

STAFF REPORT

Date: March 27, 2024

To: Mayor and City Council

Through: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Approval of an Energy Partnership Agreement, between the City of Reno and Sierra Pacific Power Company d/b/a NV Energy Corporation, to express a joint commitment to collaborate on planning for local projects and initiatives in Reno.

From: Suzanne Groneman, Sustainability Program Manager

Department: City Manager's Office

Summary:

The City of Reno and NV Energy work together on several initiatives to support the reliability of service and the City's sustainability initiatives. The Energy Partnership Agreement expresses a commitment to continue collaborating on planning for local projects and initiatives that support a shared vision toward energy-related emissions reductions, increasing local renewable energy, improving resilience and reliability, and designing solutions that are accessible and equitable.

Alignment with Strategic Plan:

Infrastructure, Climate Change, and Environmental Sustainability

Previous Council Action:

There is no recent Council action relevant to this item.

Background:

The Reno City Council may enter into a Franchise Agreement with an electrical and/or gas utility. A Franchise Agreement contains provisions related to the management of the utility distribution system only. However, it does not allow for the ability to collaborate on matters pertaining to renewable energy and other clean energy goals, or other strategic initiatives. Because of this, the City of Reno and NV Energy collaborated on a separate agreement. Internal stakeholder engagement, beginning in 2022, was conducted to determine which initiatives were a priority to the City.

The priority initiatives, not covered by the Franchise Agreement, were:

1. Streetlight repair response times;
2. Reliability of service;
3. Light-emitting diode (LED) conversion of NV Energy-owned streetlights;
4. Expanding renewable energy and electric vehicle (EV) charging options;
5. Growing the tree canopy in Reno;
6. Whole-building data access for commercial buildings;
7. Customer conversions from propane and oil; and
7. Equitable solutions.

Discussion:

The City of Reno has long understood the importance of making climate action a priority for our community in moving to a low-emission, resilient society. Reno seeks to achieve its energy and climate-related goals by reducing fossil fuel demand from buildings and transportation, rapidly transitioning to a clean energy economy and lifestyle through innovative strategies that dramatically reduce greenhouse gas emissions, enhance our community's resilience, and support a vital and equitable economy. Entering into a partnership agreement with an electrical and/or utility provider is crucial for cities for several reasons. First, by partnering with utilities on sustainability initiatives, cities can work towards reducing their carbon footprint and meeting environmental targets, contributing to a greener and more sustainable future. Collaboration with NV Energy will lead to the implementation of innovative technologies and practices, fostering economic growth and resilience. Overall, the agreement enables cities to enhance their energy resilience and environmental stewardship for their residents and businesses.

Collaborative Efforts between the City of Reno and NV Energy:

1. Reno and NV Energy agree that the Underground Management Plan is a successful model that exhibits a cooperative and collaborative solution to address resilience in the face of the effects of climate change.
2. Reno and NV Energy agree to collaborate on accelerating the conversion of NV Energy's streetlights in Reno to LED light bulbs, to be complete by December 31, 2026, to ensure that Reno is timely benefitting from savings associated with any conversion, and NV Energy agrees to provide a report at least twice per year as to the overall percentage of streetlights converted to LED.
3. NV Energy agrees to notify Reno of any delays in response times to make necessary streetlight repairs.
4. Reno and NV Energy agree to continue focusing on NV Energy's conversion of older and unreliable electric facilities to 4kV lines to improve reliability in the older areas of Reno.
5. Reno and NV Energy agree to pursue renewable energy projects and community-based solar resources to serve Reno, and NV Energy agrees to provide Reno with an annual "percent green" report of the percentage of electricity use in Reno covered by renewable energy.

6. Reno and NV Energy agree to collaborate on and pursue energy benchmarking and whole-building data analysis to assist Reno in achieving its goals under its operational and community-wide benchmarking efforts to align with Reno's building performance standard.
7. Reno and NV Energy agree to collaborate and innovate together to accelerate the development of electric vehicle infrastructure and to seek out federal funding, grants, and other incentive programs for electric vehicles.
8. Reno and NV Energy agree to collaborate in providing enhanced communication and solutions to residents around tree trimming and pruning that is carried out by NV Energy.
9. Reno and NV Energy agree to work together on the implementation of a natural disaster protection plan and wildfire mitigation efforts while attempting to preserve or replace any trees that are removed through those efforts.
10. Reno and NV Energy agree to work together to identify opportunities to convert propane and fuel oil homes.
11. Reno and NV Energy agree to seek equitable solutions in addressing Reno's energy and sustainability goals.

This agreement reinforces a joint commitment to have ongoing and regular dialogue to achieve this vision and drive Reno's clean energy economy to be aligned with the State's renewable energy and carbon reduction goals.

Financial Implications:

There are no financial implications under this agreement.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

Staff recommends Council approve the Energy Partnership Agreement, between the City of Reno and Sierra Pacific Power Company d/b/a NV Energy Corporation, to express a joint commitment to collaborate on planning for local projects and initiatives in Reno.

Proposed Motion:

I move to approve the Energy Partnership Agreement, between the City of Reno and Sierra Pacific Power Company d/b/a NV Energy Corporation, to express a joint commitment to collaborate on planning for local projects and initiatives in Reno.

Attachments:

Energy Partnership Agreement