



### **COMMUNITY RENEWABLE ENERGY PROGRAM**

- ***Program Update***
- ***Review Agreements Requiring Approval***

#### *Purpose of Work Session:*

**Review and Discuss Upcoming Actions Related to the Community Renewable Energy Program**

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#### *Executive Summary*

Council staff will provide an update on the Community Renewal Energy Program and review documents the Council will need to approve prior to submittal of the Community Renewable Energy Agency's application to the Public Service Commission. These documents include the Utility Agreement, the Low-Income Plan, and the Model Ordinance.

#### *Background*

##### **March 2019**

The Utah Legislature passed House Bill 411 to create a pathway for communities to procure utility-scale renewable energy for residents and businesses. To be eligible to participate in the future program, communities were required to adopt a resolution establishing a goal of achieving one hundred percent of the cities' annual electricity supply from renewable sources by 2030.

##### **December 3, 2019**

The Council adopted Joint Resolution 2019-3, joining 22 other Utah communities interested in establishing a goal of achieving one hundred percent of the cities' annual electricity supply from renewable sources by 2030. The Council directed staff to participate with the other communities to receive additional information, discuss sustainability goals, evaluate the program, and update the Council prior to a final decision to participate in the program.



### **July 6, 2021**

The Council authorized an Interlocal Agreement with the Community Renewable Energy Agency to participate in the design of the Community Renewable Energy Plan with Rocky Mountain Power and the other participating communities. The Council also authorized the first payment of \$35,738 to be made to the Agency by July 31, 2021. That payment represented the first half of the program implementation costs. If the City chooses to continue in the program, the remaining \$35,738 for Phase 2 is scheduled to be paid by January 31, 2022. This date was later changed to July 31, 2022.

### **August- December 2021**

Council staff, representatives from the administration, and Council member Choberka—also serving as the Vice Chair of the Community Renewable Energy Agency—discussed the need for additional information from Ogden residents. Council staff contacted Weber State and together the City and Weber State developed a scope of work and timeline to conduct a community survey.

### **January 4, 2022**

Weber State representatives met with the Council to review the proposed questions for the community survey. They also met with other stakeholders to receive additional input before finalizing the questions.

### **February 1, 2022, to May 18, 2022**

The team from Weber State completed the survey and statistical analysis, and produced a report of the results.

### **May 24, 2022**

Representatives from Weber State presented the results of the survey. A summary of the key findings follows:

- A majority of Ogden residents are willing to pay 9.3% more for renewable energy above and beyond their current energy costs.
- If energy costs increase by 10%, about 20% of Ogden residents are likely to opt out of CREP.



- Of Ogden residents, about 45% think Ogden City should join CREP, 46.0% were unsure, and only 8.9% of residents think Ogden City should not join CREP.
- Lower income respondents tend to have a lower willingness to pay for renewable electricity than higher income respondents.
- A majority of respondents in District 3 are willing to pay 13.1% more than what they pay now, while a majority of respondents in District 4 are willing to pay 10.3% more. A majority of respondents in District 1 are willing to pay 10.0% more and respondents in District 2 are willing to pay 8.3% more than they pay now.
- A large majority (70%+) of residents think businesses, residents and local governments should be doing more to seek out renewable energy.
- A majority of businesses are willing to pay 6.9% more for renewable energy, but this is not statistically different from zero. A majority of businesses (61.3%) think Ogden should join CREP.

### **July 2022**

Ogden City submitted its Phase 2 payment of \$35,738 to the Agency.

### *Proposal*

The Council will need to approve three documents before the Community Renewable Energy Agency submits its application to the Public Service Commission. Those documents are as follows:

#### **Utility Agreement**

The Agency's attorney is working with RMP to draft the Utility Agreement, but it is not yet finalized. The purpose of the Utility Agreement is to define how the Agency and communities will interact with Rocky Mountain Power. Key elements of the Utility Agreement will include, but is not limited to, the following:

- Outline the day-to-day operations and interactions with the Agency (billing, etc.)
- Identify how new resources and Renewable Energy Credits (REC) will be acquired



- Describe how program funds will be managed, including termination fees
- Address noticing costs and requirements

### **Low Income Plan**

The Agency's Low Income Plan Committee has completed a draft boilerplate plan that will be presented to the Agency Board in November. Each participating community is required to submit its own plan with the PSC filing. The boilerplate document can be used as-is or modified to meet the needs of each specific community. However, there are a few programmatic strategies that each community will need to include in its Low-Income Plan.

The Committee is recommending three programmatic strategies to the Agency Board as follows:

1. For participating customers who are enrolled in Schedule 3 ("Low Income Lifeline Program – Residential Service") the termination fee for opting out of the Program, if any, will be waived.
2. For participating customers who are enrolled in Schedule 3 ("Low Income Lifeline Program – Residential Service") an additional monthly bill credit month will be applied in an amount proportional to the average residential customer rate impact, not to exceed \$(amount to be determined); this monthly bill credit will be funded through a monthly rider paid by participating customers who are not enrolled in Schedule 3.
3. To facilitate elective donations toward the monthly bill credit by participating customers, a Program-specific donation option will be explored with the utility, including an option for online donations

A fourth strategy did not get consensus from the Committee, but will be considered by the Agency Board:

4. Residential customer who are either enrolled in Schedule 3 ("Low Income Lifeline Program – Residential Service") or are 60 days in arrears anytime within the 60 days leading up to the Program Implementation date will not be enrolled in the Program and will be provided two mailed opt-in notices following rules R746-314-



301 and R746-314-302 but replacing the words “opt-out” with the words “opt-in.”

The Low Income Plan will also identify enhanced communication efforts for those disproportionately affected by changed to utility bills:

- Households receiving housing assistance (e.g., government subsidized housing, income-restricted units, Section 8/Housing Choice vouchers, HOME or HOPWA Tenant-Based Rental Assistance)
- Households receiving a fixed income (e.g., Social Security, Supplemental Security Income, Social Security Disability Insurance, Veterans Affairs, Office of Recovery Services)
- Lower-income households who are not direct customers of Rocky Mountain Power and for whom a landlord or management company would receive opt-out noticing and make the decision whether to participate in the Program
- Lower-income households who rent or own a single detached home and therefore experience higher average heating and cooling costs
- Households who are recently resettled refugees

To reach these categories of households, Ogden proposes to coordinate with the following organizations:

- Cottages of Hope
- Habitat for Humanity
- Ogden NAACP
- United Way of Northern Utah
- Davis, Morgan, and Weber HEAT Programs
- Futures Through Training
- Ogden-Weber Community Action Partnership
- Weber-Morgan Area Agency on Aging
- AARP – Utah State Office
- Assist Utah
- Comunidades Unidas
- Department of Workforce Services – Refugee Services



- Division of Services for People with Disabilities
- Medicaid
- National Resource Director
- The Salvation Army – Salt Lake City
- Catholic Community Services

Outreach strategies for the entire community will also be identified in the plan.

### **Model Ordinance**

A draft model ordinance is required to be included in the Agency's program application. The purpose of the Ordinance is to outline how residents can expect to interact with the program. The Program Design Committee has developed a draft proposed model ordinance. The draft model ordinance seeks to accomplish the following:

- Establish a community's participation in the Program, as approved by the Utah Public Service Commission
- Describe how eligible customers will interact with the Program, including:
  - the date on which the Program will commence
  - that eligible customers shall be enrolled in the Program after having had the opportunity to opt out, including by having been sent two required opt-out notices
  - that renewable energy resources may be acquired to meet a community's net-100% renewable electricity goal and that recovering the cost of such acquisitions will affect Program rates
  - that Program rates are set by and may be adjusted by the Utah Public Service Commission
  - that participating customers' Rocky Mountain Power electric bills will identify Program costs and provide notice of any Program rate changes
  - that eligible customers who are not participating in the Program may later decide to opt-in



- that participating customers who do not opt-out by the commencement date may later exit the Program
- the possibility that customers who exit may be required to pay a termination fee, except that for some types of customers, that fee will be waived
- Refer to elements of the Utility Agreement (still being negotiated)

Prior to final adoption, participating communities may reformat the ordinance to reflect the community's style, but no substantive changes can be made. This final ordinance must be adopted within ninety (90) days of the PSC's order.

### *Attachments*

Draft boilerplate Low-Income Plan  
Draft Model Ordinance

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