UTAH100 COMMUNITIES

Governance Agreement

Feb 17, 2021

Agenda
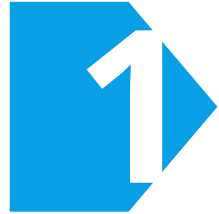
1 **Welcome and Logistics** *(10 min)*

2 **Why Create a New Renewable Energy Program?** *(10 min)*

3 **Program Expenses, Cost Sharing, & Anchor Communities** *(15 min)*

4 **Voting** *(15 min)*

5 **Next Steps** *(10 min + 5 min break)*

6 **Small Groups** *(1 hour)*
- Small group discussions
- Report back

Christopher Thomas, Salt Lake City

Welcome and Logistics

Welcome and Logistics

Please use the **Rename** function to change your name to "First Last, Organization or City / County where you live (preferred pronoun)" Example: **Christopher Thomas, Salt Lake City (he/his)**

Please also enter your full name into the chat.

Please stay muted when we are together in the large group.

Please unmute and turn your camera on (as available) during small group breakouts and during the report back.

If you are a member of the media, please do not quote or record anyone without asking their permission

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COMMUNITIES REGISTERED TODAY

Alta

Castle Valley

Coalville

Cottonwood Heights

Grand County

Holladay

Kamas

Kearns

Millcreek

Moab

Oakley

Ogden

Orem

Park City

Salt Lake City

Salt Lake County

Springdale

Summit County

West Valley City

Michael Shea, Salt Lake County

Why create a new renewable energy program?

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Renewable Energy for Everyone

- Renewable energy is incredibly popular

- But hard to translate demand into new projects "at scale"

- Rocky Mountain Power's **Blue Sky** is a "certificates" program, not actual utility-scale electricity

- Rocky Mountain Power's **Subscriber Solar** program is actual utility-scale electricity, but is currently capped and doesn't include community input

- The Community Renewable Energy Program is our attempt to create an **affordable** and **large-scale** renewable energy program, sized to meet widespread public demand, and in time to protect the climate

Renewable Energy **Program Comparison**

	Utah Blue Sky	Subscriber Solar	Community Renewable Energy Program
Product contains actual utility electricity, rather than just **Renewable Energy Certificates (RECs)**	❌	✔️	✔️
Focused on Utah as an active development location for new projects, rather than the **Western Region**	❌	✔️	✔️
Focused on delivering new utility electricity to the **Rocky Mountain Power system**	❌	✔️	✔️
Community input on the timing, size, location, and kind of new large-scale renewable energy resources	❌	❌	✔️
Relative **size of program** in annual Gigawatt-hours of utility electricity delivered	N/A	50	**1,800** (20%) **7,200** (80%)

Christopher Thomas, Salt Lake City

Program Expenses, Cost Sharing, and Anchor Communities

Program Implementation Expenses

Why do local governments need to pay to implement the Community Renewable Energy Program?

The state law says: "may not result in any shift of costs or benefits to any nonparticipating customer, or any other customer of the qualified utility beyond the participating community boundaries"

Estimated high-end cost estimate: $700K (apart from noticing costs)

- $300K for legal and technical consultants, directed by participating communities
- $200K for Rocky Mountain Power program design and filing
- $200K for state regulators to contract third-party expertise

The noticing cost estimate is the cost per notice multiplied by the number of customers in each jurisdiction, to reimburse RMP for the cost of sending notices.

Cost Sharing

How will the estimated maximum $700K cost be shared?

Based on a calculation that averages each community's share of total eligible population and total electric load, spread over two fiscal years.

How would noticing costs be shared?

These costs are directly traceable to the number of customers in each jurisdiction, so they will be paid by the local governments who decide to participate in the program.

Please see budget guidance on the following slide.

Missing the number of customers for Coalville – will be updated when available.

List of Eligible Communities	Cost Allocation % (Population and Electric Load)	Total Non-Noticing Costs ($700,000)	Budget Guidance for Phase 1 Costs Cities:FY22 Counties:FY21-22	Budget Guidance for Phase 1 Costs Cities:FY23 Counties:FY22-23	Total Est. Noticing Costs (Two Mailers * # Customers)	Budget Guidance for Noticing Cities:FY24-25 Counties:FY23-24
Alta	0.063%	437.87	218.93	218.93	206.27	206.27
Bluffdale	3.168%	22,177.13	11,088.57	11,088.57	4,236.10	4,236.10
Castle Valley	0.030%	213.49	106.74	106.74	207.07	207.07
Coalville	0.161%	1,125.98	562.99	562.99	-	-
Cottonwood Heights	3.126%	21,884.21	10,942.10	10,942.10	11,497.77	11,497.77
Emigration Canyon Township	0.130%	912.45	456.22	456.22	480.24	480.24
Francis	0.120%	843.08	421.54	421.54	489.00	489.00
Grand County Unincorporated	0.603%	4,218.74	2,109.37	2,109.37	2,435.42	2,435.42
Holladay	2.682%	18,775.45	9,387.72	9,387.72	10,147.86	10,147.86
Kamas	0.212%	1,486.98	743.49	743.49	758.18	758.18
Kearns	2.745%	19,212.02	9,606.01	9,606.01	8,376.64	8,376.64
Millcreek	5.263%	36,842.80	18,421.40	18,421.40	19,721.50	19,721.50
Moab	0.639%	4,475.90	2,237.95	2,237.95	2,780.27	2,780.27
Oakley	0.149%	1,040.00	520.00	520.00	574.21	574.21
Ogden	10.211%	71,474.53	35,737.26	35,737.26	29,136.66	29,136.66
Orem	8.863%	62,039.05	31,019.52	31,019.52	27,402.88	27,402.88
Park City	1.926%	13,484.75	6,742.38	6,742.38	8,338.41	8,338.41
Salt Lake City	28.872%	202,100.63	101,050.32	101,050.32	78,221.00	78,221.00
Salt Lake County Unincorporated	3.306%	23,140.51	11,570.26	11,570.26	9,805.40	9,805.40
Springdale	0.138%	962.53	481.26	481.26	491.38	491.38
Summit County Unincorporated	3.074%	21,519.95	10,759.97	10,759.97	10,591.46	10,591.46
West Jordan	10.833%	75,833.53	37,916.77	37,916.77	30,484.19	30,484.19
West Valley City	13.685%	95,798.44	47,899.22	47,899.22	35,945.17	35,945.17
	100.000%	$ 700,000.00	$ 350,000.00	$ 350,000.00	$ 292,327.07	$ 292,327.07

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Cost Sharing

Will the cost for my local government change depending on what other local governments decide?

No. Based on feedback, we developed a concept whereby a handful of communities make an "anchoring" financial commitment that automatically fills the gap left by any community who decides not to join.

How does the anchor commitment work?

- Anchor communities commit to maximum financial amounts that collectively equal the entire $700K implementation cost.
- As non-anchor communities join, the anchor payment shrinks proportionally to the size of each local government's maximum anchor commitment.

When are anchor payments due?

- Phase 1 – Oct 31, 2021 for cities and Jan 31, 2022 for counties
- Phase 2 – Oct 31, 2022 for cities and Jan 31, 2023 for counties
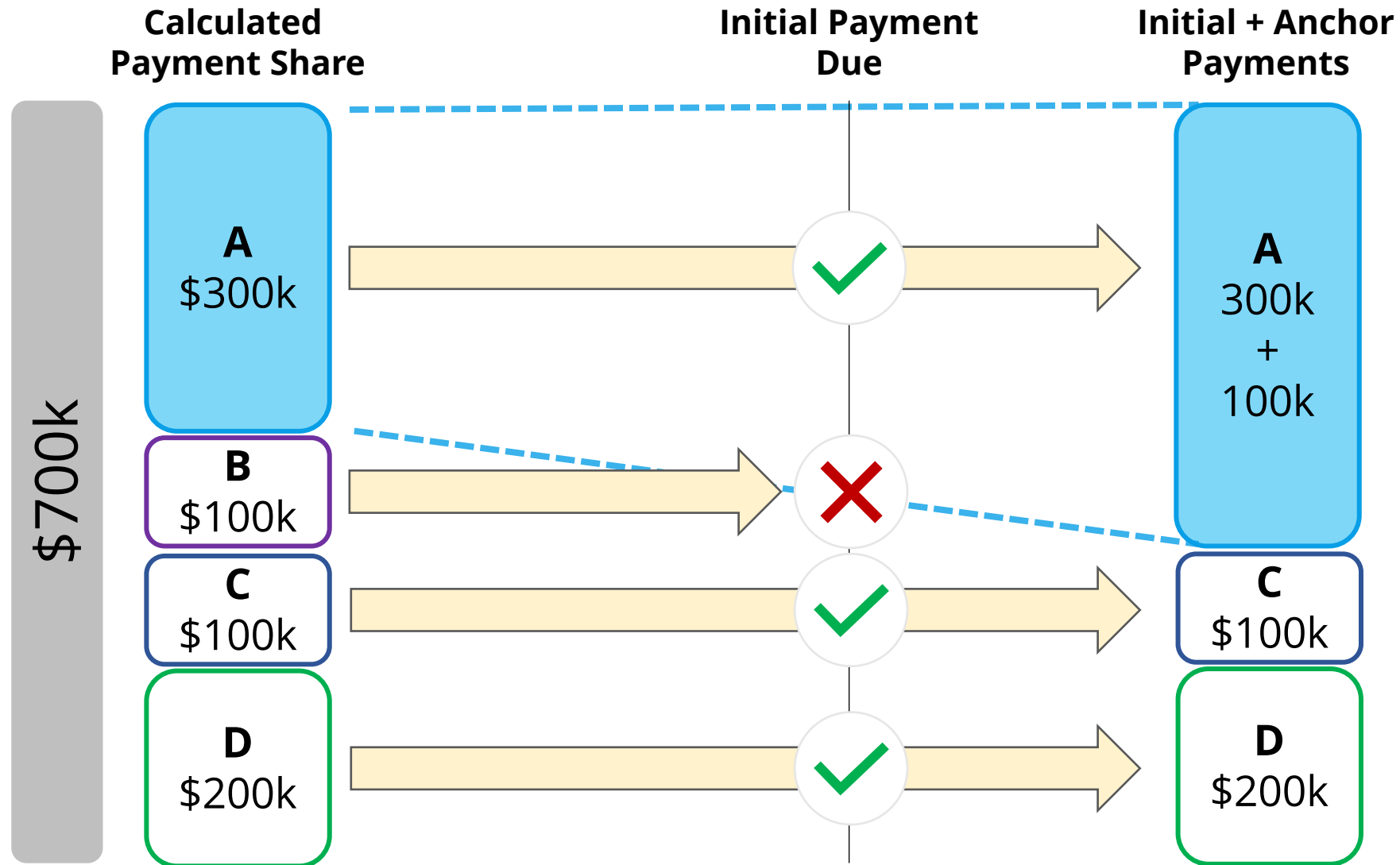
Samantha DeSeelhorst,
Cottonwood Heights

Voting

The Governance Agreement: Voting

The Governance Agreement proposes two different methods for voting:
"Pre-Implementation Voting" and **"Post-Implementation Voting"**

Pre-Implementation Voting

A simple community vote, with the option to call for a weighted vote.

The vote will be weighted by "participation percentage," which changes throughout the timeline.

Post-Implementation Voting

Changing Program Elements:
Supermajority of Communities and Majority of Electric Load

Procuring New Resources:
Majority of Communities and Majority of Electric Load

Pre-Implementation Voting

General Votes

- Must be taken at a meeting with a quorum
- Requires at least a **majority of Board Members** present and voting

Weighted Votes

- If any two Board Members call for a weighted vote, then requires at least **a majority of participation percentage**

What is the Participation Percentage?

From the Effective Date to July 31, 2021

- This is the "Original Weight"
- Based on each party's average of population and electric load, in relation to all other parties who sign onto the agreement

From August 1, 2021 to Program Submittal Date

- Based on each party's Phase 1 payment obligation, which includes Phase 1 initial payments and any Phase 1 anchor payments

From Program Submittal Date to the end of the Implementation Period

- Based on each party's Phase 2 payment obligation, which includes Phase 2 initial payments and any Phase 2 anchor payments

After the Implementation Period

- Based on each party's share of participating customer electric load

Post-Implementation Voting

Altering Program Elements

- Required of all participating communities, not just those at a meeting
- Requires **at least 2/3 of Board Members** AND **at least a majority of participation percentage**

Renewable Resource Votes

- Required of all participating communities, not just those at a meeting
- With experts, as appropriate, calculate the **Incremental Rate Impact** of the new resource in conjunction with all other previously-approved resources
- If the calculated impact is **less than 10%, requires at least a majority of Board Members** AND **at least a majority of participation percentage**
- If the calculated impact is **10% or greater, requires at least 2/3 of Board Members** AND **at least 2/3 of participation percentage**

Pre-Implementation Voting

Post-Implementation Voting

Effective Date – July 31, 2021	August 1, 2021 - Submittal	Submittal – Order	Order – End of Implementation Period		After Implementation Period
Simple Community Majority Vote	Simple Community Majority Vote	Simple Community Majority Vote	Simple Community Majority Vote		Program Design Vote - Supermajority of Communities - Majority of Electric Load
Option for Weighted Vote	Option for Weighted Vote	Option for Weighted Vote	Option for Weighted Vote		Renewable Resource Vote (<10%) - Majority of Communities - Majority of Electric Load
Participation Percentage = Average of Population & Electric Load	Participation Percentage = Phase 1 Payment Obligation	Participation Percentage = Phase 2 Payment Obligation	Participation Percentage = Phase 2 Payment Obligation		Renewable Resource Vote (≥10%) - Supermajority of Communities - Supermajority of Electric Load

Luke Cartin, Park City

Next Steps

Next Steps: 2021

2021

- **February 19:** Let Christopher Thomas know if you are interested in becoming an Anchor Community: Christopher.Thomas@slcgov.com

- **Feb-March:** For non-anchor communities, budget for Phase 1 contribution in FY22 and Phase 2 contribution in FY23

- **March:** Look for Governance Agreement with anchor communities listed and consider signing on

- **July 31:** For signers, Phase 1 payments are due

- **October 31:** Anchor payments are due

Next Steps: 2022

2022

- **January**

  Last Chance Decision: Does eligible local government sign GA and pay Phase 1 cost? No more changes to utility program design.

  Decision: Does participating local government sign the Utility Agreement (UA)?

  Action: Submit joint program application to Utah Public Service Commission (PSC).

- **July**

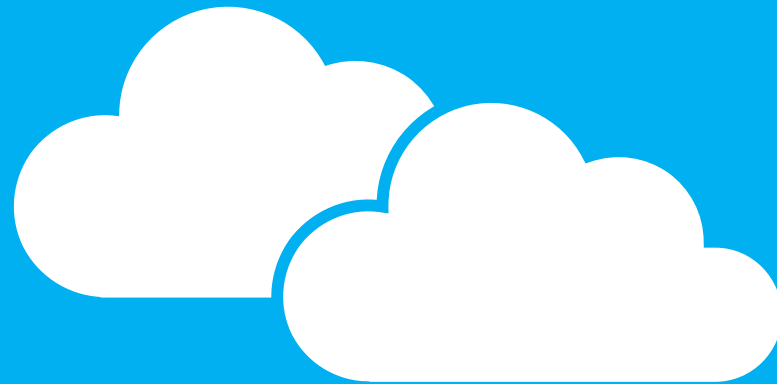 Action: Participating local governments pay Phase 2 cost.

- **September**

  Decision: Does Utah PSC approve program application?

- **December**

  Decision: Does participating local government pass required ordinance within 90 days?

  Action: Issue Request for Proposals (RFP) for new renewable energy resource.

Break (5 min)

Small Groups and Report Back (1 hour)

Logistics (5 min)

- Introduce yourself – Name and organization or city / county
- Please unmute and turn on your camera, as available
- Please practice the "democracy of time," sharing fully and allowing others to share
- People on the phone cannot join small groups – please re-join at **3:30pm**

Questions (25 min total)

- What questions do you have about expenses or voting or next steps
- What support would best enable your community to consider joining?
- What organizations, people, or networks should be involved?

Report back to the large group (5 min for each small group)

- What is one question, one idea for support, and one additional organization, person, or network who should be involved?