

Comments on the Local Development Business Plan Work Products 12/5/17



East Bay Clean Power Alliance appreciates the opportunity to review and comment on work products to date of the Local Development Business Plan. It is exciting and gratifying to read proposals for programs and policies that would actualize the community benefit goals that our organization sees as the main rationale for forming a Community Choice program.

The Alliance applauds the Alameda County Board of Supervisors for including the Local Development Business Plan requirement in the JPA Agreement and providing funding for completion of the plan. We are also pleased by the on-going support for planning for the local development of renewable resources that has been expressed by EBCE's Board of Directors.

Overall, the Alliance is strongly supportive of the findings and proposals expressed in the draft work products, and find that they give due priority to realistic programs and policies that will allow EBCE to achieve its stated goals. We look forward to additional work products.

Below is our view of the strengths of each work product and additional information we would like to see spelled out more explicitly.

EBCE Feed in Tariff Design Recommendations (Task #3)

Strengths

- We fully support a Feed in Tariff (FiT) program that can be implemented at launch. We find that this is an essential signal to the broad Alameda County community that EBCE intends to follow through on prioritizing local renewable resource development. A FiT program provides an incentive for developers to build out local resources with minimal staff or effort on the part of EBCE.
- The FiT proposal, while kick-starting local development, has been designed with a number of features to contain the costs of the program and minimize its impact on EBCE program costs and rates: these include the cap on the program, the incremental roll-out over a 3 year period to reach 50 MW, so that the FiT will be limited to 1.29% of load.
- The proposal sets a baseline (\$0.09/ kWh) to encourage broad interest and participation, and uses market-responsive pricing to maintain an incentive while at the same time minimizing the impact of the program on EBCE net revenues.
- The adders are an excellent way to incentivize the kind of development that achieves EBCE goals: the built environment adder, small project adder, community benefit adder, and dispatchability (storage) adder all encourage small, community benefit projects that normally might be difficult to build, thereby increasing community access to project ownership. The adders help meet environmental and social justice goals and make local development inclusive of all communities.
- Though the Alliance would support a higher cap and roll out of the FiT program than the proposed 5 MW growing to 50 MW over 3 years, we recognize the importance of ensuring that the program does not negatively impact EBCE's overall net revenues

Would like to see:

- An explanation of how the FiT program addresses union wage and/ or local hire provisions. If union wage is rolled into the base price, there should be a stated requirement for union labor. If not, then there should be an adder for adopting union wage.
- A discussion of the FiT as a demonstration of EBCE's commitment to kick-start local development, rather than as a method to drive local development to scale.
- A discussion of why adders are a preferred way to achieve community benefit goals, as opposed to limiting the FiT program only to projects that achieve those community benefit goals.
- Consideration of the possibility of reserving a percentage of the FiT program for community shared solar projects.
- The rationale for capping the Community benefits adder at 75% CalEPA's CalEnviroScreen 3.0, rather than the initial amount of this disadvantaged level (71%).
- A discussion of how projects in non-built environments should be located in environmentally suitable locations and sustainably developed to minimize impacts to species, habitats, landscapes, and agricultural lands.
- A recommendation on staffing for this program.
- At a later date, when LDBP scenarios are developed, an analysis of how the FiT program would impact EBCE's net revenues and especially customer rate projections.

Collaborative Procurement (Task #3)

Strengths

- We have advocated for EBCE to act as a convener of local clean energy project development because it is in an excellent position to aggregate smaller, local projects-- saving time and money in overhead, realizing economies of scale in development costs, and opening up local development to union work through project labor agreements, community workforce agreements, and other community benefits. Collaborative procurement is a way to prioritize equity and substantially grow local development to be a significant portion of renewable resources.
- We fully support the concept of a SEED fund as a successfully demonstrated example of how EBCE could act as convener. The SEED revolving fund concept is a low cost (or no cost) way to stimulate collaborative procurement, because the fund is continually replenished by projects, eliminates the barrier of upfront costs and risk by participants, and encourages participation by those who would otherwise not develop projects on their own. It is a self-sustaining development model.

- The in-depth description of SEED Fund Monterey Bay highlights the many ways in which a Community Choice program can encourage local renewable energy, energy efficiency, and electric vehicle infrastructure projects.
- The collaborative procurement model is also a great boon to developers. Because EBCE does the up-front qualification of projects, it streamlines the work of developers and eliminates most of their soft costs.
- We support a recommendation of staffing (2.5 FTE EBCE staff members) to implement the EBCE Convener program, and recognize that staffing might need to increase if the program is successful.

Would like to see:

- Inclusion of mechanisms for community input, participation, and oversight included in collaborative procurement proposals. We would like to see a focus on community input reflected in these proposals, possibly through the Community Advisory Committee
- A discussion of issues that might arise if a collaborative procurement spans a number of cities in EBCE: for example, how permitting and zoning and grid interconnect works with multi-jurisdictional projects.
- More discussion of any risks to EBCE as the convener because participants are not required to commit until late in the process, and how these risks can be avoided or mitigated.
- Drop the title “Agency as Developer,” and substitute “Agency as Convener” or similar title to describe this program.
- A discussion of how this kind of program could work in rural areas; for instance, dual use grazing and ground mount systems, floating solar on reservoirs and aqueducts.
- A discussion of how this program will take into account siting of projects that are sustainably developed to avoid or minimize impacts to species, habitats, landscapes, and agricultural lands.
- More discussion of how the concept of collaborative procurement could be extended to non-municipal market segments, such as commercial, residential, non-profit, and so forth.
- Consideration of the possibility of reserving a carve-out, where appropriate, for community shared solar projects.

Workforce Development: Strategy and Policy Guidance (Task 4)

Strengths

- We support this work product's focus on union and career-pathway jobs, as well as the proposals for stimulating those kinds of jobs in the local solar industry.
- We strongly support the use of project labor standards such as PLAs and CWAs that is being proposed.
- The benefits chart on p. 4 recognizes that the benefits of workforce development go beyond just providing jobs and are at the core of the EBCE program.
- The chapter draws a distinction between job training programs that are really community engagement programs versus those paired with apprenticeships and actual jobs.
- The Alliance agrees that EBCE should take steps to grow businesses owned and operated by underrepresented populations.
- The Alliance urges adoption by the Board of Directors of all the Elements of EBCE Comprehensive Workforce Development Program, though we have questions/ reservations about element #4 as written (see below).
- The Appendix A. proposes four important workforce development goals, concrete ways to achieve those goals and indicators of success in achieving those goals.

Would like to see:

- A fuller expression of what #4 is meant to achieve and how. We support raising labor standards, but #4 suggests this would be accomplished on a project by project negotiated basis. Couldn't EBCE work with labor to set standards required for contractors to pre-qualify for participation in each type of program (FiT, collaborative procurement, PPA procurement etc.). These would apply to all projects above a set size.
- Discussion on how to enforce workforce standard agreements.
- More proposals for programs and policies that mitigate barriers to employment.
- Discussion of how setting high skill standards can increase barriers to employment and proposals for how to create a labor pool of workers with a variety of general skills suitable for many jobs.
- Discussion of what "local hire" might mean in an area experiencing unprecedented displacement of historic populations, and proposals to address this issue.
- Recognition of EBCE's involvement also in the "Push" side of the workforce development issues: EBCE being a public agency governed by elected officials whose main responsibility is for the health, safety, and well-being of their constituents. This could include the possibly of utilizing State or Federal grant money, to develop training programs for actual jobs in the EBCE pipeline.
- Discussion of how workforce development policies of EBCE could also be adopted by EBCE jurisdictions.

Levelized Cost of Energy (LCOE) Narrative (Task 1)

Strengths

- It's good to have a tool for comparing different procurement scenarios based on levelized cost of energy, even though other factors might be more important in comparing the scenarios.

Would like to see:

- A discussion of how financing costs and discount rates affect the calculations and reasoning behind the assumptions used in the calculations in this work product.
- A discussion of the purpose of this tool. For instance, will it be helpful in building internal EBCE staff capability?

Wind Assessment Narrative (Task 1)

Strengths

- We find the assessment to offer reasonable, if slightly conservative, projections critical for determining the feasibility of developing wind resources.

Would like to see:

- Some discussion about whether an environmental impact screen was applied to the wind potential sites in this work product or would be in future site assessment?

Solar Siting Survey Summary Report (Task 1)

Strengths

- We find the assessment to offer projections critical for determining the feasibility of developing in front of the meter solar resources.
- The ready availability of maps and details of the >1 MW sites is very helpful in getting a picture of where development is possible.

Would like to see:

- Some indication about potential beyond rooftops and parking lots, even in the built environment: rail or roadway rights of way, brownfields, reservoir surfaces, and so forth.
- More discussion about how the type of site affects the feasibility of development for solar, including for brownfields, private commercial and industrial sites versus public sites. More discussion around the assumption of a 20% site lease.
- An explanation of how the ICA was used: is it additional information or is it a qualifying screen used in selecting the >1 MW sites.
- Discussion about developing the huge amount of $\geq 500\text{kW}$ (1.2 GW) and $\geq 100\text{kW}$ (2GW) solar potential.
- Some discussion about whether an environmental impact screen was applied to the solar potential sites in this work product or would be in future site assessments.