

Clean Energy Community Meeting Agenda

Goleta Valley Community Center

July 11, 2018, 12-1:30 pm

- Welcome & Introductions
- Community Choice Energy New Feasibility Study Results
- Strategic Energy Planning Update
- Other Local Government Clean Energy Updates



CCE Feasibility Study: Scope

- 3 geographic participation scenarios
 - All Santa Barbara County (unincorporated + 7 incorporated cities)
 - Unincorporated Santa Barbara County Only
 - City of Santa Barbara Only
- 3 renewable energy content levels
 - RPS compliant (33% to 50% renewable)
 - **50% renewable** **
 - 75% renewable
- 11-year study period: 2020-2030
- Pro forma assessment
 - Power purchase costs
 - Operational costs
 - Reserve/contingency fund
 - Debt service

CCE Feasibility Study: Financial Comparison for 50% Renewable Scenario

Scenario	Start-up Capital (\$)	Break Even (Year)	Net Surplus/ (Deficit) (\$)		Average Residential Customer Bill Impact (\$/Year)*	
			Year 1	Year 11	Year 1	Year 11
All County	\$9.3M	Year 1	\$4.3M	\$24.6M	PG&E: ↓ \$11 SCE: ↓ \$8	PG&E: ↓ \$51 SCE: ↓ \$55
Unincorporated County Only	\$6.7M	Year 2	(\$2.5M)	\$5.7M	PG&E: ↑ \$14 SCE: ↑ \$12	PG&E: ↓ \$27 SCE: ↓ \$34
City of SB Only	\$4M 0% interest	Year 4	(\$890K)	\$6.3M	SCE: ↑ \$11	SCE: ↓ \$72

CCE Feasibility Study: Consultant Assumptions Compared to Operational CCE Reported Values

Consultant	Power Costs	Start-Up Capital	Financial Reserve	Staffing
PEA	At high end, but in line with CCE reported values	In line with CCE reported values	At low end, but in line with CCE reported values	In line with CCE reported values
Willdan	Higher than CCE reported values	Higher than CCE reported values	Higher than CCE reported values	Higher than CCE reported values
MRW	At high end, but in line with CCE reported values	In line with CCE reported values	At high end, but in line with CCE reported values	Higher than CCE reported values

CCE Feasibility Study: All County 50% Renewable Scenario Pro Forma

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
I. Revenue	-	156,561,067	162,162,930	167,832,371	173,576,391	179,401,948	185,315,967	191,325,356	197,437,017	203,657,862	209,994,821	216,454,861
II. Operating Expenses												
Power Supply	-	127,017,386	135,779,407	140,721,284	144,444,843	148,036,579	151,547,796	157,963,954	161,749,459	163,923,925	168,531,988	173,017,950
Staff	583,333	3,500,000	3,587,500	3,677,188	3,769,117	3,863,345	3,959,929	4,058,927	4,160,400	3,500,000	3,500,000	3,500,000
Marketing and Communications	349,005	1,234,676	1,164,759	1,194,594	1,225,196	1,256,586	1,288,784	1,321,810	1,355,686	1,141,194	1,141,900	1,142,610
Legal, Consulting, other Prof. Services	300,000	1,500,000	1,537,500	1,575,938	1,615,336	1,655,719	1,697,112	1,739,540	1,783,029	1,500,000	1,500,000	1,500,000
Data Management	-	1,898,527	1,908,014	1,917,550	1,927,134	1,936,753	1,946,435	1,956,166	1,965,931	1,975,746	1,985,623	1,995,536
Utility Service Fees	-	431,280	426,917	436,131	445,605	455,346	465,364	475,666	425,709	427,814	429,931	432,056
Miscellaneous Admin. & General	83,333	500,000	512,500	525,313	538,445	551,906	565,704	579,847	594,343	500,000	500,000	500,000
Uncollectibles/Other	-	782,805	810,815	839,162	867,882	897,010	926,580	956,627	987,185	1,018,289	1,049,974	1,082,274
Subtotal Operating Expenses	1,315,672	136,864,674	145,727,411	150,887,158	154,833,559	158,653,246	162,397,704	169,052,537	173,021,742	173,986,968	178,639,416	183,170,426
Operating Margin	(1,315,672)	19,696,393	16,435,520	16,945,213	18,742,832	20,748,702	22,918,263	22,272,819	24,415,275	29,670,894	31,355,405	33,284,434
III. Financing												
Startup Funding Repayment	102,500	9,167,500	-	-	-	-	-	-	-	-	-	-
Reserve Contribution	-	6,262,443	6,486,517	6,713,295	6,943,056	7,176,078	7,412,639	7,653,014	7,897,481	8,146,314	8,399,793	8,658,194
Subtotal Financing	102,500	15,429,943	6,486,517	6,713,295	6,943,056	7,176,078	7,412,639	7,653,014	7,897,481	8,146,314	8,399,793	8,658,194
IV. Total Revenue Requirement	1,418,172	152,294,617	152,213,928	157,600,453	161,776,615	165,829,323	169,810,343	176,705,551	180,919,223	182,133,282	187,039,209	191,828,621
V. Net Surplus/(Deficit)	(1,418,172)	4,266,450	9,949,003	10,231,918	11,799,776	13,572,624	15,505,624	14,619,805	16,517,794	21,524,579	22,955,612	24,626,240
VI. Cumulative Reserve	-	6,262,443	12,748,960	19,462,255	26,405,310	33,581,388	40,994,027	48,647,041	56,544,522	64,690,836	73,090,629	81,748,824
VII. Cumulative Net Surplus	(1,418,172)	2,848,278	12,797,281	23,029,199	34,828,975	48,401,599	63,907,223	78,527,028	95,044,823	116,569,402	139,525,014	164,151,254
VIII. Program Average Rate (\$/MWh)	-	65.8	67.8	69.8	71.9	73.9	75.9	78.0	80.1	82.2	84.4	86.5
IX. Power Supply (\$/MWh)	-	53.4	56.8	58.5	59.8	61.0	62.1	64.4	65.6	66.2	67.7	69.2
X. Program Average Cost (\$/MWh)	-	64.0	63.6	65.6	67.0	68.3	69.6	72.1	73.4	73.5	75.1	76.7
XI. Annual Sales (MWh)	-	2,379,904	2,391,804	2,403,763	2,415,782	2,427,861	2,440,000	2,452,200	2,464,461	2,476,783	2,489,167	2,501,613

CCE Feasibility Study: Unincorporated County 50% Renewable Scenario Pro Forma

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
I. Revenue	-	80,827,550	83,353,846	85,911,542	88,503,408	91,132,196	93,800,647	96,511,498	99,267,484	102,071,345	104,925,832	107,833,708
II. Operating Expenses												
Power Supply	-	65,608,392	70,153,778	72,742,449	74,751,626	76,623,200	78,466,192	81,555,546	83,642,858	85,002,227	87,397,147	89,821,308
Staff	583,333	3,500,000	3,587,500	3,677,188	3,769,117	3,863,345	3,959,929	4,058,927	4,160,400	3,500,000	3,500,000	3,500,000
Marketing and Communications	291,219	1,097,703	1,083,186	1,110,563	1,138,635	1,167,417	1,196,928	1,227,187	1,258,213	1,058,783	1,059,077	1,059,373
Legal, Consulting, other Prof. Services	300,000	1,500,000	1,537,500	1,575,938	1,615,336	1,655,719	1,697,112	1,739,540	1,783,029	1,500,000	1,500,000	1,500,000
Data Management	-	665,105	668,424	671,780	675,144	678,530	681,926	685,344	688,771	692,221	695,679	699,161
Utility Service Fees	-	173,579	163,903	167,659	171,522	175,496	179,584	183,791	162,909	163,702	164,498	165,299
Miscellaneous Admin. & General	83,333	500,000	512,500	525,313	538,445	551,906	565,704	579,847	594,343	500,000	500,000	500,000
Uncollectibles/Other	-	404,138	416,769	429,558	442,517	455,661	469,003	482,557	496,337	510,357	524,629	539,169
Subtotal Operating Expenses	1,257,885	73,448,916	78,123,560	80,900,446	83,102,341	85,171,276	87,216,379	90,512,740	92,786,860	92,927,290	95,341,031	97,784,309
Operating Margin	(1,257,885)	7,378,634	5,230,286	5,011,096	5,401,066	5,960,920	6,584,268	5,998,758	6,480,624	9,144,055	9,584,801	10,049,399
III. Financing												
Startup Funding Repayment	77,500	6,617,500	-	-	-	-	-	-	-	-	-	-
Reserve Contribution	-	3,233,102	3,334,154	3,436,462	3,540,136	3,645,288	3,752,026	3,860,460	3,970,699	4,082,854	4,197,033	4,313,348
Subtotal Financing	77,500	9,850,602	3,334,154	3,436,462	3,540,136	3,645,288	3,752,026	3,860,460	3,970,699	4,082,854	4,197,033	4,313,348
IV. Total Revenue Requirement	1,335,385	83,299,518	81,457,714	84,336,908	86,642,478	88,816,563	90,968,404	94,373,200	96,757,560	97,010,144	99,538,064	102,097,657
V. Net Surplus/(Deficit)	(1,335,385)	(2,471,968)	1,896,132	1,574,634	1,860,930	2,315,632	2,832,242	2,138,298	2,509,924	5,061,201	5,387,768	5,736,051
VI. Cumulative Reserve	-	3,233,102	6,567,256	10,003,718	13,543,854	17,189,142	20,941,168	24,801,627	28,772,327	32,855,181	37,052,214	41,365,562
VII. Cumulative Net Surplus	(1,335,385)	(3,807,353)	(1,911,221)	(336,587)	1,524,343	3,839,975	6,672,218	8,810,516	11,320,440	16,381,641	21,769,409	27,505,460
VIII. Program Average Rate (\$/MWh)	-	65.8	67.5	69.2	71.0	72.7	74.5	76.3	78.0	79.8	81.7	83.5
IX. Power Supply (\$/MWh)	-	53.4	56.8	58.6	59.9	61.1	62.3	64.4	65.8	66.5	68.0	69.6
X. Program Average Cost (\$/MWh)	-	67.8	66.0	68.0	69.5	70.9	72.2	74.6	76.1	75.9	77.5	79.1
XI. Annual Sales (MWh)	-	1,228,384	1,234,526	1,240,699	1,246,902	1,253,137	1,259,402	1,265,699	1,272,028	1,278,388	1,284,780	1,291,204

CCE Feasibility Study: City of Santa Barbara 50% Renewable Scenario Pro Forma

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
I. Revenue	-	21,902,544	23,272,184	24,656,799	26,058,751	27,480,381	28,924,018	30,391,982	31,886,589	33,410,156	34,965,004	36,553,463
II. Operating Expenses												
Power Supply	-	19,918,700	21,238,616	21,946,825	22,392,327	22,828,813	23,274,733	24,656,722	25,123,384	25,071,797	25,765,773	26,299,792
Staff	279,000	558,000	566,370	583,361	600,862	618,888	637,454	656,578	676,275	696,564	717,461	738,984
Marketing and Communications	173,066	263,066	269,643	276,384	283,293	290,376	297,635	305,076	312,703	320,520	328,533	336,747
Legal, Consulting, other Prof. Services	220,000	420,000	430,500	441,263	452,294	463,601	475,191	487,071	499,248	511,729	524,522	537,636
Data Management	-	515,858	518,438	521,033	523,641	526,263	528,899	531,548	534,212	536,889	539,580	542,271
Utility Service Fees	-	71,726	72,062	72,401	72,741	73,083	73,427	73,772	74,120	74,469	74,820	75,171
Miscellaneous Admin. & General	30,000	60,000	61,500	63,038	64,613	66,229	67,884	69,582	71,321	73,104	74,932	76,805
Uncollectibles/Other	-	109,037	115,786	119,522	121,949	124,336	126,776	133,902	136,456	136,425	140,128	143,037
Subtotal Operating Expenses	702,066	21,916,386	23,272,915	24,023,825	24,511,721	24,991,589	25,482,000	26,914,252	27,427,719	27,421,497	28,165,750	28,750,443
Operating Margin	(702,066)	(13,842)	(731)	632,974	1,547,030	2,488,793	3,442,018	3,477,731	4,458,871	5,988,659	6,799,254	7,803,020
III. Financing												
Startup Funding Repayment	-	-	-	-	-	800,000	800,000	800,000	800,000	800,000	-	-
Reserve Contribution	-	876,102	930,887	986,272	1,042,350	1,099,215	1,156,961	1,215,679	1,275,464	1,336,406	1,398,600	1,462,139
Subtotal Financing	-	876,102	930,887	986,272	1,042,350	1,899,215	1,956,961	2,015,679	2,075,464	2,136,406	1,398,600	1,462,139
IV. Total Revenue Requirement	702,066	22,792,488	24,203,802	25,010,097	25,554,071	26,890,804	27,438,961	28,929,931	29,503,183	29,557,904	29,564,350	30,212,582
V. Net Surplus/(Deficit)	(702,066)	(889,944)	(931,618)	(353,298)	504,680	589,577	1,485,058	1,462,051	2,383,407	3,852,252	5,400,654	6,340,882
V. Cumulative Reserve	-	876,102	1,806,989	2,793,261	3,835,611	5,734,826	7,691,787	9,707,466	11,782,930	13,919,336	15,317,936	16,780,075
VII. Cumulative Net Surplus/(Deficit)	(702,066)	(1,592,010)	(2,523,628)	(2,876,926)	(2,372,246)	(1,782,669)	(297,611)	1,164,440	3,547,847	7,400,099	12,800,753	19,141,635
VI. Program Average Rate (\$/MWh)	-	58.3	61.7	65.0	68.4	71.8	75.2	78.6	82.0	85.5	89.1	92.6
VII. Power Supply (\$/MWh)	-	53.1	56.3	57.9	58.8	59.6	60.5	63.7	64.6	64.2	65.6	66.7
VIII. Program Average Cost (\$/MWh)	-	60.7	64.2	66.0	67.1	70.2	71.3	74.8	75.9	75.7	75.3	76.6
IX. Annual Sales (MWh)	-	375,396	377,273	379,160	381,055	382,961	384,876	386,800	388,734	390,678	392,631	394,594

CCE Feasibility Study: Risk Profile

0-2
Years

- PCIA
- Customer Opt Out (transition)
- Debt Obligation
- Regulatory
- Energy Market

>3
Years

- Customer Opt Out (Rates)
- Regulatory
- Energy Market

CCE Feasibility Study: Policy Goals Achieved

- Provide greater local control of energy decisions: Yes, but subject to change with pending legislation.
- Encourage competition: Yes, IOUs have enhanced renewable energy and electric vehicle options in response to CCE.
- Increase renewable energy delivered to customers: Locally, yes; statewide, maybe.
- Lower greenhouse gas emissions: Locally, yes; statewide/globally, maybe.

CCE Feasibility Study: Policy Goals Achieved

- Build new local renewable energy generation: Maybe, but likely to take several years to build sufficient revenues.
- Generate funding for new sustainability programs: Yes, but likely to take several years to build sufficient revenues.
- Create new jobs: Yes, PEA estimates ~20 jobs to run CCE program + potential for short-term construction jobs.
- Save customers money: Yes, but subject to change with market and policy changes.
- Stimulate economic development: Yes, through jobs and bill savings being spent on other goods/services.

Strategic Energy Planning Overview

- Purpose: Stimulate clean energy development to meet economic, environmental, and energy resiliency and reliability goals
- Scope:
 - Analyze clean energy opportunities across public and private properties countywide
 - Identify high-priority sites for inclusion in a Clean Energy Roadmap outlining policy, financial, and programmatic mechanisms for stimulating clean energy development
 - (optional) Submit funding applications to develop clean energy projects on public properties
- Participants:
 - County and the Cities of Carpinteria and Goleta
 - Santa Barbara pursuing similar scope via separate contract
 - Gauging North County cities' interest

Goleta Clean Energy Updates

- 100% Renewable Energy Goal & Energy Efficiency Projects
 - CPUC Approval for Streetlight System Acquisition
- City Council Energy / Green Issues Standing Committee
 - Recommended Actions
 - MOU for Strategic Energy Planning
 - CCE Resolution of Intent
- City Council Consideration July 17th - Evening Session
 - Will determine next phase of 100% RE Plan Development

Santa Barbara Clean Energy Updates

- Progress toward 100% Renewable Electricity
 - As of FY18 City Facilities are at 34%
 - Community as a whole is at 32%
- City of Santa Barbara Strategic Planning Effort
 - Renewable energy siting survey and resource potential within the municipal boundary
 - Identification of appropriate and achievable strategies
 - Creation of a policy, program, and project roadmap
 - Submission of funding opportunities to implement elements of the Roadmap and development of concept projects
 - Conduct a behavioral study to assess community willingness and drivers

County of Santa Barbara Clean Energy Updates

- Seeking financing for North County energy efficiency and solar project (Bettaravia Campus)
- \$4.5 million project includes:
 - 0.8 Megawatt Solar Parking
 - Solar Thermal
 - Battery Storage
 - Lighting Upgrades and Controls
 - HVAC Controls
- Hoping to start a retro commissioning and energy audit in South County by September to identify more opportunities for projects.