



Item No. 18 Town of Atherton

CITY COUNCIL STAFF REPORT – REGULAR AGENDA

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: GEORGE RODERICKS, CITY MANAGER

DATE: SEPTEMBER 21, 2016

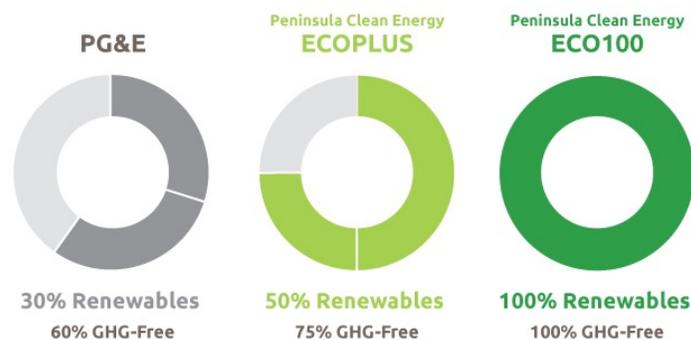
SUBJECT: PROVIDE DIRECTION TO STAFF FOR PARTICIPATION LEVEL IN PENINSULA CLEAN ENERGY FOR MUNICIPAL ACCOUNTS

RECOMMENDATION

Provide direction to staff for participation level in Peninsula Clean Energy for municipal accounts.

BACKGROUND

Peninsula Clean Energy (PCE) is launching municipal accounts on October 1. The launch is being done in phases over the next year, but municipal accounts are in the first phase. Similar to the choice for residents, the Town has the option of staying with PG&E for its municipal accounts or moving to ECOplus or ECO100. ECOplus is the default PCE energy option. ECOplus is 75% carbon-free and 50% of energy from renewables. The higher level ECO100 is 100% carbon-free and 100% of energy from renewables. and 75% carbon-free.



FINDINGS/ANALYSIS

The Town has energy costs of approximately \$230,000 per year. These come from various sources – buildings, street lights, sprinkler systems, etc. PCE estimates a 2.5% to 3% increase going from PG&E to the ECO100 product – an approximate \$6,900 per year.

The table below reflects the typical commercial usage of 1500 kWh at current PG&E rates and PCE rates effective as of June 23, 2016 under the Commercial-1/A-1 rate schedule. The Town’s meters are within this rate structure.

	Peninsula Clean Energy ECOplus	Peninsula Clean Energy ECO100	PG&E (opt-out)
Renewable Energy**	50%	100%	30%
Greenhouse Gas Free Content	75%	100%	60%
Electric Generation Charge	\$109.30 (PCE)	\$124.30 (PCE)	\$144.32 (PG&E)
PG&E Electric Delivery Charge	\$188.71	\$188.71	\$188.71
Additional PG&E Fees	\$27.81	\$27.81	-----
Average Total Cost	\$325.82	\$340.82	\$333.04

The basic ECOplus default could result in a cost reduction of approximately 2.2%. For the Town’s \$230,000 annual energy cost (Town-wide) that’s a savings of approximately \$5,060.

The Town has approximately 25 separate energy meters. The bulk of the Town’s energy usage comes from Town Hall, Knox Playschool, and the Atherton Library. The bulk of the Town’s meters are street lights.

POLICY FOCUS

The two policy issues for Council discussion are cost and philosophy.

The Town is a member of the Peninsula Clean Energy JPA and participates in the annual setting of rates for the Agency. While the cost to participate at the ECO100 level is not significant, participating at the ECOplus level does represent a cost savings. Neither of the two amounts are significant in terms of the Town’s annual budget.

Another issue for Council consideration is philosophy. Participation at both levels provides the Town with benefits under its Climate Action Plan matrix for GHG reduction. Participation at a higher level may be perceived as setting an example for the community.

Unless there is direction from the Council “opt-out” of the program and remain with PG&E, no direction from the City Council results in the Town’s municipal accounts being enrolled in the default product, ECOplus.

FISCAL IMPACT

As noted above.

PUBLIC NOTICE

Public notification was achieved by posting the Council Meeting agenda with this agenda item listed at least 72 hours prior to the meeting in print and electronically. Information about the item has also been disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials.

ATTACHMENTS

None.