



COUNTY OF SAN DIEGO

BOARD OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

DATE: April 6, 2021

TO: Board of Supervisors

SUBJECT

UPDATING COMMUNITY CHOICE ENERGY GUIDING PRINCIPLES (DISTRICTS: ALL)

OVERVIEW

Community Choice Energy (CCE) is an energy supply program that allows cities and counties to meet local energy needs by aggregating the buying power of individual customers within a defined area to secure alternative energy supplies. The pooling of purchasing power to buy or generate electricity gives ratepayers the choice of where to purchase their power. Choice and competition are the bedrock of CCE. Today, there are twenty-three CCEs operating throughout the State, serving more than ten million customers, including two CCEs in San Diego County.

In 2019, the Board of Supervisors adopted an ordinance stating our intent to join a CCE. The Board also adopted five Guiding Principles setting County terms to establish a County CCE or to join others in forming a Joint Powers Authority (JPA). However, these Guiding Principles are not reflective of the ideals of the current board. The Guiding Principles that lead this program should align with our commitment to renewable energy, good-paying jobs, and environmental and social justice. As such, we are proposing the adoption of the following Revised Guiding Principles.

Revised Guiding Principles

1. Prioritize social equity and environmental stewardship.
2. Provide cost competitiveness compared to the incumbent utility.
3. Achieve 100% renewable electricity by 2030; encourage within-County buildout of renewable energy, battery storage, and energy efficiency programs; and prioritize Category 1 renewable energy.
4. Support requirements for prevailing wages, as defined in California Labor Code section 1770 et seq., and skilled and trained workforce, as defined in California Public Contract Code section 2601, for CCE-owned generation, feed-in-tariff, and energy efficiency projects.
5. Encourage the development of an equitable jobs pipeline for individuals from communities of concern; the use of a bid evaluation policy prioritizing the selection of new local renewable energy and storage projects; and the workforce development criteria prioritizing

**SUBJECT: UPDATING COMMUNITY CHOICE ENERGY GUIDING PRINCIPLES
(DISTRICTS: ALL)**

the use of State-certified apprenticeship and proper assignment of work to crafts that traditionally perform the work, as permitted by applicable law.

6. Limit General Fund Liability.

Today's action revokes the previously adopted County Governance Guiding Principles, replaces them with the Revised Guiding Principles, and directs staff to discuss the County's potential participation with a local existing CCE Joint Powers Authority (JPA) and return to the Board with options for such participation based on the Revised Guiding Principles.

RECOMMENDATION(S)

CHAIR NATHAN FLETCHER AND SUPERVISOR LAWSON-REMER

1. Revoke the previously adopted set of County Governance Guiding Principles and adopt the Revised Guiding Principles.
2. Direct the Chief Administrative Officer to engage in discussions with the San Diego Community Power and the Clean Energy Alliance CCE JPAs and return to the Board with options for potential County participation in those CCE JPAs consistent with the Revised Guiding Principles by August 2021.

FISCAL IMPACT

There is no fiscal impact associated with today's recommendations. Prior funding was allocated to the Department of General Services to support the development of the Feasibility Analysis and to support negotiations with Community Choice Energy providers.

BACKGROUND

Community Choice Energy (CCE) is an energy supply program that allows cities and counties to meet the energy needs of residents and businesses by aggregating the buying power of individual customers within a defined area to secure alternative energy supplies. The pooling of purchasing power to buy or generate electricity gives ratepayers the choice of where to purchase their power. Choice and competition are the bedrock of CCE.

CCE became an option for cities and counties after the State Legislature passed Assembly Bill 117, which allowed jurisdictions to combine the buying power of individual residents to purchase electricity on their behalf. This change also allowed for the shifting of control away from Investor Owned Utilities (IOUs) and into the hands of consumers. Marin Clean Energy (MCE), established in 2010, was the first CCE program to take advantage of the new law. Today, MCE serves more than 100,000 customers, proving that clean and low-cost energy is achievable and can be replicated across the state.

Today, twenty-three CCEs are operating throughout the state, serving more than ten million customers. There are two CCEs operating in San Diego County, San Diego Community Power and Clean Energy Alliance. Each CCE has a different structure and jurisdictional composition.

On February 26, 2019 (5), Supervisors Fletcher and Jacob brought forward a proposal directing the Chief Administrative Officer to develop options for a CCE program and return to the Board by October 2019 with options, advantages and disadvantages, and a business plan. The proposal also directed staff to report back to the Board on progress every two months. On April 9, 2019 (9), the

**SUBJECT: UPDATING COMMUNITY CHOICE ENERGY GUIDING PRINCIPLES
(DISTRICTS: ALL)**

first progress update was a Board hosted public workshop on CCE. On June 25, 2019 (7) the Board received the second update on the Technical Feasibility Study and Business Plan being prepared by the County’s consultant, EES Consulting, Inc. On September 10, 2019 (13), the Board received the final Technical Feasibility Study and Business Plan and directed staff to engage with potential Joint Powers Authority (JPA) partners, that would likely include the City of Carlsbad and others who are interested and return to the Board with an Ordinance establishing a CCE Program and a negotiated JPA agreement for approval. The Board also requested staff return with full documentation on the supply of renewable energy and address other questions that were raised by the Board at the September 10, 2019 meeting. On October 15, 2019 the Board of Supervisors adopted a resolution stating the Board’s intent to implement a CCE program within the County’s jurisdictional boundaries but did not specify a CCE program at that time.

The Board also adopted five Guiding Principles for establishing a County CCE or joining others in forming a Joint Powers Authority (JPA). The Guiding Principles adopted at the June 25, 2019 Board meeting dictated the following:

1. Achieve 90% Renewable by 2030
2. Provide Consumer Choice
3. Limit General Fund Liability
4. Limit Ability of County to be Overruled by Others
5. Maintain Ability to Determine Unincorporated Area Sustainability Programs

Adoption of guiding principles is important to ensure that participation in a Community Choice Energy program will advance County priorities.

However, these previously adopted Guiding Principles have been too prescriptive in negotiations with potential CCE partners and do not reflect the positions of the current Board of Supervisors.

We propose adoption of Revised Guiding Principles that closely align with the policy goals of the current Board. These principles include a commitment to 100% renewable energy by 2030, prioritizing a clean energy transition using within-County renewable energy resources, including wind, solar, battery storage, and utilizing distributed resources such as community or rooftop solar. This will ensure we are committed to adding more renewable energy onto the grid in our county to meet our needs and reflect our commitment to not using nuclear or coal energy.

A transition to a CCE program must prioritize good paying middle-class jobs. We should do this by requiring prevailing wages and a skilled and trained workforce for all CCE projects. Energy projects that are competitively procured should be evaluated based on a strict set of criteria that prioritizes new local renewable resources, leverages the use of apprenticeship programs, and is characterized by a robust set of environmental stewardship and social equity criteria. We also need to develop a dedicated pipeline for clean energy jobs for our communities of concern as part of CCE projects.

The Revised Guiding Principles are the following:

Revised Guiding Principles

**SUBJECT: UPDATING COMMUNITY CHOICE ENERGY GUIDING PRINCIPLES
(DISTRICTS: ALL)**

1. Prioritize social equity and environmental stewardship.
2. Provide cost competitiveness compared to the incumbent utility.
3. Achieve 100% renewable electricity by 2030; encourage within-County buildout of renewable energy, battery storage, and energy efficiency programs; and prioritize Category 1 renewable energy.
4. Support requirements for prevailing wages, as defined in California Labor Code section 1770 et seq., and skilled and trained workforce, as defined in California Public Contract Code section 2601, for CCE-owned generation, feed-in-tariff, and energy efficiency projects.
5. Encourage the development of an equitable jobs pipeline for individuals from communities of concern; the use of a bid evaluation policy prioritizing the selection of new local renewable energy and storage projects; and the workforce development criteria prioritizing the use of State-certified apprenticeship and proper assignment of work to crafts that traditionally perform the work, as permitted by applicable law.
6. Limit General Fund Liability.

Today's action revokes the previously adopted County Governance Guiding Principles, replaces them with the Revised Guiding Principles, and directs staff to discuss the County's potential participation with a local existing CCE Joint Powers Authority (JPA) and return to the Board with options for such participation based on the Revised Guiding Principles.

ENVIRONMENTAL STATEMENT

The proposed actions are not subject to the California Environmental Quality Act (CEQA) as specified under Section 15060(c)(3) and 15378 of the CEQA Guidelines because they involve administrative activities that will not result in direct or indirect impacts to the environment. CEQA applicability will be further reviewed when staff returns to the Board for further action as directed.

LINKAGE TO STRATEGIC PLAN

Today's proposed action to adopt the Revised Guiding Principles for Community Choice Energy supports the Sustainable Environments/Thriving in the County of San Diego's 2021-2026 Strategic Plan by promoting environmental sustainability, reducing emissions, and providing for equity and good jobs.

Respectfully submitted,



NATHAN FLETCHER
Chair, Fourth District



TERRA LAWSON-REMER
Supervisor, Third District

SUBJECT: UPDATING COMMUNITY CHOICE ENERGY GUIDING PRINCIPLES
(DISTRICTS: ALL)

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

 Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

February 26, 2019 (5) the Chief Administrative Officer was directed to develop options for a Community Choice Energy program and return to the Board by October 2019 and report back to the Board on progress every two months; April 9, 2019 (9) Community Choice Energy workshop (update #1); June 25, 2019 (7) staff Community Choice Energy update and approved Guiding Principles (update #2); September 10, 2019 (13) the Board received the final Technical Feasibility Study and Business Plan and directed staff to engage with potential JPA partners, that would likely include the City of Carlsbad, and others who are interested, and return to the Board with an Ordinance establishing a Community Choice Energy Program and a negotiated JPA agreement for approval. The Board also requested staff return with full documentation on the supply of renewable energy and address other questions; October 15, 2019 (10) the Board approved an Ordinance electing to implement a Community Choice Energy Program and directed staff to continue negotiations with potential CCE JPA partners.

BOARD POLICIES APPLICABLE:

N/A

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

ORIGINATING DEPARTMENT: District 4 and 3, Board of Supervisors

OTHER CONCURRENCE(S): N/A

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SUBJECT: UPDATING COMMUNITY CHOICE ENERGY GUIDING PRINCIPLES
(DISTRICTS: ALL)