



Staff Report Item 9

TO: East Bay Community Energy Board of Directors

FROM: Bruce Jensen, Alameda County Community Development Agency

SUBJECT: Status of Contra Costa County Inclusion

DATE: February 15, 2017

Staff Recommendation

Approve letter to be sent to Contra Costa County's Department of Conservation and Development, expressing support for including additional jurisdictions into EBCE and laying out the terms of membership.

Background

The EBCE Board of Directors has been asked by the Board of Supervisors in Contra Costa County to consider allowing their jurisdictions to join EBCE. At the January 30th Board meeting, Board members expressed support for including interested Contra Costa jurisdictions as long as it doesn't delay or interrupt the EBCE implementation timeline.

Analysis and Discussion

As was noted at the last meeting, MCE Clean Energy is pursuing Contra Costa County and their cities to join the five other cities that are already MCE members. The County recently completed a technical study to assess its options and in January, sent a letter to Supervisor Scott Haggerty and Alameda County staff requesting that the EBCE Board specify the terms of membership for Contra Costa jurisdictions. The letter requested a written response by March 3, 2017 indicating any costs that would be required from Contra Costa jurisdictions seeking membership, the required actions and steps in the membership process, Board representation, and the estimated date when electricity service would begin for new members.

A draft of the response letter to Contra Costa County is included in the board packet. The letter states that no fees would be charged to Contra Costa jurisdictions that join by the June 30, 2017 decision deadline. The entrance process would be the same as Alameda members, namely the approval of a CCA ordinance and passage of a resolution to join the JPA.

With any Contra Costa enrollment starting in 2018, the costs of implementation – specifically data analytics, consultant time, marketing and customer enrollment costs– would occur in the Fall of 2017. By then, EBCE will have augmented the County start-up loan with a working capital line of credit, thus relieving the County of the potential burden of paying all new member costs. Thus, staff is not recommending an increase in the County’s EBCE implementation budget. Should that change, staff will alert the Board right away.

Fiscal impact

While it’s likely the Contra Costa inclusion costs will be borne later in the year, staff does want to provide the Board some analysis on the level of funding required. The key costs are provided below and assume that ALL Contra Costa jurisdictions will want to join, which staff believes is unlikely. Note that these costs do not include procuring the initial power supply, which would be financed through the above-referenced line of credit.

- **Data analysis costs:** Estimated at \$50,000
- **Customer noticing:** Estimated at \$150,000 for 20% of Contra Costa’s accounts in Ph. 1
- **Other consulting and legal assistance:** Estimated at \$150,000, based on experience from other CCE programs.

As noted above, we see the potential total costs of incorporating all Contra Costa jurisdictions (with a 20% Phase 1 enrollment rate) to be in the range of \$350,000.