City of Lafayette Staff Report

For: City Council

By: Megan Canales, Assistant Planner

Meeting Date: August 10, 2015

Subject: **Community Choice Energy**
Letter of Intent - MCE Clean Energy

PURPOSE
To adopt City Council Resolution No.2015-49 authorizing the City Manager to send a non-binding letter of intent to MCE Clean Energy expressing the City's interest in exploring possible membership.

BACKGROUND
Currently, energy used in Lafayette's homes, business, and municipal buildings is provided by Pacific Gas and Electric Company (PG&E). Lafayette residents do not presently have an alternative electricity provider beyond PG&E. PG&E generates electricity from a mix of non-renewable resources (e.g., natural gas) and renewable resources (e.g., biomass, geothermal, solar, and wind). PG&E is currently working to add more renewable energy to its power mix under California's renewable portfolio standard, and are on track to have 33-percent renewables by the end of 2020.

Approximately 89-percent of all housing in the City was built before 1979, and since these homes were built prior to Title 24 Standards, they are less energy efficient than newer construction. In 2010, residential and commercial energy use in Lafayette accounted for 22-percent of overall community-wide greenhouse gas ("GHG") emissions. Due to the older housing stock and amount of GHG emissions caused by energy use, Lafayette could significantly reduce GHG emissions through energy conservation, energy efficiency, and the use of renewable energy sources.

Promoting those concepts, the Task Force recently endorsed a number of Property Assessed Clean Energy ("PACE") programs. PACE programs aim to enable more energy retrofits and improvements than may otherwise be possible for residences and businesses, thus increasing building's energy efficiency. The Task Force is now researching ways to increase the use of renewable energy on a greater scale than rooftop solar. The Environmental Task Force finds importance in giving residents and businesses more options for energy procurement in Lafayette beyond PG&E that potentially have a more renewable portfolio. The Task Force formed a Community Choice Energy Subcommittee to study this concept further. The Subcommittee's findings are detailed below.

COMMUNITY CHOICE ENERGY
<u>What is Community Choice Energy?</u>
In 2002, California passed AB 117 which enables public agencies and joint power authorities to aggregate the electricity demands of their constituents to more easily acquire electricity from preferred sources.

Since this legislation was passed, a number of cities and counties have joined a Community Choice Energy ("CCE"), also referred to as Community Choice Aggregation ("CCA"). A CCE enables a city, county, or group of cities and counties to pool electricity demand and purchase/generate power on behalf of customers within their jurisdictions. One of the main goals of a CCE is to give customers local choice. CCEs provide many economic and environmental benefits, such as aiming to use renewable and local sources of power, providing the community authority to make decisions about energy portfolios, creating local green jobs, and providing potentially less expensive electricity rates for each resident.

How do CCEs Work?

CCEs and the local utility (PG&E in Northern California) partner to deliver electricity to its service area. CCEs are essentially responsible for the electric generation (procure or develop the power), while PG&E continues to own the grid, distributes power, maintains the power lines, and issues consumers monthly bills.

If Lafayette chooses to join or create a CCE, each individual resident and business within Lafayette may opt out of being a part of the CCE and continue to have their electricity supply come from PG&E. Participation in a CCE is automatic for all electricity account holders within a jurisdiction that offers a CCE, but customers who do not want to participate and prefer to purchase power from PG&E can opt out of the CCE. It will be an individual choice that each customer can decide independent of what other members of the community decide. If the Council supports Lafayette joining or creating a CCE, the City would just be offering an additional choice of power supply to residents in addition to PG&E. Customers who choose to remain in the CCE will benefit from affordable rates, local control, additional programs, and a more renewable power source.

Hundreds of CCEs exist nationwide in California, Illinois, Massachusetts, New Jersey, Ohio, and Rhode Island. CCEs serve approximately 5-percent of customers in America. In California, there are currently three CCEs serving customers: MCE Clean Energy, Sonoma Clean Power Authority, and Lancaster Community Choice Aggregation. Sonoma and Lancaster are not accepting new members at this time. Alameda County is in the exploration stages of creating a countywide CCE is has not indicated interest in creating an East Bay CCE at this time. In addition, Contra Costa County community members have indicated interest in forming a Contra Costa Countywide CCE or forming a CCE comprised of select cities from Contra Costa County, and County Supervisors are in the preliminary stages of studying the issue. Three Contra Costa cities have joined MCE Clean Energy: Richmond, El Cerrito, and San Pablo. Other local action includes Walnut Creek developing an ad hoc committee to further study Community Choice Energy options. Walnut Creek has also allocated up to $20,000 to complete a feasibility study to join a CCE or create a CCE.

Task Force CCE Study

Lafayette's Community Choice Subcommittee began exploring whether or not a CCE is feasible for Lafayette, and if so, the type of CCE the City should pursue. Over the past year, the Subcommittee has been gathering background information, conducting research, and engaging the public in order to answer those questions. The Subcommittee has organized a number of presentations with the Community as detailed below:

- **June 18, 2014**- Presentation to the Task Force about CCEs by Seth Baruch (President of Carbonomics), and Tom Kelly (Executive Director of KyotoUSA)
- **October 8, 2014**- Workshop for the Community about CCEs by (President of Carbonomics), Tom Kelly (Executive Director of KyotoUSA), and Alex DiGiorgio (MCE Clean Energy Community Development Manager)

- **January 26, 2015**-Presentation to the City Council by Amy Dao (PG&E Manager of Sustainable Communities), and Tom Guarino (PG&E East Bay Government Relations Representative Energy Portfolio)
- **February 9, 2015**- Presentation to the City Council by Alex DiGiorgio (MCE Clean Energy Community Development Manager)
- **March 12, 2105**- Presentation to the Task Force from Peter Rumble (CEO of California Clean Power)

In addition to the presentations above, the Task Force and Community Choice Energy Subcommittee have held multiple meetings to discuss the various CCE options and information that was presented and researched.

Community Choice Energy Options
Lafayette has the following four options in regards to CCEs:

1) No Action – Maintain Status Quo
2) Join an existing CCE, such as MCE Clean Energy
3) Create a Contra Costa County CCE
4) Create a Lafayette CCE with a private vendor, such as CA Clean Power

Attached is a table which details the pros and cons of each option.

The Task Force investigated a number of questions while evaluating the potential options which include: rate volatility, financial liabilities, impact to GHG emissions, impact to customers, control over governance, and impact to local jobs. The Task Force concluded that taking no action will continue to limit choice to customers and that Lafayette should join or create a CCE. Creating a new CCE has a high amount of unknowns and potential costs (e.g., start-up costs, uncertain rate competitiveness, uncertain new programs for customers, uncertain timing, and limited information on operational risks). Joining an existing CCE will eliminate many of those costs and unknowns. The Task Force determined at this time, sending a letter of intent to join MCE Clean Energy is the most practical option for Lafayette.

ABOUT MCE CLEAN ENERGY
MCE was formed in 2008, service started in 2010, and it currently serves 165,000 customers. Its service area includes all of Martin County (the 11 incorporated cities, and all of the unincorporated areas), unincorporated Napa County, and the cities of Benicia, El Cerrito, Richmond, and San Pablo. MCE aims to address climate change by reducing energy related greenhouse gas emissions and securing energy supply, price stability, energy efficiency, and local economic and workforce benefits. MCE promotes the development and use of a wide range of renewable energy sources and energy efficiency programs. MCE procures 50-100% renewable electricity on behalf of its customers. It has reduced more than 59,421 tons (131 million pounds) of greenhouse gas emissions, and saved its customers more than 5.9 million dollars through lower electricity rates.

MCE has multiple levels of service offered to its customers with varying levels of renewable energy. Customers have the option of choosing between Light Green (50-percent renewable), Deep Green (100-percent renewable), and Local Sol (100-percent local solar). Currently, the MCE Light Green option provides power at less expensive rates than PG&E rates. Attached is an overview sheet and MCE presentation that provides more information on MCE.

Joining MCE will benefit Lafayette customers in number of ways including:

- **Customer Choice:** Joining MCE will provide Lafayette residents and businesses with more choice in both their energy provider and the degree to which their energy comes from renewable sources.
- **Competitive Electricity Rates**: MCE customers are currently receiving rates that can be slightly lower than PG&E rates (depending on the customer's renewable energy choice).
- **Renewable Incentive Programs:** MCE offers a number of renewable incentive programs.
- **Access to PG&E Programs:** All MCE customers will maintain access to programs provided by PG&E.
- **Support of Community Programs and Projects**: As a non-profit public agency, MCE allocates a portion of revenues to local projects and programs within its service area.
- **Direct governance:** Lafayette will have a board seat and help govern MCE.

LETTER OF INTENT

MCE is not considering new memberships until fall of 2015 so that it can focus on incorporating recently added communities into its program. MCE has indicated that in the fall, it will be doing a set of membership analyses to determine the feasibility of interested cities and counties joining MCE. Currently, Davis and Yolo County have sent a letter of intent to have membership analyses done by MCE.

A letter of intent is non-binding and does not have a cost associated with it. Lafayette can send a letter of intent but continue to follow the progress of other CCE options, such as a Contra Costa County CCE, and ultimately can decide to not complete a membership analysis in the fall. The letter essentially holds the City's place in line to get studied by MCE when it is ready to consider new members.

RESOURCE IMPACT TO LAFAYETTE

There is no fiscal impact to the City associated with the recommended action. Sending a letter of intent is non-binding and has no cost. If MCE accepts the City's request and conducts a membership analysis to determine the practicality of Lafayette joining MCE, there may be a cost of no more than $15,000 for the membership analysis. MCE indicated it will likely be less expensive than this amount based on recent analyses done. If the Council authorizes the letter of intent, the Task Force will return to Council prior to accepting the membership analyses with an update to other local CCE action (e.g., a Contra Costa CCE), have a full detail of the cost, and framework with next steps for the Council's review and determination.

Environmental Task Force Recommendation

On May 28, 2015, the Task Force unanimously recommended that the City Council send a letter of intent to MCE Clean Energy. The Environmental Task Force recommends that the Council adopt Resolution No.2015-49 to authorize the City Manager to send letter of intent to MCE.

ATTACHMENTS

1. Comparison Table of CCE Options
2. Public Comments
3. MCE Flyer
4. MCE PowerPoint Presentation to El Cerrito, June 18, 2015
5. DRAFT City Council Resolution No.2015-49
6. DRAFT Letter of Intent

ENERGY PROVIDER OPTIONS	NO ACTION	EXISTING CCE- MCE CLEAN ENERGY	CREATE LOCAL CCE- CONTRA COSTA COUNTY	CREATE LOCAL CCE WITH COMMERCIAL VENDOR- CA CLEAN POWER

Pros	• Requires no action by Lafayette customers	• **Choice:** Provides Lafayette and its residents with choice in its energy consumption
		  • Choice to stay with PG&E or join MCE
		  • If a customer joins MCE, numerous new customer programs are available to them
		• **Cost Savings:** Current pricing offers significant savings to the City of Lafayette and its residents (the 50% renewable option is currently less expensive than PG&E)
		• **Low Risk**:
		  • Clear path to join
		  • Shortest path to join
		  • Lowest cost to join
		  • No legal risk to Lafayette
		• **GHG Reductions:** Lafayette opting to join a CCE is likely the single action Lafayette can do to reduce its greenhouse gas footprint
		  • The impact will also grow over time due to vehicle electrification
		• **Jobs:** Local (Bay Area) job creation, including many Lafayette residents that work in the industry
		• **Direct Governance:** Lafayette would have a board seat to help govern MCE
		• **Significant Growth Momentum**: Particularly in East Bay (Richmond, El Cerrito, etc.)
			• Similar benefits to MCE including:
			  • **Choice**
			  • **GHG Reductions**
			  • **Jobs**
			  • **Direct Governance**: Lafayette would likely have more influence over the program structure & governance when compared to joining MCE
			  • **Significant Growth Momentum**
				• **Local Choice:** Potential for most "local" option of energy production
				• **City Profit**: Potential for money to come back to the City
				• **Direct Governance:** Highest level of influence when compared to MCE and Contra Costa CCE because Lafayette is the only city involved
				• **GHG Reductions**

ENERGY PROVIDER OPTIONS	NO ACTION	EXISTING CCE- MCE CLEAN ENERGY	CREATE LOCAL CCE- CONTRA COSTA COUNTY	CREATE LOCAL CCE WITH COMMERCIAL VENDOR- CA CLEAN POWER
Cons	• Limits Lafayette residential, commercial, and municipal energy choices to one vendor (PG&E) • Limits consumer behind-the-meter programs & service offerings • Does not improve Lafayette's compliance with state and local greenhouse gas emissions goals	• Requires opt-out of CCE for customers that want to stay with PG&E • Less influence on governance when compared to creating a Contra Costa CCA or using a commercial vendor • Current rate competitiveness is not a guarantee of future rates	• Requires opt-out of CCE for customers that want to stay with PG&E • Higher Costs- Lafayette would bear portion of startup costs • Substantially more risk to Lafayette than other CCA options- startup costs would not be recoverable if CCA does not move forward • Uncertain timing of creating the CCE • Uncertain rate competitiveness • Uncertain program options for customers	• Requires opt-out of CCE for customers that want to stay with PG&E • Most uncertain CCE approach as it is an unproven model in California • Diminished community benefits when compared to other CCE options due to vendor profit requirements • Limited information on operational details, risks, and benefits • May not provide as much choice as other CCE options because CCE will be small • Potentially diminished transparency and public influence due to corporate management • Uncertain timing of creating the CCE • Uncertain rate competitiveness • Uncertain program options for customers

Canales, Megan

From: Carol Weed <carol4ofa@gmail.com>
Sent: Saturday, August 1, 2015 5:09 PM
To: Canales, Megan; Cass, Michael
Cc: Janet Thomas; Mark S Higgins
Subject: CCE - A Tri-City option

Hello Megan and Michael,

There is a now one more form of Community Choice Energy (formerly CCA) in CA. You may be aware of it, but it was not one of the five options discussed by the Environmental Task Force. As I recall, those included:
1) do nothing
2) seek to join MCE
3) seek to join Sonoma
4) wait and see if the CC BOS acts on a CCE
5) form a 1 city CCE with a company such as CCP.

I'll call it the Tri-City option, although there's nothing magical about it being three cities. Progress has occurred in the south bay by the Silicon Valley Community Choice Energy, SVCCE, where Sunnyvale, Mountain View, Cupertino and unincorporated Santa Clara County are in the feasibility study stage. http://www.svcleanenergy.org/
I believe they already have most of their funding. Seth Baruch who has attended your Task Force mtgs is consulting with SVCCE (sbaruch@carbonomicsonline.com).

There is a convergence of several other issues that might make this option attractive to Lafayette -- maybe joining with Walnut Creek, Concord, Antioch or some other city(s) in Contra Costa. Or even in another county.

* New funding is available through CA iBank to use to rollout a CCA.

* Experienced environmentalists along the refinery corridor see some wisdom in a CCE starting in CCCo cities without refineries and the heavy financial footprint of the fossil fuel industries. The BOS may be relieved to NOT have to take any action.

* A resolution supporting CCE was passed last month at the Democratic Party of Contra Costa Central Committee which had unanimous support from all delegates, including IBEW and the building trade unions. Last summer these unions had strongly opposed CCE when testifying in support of AB2145 in Sacramento.

* The CCE rollout cost of over 1 million has come way down.

If a few CCCo cities start a local effort, other cities may want to join in.

As those of us in the grassroots Contra Costa Clean Power Alliance have promoted, there are advantages to

1) having more local control ("choice") rather than being a small fish in MCE's large pond. This means being able to set rates, and establish programs such as better rates to low income users, reimbursements to businesses and homeowners with rooftop solar, etc.
2) encouraging renewable energy developers and businesses to invest here.
3) bringing more green jobs, including white collar jobs.
4) using brownfield sites such as Concord's former Weapons Depot.

Yours truly,
Carol Weed
510-409-4055

MCE Clean Energy
My community. My choice.

MCE California Renewable Energy

OVERVIEW 2015

Marin Clean Energy (MCE) has committed $515.9 million to 195 MW of new California renewable energy projects. This includes $353.9 million for solar, $44.7 million for wind, and $117.2 million for waste-to-energy projects. Below is the current list of all California renewable resources currently under contract with MCE.

Since May 2010, MCE customers have reduced more than 59,421 tons of greenhouse gas emissions, equivalent to removing 12,500 cars from the road for one year, the carbon sequestered by 48,705 acres of U.S. forests in one year, or eliminating the energy use of 5,422 homes for one year. In 2014, MCE customers saved more than $5.9 million through lower electricity rates.

Resource Type*	Generator	Location	Installed Capacity (MW)	MCE Service Start Date	Contract Length	Jobs Impact**	
						Construction	Operations & Maintenance
Solar, PPA	RE Kansas	Kings Co.	20 MW	2014	3 years	78	6
Solar, PPA	EDF Cottonwood	Kings Co./ Kern Co.	23 MW	2015	25 years	746	7
Solar, PPA	EDF Cottonwood	Novato, Marin Co.	1 MW	2015	25 years	30	0
Solar, PPA	RE Mustang	Kings Co.	30 MW	2016	15 years	973	9
Solar, PPA	MCE Solar One	Richmond, Contra Costa Co.	10.5 MW	2015	25 Years	341	3
Solar, PPA	EDF	Novato, Marin Co.	1 MW	2016	25 years	32	0
Solar, FIT	San Rafael Airport	San Rafael, Marin Co.	1 MW	2012	20 years	32	0
Solar, FIT (Local Sol)	Cooley Quarry	Novato, Marin Co.	1.5 MW	2015	20 years	49	0
Solar, FIT	Cost Plus	Larkspur, Marin Co.	0.25 MW	2015	20 years	8	0
Solar, FIT	Self Storage	Novato, Marin Co.	1 MW	2016	20 years	32	0
Wind, PPA	EDP, Rising Tree III	Kern Co.	99 MW	2015	4 years	63	14
Landfill Gas, PPA	G2 Energy	Solano Co.	1.6 MW	2013	18 years	23	11
Landfill Gas, PPA	G2 Energy	Yuba Co.	1.6 MW	2013	18 years	23	11
Landfill Gas, PPA	Genpower	Lincoln, Placer Co.	4.8 MW	2012	20 years	16	19
Landfill Gas, PPA	Redwood Landfill	Novato, Marin Co.	3.5 MW	2015	20 years	39	16
Geothermal, PPA	Calpine	Sonoma Co./ Lake Co.	3 MW	2013	1 year (multiple)	N/A	N/A
Geothermal, PPA	Calpine	Sonoma Co./ Lake Co.	10 MW	2013	10 years	N/A	13

*PPA = Power Purchase Agreement; FIT=Feed-In Tariff

**MCE uses the National Renewable Energy Laboratory's (NREL) Jobs and Economic Development Impacts (JEDI) Model best suited to each generating project/contract and may adjust to more accurately reflect the nature of MCE's relationship with the generator and/or actual jobs statistics provided by generator owners.

2,400+ CALIFORNIA JOBS

As of December 31, 2014, MCE's contracted power projects have supported more than 2,400 California jobs. MCE's new solar projects will create more than 750,000 union work hours in just 12 months.

MCE's sustainable workforce policy outlines support for local businesses, union members, training and apprenticeship programs, and support for green and sustainable businesses.

Renewable and carbon-free energy projects

MCE Clean Energy
My community. My choice.

MCE El Cerrito

Cleaner energy and lower rates

June 2015

Our Objectives

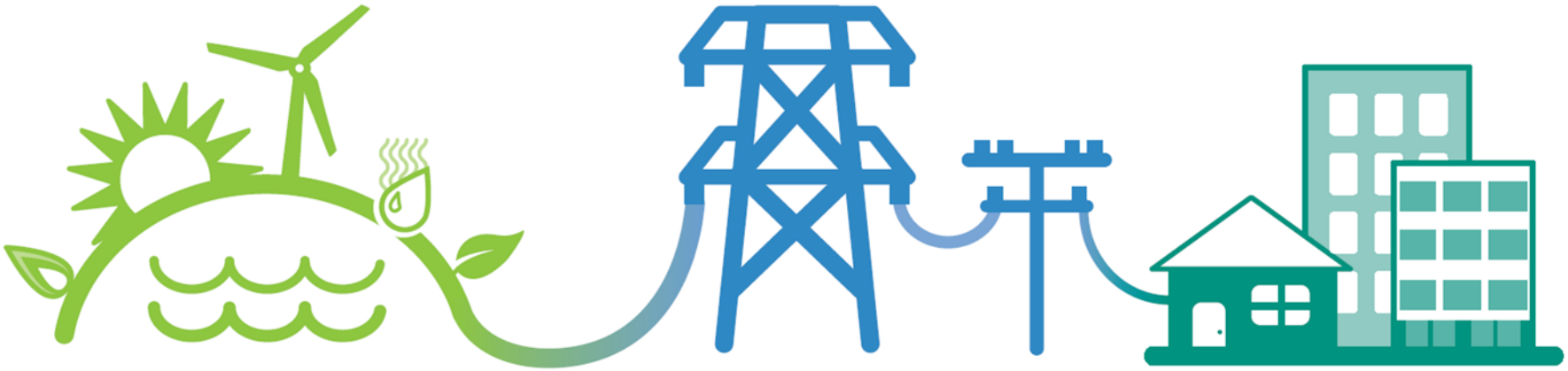
Offer more renewable power to consumers

Maintain stable, reliable rates

Respond to community needs

Local control and governance

How we partner with PG&E



RENEWABLE ENERGY
Electric Generation

SAME SERVICE AS ALWAYS
Electric Delivery

YOUR COMMUNITY CHOICE
A Greener Electric Option

MCE

PG&E

Customer

El Cerrito Power Choices

PG&E

27%*
Renewable

MCE

Light Green

56%

Renewable

MCE

Deep Green

100%
Renewable

MCE

Local Sol

100%

Local Solar (2016)

*Most recently reported.

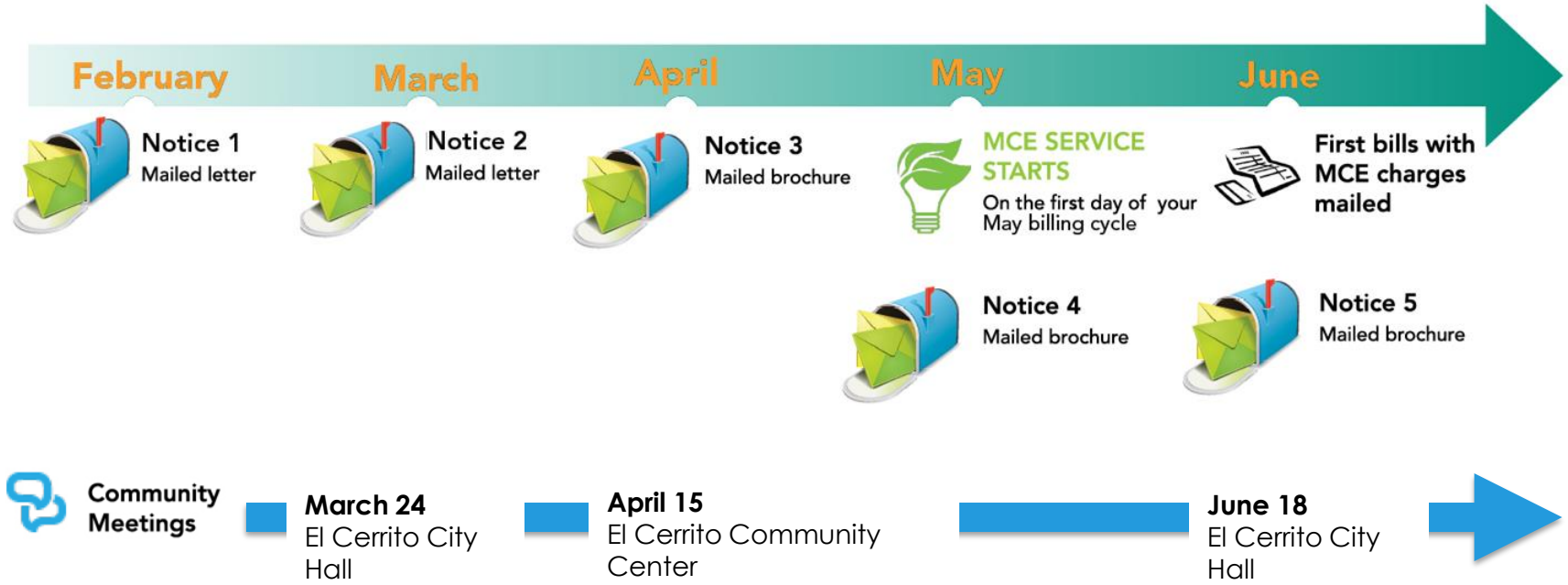
Average annual savings

$5.9 Million: 2014 rate savings

$10.6 Million: est. 2015 rate savings

Based on MCE's Light Green 50% renewable rates and PG&E rates effective June 2015

El Cerrito Enrollment



- Service began per your May bill day– customers can opt up or opt out at any time.
- Opt outs received after 60 days of service start will see a $5 residential ($25 commercial) fee and be prevented from returning to MCE for 12-18 months by PG&E.

Very high adoption in El Cerrito!

- About 11,500 accounts
- 8.5% opt-outs – less than half of avg
- 444 Deep Green enrollments
  – over 4%. El Cerrito by far the leader

Deep Green Champions Dave and Bruce at Elevation 66 El Cerrito's top nano-brewery

MCE Overview

263 MW peak

≈165,000 accounts; ≈1,800 GWh/yr

Marin Clean Energy formed December 2008.

- Commenced service in May 2010
- Formed based on 2002 CA state law allowing CCAs

Current membership in order:

- All of Marin County
- City of Richmond
- Unincorporated Napa County
- Cities of El Cerrito, Benicia, and San Pablo

Mission:

- Reduce GHG emissions with local clean energy supply and EE and tech
- Local renewable resource development
- Local decision-making of electrical power generation options
- Maintain stable, reliable rates
- Responsive to community needs and feedback

A New Kind of Public Agency – Small, Transparent, Nimble, Entrepreneurial, Governed by Democratically Elected BOD

Board of Directors: elected Mayor/Supervisor/City Council member seated from each locality – currently 17

El Cerrito represented by **Greg Lyman & Gabe Quinto (alternate)**

Direct public input on rates, power sources and policies

Regulated by the California Public Utilities Commission, California Energy Commission and our customers

MCE's Contracted Power Supply

195
megawatts

- **New, California renewable energy** projects

$515.9 M
committed

- Powered by MCE's **new California renewable energy** projects

11
local projects

- Electricity to **power up to 11,932 homes per year**

14
suppliers

- Ensure a sufficient **supply of clean and affordable energy**

Local Build Out, 2012 - 2015

11
local projects

Electricity to **power up to 11,932 homes per year**

MCE Renewable Power Sources

85,000
homes per year

Powered by MCE's **new California renewable energy** projects

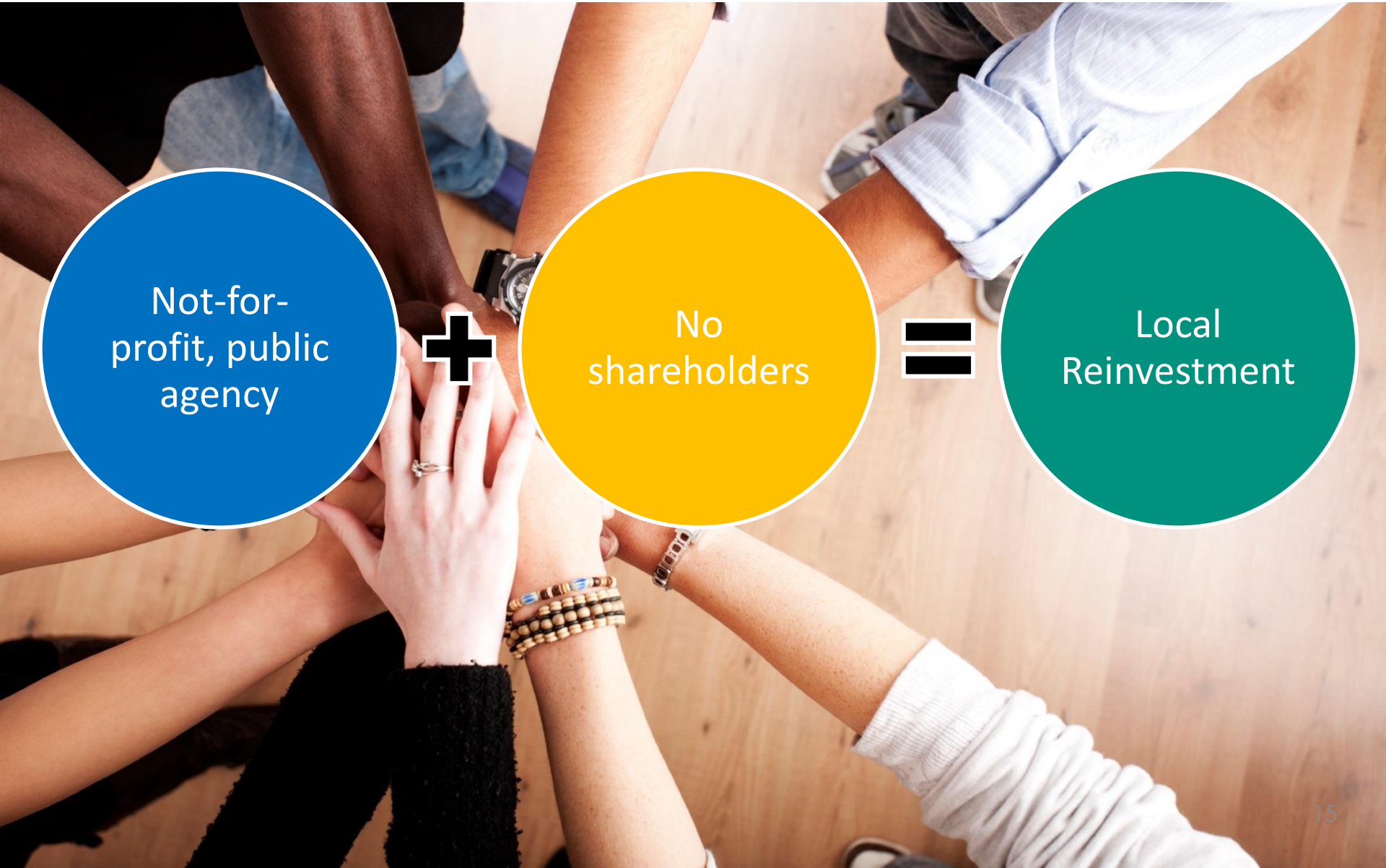
Demand Management Pilots

- $5.3 million Energy Efficiency program funded through Public Purpose Charge
  - Green Home Loan program (On-bill financing)
  - No-cost multifamily & business building energy assessments
    - Valued at $3,000 - $5,000
  - Cash rebates
    - Avg. 25-60% of project costs
- Tesla battery storage pilot program
- Funding public Electric vehicle charging stations
- Residential Demand Response and NEST Thermostat program

How are we doing on our mission and goals?

- **59,421 tons of greenhouse gas (GHG) reductions (2014)**
- **Rates have stayed below PG&E at higher renewable mix**
- **2400 jobs; 750,000 solar construction jobs in next 12 months**
- **$515.9 M committed to new CA-built renewable energy projects**

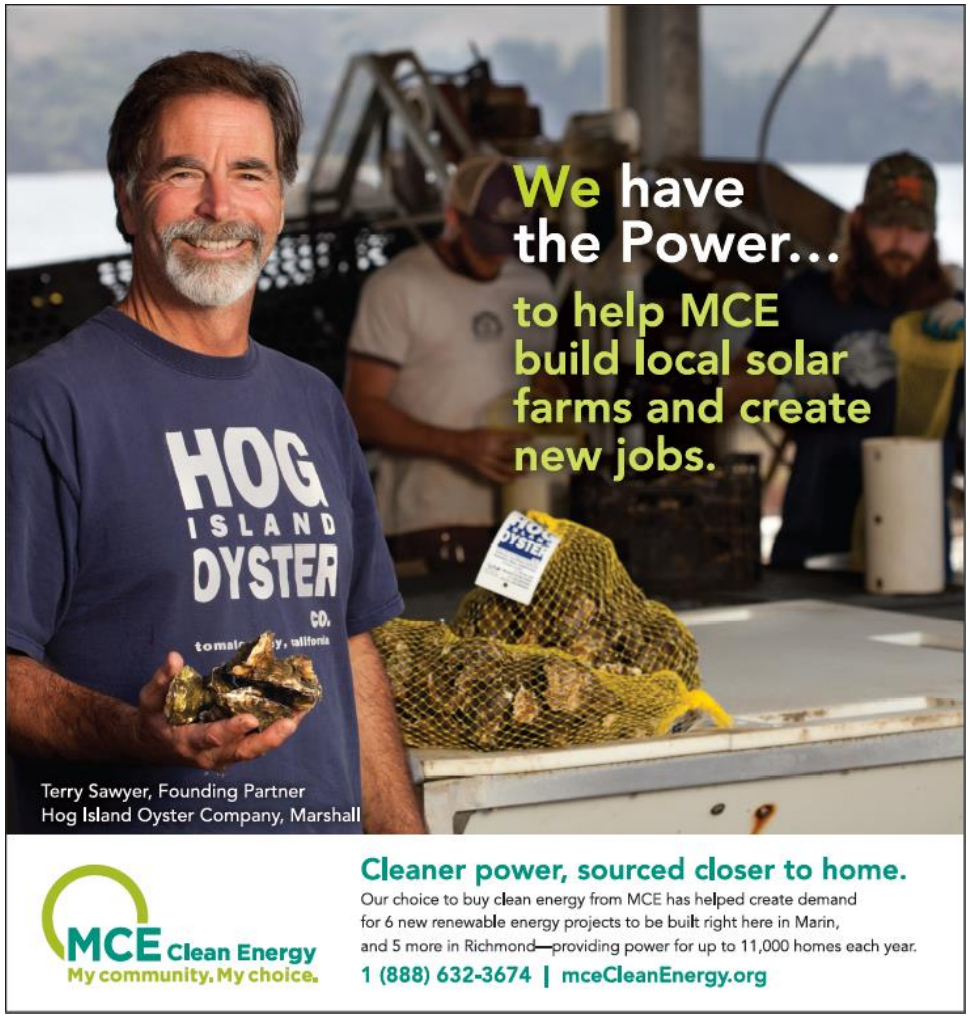
Community Benefits



Deep Green Champions

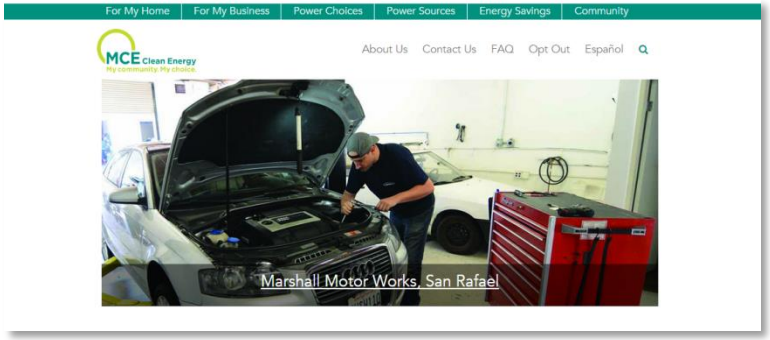
Deep Green 100% renewable energy is available now.

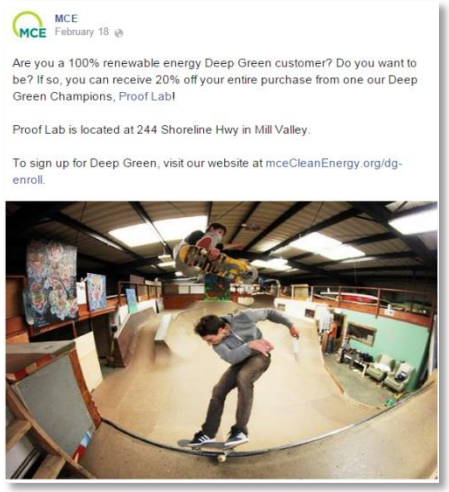
Enroll online: www.mcecleanenergy.org/dg-enroll/ or call: 1 (888) 632-3674



Free marketing

print, email, social media, website





MCE's 100% Renewable Businesses

Timber Manhart, Owner
Catahoula Coffee Co., Richmond

MCE Clean Energy
My community. My choice.

100% clean energy?
It's your choice.

Catahoula Coffee Company chose to "opt up" to MCE's Deep Green 100% clean energy, because we care about quality—our beans, our brew, and the air we all breathe.

Anyone in Richmond can choose from MCE's two clean energy options. Look for MCE mailers to learn more.

What's *your* choice?

mceCleanEnergy.com | 1 (888) 632-3674

Thank you for considering us as your power provider:

Questions?

1 (888) 632-3674

info@mceCleanEnergy.org

www.mceCleanEnergy.org/ElCerrito

Additional Reference Slides

mceCleanEnergy.org | 1 (888) 632-3674

Residential Cost Comparison

Example Monthly Residential Electric Charges*	PG&E	MCE Light Green	MCE Deep Green	MCE Local Sol
	22%** Renewable Energy	50% Renewable Energy	100% Renewable Energy	100% Local Solar
PG&E Electric Delivery (all customers)	$37.30	$37.30	$37.30	$37.30
Electric Generation (all customers)	$45.12	$37.97	$42.60	$65.75
Additional PG&E Fees (MCE customers only)	-	$5.71	$5.71	$5.71
	Average Total Cost **$82.42**	Average Total Cost **$80.98**	Average Total Cost **$85.61**	Average Total Cost **$108.76**

**The above comparison is based on a typical usage of 463 kWh at PG&E's rates effective as of March 1st and MCE's current rates for the April 2015 to March 2016 fiscal year under the Res-1/E-1 rate schedule. Costs shown are an average of summer and winter rates in baseline territory X with gas heating; actual differences may vary depending on usage, rate schedule and other factors.*

***Most recently verified.*

- Delivery rates stay the same
- Generation rates vary by service option
- PG&E adds exit fees on CCA customer bills
- <u>Even with exit fees, total cost for Light Green is less than PGE</u>

Commercial Cost Comparison

Example Monthly Commercial Electric Charges*	PG&E	MCE Light Green	MCE Deep Green	MCE Local Sol
	22%** Renewable Energy	50% Renewable Energy	100% Renewable Energy	100% Local Solar
PG&E Electric Delivery (all customers)	$127.29	$127.29	$127.29	$127.29
Electric Generation (all customers)	$122.75	$98.62	$110.72	$171.82
Additional PG&E Fees (MCE customers only)	-	$13.31	$13.31	$13.31
	Average Total Cost **$250.05**	Average Total Cost **$239.22**	Average Total Cost **$251.32**	Average Total Cost **$312.42**

**The above comparison is based on a typical usage of 1210 kWh at PG&E's rates effective as of March 1st and MCE's current rates for the April 2015 to March 2016 fiscal year under the Com-1/A-1 rate schedule. Costs shown are an average of summer and winter rates; actual differences may vary depending on usage, rate schedule and other factors.*

***Most recently verified.*

- Delivery rates stay the same
- Generation rates vary by service option.
- PG&E adds exit fees on CCA customer bills
- <u>Even with exit fees, total cost for Light Green is less than PGE</u>

Sample Bill

ENERGY STATEMENT
www.pge.com/MyEnergy

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

Service For:

MARY SMITH
1234 STREET AVENUE
SAN RAFAEL, CA
94804

With PG&E service:

Your Account Summary

Amount Due on Previous Statement	$82.85
Payments Received Since Last Statement	82.85
Previous Unpaid Balance	$0.00
Current Electric Charges	$83.61
Current Gas Charges	$27.20
Total Amount Due	**$110.81**

With MCE service:

Your Account Summary

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

Community Choice is growing!

Sonoma Clean Power (SCP)
Lancaster Choice Energy

- Alameda County
  - Allocated $1.3 million
  - All cities approved PG&E load analysis
- Contra Costa County
- LA County
  - South Bay Clean Power
  - Carson City, Torrance, Redondo Beach, Hermosa Beach, Santa Monica, Manhattan Beach…
- Monterey County
- San Benito County
- San Diego County
- San Francisco County
- San Luis Obispo County
- San Mateo County
- Santa Barbara County
- Santa Cruz County
- Yolo County

Local Generation Opportunities

- **Feed In Tariff (FIT)** – a standard offer 20 year contract for renewable projects <1 MW located within MCE's service territory

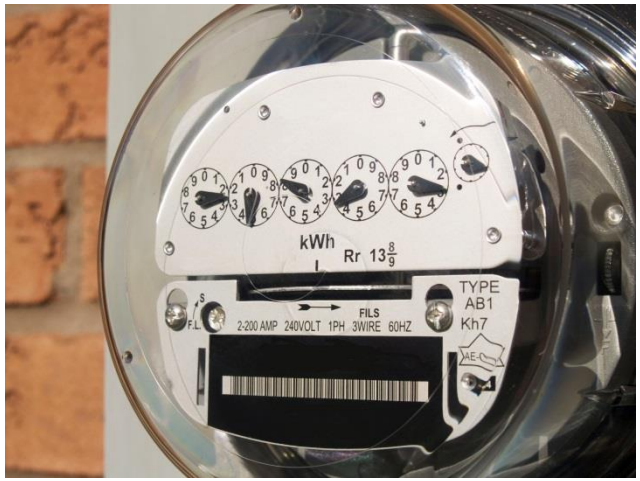
- **Net Energy Metering (NEM)** – MCE serves 3,800 rooftop solar customers, totaling 35.2 MW

Incentives for Rooftop Solar

$50,000 towards residential solar rebates with priority for low-income customers

Generous Net Energy Metering

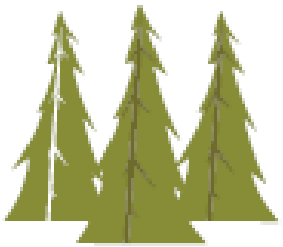
- Premium credits (retail rate + 1¢/kWh)
- Credits never zero out
- Annual cash out payout for solar customers



59,421 tons of greenhouse gas reductions

Equivalent to:

Eliminating carbon emissions of 12,500 cars for one year



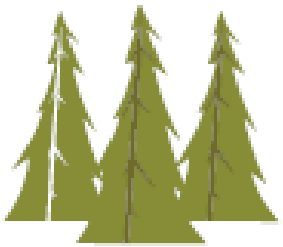
The carbon sequestered by 48,705 acres of US forests in one year

Eliminating the energy use of 5,422 homes for one year

1,542 MWh of electricity and 27,131 therms of natural gas saved

Equivalent to:

Eliminating carbon emissions of 254 cars for one year



The carbon sequestered by 989 acres of US forests in one year

Eliminating the energy use of 110 homes for one year

A Note About the Electric Grid

Why is MCE's electricity not going directly from the source to my home or office?

Each building would need a separate wire to get the power directly from the source.

All of the electricity is put onto the same grid where electrons are mixed and flow freely.

Kathmandu, Nepal

2002 CCA Law by CA State legislature

- Deregulation failed– but ensuring energy users can have choice
- Local municipalities may allow not-for-profit public agencies to provide energy
- Legislated as Opt-Out encouraging all residents and businesses to benefit equally– not just largest and to promote success

BEFORE THE CITY COUNCIL OF THE CITY OF LAFAYETTE

IN THE MATTER OF:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAFAYETTE, CALIFORNIA AUTORIZING THE CITY MANAGER TO SEND A LETTER OF INTENT FROM THE CITY TO MCE CLEAN ENERGY	)))	Resolution 2015-49

WHEREAS, on September 24, 2002, AB117 was signed into law which enabled public agencies and joint power authorities to aggregate the electricity demands of their customers to more easily acquire electricity from preferred sources through a JPA; and

WHEREAS, on September 27, 2006, AB32 was signed into law which established the goal of reducing the state's greenhouse gas emissions to 1990 levels by 2020; and

WHEREAS, on November 13, 2006, the Lafayette City Council adopted the Environmental Strategy which recognizes the importance of environmental sustainability and encourages community awareness, responsibility, participation, and education to promote an environmentally sustainable community; and

WHEREAS, the City of Lafayette is committed to the development of renewable energy generation and energy efficiency improvements, reduction of greenhouse gases, and protection of the environment; and

WHEREAS, approximately 89-percent of housing in the City of Lafayette was built prior to Title 24 standards and is less energy efficient than newer construction; and

WHEREAS, in 2010, 22-percent of overall community wide greenhouse gas emissions in Lafayette was caused by energy use and Lafayette has a considerable opportunity to impact emissions through energy conservation, energy efficiency, and the use of renewable energy sources; and

WHEREAS, electricity in Lafayette is generated and provided by Pacific Gas and Electric Company (PG&E) and there is not presently an alternative provider in the City. PG&E is currently working to add more renewable energy to its power mix under California's renewable portfolio standard and is on track to have 33-percent renewables by the end of 2020; and

WHEREAS, the City finds it important that its customers- residents, businesses, and public facilities- to have alternative choices to energy procurement beyond PG&E; and

WHEREAS, for the past year the City has researched the feasibility of Lafayette joining or creating a Community Choice Energy (CCE), also referred to as a Community Choice Aggregation (CCA), which enables a city, county, or group of cities and counties to pool electricity demand and purchase or generate power on behalf of its customers; and

WHEREAS, CCEs partner with PG&E to deliver electricity to customers. The CCE is responsible for electric generation and PG&E will continue to own the grid, distribute power, maintain the power lines, and issue customers monthly bills; and

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WHEREAS, CCEs aim to use renewable and local sources of power, give the community authority to make decisions about energy portfolios, create local jobs, and can often provide less expensive electricity to each resident; and

WHEREAS, on December 17, 2008, MCE Clean Energy (MCE), formerly known as Marin Energy Authority, was established as a joint powers authority pursuant to a Joint Powers Agreement; and

WHEREAS, the purpose of MCE is to address climate change by reducing energy related greenhouse gas emissions and securing energy supply, price stability, energy efficiencies, and local economic and workforce benefits, and

WHEREAS, the MCE Governing Board has adopted a policy by which communities outside of Marin County can be considered for membership, which includes MCE conducting a membership impact analysis; and

WHEREAS, the City of Lafayette finds that joining a CCE will offer Lafayette customers choice in their power provider and will help Lafayette meet the state goal set out in AB32 and the goals outlined in the City's Environmental Strategy.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This City Council hereby authorizes the City Manager to send a Letter of Intent to MCE Clean Energy requesting that they conduct a membership analysis for Lafayette.

This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the City Council of the City of Lafayette at a regular meeting on August 10, 2015, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

_____
Joanne Robbins, City Clerk

APPROVED:

_____
Brandt Andersson, Mayor

DRAFT

City Council

Brandt Andersson, Mayor
Traci Reilly, Vice Mayor
Mike Anderson, Council Member
Mark Mitchell, Council Member
Don Tatzin, Council Member

August 10, 2015

Dawn Weisz, Executive Officer
Marin Clean Energy
781 Lincoln Avenue, Suite 320
San Rafael, CA 94901

RE: City of Lafayette Letter of Intent

Dear Ms. Weisz,

The City of Lafayette would like to thank you for your organization's presentations to us about MCE Clean Energy (MCE) on multiple occasions and your thoughtful responses to questions at these public forums. It has been very helpful as Lafayette investigates community choice energy (CCE). We believe that membership in a CCE will go far in helping the City offer our residents greater choice in the energy marketplace, as well as help the City reach our environmental goals.

In 2006, the City adopted the Environmental Strategy which encourages actions that create a more environmentally sustainable community. The City is committed to the development of renewable energy generation and energy efficiency improvements and the reduction of greenhouse gases. In 2010, 22-percent of overall community wide greenhouse gas emissions in Lafayette were caused by building's energy use and the City has a considerable opportunity to impact emissions through the use of renewable energy sources.

In addition to offering competitive energy rates and a high percentage of electricity coming from renewable resources, the City is interested in MCE's incentive programs that encourage community members to become more energy efficient. The Lafayette City Council recently adopted Resolution No. 2015-49, authorizing the City Manager to send a letter of intent expressing interest in exploring possible membership in MCE. I am pleased to provide this letter requesting MCE further explore whether extending membership to the City of Lafayette would be mutually beneficial.

Thank you for considering the City's interest in MCE and feel free to contact Assistant Planner Megan Canales at mcanales@lovelafayette.org or (925) 299-3242 to discuss this matter further. We look forward to hearing from you.

Sincerely,

Steven Falk
Lafayette City Manager

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