



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
County Manager's Office



**Date:** October 27, 2015  
**Board Meeting Date:** November 3, 2015  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Jim Eggemeyer, Director, Office of Sustainability  
David Silberman, Chief Deputy, County Counsel's Office

**Subject:** Adoption of an Ordinance authorizing the implementation of a Community Choice Aggregation program in San Mateo County.

**RECOMMENDATION:**

Adopt an ordinance authorizing the implementation of a Community Choice Aggregation program in San Mateo County, previously introduced on October 20, 2015, and waive the reading of the ordinance in its entirety.

**BACKGROUND:**

On December 9, 2014, your Board directed the Office of Sustainability (OOS) to explore the feasibility of a Community Choice Energy program in San Mateo County (the enabling legislation refers to these types of programs as Community Choice Aggregation (CCA)), including conducting a focused outreach effort to educate and engage staff, city managers and city councils about the program. Outreach efforts showed that there was interest among cities in the county for the creation of such a program.

On February 24, 2015, your Board allocated \$300,000 to fund Phase 1 of the CCA program, which included the following activities: hiring a program consultant (LEAN Energy U.S.) to provide guidance and project management support; commissioning a study to determine the economic and technical feasibility of starting a CCA program in San Mateo County, which was recently completed by Pacific Energy Advisors, Inc.; hiring a creative services consultant to develop a website and related graphics for the program; and creating and supporting an Advisory Committee co-chaired by Board President Carole Groom and Supervisor Dave Pine. The Committee is comprised of representatives from all the cities in the county, as well as relevant stakeholder organizations.

On October 6, 2015, at a Board of Supervisors public meeting study session, your Board directed staff to prepare the necessary documents to commence Phase 2 of the three-phase program and, in addition, the documents necessary to authorize an appropriation transfer request to the Office of Sustainability for the purpose of completing Phase 2.

Then on October 20, 2015, your Board introduced the subject ordinance and allocated \$800,000 to fund Phase 2 of the CCA program, which includes the following activities: Peninsula Clean Energy Authority formation and program design; energy product investigation and supply portfolio recommendations; city outreach and informational support for local ordinance adoption; implementation plan development; and community engagement, marketing, and communication.

### **DISCUSSION:**

#### **JPA Formation Documents**

Section 366.2(c)(12)(B) of the Public Utilities Code expressly contemplates creation of a Joint Powers Authority so that a county and a city or cities can “participate as a group in a community choice aggregation program.” The County and each city can begin to take advantage of this option by doing two things: (1) entering into a Joint Powers Agreement forming a Joint Powers Authority under Section 6500, et seq. of the Government Code; and (2) adopting an Ordinance “elect[ing] to implement a community choice aggregation program within its jurisdiction” as required by Section 366.2(c)(12)(A).

Provided with this memorandum is an Ordinance that complies with the requirements of Section 366.2(c)(12)(A).

Adoption of an Ordinance requires two public meetings, the first meeting is to introduce the Ordinance, followed by a second public meeting to adopt the Ordinance. The Board introduced the Ordinance on October 20, 2015. If the Board adopts the Ordinance at this meeting, staff will present to the Board a Joint Powers Agreement that complies with Section 6500 at a subsequent meeting, as well as a Resolution authorizing the Board President to execute the Joint Powers Agreement. Staff is currently working on a draft of the JPA Agreement. Draft copies of the JPA Agreement and Resolution are available upon request.

#### **Environmental Review**

The adoption of this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a “project” as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment (14 Cal Code Regs. § 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment (14 Cal Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance restoration, enhancement or

protection of the environment (14 Cal Code Regs. § 15308(a)). The Director of the Office of Sustainability will file a Notice of Exemption with the County Clerk.

County Counsel has reviewed and approved the Ordinance as to form.

**SHARED VISION 2025:**

Implementing a CCA program in San Mateo County contributes to the Shared Vision 2025 outcome of an Environmental Conscious Community by reducing countywide Greenhouse Gas (GHG) emissions through cleaner power options. It also contributes to the outcome of a Collaborative Community by fostering relationships with all cities in the County, facilitating a regional solution to local energy needs, and expanding the available power procurement options for county residents.

**FISCAL IMPACT:**

No net county cost.