

May 30, 2012

Albany City Council

Subject: Request to Encourage Continued Clean Energy Research by EBMUD

The City's Climate Action Plan (CAP) includes policies to increase the use of renewable energy. In order to reach the greenhouse gas (GHG) reduction goals stated in the CAP, the Committee has been researching potential sources for renewable energy. In this regard, the Committee is exploring the feasibility of using Community Choice Aggregation (CCA) for the acquisition of renewable energy.

It has come to the attention of the Committee that the East Bay Municipal Utility District (EBMUD) is currently looking into the use of CCA for the same purpose. The Committee therefore requests that the City Council recommend to EBMUD that it continue its research in this area, and notify EBMUD of the City of Albany's interest in this area. Support for the Committee's recommendation follows here.

As stated in Measure BE 4.3 of the CAP, CCA enables cities and counties, either individually or as groups, to supply electricity to customers within their borders. In April, a presentation was made to the Sustainability Committee by LEAN Energy, a national network organization formed to support the accelerated expansion and competitive success of clean energy CCAs nationwide. According to LEAN Energy:

CCA allows cities and counties to pool the electricity demand of their residential, business, and municipal accounts in order to purchase or develop power on their behalf. Energy transmission, distribution, repair and customer service functions remain with the incumbent utility.

The benefits of a CCA are directly relevant to GHG reduction efforts because communities are able to proactively determine the amount of GHG-free energy (e.g., renewable, hydro-electric, nuclear) they purchase. According to the Albany CAP, if the CCA purchased 100% of its electricity from GHG-free sources, this approach alone would achieve a citywide 25% reduction of GHG by 2020, based on 2004 levels. This is because electricity is a large source of our community's GHG footprint.

It is important to note that CCA may impact the cost of utilities. By law, residents would be allowed to 'opt out' of the program before implementation. CCAs are already in effect in Marin and San Francisco. The Sustainability Committee is continuing to investigate CCA as an option for renewable energy because it is related to the CAP. If you would like more information on the matter, please let us know.

Recommendation:

It has come to the attention of the Committee that the East Bay Municipal Utility District (EBMUD) is currently looking into the use of CCA to increase renewable electricity supply. They have met with several cities in the region to discuss the feasibility of CCA, including Berkeley and Richmond. It is in the City of Albany's best interest to collaborate with these cities to achieve the best rates and options. The City is under no obligation to participate now or in the future.

The Sustainability Committee therefore requests that the City Council inform the East Bay Municipal Utility District Board of Directors and General Manager Alexander R. Coate that the City of Albany encourages them to continue work toward a determination on Community Choice Aggregation as a method of purchasing renewable energy, and state the City's interest in discussing a potential collaboration.

At this point, a letter does not commit the City to any action. There is no cost to participation in the feasibility study. The only possible ramification the Committee foresees is that the action may affect the City's relationship with PG&E.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Cooper', with a horizontal line underneath.

Tom Cooper, Chair

Sustainability Committee