



**ENERGY / GREEN ISSUES  
STANDING COMMITTEE MEETING**

Wednesday, September 11, 2019

City Hall  
**CONFERENCE ROOM 1**  
130 Cremona Drive, Suite B  
Goleta, California

**4:00 P.M. – 4:45 P.M.**

Paula Perotte, Mayor  
Kyle Richards, Mayor Pro Tempore  
Michelle Greene, City Manager  
Peter Imhof, Director, Planning & Environmental Review  
Cindy Moore, Sustainability Coordinator

- I. Public Comment (10 minutes)
- II. Monterey Bay Community Power (MBCP)  
Community Choice Energy Update and Draft MOU (30 minutes)
- III. Upcoming Items / Next Scheduled Green Committee Meeting (5 minutes)
  - a. City Council – October 15, 2019, City Hall
    - i. MOU
  - b. MBCP Policy Board Meeting – December 4, 2019, Monterey
  - c. Quarterly Energy / Green Committee – December 11, 2019, City Hall
    - i. Strategic Energy Plan Implementation Priorities

***Americans with Disabilities Act: In compliance with the ADA, if special assistance is needed to participate in a City Council meeting (including assisted listening devices), please contact the City Clerk's office at (805) 961-7505. Notification at least 72 hours prior to the meeting helps to ensure that reasonable arrangements can be made to provide accessibility to the meeting.***



## MEMORANDUM

DATE: August 29, 2019

TO: Energy / Green Issues Standing Committee

FROM: Cindy Moore, Sustainability Coordinator

SUBJECT: Background Information for the September 11, 2019 Energy / Green Issues Standing Committee Meeting (please see attached agenda)

---

**ITEM II: Update on the Monterey Bay Community Power (MBCP) Community Choice Energy Program and Draft Memorandum of Understanding**

The purpose of this item is to provide a brief update on recent actions and next steps following the City Council's action on August 20, 2019 to join the Monterey Bay Community Power (MBCP) Authority's Community Choice Aggregation Program. Feedback from the Committee regarding the attached draft Memorandum of Understanding for shared governance seats is requested.

### **Recent Actions by Adjacent Jurisdictions**

The following is a summary of the most recent CCE activities for the County of Santa Barbara and the Cities of Carpinteria, Guadalupe, Santa Maria and Santa Barbara. An update on any action taken by the City of Solvang at their Council meeting on September 9, 2019 will be provided at the Energy / Green Issues Standing Committee meeting.

- **The County of Santa Barbara** Board of Supervisors have completed the first and second readings of the ordinance to authorize the implementation of a community choice aggregation program by participating in MBCP. On August 27<sup>th</sup>, the Board took action to appoint members to the Policy and Operations Board of Directors as follows:
  - **Policy Board**  
Director: Supervisor Das Williams  
Alternate: Supervisor Joan Hartmann
  - **Operations Board**  
Director: Mona Miyasato, County Executive Officer

Alternate: George Chapjian, Director, Community Services Department

- **The City of Carpinteria** City Council took initial action on August 26<sup>th</sup> to join MBCP and the item will return on September 9<sup>th</sup> for the second reading of the ordinance to authorize the implementation of a community choice aggregation program by participating in MBCP.
- **The City of Guadalupe** City Council took initial action on July 23<sup>rd</sup> to join MBCP and conducted the second reading of the ordinance on August 27<sup>th</sup> to authorize the implementation of a community choice aggregation program by participating in MBCP.
- **The City of Santa Maria** City Council took initial action on August 20<sup>th</sup> to join MBCP and the item will return on September 3<sup>rd</sup> for the second reading of the ordinance to authorize the implementation of a community choice aggregation program by participating in MBCP.
- **The City of Santa Barbara** City Council CCE Subcommittee convened on August 27<sup>th</sup> to provide direction to staff on decisions related to renewable energy content, launch date and branding for their city-only CCE program. The Committee confirmed the recommendation to proceed with a 100% renewable energy default option for its customers at a premium, a voluntary opt-down option with 50% renewable energy at rate parity with the incumbent utility, a 100% renewable energy option for income-qualified customers at rate parity with the incumbent utility and premium paid for by the CCE, and an estimated launch date of May 2021. A branding decision was deferred to the October meeting.

## **Memorandum of Understanding**

On August 20, 2019 the Goleta City Council authorized several actions related to participation in the MBCP Authority's Community Choice Aggregation Program. One of those actions directed staff to negotiate a Memorandum of Understanding (MOU) with staff of the City of Carpinteria and Guadalupe, as appropriate, to provide a collaborative and fair strategy for representation on the MBCP Policy and Operations Boards and to return to Council for final approval. A draft MOU modelled after the MOU entered into by the Cities of San Luis Obispo and Morro Bay for the same purpose is attached for your review.

For context, MBCP has a Policy Board, which meets quarterly and is comprised of elected officials, and an Operations Board, which meets eight times per year and is comprised of city managers and county administrative officers. As noted on August 20<sup>th</sup>, MBCP staff have notified the City that the Cities of Goleta, Carpinteria and Guadalupe would share a seat on MBCP's Policy Board and Operations Board. MBCP staff indicate that the shared seat structure would likely be temporary until such time as action is taken by the Cities of Solvang and/or Buellton. If either Solvang or Buellton join MBCP, Guadalupe would then share a seat with these cities and Goleta and Carpinteria would share a seat.

The City of Solvang City Council will consider joining MBCP at its meeting on September 9<sup>th</sup>. Therefore, for simplicity sake in reviewing the document, the attached draft MOU has been prepared for the Cities of Goleta and Carpinteria, and the City of Guadalupe can be added at a later date, should Solvang not take action to join MBCP.

### **Project Schedule**

The following is an estimated outline of the project schedule through 2021:

<b>Activity</b>	<b>Date</b>
City introduced and passed the resolution to join MBCP and conducted first reading of the CCE ordinance.	August 20, 2019
Public hearing to conduct second reading of the CCE ordinance.	September 3, 2019
MBCP Policy Board Meeting to accept new cities as a member of the JPA.	September 4, 2019
City of Goleta submits ordinance to MBCP.	September 9, 2019
Goleta City Council to consider Memorandum of Understanding for shared governance seats on MBCP's Policy & Operations Boards.	October 15, 2019
MBCP deadline to establish MOU for shared seat and identify Policy and Operations Board members.	November 15, 2019
MBCP Policy Board Meeting to accept new members, amend the JPA, and swear in all new Board members.	December 4, 2019
Deadline for MBCP to approve and submit the Implementation Plan to the CPUC.	December 31, 2019
Goleta City Council decision on default energy service offering.	February 2020
Program Implementation and Operations Preparation	Mid 2020 – Late 2020
Begin MBCP Service	2021

### **Next Steps**

Following the Energy / Green Issues Committee meeting, staff from the City of Goleta and Carpinteria will meet to further discuss the MOU. Staff expects to return to Council at the October 15, 2019 meeting with an amended MOU for action, as MBCP requires a decision regarding representation by November 15, 2019.

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
CITY OF GOLETA AND  
CITY OF CARPINTERIA  
REGARDING PARTICIPATION WITH  
MONTEREY BAY COMMUNITY POWER**

This MEMORANDUM OF UNDERSTANDING (MOU) is hereby made and entered into by and between the City of Goleta, hereinafter referred to as GOLETA, and the City of Carpinteria, hereinafter referred to as CARPINTERIA (GOLETA AND CARPINTERIA hereinafter individually referred to as “party” and hereinafter collectively referred to as the “parties.”).

**A. INTRODUCTION**

Since 2015, GOLETA and CARPINTERIA have explored community choice energy programs for the purpose of providing choice in the electricity market, reducing greenhouse gas emissions, proving potential rate savings, supporting energy efficiency, promoting regional collaboration, and contributing to economic development. The two cities pursued participating in a community choice energy program by joining Monterey Bay Community Power (MBCP). On December 4, 2019, GOLETA and CARPINTERIA became official members of MBCP.

As outlined in the MBCP Joint Powers Agreement, the agency is governed by two decision making bodies and one advisory body:

- The **Policy Board** is comprised of elected officials and meets quarterly to decide high level policy decisions.
- The **Operations Board** is comprised of City Managers or their designees and meets approximately eight times per year to decide finer detailed operational decisions.
- The **Community Advisory Council** is comprised of community members and serves in an advisory role to the Policy Board and Operations Board.

MBCP is a large agency and to ensure manageable meetings, smaller jurisdictions share seats on the Policy Board and Operations Board. Jurisdictions with 50,000 or more residents have individual seats, while smaller jurisdictions share seats based on geographic proximity. Since GOLETA and CARPINTERIA are smaller than 50,000 each, the two cities will share a Policy Board and Operations Board seat. Additionally, MBCP has communicated that once all Board seats are established in December 2019, the Policy Board will direct MBCP staff to recruit for new Community Advisory Council members based on the new Board structure. The number of new Community Advisory Council seats will equal the number of new Board seats within Santa Barbara County. A Policy Board representative from each County will participate in the selection committee recommending new members for the Community Advisory Council to the MBCP Policy Board for approval.

On August 20, and August 26, both City of Goleta and City of Carpinteria Councils, respectively, voted unanimously to direct staff to negotiate a Memorandum of Understanding between GOLETA and CARPINTERIA to provide a collaborative and fair strategy for MBCP representation and to return to their respective Councils for final approval.

**B. PURPOSE**

The purpose of this Memorandum of Understanding is to identify a clear framework between GOLETA and CARPINTERIA to share governance seats on Monterey Bay Community Power’s Policy Board and Operations Board.

It should also be noted that community collaboration and regionalism was a key value of the effort to create

a local community choice energy program. This Memorandum of Understanding seeks to encourage further regional collaboration.

#### C. SHARED SEATS

1. Policy Board - The Policy Board representative shall serve for a term of two years and shall alternate between cities. GOLETA shall provide the initial representative and will serve from December 2019 to December 2021 and thereafter shall rotate every two years between the City of Carpinteria and Goleta.
  - a. The City with the currently serving Policy Board representative shall distribute via email to both City Councils and City Managers the meeting minutes and any additional narrative deemed necessary after each Policy Board meeting to stay informed of policy, business or other related matters.
  - b. The Policy Board Director alternative shall be identified by the City currently holding the seat.
2. Operations Board - The Operations Board representative shall serve for a term of two-years and may be one of two options:
  - a. The City Manager for the City of the Policy Board representative; or
  - b. A Deputy City Manager, director or deputy-director level staff member as determined by the City Manager of the Policy Board representative.
3. Community Advisory Council –The pool of Community Advisory Committee applicants shall include all registered voters residing in the cities of Carpinteria and Goleta.
4. In all cases, the elected officials, staff, or public representing the joint interests of GOLETA and CARPINTERIA shall consider the program purposes outlined below:
  - a. Reducing greenhouse gas emissions;
  - b. Providing electric power to customers at a competitive cost;
  - c. Carrying our programs to increase energy efficiency;
  - d. Stimulating and sustaining the local economy by developing local jobs in renewable energy and energy efficiency; and
  - e. Promoting long-term rate stability and energy security and reliability for residents through local control of electric generation resources.
5. If a party fails to attend or otherwise comply with the Monterey Bay Community Power JPA and bylaws, and if the seat becomes vacated because of such conduct, the other party shall serve in that seat.

#### D. PROCESS

GOLETA City Council will appoint its respective Board Members for the two-year term by November 15, 2019. Terms shall run for two-years starting in December and concluding in November of even- numbered years.

Future term appointees shall be made by alternating City Councils in November of the year that the term concludes (e.g., CARPINTERIA in 2021, GOLETA in 2023, CARPINTERIA in 2025, etc.).

E. PRINCIPAL CONTACTS

The principal contacts for this MOU are:

**GOLETA:**

Name

Michelle Greene,  
Cindy Moore,

Role:

City Manager  
City Lead

**CARPINTERIA**

Name

Dave Durlflinger,  
Erin Maker,

Role:

City Manager  
City Lead

F. COST OBLIGATION

Each party to this Memorandum of Understanding shall be financially responsible for absorbing costs incurred for their own participation on the Policy Board and Operations Board.

G. COMMENCEMENT/EXPIRATION DATE

This Memorandum of Understanding is executed as of the date of last signature and is effective until GOLETA or CARPINTERIA withdraw from MBCP or either party fails in good faith to resolve with the other party a conflict over a substantial issue concerning the MBCP or the parties' performance of this MOU. Prior to such termination, the party desiring to terminate this MOU shall provide the non-terminating party with written notice of its desire to terminate and the reasons therefore. Both parties agree to engage in a meet and confer process, and, in the case of termination based on a conflict over a substantial issue concerning the MBCP or the parties' performance of this MOU, the parties shall engage with one another in good faith to resolve the conflict. If a conflict still exists after such good faith negotiations, this MOU shall terminate upon thirty (30) days final written notice.

H. LIABILITIES

It is understood that neither party to this Memorandum of Understanding is the agent of the other and neither is liable for the wrongful acts, omissions or negligence of the other. Each party shall be responsible for its wrongful or negligent acts or omissions and those of its officials, officers, employees, and agents, howsoever caused, to the extent allowed by law, and shall be responsible for their own Commercial General Liability, Auto, Worker's Compensation and Errors and Omissions insurance and adherence to their respective City's policies. Each party to this Memorandum of Understanding agrees to indemnify, defend and hold the other, and their officials, officers, employees, and agents, against any liability, claim, personal injury, including death, or property damage caused by that party's negligence or willful misconduct in their performance under this Memorandum of Understanding.

I. NO ASSIGNMENT

The rights and obligations of the parties to this Memorandum of Understanding may not be assigned or delegated.

J. AMENDMENT

This Memorandum of Understanding may not be amended or modified in any manner whatsoever except by written agreement between the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the last written date below. FOR GOLETA:

Date: \_\_\_\_\_

\_\_\_\_\_  
Michelle Greene, City Manger

FOR CARPINTERIA

Date: \_\_\_\_\_

\_\_\_\_\_  
Dave Durflinger, City Manager

DRAFT