

June 24, 2015

Bruce Jensen
Alameda County Planning Department
224 West Minton Avenue, Room 111
Hayward, CA 94544

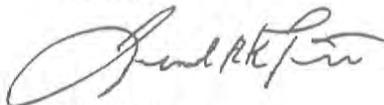
Re: Draft RFP (Technical Study for Community Choice Aggregation Program in Alameda County)

Dear Mr. Jensen,

The City of Pleasanton reviewed the aforementioned RFP and would like the following items to be considered in the final RFP.

1. A demonstration of how the East Bay Community Energy (EBCE) Community Choice Aggregation (CCA) energy portfolio is "greener" than PG&E's portfolio.
2. Inclusion of a comprehensive rate analysis that validates the long-term costs and savings between the CCA and PG&E and a timeline for the rate adjustment periods.
3. Because residential and commercial buildings have very different energy consumption characteristics, the incentives for participation (agency, resident and commercial) should be clearly defined. Are there different incentives for participation (e.g. monetary, energy savings, equipment, etc.) for different customer types?
4. Clearly define Renewable Energy Credits (REC) and how they are used in estimating GHG reductions.
5. Because the EBCE is considering including more than just Alameda County, what are the implications (programmatic, financial, and organizational) of a multijurisdictional program and how does that compare to other CCA programs that have been implemented?
6. Would the CCA provide similar programs and incentives as PG&E does to its customers? Would the JPA be responsible for facilitating such programs and customer service interface through online services (website, App, portal, etc.)?

Sincerely,



Jerry Pentin
Councilmember

c: Jerry Thorne, Mayor, City of Pleasanton
Nelson Fialho, City Manager
Kathleen Yurchak, Assistant Director of Operations Services

MAYOR AND CITY COUNCIL

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Bruce Jensen

Alameda County Planning Department
224 West Winton Avenue, Room 111
Hayward, CA 94544

Re: Draft RFP (technical feasibility study) for East Bay Community Energy program

Thank you for the opportunity to submit comments on the draft RFP (technical feasibility study) for consideration. As a representative of a collaborative of stakeholders that include labor, business, community based organization, workforce intermediaries, policy and others organizations, I'm pleased that many of the participants at the kick-off meeting expressed similar concerns. Namely, if specific goals are not present in the language of the RFP, then those goals will be side-lined and remain tertiary, as efforts of implementation for the CCE get underway. Experience has proven this to be the case repeatedly, and it is why community and labor stakeholders are so active in Alameda County and the Bay Area in general.

One of Emerald Cities' goals is distributed energy AND jobs in disadvantaged communities that provide union pathways and careers. Therefore, it is critical to include and name the goals of community and social benefit in the scope of this study with full accounting of the costs and benefits. One of the ways to ensure job creation that has labor standards and family-supporting jobs is through community-scale distributed generation rather than any prioritization of residential rooftops. So, public and commercial properties where scale can support new local job creation should be prioritized and supported.

Through many community benefits agreements, we know that if it is not a priority now, it won't become a priority later. So the language of the RFP should include and prioritize jobs analysis and work with organizations that have market labor expertise.

The technical study should examine:

- a. the potential for GHG reductions (through the use of varying levels of renewable/clean energy), including a rigorous assessment of the GHG reduction potential without using unbundled, Category 3 RECs.
- b. the projected financial impacts of varying levels of renewable energy integration above the regulatory RPS baseline,
 - As Councilmember Kalb noted, it should push beyond the RPS goals of 30% and 50%.



Emerald Cities
OAKLAND - BAY AREA

- c. the costs and benefits of procuring renewable energy built with strong labor standards and family-supporting wages,
- d. the projected financial impacts of procuring local renewable generation from projects of various sizes ranging from residential solar PV to **large locally** built commercial-utility scale solar, and
- e. the CCA's ability to achieve rate competitiveness.

There is concern that the impacts of annual savings, GHG reductions and local economic development cannot be assessed without reference to the development of local (local) renewable resources.

Where would local job creation exist in the absence of target development on public/commercial infrastructure within the county?

The job analysis should also address job quality metrics, such as family-supporting wages, and other labor standards to ensure that investments are not funding poverty-level jobs and the social equity goals of the CCA are financial feasible.

And in the pro-forma analysis, quantifiable impacts should include potential for *expanded use of renewable energy resources and local economic development (**direct job-years created**) above the regulatory or business-as-usual baseline and quality (wages, job access, location, etc. of the jobs created).*

Thanks you,

Tara Marchant
Emerald Cities Oakland



Jessica Tovar
c/o East Bay Clean Power Alliance
436 14th St Suite #1216
Oakland, CA 94612
Jessica@baylocalize.org 415-596-3517

Bruce Jensen
Alameda County Planning Department
224 West Winton Avenue, Room 111
Hayward, CA 94544

Re: Draft RFP (technical feasibility study) for East Bay Community Energy program
June 8, 2014

Dear Bruce,

The East Bay Clean Power Alliance would like to thank you for making the Draft RFP public with sufficient lead time for us to take a close look at it before it is placed on the agenda of the upcoming East Bay Community Energy (EBCE) Steering Committee meeting.

We also appreciate your incorporating most of the program goals for which we have been advocating into the list of goals itemized in the Draft RFP. We believe these goals provide the basis for establishing a Community Choice program that addresses the needs of the County's residences and businesses in the face of growing climate change impacts.

This letter is to provide you with feedback on the Draft RFP and to make recommendations for aligning the scope of the RFP with EBCE program goals. We would like to meet with you and at least one of the County's consultants to discuss our recommendations as soon as possible.

Draft RFP and Program Goals

The main deliverable set forth in the Draft RFP appears to be an assessment of "the overall cost-benefit potential to support a threshold decision to move forward with CCA. Costs shall include upfront Program development and implementation costs as well as net ratepayer costs over the forecast period. Quantifiable impacts shall include potential for: 1) annual and net savings over PG&E; 2) net GHG reductions; 3) expanded use of renewable energy resources and local economic development (job-years created and indirect economic impacts)."

The Draft RFP enumerates eight EBCE program goals, but notes that these goals are for reference and "not a statement of specific tasks or study scope." Nevertheless, three of the goals (competitive rates, lower GHG intensity, and renewable energy options) are prominently addressed in the RFP, while goals addressing other key community benefits (prioritizing development of local renewable resources and achieving demonstrated economic benefits) are largely ignored.

The Draft RFP does state that "local economic development (job-years created and indirect economic impacts)" is one of the three main impacts for assessing "the overall cost-benefit potential to support a threshold decision to move forward with CCA," and that the technical feasibility study should examine "direct and indirect employment creation." However, the Draft

RFP does not specify (or otherwise make clear) that development of local renewable resources be factored into the three supply scenarios (33%, 50%, and 100% renewable) requested by the RFP nor that additional scenarios representing different ten-year development models be considered.

We are concerned that the impacts of annual savings, GHG reductions, and local economic development cannot be assessed without reference to the development of local renewable resources. Where, for example, would local job creation come from in the absence of such development over the Draft RFP's ten-year forecast period?

Ten-Year Forecasting Methodology

Because the Draft RFP does not address the development of local renewable resources, its call for a ten-year forecast is apparently based simply on (high, medium, and low) extrapolations of current market conditions. The energy market is very volatile and is likely to be increasingly so due to California drought conditions, the shuttering of nuclear power plants, and public opposition to cheap fracked natural gas.

Financial projections of the program's performance for the initial two or three years when electricity is being purchased on the market can be made using forward market prices for power from existing generation facilities. This type of short-term procurement forecasting can be done with a minimum of effort using published market prices for these categories of renewable energy, representative of the costs the program would incur in its first couple years of operations. This short-term projection is helpful in securing financing from a bank for program launch.

However, any projections of this type beyond two or three years, under dynamic market and development conditions, are highly speculative and unreliable. The CPUC, the investor-owned utilities, and municipal utilities use sophisticated power planning tools for such projections. These tools can be used to analyze available and proposed power generating sources, their integration on the grid, and how the development of local resources can be integrated into the power mix.

Greenhouse Gas Reductions

Because it emphasizes GHG reductions as a major concern, the RFP should be more specific about what constitutes legitimate estimates of GHG reductions. In particular, it makes reference to "California Qualified Renewable" portfolios and content without addressing the issue of unbundled RECs.

California regulations do not address the use of unbundled RECs by Community Choice programs to claim GHG reductions beyond those called for through the Renewable Portfolio Standard (RPS) targets (33% renewables by 2020). Hence a Community Choice program is free to claim, as does Marin Clean Energy, that its purchase of unbundled RECs offsets its fossil-fuel portfolio, resulting in lower GHG emissions (less carbon intensive energy) than PG&E. This has become a major focus of attacks on Community Choice programs.¹

We feel the RFP should make clear that unbundled RECs cannot legitimately be used in estimating GHG reductions beyond the RPS under the RFP. It should require that all scenarios

¹ Note, for example, the [June 1, 2015 announcement](#) by IBEW 1245 that it is filing a ballot initiative in San Francisco to require that any power labeled as clean or green by Clean Power SF "come from Category 1 renewable energy generated from solar, wind and other eligible renewable energy resources..."

that exceed the RPS requirements be based on real renewable energy procurement (bundled RECs), and not on purchase of unbundled RECs.

Multiple Scopes of Work

It appears to us that the Draft RFP would be strengthened by calling for three different levels of study to establish a Community Choice program that could achieve the program goals cited in the Draft RFP:

1. **Short-term (2-3 year) procurement forecasts and cost of service modeling:** This provides a simple forecast using market price indices for power from existing power plants. This short-term forecasting is what is required by a bank to arrange financing for the program to launch. The analysis can be conducted rapidly, relatively cheaply, and allows the Community Choice formation activities to proceed quickly.
2. **Program design for development of local renewable energy resources:** This provides development scenarios for how the Community Choice program could facilitate the build-out of local assets to achieve key program goals such as annual savings, GHG reductions, and local economic benefits (job-years created and indirect economic impacts) over the course of about ten years.
3. **Power planning methodology and tools:** This provides recommendations for industry-accepted quantitative tools/software and 'road map' of regulatory and business processes required to make long-term power planning and integration of local resources a core part of the program's operational activities. It includes risk-management policies similar to those used by municipal and investor-owned utilities.

Recommendations

Based on our analysis of the Draft RFP and the comments we have provided above, the East Bay Clean Power Alliance proposes that the current Draft RFP, which implicitly calls for multiple scopes of work requiring different types of expertise, be separated out into three separate RFPs, which together would provide a stronger and more informed basis for moving forward with the EBCE program:

- A short-term technical feasibility study and pro-forma analysis for establishing EBCE based on a two to three year forecasting of the type described in the current Draft RFP. This study would inform a threshold decision to move forward with the formation of a JPA and Community Choice agency.
- A long-term (ten-year) technical analysis to address the program design needed to implement the build-out of local renewable energy resources. This RFP should cover how to achieve the benefits of lowering rates, reducing greenhouse gas emissions, achieving job creation, and other economic benefits of such local development. It should describe how local development could be phased in, how it could be financed, what contracting strategies could be used, what tradeoffs might be in play, what ownership models could be pursued, what mechanisms could be used to promote such development, and how local assets would be integrated into the program's power mix. In other words, this RFP would call for the development of a local build-out plan which stops short of designing specific projects (would not trigger CEQA), but which addresses the issues mentioned above and how to meet the

stated program goals—perhaps comparing different development scenarios.² This study would inform a threshold decision to launch the EBCE program, that is, enrolling customers and delivering power, and could, if necessary, be concluded after JPA formation but before program launch.

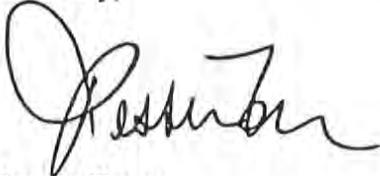
- * A study to recommend how to estimate the economic impacts of building new local resources beyond a short-term timeframe, and how to perform long-term power planning exercises. It would recommend tools, methodologies, and procedures to be used operationally by the program to procure power and build specific projects after launch. This type of long-term power planning would incorporate both the volatility of the energy market and the integration of local generating sources over the program's lifetime. This study, like the local build-out study, does not necessarily have to be completed prior to JPA formation, but would inform a threshold decision to launch EBCE.

Conclusion

The East Bay Clean Power Alliance supports the Draft RFP's intent to assess the impact of annual savings, GHG reductions, and local economic development in studying the technical feasibility of meeting the goals of a Community Choice program. However, we feel that this assessment should be performed not solely on the basis of market projections, but by conducting a separate resource development planning study specified in a separate RFP. Meanwhile a two-to-three-year market projection of the type called for in the present RFP can be used to support a decision to move forward in establishing an EBCE program agency.

On behalf of the East Bay Clean Power Alliance, thank you for your consideration of our request for a meeting.

Sincerely,



Jessica Tovar

LCEA Organizer c/o East Bay Clean Power Alliance*:

Local Clean Energy Alliance

Sierra Club SF Bay Chapter

Tri-Valley Progressives

Clean Energy & Jobs Oakland Campaign of the Oakland Climate Action Coalition

Community Choice Working Group of the Berkeley Climate Action Coalition

Wellstone Democratic Renewal Club

Hayward Demos Democratic Club

Berkeley Climate Action Coalition

² This study could be along the lines of the EnerNex study commissioned by San Francisco's LAFCo: *Local Build-out of Energy Resources of the Community Choice Aggregation Program*, January 2015, or of the earlier Local Power, Inc. study commissioned by San Francisco's PUC: *Proposed CleanPowerSF Business Plan*, March 2013.

* The East Bay Clean Power Alliance advocates for Community Choice energy programs in the East Bay that serve to spur equitable economic development and family-sustaining clean energy jobs, reduce greenhouse gas emissions, stabilize or lower the cost of electricity, improve community health and social equity, and provide other community benefits. We see the development of local renewable energy resources (including reduced consumption) as key to securing these benefits.

We also see engagement of the East Bay community, broadly and equitably, as central to achieving such goals, both in establishing the Community Choice program and in the governance structure of the program once it is set up.



East Bay Clean Power Alliance
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Bruce Jensen
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224 West Winton Avenue, Room 111
Hayward, CA 94544

June 24, 2015

Re: Draft RFP (technical feasibility study) for East Bay Community Energy program

Dear Bruce,

East Bay Clean Power Alliance shares the County's aim to expeditiously move forward on a Community Choice energy program. However, we believe that a thorough study of substantial local renewable energy resource development is an essential part of launching a Community Choice program that meets EBCE program goals.

This memo and proposal responds to the invitation for further feedback on the Draft RFP and is a follow-up to our June 8 letter. It takes into account staff's response to that letter in the June 11 Memorandum to the EBCE Steering Committee, plus the discussion that took place at the EBCE Steering Committee meeting on Thursday, June 18.

Staff Response to the June 8th 2015 Letter

The June 11 Memorandum says that "it is worth considering incorporating elements" of the feedback and recommendations of the East Bay Clean Power Alliance regarding the County's proposed technical feasibility study draft RFP. For example, it says the RFP could include assessing "the costs, job benefits, and GHG impacts associated with substantial investments in local renewable projects." It suggests examining "the likely availability, rate competitiveness, increased jobs, lower GHG emissions, etc. if X% of the renewable power supplied" were generated in the immediate region.

First, such estimates are already available in [*East Bay Community Choice Energy: From Concept to Implementation.*](#)

However, and more importantly, such estimates fail to address *how, where, when, what kind of and how much of such investments could be made*, all of which would be essential to determining how the Community Choice program could meet its stated goals.

In particular, we continue to recommend, as we did in our June 8 letter, that this RFP or a parallel RFP "address the program design needed to implement the build-out of local renewable energy resources. This RFP should cover how to achieve the benefits of lowering rates, reducing

greenhouse gas emissions, achieving job creation, and other economic benefits of such local development."

We like the suggestion we heard on June 18 that these issues be considered in a *parallel* RFP. This would allow the current RFP to move forward. It would also avoid the certain delay in program launch if the build-out study were not to commence until after the JPA Board is formed and staff is hired. The time required for a build-out study (based on current experience) is about a year.

East Bay Clean Power Alliance Proposal

To achieve the community benefits stated in the EBCE program goals, the County needs to study how to achieve these goals, and in a timeframe *well before* the launch of the program. That's because the type of procurement contracts EBCE signs and when, how it sets electricity rates, who it hires to run the program, how it integrates locally-sourced electricity with market purchases, what kind of incentives it provides for energy efficiency or new renewable generation—all these depend critically on a business plan for the local build-out.

The East Bay Clean Power Alliance is calling for a feasibility study that leads to such a business plan by addressing how to meet EBCE's stated goals. We cannot emphasize too much that a local build-out study needs to be undertaken very soon, so that its findings can be incorporated into EBCE's program design at launch.

We believe an RFP to specify that build-out study should be drafted within coming weeks, reviewed, and put out for bid promptly, seeking consultants who have expertise with design of local build-out programs and integrated resource planning, among other qualifications.

Without assurance that a parallel build-out study will be undertaken soon, the current RFP, in order to garner our support, would need to be expanded in scope to include a local build-out study similar to that the scope described in the 2014 [San Francisco LAFCo RFP](#) for a local build-out plan for CleanPower SF. At a minimum it should "specifically examine the potential for a Community Choice energy program to do the following:

- Consider a project development and ownership strategy, which increases the development of renewable energy projects and expands opportunities for local ownership and investment in energy assets.
- Establish a financially sustainable and flexible business model that supports investment in and the local build-out of distributed energy resources and develop local energy programs.
- Conduct an assessment of potential economic benefits." (quoted from page 3 of the June 11 Memorandum)

To be more specific, the current RFP would have to be expanded along the lines indicated below:

Changes to Section B (Scope and Background) of the current RFP:

Section B.1 (CCA Technical Study), page 2

Replace the two sentences above the list of goals with "These draft goals, which are subject to modification, are to be considered in determining feasibility."

Changes to Section C (Bidder Qualifications) of the current RFP:

Add the following qualifications

- Bidder shall demonstrate experience in local renewable energy resource technologies (demand reduction and new generation), assessing renewable energy resource potential, developing community-based renewable energy projects, implementing incentive programs for community-based renewable energy development, and power scheduling
- Bidder shall demonstrate knowledge of the issues involved in integrating a mix of behind-the-meter and in-front-of-the-meter renewable technologies/resources to reshape the overall electricity demand load, integrating with and displacing wholesale energy purchases, balancing intermittent sources, optimizing energy system design, and thereby increasing a Community Choice program's economic viability.
- Bidder shall demonstrate familiarity with relevant regulatory and legal issues such as RPS and CEQA compliance
- Bidder shall demonstrate familiarity with financing requirements and options for local renewable resource development
- Bidder shall demonstrate experience studying and analyzing labor markets and mechanisms for expanding union employment and family-sustaining job creation programs as they relate to the labor and clean energy goals of EBCE.

Changes to Section D (Study Scope and Requirements) of the current RFP:

Section D.2 (Rate Analysis), page 4

Clarify that this section refers to a two to three year projection and that longer-term projections be on the basis of the RFP requirements outlined in Section D.4.

Section D.4 (Economic Impacts), page 5

Replace this section with language that includes at least the following requirements:

Consultants will examine the program design needed to implement the phased build-out of local renewable energy resources (demand reduction as well as new generation). The study should determine the impact of local renewable resource development on lowering rates, reducing greenhouse gas emissions, achieving job creation, and other economic benefits. It should include projected costs and financing options of phased local energy resource development as well as expected revenues from the build-out. Plans should be sufficiently detailed to support the subsequent preparation of requests for proposals for the planned development of local renewable generation and demand reduction resources.

In this context the consultant should examine the potential for a Community Choice energy program to do at least the following:

- Implement a project development and ownership strategy, which increases the development of renewable energy projects and expands opportunities for local ownership and investment in energy assets.
- Establish a financially sustainable and flexible business model that supports investment in and the local build-out of distributed energy resources and development of local energy programs.
- Maximize potential community economic benefits.

The consultant should offer a timeline for the phasing in of local renewable energy assets, how they could be financed, what contracting strategies could be used, the impacts of developing renewable energy resources built with strong labor standards and family-supporting wages, what

ownership models could be pursued, what mechanisms could be used to promote such development, and how local assets would be integrated into the program's power mix.

In other words, this examination should address the issues mentioned above and how to meet the stated program goals—perhaps comparing different development scenarios.¹

On behalf of the East Bay Clean Power Alliance,



East Bay Clean Power Alliance* c/o Jessica Tovar:

Local Clean Energy Alliance

Sierra Club SF Bay Chapter

Tri-Valley Progressives

Clean Energy & Jobs Oakland Campaign of the Oakland Climate Action Coalition

Community Choice Working Group of the Berkeley Climate Action Coalition

Wellstone Democratic Renewal Club

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* The East Bay Clean Power Alliance advocates for Community Choice energy programs in the East Bay that serve to spur equitable economic development and family-sustaining clean energy jobs, reduce greenhouse gas emissions, stabilize or lower the cost of electricity, improve community health and social equity, and provide other community benefits. We see the development of local renewable energy resources (including reduced consumption) as key to securing these benefits.

We also see engagement of the East Bay community, broadly and equitably, as central to achieving such goals, both in establishing the Community Choice program and in the governance structure of the program once it is set up.

¹ This study could be along the lines of the EnerNex study commissioned by San Francisco's LAFCo: [Local Build-out of Energy Resources of the Community Choice Aggregation Program](#), January 2015, or of the earlier Local Power, Inc. study commissioned by San Francisco's PUC: [Proposed CleanPowerSF Business Plan](#), March 2013.



Alameda Labor Council, AFL-CIO



Send all correspondence to:
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Sergeant at Arms
Garry Horrocks, IAM 1546

June 24, 2015

Mr. Bruce Jensen
Alameda County CCA Agency
224 West Winton Avenue, Suite 111
Hayward, CA 94544

RE: Request for Information

Dear Mr. Jensen,

Thank you for the opportunity for additional time in which to submit information for inclusion into the RFP in connection with the Alameda County CCA Feasibility Study. Please find attached, the Labor Friendly Community Choice Aggregation Resolution passed by the Alameda Labor Council in July 2014 as well as a related FACT sheet.

The Alameda Labor Council is quite familiar with Community Choice Aggregation and past involvement by the County and certain cities. In 2008, the Alameda Labor Council passed a Resolution opposing the proposed CCA involving the cities of Berkeley, Emeryville and Oakland. This version of CCA was ill conceived and poorly planned. Alameda Labor Council opposed CCA at this time because, in part, the proposed energy program had no real consideration of jobs and benefits to the local economy. Ultimately, City staff of each jurisdiction rejected the feasibility study as flawed and a CCA was not pursued.

Since 2013, the Executive Committee of the Alameda Labor Council has discussed a possible CCA repeatedly. Based on these discussions and the possible advantages to workers in Alameda County and the local economy, as well as the critical need to increase renewable energy production in the County, the Alameda Labor Council does support a County CCA. But, only if the Principals outlined in the Resolution are included in the implementation of the energy program.

Two things need to be in the RFP to assure the resultant Feasibility Study adequately includes the Alameda Labor Council Resolution. First, the following principals must be clearly articulated in the RFP as goals of the CCA:

- Procure Power from Union generated sources
- Employ unionized customer service representatives



Alameda Labor Council, AFL-CIO

- Sign PLAs on each Power Generation Project
- Sign PLAs on any Energy Efficiency Projects/Programs that the CCA Operates or signs onto
- Sign Community Benefit Agreements to include local projects and local hiring

Second, the funding for the construction of renewable energy projects by the CCA agency, preferably in Alameda County, is clearly identified *in advance* of launch of the new CCA program to assure that the Alameda County CCA will deliver local projects and local jobs, as promised.

Review of other, existing CCA agencies has clearly shown that if these elements are not in part of the planning process AND funding is not identified at the outset of a new CCA entity, then the CCA will not be able to build the local projects that so many elected officials and advocates are promising the public.

Again, thank you in advance for inclusion of these Principals and dedicated funding to the projects that we all want built and generating clean, renewable power here in Alameda County for the betterment of our residents and labor union members. Please don't hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink that reads "Josie Camacho". The signature is written in a cursive, flowing style.

Josie Camacho
Executive Secretary-Treasurer

cc: Board of Supervisors President & CCA Chair Scott Haggerty
Supervisor Richard Valle, District 2
Supervisor Wilma Chan, District 3
Supervisor Nate Miley, District 4
Supervisor Keith Carson, District 5
Alameda Labor Council Executive Committee

Labor Friendly Community Choice Aggregation



BACKGROUND: A Community Choice Aggregation (CCA) entity **must** be evaluated upon the benefits it provides to Alameda County and the residents it serves.

- SB-2 Mandates that all customers receive 33% of electricity from Renewable sources by 2020
- AB 32 regulations designate certified Renewable Energy sources from which this power comes
- The CPUC has created the mandate for Utilities and CCAs to phase in more Renewable energy
- CPUC has identified that 12,000 MW of Renewable Energy must be added to reach 33% RPS
- These Renewable sources have been built, are being built or are being planned to be built.
- These Projects are being built under PLAs, employing Union Members for 30 Million Man hours
- California produces the most Renewable Energy in the U.S. and will be one of the largest producers in the world when the 33% RPS is achieved in 2020

A SUCCESSFUL ALAMEDA COUNTY CCA ENTITY MUST:

- Procure Power from Union generated sources
- Employ unionized customer service representatives
- Sign PLAs on each Power Generation Project
- Sign PLAs on any Energy Efficiency Projects/Programs that the CCA Operates or signs onto
- Sign Community Benefit Agreements to include local projects and local hiring

A Labor Friendly CCA is one that produces *additional* Renewable Energy *above* State Mandated levels AND employs local residents as Customer Service Representatives and in local projects. Sadly, the model adopted by the existing CCAs does not contain any of these critical elements.

MARIN CLEAN ENERGY HAS PURSUED A BUSINESS PLAN WHICH REJECTS A LOCAL BASED CCA:

- MCE signed Power Procurement contract with Shell Energy North America of Houston, TX and outsourced its customer service function to Noble Americas, a non-union service provider
- In the 5 years MCE has supplied power, most of their electricity has come from out of State, Non-Union generators. They promised 200MW of new build but haven't built a single project.
- MCE relies heavily on energy credits, called Renewable Energy Certificates (RECs).
- These RECs are not electricity, they are pieces of paper. MCE uses RECs to Greenwash their dirty fossil fuel (coal/gas) power, instead of investing in renewable energy projects
- Recent studies have demonstrated that buying RECs do NOT result in construction of Renewable Energy projects or even an increase in the amount of Renewable Energy available

Alameda electric customers want more renewable energy and Union Members want local renewable projects. A new Alameda CCA must be good for workers, good for the environment and provide energy from actual renewable sources that customers can trust.

Comments of IBEW Local 1245 – June / July 2015

- A. RFP Mark-Up
- B. Supplementary Discussion

COUNTY OF ALAMEDA

REQUEST FOR PROPOSAL No. 90XXXX

for

Technical Study for Community Choice Aggregation Program in Alameda County

For complete information regarding this project, see RFP posted at
http://www.acgov.org/gsa_app/gsa/purchasing/bid_content/contractopportunities.jsp or
contact the County representative listed below. Thank you for your interest!

Contact Person: Bruce Jensen

Phone Number: (510) 670-6527

E-mail Address: bruce.jensen@acgov.org

RESPONSE DUE

by

2:00 p.m.

on

Response Date

at

Alameda County Community Development Agency

Planning Department

224 W. Winton Avenue, Room 111

Hayward, CA 94544

COUNTY OF ALAMEDA
REQUEST FOR PROPOSAL No. 90XXXX
SPECIFICATIONS, TERMS AND CONDITIONS
for
COMMUNITY CHOICE AGGREGATION (CCA) TECHNICAL STUDY

TABLE OF CONTENTS

	Page
I. STATEMENT OF WORK.....	1
A. INTENT	1
B. SCOPE AND BACKGROUND.....	1
C. BIDDER QUALIFICATIONS	2
D. STUDY SCOPE AND REQUIREMENTS	3
E. DELIVERABLES / REPORTS	7
II. CALENDAR OF EVENTS	8
F. BIDDERS CONFERENCE	8
III. COUNTY PROCEDURES, TERMS, AND CONDITIONS.....	9
G. EVALUATION CRITERIA / COUNTY SELECTION COMMITTEE	9
H. CONTRACT EVALUATION AND ASSESSMENT	16
I. NOTICE OF RECOMMENDATION TO AWARD	16
J. TERM / TERMINATION / RENEWAL	17
K. PRICING.....	17
L. AWARD	17
M. INVOICING	19
N. PERFORMANCE REQUIREMENTS.....	19
O. ACCOUNT MANAGER / SUPPORT STAFF	20
IV. INSTRUCTIONS TO BIDDERS	20
P. COUNTY CONTACTS.....	20
Q. SUBMITTAL OF BIDS	21
R. RESPONSE FORMAT	23

ATTACHMENTS

- EXHIBIT A - BID RESPONSE PACKET
- EXHIBIT B - INSURANCE REQUIREMENTS
- EXHIBIT C – VENDOR BID LIST

I. STATEMENT OF WORK

A. INTENT

It is the intent of these specifications, terms and conditions to describe the development of a countywide technical study to assess the feasibility, size and general characteristics of a potential Community Choice Aggregation (CCA) Program in Alameda County. This study will incorporate load data from PG&E and other sources as appropriate to assess the overall electricity and capacity requirements to serve residential, municipal and commercial electricity customers in the County (with the exception of the City of Alameda which is served by a municipal utility, [customers with their own generation facilities, and customers of the Western Area Power Authority](#)), as well as examine other CCA Program features as outlined in Sections B and C below. The County intends to award a one-year contract (with option to renew) to the bidder(s) selected as the most responsible bidder(s) whose response conforms to the RFP and meets the County's requirements.

B.

SCOPE AND BACKGROUND

The Alameda County Board of Supervisors voted unanimously in June, 2014 to allocate \$1.325 million to explore the creation of a Community Choice Aggregation (CCA) Program and directed County staff to undertake the steps necessary to evaluate the feasibility of a CCA. A CCA Program enables local jurisdictions to procure electricity services – including cleaner and more renewable sources of power – on behalf of customers within their borders. Established by AB117 in 2002, California currently has two active CCA Programs in Marin and Sonoma Counties, one about to launch in the City of Lancaster, and dozens of other local governments are exploring CCA across the State.

Critical to assessing whether a CCA Program will make economic sense and meet local environmental [and social](#) objectives is a technical study that identifies pertinent specifications and requirements associated with the prospective CCA Program (i.e., determination of how many customer accounts are likely to be served by the Program and identification of related tariff designations/options under which such customers will take electric service; quantification of expected electric energy requirements for customers participating in the prospective CCA Program; and determination of periodic peak demands associated with such customers as well as various other parameters), including the projected impacts of various clean energy and GHG reduction scenarios. The technical study is also helpful in determining whether or not the CCA can provide electricity rates that are generally competitive with those offered by the incumbent utility.

This study will be completed for the Community Development Agency (CDA) as the designated Agency tasked with investigating CCA on behalf of the County. The study will also be reviewed by the Alameda County Board of Supervisors and committees established for the purpose of providing insight and feedback on the CCA opportunity and process.

The following is a delineation of the services contemplated in this RFP.

CCA Technical Study: The technical study will identify pertinent technical parameters of the CCA Program, including the number of prospective customers, the tariff designations under which such customers will take electric service, anticipated customer energy requirements (hourly) throughout the CCA's defined implementation period, expected peak demands (for purposes of quantifying the CCA's anticipated resource adequacy requirements across each applicable capacity designation: system, local and flexible) and renewable energy requirements (to achieve compliance with California's Renewables Portfolio Standard requirements) as well as other pertinent information that may be required to develop supplier bid specifications and promote successful CCA implementation. The technical study will also examine (1) the potential for GHG reductions (through the use of varying levels of renewable/clean energy, **including a rigorous assessment of the GHG reduction potential from the voluntary use of unbundled, Category 3 RECs compared to actual California-based renewable energy projects**), (2) the projected financial impacts of varying levels of renewable energy integration, (3) **the projected financial impacts of increasing the procurement of renewable energy built with strong labor standards and family-supporting wages**, (4) **the projected financial impacts of procuring local renewable generation from projects of various sizes ranging from residential solar PV to utility-scale solar**, and (5) the CCA's ability to achieve rate competitiveness with the incumbent utility in consideration of then-current market prices. The CCA study should examine the ability of the CCA to meet all applicable state regulations, such as the renewable portfolio standard (RPS), within the framework of the following DRAFT CCA Program Goals set out by the County. Please note that these draft goals are offered here for reference and are not a statement of specific tasks or study scope. Further, these goals may be modified as the initiative progresses.

- a. Overall rates that are lower or competitive with those offered by PG&E for similar products.
- b. Differentiated energy options (e.g. 33% or 50% qualified renewable) for default service, and a 100% renewable content option in which customers may "opt-up" and voluntarily participate.
- c. An electric supply portfolio with a lower greenhouse gas (GHG) intensity than PG&E (**calculated with exactly the same accounting methodology (following the ARB protocol for capped entities)**), and one that supports the achievement of Alameda County's Climate Action Plan greenhouse gas reduction goals and comparable goals of all participating jurisdictions.
 - d. An energy portfolio that prioritizes the use and development of local renewable resources and disallows minimizes the use of unbundled renewable energy credits
 - e. An energy portfolio that incorporates energy efficiency and demand response programs and has aggressive reduced consumption goals.
 - f. A program that demonstrates quantifiable economic benefits to the region (e.g. union and **family supporting** prevailing wage jobs, local workforce development, new energy programs, and increased local energy investments).

- g. A program that promotes personal and community ownership of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities and communities of color, which are most impacted by climate change.
- h. An administering Agency that is financially sustainable, responsive to County and regional priorities, and well managed.

C. BIDDER QUALIFICATIONS

- 1. Bidder shall demonstrate direct experience within and understand the California energy and electrical markets, including relevant legislation and regulations applicable to CCA and its major participants –investor owned utilities, CA Independent System Operator, energy service providers and independent power producers, California Public Utilities Commission, and other **key** market players.
 - 2. Bidder shall demonstrate an understanding of the CCA formation process in California including - statutory and regulatory requirements, and best practices. Bidder shall have experience in customer data requests and analysis.
 - 3. Bidder shall demonstrate experience in resource planning and energy procurement
4. Bidder shall demonstrate experience in rate setting /design and sensitivity analysis, including anticipated rate impacts related to varying levels of renewable energy procurement and local renewable project/ Program development as well as energy efficiency and demand reduction Program implementation.
5. Bidder shall demonstrate experience in California energy compliance reporting as it relates to CCA.
6. Bidder shall possess all licenses and professional credentials relevant to performing services as specified under this RFP.
7. Bidder shall demonstrate experience studying and analyzing construction labor markets as they relate to the labor and clean energy goals of the CCA.

D. STUDY SCOPE AND REQUIREMENTS

In preparation for the Study, an initial step will be to receive and review Alameda County's electrical load data provided by PG&E as outlined in item #16 of PG&E's CCA Info Tariff¹. The technical consultant will review, format, and import data into an analytical framework and prepare summary level data for residential, commercial, industrial and municipal accounts. The selected consultant will also prepare a 10-year load forecast in consideration of this data, using applicable load profiles made available by the incumbent utility. Specific tasks will include:

- 1. **Load study and forecast:** prepare utility load forecast that reviews historical and projects future electric energy requirements and peak demand across all

¹ The County has obtained load data authorization from all 13 County cities (other than the City of Alameda which has a municipal utility).

customer classes, taking into account growth in renewables (e.g.: rooftop solar) and other appropriate factors, such as compensation for line losses. This task would also entail the development of class-specific forecasts which could be aggregated to comprise a composite of expected electrical energy requirements (and hourly shape) for all of Alameda County (excluding the City of Alameda). This forecast should be developed in a manner that will allow for the inclusion or exclusion of current direct access electrical accounts, as identified in customer data provided by the utility, in the event that such accounts should elect to become CCA customers (Port of Oakland, Oakland Airport, UC Campuses, National Labs, BART, etc.). As previously noted, the load study will estimate the number of megawatts per hour that will be required to serve the electric energy requirements of the CCA during the first ten years of operations including applicable peak demand for purposes of quantifying pertinent resource adequacy requirements (RAR).

2. **Rate Analysis:** Prepare both CCA and incumbent/P&G&E rate analysis with reasonable estimates of future P&G&E rate increases/fluctuations based on historical prices and factors that may affect the rate of increase into the future (e.g. local generation construction, spot market pricing, renewable energy mandates and declining cost of renewables, etc.). Other factors may also include ancillary services, transmission congestion impacts, transmission scheduling coordination costs and other factors. This analysis should be presented in a scenario analysis, with high, medium and low estimates of future P&G&E pricing for all rate classes. Other considerations to be included in this section are:
 - a. Identification of other factors that may affect rate comparison (examples include combinations of the following: high gas, low gas, high hydro, low hydro, etc., and rate restructuring)
 - b. Investor Owned Utility (IOU) costs and surcharges embedded in rate forecast for direct comparison to CCA costs
 - c. Utility rate forecast under continued IOU service scenario
 - d. Based on IOU rate forecasts and other independent rate forecasts, compile electric generation service cost/ payment estimates for prospective CCA customers in consideration of applicable IOU rate schedules
3. **Supply Scenarios for Alameda County CCA:** The technical consultant will develop three scenarios for the energy procurement requirements of the CCA. Each scenario will examine the likely rates and competitiveness with P&G&E, given current market conditions. Each scenario will also estimate greenhouse gas (GHG) impacts compared to P&G&E. The consultant should consider variations in how both the renewable and non-renewable portions of the power mix can be

obtained (e.g., in-state, in-county, out-of-state, unbundled vs. bundled renewable energy credits, technology preferences), and non-renewable portfolio attributes (e.g., system purchases, natural gas, hydro-electric). The precise scenarios will be determined in consultation with County staff but could include the following:

- a. Option 1: Baseline, minimum 33% RPS compliance. The goal of the CCA will be to meet or exceed the State Renewable Portfolio Standard (RPS) during the CCA's the first year of operation, so the first scenario should examine a supply scenario that meets the 2020 RPS minimum of 33% at the time of service commencement. This 33% level can be assumed to be flat during the course of the CCA Program or at least be equal to PG&E (if the RPS increases after 2020).
- b. Option 2: Mid-line, minimum 50% California Qualified Renewable Portfolio with less GHG intensity than PG&E.
- c. Option 3: Similar to options 1 and 2 but with an increase to 100% CA qualified renewable content that would be offered on a premium, voluntary basis, with a substantial portion of that coming from in- State and local renewable resources in the County and general region.
 - (1) The 100% option should also provide a comparative analysis of PG&E's new 100% renewable option particularly as it relates to rates, source and location of renewable content, REC content, GHG impacts and any other relevant metric.
4. **Economic Impacts:** For these scenarios, the consultant should examine not just costs and GHG impacts but also **conduct expert economic analysis of the job impacts, including net** direct and indirect employment creation through existing economic development models such as JEDI or other industry-standard models to quantify potential economic impacts of various supply scenarios. **The job analysis should also address job quality metrics, such as family-supporting wages, and other labor standards to ensure that investments are not funding poverty-level jobs and the social equity goals of the CCA are financial feasible.**

Sensitivity Analysis: The consultant's model should be able to accommodate sensitivity analyses reflecting changes in the following variables:

 - a. Market prices for conventional (non-renewable) energy
 - b. Market prices for renewable energy based on preferred technologies.
 - c. Changes in PG&E generation rates, exit fees and customer surcharges
 - d. Changes in policies affecting local renewables development, including the possible reduction or elimination of the federal solar tax credit and production tax credit for wind power.
 - e. Rate sensitivity to higher renewable energy portfolio targets that exceed state RPS
 - f. Rate sensitivity to local renewable generation, energy efficiency and demand reduction Programs

g. Customer opt-out rates

6. **Pro-Forma Analysis:** The consultant should assess the overall cost-benefit potential to support a threshold decision to move forward with CCA. Costs shall include upfront Program development and implementation costs as well as net ratepayer costs over the forecast period. Quantifiable impacts shall include potential for: 1) annual and net savings over PG&E; 2) net GHG reductions; 3) expanded use of renewable energy resources and local economic development (direct job-years created and indirect economic impacts [above the regulatory or business-as-usual baseline and quality \(wages, job access, location, etc. of the jobs created\)](#)).
- a. Pro forma report, including cash flow analysis, detailing costs and projected benefits under four electric supply scenario assumptions.
 - b. Pro forma reports detailing costs and projected benefits under sensitivity case assumptions.
 - c. Pro forma reports detailing costs and projected benefits of phasing in customer load over time
 - d. Consultant should assemble known and predictable cost-of-service variables and incorporate these into base-case analyses. Predictable cost-of-service variables include:
 - (1) Energy Costs- Variable inputs for resource portfolio mixes to include:
 - (a) Forecast spot market prices
 - (b) Long-term and short-term power contracts (for wholesale products such as 6X16, 7X24 power products)
 - (c) Renewable Energy minimums as required under SBXI-2, or in excess of this minimum per electric supply scenarios
 - (2) Start-up costs
 - (3) Cost of Capital
 - (4) Operating and Maintenance Costs
 - (a) Administrative and general expenses
 - (b) Staffing
 - (c) External technical/legal/marketing/PR support
 - (d) Billing, metering, and collections
 - (e) Customer service (call center) and data management
 - (f) Scheduling and coordination
 - (5) Uncollected accounts

- (6) Program reserves
 - (7) CCA Bonding for Reentry Fees
 - (8) PG&E surcharges, Cost-Recovery Mechanism [exit fees]
 - (9) Characterize and evaluate feed in tariff and net energy metering Programs that would encourage development of renewable energy generation projects in the region by offering customers a sustained reliable payback on their investment in renewable energy and sustainable local generation system.
7. **Risk Analysis:** The consultant should also analyze the potential risks to the Program, and outline risk-mitigation measures. Such risks could include but not be limited to:
- a. Financial risk to the JPA member cities in the event the CCA fails
 - b. Financial risk of a CCA that procures too much or too little power and what the reasons might be for missing demand forecasts (e.g. higher than expected opt outs)
 - c. Regulatory and legislative risk, due to rules changes at the CPUC or changes in state law that affect the ability of CCAs to be competitive
- d. Ability to procure the necessary amounts of renewable supply to meet and exceed RPS standards, particularly if the RPS rises to 50% by 2030 and the demand for renewable energy spikes. The consultant should examine concerns expressed that there may not be enough renewable supply to serve and expanding CCA market **or that costs of exceeding the RPS in alignment with the goals of the CCA will be so high that too many customers will opt-out, rendering the CCA unvialble.**
8. **Peer Review Study:** If it is determined to be necessary, the County CDA will select a second firm(s) to conduct a 'validation study,' of the CCA **economic impact analysis portion of the Technical study and other elements if it is determined to be necessary**, which will provide feedback and possible recommendations for integration into the CCA Technical Study before finalizing.
- E. DELIVERABLES / REPORTS
1. Bi-weekly updates with CDA, either written or verbal, on the status of the project
 2. Verification/finalization of load data request to PG&E
 3. Verification/finalization of study scope and three power supply scenarios to be considered
 4. Draft technical study (timeline to be discussed) in Microsoft Word
 5. One round of revisions prior to peer review analysis and integration of necessary revisions after peer review. Final version of study will be submitted after review by CDA staff in Microsoft Word. Final draft should include all annexes, pro-forma

Comments on the RFP for the Feasibility Study:

I. Scope of Work—RFP

The RFP emphasizes the technical specifications of creating a CCA and its ability to maintain competitive rates. The environmental goals (lower GHGs and higher renewable content) are secondary and the social goals (job creation and local clean energy) are tertiary. The feasibility study needs to focus on not only the technical feasibility of CCA but its ability to meet the social and environmental goals important to the community, accounting for any tradeoffs between these goals (such as the potential tradeoff between local clean energy and competitive rates).

The technical study should examine:

- a. the potential for GHG reductions (through the use of varying levels of renewable/clean energy, including a rigorous assessment of the GHG reduction potential without using unbundled, Category 3 RECs.
- b. the projected financial impacts of varying levels of renewable energy integration above the regulatory RPS baseline,
- c. the costs and benefits of procuring renewable energy built with strong labor standards and family-supporting wages,
- d. the projected financial impacts of procuring local renewable generation from projects of various sizes ranging from residential solar PV to utility-scale solar, and
- e. the CCA's ability to achieve rate competitiveness with the incumbent utility in consideration of then-current market prices.

II. Economic Benefits and Jobs Analysis:

In terms of the potential economic benefits of an Alameda County CCA, the jobs analysis should estimate job creation relative to a PG&E and regulatory baseline. Calculating the total job impacts of the entire renewable portfolio of the CCA is irrelevant, as many of those beneficial jobs benefits are be attributed to the underlying policy environment, specifically California's Renewable Portfolio Standard that applies equally to the investor-owned utilities and the CCAs. Only those jobs in addition to what would have been created under a business-as-usual regimen should be attributed to the CCA effort, to the extent that they better benefit the local community, are "better" jobs, or exceed, in number, the job creation driven by the renewable portfolio standard.

The economic/jobs analysis is not as simple as plugging a MW goal into a jobs model. This analysis is important to understanding the cost of meeting the proposed jobs goals and should be completed by a firm, such as the UC Labor Center with construction and clean energy labor market expertise

III. Rate Structure

The rate structure adopted by a new CCA will determine whether the program can finance local renewable energy generation projects in the County and all other benefits that the new Agency is attempting to create through the CCA model. When the rate structure is designed to be the same or lower than PG&E, the CCA runs a high risk of failing to meet any or many of the purported benefits of the CCA other than competitive rates. Since many stakeholders are involved in the development of the CCA and hold a lot of hope for what it can deliver, it is critical that the feasibility study accurately assess the impact on energy costs of meeting the full range of purported benefits and/or the impact on benefits of meeting the cost goals, and prioritizing such goals in a way that is transparent to stakeholders and the community.

In other words if the goal is to establish rates lower than PG&E, on average for residential and (separately) for commercial customers, what is the amount of funding available to the Alameda CCA for other goals, like building local renewable energy projects.. What would be the rate structure necessary to accomplish the construction of 5 projects to produce 100MW of this power in the County? 3 projects?

The language of the RFP should be changed to the following:

“the RFP shall include an analysis of different rate structures and funding necessary for each developing and delivering each goal of the Alameda CCA. This analysis should be conducted by neutral academic experts with expertise in the respective markets and industries.”



CITY OF
HAYWARD
HEART OF THE BAY

June 23, 2015

Mr. Bruce Jensen, Senior Planner
Alameda County Community Development Agency
224 West Winton Avenue, Room 111
Hayward, CA 94544

Sent via email to: bruce.jensen@acgov.org

Mr. Jensen:

Subject: Draft RFP for Technical Study

The City of Hayward appreciates the opportunity to submit comments on the draft RFP for the *Technical Study for Community Choice Aggregation Program in Alameda County*. We have the following comments:

1. Section D 3, Supply Scenarios for Alameda County CCA: Option 1 should specify that the goal of the CCA will be to supply electricity with less GHG intensity than PG&E. By only focusing on 33% RPS, we could theoretically end up with 33% solar and 67% fossil fuel, which would have far greater emissions than PG&E.
2. Section D 5, Sensitivity Analysis: This section should include the possibility that all customers that currently have direct access will choose to join the CCA or maybe none will join. Approximately 18% of Hayward's electricity use, equivalent to approximately 25% of Hayward's nonresidential electricity use, is by direct access customers. If other cities in the County have similar percentages, then this is a significant factor that must be considered when reviewing PG&E's load data and when performing the Sensitivity Analysis.
3. Section D 5, Sensitivity Analysis: This section should include the possibility that not all cities will participate in the CCA.
4. Section D 7, Risk Analysis: This section should include the possibility that PG&E's rates could possibly decrease in the future.
5. Section F 3, Bidders Conference: Item 3 states that attendance at the bidders conference is not mandatory. The next sentence says that attendance at the bidders conference is mandatory.

We look forward to reviewing the revised RFP prior to the July 16 Steering Committee meeting.

Sincerely,

Al Mendall
Hayward City Council Member and Steering Committee Representative

CC: Greg Jones, Hayward City Council Member and Steering Committee Alternate
Fran David, Hayward City Manager
Alex Ameri, Hayward Director of Utilities & Environmental Services
Erik Pearson, Hayward Environmental Services Manager

Office of the Mayor and City Council

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Jensen, Bruce, CDA

From: DeSnoo, Neal [NDeSnoo@ci.berkeley.ca.us]
Sent: Wednesday, June 24, 2015 9:10 AM
To: Jensen, Bruce, CDA
Cc: Bates, Tom; Burress, Charles
Subject: RE: Comments on CCA RFP

On the second item (sensitivity to number of participating communities), the answer is "yes, but..."

"Yes," it could be viewed like the opt out rate.

"But," if the cities are to have any financial obligations for startup working capital, the smaller pool would increase participants' responsibilities. Hopefully, this won't be needed.

From: Jensen, Bruce, CDA [mailto:bruce.jensen@acgov.org]
Sent: Monday, June 22, 2015 8:33 AM
To: Burress, Charles
Cc: DeSnoo, Neal; Bates, Tom
Subject: RE: Comments on CCA RFP

I think these are excellent ideas in general. I will pass them on to the rest of our team for discussion.

On the first item, I am not sure that Cap-and-Trade can be used by a CCA, or that such a procedure would otherwise apply. I'll check.

I like the next one, but do have one question about "h. Rate and cash flow sensitivity under different community participation scenarios (e.g., only some communities participate)"

Could this be handled in terms of pure numbers, rather than random collections of individual Cities?

For example, there is probably a differential equation (or other) method that could be used to identify a lower limit population parameter within the County. If 1.5 million people can easily make the program work, but we know that zero participation won't work, there is some value in between that will ensure a marginal level of success, and the Committee could use that value to decide policy. If the study 350,000 dist. across residential, commercial and industrial use, say, is the minimum value in which such a program can function, the Committee could use that value to determine recommended policy – i.e. the JPA should not go forward until at least twice that number are represented by participating communities. That way, any number of combinations of Cities and the County could sign up, without the need to specify which individual Cities

I am pretty sure the last one is already included as a matter of course, but again, I will check. In any case, it SHOULD be included, given the possible issues with hydro going into the future.

Thanks!

Bruce Jensen
Alameda County Planning Department
224 West Winton Avenue, Room 111

Hayward, CA 94544
(510) 670-5400

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From: Burress, Charles [<mailto:CBurress@ci.berkeley.ca.us>]
Sent: Friday, June 19, 2015 3:02 PM
To: Jensen, Bruce, CDA
Cc: DeSnoo, Neal; Bates, Tom
Subject: Comments on CCA RFP

Dear Bruce,

Mayor Bates asked me to forward the three suggestions below from Neal De Snoo as a response to the draft RFP for the CCA Technical Study. However, I'm not sure of the protocol for submitting them. Is forwarding them to you in this email sufficient, or should they be submitted in some other way?

Thank you,
Charles

Charles Burress
Assistant to Mayor Tom Bates
City of Berkeley
510-981-7102

On Jun 19, 2015, at 12:53 PM, DeSnoo, Neal <NDeSnoo@ci.berkeley.ca.us> wrote:

Mayor,

Last night the CCA Steering Committee requested comments on the RFP by next Wednesday. I have three suggestions for your consideration. The first asks the consultant to examine retiring carbon allowances from the cap and trade pool so that reductions in Alameda County don't result in increased emissions elsewhere in the State. The second addresses the impacts if some communities don't participate. The final item asks what might happen if hydro power becomes scarce. Note, Sonoma is offsetting PG&E's non-carbon nuclear power with large hydro power. This may or may not be a viable option in the future.

Section D.3 Supply Scenarios (page 4), add new section:

"The technical consultant will examine the feasibility of retiring California cap and trade carbon allowances pursuant to [CCR Section 95841.1](#) such that any carbon reductions achieved by the CCA are not offset by increased emissions elsewhere in the State."

Section D.5. Sensitivity Analysis (page 5), add new items:

"h. Rate and cash flow sensitivity under different community participation scenarios (e.g., only some communities participate)

- i. Rate and GHG sensitivities to changes in the availability of non-RPS-eligible carbon-free power sources, including large hydropower.”

Please let me know if you have any questions.

Neal De Snoo, Energy Program Officer
Office of Energy and Sustainable Development
City of Berkeley Planning Department
2120 Milvia Street
Berkeley, CA 94704
510.981.7439
ndesnoo@cityofberkeley.info
www.cityofberkeley.info/sustainable

..... (•) / (•)

Check out what we are up to, visit www.cityofberkeley.info/energyupdates/ and subscribe to receive updates!

June 24, 2015

Bruce Jensen
Alameda County Planning Department
224 West Winton Avenue, Room 111
Hayward, CA 94544

Re: IBEW Comments on the RFP for the Feasibility Study, 5/18/15

First some background: I am pro-union. I was a union member during 7-3/4 of the 8 years I worked in employment which was covered by a collective bargaining agreement, and a union representative for the last three of those years.

With IBEW's history of opposition to CCAs by supporting Proposition 16 in 2010 and AB 2145 last year, either of which would have effectively killed CCAs in California, I am cautious in evaluating their input in the Alameda County CCA Steering Committee, even while I'm cautiously optimistic that those of us who are wholehearted supporters of the Alameda County CCA will be able to work cooperatively with the IBEW representatives on the Committee.

With regard to their Part I, Economic Benefits and Jobs Analysis:

They state in part, "Only those jobs in addition to what would have been created under a business-as-usual regimen should be attributed to the CCA effort." The technical analysis should report its best estimate of the total jobs which will be created by the CCA program. The number of jobs displaced by our CCA is likely to be small, given that the distribution and billing systems, where the vast majority of existing union jobs reside, will remain with PG&E. If our technical analysis is able to develop reasonable, reliable estimates of the number of union jobs displaced without undue reliance on sources of data which are hostile to CCAs, that number can be stated as an auxiliary to the total number of jobs created.

With regard to their Part II, Rate Structure:

Their statements in paragraph I appear to be based on the assumption that our CCA will actually build local renewable energy projects, which is not something it is likely to do in the early stages of operations. Our CCA will establish feed-in tariffs and programs which will lead to *other entities* building local renewable energy projects; it will not typically build any projects itself until later, if ever.

Both Marin Clean Energy and Sonoma Clean Power have been able to establish rates consistently lower than PG&E's and still have net revenue from operations. Alameda County has many more commercial and industrial operations than either Marin or Sonoma, plus significant brownfields, all of which are fertile grounds for local renewable energy projects, so establishing rates which are consistently lower than PG&E's and having net revenue from operations will be little or no challenge.

Once one avoids the faulty assumption in #I, #II is not needed.

Respectfully submitted,

Frank Burton



APEN ASIAN PACIFIC ENVIRONMENTAL NETWORK

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☎ 510-236-4616 x322 | 📠 510-236-4572 | www.apen4ej.org

June 24, 2015

Bruce Jensen
Alameda County Community Development Agency
224 W. Winton Avenue, Room 111
Hayward, CA 94544
Sent via email to bruce.jensen@acgov.org

RE: Draft RFP - Study for Community Choice Aggregation Program in Alameda County

Dear Mr. Jensen:

On behalf of the Asian Pacific Environmental Network (APEN), we are submitting comments on the Draft RFP for the East Bay Community Energy (EBCE) Program feasibility study.

The Asian Pacific Environmental Network (APEN) has been working in Asian and Pacific Islander communities for 20 years. We believe that all people have a right to a clean and healthy environment, in which their communities can live, work, learn, play, and thrive. Towards this end, APEN recognizes the importance of supporting economic opportunities for our community members, particularly in sectors that further our vision of environmental justice for all people.

In line with the potential economic benefits of the EBCE program, APEN wants to ensure the estimated job creation relative to the program can prioritize and bring good family wage union pathway jobs to underserved communities living in the East Bay, such as people of color, low-income residents, and monolingual immigrants. In Alameda County, APEN's membership and leadership base is primarily comprised of Chinese immigrant residents. Our membership also includes Laotian refugees and Asian Pacific Islander (API) youth in Richmond, a city that joined a CCA a few years ago. APIs are a key demographic for reaching our goals for achieving economic prosperity – statewide, APIs grew by 34 percent over the last decade, and was the fastest growing demographic in the state, representing 16% of the state's population.

APEN supports local development of good family supportive wage jobs and clean energy resources. In 2013, we conducted surveys and focus groups with API workers and identified some of the key barriers for workers who are in need of a quality living wage jobs. The surveys and focus groups consistently identified several key barriers:

- lack of education or access to education
- awareness and access to job opportunities
- challenges in having reliable or affordable transportation

For communities with limited English proficiency, these barriers were compounded by additional challenges:

- Limited English proficiency

- Lack of access to linguistically & culturally relevant services
- Lack of access to linguistically & culturally relevant training and avenues for education that do not deter from their ability to work

Due to these barriers, workers felt they could not gain quality employment with more permanency or job security. APEN's vision for the EBCE is not to only increase the amount of renewable energy, but to ensure that renewable energy is being generated locally. We believe that promoting local renewable energy development will result in job creation for local residents, something our community, as well as many others, are in great need of. Our recommendations for the RFP include:

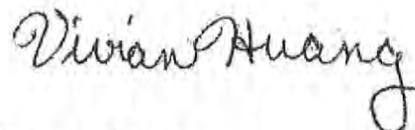
- We support the recommendations of the East Bay Clean Power Alliance, and would like to specifically lift up the recommendation for the technical study to address the program design needed to implement the build-out of local renewable energy resources.
- We also would like to urge the RFP to make clear that unbundled RECs cannot be used to estimate GHG reductions beyond the RPS requirements.
- We would like the technical study's analysis of the economic benefits to the region include some information about the impact on immigrant communities. For example, what is the potential for connecting immigrants to the living wage jobs that are created? How can barriers be addressed to support access for immigrants to these jobs? Some proposed language:
 - Page 5 under Study Scope, 4. Economic Impacts should be changed to the following: "For these scenarios, the consultant should examine not just costs and GHG impacts but also direct and indirect employment creation through existing economic development models such as JEDI or other industry-standard models to quantify potential economic impacts of various supply scenarios. Particular information on the impacts of the employment creation in reaching underserved communities, such as immigrant communities, should be included."
 - We know there are other underserved communities who may want to be included or listed specifically, and would be open to additional language to accommodate other groups.

Thank you for the opportunity to submit comments, and we look forward to hearing your response to the issues we have raised.

Sincerely,



Jing Jing He
Community Organizer



Vivian Yi Huang
Campaign & Organizing Director

City of San Leandro

Civic Center, 835 E. 14th Street
San Leandro, California 94577
www.sanleandro.org



June 17, 2015

Bruce Jensen
Alameda County Planning Department
224 West Winton Avenue, Room 111
Hayward, CA 94544

Re: Draft CCA Detailed Feasibility Study RFP

Dear Mr. Jensen:

The City of San Leandro has reviewed the above-captioned RFP. We would ask that the Steering Committee, at its June 18 meeting, consider adding the following areas of inquiry to the RFP:

1. Demonstrate your knowledge and understanding of the California power market, including supply-demand balances, types of resources (current and planned), scheduling, renewable and GHG reduction programs and regulations. What features of this market allow the Marin and Sonoma CCA energy portfolios to be "greener" than PG&E's portfolio, while at the same time being less costly? What features of the PG&E resource portfolio are causing its portfolio to be more expensive currently? Will the PG&E portfolio always be more expensive? Why or why not? If not, when might CCA and PG&E portfolio costs converge? Under what conditions would a CCA portfolio be more expensive than the PG&E portfolio?
2. What are the likely power supply sources and providers available to East Bay Community Energy (EBCE) at startup? How might this change over time? Do you expect EBCE's power procurement experience to be any different than MCE and SCP? Why or why not?
3. What are the implications (market, financial, transitional, organizational) of EBCE likely being twice the size of Marin Clean Energy and Sonoma Clean Power combined. What would be the market, financial, and organizational impact if any or all of San Mateo County, Santa Clara County and City and County of San Francisco were to also establish CCAs?

Sincerely,

Deborah Cox
District 1, City Council

c: Mayor Cutter
Councilmember Lopez, Committee Alternate
Chris Zapata, City Manager
Mike Pretto

Pauline Russo Cutter, Mayor

City Council:

Deborah Cox
Jim Prola

Benny Lee
Ursula Reed

Corina N. López
Lee Thomas



Prepared Statement of Comments on the RFP

By Eloise Hamann

Pg. 2 I recommend replacing the two sentences above the list of goals with “These draft goals, which are subject to modification, are to be considered in determining feasibility.” If the reason for the goals to be “reference only” is that they may change it seems the steering committee will agree on goals early on. I hope “reference only” does not mean the consultant can effectively ignore goals of a CCA.

Pg. 3 Just a question about whether the 10 year study might occur in a second contract if the one year contract is extended?

Pg. 5 after sentence ending on line 3 I recommend adding “keeping in mind that one of the goals is to minimize the use of unbundled recs and that there are two constituencies who will argue to change the goal to use no unbundled recs.”

Pg. 5 Option 1 I recommend a minimum option of 35% so that we exceed the RPS and likely PG&E in all options.

Pg. 5 All options I recommend that the language of Option 3 for the 100% choice be used for all options. Let's say a final statement such as “In all cases a substantial portion of the renewable energy should come from in-State and local renewable resources in the County and general region. In particular such resources should constitute a large share of the 100% option and the portion should increase over time.”

Pg. 5 Item 5.f. Just want to comment that rate sensitivity to local renewable generation, energy efficiency and demand reduction programs can't be done without some general plans for what all of that might look like. This might be made more clear that the consultant will need to make general plans or consider several scenarios.

Pg. 6 line 7 I suggest an insertion so that the line becomes “expanded use of renewable energy resources both local and in-state, and local economic development.”

Somewhere in the RFP add “A list of potential sites should be identified for purposes of future JPA-wide development potential and cost predictions.” One spot might be in the Pro-Forma Analysis.

Edits: Pg. 7 last line of item 7d: “and” should be “an.” **Pg. 8 Calendar of Events** Change year 2012 to 2015?

Jensen, Bruce, CDA

From: Jensen, Bruce, CDA
Sent: Thursday, July 09, 2015 2:47 PM
To: Jensen, Bruce, CDA
Subject: FW: Comments of CCA RFP

COMMENTS of Joan Diamond and Alex DiGiorgio, June 2015

Hello again, Bruce,

I've highlighted the most relevant part of my message below, in case you don't have the time to read it all.

I've also included a response to CM Cox's first question here (below ***)

Thanks again,

Alex

Answer to CM Cox's first question:

What features of this market allow the Marin and Sonoma CCA energy portfolios to be 'greener' than PG&E's portfolio, while at the same time being less costly?

CCAs have three sustained competitive advantages:

- 1) **No shareholder profits** – A CCA does not have to turn ratepayer dollars into dividends for stockholders, bonuses for corporate executives, or severance packages for VPs.
- 2) **No Income Tax** – As public agencies (Joint Powers Authorities), MCE and SCP are essentially branches of local government, like a water district. Because they're a form of government, they don't pay income taxes.
- 3) **Bonds** – Public agencies can borrow at cheaper rates and issue bonds. Although MCE has never issued a bond before, it may do so in the future.

In addition to what's above, PG&E simply has far more overhead than MCE or SCP. It's administrative and operating costs are exponentially larger.

I. Letter from San Leandro City Council Member Deborah Cox

Among all the documents you provided, Council Member Cox's letter stood out to me for its candor and thoughtfulness. Her questions about the draft RFP wisely ask the technical feasibility study to consider EBCE's viability compared to Marin Clean Energy (MCE) and Sonoma Clean Power (SCP), rather than limit the analysis to a comparison solely against PG&E's service options. This is a prudent approach for several different reasons:

1) Proof of Concept & Technical Feasibility

As California's first two Community Choice Energy agencies, MCE and SCP have already proven the concept and its feasibility—technically, financially, politically, and otherwise. Both organizations have already been through the process we're now conducting; they've each completed lengthy, rigorous and exhaustive analyses. Additionally, when the City of Benicia was exploring the possibility of joining MCE, the City Council requested an independent, third party risk analysis be conducted—just as the City of Richmond had done a year or so before. This analysis was completed and is now available for public review. Ultimately, Benicia's Council voted unanimously to join MCE.

To the extent we can capitalize on previous studies like these, I encourage us to do so. Why reinvent the wheel? Why not spend our County tax dollars as judiciously and efficiently as possible? If we have any funding left by the end of this process we can bank it toward local renewable energy development.

2) Local Control w/in a Multi-Jurisdictional Process

CM Cox's third area of inquiry addresses the question of EBCE's potential program size, relative to MCE, SCP and even other communities currently pursuing CCE (e.g., SF, San Mateo, Santa Barbara, Yolo, Santa Cruz...). This is a keen angle to take because it gets to the heart of an issue we haven't discussed much: each city will independently vote to join (or not join) the JPA we form.

That's 13 separate City Councils, with 13 separate sets of variables (e.g., stakeholders and interest groups; schedules & administrative processes; load profiles and socio-economic challenges).

If recent history is any indication, the separate but similar courses MCE and SCP have charted provide a basis of comparison for what's likely in store for EBCE. In both cases, there was a phased adoption of the JPA. In other words, the county and a collection of cities initially launched the program once a critical mass of communities was established, while neighboring jurisdictions took more time to evaluate their options.

In Sonoma, the three cities of Cloverdale, Petaluma and Rohnert Park all voted to join SCP at the last possible opportunity. The JPA did not wait for consensus before preparing to launch its CCE. As Geoff Syphers (CEO Of SCP) once said to me, "Most communities don't want to become an island of choicelessness in a sea of energy choice." <http://www.sfgate.com/business/article/3-Sonoma-County-cities-pull-plug-on-PG-E-6300161.php>

3) Critical Mass vs. County-wide Consensus

In Marin, a similar evolution from critical mass to consensus occurred, which I'd be happy to share with you and others another time.

My point here: Alameda County's route to community choice could be similar to SCP's and MCE's. For this reason, **I strongly recommend the draft RFP include an analysis of potential "Critical Mass" scenarios**. These would consist of analyzing different combinations of Alameda County communities that could to join together to form a JPA (and effectively declare their independence from PG&E's energy supply portfolio, and retain local control over a portion of their ratepayers dollars).

Here's an example of what I mean:

EBCE = Alameda County + District 1 Cities (Dublin, Pleasanton, Livermore) + Hayward + San Leandro

o Would it be technically feasible for these communities (or fewer) to launch EBCE?

o Other potential combinations:

§ AC + D1 + Oakland + Piedmont

§ AC + Fremont + Newark + Union City

§ AC + Hayward + Berkeley + Emeryville + Albany

I realize this feels a little like turning the draft RFP into a type of CCE prenuptial agreement—but this is a legal marriage of sorts, right?

Also, let's not forget the fine City of Lancaster, which—as of this May—has earned the distinction of becoming California's first single-city CCE program. As Lancaster Choice advances and evolves, it will provide individual communities with yet another model to consider, evaluate, and perhaps replicate.

4) MCE (and potentially SCP) as Alternative Options for Alameda County Cities

Another reason CM Cox is wise to encourage the RFP to compare EBCE to MCE and SCP (in addition to PG&E) is because these organizations may offer Alameda County's cities alternative routes to community choice energy.

Personally, I hope to see Alameda County and all of its cities unite around this shared endeavor. But I realize each City Council, and each individual elected official, is going to have to do what they feel is best for their constituents, environmentally and economically.

As many know, the City of Richmond—ever the vanguard of innovative public policy—took a bold step joining MCE in late 2012. Unincorporated Napa County joined in 2014, as did the Cities of El Cerrito, San Pablo, and Benicia. Other cities may have the opportunity to do so as well, though MCE is not currently conducting any new membership analyses until Q3 2015.

In August, MCE's Board will likely consider the question of whether to continue including new communities that vote to join its JPA. Until then it's anyone's guess.

Whatever MCE's Board Directors decide, it would wise to keep in mind that if our Steering Committee delays at every key decision point, or if its credibility becomes undermined by disagreements over inherently ambiguous terms, our cities may have other alternatives for community choice energy. Some will want to start reducing GHGs sooner than later—many are bound to do so by their own Climate Action Plans.

On Wed, Jun 24, 2015 at 9:22 AM, Jensen, Bruce, CDA <bruce.jensen@acgov.org> wrote:

Thanks, Alex – these are very good. I admit, I do not understand everything you say here, although I think I catch the drift of most of them. I think our consultants will know how to incorporate them, and I will certainly include them (or a more formal version, if you wish) as an attachment to the next Staff Memo - but I would be very pleased if, at the next meeting, you could articulate these ideas.

Bruce Jensen

From: Alex DiGiorgio [mailto:adigiorgio@gmail.com]
Sent: Wednesday, June 24, 2015 9:07 AM
To: Jensen, Bruce, CDA
Cc: Joan Diamond
Subject: Re: Comments of CCA RFP

Hi Bruce,

I'm preparing my own separate comments and feedback, but also wanted to offer a few additional considerations here. Joan's insights resonate with me on several levels, as does your thoughtful response.

Please see my responses below in purple.

Many thanks,

Alex

On Tue, Jun 23, 2015 at 11:29 AM, Jensen, Bruce, CDA <bruce.jensen@acgov.org> wrote:

Hi, Joan, and thanks for your response. I will share it with the team here, and try to address your suggestions in the text.

I agree fully with your assessment – however, while this a technical document, it is also really to determine feasibility first and foremost, and that may mean that the GHG reduction issue is not at the core of ***this specific analysis.*** HOWEVER – this is only the beginning, and the Committee will be working to set policy for the operation of the program, and if I have anything to say about it, GHG reduction will be at the top of the list. As I have expressed to Alex, I consider this program to have three “on-off switches,” if you will – key criteria on which to base the program that, if applied, really decide whether we should do it or not, assuming it is feasible:

1 – Must be cost competitive with PG&E – if it cannot compete with PG&E on customer cost, it simply won't stay afloat. That is really a feasibility core element.

To limit the Technical Feasibility Analysis to a comparison with PG&E--without also providing direct comparisons with Marin Clean Energy (MCE) and/or Sonoma Clean Power (SCP)--fails to address a major regulatory and political reality of Alameda County's community choice endeavor.

Each individual city will have to hold a vote by council to join East Bay Community Energy (EBCE), and this may not be their only potential route toward community choice. They may also have the option of joining MCE, SCP, or any other operational community choice energy (CCE) program in CA. Indeed, Albany has already sent a MCE a formal letter requesting membership consideration (a process which is now on hold), and I would not be surprised if other Alameda County communities consider this option, especially if our Steering Committee proceeds too slowly, or its credibility becomes undermined by intractable disagreements over basic realities of CA energy economics.

Among other things, one of my responsibilities at MCE is to respond to cities and counties interested in gaining access to meaningful energy choices. Many (if not all) of these communities want to explore ALL options toward community choice, not just how to create their own program from scratch. As I'm sure you can appreciate, joining an existing CCE program like MCE (or SCP) provides many advantages, including 1) proof of concept; 2) economies of scale; and 3) swift action with an immediate impact. By 2017 (when EBCE hopefully launches), it's likely MCE and SCP will be more established than they are today, and any prudent Council member and/or City staff will measure the costs and benefits of joining EBCE against those of joining an existing CCE program.

As you know, I managed the inclusion of Benicia, San Pablo and El Cerrito within MCE service area; I also developed the community outreach plan for the City of Richmond and was the primary point of contact with City Staff, elected officials, and ratepayers before, during, and after enrollment. These

days, I routinely communicate with other cities in Contra Costa, Solano, and Napa Counties (and beyond) about potentially joining MCE.

So I speak from personal experience when I say the following: many local leaders and community stakeholders will not only want to know whether it's technically feasible to 'meet or beat' PG&E's rates, programs and service options; they will also want to know whether it's technically feasible to replicate what MCE and SCP have accomplished to date (measured in terms of rate stabilization, GHG emissions reduction, job creation and programmatic opportunities). If it's not, this will be a major reality check, given some Steering Committee members seem to consider it a foregone conclusion that EBCE will provide superior options compared to the current CCE's in operation.

2 – Must meet the legally required State RPS, whatever that is at a given time. If it cannot do that, then it cannot legally operate.

As you know, many CCE advocates want to exceed the current RPS standard (measure at any given time), a goal which both MCE and SCP are currently achieving. All major regulatory agencies (EPA, CPUC, CEC, WAPA, ABA...) have recognized the validity unbundled RECS, even if they're an admittedly poor substitute for local, decentralized renewable energy generation. Please see (and feel free to circulate) the attached document from the Center for Resource Solutions re: RECs.

Once again, any analysis intending to measure the technical feasibility of EBCE's RPS goals should compare these to the current (and future) achievements by MCE and SCP.

Also worth keeping in mind: California RPS compliance is a threshold, not a continuum, so there is not necessarily an agreed-upon methodology (yet) for articulating over-compliance with RPS requirements. If EBCE wishes to 'exceed' the RPS, it will have little else to compare itself to besides MCE & SCP.

3 – Must achieve lower GHG emissions per MW generated than PG&E. If it cannot do this, it would be contrary to every CAP that any City has approved, and would also be ethically unjustified.

In filings to the CEC and other State regulatory agencies, MCE reports its 2013 GHG emissions factor to be approx. 17% lower than PG&E's. Please see the link below.

<http://www.mcecleanenergy.org/wp-content/uploads/Understanding-MCE-GHGs-Emission-Factor-2013-3-16-2015-2.pdf>

This gap will likely widen between now and 2017, given the degree to which PG&E's large hydro-electric resources are diminishing during the worst drought in recorded history. Also, in 2025, the operating license will expire for PG&E's nuclear reactors @ Diablo Canyon. Although the facility could be re-licensed, it may not be, and this would further impact PG&E's so-called 'carbon free' resources.

I'll be eager to see how SCP compares in a year or two. I'll bet they'll be very competitive on this front too.

The program MUST meet all 3 of these requirements IMHO.

There are other goals too – local renewable energy projects with local sourcing of employment and objectives to pay

solid living, probably union-level, wages...but these can be worked in as we go along. Many nervous activists want this to be the MAIN issue, and I guess I do not see it that way – because this thing is going to create jobs no matter what, and should fall into place easily as long as folks have patience.

I completely agree with you on this point, Bruce.

I am not sure if you had a chance to listen to the meeting the other night (we hope to put up a recording of it soon), but almost nobody except staff mentioned GHG reduction – and when we did, one Committee member, a municipal member, opined that GHG reduction is fine, but the real linchpin is the RPS. This position does not consider the CAPs as legal policy documents. Alex may recall that comment. I know it caught my attention.

I do recall this, and was thinking the same thing.

Local CAPs are another reason why there is so much interest from other cities and counties to join MCE. These types of legally enforceable local policy requirements are indeed drivers for competitive community choice options.

In any case, really good comments, and if for some reason the GHG issue is NOT fully addressed in the study, it will be addressed at future meetings, where I hope to see you!

Bruce Jensen
Alameda County Planning Department
224 West Winton Avenue, Room 111
Hayward, CA 94544
[\(510\) 670-5400](tel:5106705400)

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From: Joan Diamond [mailto:diamondjm@comcast.net]
Sent: Tuesday, June 23, 2015 11:05 AM
To: Jensen, Bruce, CDA
Cc: Alex DiGiorgio
Subject: Comments of CCA RFP

Bruce,

My understanding is that comments on the draft *Technical Study for Community Choice Aggregation Program in Alameda County* are being considered as the team prepares to release the RFP. As a former electric utility executive and executive director of an environmental initiative (Millennium Alliance for Humanity and the Biosphere) my comments are based on taking seriously that this is a technical study which will be used to inform policy makers and community groups—to create a baseline of the highest quality information. A few observations follow:

1. I think the document would be enhanced by focusing on the goal of the CCA initiative: **serve the public (and future generations) with high quality reliable energy while reducing GHG and the risk of the potentially devastating effects of climate disruption for future generations.** Said another way, to explore the CCA strategy to reduce GHG through a diversified portfolio of energy providers. I don't feel that the RFP anchors itself in that goal and consequently fails to remind bidders and constituents that there is a fundamental reason we are

embarking on this journey. We have a problem to solve: a problem that threatens human well-being in the near future.

2. I sense that the process is being driven by differences rather than shared purpose: it is imperative that the leadership bring constituents back to the shared purpose and common ground: this increases the chance of collaborative problem solving as opposed to an adversarial climate which is both tedious and unproductive. (I say this with great humility because I know there are dedicated visionaries who feel that barriers, and misdirection are thrown up at every opportunity and it is easy for all parties to feel attacked rather than engaged in a shared goal.)
3. One might review the document to see if there are opportunities to replace “PGE” with “current system” or “single-provider system”. This isn’t an anti-PGE initiative and shouldn’t sound like one—it is an initiative that seeks a more effective way to provide service and reduce GHG. Yes, there are implications for PGE but to the extent we can make this about the future and not PGE, the more effective the initiative might be. Naturally PGE is the base for information and focusing on it from that perspective is completely appropriate.
4. Now for the most important issue from my perspective: this is a **technical** review; the facts, the analysis of needs, projections, technical systems and infrastructure. I sense some pressure to include non-technical implications of the technical information. And that worries me. I see the process as three steps:
 1. Focus on, clarify the goal of the initiative;
 2. Develop the technical RFP—maintain focus on its purpose: to analyze technical issues;
 3. THEN, in a separate and subsequent effort, identify social implications (jobs, environment, rates, opportunities, opportunity-costs) and **bridge the goal of the entire initiative with the technical information**. This will provide the decision makers with the information they need to make good decisions for current and future generations.

I hope this is useful and if you have any questions, please feel free to write or call. I am traveling from Honolulu to San Francisco today leaving mid-afternoon Pacific time.

Regards,

Joan

Joan Diamond

Deputy Director

The Nautilus Institute for Security and Sustainability

Nautilus.org

Executive Director

Millennium Alliance for Humanity and the Biosphere

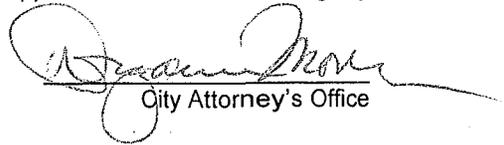
Mahb.stanford.edu

Diamondjm@comcast.net

[510-914-4573](tel:510-914-4573)

15 JUN -4 PM 5:00

Approved as to Form and Legality


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBERS DAN KALB and DESLEY BROOKS, and
VICE MAYOR REBECCA KAPLAN

RESOLUTION IN SUPPORT OF AN ALAMEDA COUNTY COMMUNITY CHOICE ENERGY PROGRAM IN ORDER TO BENEFIT OAKLAND COMMUNITIES, WORKERS AND ENVIRONMENT, AND PROPOSING REQUIREMENTS AND GOALS FOR THE PROGRAM AND A CITY SEAT ON THE ALAMEDA COUNTY COMMUNITY CHOICE STEERING COMMITTEE

WHEREAS, in 2005 the Oakland City Council, in Resolution No. 79325 C.M.S. notifying the California Public Utility Commission (CPUC) of Oakland's intent to become a Community Choice aggregator, cited the "...numerous potential benefits for cities that aggregate including, but not limited to: (1) More stable and reliable power supplies, (2) Opportunity for general fund revenue, (3) Greater use of renewable energy resources compared to those planned by PG&E, and (4) Ratepayer access to a democratically elected governing body...;"¹ and

WHEREAS, there are two Community Choice energy programs operating in Northern California, and dozens of other jurisdictions throughout California considering the establishment of Community Choice energy programs; and

WHEREAS, the Alameda County Board of Supervisors has voted unanimously to begin the process of studying a Community Choice energy program for the purpose of establishing such a program that could serve the residents throughout Alameda County, including Oakland; and

WHEREAS, the high desire and demand for clean, renewable energy is creating opportunities for work in the development of new renewable power generation through the building of local and in-state renewable energy in which the Oakland City Council and organized labor are united in providing as much of this work under Project Labor Agreements; and

WHEREAS, a Community Choice energy program can accelerate the transition to renewable energy resources and reduce greenhouse gas emissions in the electricity

¹ Oakland City Council Resolution No. 79325 C.M.S., May 12, 2005

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JUN 09 2015

sector, helping to achieve the goals of Oakland's Energy and Climate Action Plan (ECAP); and

WHEREAS, a Community Choice energy program that prioritizes the development of local renewable resources will likely create wealth within the community, boost Oakland's economy, and foster local business development; and

WHEREAS, a Community Choice energy program that prioritizes the development of local renewable resources can create family-sustaining clean energy jobs prioritizing training through union-sponsored apprenticeship programs, hiring of local residents, and expanding the number of unionized and similarly paid and benefitted jobs in the electricity sector thereby helping to address Oakland's high unemployment rate, provide for stable and reasonable wages and working conditions and electricity rates, including rates competitive with PG&E, and incentivize energy efficiency at the local level; and

WHEREAS, a Community Choice energy program can democratize energy by giving the community control and effective ownership of the energy supply and providing residents and businesses with access to a local, public energy agency; and

WHEREAS, a Community Choice energy program can target different categories of electricity customers to incentivize demand reduction and renewable energy installations and include programs to promote ownership of renewable energy assets for low and moderate income residents and communities of color, as well as those who do not own buildings and are often shut out of participation in the clean energy economy; now, therefore, be it

RESOLVED: That the Oakland City Council supports a robust study of Community Choice Energy in Alameda County and the eventual development of an Alameda County Community Choice energy program based, in large part, on the goals established by the East Bay Clean Power Alliance² (see attached), along with a priority goal to create fair-wage, clean energy jobs such as unionized and similarly paid and benefitted jobs as part of the growing green economy in the East Bay; and be it

FURTHER RESOLVED: That Oakland City Council urges that Oakland be well-represented on the Alameda County Community Choice Steering Committee to advocate for a program that provides substantial and equitable economic benefits to Oakland's residents, ratepayers, workers, businesses, and communities; and be it

FURTHER RESOLVED: That the City Administrator is directed to forward a copy of this enacted Resolution to each member of the Alameda County Board of

² The East Bay Clean Power Alliance advocates for Community Choice energy programs in the East Bay that serve to spur equitable economic development and unionized, family-sustaining clean energy jobs, reduce greenhouse gas emissions, stabilize or lower the cost of electricity, improve community health and social equity, and provide other community benefits. We see the development of local renewable energy resources (including reduced consumption) as key to securing these benefits. We also see engagement of the East Bay community, broadly and equitably, as central to achieving such goals, both in establishing the Community Choice program and in the governance structure of the program once it is set up.

Supervisors and the appropriate staff within the County administration working on the Alameda County Community Choice energy program and to the lobbyist for the City of Oakland to advocate for the implementation of this program in a manner that prioritizes the development of local clean energy projects and the use of power purchase agreements from unionized and other generating companies/agencies that pay fair wages and provide good benefits, and inclusive Project Labor Agreements / community benefits agreements that promote local hire and local construction, disadvantaged workers and disadvantaged businesses, as well as clean air and climate benefits for Oakland residents and communities.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLÉN, KALB, KAPLAN, REID, AND
PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California

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JUN 09 2015

15 JUN -4 PM 5:00

East Bay Clean Power Alliance Proposed Goals for an Alameda County Community Choice Program

We need bold action to address escalating climate destabilization and increasing economic hardship and inequality in our communities.

An Alameda County Community Choice Energy program that prioritizes and invests in the development of local renewable energy resources can be a powerful tool to reduce greenhouse gas emissions, speed up the switch to 100% renewable sources of energy, and address equitable economic development. Investing in local clean energy development builds wealth in our communities and helps create family-sustaining jobs. County-managed development projects can increase union participation in the renewable energy sector and offer opportunities to disadvantaged job seekers in Alameda County.

We seek to establish a Community Choice program that serves the residents and businesses of Alameda County in the following ways (not in priority order):

1. Provides competitively priced electricity to customers, at more stable and lower rates than Pacific Gas & Electric (PG&E).
2. Prioritizes the development of local renewable resources, including reduced energy consumption and renewable electrical generation, with goals of at least 18% reduction in electricity demand through conservation and energy efficiency, and at least 50% of renewable energy being locally generated, all within 10 years of the start of the program.³
3. Achieves Alameda County's Climate Action Plan Greenhouse Gas reduction goals and comparable goals of all participating jurisdictions, while also exceeding the California renewable portfolio standard (RPS) and the renewable portfolio of PG&E.
4. Generates family-sustaining, high-quality, clean energy jobs through local renewable resource development that prioritizes union jobs, spurs local workforce development, overcomes barriers to employment in historically disadvantaged communities, and includes local small businesses, diverse business enterprises,⁴ and cooperative enterprises.

³ Targets taken from scenario in, *East Bay Community Choice Energy: From Concept to Implementation*.

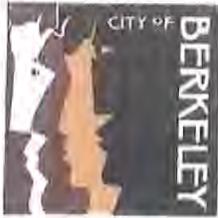
⁴ Includes minority-owned, women-owned, and disabled veteran-owned businesses, and other such enterprises

5. Promotes local and community ownership and control of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities and communities of color, which are most impacted by climate change.
6. Improves community health and safety by reducing pollution from fossil fuel power generation and by electrifying vehicle transportation.
7. Includes community stakeholders in the decision-making process of the Community Choice program and ensures inclusive representation.

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PUBLIC WORKS CMTE.

JUN 09 2015



Office of the Mayor



Alameda County CCA Draft Renewable Energy Procurement Criteria

A Suggested Approach from Berkeley Mayor Tom Bates
To Address Issues Raised by Steering Committee Members

The Alameda County CCA technical analysis shall examine the feasibility of a CCA strategy for renewable energy procurement that meets the following criteria:

- I. From the onset of CCA operations
 - a. The Green House Gas (GHG) content of the CCA shall be at least 10% less than that of the incumbent utility for any given year.

Discussion: If GHG reduction is an objective of the CCA, the portfolio must be cleaner than PG&E's portfolio, which includes large hydropower and nuclear sources.
 - b. CCA renewables shall consist only of California RPS (Renewable Portfolio Standard) eligible renewables and new distributed generation renewable
Discussion: Unbundled renewable energy certificates (RECs) and other non-California renewables shall not be counted towards the CCA's renewable claims.
- II. Providing new sources of renewable energy would take time. It is suggested that construction of such sources after Jan. 1, 2017 take place according to the following ramp-up schedule:
 - a. By January 1, 2018 – 10%
 - b. By January 1, 2019 – 30%
 - c. By January 1, 2020 – 50%
 - d. By January 1, 2021 – 80%

Discussion: Unless a CCA causes the construction of new renewable sources, it may not have any impact on the overall system.
- III. The new CCA renewables shall consist of at least 20% from distributed generation sources (less than 2 MW) that are located within Alameda County. Any such sources constructed after January 1, 2017 shall be subject to Community Workforce Agreements.

Discussion: Local renewables provide potential benefits to the community, including less transmission losses, back-up power, revenues for property owners, workforce development and training. Such sources currently appear to make up less than 2% of local consumption. The deployment of such resources may be constrained by cost, space and grid integration. The initial target represents a major increase in deployment. If it appears that more local resources are available, this proportion could be increase.
- IV. The new CCA renewables also shall consist of up to 80% from other sources, half of which shall be from within the County and all of which shall be from within California. Any such sources constructed after January 1, 2017 shall be subject to Project Labor Agreements.

Discussion: Utility scale renewables currently serve 22% (2013) of the load. Such systems tend to be easier to integrate into the grid, cheaper and are not as space constrained than small-scale sources. As such, they will be an important part of the CCA's initial resources. However, technological and economic changes in the future could alter the optimum mix of distributed sources and other renewable sources.
- V. The proportion of distributed generation sources shall be evaluated by January 1, 2020 to consider increasing the minimum.