY COUNCIL REGARDING FORMATION OF A CCA
RESOLUTION

Whereby:

SEAB has adopted guiding principles and recommended minimum performance criteria for establishment and implementation of a CCA in City of San Diego

Feasibility Study for a CCA in City of San Diego has been conducted and peer reviewed by qualified and experienced contractors and staff and the SEAB.

The Feasibility Study has provided recommendations which SEAB has agreed are proper next steps to pursue for formation of a CCA

SEAB has conducted a review of the Feasibility Study and adopted specific observations and recommendations to be communicated in letter addressed to Mayor and City Council

It is in best interests of the City to proceed expeditiously with a business plan review of issues identified in the Feasibility Study and by SEAB for a number of reasons including the following:

Only way to ensure accountability to reach CCA goal for City to achieve 100% renewable energy by 2035 is to vest authority for power purchases with local entity formed by City and responsible to the City. Two pathways that ensure that accountability include formation of either CCA authorized by State legislation or municipal utility authorized through City Charter

Other CCA's in existence and in formation are entering the renewable energy market to achieve greater renewable energy content at a lower cost, and

Should the City Council adopt an implementation plan for a CCA they will notify SDG&E of that intent and express any potential interest in contracts for renewable energy currently supplying the SDG&E service territory and/or in negotiating necessary Power Charge Indifference Adjustments (PCIA)s

The CPUC and other State agencies are reviewing PCIA procedures and it is important that the City be actively involved in those proceedings and considerations to help achieve the best result for its constituents.

Residents, Businesses and institutions within the City of San Diego including the municipal facilities operated by the City of San Diego to serve their constituents and businesses are paying the highest rates in the state and additional rate increases are being pursued by SDG&E. Due to rate increases and other utility requirements the city has experienced significant increases in costs of electricity for operation of municipal facilities

Now, therefore SEAB Recommends that the City of San Diego

1. Take steps necessary to engage staff from departments including the Economic Development Department, Energy Division and the Office of the City Attorney and Independent Budget Analyst to produce a business plan and financial analysis that will address the items identified by SEAB and the Feasibility Study consultants, and
2. Such business plan will provide the foundation for an implementation plan that is required for establishment of a CCA
3. Provide resources to the identified departments of the City necessary to effect the commencement of work on that business plan and financial analysis within the third quarter of Fiscal Year 2018 and completion of the business plan and financial analysis within the fourth quarter of Fiscal Year 2018.
4. Provide for a public forum that may include review by the SEAB to engage and obtain input of stakeholders throughout the City such that the City Council will be provided a recommendation for CCA formation within the first quarter of FY 2019,
5. Coordinate, complement and cooperate with other existing and forming CCAs in the state to reduce duplication of effort, benefit from their experience and procedures and practices they have developed and reduce the costs to the City should it determine to form a CCA,
6. Provide direction to the City Attorney to represent the interests of the City in any proceedings regarding the establishment or operation of CCAs or any proceedings regarding applications for projects or rate increases that might adversely impact the formation and operation of a CCA.
7. Integrate related provisions of the recommendations of the SEAB regarding guiding principles and minimum performance criteria for CCA formation and the municipal energy strategy, energy conservation ordinances, formation of an energy trust fund and comments to the Climate Action Plan PEIR into the business plan and financial analysis

To effect this resolution and recommendations SEAB will:

Transmit this resolution and the review conducted by SEAB in letter signed by chair person, with copies to the City Council President and all members, copy the City Attorney, Copy the Independent Budget Analyst

List the Recommendations in the Feasibility Study with (SEAB Working Group Appendix 3)

List and or highlight the SEAB recommendations in the SEAB Working Group review as amended

Attach the original Guiding Principles Page and Table with provisos (not power point version).