

**AGENDA  
SPECIAL MEETING OF THE  
CITY OF KING CITY COUNCIL**

**MONDAY, NOVEMBER 6, 2017  
5:00 P.M.**

**CITY HALL  
212 S. VANDERHURST AVENUE  
KING CITY, CALIFORNIA 93930**

*\*Spanish interpretation services will be available at meeting*

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting, Please contact the City Clerk's Office (831-386-5925) at least 48 hours prior to the Meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting.*

*\* Please submit all correspondence for City Council PRIOR to the meeting with a copy to the City Clerk.*

- 1. CALL TO ORDER**
- 2. ROLL CALL:** Council Members Darlene Acosta, Robert Cullen, Carlos DeLeon, Mayor Pro Temp. Carlos Victoria, and Mayor Mike LeBarre
- 3. FLAG SALUTE**
- 4. PUBLIC COMMENT**

Any member of the public may address the Council for a period not to exceed *three minutes'* total on any item of interest within the jurisdiction of this Council that is not on the agenda. The Council will listen to all communications; however, in compliance with the Brown Act, the Council cannot act on items not on the agenda. Comments should be directed to the Council as a whole and not to any individual Council Member. Slanderous, profane or personal remarks against any Council Member, staff member or member of the audience is not permitted.
- 5. PUBLIC HEARING**
  - A. Consideration:** An Ordinance of the City Council of the City of King Authorizing the Implementation of a Community Choice Aggregation Program  
Recommendation: 1) Open the Public Hearing, consider public testimony; and 2) introduce for first reading by title only an Ordinance authorizing implementation of a Community Choice Aggregation Program.
- 6. ADJOURNMENT**



Item No. 5 (A)

**REPORT TO THE CITY COUNCIL**

**DATE: NOVEMBER 6, 2017**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: STEVEN ADAMS, CITY MANAGER**

**RE: CONSIDERATION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KING AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM**

**RECOMMENDATION:**

It is recommended the City Council: 1) conduct a public hearing; and 2) introduce for first reading by title only an Ordinance authorizing implementation of a Community Choice Aggregation program.

**BACKGROUND:**

The City Council has held a number of discussions regarding potential creation of a Community Choice Aggregation (CCA) program. Under such a program, the CCA becomes the electric power provider, which is also commonly referred to as a Community Choice Energy program or CCE. PG&E would continue to transmit and bill for the power. However, customers also maintain the ability to opt out of the program and continue to receive their power directly from PG&E.

Three goals were tentatively agreed upon. These include: 1) to provide lower electric utility rates than PG&E; 2) to increase the use of renewable resources, particularly through generation of local sources, including solar plants, wind power, and rooftop solar projects; and 3) to fund an annual program of adding new energy efficient streetlights throughout the City where lighting is deficient.

In response to a Request for Proposal (RFP), Pilot Power Group, Inc. was selected to prepare a feasibility study and ultimately launch and operate the program if the Council chose to proceed. At the October 24, 2017 meeting, based on the results of the feasibility study and an independent third-party peer review, the Council directed staff to proceed with the process of launching the CCA.

**CITY COUNCIL  
CONSIDERATION OF AN ORDINANCE OF THE CITY COUNCIL OF THE CITY  
OF KING AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY  
CHOICE AGGREGATION PROGRAM  
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**DISCUSSION:**

The first step in the process is to adopt an Ordinance authorizing the formation of the CCA, which is attached for Council consideration. It is recommended to introduce the Ordinance at this time. At the November 28<sup>th</sup> meeting, staff will present the contract with Pilot Power Group, Inc. for consideration to launch and operate the program for the City for a five-year period.

**COST ANALYSIS:**

The program will be provided on a turnkey basis and will be funded entirely by customer rates. Therefore, there will be no cost to the City. In addition, staffing costs incurred by the City related to the program will be reimbursed.

**ENVIRONMENTAL REVIEW:**

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Class 7 Categorical Exemption set forth in CEQA Guidelines, Section 15307, which exempts certain actions by regulatory agencies to maintain, restore, or enhance natural resources, other than construction activities, where the regulatory process includes procedures to protect the environment. Staff has determined this exemption applies to the proposed project since the primary impact of the CCA will be to increase use of renewable energy sources and installation of rooftop solar panels in King City. Furthermore, staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this project. Approval of the CEQA findings is included in the Ordinance.

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Introduce the Ordinance;
2. Direct staff to make changes to the Ordinance and continue introducing the Ordinance to the next meeting;
3. Do not proceed with formation of a City CCA; or
4. Provide staff other direction.

Approved by: \_\_\_\_\_  
Steven Adams, City Manager

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KING  
AUTHORIZING THE IMPLEMENTATION OF A  
COMMUNITY CHOICE AGGREGATION PROGRAM**

**WHEREAS**, the City of King (“the City”) has authority granted by the California Public Utilities Code Sections 218.3, 331.1, 366, 366.1, 366.2, 380, 381.1, 394, 394.25, 395.5, 396.5, and 707; and

**WHEREAS**, on the 24th day of October, 2017, the City received and reviewed a Feasibility Study prepared by Pilot Power Group, Inc., a California Corporation. The Feasibility Study finds that the City will receive multiple benefits by implementing Community Choice Aggregation. The benefits include but are not limited to:

- a. Providing customers with a competitive choice between electric energy providers;
- b. Lower rates for electric energy customers;
- c. Cleaner and more sustainable electric energy sources; and
- d. Programming in electric energy related areas such as energy efficiency and local renewable generation.

The Feasibility Study also discusses current and expected electric energy market conditions, and finds these conditions favorable for the implementation of a City of King Community Choice Aggregation program.

**WHEREAS**, based on the foregoing findings, the City determines that implementation of a Community Choice Aggregation program is in the public interest and welfare of its residents, and hereby elects to authorize and implement a Community Choice Aggregation Program within the City. The City’s Community Choice Aggregation program shall:

- a. Develop an Implementation Plan for consideration and possible adoption at a duly noticed public hearing;
- b. Prepare a Statement of Intent with the Implementation Plan;
- c. Post a service bond or collateral;
- d. Execute and file a service partner agreement with Pacific Gas and Electric Company;
- e. Provide universal access to the Community Choice Aggregation program;
- f. Through a transparent and open process, establish equitable rate structures across customer classes;
- g. Automatically enroll all eligible Community Choice Aggregation customers;
- h. Fully inform all Community Choice Aggregation customers, in writing, four times over four months, of the unequivocal right to opt out of Community Choice Aggregation service at any time; and
- i. Comply with all federal and state statutes, rules, regulations, and decisions applicable to the City of King’s Community Choice Aggregation program, including but not limited to, the California Public Utilities Code, the rules, regulations and decisions adopted by the California Public Utilities Commission, the California Energy Commission, the California Independent System Operator, the California Air Resources Board, and all electric reliability and environmental statutes and regulations applicable to California retail electric load serving entities.

**WHEREAS**, it is the intention of the City that the sections, paragraphs, sentences, clauses and phrases of this Ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared invalid by the judgment or decree of a court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Ordinance.

**NOW THEREFORE**, the City Council of the City of King does hereby ordain as follows:

**SECTION 1.** The above recitals are incorporated by reference.

**SECTION 2.** The Ordinance is exempt from the California Environmental Quality Act (“CEQA”) under the Class 7 Categorical Exemption set forth in CEQA Guidelines, Section 15307, which exempts certain actions by regulatory agencies to maintain, restore, or enhance natural resources, other than construction activities, where the regulatory process includes procedures to protect the environment. This exemption applies to the proposed project since the primary impact of the Community Choice Aggregation program will be to increase use of renewable energy sources and installation of rooftop solar panels in King City. The City Manager is authorized and directed to immediately file a CEQA Notice of Exemption.

**SECTION 3.** The City Council hereby authorizes the City manager and City staff to proceed with implementation of a Community Choice Aggregation program within the City’s jurisdiction.

**SECTION 4. EFFECTIVE DATE.**

This Ordinance shall take effect and be in full force and effect from and after thirty (30) calendar days after its final passage and adoption. Within fifteen (15) calendar days after its adoption, the Ordinance, or a summary of the Ordinance, shall be published once in a newspaper of general circulation.

**I HEREBY CERTIFY** that the foregoing Ordinance was introduced by the City Council after waiving reading, except by Title, at a regular meeting thereof held on the \_\_\_\_ day of \_\_\_\_\_ 2017, and adopted the Ordinance after the second reading at a regular meeting held on the \_\_\_\_ day of \_\_\_\_\_ 2017, by the following roll call vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

ATTEST

**CITY OF KING**

\_\_\_\_\_  
**STEVEN ADAMS, City Clerk**

By: \_\_\_\_\_  
**MIKE LEBARRE, Mayor**

APPROVED AS TO FORM:

By: \_\_\_\_\_  
**SHANNON L. CHAFFIN, City Attorney**  
**Aleshire & Wynder, LLP**

I, \_\_\_\_\_, City Clerk of the City of King, California, DO  
HEREBY CERTIFY that the foregoing is a true and accurate copy of the Ordinance passed and  
adopted by the City Council of the City of King on the date and by the vote indicated herein.