



Staff Report

For City Council Meeting 04/05/2017

Subject - Old Business - Blue Sky Challenge

Synopsis: Last month Alicia with Pacific Power made a presentation regarding the Blue Sky Challenge. Alicia had asked the council to consider signing on for the challenge as partner with Pacific Power to promote alternative environmentally friendly sources of power. Council instructed staff to provide more information for its consideration. The costs below are based on the average electricity usage for our buildings and streetlights.

Council Options: The Council has the following options regarding this issue.

- Blue Sky Visionary Partner - \$1918 per year
- Blue Sky Champion Partner - \$655 per year
- Blue Sky Supporter - \$164 per year
- EPA Green Power Partner - \$1287 per year
- Join without a financial impact - \$0.00
- Do nothing

Recommendation:

Financial Analysis: Gearhart pays approximately \$65,000 per year for electricity which includes our water treatment facility, streetlights, and buildings. The additional financial requirements are listed above and on the attachment,

Respectfully submitted,

Chad

Pacific Power's Blue Sky Renewable Energy Program

*Purchase Proposal - including Environmental & Public Recognition Benefits

City of Gearhart - Gearhart, Oregon

Feb-17

Annual kWh Usage 326,566
Average Monthly Usage 27,214



Blue Sky Renewable Energy Purchase Details

	Blue Sky Visionary Partner	Blue Sky Champion Partner	Blue Sky Supporter Partner	EPA Green Power Partner (Minimum Purchase)
Percentage of Energy Use	30%	10%	2.57%	20%
Blue Sky Purchase				
Blue Sky purchase in kWh (annual)	98,400	33,600	8,400	66,000
Blue Sky purchase in kWh (monthly)	8,200	2,800	700	5,500
Blue Sky purchases in yearly blocks	984	336	84	660
Blue Sky purchases in monthly blocks	82	28	7	55
Blue Sky monthly cost	\$159.90	\$54.60	\$13.65	\$107.25
Blue Sky annual cost	\$1,918.80	\$655.20	\$163.80	\$1,287.00
Cost per 100 kWh block	\$1.95	\$1.95	\$1.95	\$1.95
Cost per kilowatt-hour	\$0.0195	\$0.0195	\$0.0195	\$0.0195

Environmental Benefits Equivalent Associated with Blue Sky Purchase

Over 12 months, your purchase reduces carbon dioxide emissions equivalent to:

avoided CO ₂ emission (tons per year)	44	15	4	29
not driving x miles or...	94,385	32,229	8,057	63,307
cars off the road for a year	8.4	2.86	0.71	5.61
trees planted	1,028	351	88	690

*All prices quoted in this proposal are based on current Public Utility Commission approved tariffs and are subject to change. The Blue Sky costs presented are in addition to Basic Service.

Blue Sky Quantity Savings Program discount: Pacific Power offers a discount on a sliding scale with minimum purchase of 101 blocks per month over a period of one year (1,212 blocks minimum purchase). The cost per 100 kilowatt-hour block ranges from \$0.71 to \$1.94, depending on the quantity of blocks purchased.

When you enroll in Blue Sky, Pacific Power purchases renewable energy certificates equal to your Blue Sky purchase; this guarantees that renewable energy was produced and delivered to the grid which helps reduce the need for non-renewable resources production in the region where the renewable energy facility is located. For every unit of renewable electricity generated, an equivalent amount of renewable energy certificates are produced. Your purchase also helps build a market for renewable energy and may have other local and global environmental benefits. For more information about RECs, please visit pacificpower.net/bluesky or green-e.org.

The renewable energy supported by Blue Sky customers is above and beyond that which Pacific Power generates or acquires to serve all its customers and meet state mandated renewable portfolio standards. RECs purchased on behalf of Blue Sky customers are tracked and retired in an independent renewable energy tracking system ensuring that each REC is counted only once. PacifiCorp serves as the purchasing entity and the RECs are tracked in PacifiCorp's WREGIS Blue Sky account for the overall program rather than in the name of individual customers. The RECs are exclusively owned- and retired- on behalf of all Blue Sky participating customers. The company does not use the RECs for any other purpose.

Environmental benefits derived using March 2014 US Environmental Protection Agency best practices (www.epa.gov/cleanenergy).

Benefits of Partnership

	Visionary 30% of load or 50 blocks, whichever is greater with a maximum requirement of 750 blocks/month	Champion 10% of load or 10 blocks, whichever is greater. With a maximum requirement of 350 blocks/month	Supporter Under 10,000 kWh/month usage requires 4 blocks/month. Over 10,000 kWh/month usage requires 7 blocks/month	EPA Green Power Partner Minimum purchase levels in proportion to annual electricity use
Window cling	X	X	X	Receive positive attention for your environmental and sustainability initiatives through the Green Power Partnership; a free, voluntary program of the U.S. Environmental Protection Agency (EPA).
Blue Sky business partner logo available upon request	X	X	X	
Business Partner poster available upon request	X	X	X	
Plaque	X			
Certificate		X		

Enjoy Increased Marketing and Promotional Opportunities

Bi-annual Forecast newsletter	X	X	X	Become affiliated with other renewable energy market leaders including Fortune 500® companies, national retailers and colleges & universities, and take advantage of recognition opportunities including national purchase awards. For more information www.epa.gov/greenpower
Offer Blue Sky residential customers coupons through mobile app	X	X	X	
Company listing on Pacific Power website	X	X	X	
Visibility in Pacific Power advertising and customer communications including social media	X	X	X	
Name listed in biannual partner thank you newspaper ads	X	X	X	



Table 1. Minimum Purchase Requirements

Your Organization's Baseload

If your annual electricity use in Kilowatt-hours is ...

- $\geq 100,000,001$ kWh
- 10,000,001 – 100,000,000 kWh
- 1,000,001 – 10,000,000 kWh
- $\leq 1,000,000$ kWh

Minimum Purchase Requirements¹

You must, at a minimum, use this much green power:

- 3% of your use
- 5% of your use
- 10% of your use
- 20% of your use

1. The minimum purchase in kilowatt-hours (kWh) must be greater than the highest possible requirement in kilowatt-hours for the next lower benchmark level. For example, an organization with a baseload electricity use of 100,000,500 kWh (3 percent benchmark level) would be required to buy 5,000,000 kWh a year minimum, which equals the largest possible minimum purchase requirement for the 5 percent benchmark category.

Additional Minimum Purchase Requirements

Partners must acquire green power generated from eligible renewable resources, which include solar, wind, geothermal, biogas, eligible biomass, and eligible low impact hydroelectric sources.

Partner purchases must be voluntary and incremental to the renewable electricity included in the standard electricity service.

Minimum Partner purchase requirements must be entirely met with green power from "new" renewable facilities (i.e., installed within the last 15 years).

Partners can meet their commitment with any combination of green power products (i.e., green power, renewable energy certificates [RECs], or on-site generation).

Green power must be sourced from eligible U.S.-based generation facilities.

Only purchases applied to U.S.-based operations are eligible.

All organizations operating within the U.S. are welcome to join the Green Power Partnership, with the exception of electricity suppliers or providers of green power products. Eligible organizations can include those that are:

1. Public
2. Private
3. Non-profit
4. College & University

epa.gov/greenpower/join/index