



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Community Services
Department, General
Services
Department No.: 057
For Agenda Of: March 1, 2022
Placement: D item
Estimated Time: 15 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Directors
George Chapjian, Community Services Director
(805) 568-2467
Janette Pell, General Service Director
(805) 560-1011
Contact Info: Ashley Watkins, Division Chief, Sustainability
(805) 568-3514

SUBJECT: Santa Barbara Clean Energy Service Offerings for Municipal Electric Accounts

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form:

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions: That the Board of Supervisors:

- a) Provide staff with direction regarding Santa Barbara Clean Energy (SBCE) services offerings for County municipal electric accounts located in the City of Santa Barbara as follows:
 - i) Option 1. Take no action and keep County municipal electric accounts with SBCE's default service offering, 100% Green (100% carbon free energy).
 - ii) Option 2. Opt down County municipal electric accounts to SBCE's Green Start (at least 50% carbon free energy) service offering.
- b) Determine that the above recommended actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378 (b)(5), as the actions are organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

Summary Text:

This item is on the agenda to request the Board’s direction regarding the service offerings available from Santa Barbara Clean Energy for County municipal electric accounts located within the City of Santa Barbara. In 2019, the County and the majority of local cities, opted to join Central Coast Community Energy (CCCE), an existing Community Choice Energy program (CCE). The City of Santa Barbara opted not to join CCCE and instead formed its own CCE, Santa Barbara Clean Energy (SBCE). CCE programs are typically created to help meet local climate goals and to provide; a choice in electricity service providers, a higher percentage of renewable or carbon-free electricity and a new funding source for local energy initiatives. SBCE will begin enrolling commercial customers in March 2022. The County can keep municipal electric accounts located in the City of Santa Barbara (this affects just 10 accounts) with SBCE’s default service offering, 100% Green (100% carbon free energy) or opt down its accounts to SBCE’s Green Start (at least 50% carbon free energy). Keeping County municipal electric accounts with the 100% Green (100% carbon free energy) service option increases generation costs by approximately \$41,442 annually (when compared with the Green Start option or Southern California Edison rates) but would provide local community benefits. The increased costs will allow SBCE to develop local energy programs, incentives and renewable energy and storage projects that will facilitate electrification adoption and increase local resilience and reliability. Staff recommends the Board adopt option 1 and keep County municipal electric accounts with SBCE’s default service offering, 100% Green.

Background:

In 2019, the County and the majority of local cities, opted to join Central Coast Community Energy (CCCE), an existing Community Choice Energy program (CCE). CCE enables local governments to leverage the purchasing power of their residents, businesses, and governments to purchase or generate electricity on behalf of their communities. CCE programs are typically created to provide; a choice in electricity service providers, a higher percentage of renewable or carbon-free electricity and a new funding source for local energy initiatives, such as energy efficiency programs and electric vehicle incentives. The existing investor-owned utility (IOU)—in Santa Barbara County, PG&E and SCE—continues to deliver the electricity purchased by the CCE provider and bill customers. CCCE has set a goal to provide clean and renewable resources for 100% of its retail sales by 2030 thereby obviated greenhouse gas emissions associated with county buildings located in CCCE territory. Customer enrollment for CCCE customers was completed in January 2022.

The City of Santa Barbara opted not to join CCCE and instead formed its own CCE, Santa Barbara Clean Energy (SBCE) to help meet the city’s goal of 100% renewable energy by 2030. SBCE will begin enrolling commercial customers in March 2022. All customers, including the County, will be automatically enrolled in SBCE’s default service offering, 100% Green which is made up of 100% carbon free energy. Customers can choose to opt down their accounts to SBCE’s Green Start which is made up of at least 50% carbon free energy. The 100% Green service offering is \$0.012/kWh more than Green Start. Green Start is benchmarked at the same rate as Southern California Edison’s standard service. The chart below provides a quick comparison of options.

	Option 1. 100% Green	Option 2. Green Start
Rate Type	Default	Opt Down
Energy Mix	100% carbon-free	At least 50% carbon free
Rate Impact	\$0.012/kWh (more than Green Start/SCE)	0% (rate parity with SCE)
Increased Cost	\$41,442 annually	\$0
Supports Local Programs & Projects	Yes	Not likely

Staying with the 100% Green option would allow SBCE to develop programs, incentives and projects that would reinvest directly into the local community, increase electrification adoption and invest in local energy generation and storage projects that would increase local resilience and reliability. SBCE anticipates it will begin to fund local programs and incentives in 2023 and begin developing local energy generation and storage projects within the next 3-5 years. The ability to offer these benefits are contingent on the continued participation of key customers accounts in the 100% Green tier. Staying with the 100% Green option would also signal the County’s commitment to clean energy and encourage other customers stay with the 100% Green option.

Remaining with the 100% Green service option would result in increased costs of approximately \$41,442 annually when compared with the Green Start option or Southern California Edison rates. General Services has already budgeted an 8% increase in utility costs for FY 22-23 which would cover a portion of the increased costs. Any remaining costs associated with 100% Green option would be passed through and spread across departments through General Service’s existing process of electricity cost allocation.

Fiscal and Facilities Impacts:

Budgeted: Yes

Department’s utility budgets have already been increased by 8% for the coming fiscal year. Only 10 utility accounts will be impacted and the impact is expected to be minimal.

Staffing Impacts: None

Special Instructions:

Please send one copy of the minute order to Ashley Watkins and Skip Grey.

Attachments:

Attachment A: PowerPoint Presentation

Authored by:

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Skip Grey, General Services