

STAFF REPORT



TO: Summit County Council
FROM: Lisa Yoder, Sustainability Program Manager
DATE: March 14, 2018
SUBJECT: Continued discussion and possible approval of Summit County and Rocky Mountain Power Joint Clean Energy Cooperation Statement

This staff report accompanies a revised Summit County and Rocky Mountain Power Joint Clean Energy Cooperation Statement for continued discussion and possible approval.

INTRODUCTION

During the February 21, 2018 County Council meeting, Council reviewed the Summit County and Rocky Mountain Power Joint Clean Energy Cooperation Statement. At that time, Council expressed concerns with the agreement that primarily centered on the exclusionary clause that would prevent the County from pursuing Community Choice Aggregation and/or renewable energy sources other than those provided by Rocky Mountain Power to deliver renewable electricity in the future.

Since then, council provided staff with redline edits to the Joint Clean Energy Cooperation Statement that addressed their concerns. The edited redline version was provided to Rocky Mountain Power for review and edits. All of the edits and comments have been considered and incorporated into the revised Summit County and Rocky Mountain Power Joint Clean Energy Cooperation Statement (attached) for your review and possible approval.

BACKGROUND

The Joint Clean Energy Cooperation Statement affirms both parties' desire to work together toward achievement of County's goals articulated in Resolution 2017-16:

- Reduce greenhouse gas emissions from county government operations by 80% below their 2016 level by 2040 and implement strategies and policies to encourage the reduction of greenhouse gas emissions countywide by 80% below their 2014 level by 2050.
- Transition to net measured 100% renewable electrical energy for all of Summit County's government operations by 2032 and make renewable electrical energy obtainable, and adopted broadly, by all residents and businesses in Summit County by 2032. Included is an interim goal of 50% renewable electrical energy for county government operations by 2025.

To advance both parts of the county's renewable energy and emissions reduction goals—county operations and countywide—staff requests Council review and approve the revised Joint Clean Energy Cooperation Statement.

JOINT CLEAN ENERGY COOPERATION STATEMENT

The Joint Clean Energy Cooperation Statement acknowledges each party's responsibilities, the County's goals and both party's willingness to work together to advance the County's goals.

The Joint Clean Energy Cooperation Statement provides the framework to collaboratively develop renewable energy options, energy efficiency programs, and make electric vehicle projects available for *all* energy users in the County—residential, commercial, industrial, governmental and non-profits. Many of these endeavors are already underway.

A paragraph was inserted in Section III (page 2) that states the County is not contracting and/or acting on behalf of any other municipalities however, the County will cooperate with municipalities should their governments adopt similar energy related goals.

DISCUSSION

County's collaboration with Rocky Mountain Power, as proposed in Joint Clean Energy Cooperation Statement, advances both the county goals and countywide goals. While taking steps outlined in the Joint Clean Energy Cooperation Statement, staff will explore and bring to Council recommendations for making renewable electrical energy obtainable and adopted broadly, by all residents and businesses in Summit County by 2032.

RECOMMENDATIONS

Staff recommends approval of the Summit County and Rocky Mountain Power Joint Clean Energy Cooperation Statement to make progress toward the achievement of the County's renewable energy and emissions reduction goals.

**SUMMIT COUNTY
AND ROCKY MOUNTAIN POWER
JOINT CLEAN ENERGY COOPERATION STATEMENT**

Summit County, a political subdivision of the State of Utah (“**County**”), and PacifiCorp dba Rocky Mountain Power, an Oregon corporation (“**Company**” or “**Rocky Mountain Power**”), jointly state their intention to cooperate in accordance with the objectives stated below. The County and the Company will hereinafter be referred to, individually as a “**Party**” and collectively as the “**Parties.**”

I. OVERVIEW

The County is responsible for protecting the public health and safety of its residents, which includes facilitating access to clean air, dependable and affordable energy, clean water and a livable environment.

The Company is a public electric utility regulated by the Public Service Commission of Utah (“**PSC**”) with a responsibility for providing safe and reliable electrical service to its customers, at just and reasonable rates, as determined by the PSC.

The County has determined that meaningful reductions in pollution and greenhouse gas emissions will benefit all County residents, visitors, businesses and Utah as a whole, through improved public health, additional economic opportunities, long-term energy price stability and a stronger sense of community security.

The Parties desire to work cooperatively to support the County’s energy goals as identified herein through the use of programs and innovative technologies that may be unique to the County and will be further developed through ongoing feasibility and implementation work.

II. GOALS

The County is committed to reducing pollution and the carbon intensity of electricity used in the County by both the County government operations and the general citizenry. The County has set goals to: (a) transition to an annually measured 100% net renewable electrical energy portfolio for all of the County’s government operations by 2032, with the achievement of 50% renewable electrical energy for government operations by 2025 and (b) make renewable energy obtainable and adopted-broadly by all residents and businesses in County by 2032.

The County desires to accelerate adoption of energy efficiency in the community and for governmental operations because the cheapest, cleanest energy is energy that is not used. This, in turn, will reduce energy costs.

The County aspires to the goal that net-cost changes, if any, to the County or its energy users associated with achieving its stated clean energy goals, are reasonable. The County envisions measures to mitigate any incremental costs associated with pursuing a clean energy future to all County energy users with a high priority placed on preventing negative impacts to low-income residents.

Further, the County acknowledges that, with respect to any Plan (defined below) developed and proposed by the Parties and adopted by the County, in its sole discretion, there may be added costs (including, without limitation, costs of renewable energy and services) associated with meeting the County's environmental goals and objectives if the cost of new renewable energy exceeds the cost of standard-service electricity, that would be paid solely by the County, the electricity users within the County, or both without being subsidized by any other Company customers. The County further acknowledges that net lifecycle financial costs and benefits as defined by the PSC associated with measures used to achieve its energy goals will benefit, and thus be the sole responsibility of, the County and electricity users within County limits. Consequently, the County acknowledges the Company may need necessary approval(s) as to terms, costs and rates relating to services provided by the Company to implement the measures contemplated by this cooperation statement.

The County is motivated, in part, by continuing reductions in renewable energy costs and the desire for stable long-term energy rates. The Parties desire to cooperate to develop a local energy system that meets the social, economic and sustainability goals of the County.

III. RENEWABLE ENERGY, ENERGY EFFICIENCY AND ELECTRIC VEHICLE PROJECTS

- The Parties will explore a variety of energy efficiency and renewable resource options for all energy users in the County—residential, commercial, industrial, governmental and non-profit—to reduce carbon intensity and make significant progress towards the County's reduced emissions and reduced energy usage goals. The County acknowledges it does not nor intends to act on behalf of the incorporated municipalities located within the County. However, the Parties will cooperate to inform these municipalities of the County's goals and make available the same opportunities to contract with the Company if their governments adopt similar energy-related goals. These options may include remote- and locally-sited, utility-scale solar and regional wind installation solutions, along with customers' ability to install solar photovoltaic panels behind the meter using the appropriate rate

schedule as determined by the PSC, potential power purchase agreements from third-parties responding to the Company's RFP processes, among other arrangements as allowed by law. The plan will consider and evaluate the following options for further development:

- New subscriber solar and wind power generation located in Summit, Carbon, Emery, Severe, Millard, Tooele, Uintah or other counties.
- Evaluation of existing renewable resources to meet County needs and potential retirement of Renewable Energy Credits ("RECs").
- A customized renewable energy program that addresses the transition from fossil fuel generation to renewable electrical energy and the associated costs.
- Diverse sources of renewable power and micro-grid technologies.

The Parties will work together to evaluate (and implement pursuant to the Plan) energy efficiency programs designed to reduce the County's and its residents' current and future use of electrical energy through the Company's Wattsmart program within County facilities.

The Parties will work together on programs that may include energy efficiency, demand response, energy storage and renewable energy projects, including programs designed to provide energy users living within the County the ability to purchase the output of regional renewable energy facilities.

The Parties will work together to implement the Wattsmart communities Memorandum of Understanding, Phase 1 – Plan Development, dated January 24, 2018. The Parties will strive to jointly evaluate new technologies such as smart-grid and customer-side investments designed to allow efficient utilization of resources, reduced greenhouse gas emissions and deployment of renewable energy and electric vehicle ("EV") charging infrastructure.

The Parties will investigate options to deploy EV infrastructure and innovative technologies to support EVs.

IV. COUNTY RENEWABLE ENERGY PROJECTS

To facilitate the County's renewable energy and carbon reduction goals for County facilities and increase and expand the County's clean energy portfolio, the County has subscribed to approximately 18 kilowatts of solar energy for use at various County facilities under the Company's Subscriber Solar program. To the extent additional solar energy is or becomes available under the Company's Subscriber Solar program or otherwise, the County may subscribe to additional solar energy for County facilities in the future.

The Parties intend to cooperate to identify additional avenues for leveraging County assets (e.g., infrastructure and property) and the Parties' investments to build additional renewable energy projects to achieve the County's government energy goals.

V. IMPLEMENTATION STEPS AND TIMING

The Parties intend to work together to develop an implementation plan (the "Plan") outlining respective roles, processes, responsibilities, timelines, program and project development pathways and costs to achieve the goals and deliverables outlined in this Cooperation Statement. The Parties will meet regularly to develop a framework of deliverables to support the Plan. The target deadline for completion and acceptance of the initial draft of the Plan will be driven by the County's providing greater scope and detail related to the community-wide goals.

The Company will assist the County to develop a 10-year load forecast, to be updated as needed, setting a baseline from which work on the Plan can be established.

The Parties intend to jointly publish a report by August 30, 2019, and will publish future reporting as mutually agreed to by Parties, to provide status and progress towards renewable energy, energy efficiency and carbon reduction goals, and the creation of the Plan.

The Parties intend to cooperate to identify mutually agreeable projects and programs which will become part of the Plan, and the Company will take a leadership role in identifying and pursuing the necessary approvals required.

The Parties intend to work together in good faith to develop the Plan to help the County achieve its clean energy targets with the understanding that implementing the Plan will require entering into contracts and agreements to administer the developed programs ("Future Agreements") and may require PSC approval.

VI. COMMITMENT OF COOPERATION

Beginning as of the Effective Date and ending five hundred fifty (550) days thereafter (the "Cooperation Period"), the Parties will develop the Plan. Unless otherwise agreed to in writing by the Parties, during the Cooperation Period or any Cooperation Periods subsequently defined in Future Agreements, the County agrees it will not separately implement options including Community Choice Aggregation ("CCA") that could directly conflict with the Parties' abilities to develop and implement the Plan.

If either the County or the Company has a dispute regarding progress towards objectives outlined in this Cooperation Statement or the timeliness of development of the Plan, the County Council Chair and the CEO of the Company desire to be directly involved and work together to attempt to resolve whatever issues may arise.

This Cooperation Statement shall become effective upon signing by both the Parties and will inform cooperation between the Parties relating to the subject matter. Progress towards objectives stated herein will be reviewed and the Cooperation Statement may be extended in the future, by written amendment executed by the Parties.

[Signature page follows]

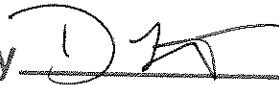
IN WITNESS WHEREOF, the parties to this JOINT COOPERATIVE STATEMENT
have affixed their signatures:

Kim Carson
Summit County Council Chair

Date: _____

Cindy Crane
President and CEO, Rocky Mountain Power

Date: _____

Approved as to form
Summit County Attorney
By  _____