



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 22, 2015

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Consideration Of Funding Community Choice Aggregation Feasibility Study

RECOMMENDATION:

That Council authorize staff to transmit \$50,000 to the County of Santa Barbara for the purpose of funding the City's portion of a Community Choice Aggregation (CCA) Feasibility Study.

DISCUSSION:

The City was approached in spring 2015 by both the Community Environmental Council and the County of Santa Barbara to fund a portion of the costs for a feasibility study of a local CCA (locally referred to as Community Choice Energy – "CCE") program. CCAs allow California cities and counties the ability to aggregate the electric loads of residents, business and public buildings to facilitate the purchase and sale of electrical energy by becoming an energy purveyor. CCAs are able to essentially choose the source of electrical power for the community and negotiate purchase agreements for that power.

During the budget presentations, the Council discussed the request by the Community Environmental Council and directed staff to return with more information related to a potential scope of work, as well as identify the lead agency for the project. The County has agreed to serve as lead, and has established a framework for representation in the form of an Advisory Working Group. This Advisory Working Group will be responsible for the following tasks:

- Help develop the RFP for a Feasibility Study consultant;
- Select a qualified consultant from the proposals submitted;
- Define objectives for the study;
- Develop a communications plan;
- Review and comment on the feasibility study draft; and
- Receive ongoing updates regarding progress.

The Advisory Working Group will provide updates to the Council Sustainability Committee and/or City Council as needed. It is expected that the scope and cost will not be entirely known until the proposal development and review process is complete, but is estimated to be about \$225,000. However, it is expected to include the following:

- Definition of objectives and study areas;
- Pro-forma analysis to assess the cost-benefit potential;
- Risk analysis (pre- and post-implementation);
- Emission impacts;
- Economic impacts including job creation;
- Load data analysis and demand forecast;
- Rate/price modeling and analysis;
- Power supply scenarios for the region's CCE;
- Sensitivity analysis reflecting changes such as marketing prices for conventional and renewable energy, utility surcharges and fees, and energy policy changes.

BUDGET/FINANCIAL INFORMATION:

\$50,000 has been appropriated in the Fiscal Year 2016 Water Fund budget for the study.

SUSTAINABILITY IMPACT:

Other communities are reporting that their CCA programs are demonstrating an ability to provide an energy mix with higher percentages of renewable generation and lower associated emissions. The feasibility study will include emission impacts, load/demand, and financial analysis to determine not only if feasible, but sustainable into the future.

ATTACHMENTS: 1. Letter from County of Santa Barbara dated August 17, 2015
2. Letter from Community Environmental Council dated April 8, 2015

PREPARED BY: Pamela Antil, Assistant City Administrator

SUBMITTED BY: Paul Casey, City Administrator

APPROVED BY: City Administrator's Office

County Of Santa Barbara

Mona Miyasato
County Executive Officer



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Executive Office

August 17, 2015

Mr. Paul Casey
City Manager
City of Santa Barbara
735 Anacapa St.
Santa Barbara, CA

E-mail: pcasey@santabarbaraca.gov

Re: Scope of Activities for Community Choice Energy (CCE) Contribution

Dear Mr. Casey:

Thank you for confirming that the City of Santa Barbara has appropriated \$50,000 towards a local Community Choice Energy (CCE) study. Per your request, this letter provides additional details on the scope of activities that the City's contribution will support.

Background

On June 9, 2015 the Santa Barbara County Board of Supervisors approved \$400,000 in FY 2015-2016 towards the initial phase of evaluating the formation of a Community Choice Energy (CCE) program in Santa Barbara County. The technical feasibility study consultant was estimated to cost \$225,000, which was anticipated to be offset by at least \$100,000 in contributions from other agencies. As detailed below, those local agencies that contribute may have representation on an advisory working group and will be included in the study area defined for the Feasibility Study.

Representation on Advisory Working Group

Local agencies that contribute will be asked to appoint representatives to collaborate with Santa Barbara County on an advisory working group. This advisory working group will be responsible for the following:

- Help develop the RFP for a Feasibility Study consultant
- Select a qualified consultant from the proposals submitted
- Define objectives for the study
- Develop a communications plan
- Review and comment on the feasibility study draft
- Receive ongoing updates regarding progress

Renée E. Bahl
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Inclusion in Feasibility Study

While the exact scope and costs of the feasibility study will not be known until a contract for services is complete, CCE feasibility studies typically evaluate the following aspects of a CCE program:

- Definition of objectives and study areas
- Pro-forma analysis to assess the cost-benefit potential
- Risk analysis (pre and post implementation)
- Emission impacts
- Economic impacts included job creation
- Load data analysis and demand forecast
- Rate/price modeling and analysis
- Power supply scenarios for CCE
- Sensitivity analysis reflecting changes such a market prices for conventional and renewable energy, utility surcharges and fees, and energy policy changes

Submitting Contributions

In preparation for soliciting proposals for the feasibility study, we are asking that all non-repayable contributions to Santa Barbara County be received by October 15, 2015 so that all sources of funds are known prior to Santa Barbara County authorizing a contract with a consultant to complete the feasibility study. As a reminder, to allow the County to include your City in the study, we will be requesting your release of applicable electricity load data within the coming weeks.

If you or your Council should require additional details in order to release the expenditure, please feel free to contact me or Energy and Sustainability Initiatives Division Chief, Angie Hacker, at ahacker@co.santa-barbara.ca.us.

Sincerely,



 Mona Miyasato
County Executive Officer

cc: Renée Bahl, Assistant County Executive Officer
George Chapjian, Community Services Department Director
Angie Hacker, Energy and Sustainability Initiatives Manager



April 8, 2015

Santa Barbara City Council
735 Anacapa Street
Santa Barbara, CA 93101

RE: Budget Allocation Request: Community Choice Aggregation Feasibility Study

Mayor and Council Members:

In the last five years, Community Choice Aggregation (CCA) has emerged as a powerful tool to help California Cities and Counties reduce greenhouse gas (GHG) emissions while providing residents and businesses a choice in their energy providers. Existing CCAs, such as Sonoma Clean Power and Marin Clean Energy, have demonstrated that Community Choice programs can provide an energy mix with higher percentages of renewable generation and lower associated emissions. Not only have these CCAs provided a cleaner energy mix, they have done so at cheaper rates than the existing utility - to the benefit of ratepayers, the environment and the local economy.

A local Santa Barbara Community Choice program would provide many of the same benefits and help the City meet the targets identified in its Climate Action Plan (15% of the CAP target reductions (21,000 MT CO2e) are attributed to CCA). CCA could also effectively mitigate the emissions associated with reactivating the desalination plant. A feasibility study is a key first step in evaluating the potential benefits available to the City and its residents. A feasibility study would help project consumer electricity prices, net economic impact and potential GHG reductions that may be achieved through a local CCA.

The Community Environmental Council (CEC) believes that a comprehensive feasibility study, which could include neighboring jurisdictions, could be completed for \$100,000 or less. CEC thus requests that the City allocate \$50,000 in its recommended 2015/2016 budget towards a feasibility study. Neighboring jurisdictions also interested in CCA could provide the remaining balance.

More than 60 California cities and seven California counties have passed resolutions to evaluate CCA - it is time Santa Barbara follow suit and earnestly explore the benefits of a local Community Choice program.

Sincerely,

Dave Davis
President / CEO

Cc:
Mayor Helene Schneider
Mayor Pro Tempore Gregg Hart
Councilmember Cathy Murillo
Councilmember Randy Rowse
Councilmember Dale Francisco
Councilmember Frank Hotchkiss
Councilmember Bendy White

Paul Casey, City Administrator
Jim Dewey, Energy Manager
George Buell, Community Development Dir.
Nina Johnson, Asst. to the City Administrator
Alelia Parenteau, Energy Analyst
Maggie Campbell, Exec Director, Downtown SB
Ken Oplinger, President/CEO, SB Chamber

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Marc McGinnes - *Emeritus*

Paul Relis - *Emeritus*

Selma Rubin - *In Memoriam*

Partnership Council

Megan Birney

Pauline S. Chandler

Neil Dipaola

Gillian V. Grant

Krista Harris

Bryan Henson

Dana Jennings

Dr. Barbara S. Lindemann

Eric Lohela

Ruth Loomer

Laura McGlothlin

Russ McGlothlin

Dawn Mitcham

Susan Owens

Bret A. Stone

Jacob Tell

Elizabeth Wagner

Randy Weiss

Jules Zimmer



Desalination Subsurface Intake And Potable Reuse Feasibility Studies



September 22, 2015



Outline

- ◆ Overview
- ◆ Approach
- ◆ Scope
- ◆ Cost and Schedule
- ◆ Recommendation



Overview

◆ City Council

- September 23, 2014 – Directed Staff to return in spring 2015 with plan to study Desal Subsurface Intake (SSI) alternatives and Potable Water Reuse

◆ RWQCB

- January 29 & 30, 2015 – Included the Council's direction into our NPDES Permit Amendment, plus:
 - Submittal of an Acceptable Work Plan by August 31, 2015
 - Presentation of Findings to RWQCB by June 30 , 2017

Approach

◆ Three Phases to the Study

■ Phase I (completed)

- Work Plan Development

■ Phase II (proposed contract)

- Initial Screening Analysis of Desalination SSI Alternatives
- Potable Reuse Study

■ Phase III (possible future contract)

- Alternative Desalination SSI Study



Summary of Phase I Work

- ◆ Engaged RWQCB Staff on Work Plan development
- ◆ Independent Technical Advisory Panel (TAP)
 - Retained National Water Research Institute (NWRI) to establish a panel of experts
 - NWRI conducted Public Meeting to get input on Work Plan
 - Public comments received and recorded
 - Panel provided comments & recommendations

National Water Research Institute



Creating New Sources of Water...



Summary of Public Comments on Work Plan

◆ Comments by Public

- Support for increased water reuse (1)
- Water reuse quality concerns (2)
- Energy required for new water sources (renewable) (1)
- Concerned water reuse injection will effect groundwater quality (1)
- Concern that screened ocean intake will damage marine organisms (1)
- Not consistent with the Ocean Plan Amendment (1)

Summary of Technical Advisory Panel on Work Plan

◆ Comments by Technical Advisory Panel

- A total of fifty comments were received in a report from the panel
- The panel comments and Carollo Engineers/staff responses are available for review in the City Clerk's Office or on the NWRI website
- Please note that the term "Fatal Flaw" was changed to "Initial Screening Analysis"





Phase II Scope of Work

◆ Potable Reuse Study

- Provide a summary of regulatory and permit requirements
- Technical advisory panel meeting w/ public comments on initial screening
- Review up to 20 potable reuse project alternative concepts
- Draft Feasibility Report for review by technical advisory panel w/ public comment
- Summer 2016 - Completion



Scope Phase II

- ◆ SSI Initial Screening Analysis
 - Perform preliminary studies of geophysical conditions, tsunami hazard, sea level rise, and sediment transport analysis
 - Determine SSI capacity and candidate sites for SSIs and supporting facilities
 - Determine regulatory and permitting requirements
 - Initial screening analysis for review by technical advisory panel w/ public comment
 - Spring 2016 – Completion

Scope Phase II (continued)

- Determine the maximum capacity that is technically feasible from SSI Initial Screening Analysis and Potable Reuse Study
- Technically viable SSI options will require further study in a Phase III
- Alternatives that are technically feasible will be evaluated for economic, environmental, and sociologic impacts



Cost and Schedule

- ◆ Phase I – Work Plan

- Cost: \$343,925

- ◆ Phase II – SSI Initial Screening Analysis and Potable Reuse Study

- Maximum contract amount \$672,042
- Award Fall 2015

- ◆ Phase III – SSI Feasibility Report

- Rough Estimate \$1,100,000
- Award Spring 2016

- ◆ Submit final report to RWQCB by June 30, 2017





Recommendation

- ◆ Authorize a contract with Carollo Engineers, for \$672,042 to Provide A Desalination Subsurface Intake Initial Screening Analysis and Potable Reuse Feasibility Study