



COUNCIL  
STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

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TO: City Council Members  
FROM: Sam Owen, Policy Analyst  
DATE: November 10, 2022  
RE: Utah Community

Item Schedule:

Briefing: November 10, 2022  
Public Hearing:  
Potential Action:

Renewable Energy Program, aka Utah 100,  
Application Update

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**ISSUE AT A GLANCE**

2019 state legislation provides for the creation of a joint cooperative undertaking to increase renewable energy access among Utah cities and other groups.

Participating entities design a service program and procure renewable energy resources with Rocky Mountain Power (RMP) to serve participating customers. The goal of the program is that all participating communities are powered by net-100 percent renewable energy by the year 2030.

There are two areas of focus for this briefing:

- The Community Renewable Energy Agency (CREA), or Utah 100, is nearing a landmark application submission to the state commission that will determine the program's future and design. The submission occurs near the end of this year. A main part of this is a **draft ordinance that participating cities would consider adopting** after the state commission issues an order about the program. This ordinance is discussed below.
- The group is also soliciting feedback on its **proposal to mitigate negative impacts on rate-burdened consumers** if the renewable energy program increases customer bills, as it is likely to do. This is part of the application to the state commission and is discussed below.



Additionally, the department offered to come back and talk with the Council after program submission when more information is public, especially information about anticipated program rates.

## **POLICY QUESTIONS**

1. The Council did not have a review opportunity before the Utah 100 governance agreement was signed in 2021. Does the Council want to ask the City Attorney if the ordinance should be amended to reflect Council approval or authorization for the joint cooperative entity and its board?
2. The Council might be interested in the draft utility agreement that is part of the approaching program application. What are the city's obligations under this agreement?
3. What is the contractual obligation of participating communities if they decide to drop out?
4. Once the program details become public, will Rocky Mountain Power or other partners provide additional support measures for people who can't afford increased costs or who are looking to learn more? See additional background information.

## **ADDITIONAL BACKGROUND INFORMATION**

### **DRAFT PROPOSED ORDINANCE**

The administration signals that its goal in bringing the draft ordinance for review is to ensure Council engagement.

The ordinance:

1. Must be substantially the same for all participating communities,
2. Cannot be changed after state program approval from the Public Service Commission, and
3. If a community wishes to participate, must be adopted within 90 days of a Public Service Commission approval.

Some details of the ordinance are discussed below. City attorneys from participating jurisdictions cooperatively developed this language. The group also utilizes legal counsel separate from that of its participating communities.

The draft ordinance consists of the following elements:

4. Program start date,
5. Procedure for customers to opt out,
6. Discussion of renewable energy resources,
7. Allowing acquisition of renewable energy resources to serve the program,
8. Allowing program rates to reflect those acquisitions,
9. Providing for clarity of program charges on customer bills,

10. Providing for new customers to opt in,
11. Termination fees for exiting the program except under circumstances concerning affordability,
12. Adoption of a utility agreement governing the city's obligations under the program including costs.

The ordinance provides for RMP to acquire renewable energy resources to serve the program. This procurement is also subject to the determination of the Public Service Commission.

The ordinance discusses cost recovery for renewable energy resources. Program rates for participating customers is the proposed method of cost recovery. Average monthly rate impact is unknown at this point.

#### PLAN TO ADDRESS AFFORDABILITY AND ACCESSIBILITY

State policy governing this program requires that the Utah 100 application to the Public Service Commission include “a description of a plan proposed by each eligible community addressing low-income programs and assistance,” so that rate-burdened RMP customers do not experience greater hardship as a result of the renewable energy implementation.

Please note: Salt Lake City will instead refer to this plan as a “Plan to Address Affordability and Accessibility.”

This plan is the second major focus of the briefing.

The transmittal discusses four mitigation strategies in the context of the affordability and accessibility plan.

First, the possibility that folks in the RMP “low-income lifeline” program could be automatically opted out.

Second, the idea of a termination fee waiver: if a customer wanted to exit the program after having started it, and they were on the same lifeline program, the program termination fee would be waived.

Third, the idea of an enhanced monthly bill credit. Any bill increase from a new Utah 100 program cost would be offset by a bill credit automatically extended to “lifeline” assistance customers.

Finally, a possible donation function could allow program participants to donate via RMP to support or offset the monthly bill credit for lifeline customers.

#### NEXT STEPS

The state Public Service Commission will make the final determination about the program and its makeup, although for the application the Utah 100 board might decide on any or each of the affordability and access mitigation strategies referenced above and is soliciting feedback from its member cities' elected officials.

After a decision from the Commission, each Utah 100 entity will decide whether to participate. The City Council would determine whether to adopt the ordinance enacting the program for Salt Lake City.

The Sustainability Department can also return to the Council later this year or early next year to report on the program details, because the submission to the state will be public.

## **OTHER CONTEXT**

The Utah 100 entity is authorized under Utah's provision for joint cooperative action among public agencies. Some and not all of the municipal members sought the review and authorization of their City Councils.

A governance agreement among all Utah 100 participants from 2021 provides for the Utah 100 board to make decisions about budget, program design, contracts and other aspects of implementing the cooperative agency goals. See the first policy question above.

## **ATTACHMENTS**

1. Transmittal
2. CREA governance agreement 2021