



**Policy Board of Directors**  
Wednesday, December 4, 2019  
10:30 AM

**POWERPOINT**

**Monterey Bay Community Power (MBCP)**  
70 Garden Court, Suite 300  
Monterey, CA 93940

**REMOTE LOCATION VIA TELECONFERENCE**

Any interested parties or community members may attend, and participate in, the meeting at the following addresses where Board members may also join the meeting from:

**City of San Luis Obispo**  
City Hall, Council Hearing Room  
990 Palm Street  
San Luis Obispo, CA 93401

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact Heather Vowell, Board Clerk, at 831-641-7216 or [HVowell@MBCP.org](mailto:HVowell@MBCP.org). Requests should be made as soon as possible but at least 72 hours prior to the scheduled meeting.

If you have anything that you wish to be distributed to the Board please provide 15 copies and hand them to a member of MBCP staff or Heather Vowell, Board Clerk, who will distribute the information to the Board members and other staff.

The public may comment on a specific item listed on this agenda when the Board considers that item. In addition, the members of the public may request and receive copies without undue delay of any documents that are distributed to the Board, unless there is a specific exemption under the Public Records Act that prevents the disclosure of the record. (Cal. Gov't Code Section 54957.5)

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board in advance of a meeting and that relate to an agenda item will be made available at MBCP's offices located at 70 Garden Court, Suite 300, Monterey, CA 93940 during normal business hours and are also available on the [MBCP website](http://www.mbcommunitypower.org/about/meetings/) located at:  
<http://www.mbcommunitypower.org/about/meetings/>.


## AGENDA

1. Welcome & Roll Call
2. Public Comment on Matters Not Listed on the Agenda  
*The public may provide comments on any item within the Board's jurisdiction but not on the Agenda. The Board may not take action at this meeting on any item not listed on the Agenda other than to refer the matter to staff or set it for a future meeting. Speakers are limited to 3 minutes each.*
3. Corrections and Additions  
*General Counsel will announce agenda corrections and proposed additions, which will be acted on by the Board as provided in Sections 54954.2 of the California Government Code. The Public may comment on Closed Session items prior to the Board's recess to Closed Session.*

## CONSENT AGENDA

4. Appoint Heather Vowell as Secretary to the Policy Board of Directors and Operations Board of Directors (Action Item)
5. Adopt a Resolution Establishing the 2020 Schedule for Regularly Scheduled Meetings of the Executive Committee (Action Item)
6. Adopt a Resolution Establishing the 2020 Schedule for Regularly Scheduled Meetings of the Audit and Finance Committee (Action Item)
7. Approve MBCP's Electrification Strategic Plan and FY 19/20 Energy Programs (Action Item)
8. Receive the Treasurer Report (Information Only)
9. Approve Minutes of the September 4, 2019 Policy Board of Directors Meeting (Action Item)

## REGULAR AGENDA

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10. Adopt Resolution Approving the Second Amendment to the MBCP Joint Powers Authority Agreement and Approving Inclusion of Eleven New Jurisdictions into MBCP (Action Item)
  11. Reception to Recognize New Member Jurisdictions and Install and Seat New Policy Board of Directors
  12. Adopt Resolution Approving Addendum #2 to the MBCP Community Choice Aggregation Implementation Plan and Statement of Interest (Action Item)

13. Operations Board of Director's Report (Discussion Item)
14. Community Advisory Council (CAC) Report (Discussion Item)
15. CEO's Report (Discussion Item)
  - a. MBCP receiving Organization of the Year from the Santa Cruz Chamber of Commerce
  - b. Staffing Updates
  - c. Update on CALeVIP EV Infrastructure Program
  - d. Enrollment Update for San Luis Obispo and Morro Bay
  - e. Contracts Under 100K (informational only)
16. Approve 2020 MBCP Advocacy Policy and Procedures (Action Item)
17. Approve MBCP Monthly Discount Rate Structure, Rather Than Periodic Rebate, and Adopt Resolution Authorizing the CEO to Adjust MBCP Rate Schedules including a Net Surplus Compensation Rate for CY 2020 (Action Item)
18. (a) Assign the Executive Committee; or, (b) Appoint an Ad Hoc Committee, to Evaluate Effective Governance Structures and Make Recommendations to the Full Policy Board of Directors Regarding Potential Amendments to the MBCP Joint Exercise of Powers Agreement and the MBCP Operating Rules and Regulations (Action Item)
19. Receive Oral Report and Provide Policy Direction in Response to PG&E Reorganization Proposals (Discussion Item)
20. Approval Establishment of the Uninterruptible Power Supply (UPS) Fund (Action Item)
21. Approve Expansion of the Monterey Bay Community Power Executive Committee to Seven Members and Consider the Nomination of the Policy Board of Directors' Seat Representing the County of Santa Barbara and the Operations Board of Directors' Shared Seat Representing the cities of San Luis Obispo, Morro Bay, and Paso Robles (Action Item))
22. Approve Appointment of Two Additional Members to the Community Advisory Council Selection Committee, and; Consider the Nomination of the Policy Board of Directors' Seat Representing the County of Santa Barbara and the Nomination of the Policy Board of Directors' Shared Seat Representing the Cities of Arroyo Grande, Grover Beach, and Pismo Beach (Action Item)

#### INFORMATION ITEMS

23. Board Member Reports & Comments (Information Only)  
*Board members will have the opportunity to provide brief announcements and reports on their own activities that are not within the purview of the Board.*
24. Adjournment

**Staff Report Item 10**

**TO:** MBCP Policy Board of Directors

**FROM:** Tom Habashi, Chief Executive Officer

**SUBJECT:** Adopt Resolution Approving the Second Amendment to the MBCP Joint Powers Authority Agreement and Approving Adding Eleven New Jurisdictions Into MBCP as Members (Action Item)

**DATE:** December 4, 2019

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**RECOMMENDATION:**

Adopt a resolution approving the Second Amendment to the Monterey Bay Community Power Authority's ("MBCP") Joint Powers Agreement (the "JPA Agreement") and approving adding eleven new jurisdictions into MBCP as members.<sup>123</sup>

The proposed amendments subject to the draft resolution before the Board would grant membership to the following jurisdictions (collectively, the "New Jurisdictions"):

- The City of Del Rey Oaks (Monterey County);
- The City of Arroyo Grande (San Luis Obispo County);
- The City of Grover Beach (San Luis Obispo County);
- The City of Paso Robles (San Luis Obispo County);
- The City of Pismo Beach (San Luis Obispo County);
- The City of Carpinteria (Santa Barbara County);
- The City of Goleta (Santa Barbara County);
- The City of Guadalupe (Santa Barbara County);
- The City of Santa Maria (Santa Barbara County), and;
- The City of Solvang (Santa Barbara County).
- The County of Santa Barbara representing the unincorporated areas of the county;

**BACKGROUND:**

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<sup>1</sup> Resolution approving Second Amendment to the MBCP JPA Agreement is attached hereto as Attachment A.

<sup>2</sup> Second Amendment to the MBCP Joint Powers Agreement is attached hereto as Attachment B.

<sup>3</sup> Revised MBCP JPA Agreement (clean copy) are attached hereto as Attachment C.

Date: December 4, 2019

Dear Central Coast City and County Leaders,

On behalf of Monterey Bay Community Power, we are honored and thrilled to welcome each of the new communities who have chosen to join our Joint Powers Authority and participate in establishing a unified central coast community choice energy agency.

Monterey Bay Community Power started from humble beginnings in 2013, and after a considerable community-based effort, began serving over 270,000 customers across 19 cities and the counties of Santa Cruz, San Benito and Monterey in 2018. We are equally excited to be serving an additional 30,000 customers in the cities of San Luis Obispo and Morro Bay in January 2020.

Our goal is to help our agency partners support the procurement of carbon-neutral and renewable energy, lower greenhouse gas emissions to meet climate action goals, provide lower cost electricity to our customers and help improve our regional economy through the electrification of transportation, buildings and distributed energy resources.

Our proven track-record of sound financial standing, experience in power procurement as well as delivering considerable economic value to our current customer base is a tremendous opportunity for each community to maximize value for your constituents while providing choice and supporting a locally controlled agency.

With the on-boarding of the following 11 new jurisdictions - *City of Arroyo Grande, City of Carpinteria, City of Del Rey Oaks, City of El Paso De Robles, City of Goleta, City of Guadalupe, City of Grover Beach, City of Pismo Beach, County of Santa Barbara, City of Santa Maria, and the City of Solvang* - Monterey Bay Community Power will be the largest community choice energy agency by territory in California. The unification of the central coast will allow Monterey Bay Community Power to continue to deliver costs savings to customers, support the CCA business model in the state legislature and at the CPUC and build microgrids to support critical facilities and infrastructure in your community.

We appreciate the time and effort you have invested into becoming a Monterey Bay Community Power Member Agency partner and we look forward to a long and productive relationship with your community.

Regards,



Tom Habashi, CEO

Monterey Bay Community Power Authority

- ✓ City of Arroyo Grande
- City of Capitola
- City of Carmel by the Sea
- ✓ City of Carpinteria
- ✓ City of Del Rey Oaks
- ✓ City of El Paso De Robles
- ✓ City of Goleta
- City of Gonzales
- ✓ City of Guadalupe
- City of Greenfield
- ✓ City of Grover Beach
- City of Hollister
- City of Marina
- City of Monterey
- County of Monterey
- City of Morro Bay
- City of Pacific Grove
- ✓ City of Pismo Beach
- City of Salinas
- City of Sand City
- County of San Benito
- City of San Juan Bautista
- City of San Luis Obispo
- ✓ County of Santa Barbara
- City of Santa Cruz
- County of Santa Cruz
- ✓ City of Santa Maria
- City of Scotts Valley
- City of Seaside
- City of Soledad
- ✓ City of Solvang
- City of Watsonville



Staff Report Item 20

**TO:** MBCP Policy Board of Directors

**FROM:** Tom Habashi, Chief Executive Officer

**SUBJECT:** Approve Establishment of the Uninterruptible Power Supply (UPS) Fund to Provide Financing for Critical Infrastructure Facility Resiliency Investments (Action Item)

**DATE:** December 4, 2019

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**RECOMMENDATION:**

Staff recommends the Policy Board approve establishment of the Uninterruptible Power Supply (UPS) Fund to provide financing for critical infrastructure facility resiliency investments.

**BACKGROUND:**

In spring 2019, PG&E announced that it would expand its Public Safety Power Shutoff ("PSPS") program in order to mitigate wildfire risks. The expansion of this program can increase GHG emissions, threaten MBCP's customer base, and disrupt operations throughout the Monterey Bay and Central Coast. PG&E initiated its first widescale PSPS event on October 9, 2019 and cut power to over 738,000 customer accounts in California, representing approximately 2.7 million people and causing an estimated \$1 billion or more in economic losses.<sup>1</sup> PG&E initiated two additional PSPS events between October 26 to October 30, 2019 with more than 800,000 customers impacted. These PSPS events heavily impacted MBCP's service area especially in Santa Cruz County where close to 35,000 customers lost power during the October 9<sup>th</sup> event and over 46,000 customers were impacted by the October 26<sup>th</sup> event. On November 13, 2019, staff introduced the concept of UPS to the Operations Board and received unanimous support as well as helpful feedback around additional customer segments to include. On November 19, 2019, staff received similar unanimous support from the Community Advisory Council about UPS.

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<sup>1</sup> "A cool billion": Economists estimate PG&E outages could have big impact":  
<https://www.sfchronicle.com/business/article/A-cool-billion-Economists-estimate-PG-E-14505047.php>

*CAVE*  
*Flood & Power outage \$25m 2.5%*

in addition to a recommendation to expand the eligible customers base as well as offer more favorable terms for on-site renewable and storage technologies.

*32 Trained*

**DISCUSSION/ANALYSIS:**

MBCP recognizes the urgent need to support greater energy resiliency across MBCP's current and growing service area considering PG&E's reliance on PSPS events.

MBCP is strategically positioned to accelerate the adoption of backup power: 1) leveraging existing customer relationships, 2) leverage a network of key stakeholders, including its member agencies, who understand critical facilities, and 3) potentially aggregating backup energy systems to create new value streams, drive down cost, and correspondingly increase accessibility to more MBCP customers.

Over the past two months, staff has been evaluating customers located within Tier 3 and Tier 2 High Fire Threat District (HFTD)<sup>2</sup> identified as critical facilities according to the CPUC's Self Generation Incentive Project (SGIP)<sup>3</sup> as the most effective way to support community resiliency.

The CPUC defines critical facilities in the following sectors:

- Police stations
  - Fire stations
  - Emergency response providers
  - Emergency operations centers
  - Medical facilities (hospitals, skilled nursing facilities, nursing homes, blood banks, health care facilities, dialysis centers and hospice facilities)
  - Public and private gas, electric, water, wastewater, or flood control facilities
  - Jails and prisons
  - Locations designated by the IOUs to help during PSPS events
  - Cooling centers designated by state or local governments
  - Homeless shelters supported by federal, state, or local governments
- STATE OFFICE of Emergency Services*
- Schools*

Staff is also reviewing schools, grocery stores, agricultural storage, libraries, national security and traffic signals as other potential critical facilities even though they may not qualify for

<sup>2</sup> CPUC High Fire Threat District - <https://www.cpuc.ca.gov/firethreatmaps/>

<sup>3</sup> SGIP provides rebates for qualifying distributed energy systems installed on the customer's side of the utility meter. Qualifying technologies include wind turbines, waste heat to power technologies, pressure reduction turbines, internal combustion engines, microturbines, gas turbines, fuel cells, and advanced energy storage systems. <https://www.cpuc.ca.gov/sgip/>

incentives through SGIP for the previously mentioned sectors. Staff has identified 727 eligible sites which follow the SGIP definition for critical facilities including schools and grocery stores of which 387 are within Santa Cruz County, 304 in Monterey County, 23 in San Benito County and 14 in the city of San Luis Obispo. No eligible sites were located in Morro Bay and staff is beginning to analyze the remaining critical facilities located in the incoming 11 new member communities.

Moving forward, staff proposes to refine the number of eligible sites and associated sectors down to a representative number of customers of which staff will actively engage to solicit their interest in accessing the Uninterruptible Power Supply (UPS) fund. Staff will develop the relevant application, informational brochure as well as website to direct interested customers to learn more. Staff will allow each customer to choose their own vendor or leverage a list of established vendors to help streamline the process. MBCP will establish financing thresholds for each sector of critical facilities relative to the amount of critical power needed to keep operations running during extended power outages. With the support of all boards, the goal of the fund is to finance the deployment of back up energy supply at critical facilities at a low interest rate to rapidly respond to the economic, social and environmental impacts of PSPS events.

#### **FISCAL IMPACT:**

Staff proposes allocating \$25 million from the MBCP Rate Stabilization Reserve to establish the Uninterruptible Power Supply (UPS) fund to provide long-term capital loans to qualified customers at a low interest rate intended to cover MBCP's opportunity costs and ensure the program can be self-funded to benefit the maximum number of customers.

#### **CONCLUSION:**

With the recent PSPS events impacting more than 80,000 current MBCP customers and potentially more in communities that are joining MBCP this year, it is imperative MBCP invests in supporting backup energy supply at critical facilities. With over 700 potentially eligible sites, this funding will provide a strategic contribution towards establishing greater local energy development, resiliency and economic development. Staff recommends that the Policy Board approve the establishment of a \$25 Million fund to provide financing for critical infrastructure facility resiliency investments.