

ORDINANCE NO. ____ .

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL
AUTHORIZING THE IMPLEMENTATION OF A
COMMUNITY CHOICE AGGREGATION (CCA) PROGRAM**

The City Council of the City of Morgan Hill does ordain as follows:

SECTION 1. FINDINGS. The City Council finds as follows:

1. The Cities of Cupertino, Mountain View and Sunnyvale and the County of Santa Clara formed and sponsored the Silicon Valley Community Choice Energy Partnership (SVCCEP) to investigate options to provide electric service to customers within the City of Morgan Hill and surrounding municipalities with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of local renewable energy projects, reduced greenhouse gas emissions, and the implementation of energy conservation and efficiency projects and programs.
2. The City of Morgan Hill through its participation in SVCCEP, has prepared a Technical Feasibility Study for a Community Choice Aggregation (“CCA”) program under the provisions of Public Utilities Code Section 366.2. The Technical Feasibility Study shows that implementing a community choice aggregation program would likely provide multiple benefits, including the following:
 - a. Providing customers a choice of power providers;
 - b. Increasing local control over energy rates and other energy-related matters;
 - c. Providing electric rates that are competitive with those provided by the incumbent utility;
 - d. Reducing greenhouse gas emissions arising from electricity use in the City;
 - e. Increasing local and regional renewable generation capacity;
 - f. Increasing energy conservation and efficiency projects and programs;
 - g. Increasing regional energy self-sufficiency; and
 - h. Improving the local economy by implementing new local renewable and energy conservation and efficiency projects.
3. The Joint Powers Agreement creating the Silicon Valley Clean Energy Authority (“Authority”) will govern and operate the CCA program on behalf of its member jurisdictions. The Initial Participants within the County of Santa Clara, as defined by the Joint Powers Agreement, may participate in the Authority by adoption of a resolution approving the execution of the Joint Powers Agreement and adoption of the CCA ordinance required by Public Utilities Code Section 366.2(c)(12) by March 31, 2016. Municipalities choosing to participate in the Authority will have membership on the Board of Directors of the Authority as provided in the Joint Powers Agreement.

4. The Authority will enter into agreements with electric power suppliers and other service providers and, based upon those agreements, the Authority plans to provide electrical power to residents and businesses at rates that are competitive with those of the incumbent utility. Once the California Public Utilities Commission approves the implementation plan prepared by the Authority, the Authority may provide service to customers within the City of Morgan Hill and those cities that choose to participate in the Silicon Valley Clean Energy Authority; and
5. Under Public Utilities Code Section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so at any time; and
6. On December 16, 2015, the Morgan Hill City Council held a public hearing at which time interested persons had an opportunity to testify either in support or in opposition to implementation of the Silicon Valley Clean Energy CCA program in the City of Morgan Hill.
7. This ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a "project" and has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a).) Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs. § 15061(b)(3).) The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assure the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308.) The Director of Community Services shall cause a Notice of Exemption to be filed as authorized by CEQA and the State CEQA Guidelines.

SECTION 2. The above findings are true and correct.

SECTION 3. AUTHORIZATION TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM. Based upon the foregoing, and in order to provide businesses and residents within the City of Morgan Hill with a choice of power providers, the City of Morgan Hill hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating in the Community Choice Aggregation program of the Silicon Valley Clean Energy Authority, as described in its Joint Powers Agreement.

SECTION 4. This Ordinance shall be in full force and effect 30 days after its adoption, and shall be published and posted as required by law. This Ordinance was introduced by the City Council of the City of Morgan Hill on December 16, 2015 and was adopted on January 20, 2016 by the following roll call vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

STEVE TATE, Mayor

ATTEST:

IRMA TORREZ, City Clerk

DATE: _____

Effective XXXXXXXX

✎ **CERTIFICATION** ✎

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. XXXX, New Series, adopted by the City Council of the City of Morgan Hill, California at its regular meeting held on the 20th day of January 2016.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk