

UTAH100  
COMMUNITIES

# Community Renewable Energy Agency Updates & Introduction to Utility Agreement

Presentation to Summit County Council  
March 8, 2023  
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Sustainability Program Manager



# Work Session Overview

## Agenda

- Purpose of today's work session
- History & timeline: pathway to meeting net-100% renewable energy community wide goal
- Review of activities since the formation of the Community Renewable Energy Agency
- Introduction to and recommended approach to executing Utility Agreement
  - Council feedback
- Highlights of program design direction
- Discussion

Please note: the order of the staff report and slides vary slightly to ensure adequate time is available for Council feedback on recommended approach to executing Utility Agreement

# Purpose of today's work session

## Goals for today:

- Provide an update on the Community Renewable Energy Agency and introduce Council to the Utility Agreement
- Share staff recommended approach to executing the Utility Agreement and gather Council feedback on this approach
- As time allows, highlight some details of the direction that the Community Renewable Energy Program design is headed

## Please note that the following terms may be used interchangeably:

- Community Renewable Energy Agency
- CREA
- Utah 100 Communities
- Utah 100 Program

# Multiple strategies for meeting renewable energy goals

[Resolution 2019-29](#) identifies renewable energy as a key focus to reduce greenhouse gas emissions while creating co-benefits for environmental and public health. The County has pursued multiple distinct strategies for meeting renewable energy goals for government operations and community wide.

Transition to measured net-100% renewable electrical energy by 2030 for all of Summit County's government operations, hitting net-50% by 2025



With greater influence over our own facilities, these strategies get us close 90%+:

- Emphasis on energy efficiency in County buildings
- Solar PV installed on 7 County facilities
- Small Subscriber Solar subscription
- Elektron solar facility (pending completion) will be the most significant contributor to meeting this goal

Achieve an amount equivalent to 100% of the annual electric energy supply for participating customers from a renewable energy resource by 2030.



Initiatives to reduce barriers, increase availability, and offer affordable options for renewable energy have included:

- Two rounds of Mountain Town Community Solar bulk purchase program
- Past fee waivers for solar PV permits
- **Legislative and utility collaboration to support passage of HB 411 (2019) & subsequent development of the Community Renewable Energy Program**

## Determining a pathway for renewable energy to be available community wide

- Partnering with other communities and our utilities is essential to making renewable energy widely available to all residents and businesses
- 2016: Summit County, Park City, and Salt Lake City hired Energy Strategies to conduct the [Community Renewable Energy study](#) to examine legislative and regulatory pathways to achieve community-wide renewable energy goals
- 2018: Summit County, Park City, and Salt Lake City all signed [Joint Clean Energy Cooperation Statements](#) committing to work cooperatively to support community energy goals
- 2019: Community Renewable Energy Act ([HB 411](#)) passed by the Utah Legislature and Rules Governing the Community Renewable Energy Program ([R746-314](#)) were adopted by the Utah Public Service Commission
- 2021: Summit County approved the [Interlocal Cooperation Agreement Among Public Entities Regarding the Community Renewable Energy Program](#) becoming a founding and anchor member of the Community Renewable Energy Agency (aka [Utah 100 Communities](#)) which is working to develop the Community Renewable Energy Program in partnership with RMP
- 2022: CREA membership finalized with 18 of 23 eligible communities joining

# Community Renewable Energy Agency structure

## Community Renewable Energy Agency

- Interlocal government entity of 18 communities
- Outside counsel: James Dodge Russell & Stephens, with Phillip Russell serving as our primary attorney
- Energy consultants: Energy Strategies with Kevin Higgins serving as our main consultant
- Budget: \$700k for program start-up costs raised from member communities

## Board

- 2 board members per community
- Monthly Meetings
- Officers:
  - Chair: Dan Dugan, Salt Lake City
  - Vice Chair: Angela Choberka, Ogden
  - Treasurer: Jeff Silvestrini, Millcreek
  - Secretary: Emily Quinton, Summit County

## Program Design Committee

Springdale, Ogden, Summit County, Park City, Millcreek, Holladay, Salt Lake City

- Coordinate and negotiate with RMP, other state agencies
- Bring recommendations to board regarding program design, utility agreement, key program design decisions

## Low-Income Plan Committee

Ogden, Cottonwood Heights, Park City, Kearns, Summit County, Salt Lake City, Castle Valley

- Developed template low-income plans and supported communities in finalizing their plan
- Integrate low-income considerations into overall program design
- Coordinate outreach among organizations that serve low-income audiences across communities

## Communications Committee

Alta, Moab, Cottonwood Heights, Holladay, Salt Lake City

- Manages website, supports Board with communications assets, develops press releases
- Will be critical to support communities with outreach & education before and during program launch

# What has the Community Renewable Energy Agency been up to?

Since launching in July 2021, the Community Renewable Energy Agency, the three subcommittees, and our consultants have met regularly to advance the development of the Community Renewable Energy Program. While there is a lot of work remaining before RMP files the Program Application, significant progress has been made.

*As an Agency we have coordinated with:*

- Rocky Mountain Power
- Key state offices: Division of Public Utilities and Office of Consumer Services
- Utility assistance program implementers
- Clean energy advocates
- Interested community members
- And many more stakeholders

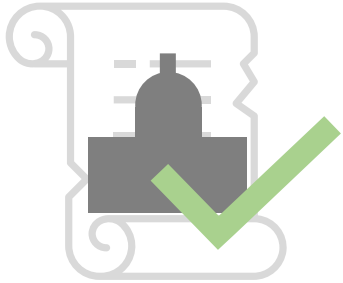
*Portions of the Program Application have been completed or substantial progress has been made, including:*

- Draft model Ordinance finalized
- Individual community low-income plans finalized
- Boundary maps drafted
- Customer counts, load forecasts drafted
- Proposed form of opt-out notices drafted
- Utility Agreement drafted

Discussions continue to determine how the program will acquire new renewable energy resources, how those resources will be valued and what they will cost, what that means for customer rates, and how we will meet State statute by ensuring that no program costs are passed to non-participating customers.

# Steps to maintain eligibility for & develop Community Renewable Energy Program

**HB 411 Enabling Legislation Passed and Rules Adopted**



**State legislature and Utah PSC**

Establishes requirements & defines pathway to develop program

**Community net-100% Resolution Adopted**



**23 communities adopted**

Establishes net-100% goal to ensure eligibility for Program, as required by law

**Interlocal Governance Agreement Signed**



**18 communities signed**

Maintains eligibility for Program, as required by law & outlines Community Renewable Energy Agency (CREA) interlocal cooperative structure

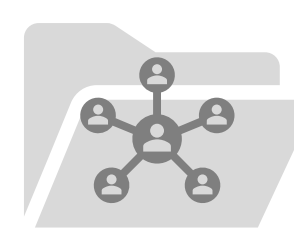
**Utility Agreement – to be signed**



**All communities sign with the utility**

Maintains eligibility for Program, as required by law  
  
One agreement, approved by the Board and signed by each community

**Program Application – to be submitted**



**Agency approves and utility submits**

Maintains eligibility for Program, as required by law

*Target submission: end of March 2023*

**Receive Approval from Utah PSC**

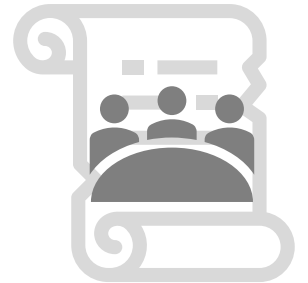


**Program is approved**

Commission order may require changes to program rates, materials, etc.

*Potential timeline: 3-6 months after Program Application is submitted*

**Adopt Ordinance**



**Each community adopts**

Adopts the approved Program for the community

*Must be approved within 90 days of Utah PSC approval*



# Utility Agreement

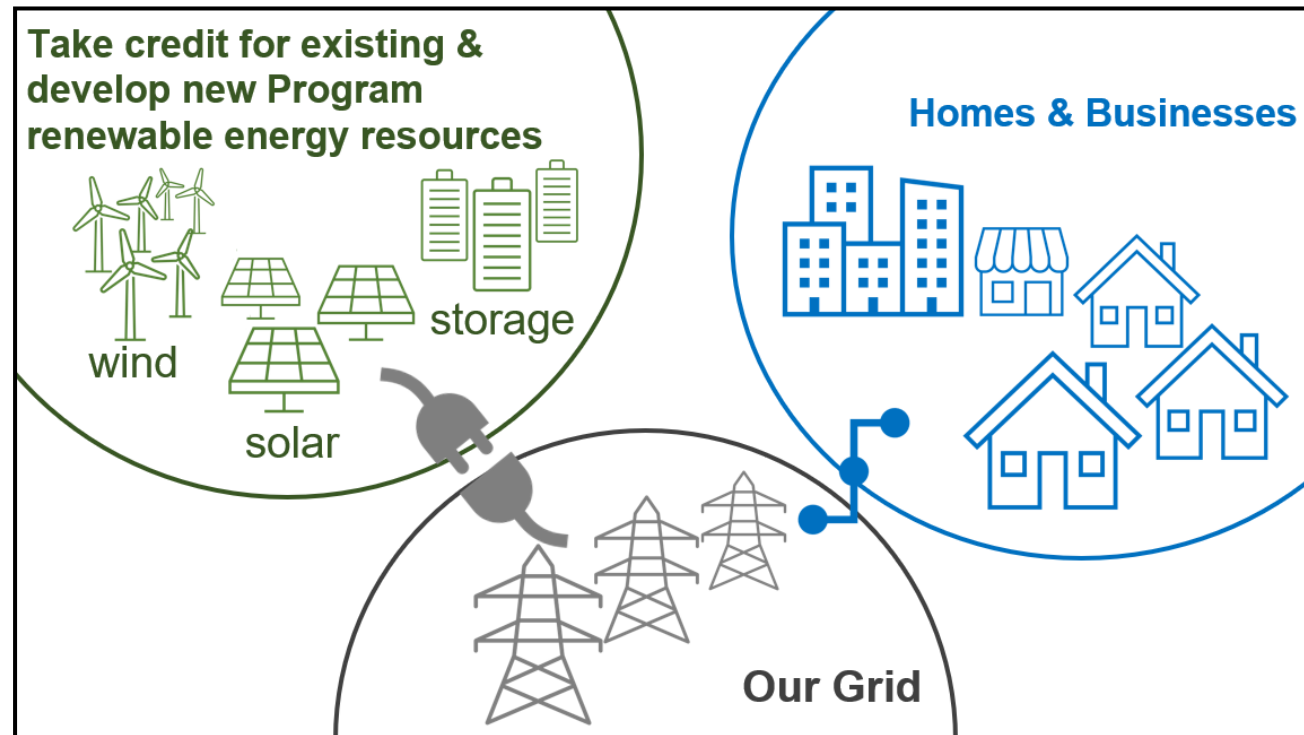
- State law outlines four elements that must be in the Utility Agreement:
  - Community Renewable Energy Agency payment for consultants used by the Division of Public Utilities and Office of Consumer Services
  - Communities reimburse RMP for costs associated with the mail two notices that go to customers before program launch
  - Describe how unpaid termination fees will be dealt with
  - Identify any replaced assets
- CREA and RMP have identified additional elements to include in the Utility Agreement
- The Utility Agreement is still in draft form:
  - A first draft of the Utility Agreement was developed by CREA's counsel and sent to RMP in October 2022
  - CREA Program Design Committee and community attorneys reviewed RMPs redline in January and February 2023
  - The most recent draft was presented to the CREA board in closed session on Monday, 2/27/23
- CREA's counsel and RMP attorneys will continue working towards a final version. CREA board members and community attorneys will continue to be involved in reviewing subsequent drafts
- We hope the Utility Agreement will be finalized by the end of the month

## Executing the Utility Agreement – staff recommendation

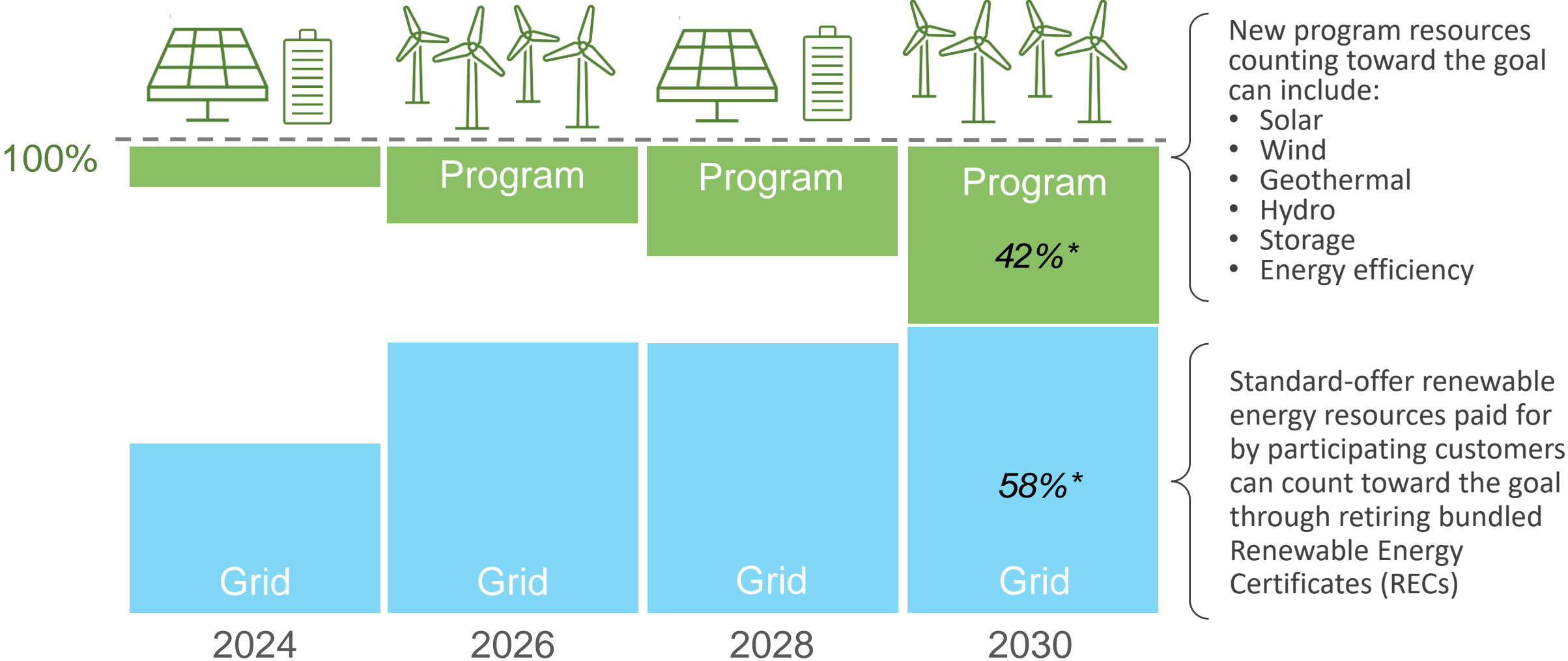
- Staff recommends that once the Utility Agreement is final the County Manager can sign the Agreement on behalf of Summit County without further Council action
- To support the County Manager:
  - Summit County's board members (Roger and Emily) will stay engaged in reviewing the Agreement
  - Summit County Chief Civil Deputy, Dave Thomas, will be engaged in reviewing the Agreement as well
- Staff thinking behind this recommendation:
  - The Utility Agreement is the next step on the path to remain eligible for the Community Renewable Energy Program and ensures we are included in the Program Application – staff's impression is that Council continues to support our participation in this process
  - Based on reviewing the Utility Agreement so far, no major changes, surprises, or change in direction is anticipated as a result of what is included in the Agreement

# What is the program goal and how will we meet it?

- Acquire renewable energy to serve residents and businesses in participating communities so that by 2030, the amount of electricity participants use every year will be matched by the same amount of renewable energy delivered to the RMP system
- This is also referred to as “net-100%” renewable electricity, with consumption matched by generation
- Envision meeting this goal through a combination of the renewable energy we already pay for as RMP customers and new program resources



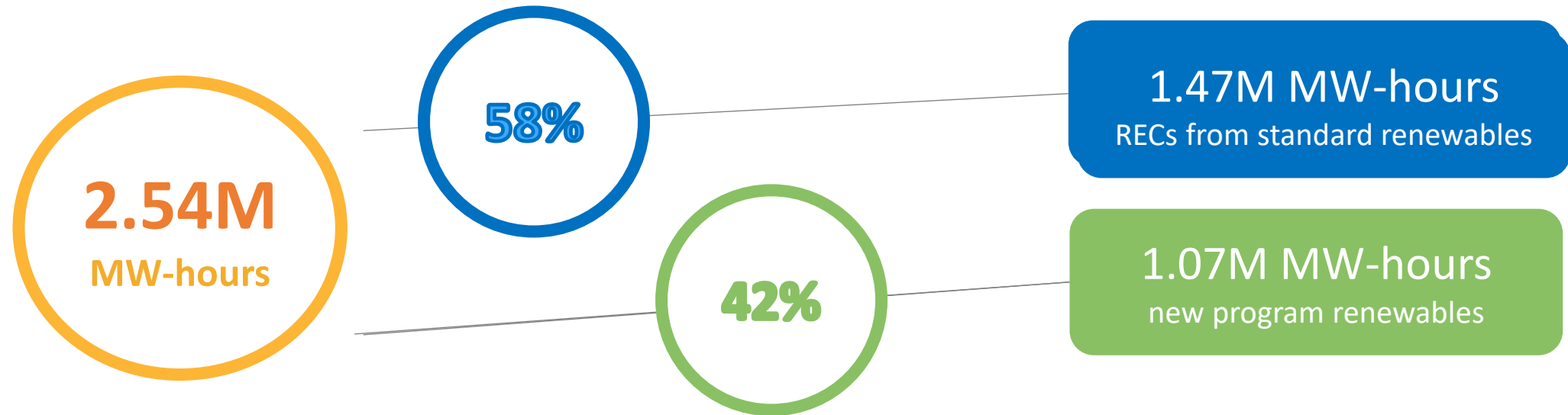
# Achieving net-100% renewable electricity goal by 2030



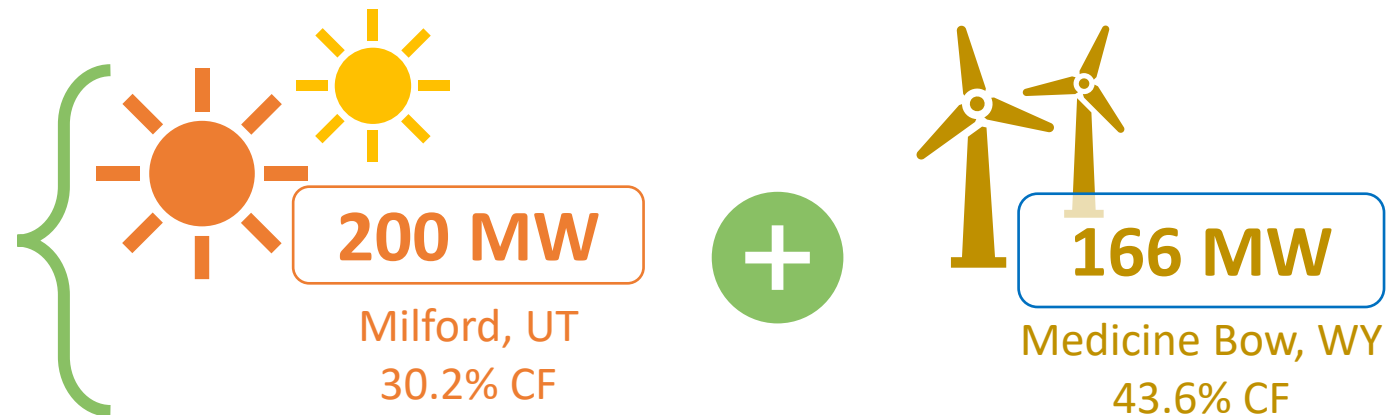
*\*Percent of energy to be provided by new program resources will be adjusted in advance of 2030 goal based on actual participation rates and updates of RMP's Integrated Resource Plan*

# How Much Renewable Energy Might the Program Acquire?

Based on electricity consumed by the 18 eligible communities in 2021 and assumptions about participation across residential, commercial, and industrial loads, the Program size could be **2.54 million** megawatt-hours per year



1.07 million megawatt-hours of new program resources is equivalent to....



# Why will the Program cost a premium, and what might that cost be?

- Based on a provision in the interlocal governance agreement requiring supermajority votes if a resource has a 10% incremental rate impact and information about the average monthly residential electric bill, *we hope that for the average residential customer, the program will cost less than \$7 per month averaged over the year*
- The actual cost will depend on how resource valuation is calculated, which is still being finalized in our discussions with RMP
- We expect that the program will cost a premium to participate in because:
  - Program customers are required to pay their share of “ongoing costs” of the rest of the RMP electricity system
  - Renewable projects that show overall savings are built to serve all customers, not just Program customers
  - As wind and solar increase on the system, each additional project has less value

## Since it will likely cost something to participate in the program, what does this mean for low-income customers?

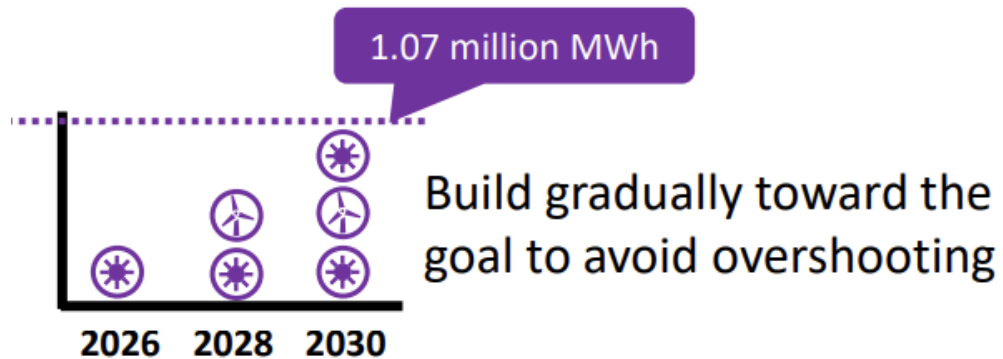
- In late 2022, the CREA board voted to adopt two “Programmatic Strategies” to low-income assistance to incorporate into the overall program design
  - The first is an enhanced monthly bill credit. This strategy will build on RMP’s existing bill credit, by offering up to \$7.00/month for eligible low-income customers participating in the program. The actual enhanced monthly bill credit amount will be determined by how much the program will cost the average household
  - The second Programmatic Strategy is a termination fee waiver. If implemented for the program, a termination fee would apply to customers that exit the program after a designated cancellation period. If the program’s design includes a termination fee, it will be waived for all eligible low-income customers, allowing them to leave the program at any point without financial penalty

# How will a program that is optional guarantee resource repayment?

Reduce the risk of costs being shifted to non-participating customers



Low cost encourages high participation



Moderate exit fee to encourage stable participation

Provide a “financial backstop” to ensure no costs are shifted to non-participating customers



Backstop fund: customer pre-payments, loan guarantee, guarantee pool, reserve fund



Insurance product



# Thank You & Discussion

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