

Communities Renewable Energy Program 100 Fact Sheet

Summary

This community renewable energy program allows eligible local governments to procure net-100% renewable electricity by 2023 on behalf of their residents and businesses. The ILA will allow SLCo to continue to the next phase of the planning portion of the program.

Background

In November 2019, SLCo passed a resolution indicating its participation in HB 411 (2019) the Community Renewable Energy Act. Twenty-two other communities passed similar resolutions in 2019, becoming eligible to participate in the partnership. Over the last year, SLCo has been working with other participating communities to complete the second step in the process - forming a cost-sharing and decision-making structure among the participating communities. The attached document is a result of that work. The key points of the agreement are the decision-making structure and the cost sharing arrangement.

As a reminder, if SLCo chooses to participate in the agreement it would only affect areas of unincorporated SLCo. Cities within SLCo which are part of the agreement so far are: Salt Lake City, MillCreek, Holiday, Cottonwood Heights, and Kerns. Total cities are yet to be determined but currently 22 are considering it. More information can be found on the communities 100 info website: <https://www.utah100communities.org/>

Analysis

Decision Making Structure

- The decision-making structure is divided into two parts: Pre-implementation voting (passing an ordinance) and post-implementation.
 - Pre-implementation
 - Standard votes are based on one community one vote.
 - However, two communities can call for a weighed vote which would be based on participation percentage.
 - Weighed vote is based on the avg. of population and electric load. Communities with higher levels of population and energy use will have a larger say.
 - Unincorporated SLCo has both a low population and a low electric load. Assuming all current communities participate that totals 3.3% of the total avg. Meaning in a weighted vote scenario SLCo will represent 3.3% of the total.
 - Post-implementation
 - Requires 2/3s of communities and a majority of participation percentage.
 - Each community makes a board appointment of an elected official and a alternate

Cost Sharing

- The ILA creates a cost-sharing structure based on the averaging of population and electric load.
 - As a anchor community SLCo costs are based on the above formula and could range between \$40,000 and \$80,000 over two years depending on # of final participating communities. If more or all

communities participate the cost will be closer to \$40,000 if multiple communities choose not to participate then the cost will be closer to \$80,000. The final cost will not be determined until final # of communities is known which will happen by July 2021. Budgeted costs include costs of noticing residents should SLCo choose to participate fully in the program.

- If SLCo chooses to participate as a non-anchor community costs will depend on final number of communities but will be in the range of \$25,000 and can be covered by current allocated budget
- \$40,000 has already been budgeted for the project through the ORD Regional Project Budget and an additional \$40,000 will be requested in the next budget cycle If SLCo choose to be a anchor.
- Costs will go towards the hiring of energy attorneys and consultants for the next phase of the project scope.
- Only additional long-term costs will be noticing of residents if program is implemented (late 2022 or 2023 at earliest) Afterwards not additional cost will be incurred by the county.
- Below is a breakdown of possible cost allocation for the current slate of anchor communities if SLCo chooses to participate. The costs below represent a worst-case scenario where only the below communities continue the program.

Anchor Estimator	Phase 1			Phase 2			Total
Anchor Community	Phase 1 Initial Payment	Phase 1 Max Anchor Payment	Total Maximum Phase 1 Payments	Phase 2 Initial Payment	Phase 2 Max Anchor Payment	Total Maximum Phase 2 Payments	Total Maximum Initial and Anchor Payments for Phase 1 and 2
Grand County	2,109.37	2,716.04	4,825.41	2,109.37	2,716.04	4,825.41	9,650.82
Salt Lake County	11,570.26	14,897.93	26,468.19	11,570.26	14,897.93	26,468.19	52,936.38
Summit County	10,759.97	13,854.61	24,614.58	10,759.97	13,854.61	24,614.58	49,229.16
Town of Castle Valle	106.74	137.44	244.18	106.74	137.44	244.18	488.36
Moab City	2,237.95	2,881.60	5,119.55	2,237.95	2,881.60	5,119.55	10,239.10
Millcreek	18,421.40	23,719.50	42,140.90	18,421.40	23,719.50	42,140.90	84,281.80
Park City	6,742.38	8,681.52	15,423.90	6,742.38	8,681.52	15,423.90	30,847.80
Salt Lake City	101,050.32	130,112.98	231,163.30	101,050.32	130,112.98	231,163.29	462,326.59
TOTALS	\$ 152,998.39	\$ 197,001.62	\$ 350,000.01	\$ 152,998.38	\$ 197,001.62	\$ 350,000.00	\$ 700,000.01

Anchor Communities

- To create implementation certainty for future negotiations, the group has created the anchor community concept.
 - Anchor communities agree to cover extra costs if a participating community drops out of the program.
 - This allows the anchor group to absorb the additional costs without affecting the larger set of communities which could lead to more communities to drop out.
 - Anchor communities will get additional voting power in weighted vote scenario.
 - SLCo Anchor Community cost would be \$52,000 over 2 years.
- Current List of Anchor Communities
 - Salt Lake City
 - Park City
 - Summit County
 - Moab
 - MillCreek
 - Grand County
- Possible Anchor Communities
 - Castle Valley
 - SLCo

Recommendation

SLCo sign agreement and agree to be an anchor community.

Benefits/Impacts/Limitations

Benefits

- Allows SLCo to keep have a voice in this process moving forward. Demonstrates commitments to other communities and to the environment.
- Gives unincorporated residents a “energy choice.” Currently (with small exceptions) Rocky Mountain Power Customers are limited to the energy mix the utility uses. By creating this program residents and businesses will have a choice between their traditional power bill/ energy mix or the new program with will be 100% net renewable energy. (Other options do exist but are limited in scope or unavailable at this time.)
- This is not final decision-making point for SLCo so there is an off-ramp for the County at the next level in the program implementation, if needed.
- Funds have already been appropriated for the first phase. Council appropriated \$40,000 in the Regional Projects Fund budget for 2021, with the expectation it would be the first of a two-year commitment.
- Kern’s Metro Township is especially excited to part of the program citing a strong interest in air quality and renewable energy.

Impacts

- Continues SLCo down pathway to create energy choice for unincorporated residents.