

AGENDA
SPECIAL WORKSHOP MEETING
CITY OF BANNING
BANNING, CALIFORNIA

November 12, 2019
4:00 p.m.

Banning Civic Center
Council Chamber
99 E. Ramsey Street

I. CALL TO ORDER

Roll Call – Council Members Andrade, Happe, Peterson, Wallace, and Mayor Welch

II. WORKSHOP

1. New Energy North America 1
(*Tom Miller, Electric Utility Director*)

III. PUBLIC COMMENTS – Opportunity for the public to address items on the Agenda

IV. ADJOURNMENT

NOTICE: Pursuant to Government Code § 54954.3(a), the only public comment that will be permitted during this Special Meeting is that pertaining to items appearing on this special meeting agenda. Any member of the public may address this meeting of the Mayor and Council on any item appearing on the agenda by approaching the microphone in the Council Chambers and asking to be recognized, either before the item about which the member desires to speak is called, or at any time during consideration of the item. A five-minute limitation shall apply to each member of the public, unless such time is extended by the Mayor. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office (951) 922-3102. **Notification 48 hours prior to the meeting** will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II]

Pursuant to amended Government Code Section 54957.5(b) staff reports and other public records related to open session agenda items are available at City Hall, 99 E. Ramsey St., at the office of the City Clerk during regular business hours, Monday through Friday, 8 a.m. to 5 p.m.

The City of Banning promotes and supports a high quality of life that ensures a safe and friendly environment, fosters new opportunities and provides responsive, fair treatment to all and is the pride of its citizens.



CITY OF BANNING CITY COUNCIL REPORT

TO: **CITY COUNCIL**

FROM: **Douglas Schulze, City Manager**

MEETING DATE: **November 12, 2019**

SUBJECT: **Workshop Discussion – New Energy North America Proposal**

RECOMMENDED ACTION:

Discussion item only – no action to be taken.

BACKGROUND:

City management representatives have been engaged in ongoing discussions with New Energy North America representatives for the past several months. New Energy North America, LLC is an umbrella company that has brought together the best-in-class leading entities in the world in renewable energy generation, storage, distribution, finance and Net Zero energy conservation. A series of conversations has resulted in a proposal that is ready for discussion with the City Council.

This project is very complex, innovative and beneficial to the City of Banning. Currently, Banning Electric Utility does not generate any energy and purchases all energy from sources that require use of transmission lines to bring the energy to Banning Electric Utility substations. As a result, Banning Electric Utility pays a fee to Southern California Edison (SCE) for delivery of energy using their transmission lines. The annual charges exceed \$3,000,000. In addition, locally generated energy improves the resiliency of Banning Electric Utility because it would no longer rely solely on energy transmitted over long distances.

California Renewables Portfolio Standard (RPS) requires by 2030 that 50% of the Electric Utility portfolio must be secured from RPS-certified facilities (renewable energy). While Banning Electric Utility already exceeds the 2030 standard, with near 70% renewable energy, many providers will be searching for Power Purchase Agreements from RPS-certified facilities. Through the proposed Public Private Partnership with New Energy North America, Banning Electric Utility could transition from an energy consumer (purchaser) to an energy producer (seller), which would benefit Banning Electric Utility, the City's General Fund, and our ratepayers.

New Energy North America is proposing installation of significant solar panels on City provided sites at ground level, on City-owned building rooftops, and on parking structure canopies along with battery storage. In addition, up to two hundred-fifty electric vehicle charging stations would be installed and available to the public for charging of privately-owned electric vehicles for a fee – providing an additional revenue source to the City.

As part of the Public Private Partnership, the City of Banning would be provided with either conversion of existing City fleet vehicles from natural gas or diesel to electric powertrain, where possible. Where not possible, new electrically powered trucks, side loaders and busses would be provided. In addition, the proposal includes a joint venture with the City to sell surplus electricity generated by its solar panels to commercial and industrial customers, home builders, private customers, or on to the grid, providing an additional source of revenue to the City of Banning.

New Energy North America has already secured third-party financing for all of the solar, battery, streetlighting, electric vehicles and energy management systems that are included in the proposal, which means that the City of Banning would not use its limited financial resources, increase taxes, utility rates or other fees to fund the proposal. In fact, the City would be able to capture all of the cost savings that the renewable energy sources generate.

As described in the proposal, time is of the essence, if this project is going to be financially feasible because it is dependent upon tax credits, incentives and grants that are at risk of soon being exhausted. However, there are many steps that need to be taken before a Public Private Partnership can be negotiated and executed, including an in-depth analysis of energy consumption data to determine where cost savings could be achieved, where revenue can be generated, and where energy efficiencies can be obtained in order to financially model the energy solutions that can be provided in a cost-effective manner.

There is still much to be learned about the proposal and its impact on the City of Banning. The City Management team consisting of Electric Utility Director Tom Miller, Power Resource and Revenue Administrator Jim Steffens, Economic Development Manager Ted Shove, Public Works Director Art Vela, Administrative Services Director Jen Christensen, and City Manager Doug Schulze will continue working with New Energy North America to refine the proposal and bring a recommendation to the City Council, at a future date.

New Energy North America representatives will be in attendance during the workshop to provide additional information and answer questions.

FISCAL IMPACT:

To be determined as further analysis is completed.

OPTIONS:

1. Continue conversations with New Energy North America and report back to City Council;
2. No further action.

ATTACHMENTS:

1. New Energy North America Proposal
2. Smart City Discussion Presentation

Approved by:



Douglas Schulze
City Manager