



Community Choice Energy for Alameda County

Status Update

Put Name of City and Date of Session Here

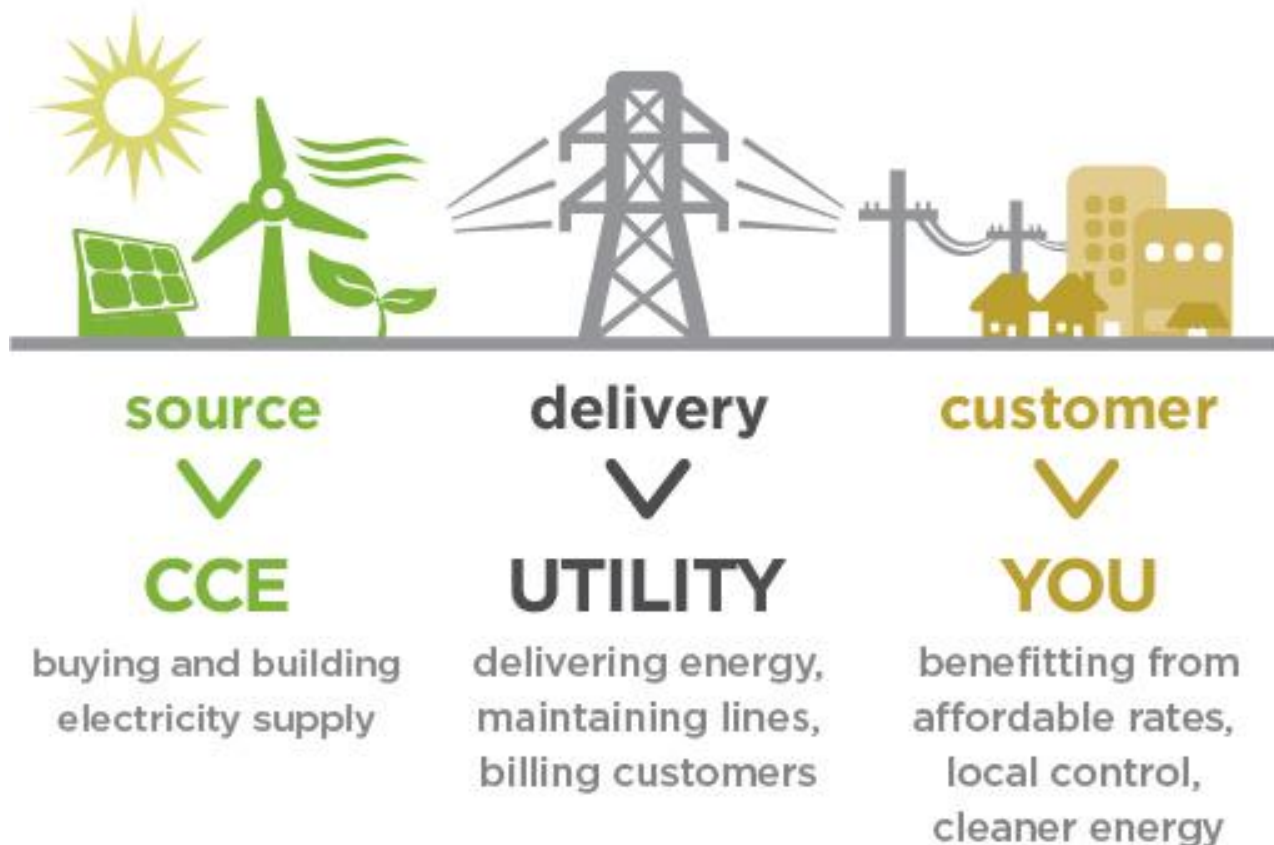


What is Community Choice Energy?



CCE enables local governments to procure and/or develop power on behalf of their public facilities, residents and businesses. It has proven to increase renewable energy and lower greenhouse gases while providing competitive electricity rates.

How Community Choice Energy Works

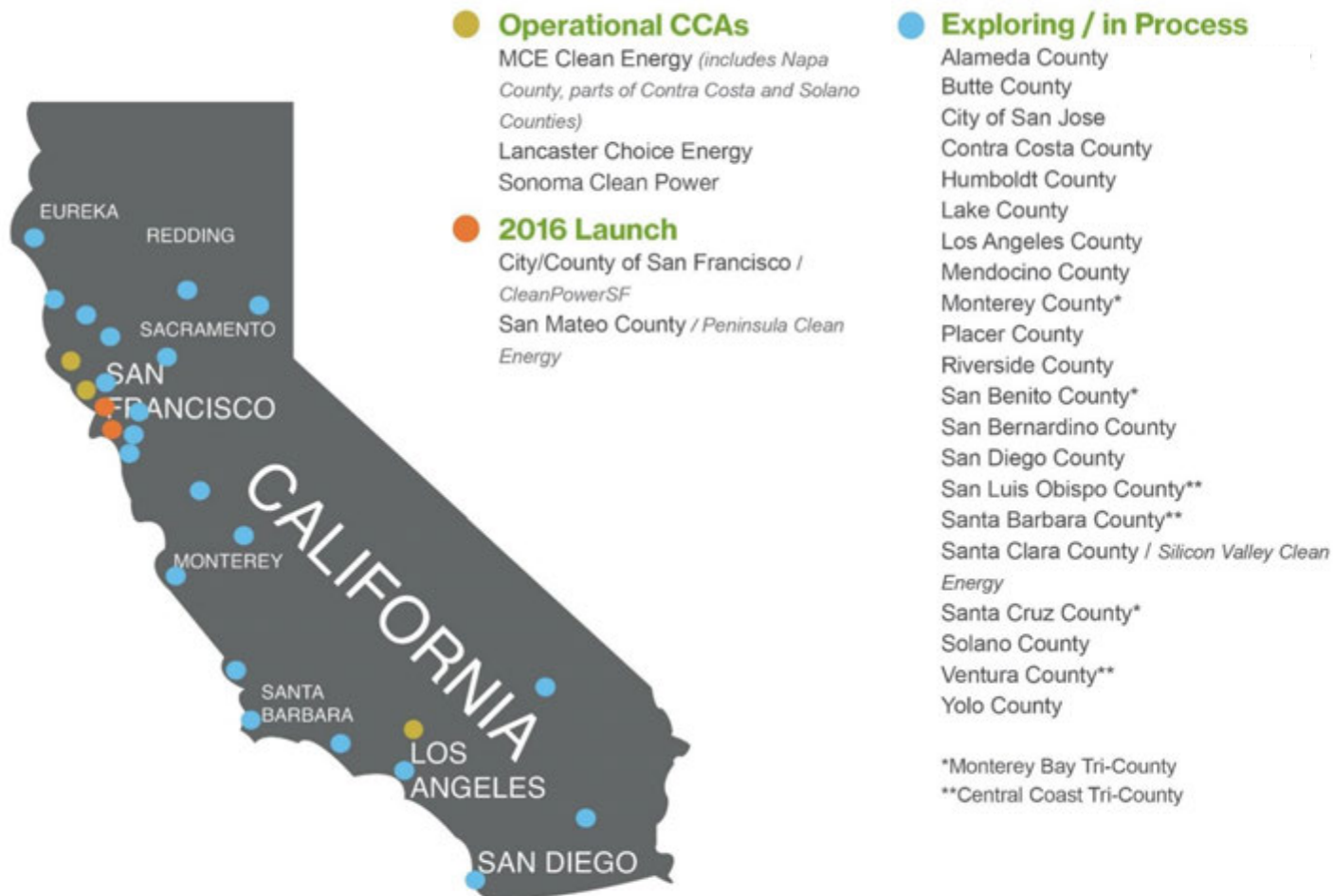


Potential CCE Advantages



- CCE is responsive to local environmental and economic goals
- Offers consumers a choice where none currently exists
- Revenue supported, not taxpayer subsidized
- Stable, often cheaper, electricity rates
- Allows for rapid switch to cleaner power supply and significant GHG reductions; achievement of local CAP goals
- Provides a funding source for energy efficiency and other energy programs like energy storage and EV charging stations

CCE is Growing in California



Status in Bay Area Counties



All Nine Counties Engaged ...

- Operational: Marin, Sonoma Counties
City of San Francisco
- Joined Marin: County of Napa
Cities of Richmond,
San Pablo, El Cerrito, Benicia
- Launching Soon: San Mateo County
- Under Development: Alameda, Santa Clara
Counties
- Early Investigations: Contra Costa County
- Next/Follow Up: Solano County



The Context in Alameda



- In June 2014, the Board of Supervisors allocated \$1.32 million to assess CCE in Alameda. Up to \$3.25 million may be spent if the first phase looks positive.
- First phase includes establishing the Steering Committee, doing city and stakeholder outreach, and conducting the technical study.
- All eligible cities authorized load data collection
- MRW & Associates in Oakland was selected as the tech. study consultant and has started work.



3 CCE Programs in California... so far



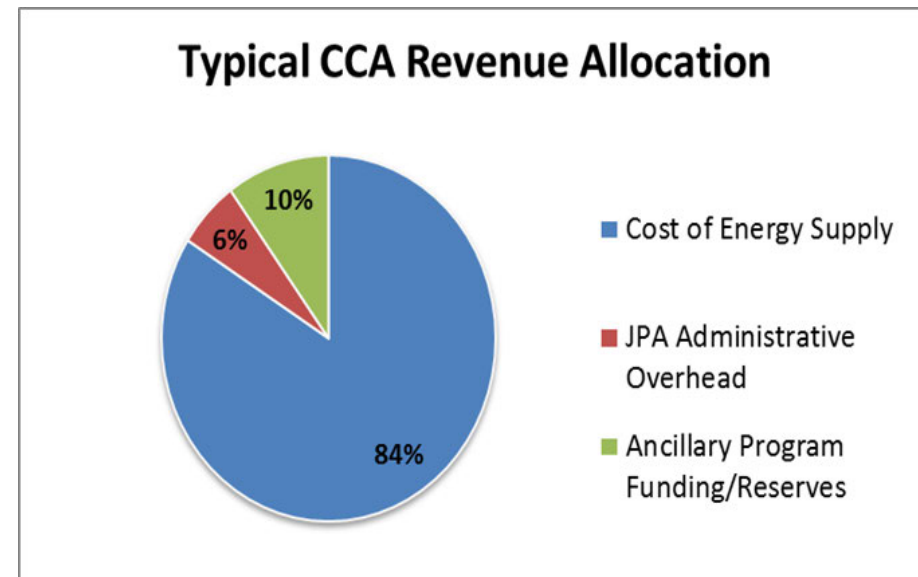
| Launch Year | 2015 Avg. Customer Rate Savings | Power Options (current) |
|-------------|---------------------------------|---|
| 2010 | 2-5% below PG&E | 56% Renewable 100% Renewable 100% Local Solar |
| 2014 | 6-14% below PG&E | 36% Renewable 100% Renewable |
| 2015 | 3-4% below SCE | 35% Renewable 100% Renewable |

CCE Financial Performance



MCE and SCP are fiscally sound

| | MCE (FY15-16) | SCP (FY15-16) |
|---|--------------------|---------------------|
| Total Projected Revenue | \$145,933,000 | \$165,495,000 |
| Expenses | \$141,433,000 | \$148,588,000 |
| Cost of Energy | \$129,522,000 | \$130,100,000 |
| Cost of Administration | 7% | 4.5% |
| Projected Net Increase in Reserves | \$4,500,000 | \$16,907,000 |



Basic Program Mechanics




1. Form or join a Joint Powers Agency: Local governments participate by passing an ordinance and entering into a JPA Agreement. JPA structure protects city general funds.
2. Utility (PG&E) continues to provide consolidated billing, customer service, grid and line maintenance.
3. PG&E programs for low income/CARE customers remain the same
4. CCE electric generation charges (including exit fee) appear as new line items on the customer bill; all other charges remain the same.
5. CPUC certifies CCE Plan; oversees utility/CCE service agreement and other requirements.
6. Under State law, CCE is an “opt-out” program.



Sample Energy Bill – MCE





ENERGY STATEMENT
www.pge.com/MyEnergy

Account No: 1234567890-1
Statement Date: 10/01/2013
Due Date: 10/22/2013

Service For:
MARY SMITH
1234 STREET AVENUE
SAN RAFAEL, CA
94804

Your Account Summary

| | |
|--|----------|
| Amount Due on Previous Statement | 82.85 |
| Payments Received Since Last Statement | 82.85 |
| Previous Unpaid Balance | \$0.00 |
| Current PG&E Electric Delivery Charges | \$39.32 |
| MCE Electric Generation Charges | \$42.81 |
| Current Gas Charges | \$27.20 |
| Total Amount Due | \$109.33 |

Questions about your bill?
24 hours per day, 7 days per week
Phone: 1-866-743-0335
www.pge.com/MyEnergy

Local Office Address


750 LINDARO STREET, STE 160
SAN RAFAEL, CA 94901

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Important Messages

Your charges on this page are separated into delivery other than PG&E. These two charges are for different

Electric power line safety PG&E cares about your safety. Please keep antennas at least 10 feet away from overhead power lines. For more information, call 9-1-1 and then PG&E at 1-800-743-5000.



ENERGY STATEMENT
www.pge.com/MyEnergy

Account No: 1234567890-1
Statement Date: 10/01/2013
Due Date: 10/22/2013

Details of MCE Electric Generation Charges
10/01/2013 – 11/01/2013 (31 billing days)
SERVICE FOR: 1234 STREET AVENUE
Service Agreement ID: 0123456789 ESP Customer Number: 0123456789

10/01/2013 – 11/01/2013

| | |
|-----------------------|------------------------------------|
| Rate Schedule: | RES-1 |
| DEEP GREEN - TOTAL | 508.000000 kWh @ \$0.0100 \$5.08 |
| GENERATION - TOTAL | 508.000000 kWh @ \$0.07400 \$37.59 |
| | Net charges \$42.67 |

| | |
|--|----------------|
| Energy Surcharge | \$0.14 |
| Total MCE Electric Generation Charges | \$42.81 |

Service Information
Total Usage 508.000000 kWh

For questions regarding charges on this page, please contact:
MCE
781 LINCOLN AVE STE 320
SAN RAFAEL CA 94901
1-888-632-3674
www.mceCleanEnergy.com

Additional Messages
For questions regarding your charges on this page, please contact your Third Party Energy Service Provider.

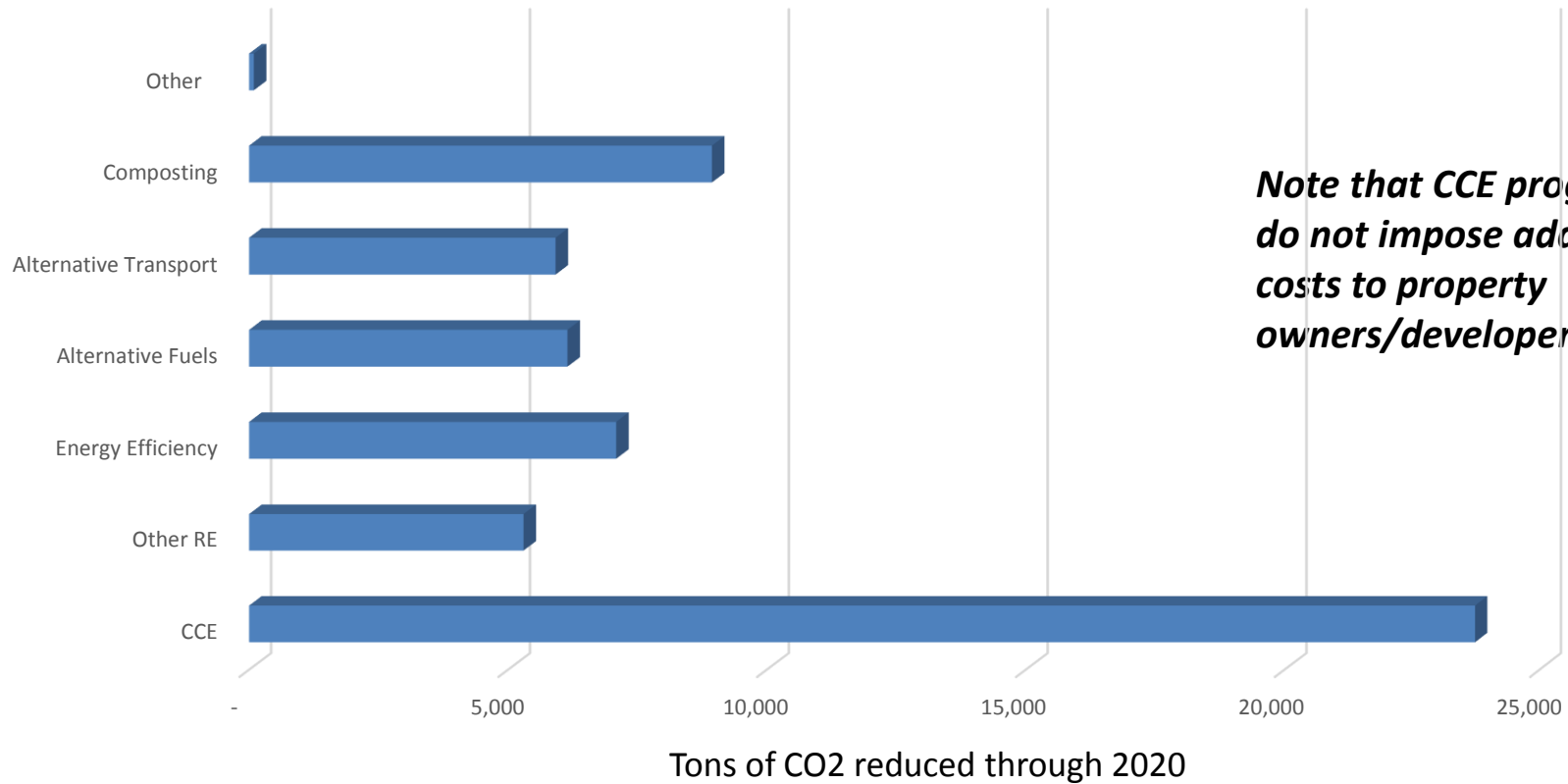
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CCE & Local Climate Action Plans

Excerpt from City of San Mateo Climate Action Plan



CAP Program Options



What are the Risks...

And how are they mitigated?



Rate Competition/Market Fluctuation: Rates will vary with market conditions. Power market expertise and well crafted power RFPs are essential; Diversified supply portfolio and “value add” programs.



Customer Opt-Out: Competitive rates are a must; Articulate additional consumer and community benefits.



Political: Align CCA to local policy objectives; Appeal to both progressive and conservative minds by making the environmental AND business case.



Regulatory/Legislative: PUC decisions may adversely affect CCA; also example of AB 2145; Participate in the regulatory and legislative process.

Next Steps: Tech Study



- Purpose is to determine MWH need, peak demand requirements, ability to be competitive with PG&E and procure enough renewables
- Alameda's tech study is unique for two reasons:
- *Economic Development: Seeking to quantify more precisely the job creation benefits of local renewables development*
- *Energy Efficiency: Assessing the potential for energy efficiency programs as an integral part of the CCE program*
- Draft of tech study expected to be completed by late-May.



Tech Study Results from San Mateo



| Key Considerations | Scenario 1 | Scenario 2 | Scenario 3 |
|--|--|--|---|
| General Environmental Benefits | 35% Renewable 35% GHG-Free | 50% Renewable 63% GHG-Free | 100% Renewable 100% GHG-Free |
| Rate Competitiveness (on average, relative to PG&E rate projections) | 6% <u>savings</u> | 4% <u>savings</u> | 2% <u>increase</u> |
| Projected Residential Customer Cost Impacts (On average, relative to PG&E rate projections. Average monthly usage for residential customers ≈ 450 kWh) | \$5.40 monthly cost <u>savings</u> | \$4.05 monthly cost <u>savings</u> | \$1.80 monthly cost <u>increase</u> |
| Assumed Customer Participation | 85% across all customer groups | 85% across all customer groups | 75% for residential and small commercial 50% for all other groups |
| Comparative GHG Emissions Impacts (approx. savings in metric tons of CO ₂ equivalent) | 211,000 MTCO ₂ of <u>additional</u> GHG emissions in Year 1 | 75,000 MTCO ₂ of GHG emissions <u>reduction</u> in Year 1 | 204,000 MTCO ₂ of GHG emissions <u>reduction</u> in Year 1 |

CCE Steering Committee (SC)



- Representatives from all cities included
- Outside stakeholders including environmental groups, labor, social justice and other organizations
- The SC meets every month to discuss CCE issues and advise Board of Supervisors (for example, the Committee advised on the scope of the technical study).
- Also a forum for discussion and education (including presentations on broader energy markets, CCE policy updates, etc.)



Project Timeline



- Goal is to launch EBCE by April 2017
- To meet this goal, we are working on parallel paths
- The County is starting the JPA process now and has reached out to all the city managers and attorneys. The tentative deadline to join the JPA is October 31, 2016
- As an initial step, County is briefing all the cities on progress to date and plans going forward.

Project Timeline



Phase 1a: Initial

- ✓ BOS funds allocated
- ✓ Load data request into PG&E
- ✓ Steering Committee (SC) formed
- ✓ Webpage and Stakeholder database developed

Phase 1b: Tech Study

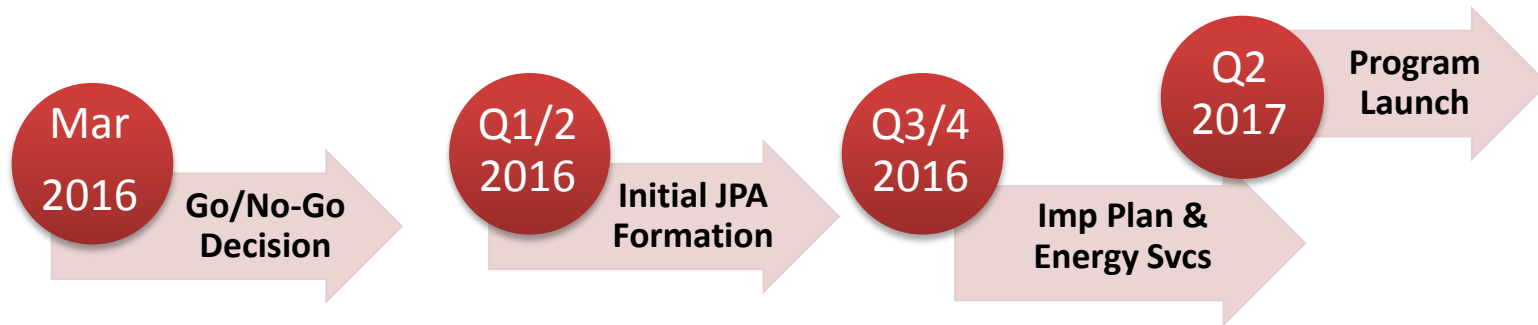
- ✓ Final scope reviewed by SC
- RFP issued and Study completed
- Targeted stakeholder mtgs; plan for Phase 2 community outreach
- Expand website
- Go/No-Go decision

Phase 2: Program Dev't

- Enabling Ordinances (CCE/JPA)
- Expanded outreach
- Energy Svcs RFP/ Negotiations
- Implementation Plan to CPUC
- Utility Service Agrmt
- Bridge financing to revenue

Phase 3: CCE Launch

- JPA Org. Devt (e.g. working cap, staffing)
- Data Mgmt and other Svc. Contracts
- Marketing campaign
- Call Center; opt-out notifications
- Conservation & Renewables programming



What We're Asking from the Cities



- Your city manager has already authorized collection of your city's load data for the technical study.
- Right now, we're only updating you and re-introducing the concept to city councils.
- If the study seems positive and if the BOS approves funding for Phase 2, we will do another round of presentations to the cities on the study's results. Most likely in early-summer.
- At that point, we will ask cities to decide whether or not they will join EBCE. A copy of the negotiated JPA agreement and CCE ordinance will be provided.
- The **tentative** deadline for cities to determine their participation is October 31.
- The County stands ready to assist the cities in whatever it needs to make this decision (community workshops, study sessions, preparation of staff reports, etc.). No expenditure of city general funds will be required



Thank you!
Insert Contact Information

