

South Bay Clean Power Briefing & Talking Points for Feb 14 Santa Monica City Council Meeting

OUR ASK

We are asking for the City of Santa Monica to collaborate with the 13 other cities of the South Bay Clean Power initiative to come to an agreement on a Joint Powers Authority agreement and form a truly local Community Choice Aggregation (CCA) program with these cities who have been exploring their CCA options together.

We are asking the City of Santa Monica to review our SBCP Business Plan and ask City Staff to analyze and make recommendations for the City's best CCA options. We believe that best option is becoming a founding member of South Bay Clean Power (a working name which will be replaced by the founding board of directors of the JPA) instead of becoming a member of the County's Los Angeles Community Choice Energy (LACCE) program - because we believe SBCP most closely aligns with Santa Monica's DNA, vision, goals and objectives and offers a superior program vision.

We oppose a single-city, standalone CCA for Santa Monica which achieves none of the potential for Community Choice Aggregation to maximize its ability to cut greenhouse gases or hasten the transition to 100% renewable energy and provides no assistance to surrounding frontline communities. CCA's that do not form a JPA with other municipalities and who do not invest the revenue from the CCA program back into the CCA program put their city's General Fund at catastrophic risk and cannot achieve the financial stability or reserves necessary for a CCA to succeed long term.

HISTORY OF SOUTH BAY CLEAN POWER INITIATIVE

South Bay Clean Power's effort began in the community and grew out of a community forum in Manhattan Beach in March of 2014. South Bay Clean Power community volunteers, including leaders of many community organizations formed an Ad Hoc Working group with representatives from 15 different South Bay and Westside cities. SBCP Working Group members successfully advocated for passage of resolutions to participate in a CCA feasibility study in 13 individual cities, including the City of Santa Monica, all of whom voted to do so unanimously.

Those cities are Hermosa Beach, Manhattan Beach, Santa Monica, Carson, Torrance, Redondo Beach, Lomita, Culver City, West Hollywood, Beverly Hills, Malibu, Palos Verdes Estates, Rolling Hills Estates. In addition, the city of Rancho Palos Verdes also asked to be included in the feasibility study.

COMMON GOALS & OBJECTIVES

The South Bay Clean Power Working Group has shared common goals & objectives from the beginning of the initiative. The #1 goal of the initiative from day one has been to get to 100% renewable power asap - with a 10 year goal that grew out of MB2025:

1. The fastest path to 100% renewable power – with a goal of reaching that 10 years after our CCA launches;
2. No use of Category 3 unbundled Renewable Energy Certificates (RECs) to achieve our 100% renewables goal;
3. A Distributed Energy Resources (DER) model with a Los Angeles County-wide buildout of distributed renewable generation, storage, energy efficiency, demand response and electric car infrastructure to maximize our DER potential;
4. A focus on local economic investment, local power generation, local jobs, local career opportunities;
5. A partnership with labor – including project labor agreements, community benefit agreements, sustainable workforce agreements, job training, and apprenticeship program;
6. A program focus and emphasis on environmental justice in frontline communities where economic, workforce, and health needs are the greatest.

Achieving these admittedly ambitious but necessary goals and objectives here in Los Angeles County will take an innovative next generation Community Choice Aggregation program, one that leverages not only the best practices of other California CCAs but also our most successful and effective municipal utilities. SBCP is offering that program - the County of Los Angeles is not.

SBCP's SANTA MONICA PARTNERSHIP

Santa Monica's Dean Kubani reached out to SBCP unsolicited in 2014 and has been an integral member of the Working Group as have Katharine King and Cris Gutierrez. Santa Monica's inclusion was immediately and enthusiastically embraced by SBCP.

SBCP's CCA workshop done in 2015 for Climate Action Santa Monica in which we partnered with the Local Energy Aggregation Network (LEAN) to deliver the CCA overview (included- zero participation from County.)

3 UNIVERSITY STUDIES SUPPORT

There has been published support for SBCP in 3 different university studies - two of them done by Juan Matute's UCLA Practicum students, and one done by the USC Capstone project - produced for the cities of Hermosa Beach, Santa Monica and Torrance all recommend our cities working together.

HISTORIC & UNPRECEDENTED PARTNERSHIP WITH LABOR

As part of its core strategy, SBCP has initiated, cultivated developed and maintained a unique and close partnership with the labor union most critical to CCA success, the International Brotherhood of Electrical Workers (IBEW 11) as well as the Los Angeles Chapter of the National Electrical Contractors Association (NECA) who have provided funding for expenses and expert consultants to produce assistance in drafting JPA and Business Plan documents as well as the video we produced on behalf of the LA County program at our own expense: <https://youtu.be/MGXrjYG4Rw>

COMMITMENT TO LOCAL, DISTRIBUTED ENERGY RESOURCES

SBCP's Distributed Energy (DER) focus and commitment - Only SBCP is advocating for maximum buildout of our DER infrastructure including distributed renewable generation, energy efficiency on steroids, energy storage, demand response and electric vehicles and has a step by step a plan to achieve it based on proven models. DER is where the economic and workforce development for cities comes from, this is where the power industry is headed, this is where the opportunity for local build out of resources is and how we achieve resiliency/safety/homeland security benefits.

ENVIRONMENTAL JUSTICE FOR FRONTLINE COMMUNITIES

South Bay Clean Power *wasn't* created to simply help upscale L.A. coastal communities lower their electric bills and get paid for their solar production. It was created as a true partnership between coastal communities and their neighbors in adjoining communities who are bearing the brunt of fossil fuel pollution's serious damage to health and quality of life. Front line, ethnically diverse, working class communities like Carson, Torrance, Lomita and others where oil production and toxic heavy industry have been the norm and had the worst impacts, will benefit most from the economic and workforce development opportunities in a local, DER-committed Community Choice Power program like the model SBCP has proposed. This has been a core objective of our effort from day one.

PARTNERS, ALLIES, & SUPPORTERS

SBCP has two and 1/2 years of experience and work educating, informing, engaging and promoting CCA both in LA County and beyond. SBCP has developed considerable expertise and relationships including those with Southern California Edison and the state's already operating CCAs including -

Marin Clean Energy, Sonoma Clean Power, Lancaster Choice Energy, Peninsula Clean Energy, Alameda County's CCA, and the Redwood Coast Energy Authority. SBCP also has ongoing relationships with members and staff of the California Public Utilities Commission, Senator Ben Allen and his staff, Congressman Ted Lieu's staff, Congresswoman Nanette Barragan.

SBCP is represented on the Steering Committee of the statewide CCA coalition, California Alliance for Clean Power and is a founding member of this organization which grew out of the successful statewide coalition to defeat AB 2145 in 2014.

WORKING WITH THE COUNTY OF LOS ANGELES

South Bay Clean Power's has worked with the LA County Board of Supervisors since November of 2014 when we started meeting with staff in Knabe and Kuehl's office to brief them on our efforts and seek their support. SBCP solicited the Board of Supervisors to have the County fund a feasibility study and assign County staff explore CCA options.

After our first meeting, SBCP was recruited by the County's Internal Services Department (ISD) to produce and deliver CCA briefings to eligible cities. In addition, SBCP, at the written request of ISD's staff in 2015 successfully solicited the support and participation of labor, academia and NGOs in the County's CCA task force.

A PUBLIC POWER INDUSTRY BEST PRACTICES APPROACH TO WORKING TOGETHER

SBCP wants to collaborate with the County on CCA and benefit from the economies of scale possible in power procurement, data management and back office services - but there are no advantages of doing so through a mega-JPA established by the County with the potential for 85 Board members which cannot deliver local representation for each eligible city.

SBCP prefers to collaborate with the County and other regional CCAs (like the one being discussed on Long Beach) in LA County through the same model that municipal utilities throughout the state of California use - a JPA of CCAs. This model is detailed and explained in the South Bay Clean Power business plan being released this week.

SBCP delivered a JPA draft to cities in November based on best practices from California's other operating CCAs as a discussion starting document for cities to review and offer input on.

POOR EXPERIENCE WORKING WITH **COUNTY'S** ISD STAFF

Los Angeles County's Internal Services Department staff and the consultants they chose conducted 12 months of nonproductive task force meetings in which no tasks were assigned, no committees formed, and no cities were engaged with. Over the course of a year, ISD staff offered only a JPA draft which expressly forbid any city's elected representatives from serving on its JPA board of directors. Input provided by SBCP was ignored and never responded to.

LA County's CCA Business Plan (delivered in July of 2016) was written by consultants with no expertise or experience in Community Choice Aggregation programs who were designated without responding to an RFP. The lead consultant chosen by the County to supervise the project is owned by the Gas Technology Institute, a natural gas industry trade organization.

The County's CCA Business Plan was severely flawed and rebutted by SBCP's 64 page response whose recommendations were adopted in the County motion. The County is still employing these same consultants on CCA.

This experience provided an illustrative working example of how the LA County's Internal Services Department operates and how they choose to work with cities.

SBCP RESPONSIBLE FOR COUNTY PUSHING RESET BUTTON

SBCP responded to the County's JPA draft and Business Plan by working with Board of Supervisors staffs and our allies to have a motion drafted and unanimously passed to push the reset button and move the County's program from under the direction of ISD to the direction of the County's CEO with the new Chief Sustainability Officer of the County leading the effort.

We intend to continue assisting Los Angeles County to create the most effective CCA program for its unincorporated areas and appropriate cities. We look forward to seeing the County's CCA program join South Bay Clean Power, the Long Beach group we're working with and other regional CCAs within the County in belonging to the JPA of CCAs.