

2011 Council Study Issue

DPW 10-09 Reliable Electrical Power Options

Lead Department Public Works

History 1 year ago Deferred 2 years ago None

1. What are the key elements of the issue? What precipitated it?

This study issue was proposed by Vice Mayor Moylan and supported by Councilmember Hamilton at the December 8, 2009 study session on the City's Economic Development Program. A major factor in locating businesses within Sunnyvale or relocating out of Sunnyvale is the availability of reliable electrical power, or lack thereof. Businesses have raised concerns about frequent power outages and general reliability of the PG&E utility, affecting thier operations. PG&E has indicated that the poor condition and or inadequacy of the local distribution system is a cause of power failures.

This study issue would consider options to provide a better, more reliable power system in the City of Sunnyvale. Some options to explore are: whether the City may provide its own power system; whether the City can purchase and wheel power through existing distribution systems, what role the City can play in getting the local power distribution system improved; and other options that will further or satisfy the goals of providing reliable, cost-effective power.

This study issue was ranked for study in 2010, however, it was not funded as part of the FY 10-11 budget and is being brought back for Council consideration as part of the 2011 study issues process.

2. How does this relate to the General Plan or existing City Policy?

X. ROBUST ECONOMY: To retain, attract and support strong and innovative businesses, which provide quality jobs for the city's workforce, tax revenue to support public services, and a positive reputation for Sunnyvale as a center of creativity and productivity.

Sunnyvale sits in the very center of the Silicon Valley, world renowned for its innovative and entrepreneurial spirit. The businesses which have grown up in the community bring wealth to its residents and cutting edge products to the world market. But the competition for such businesses, among the cities of the region and among similar regions throughout the world, is intense. To maintain its position of predominance, Sunnyvale must continue to provide opportunities for strong and innovative businesses, both large and small, including start-up companies and headquarters of large successful companies, to locate in the city; and it must strengthen its reputation as a business friendly community.

3. Origin of issue

Council Member(s) Vice Mayor Moylan, Councilmember Hamilton

4. Staff effort required to conduct study Major**5. Multiple Year Project?** Yes **Planned Completion Year** 2013**6. Expected participation involved in the study issue process?**

Does Council need to approve a work plan? Yes

Does this issue require review by a Board/Commission? Yes

If so, which? Sustainability Commission

Is a Council Study Session anticipated?

Yes

7. Briefly explain cost of study, including consultant hours, impacted budget program, required budget modifications, etc. and amounts if known.

This study is estimated to take approximately 260 to 300 hours of staff time to administer consultant contract(s). A power systems consultant would be hired to research information and evaluate options. Legal expertise, familiar with Public Utilities Commission and other power related regulations would be hired to coordinate regulatory and environmental compliance. The consultant hours are estimated at 1040 hours or about \$165,000.

8. Briefly explain potential fiscal impact of implementing study results (consider capital and operating costs, as well as potential revenue).

The value of the study would be to maintain and attract businesses by ultimately providing a better and more reliable power system. The study costs are substantial and would be an investment towards achieving more reliable energy systems. The study may also reveal opportunities for the city to save money on its own power costs or to develop a new utility that would be self-funded with start-up money through bond financing.

9. Staff Recommendation

Staff Recommendation Against Study

If 'For Study' or 'Against Study', explain

In the current economy there may be no good funding source to seriously study and consider options related to power reliability. Although the study may reveal several opportunities for improvement they would likely have additional cost. The study may prompt issues that would provide PG&E with the incentive to upgrade the system at thier cost. However, there are no gurantees that the study would result in significant changes.

As directed by Council in 2001, staff looked into the issue of a long-term energy solution as part of research efforts on Energy Strategies for Sunnyvale (RTC 01-288 dated August 7, 2001.) Staff found that a power plant, or "peaker plant" (smaller capacity plant) was not feasible in Sunnyvale.

Reviewed by

Maurice A. Rao 11/1/2010

Department Director

Date

Approved by

[Signature] 11/2/10

City Manager

Date