

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 12

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To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Interim General Manager

Subject: City of Winters Membership in VCEA

Date: October 10, 2019

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### **RECOMMENDATIONS:**

1. Accept the City of Winters request to join; and,
2. Approve new membership requirements for the City of Winters as outlined in this report.

### **BACKGROUND & DISCUSSION:**

In September 2018, VCE Board offered membership to the Cities of Winters and West Sacramento to join VCE. In October 2018, the Winters City Council received a presentation from VCE representatives. The Winters City Council asked City Staff to continue to investigate the opportunity. In July 2019, the Winters City Staff submitted a request for load data from PG&E for VCE's analysis of the financial impacts of Winters participation in VCE. On September 3, 2019, the City Council received an updated presentation from VCE Board and staff members then directed City Staff to proceed with the membership process.

On October 1, 2019 the City of Winters adopted Resolution 2019-40 (see attached) requesting membership in Valley Clean Energy Alliance.

Staff is recommending the following terms for Winters' membership in VCEA:

- 1) City of Winters adopt a resolution to execute the Joint Exercise of Powers Agreement of VCEA (scheduled for consideration by the Winters City Council on October 15, 2019);
- 2) City of Winters adopt a CCE Ordinance authorizing participation and enrollment of municipal, commercial, agricultural and residential electrical accounts within the city limits (scheduled for consideration by the Winters City Council on October 15, 2019);
- 3) City of Winters is requested to continue its public outreach efforts and work in coordination with VCEA Staff with public outreach activities, which may include community events and workshops, informational weblinks and articles about CCE and VCEA on its city website or newsletter;
- 4) Appoint two City of Winters Council members and one alternate member to serve on the VCEA Board of Directors;
- 5) Appoint three community (City of Winters) members to serve on the VCEA Community Advisory Committee.

Note: Per the Board adopted new membership policy, the City of Winters has paid a \$25,000 membership fee to off-set costs associated with the load data request from PG&E,

load analysis, and Implementation Plan amendments. Per the policy, this fee is refundable upon enrollment of Winters customers in VCE.

#### Existing Member Jurisdiction Approvals

In accordance with the Joint Powers Agreement (JPA), a 45 days notice is to be provided to each VCE agency before any new members can join the JPA. The purpose of this notice period is to allow the existing VCE members to comment on the new membership. However, as listed below, each VCE member agency approved the inclusion of Winters and waived their respective 45 day notice requirement for the City of Winters' to join VCE:

- City of Woodland – Council Meeting held on September 17, 2019
- Yolo County – Board of Supervisors meeting held on September 24, 2019
- City of Davis – Council meeting held on September 24, 2019

#### Next Steps

If the recommended actions are approved by the VCE Board, the City of Winters would conduct its first reading of its CCA ordinance on October 15<sup>th</sup>, followed by the second reading on November 5<sup>th</sup>. At the VCE Board meeting scheduled for December 12<sup>th</sup>, the Board would: (1) finalize approval of the City of Winters as a new JPA member; (2) seat two Winters Council Representatives on the VCE Board; and (3) the new board would adopt the amended Implementation Plan. The amended Implementation Plan would be submitted by VCE to the California Public Utilities Commission for certification. Winters residential and non-residential electricity customers would be scheduled to begin service with VCE in January of 2021 (the earliest date allowed under State regulations).

#### Attachment

1. City of Winters Resolution 2019-40 Requesting Membership in VCEA

**RESOLUTION NO. 2019-40**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WINTERS  
REQUESTING MEMBERSHIP IN THE VALLEY CLEAN ENERGY ALLIANCE**

**WHEREAS**, Community Choice Energy ("CCE") — also called Community Choice Aggregation — enables local governments to procure and/or develop power on behalf of their public facilities, residents, and businesses with the aim of increasing local choice in energy supply while providing electricity with high renewable energy content at rates that are competitive with those of the incumbent investor-owned utility; and

**WHEREAS**, the City of Davis, the City of Woodland and Yolo County have developed a CCE program in accordance with the provisions of Public Utilities Code section 366.2 and established a joint powers agency ("JPA"), named Valley Clean Energy Alliance ("VCEA"), pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code to administer the CCE program; and

**WHEREAS**, any other city or county may request membership in the VCEA JPA and participation in the CCE program by submitting a resolution adopted by its City Council or Board of Supervisors to the VCEA Board, which shall review the request and vote to approve or disapprove the request, establish any conditions under which the city or county may become a member of VCEA, and notify the existing member agencies of the request and the date that the request will be on the VCEA Board's agenda for action to allow them the opportunity to provide input to the VCEA Board's decision; and

**WHEREAS**, the City Council recognizes the potential benefits of VCEA participation to the Winters community and that participation presents no risk for utility customers because under Public Utilities Code section 366.2, customers have the right to opt-out of the CCE program and continue to receive service from the incumbent utility if they choose to do so; and

**WHEREAS**, the City Council wishes to request membership in VCEA, with the understanding that if the VCEA Board approves of Winters' membership, the City Council will be required to complete additional actions in order to join, which include adopting an ordinance pursuant to Public Utilities Code section 366.2, adopting a resolution to execute the Joint Exercise of Powers Agreement Relating to and Creating the Valley Clean Energy Alliance, and making financial commitments to cover Winters' share of initial costs of the CCE program launch as specified by the VCEA Board.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Winters hereby requests that the VCEA Board approve Winters' request to become a member of VCEA pursuant to Section 2.4 of the VCEA Joint Exercise of Powers Agreement.

**PASSED AND ADOPTED** by the City Council of the City of Winters on this 1st day of October 2019, by the following vote:

AYES: Council Members Loren, Neu, Mayor Pro Tem Cowan, Mayor Biasi

NOES: None

ABSTAIN: None

ABSENT: Council Member Anderson



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Bill Biasi, MAYOR  
City of Winters

ATTEST:



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Tracy Jensen, City Clerk