

June 4, 2024

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to adopt a Resolution authorizing the City Manager, or designee, to execute a contract and any necessary documents including any necessary subsequent amendments with RB Inyokern Solar WDAT 1203 LLC, of Los Angeles, CA, for the purchase of renewable electric energy credits, for a period of one year with automatic annual renewals for up to ten years, unless terminated, at the discretion of the City Manager;

Adopt a Resolution authorizing the City Manager, or designee, to execute a contract and any necessary documents including any necessary subsequent amendments with PowerMarket, of New York, New York, to manage and facilitate the purchase of renewable electric energy credits; for a period of one year, with automatic annual renewals for up to ten years, unless terminated, at the discretion of the City Manager; and,

Approve the transition of all eligible City-owned electricity accounts to Southern California Edison's (SCE) Community Renewables Program. (Citywide)

DISCUSSION

City Council approval is requested to enter into a contract with RB Inyokern Solar WDAT 1203, LLC (RB Inyokern Solar), for the purchase of renewable electric energy credits. RB Inyokern Solar is a Community Renewables Program provider. City Council approval is also requested to enter into a contract with PowerMarket, RB Inyokern Solar's billing and customer service management partner, to manage and facilitate the purchase of renewable electric energy credits.

On August 16, 2022, the City Council approved the Long Beach Climate Action Plan (LB CAP), establishing a series of climate mitigation actions for the City to reduce greenhouse gas (GHG) emissions to reach the target of 40 percent below 1990 emission levels by 2030, with the goal of achieving net-zero emissions by 2045. The stationary energy sector, which includes buildings, is a large component and source of emissions. The LB CAP includes actions to work with SCE on participating in renewable energy programs and to purchase 100 percent renewable electricity for all municipal accounts.

The City has an opportunity to acquire renewable energy for municipal accounts through the SCE Community Renewables Program (Program), a state-established program administered by SCE to provide clean energy benefits. The Program is designed to provide customers the

benefits of local, renewable energy without the need to install solar on their property. Through enrollment with the Program, solar energy would be provided by RB Inyokern Solar, a third-party vendor that has an agreement with SCE to provide renewable energy to southern California under this Program.

The Program is authorized through the California Public Utilities Commission and is only available through SCE as SCE is the City's electricity provider. This Program is the only immediately available and feasible way for the City to purchase renewable electric energy credits. The Program allows the City to provide renewable energy for municipal accounts, as required by the LB CAP, while continuing to explore and analyze other ways for the City to contract for renewable energy in the future.

To enter into the Program, the City would execute an SCE Green Tariff Shared Renewables Community Renewables Customer enrollment form (Form 14-962) to enroll eligible municipal accounts. The City would also execute a customer development agreement with RB Inyokern Solar to subscribe to a portion of a solar farm located in Inyokern, CA. The contract term would be one year with automatic one-year renewals for up to ten years, unless terminated by either party. The City may terminate at any time by providing at least 60-day written notice with no termination fee.

A company called PowerMarket manages the program on behalf of RB Inyokern Solar. The City would purchase the renewable power at a discount from PowerMarket for all eligible municipal accounts and receive a credit on the City's SCE utility bill for these accounts. PowerMarket would provide the City with monthly notifications on how many credits it has received, the value of the credits, and how much is owed. After a 7- to 10-day period, PowerMarket will auto-debit 90 percent of the renewable credit amount, while the remaining 10 percent becomes a savings to the City's SCE bill.

The Program is available to Long Beach residents and business owners. Using proper City channels and mediums, the City in collaboration with SCE will promote Program participation to educate and engage Long Beach residents on the benefits of the Program.

City Council authorization is requested because RB Inyokern Solar is the only provider within the Program with any capacity to provide credits and PowerMarket is the sole manager of the Program for RB Inyokern Solar. As a result, no useful purpose would be served by seeking proposals and to do so would constitute an idle and useless act and an unnecessary expenditure of public funds. Additionally, this recommendation will have direct savings on the City's SCE bill.

SUSTAINABILITY

Electricity use contributed more than 20 percent of Long Beach's total community emissions in 2015, so reducing electricity-related emissions is critical to achieving the LB CAP goals. This recommended action is consistent with the LB CAP, which includes an action to purchase 100 percent renewable electricity for all municipal accounts (Buildings and Energy Chapter, Action 1.4). To accomplish this action, the City first sought to work with SCE, which has committed to providing 80 percent carbon-free energy by 2030, and this commitment is considered in the LB CAP's GHG reductions estimates for the 2030 target.

SCE provides a Green Rate Program, under which residential, commercial, and municipal customers are to be able to purchase renewable energy from the electric utility. However, SCE does not have the renewable energy generation capacity in their Green Rate Program and has indicated that access to this program for any amount of City electricity accounts is not a viable option for at least the next several years, and until new Green Rate resources are authorized by the California Public Utilities Commission, SCE will only maintain a waitlist of interested customers. Therefore, the City shifted to explore participation in SCE's Community Renewables Program, which has renewable energy generation capacity through contracts with Community Renewable providers that allows the City to fulfill the action of purchasing renewable electricity for all eligible municipal accounts.

PowerMarket has identified 470 eligible City of Long Beach municipal accounts that combined have an annual kWh usage of 2,926,383. Enrolling in the SCE Community Renewables Program could reduce the City's carbon footprint by approximately 422 metric tons, using an emission factor of 0.1192 MT Co2e/yr. Additionally, the City will retain the Green-e® Energy-certified Renewable Energy Certificates (RECs) associated with its share of the Inyokern community solar project, thereby realizing 100 percent renewable energy for these accounts. In order to meet the City's climate action goals, the City will continue to implement additional LB CAP actions, including sharing information to residents about SCE's Community Renewables Program, through which Long Beach has the opportunity to reduce up to 15 million kWh/year in residential energy use.

This matter was reviewed by Deputy City Attorney Erin Weesner-McKinley on May 17, 2024, Administrative Analyst Tommy Ryan on May 10, 2024, and by Budget Development Officer Jennifer Rodriguez on May 16, 2024.

TIMING CONSIDERATIONS

City Council action to adopt Resolutions and award contract concurrently is requested on June 4, 2024, to enable the procurement of the energy by PowerMarket's July launch.

LEVINE ACT

This item is subject to the Levine Act. The Mayor, Councilmembers, and Commissioners who have received a contribution of more than \$250 within 12 months prior from a party, participant, or their representatives involved in this proceeding may do either of the following: (1) disclose the contribution on the record and recuse themselves from this proceeding; OR (2) return the portion of the contribution that exceeds \$250 within 30 days from the time the elected official knew or should have known about the contribution and participate in the proceeding.

All parties, participants, and their representatives must disclose on the record of this proceeding any contribution of more than \$250 made to the Mayor or any Councilmembers within 12 months prior to the date of the proceeding. The Mayor, Councilmembers, and Commissioners are prohibited from accepting, soliciting, or directing a contribution of more than \$250 from a party, participant, or their representatives during a proceeding and for 12 months following the date a final decision is rendered.

FISCAL IMPACT

There is no fiscal impact associated with this recommendation. As a result of enrolling in the SCE Community Renewables Program, the City would continue to pay the SCE utility bills for City owned and operated buildings and that amount would be reduced each month by a renewable power credit provided by PowerMarket. The City would then pay PowerMarket a monthly amount equal to 90 percent of the credit on the SCE bill. The exact amount of the credit is based on prior usage and could change month-to-month based on the City's electricity usage and the solar power generated by the solar project. However, it is anticipated there will be direct savings on the City's SCE bill. Sufficient appropriation is budgeted across multiple funds and departments for the existing utility bills. Contingent upon SCE's approval of eligible accounts, multiple funds and departments may be affected. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'T. B. Modica'.

Thomas B. Modica
City Manager

ATTACHMENTS: RESOLUTIONS

A – COMMUNITY RENEWABLES PROGRAM FACT SHEET

B – SAMPLE SUBSCRIPTION AGREEMENT