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Study: Renewable Energy Option Deemed Feasible in San Diego

COMMUNITY CHOICE AGGREGATION PROGRAM ONE OPTION THE CITY WILL CONSIDER TO HELP CITY REACH GOAL OF 100 PERCENT RENEWABLE ENERGY USE BY 2035

SAN DIEGO – A study released today determined that the City of San Diego will have at least one viable choice to help reach its goal of 100 percent renewable electricity by 2035, a key element of the Climate Action Plan. The study is one step in a two-part process outlined in the Climate Action Plan for the consideration of a renewable energy program.

The feasibility study for a Community Choice Aggregate (CCA), completed by Willdan Financial Services, concluded the option to be feasible. CCA is a program established by state law that allows local governments to purchase electricity on behalf of customers within their jurisdiction. Using conservative estimates, the study determined:

- A CCA program would be able to meet the majority of the recommended minimum performance criteria set by San Diego's Climate Action Plan, including greenhouse gas emissions reductions and 100 percent renewable electricity without the use of Renewable Energy Credits;
- A CCA program would have rates that are competitive with the incumbent utility (SDG&E);
- A CCA program could have a positive economic impact in terms of increased disposable income and local jobs creation; and
- A CCA program would be reliably solvent and financially feasible.

The <u>full feasibility study</u> is available on the City's Sustainability website, <u>https://www.sandiego.gov/sustainability/clean-and-renewable-energy</u>.

"We're moving full speed ahead to reach our ultimate goal of using 100 percent renewable energy citywide, and this study shows we have the ability to get there. This analysis underscores that San Diego's Climate Action Plan is not only ambitious, it's achievable," said Mayor Kevin L. Faulconer. "We now have at least one option to completely power San Diego with green energy, and over the coming weeks and months we will look at other options, put all the alternatives on the table and have a public discussion about the best approach to ensure reasonable rates for San Diegans and a sustainable future for our city."

CCAs allow residents and businesses to choose who will purchase energy on their behalf, either the CCA or the incumbent utility, and the renewable content of their electricity. CCAs have been implemented in other California cities as an alternative way to procure energy. The study shows that within five years of operation, a CCA could offer electricity rates that are, on average, competitive with current rates.

The Climate Action Plan's second phase, which runs from 2018 to 2020, calls for "consideration of a CCA or another program that increases the renewable energy supply." To evaluate other energy programs, the City in June issued a Request for Statement of Qualifications (RFSQ) for organizations to submit information on how they would provide electricity entirely from renewable generating sources to residents, businesses and government operations in the City.

The results of this two-part process – the CCA feasibility study and the RFSQ for other alternative programs – will inform the development of options to help reach 100 percent renewable energy. The anticipated timeline for a decision is below. It is subject to change.

- June 2017: Release of the RFSQ for renewable electricity
- July 2017: Release of the CCA feasibility study
- July 2017: RFSQ closes for proposals
- July-August 2017: City review of all options; public input
- September-November 2017: Community outreach, input
- December 2017: City Council Committee hearing on options
- January 2018: City Council hearing on options

The City is interested in public feedback on the study. All community members are welcome to submit written remarks to <u>sustainability@sandiego.gov</u>. The City will announce additional input opportunities in the coming months, and the public will also be welcome at the Council Committee and full Council hearings this winter.

Following a City Council decision in early 2018, an implementation and business plan would be developed.

"The City is on track with our Climate Action Plan, and we are proud that San Diegans can start seeing options to meet our ambitious goal of reducing greenhouse gas emissions through renewable energy," said Cody Hooven, the City's Chief Sustainability Officer. "The City will continue to engage with community members, stakeholders and experts to deliver cost-effective programs to make a meaningful impact on our sustainability goals."

