

To: Columbia City Council

Date: October 25, 2022

Subject: Climate and Environment Commission Input on CWL Report on 100% by 2030

The Climate and Environment Commission appreciated the City Council requesting a report from Columbia Water & Light (CWL) on the proposed plan to achieve 100% clean, renewable energy for electricity generation by 2030. As discussed at the City Council meeting of July 18th, the request was for a plan on how 100% could be achieved by 2030 and an updated price estimate ignoring the 3% rate cap.

This management decision is totally within the control of the City Council and the Utility managers. If at some future date, 2030 no longer seems feasible because of technical or financial reasons, the City Council at that time could modify the ordinance to allow an appropriate extension. Although there is uncertainty in setting this goal, the future can shift favorably toward achieving the goal as well as unfavorably. Coal plants might close early and new incentives will drive the shift faster. One thing we know for certain is climate change will get worse and will continue to cost a great deal. We must all work together to be part of the solution.

The Climate and Environment Commission (CEC) has the following concerns about the draft report presented by the Utility to the Water & Light Advisory Board on Oct. 5.

1. The timeline for providing the information requested by the City Council is too long. If executed as proposed, another 7 to 9 months is needed to get the updated pricing estimate. The other information proposed for the new consultant project is not necessary to answer the Council's request. The Utility already has a scenario, the Early Renewable Scenario, from the IERMP that documents the technical feasibility of achieving 100% by 2030. The citizens of Columbia have already waited 3 years for the completion of the IERMP and spent significant funds. It has now been one year since the IERMP report was presented to the City Council. It has also been 3 years since the CAAP was approved.
2. The CEC disagrees with the statement in the report which is as follows: "The Reference Case assumes not only compliance with the City of Columbia Ordinance for the Renewable Energy Standard but also a long-term target of 100% renewable energy generation by 2050. It also assumes the carbon resource reduction targets as stated in the City of Columbia Climate Action and Adaptation Plan from May 2019." The CAAP specifies that municipal operations which CWL is a part of should reduce emissions by 50% by 2035 and 100% by 2050. Additionally the CAAP goes on to say that the desire is to achieve 100% renewable energy for electricity generation by 2035 (E-1.3.2). The Climate and Environment Commission has previously recommended to the City Council (REP35-22 May 2, 2022) that the action goal be changed to 100% by 2030. Additionally, the City will not achieve the 2035 goal for municipal operations without most of the burden for emissions reductions being obtained through changes to electricity generation by CWL.
3. The list of proposed cases in the consultant project with The Energy Authority (TEA) is too complex for the immediate need. As the City already has technical scenarios provided in the IERMP by Siemens, all that remains to fulfill the City Council's July request is an updated pricing estimate with documented assumptions. Is it possible for Siemens to provide an updated price

estimate for the Early Renewable Scenario by 2030? Can the price estimate update be completed more quickly than 7 to 9 months? If the city proceeds with the newly proposed consultant effort, Cases #1 and #3 are sufficient to make the decision and limiting the scope to two cases would hopefully reduce the cost and the timeline. The CEC does not support or expect new Requests for Proposals to be introduced until operationally necessary to do so.

4. The report mentions renewable energy types need to be defined. The types of renewable energy acceptable to the City do need to be defined in a revision to the renewable energy ordinance. However, this list is not necessary for the purposes of making the decision now to commit to 100% renewable energy by 2030. The current technical renewable energy scenarios provided in the IERMP use solar, wind and battery storage.
5. This report lacks information on the financial benefits that will be available to municipal utilities from the Inflation Reduction Act. These benefits will have a significant impact on the future costs for the City to convert to clean, renewable energy. The National League of Cities has provided an [assessment](#) of the impact of the Inflation Reduction Act for municipal utilities,
  - a. “The direct pay option also applies to the Production Tax Credit and the Investment Tax Credit, both of which are primary investment credits used to help finance renewable energy projects. Local governments with municipal utilities that finance a clean energy capital project, such as a solar array, with 100 percent tax-exempt debt will be able eligible for the direct pay option in lieu of tax credits for installing such a project in the community.”
  - b. “Through the direct payment provision in the Inflation Reduction Act, local governments have many incentives to invest in clean energy, whether that be through an installation of a clean energy system or purchasing qualifying commercial vehicles. This legislation holds much potential for municipalities across the nation to take advantage of at the start of the next tax year. “
6. The CEC continues to call for the City Council to update the renewable energy ordinance to establish a goal of 100% clean, renewable energy by 2030.