

ORDINANCE NO. 1473

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARCATA AMENDING THE ARCATA MUNICIPAL CODE TO AUTHORIZE PARTICIPATION IN THE COMMUNITY CHOICE AGGREGATION PROGRAM IMPLEMENTED AND OPERATED BY THE REDWOOD COAST ENERGY AUTHORITY (RCEA)

The City Council of the City of Arcata does hereby ordain as follows:

Section 1: Title I, *General Provisions*, of the Arcata Municipal Code is hereby amended by the addition of a new Chapter 7, *Community Choice Aggregation*, as follows:

TITLE I—GENERAL PROVISIONS CHAPTER 7—COMMUNITY CHOICE AGGREGATION

SEC. 1700. Findings and Purpose.

- A. The California Public Utilities Code under Chapter 2.3 of Division 1, Part 1 allows electric utility customers to aggregate their electric loads as members of their local community with community choice aggregators, where a community choice aggregator may be any city, county, or group of cities or counties who have elected to combine the loads of their programs through the formation of a joint powers agency established under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the California Government Code.
- B. The City of Arcata has been investigating options to provide electric services to constituents within its service areas with the intent of achieving greater local involvement over the provisions of electric services, competitive electric rates, the development of clean, local renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs through a community choice aggregation (CCA) program.
- C. The City of Arcata is a member of the Redwood Coast Energy Authority (RCEA), a joint powers authority formed by the County of Humboldt, Cities of Arcata, Blue Lake, Eureka, Ferndale, Fortuna and Rio Dell, Trinidad and the Humboldt Bay Municipal Water District, to act as a regional agency to promote sustainable energy initiatives that reduce energy demand, increase energy efficiency, and advance the use of clean, efficient and renewable resources available in the region.
- D. The RCEA is authorized by ordinance to act as a community choice aggregator to implement and operate a CCA program under California law.
- E. The RCEA has established key CCA program goals of maximizing the use of local renewable resources while also providing competitive rates to customers. These goals are aimed at supporting local economic development as well as reducing the environmental impacts resulting from the use of electricity in a technically and economically feasible manner.

- F. To analyze the feasibility of operating a CCA program that achieves these goals, RCEA is currently in the process of procuring technical support services to conduct the appropriate development and operational studies, including technical, financial and risk analyses. These studies will assist RCEA, its member agencies, and the community in evaluating a potential rate structure and energy portfolio, and, ultimately, potential CCA program viability prior to formal launch of a CCA program through the filing of an Implementation Plan with the CPUC.
- G. Participation in a CCA program implemented and operated by the RCEA, rather than independently electing to become a community choice aggregator, will reduce the City of Arcata's financial exposure from community choice aggregation, if any, because RCEA's joint power authority structure immunizes its member agencies from its debts, liabilities and obligations, and therefore the debts, liabilities and obligations of a CCA program.
- H. Electric customers have the right to opt out of the CCA program and continue to receive service from the existing utility under Public Utilities Code §366.2.
- I. Under the RCEA CCA program structure, the City of Arcata will have CCA program voting privileges on the RCEA Board of Directors as set out in the RCEA Amended and Restated Joint Powers Agreement effective December 15, 2015.

SEC. 1701. Participation in Community Choice Aggregation.

Based on all of the above, the City Council of Arcata elects to implement a Community Choice Aggregation program within the City of Arcata's jurisdiction by and through the RCEA, subject to the determination of the RCEA, based on its CCA program developmental and operational analyses and member agency input, that a CCA program based on the key goals set out above is not technically or economically feasible and consequently decides not to launch the CCA program.

Section 2. If any section, subsection, sentence, clause, or phrase of this ordinance is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance. The City Council of the City of Arcata hereby declares that it would have passed this ordinance and every section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

Section 3. This ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines because it can be seen with certainty that there is no possibility that the election to participate in community choice aggregation may have a significant effect on the environment.

Section 4. This ordinance shall take effect thirty (30) days after its adoption by the City Council.

DATED: April 20, 2016

ATTEST:

/s/ Bridget Dory
City Clerk, City of Arcata

APPROVED:

/s/ Paul J. Pitino
Mayor, City of Arcata

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Ordinance No. 1473, passed and adopted at a regular meeting of the City Council of the City of Arcata, County of Humboldt, State of California, on the 20th day of April, 2016, by the following vote:

AYES: PITINO, ORNELAS, PEREIRA, WHEETLEY, WINKLER

NOES: NONE

ABSENT: NONE

ABSTENTIONS: NONE

/s/ Bridget Dory
City Clerk, City of Arcata