




CITY COUNCIL TRANSMITTAL


[Lisa Shaffer \(Jun 27, 2023 15:04 MDT\)](#)

Lisa Shaffer, Chief Administrative Officer

Date Received: 06/27/2023

Date Sent to Council: 06/27/2023

TO: Salt Lake City Council
Darin Mano, Chair

DATE: June 27, 2023

FROM: Debbie Lyons, Sustainability Director



SUBJECT: *Resolution Supporting Salt Lake City's Participation in the Community Renewable Energy Program*

STAFF CONTACTS: Sophia Nicholas
Sustainability Deputy Director
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DOCUMENT TYPE: Resolution

RECOMMENDATION: *Adopt the resolution endorsing the City's ongoing participation in developing a community renewable energy program.*

BUDGET IMPACT: *None*

BACKGROUND/DISCUSSION:

In order to protect the public health and safety of Salt Lake City's residents, ensure access to clean air and water, and secure the livability of our environment, Salt Lake City is committed to reducing climate-harming emissions and supporting greater uses of renewable energy in the community and for municipal operations.

In 2016, the Salt Lake City Council and Mayor Jackie Biskupski adopted a joint resolution establishing, among other targets, a goal to achieve 100% renewable energy for its community electricity supply by 2032.

As part of that effort, Salt Lake City began collaborating with Rocky Mountain Power and other Utah communities on a pathway to achieve a "net-100%" renewable electricity supply for the entire community. (The term "net" denotes matching the amount of electricity a participating community



uses annually with the amount of new renewable energy delivered to the grid through new energy developments.)

In March 2019, the Utah Legislature passed the Community Renewable Energy Act, Utah Code §§54-17-901 to -909 (the “Act”), and Governor Herbert signed this legislation into law. The legislation authorizes a filing to the Utah Public Service Commission (“PSC”) to create rules, rates and expectations for communities desiring to be served by a net-100% renewable electricity portfolio by 2030. Rocky Mountain Power is the facilitator of the program for participating communities in their service territory.

In August 2019, as required by the Act, the Salt Lake City Council and Mayor Biskupski passed a new joint resolution updating the Salt Lake City community electricity goal date to 2030, including the 2030 target date for achieving net-100% renewable electricity.

Since that time, Salt Lake City has worked with Rocky Mountain Power and 17 other communities in developing a community renewable energy program application that meets the requirements of the Act. Please see attached resolution and visual graphic for more details.

In 2023, the Administration expects Rocky Mountain Power to submit this application to the PSC. The application must include, among other items, information about the customers within the boundaries of the participating communities, projected rates under the proposed program, an agreement between each participating community and the qualified electric utility (a “Utility Agreement”), a low-income plan, a proposed solicitation plan for the acquisition of renewable energy resources, and a draft ordinance that establishes a participating community’s participation in the program, which can only be considered for adoption by each community following approval of the application by the PSC (the “Ordinance”).

The Ordinance has been developed with input from Salt Lake City staff and Salt Lake City Council Member Dan Dugan, who also serves as the Community Renewable Energy Agency (“CREA”) Board Chair. The draft Ordinance was shared with the City Council in November 2022. After PSC approval of the program application,¹ the Ordinance will be sent to the City Council for approval or disapproval of Salt Lake City’s participation in the approved program. City Council has the ultimate authority to choose whether the City will participate in the Community Renewable Energy Program when considering the Ordinance.

The remaining elements of the program application have been developed jointly between the communities, CREA, and RMP. Completion of the final outstanding item, the Utility Agreement, will allow RMP to finalize the program application for PSC submission. The participating communities, RMP, and the CREA Board anticipate finalizing the Utility Agreement in the coming weeks.

¹ After RMP submits the program application, the PSC will undertake its review process. It is important to note that the PSC may or may not make modifications to the program from what is submitted in the program application as part of the review and approval process.



At this critical juncture, the Administration requests the City Council signal its continued support for the City's ongoing participation in developing the Community Renewable Energy Program application, in conjunction with the other participating communities, the CREA, and Rocky Mountain Power.



Exhibit A- Resolution

RESOLUTION NO. ____ OF 2023

(A Resolution of the City Council endorsing the City's ongoing participation in development of a community renewable energy program)

WHEREAS, Salt Lake City Corporation ("City"), as a municipal government, is responsible for promoting the public health and safety of its residents, including access to clean air, clean water, and a livable environment; and

WHEREAS, energy resources utilized as a municipal government and community significantly impact public health and safety, including the economic and social well-being of current and future residents; and

WHEREAS, there is scientific consensus regarding the reality of climate change and the connection between human activity, especially the combustion of fossil fuels that create greenhouse gases, and warming of the planet; and

WHEREAS, Salt Lake City is already feeling the effects of climate change locally through increased temperatures, changes in water systems, extreme weather events, and other disruptions that threaten our economy, residents, and overall quality of life; and

WHEREAS, the transition to a low-carbon community reliant on the efficient use of renewable energy resources will provide a range of benefits including improved air quality, enhanced public health, increased national and energy security, local green jobs, reduced reliance on finite resources and myriad other positive outcomes; and

WHEREAS, Salt Lake City is committed to helping facilitate this transition alongside other national and international communities that have prioritized addressing climate change by investing in clean energy to enhance the well-being of current and future generations; and

WHEREAS, electricity generation has contributed the largest share of Salt Lake City's calculated municipal and community greenhouse gas emissions; and

WHEREAS, the on November 1, 2016, the City Council and Mayor adopted a Joint Resolution stating certain energy commitments, including its goal of ensuring the transition to 100% renewable energy for its community electricity supply by 2032; and

WHEREAS, in 2019, the Utah Legislature adopted the Community Renewable Energy Act, Utah Code §§ 54-17-901 to -909 (the "Act") to enable development of a community renewable energy program; and

WHEREAS, the Act contemplates that a qualified electric utility will file an application with the Public Service Commission ("PSC") for approval of a community renewable energy program to serve any municipality and county that chooses to become a participating community (each, a "Community"); and

WHEREAS, the program application must include, among other items, information about the customers within the boundaries of the Communities, projected rates under the proposed program, an agreement between each Community and the qualified electric utility (a “Utility Agreement”), a low-income plan, a proposed solicitation plan for the acquisition of renewable energy resources, and a draft ordinance that establishes a Community’s participation in the program, which would only be considered for adoption by each Community following approval of the application by the PSC (the “Ordinance”); and

WHEREAS, as directed by the Act, the PSC adopted Utah Administrative Rule R746-314 (the “Rules”) to facilitate implementation of the Act;

WHEREAS, the Rules require that the Communities enter into an agreement that “establishes a decision-making process for program design, resource solicitation, resource acquisition, and other program issues and provides a means of ensuring that [the Communities] will be able to reach a single joint decision on any necessary program issues”; and

WHEREAS, on or about June 28, 2021, the City and the Communities entered into the Interlocal Cooperation Agreement Among Public Entities Regarding the Community Renewable Energy Program, outlining a means of ensuring such single joint decisions can be made through the Community Renewable Energy Agency (“CREA”); and

WHEREAS, Councilmember Dan Dugan represents the City by serving as a Board Member on the CREA Board and has been appointed by the CREA Board to serve as Chair; and

WHEREAS, pursuant to the Act, to participate in a community renewable energy program application, Communities must first adopt a resolution setting forth a 100% renewable electricity goal by 2030 and subsequently enter into a Utility Agreement with the qualified electric utility; and

WHEREAS, in accordance with the requirements of the Act, on August 27, 2019, the City Council and Mayor formally adopted a Joint Resolution establishing a “community goal of achieving an amount equivalent to 100% of the annual electric energy supply for participating customers from renewable energy resources by 2030”; and

WHEREAS, the City, CREA, the Communities, and the qualified electric utility, Rocky Mountain Power (“RMP”), have negotiated a Utility Agreement in compliance with the Act; and

WHEREAS, the Mayor, as Chief Executive of the City will sign the Utility Agreement on behalf of the City, and the City Council supports Councilmember Dan Dugan’s role and authority to sign on behalf of CREA as the CREA Board Chair; and

WHEREAS, the City, CREA and the Communities have assisted RMP with developing a community renewable energy program application that meets the requirements of the Act, and RMP is preparing to finalize the application to the PSC; and

WHEREAS, at this critical juncture in the process of developing and submitting for approval a proposed community renewable energy program application, the City Council wishes to signal its ongoing support for the proposed community renewable energy program application.

NOW THEREFORE, BE IT RESOLVED by the City Council of Salt Lake City, Utah, as follows:

1. The City Council hereby ratifies the City's ongoing participation in developing the community renewable energy program application, in conjunction with the Communities, CREA, and RMP.
2. The City Council hereby demonstrates support of Councilmember Dan Dugan in executing the Utility Agreement in his role as Chair of the CREA Board.
3. The City Council reserves its rights to separately consider adoption of the Ordinance.

Passed by the City Council of Salt Lake City, Utah, this ____ day of _____, 2023.

SALT LAKE CITY COUNCIL

By: _____
Darin Mano, Chair, Salt Lake City Council

Attest:

City Recorder

Salt Lake City Attorney's Office
Approved as to Form:

Sara Montoya

Senior City Attorney

Date: June 27, 2023



Exhibit B- Community Renewable Energy Program Timeline

Community Renewable Energy Program (“CREP”) Timeline

Resolution No. 23 of 19
adopted Aug. 27, 2019

Effective June 28, 2021

City Net-100%
Renewable
Resolution adopted
by City

Interlocal
Agreement signed
(governance
document for
CREA)

CREA,
Communities, and
RMP prepare
Program
Application

RMP submits
Program
Application to
Public Service
Commission
(“PSC”)

Estimated early 2024

Participation
Ordinance Adopted
by City

CREP!

FY 23-24
budget

City appropriates funding for Program opt-in
notices through normal annual budget or
budget amendment process

The Utility Agreement includes several mechanisms to reflect its placeholder and pre-appropriation status:

1. “Trigger” language, which delays the effective date of the future obligations of the City until after: (1) the PSC provides approval of the Program Application, and (2) the City adopts the Participation Ordinance. If BOTH of those things do not happen, the City has no obligation to pay costs for opt-out notices.
2. A non-appropriation clause, indicating that any future financial obligation of the City is subject to appropriation of funds.
3. Termination language that essentially mirrors the trigger language: if the PSC fails to approve the Program, then the Utility Agreement terminates early.

CREA,
communities
prepare/
execute
Utility
Agreement

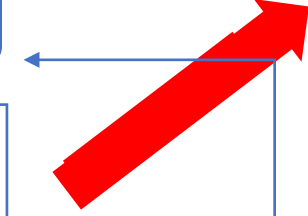
Required per U.C.A. 54-17-903; agreement between each community, CREA, and RMP that (among other things) stipulates as to payment for (1) costs of 3rd-party experts incurred by RMP related to preparation of the Program Application and (2) costs to provide Program opt-in notices to customers.

CREA,
communities
prepare draft
Participation
Ordinance
template

Required per U.C.A. 54-17-903; City must adopt a local ordinance that establishes participation in the program and that is consistent with the terms of the Utility Agreement (“Participation Ordinance”).

CREA,
communities
prepare low-
proposed income
plan

This is being prepared by the Low-Income Plan Committee of the CREA, meaning this is being prepared by a subcommittee consisting of community representatives to be adopted by CREA members.



Participation Ordinance
must be adopted within
90 days after the PSC
approves the Program
Application for City to
participate in Program.

If the Program Application
is NOT approved, OR if the
Participation Ordinance is
not passed, then the Utility
Agreement obligations
(and the Program) never
go into effect.

(if approved,
est. 6 mos.)