



Clean Power Alliance Membership

City Council Study Session

October 18, 2022

Agenda Outline

- ▶ Background
- ▶ Discussion of Important Considerations
- ▶ Public Input and Feedback

Background

October 4th, 2022 - City Council received a presentation from the Clean Power Alliance (CPA). CPA has invited the City of Monrovia to become a member.

City Council requested a Study Session to discuss further and requested -

- ▶ Staff to provide overview of considerations
- ▶ Staff to recommend which tier to join
- ▶ Staff to conduct public outreach and return to Council

All relevant documents can be [found here](#) on the City's website.

Important Considerations

- ▶ Local Control
- ▶ Choice of Environmental Benefits
- ▶ Customer Service
- ▶ Liability
- ▶ Cost of Electricity Generation
- ▶ Public Input

Local Control

Currently, Southern California Edison (SCE) sets rates for both generation and distribution of electricity. By joining the CPA, the City of Monrovia would become a member of the CPA which will procure generation of electricity. The City Council would appoint a Council Member to serve on the CPA Board (one seat, one vote for members) and represent the City

- ▶ The Clean Power Alliance is regulated by a Board made up of local elected officials from local governments.
- ▶ The City of Monrovia would designate a Council Member to serve on the Board.
- ▶ A local board with more local control can and should more closely reflect the goals and values of communities they serve

Environmental Benefits - The Power of Choice

Start Making Your
Community Better



Lean Power
40% clean power

Support the Future of
Your Community



Clean Power
50% clean power

Invest in Your
Community and the
World



100% Green Power
100% renewable energy.

Environmental Benefits - The Power of Choice

- ▶ Choosing the default choice is a major consideration for the City
- ▶ Customers are most likely to remain with the default rate product
- ▶ Residents appreciate they can choose or opt out and remain with SCE
- ▶ 100% Green Power is the quickest way a customer can go “full renewable”

Rate Option	2024 Forecasted GHG Emissions (CO2e US tons)	GHG Emissions Reduction from SCE Base
SCE Base	65,900	
Lean Power	64,700	-2%
Clean Power	48,000	-27%
100% Green Power	0	-100%

Default Rate Product	Participation Rate	Opt Actions		
		Stay at Default	Opt Up	Opt Down
100% Green Power	95.3%	94.1%	NA	5.9%
Clean Power	96.7%	97.4%	0.9%	1.8%
Lean Power	96.0%	99.0%	1.0%	NA
Total	95.9%	96.5%	0.6%	2.9%

Customer Service

- ▶ CPA member agencies in the San Gabriel Valley reported -
 - ▶ CPA call center staff (Irwindale) are helpful, knowledgeable and easy to access
 - ▶ CPA staff are very willing to assist and support members
- ▶ The transition period is critical in explaining the change from SCE to CPA
 - ▶ Must also provide basic knowledge to city offices...they will get calls too
- ▶ Expect confusion for the first several billing cycles...it gets much easier
- ▶ Certain local member cities are still waiting for local grants and projects

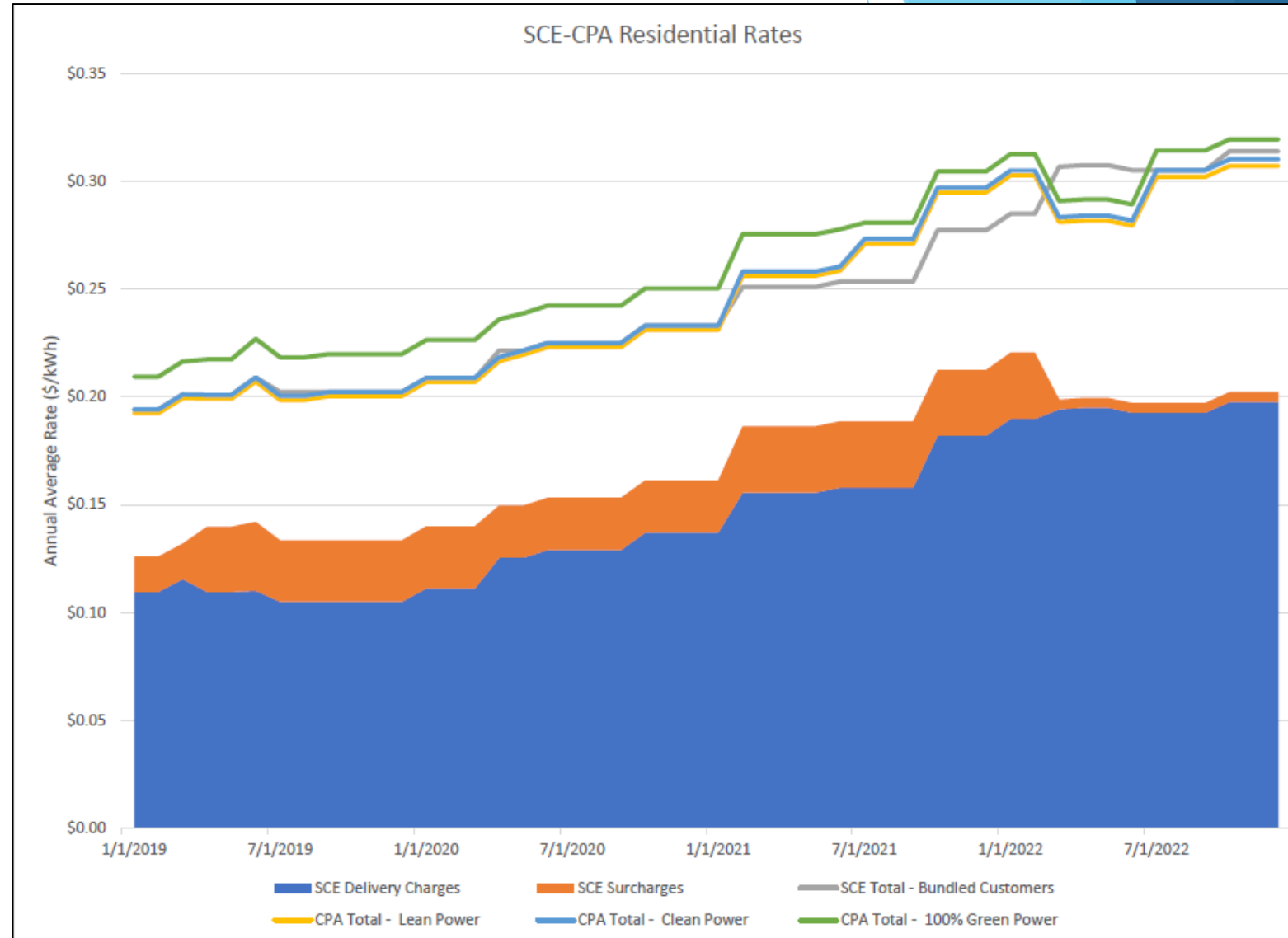
Liability (and exit costs)

From Ted Bardacke, CEO - Clean Power Alliance

- ▶ Re: Liability/Exit Costs. The crucial thing for the council to understand is contained in Section 8.1, with Section 8.1.3 as written in the JPA's first amendment. In the event that a Party (i.e. a member of the JPA) desires to withdraw from the JPA, affirms that desire via a vote of its governing board, and notifies CPA of that intention. In that case, Section 8.1.3 kicks in.
- ▶ Section 8.1.3 acknowledges that CPA will have bought energy for the City of Monrovia for several years into the future, maybe even as far as 20 years ahead. CPA would then attempt to sell that energy. Some of the energy will have been acquired in very liquid markets and sales will be relatively easy though perhaps at a loss; other energy, particularly for the 10 to 20 year project specific energy, will be difficult to sell but Section 8.1.3 obligates CPA to try.
- ▶ The withdrawing party (i.e. the City) would then owe CPA for the difference between the original purchase price of the energy and the revenue CPA was able to accrue from the sale(s). That difference is impossible to predict but both CPA and its members have always assumed that a) it would be in the many millions of dollars and b) that the amount - and even the sales process itself - would be subject to some form of lengthy/costly mediation and/or legal settlement.

Cost of Electricity Generation

- ▶ Competitive rates but not always cheaper (2021)
 - ▶ SCE originally allowed to charge extra fee to CPA for existing long-term contracts
- ▶ Monrovia's average residential electricity bill is 9% less than average of SCE
- ▶ One member city joined solely to reduce electricity rates ...not always the case

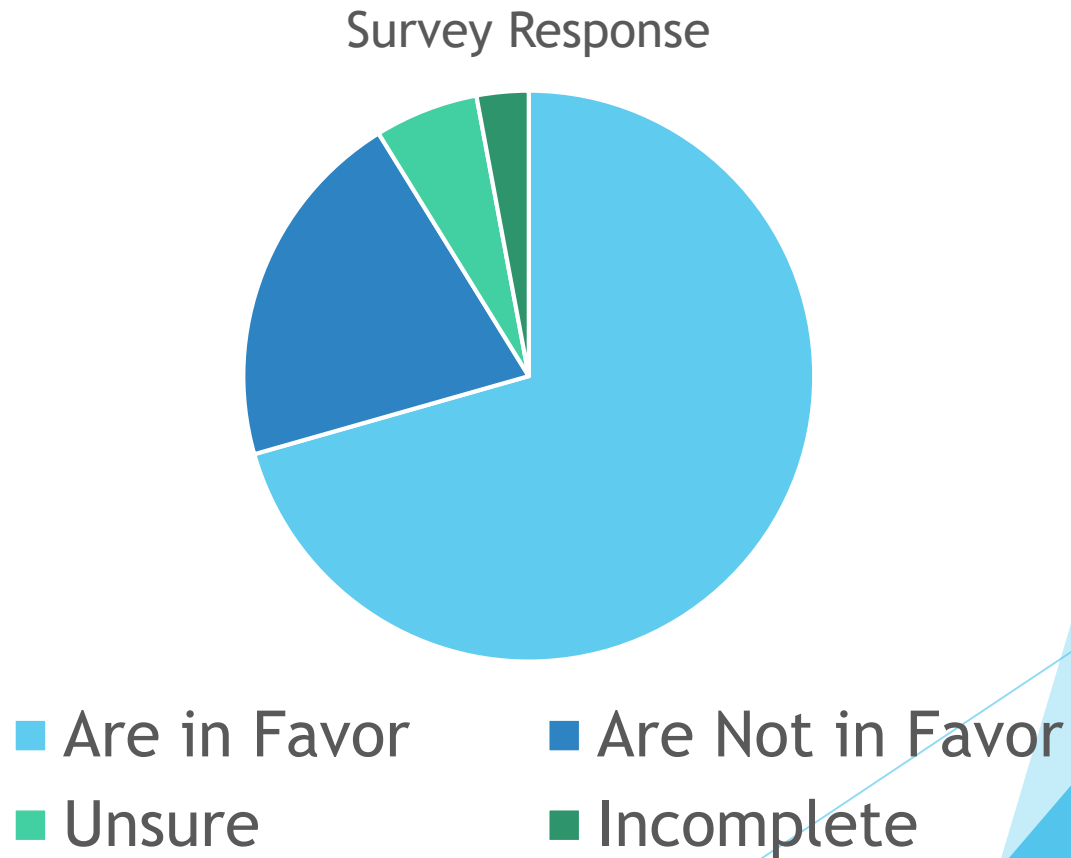


Public Input

- ▶ Staff released a short survey on October 5, 2022
 - ▶ Overview of the Clean Power Alliance and the Invitation to Join
 - ▶ Copy of Presentation from Council Meeting on October 4, 2022
 - ▶ Include a link to the Clean Power Alliance webpage
 - ▶ ***Are you interested in the City becoming a member of the JPA with CPA and exploring the benefits associated with the partnership? Do you have any questions or additional concerns?***

“Are you Interested in the City Becoming a Member of the Clean Power Alliance?”

- ▶ 34 responses
 - ▶ 24 people “Are in Favor”
 - ▶ 7 people “Are Not in Favor”
 - ▶ 2 people “Are Unsure”
 - ▶ 1 incomplete



Common Reasons People “Are In Favor”

- ▶ Absolutely, I'm interested! I'm thrilled to be able to get more of my electricity from renewable resources, especially since as a renter, I'm limited in what I can do (like solar panels, for example). I hope that the city will choose the highest level of renewable sources for all city electricity use, and will encourage businesses and residents to do the same.
- ▶ I'd very much be interested in having Monrovia join this program and provide me with an option to select 100% green energy for my home.
- ▶ I am in favor of Monrovia joining CPA and selecting the 100% Green power option (even if it costs a little more than other options). We must invest in reducing our environmental impact.
- ▶ Interested as long as rates don't change. Not interested in anything that will increase electricity rates. Additionally, power seems to go out more here than in any other place I've lived (here for past 2 years). I'm concerned about reliability of electricity services. If using alliance and committing to "renewable" resources, will the power here be even less reliable? that is a big concern

Common Reasons People “Are Not In Favor”

- ▶ I strongly recommend against joining the Clean Power Alliance. This installs no new renewable generating capability in our state. It invests nothing in grid or distribution improvements. It merely adds a new layer of administration and a new layer of separation between users of electricity and those who provide it.
- ▶ I believe this is a plan that will greatly harm our residents that are already struggling to afford power rates as high as they are now. There is already a plan in place for the state to progressively shift to cleaner energy anyway and we will still need to pay the utilities for their infrastructure so this will cost us more for no real reason. There is no way to guarantee the energy mix we get is truly 100% clean energy, so it's absurd to pay more with fewer protections to the consumers. This will make costs of living even more difficult to keep up with.

Common Reasons People “Are Unsure”

- ▶ I'm just very wary of all these solar power companies. I'm not sure that they are regulated and supervised. I know that SCE is. I wouldn't like my bill to increase, even by a little amount as we face a recession. Are there hidden fees in this type of arrangement? It all goes through your SCE bill, it would be easy for an outside company to charge more. Who could question that? SCE wouldn't. I'd rather stay with SCE until the system becomes clearly and more regulated.
- ▶ The city's main concern should be cost and reliability. The presentation indicates the cost will definitely rise depending on the type of power source chosen. It does not address system reliability. Do we experience an abundance or an increase of power interruptions when the wind turbines or solar panels fail or undergo extended maintenance shutdowns? What happens when the demand exceeds the supply? How does this impact the cost to the consumer? I would like additional information on the topics mentioned before making a decision.

Additional Feedback from Other Cities

- ▶ There can be friction between Community Choice Aggregators, like CPA, and Edison. CPA does a fine job working with SCE
- ▶ CPA reports, agendas and financials are easily accessible
- ▶ Rate increases are reasonable and bench-marked...no concerns
- ▶ Joining the CPA must be approached as a long-term commitment

Timeline

- ▶ CPUC requires a calendar year-based system
- ▶ City of Monrovia has invitation to join
 - ▶ Must submit ordinance by December 1, 2022
 - ▶ Effective membership date: January 1, 2024
 - ▶ 2023 Calendar Year is needed for outreach and education!
- ▶ City Attorney's Office has already reviewed Ordinance and JPA Agreement in anticipation of the narrow timeframe

Questions?

