



March 6, 2017

The Honorable Clyde Roberson, Mayor
and Monterey City Councilmembers
City of Monterey
580 Pacific Street
Monterey, CA 93940

Re: Item 23. 1st Reading – Community Choice Aggregation Program

Dear Mayor Roberson and City Councilmembers:

We applaud the Monterey City Council for doing its due diligence in supporting the Monterey County Supervisors' efforts to negotiate better JPA representation for our region. As mentioned in previous correspondence, since June 2016, The Monterey Peninsula Chamber of Commerce (MPCC) has chosen to monitor the development of the Tri-County community choice energy initiative, known as Monterey Bay Community Power (MBCP), before taking a position.

The GAC met on February 27, 2017 and made the following recommendation—to be voted on by the MPCC Board of Directors on March 22—to submit letters to relevant jurisdictions stating the Monterey Peninsula Chamber of Commerce is supportive of renewable energy at reasonable rates but wants a governance structure for the joint powers authority (JPA) governance structure as recommended by the Monterey County Board of Supervisors on February 14, 2017 that is more fair and equitable than initially proposed. We prefer the Supervisors' model because its weighted vote is more balanced for our communities than what is currently proposed.

We are disappointed at the poor public outreach to Monterey County and the County cities. The governance model should have been thoroughly communicated and vetted with top decision makers before it was too late to revise. Because of the rush to finalize the JPA, there is zero flexibility now. The response to many of our early questions was – we will work everything out once the JPA is formed. No one ever returned to update us with the answers. This is an example where the agency staff and municipal representatives didn't know to question the model.

The late outreach did not help matters. The first community meeting for the city of Monterey was held March 1, and attendance was relatively light. The guest presenter, Mark Landman, board member of Sonoma Clean Power, did not volunteer until asked that he was paid by the LEAN organization. He also glossed over the reasons why the Monterey Council and the Monterey County Board of Supervisors had not yet supported the MBCP. His expressed bias in favor of project labor agreements (PLAs) concerns us, because PLAs increase project costs by restricting construction contracts to union-affiliated companies (which may include non-local workers from parts of the Bay Area) and disqualify approximately 80 percent of local contractors that are non-union. Prevailing wage should be the requirement.

We recently learned because four (4) communities have already joined the MBCP, there is no option to revise the governance model. The result is a take-it-or-leave-it situation, which creates under-representation for Monterey County ratepayers and a tough decision for many elected officials.

Again, we thank you for your due diligence in questioning the JPA model for our Peninsula cities, and reserving action while the Monterey County Board of Supervisors attempted to negotiate better JPA representation. We understand you may ultimately vote to join the MBCP-JPA despite the current governance model; and, we would support you in your decision to do so, recognizing the ability to enhance alternative energy choice with competitive rates and the economies of a larger JPA.

Sincerely,

Jody Hansen
President and CEO

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