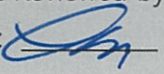


Agenda Item Number: _____

Agenda Report Reviewed by:

City Manager: 

CITY OF SEBASTOPOL
CITY COUNCIL
AGENDA ITEM

Meeting: July 16, 2019
 To: Honorable Mayor and Councilmembers
 From: Vice Mayor Slayter
 Subject: Sonoma Clean Power – EverGreen Service
 Recommendation: That the City Council Receive the Presentation and Consider Transitioning to EverGreen
 Funding: Currently Budgeted: Yes No N/A
 Net General Fund Cost: \$
 Budget Account Code Number:
 Amount: \$40,000

INTRODUCTION:

This item is to request that the City Council receive the presentation and consider transitioning to Sonoma Clean Power's 100% renewable and 100% local service, EverGreen.

BACKGROUND:

The 2002 passage of California Assembly Bill 117 enabled communities to form Community Choice Aggregation agencies. In Sonoma County, Sonoma Clean Power (SCP) was formed to purchase and resell power on behalf of residents and businesses, create competition in power generation, support competitive prices, and accelerate the development of local renewable power generation. SCP is a not-for-profit public agency operated by the Cities of Cloverdale, Cotati, Fort Bragg, Petaluma, Point Arena, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Willits and the Town of Windsor, and the Counties of Sonoma and Mendocino. SCP is the official electricity provider of Sonoma and Mendocino Counties and the City of Sebastopol joined as a charter member on July 2, 2013. SCP provides customers environmentally-friendly power, generated by renewable sources like solar, wind and geothermal, at competitive rates.

Sonoma Clean Power is based in Santa Rosa and governed by the Sonoma Clean Power Authority Board of Directors. The Board is made up of local, representatives from Cities of Cloverdale, Cotati, Fort Bragg, Petaluma, Point Arena, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Willits and the Town of Windsor, and the Counties of Sonoma and Mendocino. One of the founding purposes of SCP is to accelerate the transition to clean, renewable electricity sources while providing the additional benefit of keeping significant funds local for reinvestment in our communities. To date, SCP has been the single most effective means for immediate greenhouse gas (GHG) reductions and realizing community GHG reduction goals as outlined in Sebastopol's General Plan.

DISCUSSION:

The City of Sebastopol has taken numerous actions to reduce GHG emissions: some examples; purchasing electric or hybrid vehicles; converting lights in City buildings with more energy efficient fixtures; and installation of photovoltaic arrays on every City building. High Pressure Sodium Vapor Streetlights were replaced with LED lower wattage fixtures.

In 2016, the City of Sebastopol received a presentation from Sonoma Clean Power discussing the EverGreen Program. At that meeting, the Council was in concurrence to direct staff to research program costs and benefits for the City with Sonoma Clean Power and to return to a future City Council meeting with information and

recommendations. It was determined in the FY 17-18 City budget the budget would not accommodate a set aside of funding for EverGreen.

City staff has been researching and meeting with Nathan Kinsey, SCP Commercial Accounts Manager, to discuss the program costs and benefits. At the June 18, 2019 City Council meeting, the City Council adopted the FY 2019-2020 City budget which includes \$40,000 for potential funding of Evergreen service, pending City Council approval of transitioning to the EverGreen program. EverGreen is 100% renewable and 100% local with a significantly lower GHG emission profile than SCP's CleanStart. Currently, all of the local renewable energy from EverGreen comes from the Geysers geothermal energy field and large solar photovoltaic (PV) installations throughout SCP's territory. Sebastopol has, for a City its size, an abnormally large municipal electric load due in large part to our water system. The City operates its own water wells which require electric pumps to draw water from the aquifer and to move water through the system. A transition to EverGreen will have a proportionally outsized reduction in GHG emissions.

Since the City of Sebastopol joined SCP, the City has experienced a reduction in GHG emissions by nearly half when compared to PG&E's energy mix. Sebastopol's General Plan outlines sustainability and environmental goals to improve air quality. By choosing Evergreen for City accounts, the City would be actively reducing GHG emissions from City operations and Sebastopol would be taking a leadership position to achieve regional GHG reduction goals set in the Climate Action Plan 2020 and beyond, further establishing a sustainable City. EverGreen will also aid in the City's GHG reduction target of 25% below 1990 countywide emissions.

FISCAL ANALYSIS

The transition to EverGreen is estimated to cost the City \$41,505 per year, based on historical usage and related costs used at the time of SCP's analysis. Both energy usage and costs are subject to change in future years depending on City operations/energy consumption and SCP's rate setting process. As discussed during the City Council budget meetings, the Council has approved \$40,000 in the adopted budget. If the Council chooses to transition to EverGreen, the budget would be adjusted to reflect the proposed costs of \$41,505.

RECOMMENDATION: It is recommended that the City Council receive the presentation and consider transitioning to EverGreen.

Attachments:

Presentation



Your customer-owned electricity provider

City of Sebastopol
July 16, 2019

What is SCP?



Community Choice Aggregation (CCA)

- CCA allows communities to buy and build electric generation to serve local residents, businesses, and municipalities.
- In 2002, Assembly Bill 117, the “Community Choice Aggregation Law,” was passed.
- There are several operational CCAs in California and many more communities investigating Community Choice Aggregation.



How Community Choice Works





New Kind of Public Agency

- Self funded - No tax dollars – No debt
- Created by public demand in response to the 2000 energy crisis
- Adds choice, competition, and local control to our power market





Service Territory

- Mendocino County (excluding Ukiah*)
- Sonoma County (excluding Healdsburg*)



CleanStart

- **49%** renewable power
- Half the emissions compared to PG&E
- Default service- designed for maximum participation
- Competitive rates - ~2% lower than PG&E on total electric bill (July 2019)
- Available to everyone



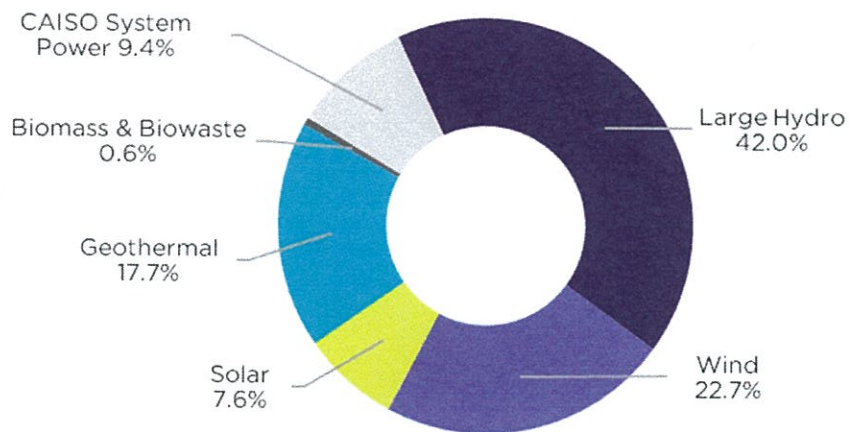
EverGreen

- **100%** local renewable power
- Currently composed of geothermal and solar energy
- Premium of 2.5¢/kWh
- Optional program available to residential, commercial and municipal customers
- Can sign up at any time

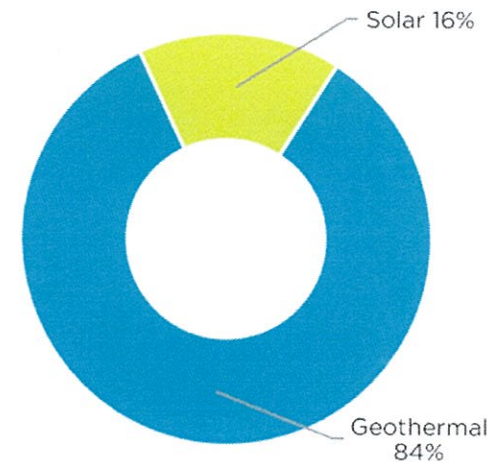


SCP Power Sources

2018 CleanStart Power Sources



2018 EverGreen Power Sources



City of Sebastopol

- 125,958 lbs CO2* Emissions Reduction
- \$41,505 Total Annual Premium
- 2017 Emission Factor:
 - CleanStart -127.98 lb CO2/MWh
 - EverGreen - 53.00 lb CO2/MWh
- 2018 Emissions Factor:
 - Currently unavailable until Fall 2019
 - The Climate Registry, 3rd party verification process
- Can make alterations (back down to CleanStart) to accounts at any given time

*Annual calculation based off twelve months of usage from the 2018 calendar year.





SCP – Rate savings over time

- 5/1/14 - 6/30/15: **5%**
- 7/1/15 - 6/30/16: **6-9%**
- 7/1/16 - 2/28/17: **2%**
- 2/1/17 - 6/30/18: **0.9-1%**
- 7/1/18 – 6/30/2019: **2%**
- **7/1/19 – Present: 2%**





City of Sebastopol

- Since the City of Sebastopol joined SCP, the City has experienced a reduction in GHG emissions by nearly half compared to PG&E.
- Sebastopol's General Plan outlines sustainability and environmental goals to improve air quality.
- By choosing EverGreen for City accounts you are actively reducing greenhouse gas emissions from City operations as outlined in Goal COS 8.
- By taking this extra step, Sebastopol will be taking a leadership position to achieve regional greenhouse reduction goals set in the Climate Action Plan 2020 and Beyond; further establishing a sustainable city.
- Will aid in the City's greenhouse gas reduction target to be 25% below 1990 countywide emissions.
- SCP continues to develop innovative programs (Electric Vehicle and Charging Incentives, Advanced Energy Rebuild (AER), GridSavvy, Induction Cooking, Tool Kits, NetGreen, LEAD Locally) and will evolve further as we move forward.





Summary of Benefits with SCP

- Choice
- Cleaner Electricity
- Lower Greenhouse Gas Emissions
- Competitive Rates
- Not-for-profit
- Local Programs
- Local Control



Thank you

