



Chula Vista Community  
Choice Aggregation  
Joint Powers Authority

City Council  
9/10/19

# Background

- Goal for 100% clean energy included in Climate Change Working Group recommendations and 2017 Climate Action Plan
- Feasibility Study funded in FY2019 Budget
- Feasibility Study presented to City Council on 7/23
- Governance options presented to City Council on 8/13



## 2 Clean Energy Sources

- A) Incorporate solar photovoltaic into all new residential and commercial buildings
- B) Provide more grid-delivered clean energy (up to 100%) through Community Choice Aggregation or other mechanism

# Goals



Offer electricity rates comparable to or lower than those of SDG&E



Achieve Climate Action Plan goals

Reduce greenhouse gas emissions

100% renewable electricity by 2035



Increase local control



Minimize risks while providing local benefits



# Governance

Regional CCA Joint Powers Authority (JPA) with:

- La Mesa
- San Diego
- Encinitas
- Imperial Beach

JPA Benefits

- Decreases risk to General Fund
- Launch by 2021
- Increased economies of scale and programing



# JPA Agreement

## Weighted Voting

- Three directors are needed to call for a weighted vote after an equal vote;
- The City of San Diego agreed to cap its weighted vote at 49%
- It takes 2/3rds vote to overturn an action taken by equal vote;
- No action can be taken solely by weighted vote.

**Environmental Goals** – achieve a 100% renewable energy portfolio by 2035, or sooner

**Local Power Development** - Local power procurement will receive priority weighting



100%  
renewable energy %

# JPA Agreement

**Customer Programs** – Language added to clarify that programs will serve all SDRCCEA customers and also allow support of community-based energy/sustainability programs

## **Labor Coalition/Community Concerns –**

- Added language to state that the JPA will “pursue 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.”
- Added prevailing wage jobs, to the quantifiable economic benefits that are listed in recital 6 (h).
- Amended language in Recital 6 (O) to include “efficient consideration of petitions to unionize”.



# Risk Mitigation

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JPA to be formed and **operated as a separate legal entity**

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JPA governance structure **requires major decisions to be made in public**, with professional recommendations and community input

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City of San Diego **influence on the Board limited** by provisions favoring “Equal Vote” decision-making

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JPA must **follow local zoning and building codes** for any proposed energy generation project

# Risk Mitigation

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## **Special fiscal protections include:**

Up-front costs to be funded by City of San Diego

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No capital contributions can be required from member cities

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Annual independent audit requirement

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Mandatory formation of a Finance and Risk Management Subcommittee

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Withdrawing members may be responsible for direct costs of their departure, but JPA obligated to mitigate liability by looking first to ratepayer revenues

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# Risks of Delay



**Environmental – More carbon emissions**



**Economic – Users pay higher rates**



**Regulatory – Not as engaged in regulatory space**



**Political – Less possible partners**

# Next Steps

DATE	ACTION ITEM
Mid-September	Issue Request For Proposals for credit and banking services and wholesale power services (City of San Diego)
October 1	Deadline for jurisdictions to pass CCA ordinance and JPA resolution; Appoint JPA Board members
October	First JPA Board meeting – Orientation and initial direction for Implementation Plan
November	Select power service vendor(s) and review credit and banking proposals
November	Second Board Meeting; Board to review initial draft of Implementation Plan and bank partner finalists
December	Third Board Meeting – Adopt Implementation Plan and select banking partner
December 20 (prior to Jan. 1, 2020)	Submit SDRCCEA Implementation Plan to the CPUC for certification