



Sonoma Clean Power Authority

A Community Choice Aggregation

**Review of Implementation, Governance,
Participation, and Next Steps**

Council Study Session – May 21, 2013



Implementation

When Is The Implementation Plan Final?

- Overview (provided by SCWA and County staff)
- Mid-2013 - Council to determine participation by City as a jurisdiction in SCPA – enrolls all classes of customers in SCP program, including municipality
- Summer 2013 - SCPA completes legal filing with CPUC; final Implementation Plan for start-up/operations; obtains financing; executes power purchase contract; sets rates; notifies customers of program opportunities and opt-out procedure

When Is The Implementation Plan Final?

- Fall 2013 - individual customer must chose to stay or opt-out of SCP and instead purchase power from PG&E; PG&E continues to provide transmission, energy efficiency, and billing services for all electricity customers
- Early 2014 - SCP program delivers power to customers; 10,000 accounts to start; 90,000 accounts 4 months later
- Implementation plan is initial operating plan; more energy efficiency programs, renewable energy incentives, feed-in tariffs for generating customers anticipated to be added in future



Governance

What Is City Role In Decision Making?

- Council decision to join SCPA gains designated seat on Board of Directors of new public agency and voting authority
- Board provides general policy guidance/ decision making for financing, employees, annual budget, ordinances, litigation, setting rates/charges, termination of program
- Board establishes Ratepayer Advisory Committee to recommend actions to Board and Business Operations Committee to recommend actions to CEO or Board Chair
- Most voting by 1 member/1 vote; however, voting shares based upon member share of electricity usage in SCPA can be made on demand and required in some cases

What Is City Role In Decision Making?

- Initial Board has 5 Directors currently County and SCWA; County Directors are reduced as Additional Participants join; if City of Santa Rosa joins and comprises two or less Additional Participants, then City entitled to 2 Directors; if more Additional Participants join, then City entitled to only 1 Director
- If City does not join this year, it will not participate in decisions that implement the program and may be charged to join later to off-set costs incurred by other participants in start-up



Participation

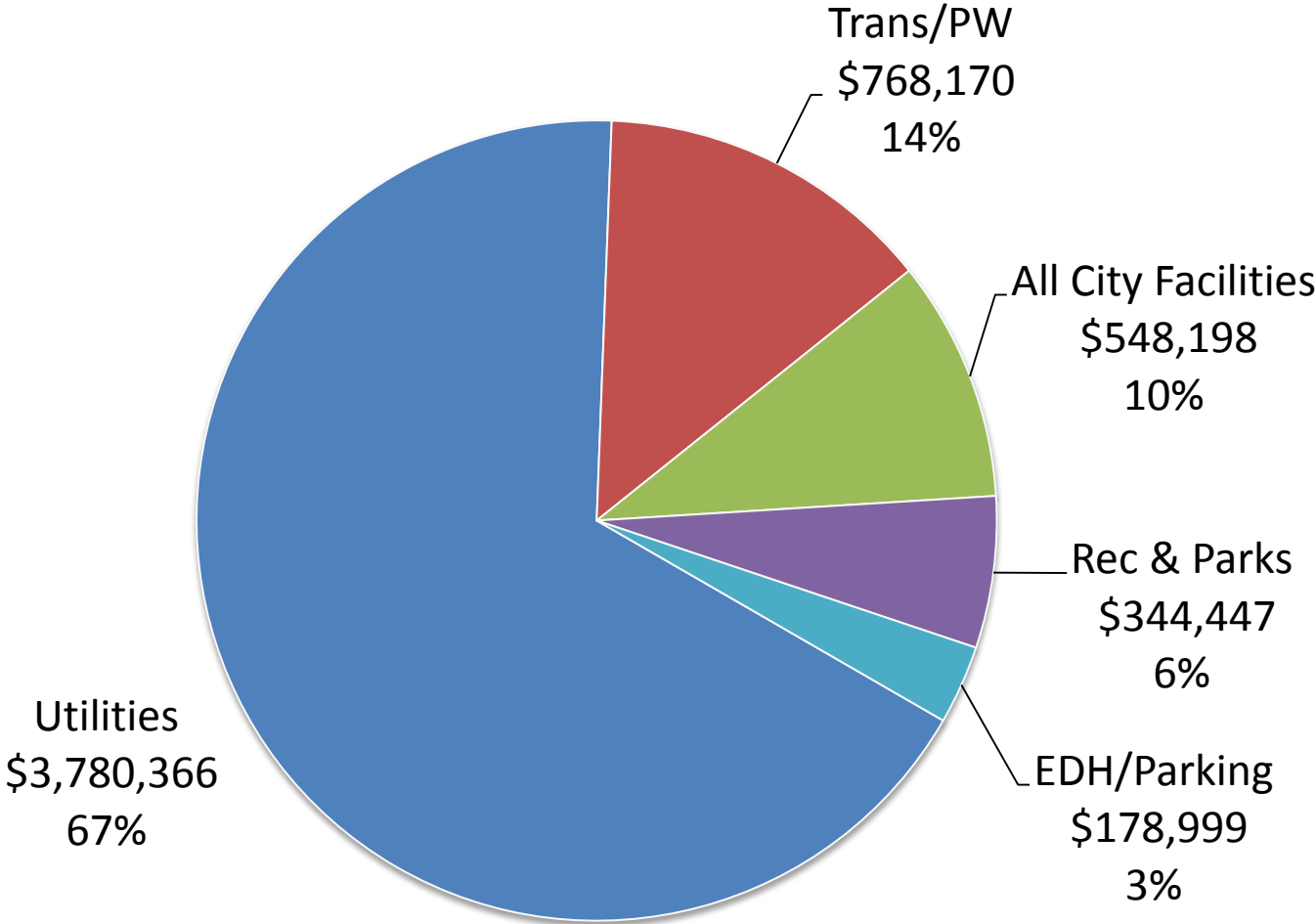
What Does It Mean For City As Customer?

- City to determine by meter account to stay with SCP or opt-out and continue with PG&E for power purchase
- 791 meter accounts; 716 (90%) in jurisdiction with 95% of electricity use; remainder in unincorporated County
- Total City electricity use in 2012 - 40.5 million kWh; total expenditure \$5.6 million
- Meter accounts have 20 different rate schedules; cost impact unknown until complete rate schedule known
- 80% of electrical use in 3 rate schedules; Laguna Treatment Plant, utilities operations, parks/open space and buildings, street lights; critical for public service continuity
- 40-50% of total expenditure represents power purchase and potential area of cost impact

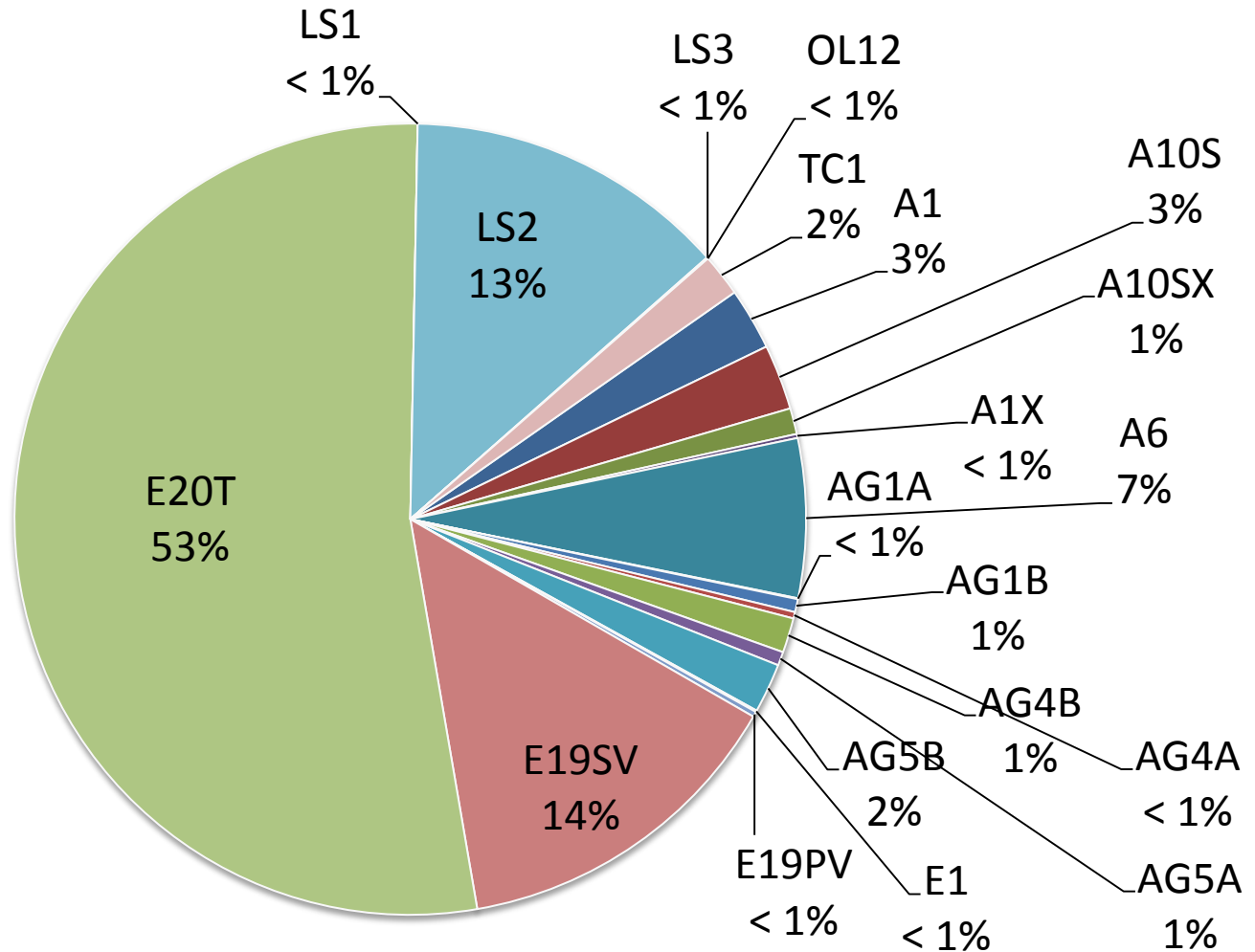


Profile of City Electricity Use and Cost At All Facilities & Operations

PG&E Electricity Expenses - \$5.62 million Fiscal Year 2011-12 By Department



PG&E Electricity Use - 40.5 million kWh Calendar Year 2012 By PG&E Rate Category



2012 Electricity Use By PG&E Rate Category

PG&E Rate	Description	2012 kWh	Percent
Top three rates in use by City (kWh)			
E20T	Max Demand	21,477,533	53.0%
E19SV	Med Gen - Time of Use	5,663,948	14.0%
LS2	Street/Hwy Lights - flat rates	5,347,080	13.2%
All Others (alphabetical order)			
A1	Small General Service	1,027,343	2.5%
A10S	Medium General Service	1,081,356	2.7%
A10SX	Medium General Service	429,560	1.1%
A1X	Small General Service	67,028	0.2%
A6	Sm Gen - Time of Use	2,634,028	6.5%
AG1A	Agricultural - small	15,045	0.0%
AG1B	Agricultural - large	215,497	0.5%
AG4A	Ag Sm - Time of Use (sm)	106,258	0.3%
AG4B	Ag Sm - Time of Use (lg)	574,923	1.4%
AG5A	Ag Lg - Time of Use (sm)	227,503	0.6%
AG5B	Ag Lg - Time of Use (lg)	819,160	2.0%
E1	Residential	25,493	0.1%
E19PV	Med Gen - Time of Use	86,400	0.2%
LS1	PG&E owned street lights	353	0.0%
LS3	Street/Hwy Lights on meter	21,943	0.1%
OL12	Outdoor Lights	354	0.0%
TC1	Traffic Control	701,490	1.7%
Total		40,522,295	100.0%

Top 3 PG&E Electricity Rates in Use by City (80.2% of electricity purchased in 2012)

Rate	Description	2012 kWh	Percent
E20T	Max Demand (LTP)	21,477,533	53.0%
E19SV	Med Gen - Time of Use (Util Ops/Facilities/Parks)	5,663,948	14.0%
LS2	Street Lights – Flat Rates	5,347,080	13.2%



Pros/Cons of SCPA Participation

Pros of Joining SCP

- Provides choice of power purchase for all customers of City
- Provides local control of renewable power portfolio, energy efficiency programs, future energy generation, rates through wholesale purchase and retail rate-setting
- Recommended action of adopted Community Climate Action Plan (CCAP) to reduce GHG emissions
- Participation now allows active decision making for program start up/operations
- If final rate schedules result in higher costs, each customer can decide to opt-out
- Patterned after successful CCA's with additional attention to manage/reduce risks
- Supports regional approach to common problem solving

Cons of Joining SCP

- Premature; rate schedules not known until Implementation Plan and power purchase contracts approved; could wait and join later
- PG&E will also offer greener energy portfolio at competitive rates; could wait to choose
- Opt-out provision requires action of customers and may be confusing since they did not initiate change
- City as customer can't analyze cost impact and reliability to operations until rate schedules known; cost increases and reliability are a concern
- Allocation of GHG emission reductions of program not specifically allocated and may not benefit City CCAP reduction targets
- Business plan is initial offering for energy purchase program only with details of more robust energy services program to be developed later; uncertainty of future programs/business plan



Next Steps

What Happens After Study Session?

- If Council receives adequate information to respond to questions about SCPA and program implementation, it is recommended that Council provide direction for time/date of future public hearing on the subject for deliberation and decision on participation in SCPA.
- If Council has additional questions about SCPA and program implementation, it is recommended that Council identify those areas of concern and that response be provided as supplemental information in advance of any future public hearing.