



Utilizing City-Utility Partnership Agreements To Achieve Climate And Energy Goals

WHAT IS IT?

Going beyond traditional utility-service agreements, a growing number of cities and utilities are developing partnership agreements to jointly address ambitious climate and energy targets. For municipal governments, some efforts to spur climate and energy action with the utility have been formalized in city-utility partnership agreements. City-utility partnership agreements can provide a framework to align and achieve broad sustainability efforts and enable long-lasting and productive engagement. Through partnership agreements, local governments and the electric utility can agree to outcomes and expectations to successfully meet both parties' objectives and goals.

Most partnership agreements are short documents signed by leaders within the local government(s) and the utility. The structure and content vary greatly, taking the form of a memorandum of understanding (MOU), a cooperation agreement, or other type of document. Agreements specify the desired outcomes and can include broad sustainability efforts, specific goals, or both. Objectives can relate to the clean-energy or carbon-reduction goals of both community-wide and municipal facilities.

To guarantee that actions are carried out and fully implemented, many partnership agreements address governance, administrative, and compliance issues. In some cases, partnership agreements also include terms committing the parties to use their "best efforts" to ensure that each party is committed to achieving the projects or goals laid out on the timeline proposed. Given the specific, goal-driven nature of partnership agreements, the components and details can vary greatly.

WHY IS IT IMPORTANT?

- Utility-customer cooperation and collaboration will be essential to meeting their ambitious targets— partnership agreements provide one pathway to accelerate action to meet ambitious goals.
- Influence utility planning to improve electric grid. Establishing a partnership helps staff become more familiar with the utility which can allow city staff to work more effectively with the utility to create new mutually beneficial solutions.
- Create innovative utility program offerings By partnering with cities, utilities can gain valuable insight into how programs and services are implemented and received on the ground, enabling them to improve programs to more effectively meet customer needs and provide tailored programs relating to energy efficiency, electric-vehicle charging infrastructure, equity, and reliability.

BENEFITS



Establish and define a working relationship to address sustainability goals



Identify shared aspects of the goals to guide the relationship and future engagement



Set expectations for how the goals can be reached and what obstacles they face



Improve communication in all aspects of the working relationship



Undertake broad or specific actions to meet city and utility sustainability targets

HOW CAN COMMUNITIES IMPLEMENT THIS POLICY?

There is no set approach to developing a partnership agreement. However, cities and utilities tend to develop partnership agreements during pivotal points in their relationships.

- **Find an integral time** – There is not set approach to developing a partnership agreement. However, agreements tend to develop during a pivotal point in the utility and city relationship. These points include renegotiation of franchise agreement, during development or pursuit of climate and energy goals, utility program and resource planning, during or in response to regulatory proceedings, or analysis of renewable energy options.
- **Gain alignment** – Ensure the right stakeholders, frame and understand vision and values, establish and define a working relationship to address sustainability goals; identify shared aspects of the goals to guide the relationship and future engagement; set expectations for how the goals can be reached and what obstacles they face;
- **Determine implementation and governing body** – To support implementation, partnership agreements can be coupled with action-oriented documents, such as work plans. To govern the implementation of agreements, many partnerships have utilized existing decision-making bodies or created new ones to specifically oversee the partnership agreement. In some cases, this has taken the shape of a joint board, comprised of both city and utility representatives.
- **Gain executive approval** – Executives of each organization who can support the partnership effort at the highest level, including city leaders, whose involvement signals the city's commitment and who can navigate larger political issues, and utility executive officers, who are empowered to make commitments on behalf of the utility.

FOR MORE INFORMATION, checkout the [UTILIZING CITY-UTILITY PARTNERSHIP AGREEMENTS TO ACHIEVE CLIMATE AND ENERGY GOALS](#) working paper.