



City of Culver City

Staff Report

File #: 18-0492, Version: 1

Item #: A-4.

CC - (1) Introduction of an Enabling Ordinance Approving a Joint Powers Agreement to Join the Los Angeles Community Choice Energy (LACCE) Joint Powers Authority, and Authorizing the Implementation of a Community Choice Aggregation Program through the City's Participation in LACCE; and (2) Appointment of a Council Member and Alternate(s) to Serve on the Los Angeles Community Choice Energy Authority Board.

Meeting Date: November 13, 2017

Contact Person/Dept: Joe Susca, Public Works-Administration
Jesse Mays, City Manager's Office

Phone Number: 310-253-5636 - Joe / 310-253-6009 - Jesse

Fiscal Impact: Yes No

General Fund: Yes No

Public Hearing: **Action Item:** **Attachments:**

Commission Action Required: Yes No **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (11/09/2017); (E-Mail) Gary Gero, Chief Sustainability Officer of the County of Los Angeles (11/07/2017); (E-Mail) Damon Hannaman of SCE (11/07/2017); (E-Mail) The Culver City Chamber of Commerce (11/07/2017); (E-Mail) members of the public who pulled speaker cards or submitted written comments during the May 8, 2017 and November 6, 2017 meetings on this topic; (E-Mail) GovDelivery List Subscribers of Sustainability Subcommittee of the City Council, Sustainability / Environmental Issues and Public Notifications (11/07/2017); Next Door post (11/07/2017).

Department Approval: John Nachbar, City Manager (11/09/17), Charles D. Herbertson, Public Works Director (11/08/17)

RECOMMENDATION

Staff recommends the City Council (1) introduce an Enabling Ordinance approving a Joint Powers Agreement to join the Los Angeles Community Choice Energy (LACCE) Joint Powers Authority, and implementing a Community Choice Aggregation program that provides electricity citywide, pursuant to Public Utilities Code Section 366.2 (c) (12); and (2) appoint a Council Member and up to two alternates to serve on the Los Angeles Community Choice Energy Authority Board.

BACKGROUND

California Assembly Bill 117 passed in 2002, established the ability for local governments to form a non-profit Community Choice Aggregation (CCA) organization to purchase electricity from power producers for sale to their constituents.

A CCA:

- Negotiates wholesale rates for electricity through contracts with power producers.
- Takes control of decision making regarding sources of electrical power to achieve sustainability goals, such as the reduction of Greenhouse Gas (GHG) emissions.
- Provides customers with an alternative to Southern California Edison (SCE) when selecting their electricity provider.
- Sets customer rates that may be lower than SCE.
- Develops energy programs to achieve their objectives.

After evaluating various CCA options, on November 6, 2017 the City Council directed staff to bring back an enabling ordinance to implement a CCA, to approve the Joint Powers Agreement to join the Los Angeles Community Choice Energy Authority CCA (LACCE), and to appoint a City Council Member and up to two alternates to serve on the LACCE Board on behalf of the City.

DISCUSSION:

LACCE is committed to:

- Offering its customers electricity from sources with a higher renewable content at rates that are lower than SCE.
- Decreasing the effects of climate change by reducing GHG emissions from the production of electricity.
- Local job creation.
- Generation of local power that is distributed through microgrids.
- Adoption of energy programs that incentivize installation of rooftop solar panels and battery supply systems.
- Incentivizing the use of electric vehicles.
- Implementing programs that increase energy efficiency.
- Forming a Community Advisory Committee to guide the LACCE Board on policy decisions and operational matters.

The proposed Enabling Ordinance adheres to the requirements outlined in Public Utilities Code Section 366.2 (c) (12) to implement a citywide CCA program. (See Attachment No. 1 - CCA Enabling Ordinance.)

LACCE Joint Powers Agreement (JPA)

The LACCE JPA was drafted and circulated for input and comment by 56 participating cities who actively participated in County-lead JPA review meetings. The recitals contained in the final version

of the LACCE JPA are all-encompassing and meet the objectives of all 56 cities and those interests expressed by environmental and labor groups. The County Board of Supervisors approved the final version of the LACCE JPA during their meeting of April 18, 2017. (See Attachment No. 2 -- LACCE JPA.)

LACCE Board Appointment

Currently, the LACCE Board meetings have been held on the first Thursday of each month in the afternoon. The JPA allows each member city to occupy one seat on the LACCE Board by appointing one primary Council Member and up to two alternates to fill in for the primary when unavailable. Although the JPA allows for up to two alternates, due to potential Brown Act implications, it is recommended that a maximum of only one other City Council Member be selected as an alternate in this case. Therefore, the composition of the alternates may be one Council Member and one non-Council Member (i.e. City staff); or the alternates may consist of two non-Council Members.

FISCAL ANALYSIS

There is no fiscal impact to the City associated with introducing the Enabling Ordinance to implement a CCA and approving the LACCE JPA. As a separate legal entity, LACCE will operate independently and indemnify and hold its member cities harmless from liability that may result from its operation.

If at a future date the City wishes to terminate its membership with LACCE, it may do so as long it provides 180-day notice. Any termination initiated by the City may be subject to costs or liabilities associated with any power purchased to serve City customers prior to the notice of departure. For example, if LACCE has purchased power as part of a multi-year contract to serve City customers, the City would be responsible for any difference in the contract price and the price LACCE resells the unused power for, if any.

ATTACHMENTS

1. Proposed LACCE CCA Enabling Ordinance (including Exhibit A - LACCE JPA; and Exhibit B - Business Plan)

MOTIONS

That the City Council:

1. Introduce an enabling ordinance approving a Joint Powers Agreement to join the Los Angeles Community Choice Energy Authority, and authorizing the implementation of a Community Choice Aggregation program to provide electricity citywide; and
2. Appoint City Council Member _____ to serve on the Los Angeles Community Choice Energy Authority Board on behalf of the City; and

3. Appoint _____ to serve as alternate to take the place of the primary appointment when he/she is unavailable; and

4. (Optional) Appoint _____ to serve as second alternate to take the place of the primary appointment and first alternate when they are unavailable.