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July 12, 2018

Santa Barbara County Board of Supervisors
105 E. Anapamu St, Suite 407
Santa Barbara, CA 93101

Re: Community Choice

Dear Santa Barbara County Board of Supervisors,

The Community Environmental Council has been working on Community Choice for over ten years and is very pleased to see the positive results from the Pacific Energy Advisors Study. We urge the County of Santa Barbara to form a Joint Powers Agreement with interested cities and authorize a Resolution of Intent to create a local Community Choice program.

Pacific Energy Advisors (PEA) are widely seen as the top consultants in the field. Their analysis is sound and based upon current data, unlike the first study's outdated numbers and model, and atypical assumptions. PEA works with existing Community Choice programs and has access to current energy pricing data, start-up costs, financial reserve practices, and staffing levels, which are critical to analysis of feasibility. County staff's review of these assumptions found PEA's analysis most in line with existing CCE reported values, while the original Willdan study assumed higher costs than existing CCE reported values in all four of these critical assumptions. River City Bank, who financed the majority of other CCEs, trusts PEA's feasibility studies in their loan decisions. **In short, the best consultant in the business has found that a local CCE program is highly likely to succeed.**

PEA projects \$4 million to \$24.6 million in annual profits that could be put back into higher renewable energy procurement, local programs, or bill savings. They expect that a local program could launch with a short-term bank loan, and pay it back within a year. Additional proof is in 17 existing CCEs who have launched and are now successfully operating in California, with four more launching soon.

The crux of the discussion is whether we can be competitive with SCE and PG&E. They are regulated monopolies, unused to competition, with shareholders and profit margins, highly compensated executives, and many wasteful programs. Our local CCE will be much nimbler, with a lower cost structure and programs that are responsive to local needs.



One exciting opportunity that both North and South County could agree on, is that we could build renewable projects using excellent Cuyama solar and Lompoc wind resources, and use them to meet City of Santa Barbara and Goleta's 100% renewable electricity goals. This arrangement isn't currently an option under PG&E/SCE, but would be an option under a CCE. We could also design programs that local businesses and residents could benefit from, such as a local feed-in-tariff (so companies could build solar on roofs, carports, or landholdings and sell the energy to the grid) and favorable net metering policies (so residents could build solar on their roofs and receive a guaranteed rate). These programs are being offered by existing CCEs. All these options would increase local job growth.

Community Choice could also allow us to develop new programs such as power wheeling, where an agency could build renewable energy at one large, centralized site, with corresponding economies of scale, and utilize that energy at smaller sites, where construction is not possible or more expensive. A CCE program would unlock the ingenuity of the greater community to work on projects that would help the County achieve our Climate Action Plan goals.

Our Community Choice governing board will be comprised of local elected officials like all of you, able to respond to local needs and be more directly accountable to our residents. One policy goal we'd like to highlight is to prioritize building local renewable energy projects and avoid using unbundled Renewable Energy Credits. While we understand it can take some years to accumulate sufficient funds to build new local renewable energy projects, the majority of Community Choice programs are now avoiding unbundled RECs and our program should as well.

For over 10 years, the Community Environmental Council has been strongly advocating for an in-depth and honest look at Community Choice as a powerful tool for our region – even participating as a funder in the original feasibility study. We are pleased that the process has resulted in a fair assessment of the potential for Community Choice, and urge you to vote to move forward.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sigrid Wright', is written over a faint, illegible typed name.

Sigrid Wright, Executive Director, CEC