



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Community Services
Department
Department No.: 057
For Agenda Of: May 10, 2016
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department George Chapjian, Community Services Director
Director(s) (805) 568-2467

Contact Info: Angie Hacker, Division Chief, Energy and Sustainability Initiatives
(805)568-3515

SUBJECT: Community Choice Energy Updates

County Counsel Concurrence

As to form: YES

Other Concurrence: Risk Management

As to form: YES

Auditor-Controller Concurrence

As to form: YES

Recommended Actions: That the Board of Supervisors:

- A. Receive and file this briefing on Community Choice Energy progress updates;
- B. Approve and authorize the Chair of the Board to execute an Agreement for Services of Independent Contractor with Willdan in the amount not to exceed \$220,756 for a feasibility study of community choice aggregation (Attachment A);
- C. Authorize Community Services Director or designee to amend the Agreement for Services of Independent Contractor by extending the term for a period not to exceed 6 months.
- D. Determine that the recommended actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15262, as the actions involve only feasibility or planning studies for possible future actions which the Board has not approved, adopted, or funded and does not have a legally binding effect on later activities, and direct staff to file a Notice of Exemption (NOE) (Attachment B).

Summary Text: On June 9, 2015, the Board of Supervisors appropriated funds to the Community Services Department to conduct the initial phase of evaluating the formation of a community choice aggregation program – also referred to as Community Choice Energy (CCE). This report provides an update on the progress to date and recommends approval for an Agreement for Services of Independent Contractor to conduct a CCE feasibility study on behalf of 27 jurisdictions within the Tri-County area including Santa Barbara, Ventura and San Luis Obispo Counties that have collaborated with us in this endeavor. In addition, the County, as lead agency, has requested electricity load data from Pacific Gas and Electric Company (PG&E) and Southern California Edison (SCE) (the “Utilities”) as part of the feasibility study.

Background: As presented by the County Planning and Development Department at the May 5, 2015 Board hearing, the first phase in the process to establish the Community Choice Energy program includes a feasibility study that assesses potential benefits and risks (summarized below). At that hearing, the Board requested that information on costs be included during budget deliberations, which subsequently led to an appropriation to the Community Services Department to conduct Phase 1 work, including engaging participating jurisdictions, forming an advisory group, selecting consultants and completing a feasibility study. Staff were directed to engage with neighboring jurisdictions to invite their participation. Progress updates since June 2015 budget hearings are provided below.

Summary of Progress to Date

To date, \$327,500 in funding is being provided to the County from 11 collaborating agencies towards Phase 1 implementation costs including the CCE feasibility study. Of the 11 agencies, nine municipalities within the Tri-County have appointed representatives to participate on an Advisory Working Group (AWG), which meets monthly to receive updates, identify issues and provide input on matters related to the development of a regional Community Choice Energy program.

The AWG through the County, as lead agency, has received authorization to obtain load data and conduct the study on behalf of all 27 jurisdictions within the Tri-County area including Santa Barbara, Ventura and San Luis Obispo Counties that are served by Pacific Gas and Electric Company and Southern California Edison Company. The AWG has worked with the County to draft an initial communications plan, release a Request for Proposals (RFP) for the feasibility study, complete the consultant selection process, and develop the Agreement for Services of Independent Contractor to complete the CCE feasibility study (Attachment A).

In addition, requests have been submitted to PG & E and SCE to obtain the electricity load data necessary to complete aspects of the feasibility study.

Agreement for Services of Independent Contractor for Feasibility Study

After conducting the selection process, the AWG recommended Willdan as the top ranked consultant proposal. The Agreement (Attachment A) requires that Willdan conduct a thorough feasibility study including all 27 jurisdictions within the Tri-County area in an amount not to exceed \$220,756, which includes up to \$5,000 for optional peer review cooperation, and up to \$65,000 for optional additional pro-forma analysis for specific geographic areas. The study shall include the following elements:

- Electricity load study and 10-year load forecast
- Electricity procurement scenarios
- Electricity rate analysis
- Financial pro-forma analysis (to accommodate sensitivity analyses reflecting changes in variables such as market prices, utility rates and surcharges, and renewable energy policy changes)
- Analysis of governance and implementation models
- Analysis of economic impacts
- Energy efficiency and demand reduction opportunities
- Analysis of risks including policy, regulatory, financial, customer and market risks.

The study is anticipated to be completed within 90 days of receipt of the electricity load data from both Pacific Gas & Electric and Southern California Edison. Load data is anticipated to arrive in May or June 2016. A draft study will be finalized after gathering AWG input with the final study to be presented to the Board in fall 2016.

The Agreement for Services of Independent Contractor incorporates the standard County terms and conditions with the exception of authorizing the Community Services Director or designee to amend the Agreement for Services of Independent Contractor by extending the term for a period not to exceed 6 months if necessary in order to complete the work.

Performance Measure:

Not applicable

Fiscal and Facilities Impacts:

Budgeted: Yes

Funds have previously been appropriated for Phase 1 of possible community choice aggregation implementation, including the feasibility study, and contributions from outside agencies will help offset these costs (see Fiscal Analysis).

Fiscal Analysis:

The not-to-exceed amount for the Agreement for Services of Independent Contractor for the feasibility study is \$220,756, which includes \$150,576 for the base Scope of Work, up to \$5,000 for optional peer review cooperation, and up to \$65,000 for optional additional pro-forma analysis for specific geographic areas. These costs are adequately budgeted under the Energy and Sustainability Initiatives Division in Program 3500.

Funding Sources	Total One-Time Project Cost
General Fund:	\$ 29,239.00
Other:	\$ 191,517.00
Total	\$ 220,756.00

Staffing Impacts:

None.

Special Instructions:

Please send two copies of the signed Agreement for Services of Independent Contractor and minute order to Angela Hacker.

Attachments: Attachment A: Agreement for Services of Independent Contractor
Attachment B: CEQA Notice of Exemption (NOE)

Authored by:

Angie Hacker, Division Chief, Energy and Sustainability Initiatives