



County of Santa Cruz

COMMISSION ON THE ENVIRONMENT

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March 26, 2021

Santa Cruz County Board of Supervisors
701 Ocean Street, Room 500
Santa Cruz, CA 95060

Subject: Local Renewable Energy Financial Strategy and Implementation Plan Recommendation

Dear Supervisors,

Happy New Year to you all and thank you for your continued leadership during these times of great tumult. The Commission on the Environment (COE) applauds the recent formation of the Office of Recovery and Resilience and looks forward to engaging with that office in 2021. We are very encouraged with this development which will allow the County to better address critical climate resiliency issues in addition to the possibility of the Climate Action Manager position being reallocated in the near-term.

The COE recently hosted a presentation from Central Coast Community Energy (3CE) where staff highlighted their success in providing energy to central coast residences and businesses at a lower cost, while providing unique programs and services to increase energy efficiency and invest in electric vehicles. The COE was also informed that incoming revenues have enabled 3CE to pay off start-up costs and ensure long term financial stability.

The COE asked 3CE for information regarding programs to increase local generation of renewable energy and were informed that this has not yet been a focus. Staff suggested that since 3CE is financially secure such programs may now be feasible.

In our discussion after the presentation, it was noted that Santa Cruz County played a leadership role in establishing 3CE and that a primary programmatic objective adopted at the founding of 3CE was to “Support the rapid investment in local renewable energy generation to the maximum extent feasible while ensuring fiscal stability, rate parity and carbon reduction goals are met.”¹

Now that 3CE has established fiscal stability and surpassed rate parity, the COE strongly urges a plan be established as to how 3CE can return to this original objective and invest in programs and establish financing mechanisms that support the rapid investment in local renewable energy generation. Example actions that could be evaluated to meet this original objective in addition to local agencies’ renewable energy goals may include:

- Establishing regional goals for local renewable energy generation
- Accelerating analysis and investment in load shaping
- Establishing a feed-in tariff to equitably compensate those who generate excess power

¹ Monterey Bay Community Power Feasibility study (revised 2016)

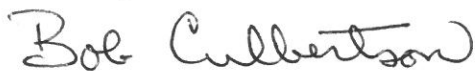
- Issuing bonds and taking equity stake in renewable energy and storage projects
- Providing competitive grants to assist agencies and local developers with 10 MW + renewable energy, storage and microgrid project feasibility studies and development
- Working with trades to enhance local solar and electrification workforce training and capacity.
- Increasing advocacy role with the California Public Utilities Commission to remove barriers to local renewable energy generation
- Considering equitable opportunities for local renewable energy project ownership through community solar projects, low interest funding (e.g., PACE), and incentives.

While this list is not exhaustive, the COE is confident these recommendations may help the County meet its carbon reduction goals while also expanding ways 3CE may invest in low-cost, locally generated electricity and the local economy. As such, the COE recommends that investigation of these actions and others occur through the preparation of a Local Renewable Energy Financial Strategy and Implementation Plan. We also urge 3CE to explicitly consider meaningful and equitable engagement with historically under-served communities in developing this plan, coordinating with the Community Advisory Council and other stakeholders.

We request that Santa Cruz County Supervisor Bruce McPherson consider recommending to the 3CE Policy Board that 3CE staff develop this Local Renewable Energy Financial Strategy and Implementation Plan that outlines how 3CE can optimize revenue to invest in local large-scale and rooftop renewable energy projects and, in turn, our local economy. The opportunity to bolster our local economy is paramount at this time and with green workforce development allocations in the proposed 2021 California budget and possible federal funding available as signaled through the Biden Climate Plan, green jobs will pave the way.

We encourage 3C to consider and complete this plan on an accelerated timeline to ensure their ability to position for federal and state stimulus, infrastructure and energy funding that could help 3CE bring this original objective of the JPA to fruition.

Sincerely,



Bob Culbertson

Vice-Chair, Commission on the Environment