



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by: [Signature] Date: 2/10/17
General Manager

DATE: February 10, 2017
TO: General Manager
FROM: Communications and Sustainability Director
SUBJECT: Update on Local Consideration of Monterey Bay Community Power

Background on Monterey Bay Community Power

Formed in 2013, the Monterey Bay Community Power (MBCP) project is a region-wide collaborative partnership comprised of all 21 local governments within the greater Monterey Bay area, including the Counties of Santa Cruz, Monterey, San Benito and all 18 cities located within. The partnership also includes Monterey Bay Unified Air Pollution Control District, Salinas Valley Solid Waste Authority, and Monterey Regional Waste Management District.

The purpose of the project has been to investigate the viability of establishing a local community choice energy (CCE) joint powers agency (JPA) within the region. Authorized by California legislation (AB 117 in 2001, amended by SB 790 in 2011), CCE allows counties and cities to pool their electricity load in order to purchase electricity or invest in energy projects and programs for local residents and businesses as an alternative to the existing utility provider, Pacific Gas & Electric (PG&E). The goal of MBCP is to provide more clean energy to the community for the same price as PG&E (rate parity).

Local Participation and Adoption of an Ordinance to form a Joint Powers Authority

Formal resolutions to participate in the project were passed by every jurisdiction during 2013. Jurisdictions are now considering adoption of an ordinance resulting in the formation of a joint powers authority (JPA) to launch and govern Monterey Bay Community Power. As of February 10, four jurisdictions have approved the ordinance including: Capitola, Hollister, San Benito County, and Scotts Valley. The City of Monterey considered the item on February 7th and continued it until March 7th. The other jurisdictions will be considering the ordinance before the end of February.

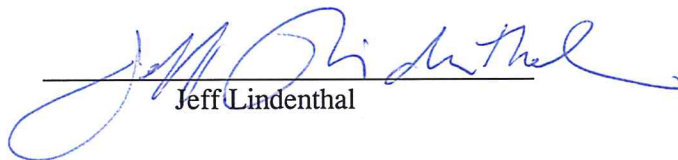
Project Benefits: Monterey Bay Community Power Offers More Local Control Over Renewable Energy Supply

- Allows the local region to determine what type of energy mix best serves their customers.
- Allows participating agencies to achieve significant reductions in greenhouse gas emissions, a major goal in many municipal Climate Action Plans, by increasing utilization of renewable power.
- By investing in our own power generation sources, such as renewable energy produced by MRWMD, the JPA can lock in the cost of power to avoid price hikes.
- Local energy is now provided by PG&E - an Investor Owned Utility (IOU). They procure power, maintain transmission lines, deliver energy, and provide customer service.
- MBCP offers a hybrid option, where key energy functions are split between MBCP and the PG&E. MBCP would procure power while PG&E maintains the transmission lines, delivers the power, and provides the customer service.
- MBCP puts energy procurement and pricing into local control through the new JPA.
- MBCP is based on other successful models in the State including: Marin Clean Energy.

Support for MBCP from the Catholic Church

The attached article from the Californian describes a joint effort between Santa Cruz non-profit Greenpower and the Diocese of Monterey in advocating for renewable energy. To date, 40 Catholic churches and schools have expressed interest in MBCP and 5,000 citizens have signed a petition to support.

For more information on MBCP and an up-to-date list of jurisdictions that have approved their participation in the JPA, visit: <http://montereybaycca.org>.



Jeff Lindenthal

Attachment

Diocese keen on alternative energy

Amy Wu , The Californian 6:36 p.m. PT Jan. 20, 2017

(Photo: Provided)

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Green energy and the Catholic Church don't typically come hand in hand, but in Monterey County a unique partnership has formed between an environmental interest group and the Diocese of Monterey in advocating for renewable energy.

On Friday morning, the Roman Catholic Diocese of Monterey and a Santa Cruz-based "interfaith group of lawyers, organizers, and researchers who work for social justice" held a news conference to share their efforts in pushing for [Monterey Bay Community Power](#) (MBCP). MBCP – a collective made up of 21 local government agencies – is advocating for a renewable energy program run by local governments as an alternative to PG&E.



Greenpower, the renewable energy arm of the Romero Institute of Santa Cruz has spent the past nine months sending paid organizers into churches in the county to advocate for the renewable energy program. Organizers have presented at St. Mary of the Nativity and Christ the King (Cristo del Rey) in Salinas.

The movement appears to be making an impact in parishes across the county.



St. John's Church in King City (Photo: Provided)

To date, 40 Catholic churches and schools have expressed interest in the initiative and 5,000 area Catholics have signed a petition of support. Some churches have moved forward to adopt the program, and have committed to swapping their current energy program for the initiative.

St. Michaels Church in Boulder Creek is moving forward with a \$50,000 alternative energy program, which includes installing solar panels. Madonna Del Sasso in Salinas – with an electricity bill of roughly \$5,000 a month – is considering adopting the program, too. As part of their support for the

program, the Diocese bank is offering low-interest loans for participating churches.

"For them (Madonna Del Sasso), the savings over time would be significant," said Benjamin Eichert, executive director of Greenpower.

"We talked with community leaders and officials, and we spoke with masses at the mass. We have a lot of positive support out there," said Juan Martinez a Greenpower organizer focused on Salinas Valley.

Social justice component

Beyond cost savings, the program is also using social justice as a cause for the initiative.

Greenpower is targeting churches and schools in poor and underserved areas in hopes of spreading a message that Greenpower is tying in with social justice.

Warren Hoy, deacon of Social Justice Ministries for the Diocese of Monterey, said the church adopted it as a means to social justice. He said it is the first time in recollection that the church has partnered with an interest group on a specific cause.

At Friday's press conference, Bishop Richard Garcia – head of the Diocese – cited the Bible as an impetus for the initiative.

"I went back to the creation of God's world and looked at the book of Genesis. God said I every give you every seed bearing plant and every seed that has tree bearing fruit and all of the creatures I give all green plants for food," Garcia said.

Among conversations with fellow Bishops, Garcia said the theme of environmental protection is a priority and a civic duty. The church needs to work in tandem with the local level governments in "maintaining environment for people to live and breathe, and (create a) wonderful environment for their peoples and families," Garcia said.

Eichert said the partnership with the Catholic Church started with Daniel Sheehan the president and the general counsel of Romero Institute, and a parishioner at Resurrection Church in Aptos.

Sheehan started the presentation at his church and moved forward to reach out to the Catholic Church.

A critical vote for Salinas

MBCP was created in 2013 and is made up of 21 municipalities in the county including Monterey County and the city of Salinas. MBCP suggests that the program will not help cut down on the energy costs, but is also environmentally friendly.

The timing of the press conference is critical as MBCP is nearing a vote for the energy program. All 21 municipalities' respective City Councils are expected to vote on the initiative by March.

According to state law two or more public agencies can form a joint powers authority. MBCP needs at least three votes from its members to move forward with implementing the program, said Eichert.

Cities that adopt the program will give residents the option of opting out.

To date 19 out of 21 municipalities – including Salinas – have signed a letter to show their support. Sand City and Hollister oppose the initiative, and Pacific Grove and Del Rey Oaks remain on the fence.

The city of Salinas endorses the program and its City Council is likely to vote in favor for it. Public Works Director Gary Petersen said the City Council had voted in favor of MBCP and will be voting on whether to adopt the energy plan.

The city has been involved with the project since the start.

"We think it's a great idea that has some real opportunities with our citizens," said Petersen. Perks of joining include a chance to buy renewable energy to reduce greenhouse gas emissions, lower energy costs for residents and open opportunities to apply for renewable energy grants, Petersen said.

If the agency makes a profit selling alternative energy, the funds would "get reinvested for local areas," Petersen said.

In November the city and county reached out to residents by issuing a poll. The results show that 75% have not heard of MBCP and of those aware of it, 51% thought it was an excellent or good idea. Poll results showed 65% of respondents said the initiative is important as an alternative to PG&E and 64% said it would keep rates the same or lower them. About 57% strongly or somewhat agreed that PG&E does a good job and there is no need to have an energy program run by local level government.

Salinas resident Kevin Dayton, president of the Salinas Taxpayers Association, said he - along with association members - share concerns about the initiative.

"Notice they didn't ask 'What if it costs you a lot more?'" Dayton said.

He was also concerned the agency will adopt "unreasonable goals for electricity generation and supply."

Cities may find themselves under "pressure from environmental groups and unions to adopt policies that may increase electricity costs for businesses and residents," Dayton said.

Dayton continued: "I think Monterey County shouldn't be dominated by interests of Santa Cruz. They have a lot of idealistic plans for the future and they have to be cautious in pursuing their goal in pursuing climate change."

With a vote around the corner, Greenpower's organizers are forging forward with their presentations. Organizers will be at the masses at Madonna Del Sasso this Sunday, and in February they will be at Sacred Heart.

In the meantime, churches that have joined the program are moving ahead to make the transition to green energy.

Rev. Lucas Pantoja at St. John's Church in King City was impressed with the presentations Greenpower organizers made to the congregation.

He is hoping to cut electricity costs – anywhere from \$400 to \$800 a month – by half. The church will start fundraising the \$50,000 estimated to adopt the program.

But the initiative goes beyond costs savings and an "economic point of view," Pantoja said.

"We are all responsible for taking care of environment," he said, noting the church will soon be launching a recycling program, too.

Split board calls for Monterey County control of community power agency

By Jim Johnson, Monterey Herald

Salinas >> Monterey County's status with the proposed Monterey Bay Community Power initiative could be in jeopardy over a power struggle. Voting power, that is.

Last week, a split Board of Supervisors directed county staff to seek changes to the proposed Community Power agency's founding documents that would offer the county an additional seat on the agency's 11-member policy board, or a population-based weighted vote. Either change would offer the county majority control of the agency board. The direction comes with a March 17 deadline looming for officially joining the power agency.

The tri-county community choice energy initiative would take over power purchasing control from Pacific Gas & Electric Co. in an effort to enhance local control of pricing, increase the use of renewable energy and lower greenhouse gas emissions.

Currently, the agency board of directors would include five representatives from Monterey County communities, including the county, city of Salinas, Peninsula cities, coastal cities and Salinas Valley cities, as well as four representatives from Santa Cruz County and two representatives from San Benito County. The board would have the power to determine agency spending, and the percentage of renewable energy in the local power portfolio that would affect customer rates. An earlier attempt by the county to gain a population-based voting structure on the board was rejected by a majority of staff representing the potential power agency jurisdictions.

Led by new Supervisor Luis Alejo, a trio of supervisors argued Monterey County should have majority control of the agency board because its population of 430,000 was more than that of Santa Cruz and San Benito counties combined. Supervisors Simon Salinas and John Phillips joined Alejo in a motion directing staff to negotiate additional voting power on the agency board. The three supervisors expressed concern about unresolved issues such as the potential impact on customers' bills of joining a new power agency, especially considering uncertainty around PG&E exit fees, and the future of renewable energy subsidies under the Trump administration.

"I want (the agency) to be successful (but) I'm pretty strong on (an additional vote for Monterey County)," Alejo said.

In response, Santa Cruz County supervisorial aide Virginia Johnson, who played a central role in the years-long creation of the proposed Community Power proposal, said she believed the agency board's structure had already been decided and "allowing one entity too much power" would "not be conducive to regional decision-making." She predicted Monterey County's latest bid for changes would not be "favorably received." She noted the power agency's formation had been in the works for years and that a final deadline for joining the agency had already been delayed from October to allow Monterey County additional time. She said Santa Cruz County is prepared to move forward with up to 15 other partners and said she hoped Monterey County would be one of them, arguing the power agency could survive without Monterey County while acknowledging it would be better off with it.

"If not, you can join in 2019 or 2020," she said.

Alejo said the other jurisdictions "would have to decide if a minor voting change" would be worth adding Monterey County, which includes the largest collection of customers in the region.

Supervisors Jane Parker and Mary Adams said they were not concerned about the agency board's voting balance, arguing that the region would pursue "shared values," and that the county should take advantage of the opportunity. They pointed out if the county fails to join the power agency it would be excluded from important decisions about how the agency will operate.

Assistant County Administrative Officer Nick Chiulos and Deputy County Counsel Wendy Strimling said they believed they could meet with agency representatives and prepare a report for the supervisors in time to allow approval of a community choice energy ordinance ahead of the March 17 adoption deadline.

Complicating the county's position is the support for the power agency proposal from the Monterey Catholic Archdiocese, which has rallied thousands of parishioners in favor of the initiative amid outspoken support from Bishop Richard Garcia in the context of Pope Francis' call for the church to back environmental and social justice causes.

Jim Johnson can be reached at 831-726-4348.