



The City of San Diego

DATE ISSUED: 2/8/2019

TO: City Council

FROM: Sustainability Department

SUBJECT: Staff analysis of San Diego Community Choice Alliance letter dated January 23, 2019

At the request of the Environment Committee on January 24, 2019, below is our analysis of the San Diego Community Choice Alliance letter dated January 23, 2019. The Alliance's letter is included in the Council packet for reference. Each numbered item is the Alliance's point of principle followed by a staff response. Points that are included in the resolution presented to Council are noted as such. Our overarching recommendation is that Council provide direction on preferred priorities or guiding principles to seek to include in the JPA agreement rather than prescriptive mandates. This approach is necessary to ensure the viability of a future JPA. A JPA Board and staff are responsible for operating a financially-sound organization that can invest in priorities identified in the JPA agreement when profits are generated.

1. Accepts the feasibility conclusions of the CCA Business Plan report by MRW and Associates dated October 22, 2018, on file at the City Clerk as Document No. _____;

Staff response: Concur with intent; included in resolution.

2. Adopts the JPA pathway as the City's preferred approach to be further pursued;

Staff response: Concur with intent; included in resolution.

3. Requires the Mayor or his designee to provide regular reports and updates to the Environment Committee and full City Council regarding JPA discussions and all other CCA matters;



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Staff response: Concur with intent; included in resolution.

4. Authorizes the Mayor or his designee to commence discussions and negotiations with local governments in the San Diego region for the purpose of exploring the interest and viability of creating a San Diego Regional CCA JPA with the intent to submit the necessary formation documents to the California Public Utilities Commission by December 31, 2019;

Staff response: Concur with intent; included in resolution.

5. In order to protect ratepayers and ensure fiscal responsibility any CCA program in the City of San Diego shall ensure rates that are competitive with the incumbent utility.

Staff response: Concur with intent; included in resolution.

6. Require opportunities for public participation and input as a JPA is developed.

Staff response: Concur with intent; included in resolution. We also recommend seeking a Citizens Advisory Committee to be considered in the JPA agreement as an advisory body to the JPA Board.

7. By the end of the first year of the CCA's formation, the JPA shall develop a Strategic Plan for the development, procurement and integration of renewable energy resources that will foster meaningful and equitable environmental and economic benefits in the San Diego region.

Staff response: Concur with intent; included in resolution.



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8. Ensures that any CCA program shall not procure energy from Category 2 or 3 energy resources as defined under the RPS and exclude coal and nuclear energy;

Staff response: Concur with intent; included in resolution. Category 3 RECs are *unbundled* and provide minimal local economic benefits (and thus were not included in the CCA business plan analysis).

9. Pursues purposeful and focused investment in communities of concern, prioritization of local renewable power and workforce development, and policies and programs centered on economic, environmental and social equity;

Staff response: Concur with intent; included in resolution.

10. Requires that any CCA in the City of San Diego shall, for any electric generating projects that it will own, sign multi-craft Project Labor Agreements and Community Benefits Agreements (CBA) that include local investments and local hiring, prioritizing communities of concern.

Staff response: Not included.

11. Requires that any CCA in the City of San Diego shall send at least three (3) written notices to potential customers, and each notice will include a description of the percentage of the power mix that comes from California solar, wind, geothermal, small hydro-electric or other state certified eligible renewable energy resources.

Staff response: Concur with intent; included in resolution.



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12. Requires that any CCA in the City of San Diego shall agree in writing to neutrality in the event employees or contractor employees wish to unionize.

Staff response: Concur with intent; not included. The City of San Diego does not oppose employees or contractors unionizing.

13. Requires that any developer that enters into a power purchase agreement with a CCA in the City of San Diego shall pay prevailing wage.

Staff response: Not included.

14. Requires that any city or county that joins the CCA JPA shall adhere to the above provisions and these provisions will be included in any Resolutions adopted by the City Council;

Staff response: Concur with intent; not included. Staff will pursue in good faith a JPA agreement that adheres to the principles described in the final resolution. City Council or other governing body of each potential JPA member will determine whether they choose to accept the final terms agreed upon by all interested parties and join the JPA, decline to join, or further negotiate with potential members until an agreement is reached.

15. Requires the Mayor or his designee to represent and advocate for the principles outlined above in discussions with other cities related to creating a JPA.

Staff response: Concur with intent; included in resolution.