City of Lafayette Staff Report

For: City Council

By: Megan Canales, Assistant Planner
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Meeting Date: January 25, 2016

Subject: Community Choice Energy

PURPOSE

This staff report provides an update on Community Choice Energy and responds to a number of questions asked by the City Council. The Environmental Task Force and staff recommend that the Council move forward with Marin Clean Energy (MCE) and select Contra Costa County as an alternative to MCE.

BACKGROUND

The City has been studying Community Choice Energy "CCE" (also referred to as Community Choice Aggregation "CCA") since June of 2014. Since that time, the City has held multiple meetings about CCEs and heard presentations from various CCEs and PG&E. The matter was most recently heard at the City Council on August 10, 2015 where the Council unanimously adopted Resolution 2015-49 authorizing the City Manager to send a non-binding letter of intent to MCE expressing the City's interest in exploring possible membership.

UPDATES

Contra Costa County
On October 13, 2015 the Contra Costa County Board of Supervisors directed the Conservation and Development Director to gauge Contra Costa County cities' interest in studying the following Community Choice options:

- Formation of a CCE partnership among the Cities and County, representing unincorporated areas;
- Partnering with Alameda County to form a CCE program; or
- Joining the existing MCE program.

The feasibility of a Contra Costa County partnership is discussed below.

PG&E
PG&E is currently reporting 27-percent renewables and is working toward the 33-percent required under California's Renewable Portfolio Standard by the end of 2020. As of January 14, 2016 PG&E customers can enroll in a Solar Choice Program, although enrollment space is capped. This program essentially allows a certain number of customers to elect to purchase solar energy to match either 50-percent or 100-percent of their energy use. At the 50-percent option, this adds ~$5.00-$13.00 (can be more or less) to a customer's monthly bill depending on the amount of kWh that a customer uses.

RESPONSE TO COUNCIL

On August 10, 2015, the Council had a number of questions and requests of staff. The Council requested the following:

- Outreach effort to inform public and get a sense of public opinion
- Comparison of electricity costs with MCE, PG&E, and other service providers
- Complete understanding of Community Choice options to determine the right CCE to join

Outreach
Both the Environmental Task Force and staff have conducted an extensive outreach effort and attempted to reach Lafayette constituents through a number of avenues. Beyond the Community Choice education meetings held by the Task Force over the past year and a half, staff prepared a press release which was distributed to a number of sources including: Lafayette Homeowner's Council, Sustainable Lafayette, Chamber of Lafayette, Lamorinda Weekly, Contra Costa Times, Contra Costa Sun, Sustainable Contra Costa County, Lafayette Today, and League of Women Voters.

Information was also distributed in the following places: Friday Message from City Manager (September 4, 2015 e-mailed to 678 people), Lafayette Vistas (Summer 2015 Vistas distributed by mail to each Lafayette household and business ~8,500 recipients and e-mailed to 102 people), and handouts at the Planning counter in the City Offices (~1,500 visits to the Planning Counter since August). Additionally, a page was added to the City's website with information on Community Choice and a survey was available for public participation (207 respondents). The results of the survey are as follows:

- 87-percent of the respondents were in support of the City joining MCE with 13-percent against joining MCE.
- 43-percent of the respondents would remain in the MCE Light Green enrollment option, 44-percent would opt-up to the MCE Deep Green enrollment option, and 13-percent would opt-out of MCE and stay with PG&E.

Cost Comparisons
Attached are cost comparison tables with PG&E or Southern California Edison of various California CCEs in existence. These cost comparisons are a moving target and change over time.

Complete understanding of Community Choice options
Below is a summary of the active California CCE programs and pending local CCE programs.

COMMUNITY CHOICE IN CALIFORNIA

Alameda County *Pending Program*
Alameda is in the process of creating a CCE for Alameda County. In June 2014, the Board of Supervisors allocated money and staff time to investigate the possibility of a countywide CCE program, the Steering Committee began meeting in June 2015, and the estimated start date of service is in 2017/2018. Alameda has many more steps to complete before they will be ready to provide service to their customers including completing a feasibility study, forming a JPA, seeking financing, preparing an implementation plan, and signing energy provider contracts.

Start-up Costs: Unknown at this time, allocated $1.3 million and County staff is budgeting $3.25 million to set up and launch the program.

Rates: Unknown, the program has not launched.

Option for Lafayette? No, Alameda County is focusing inward and is unable to invite jurisdictions outside the County to join their study at this time.

CleanPowerSF
CleanPowerSF has spent the last eleven years trying to implement a CCE. CleanPowerSF is scheduled to rollout service and launch the official program this month. It will be administered by the San Francisco

Public Utilities Commission (SFPUC). CleanPowerSF will have a Green Option (33-50-percent renewable) and SuperGreen Option (100-percent renewable).

Start-up Costs: A report released by the SF Office of Economic Analysis noted that the SFPUC proposed a contract which allocated a total of 19.5 million for startup expenses (including efficiency programs).

Rates: Unknown, service has not yet started so rates are unavailable. According to its website, the Green Option price will match PG&E pricing and the SuperGreen rates will be at a slight premium over PG&E pricing.

Option for Lafayette? No, CleanPowerSF is for San Francisco residents/businesses only. There is not an option for jurisdictions outside of its service area to join.

Lancaster Choice Energy

Lancaster Choice Energy (LCE) is a single jurisdiction power program created by the City of Lancaster. LCE began planning in January 2013 and in May 2015 it began a phased rollout of its service. By October 2015, that rollout was completed. LCE offers a Clear Choice option (35-percent renewable), Smart Choice option (100-percent renewable), and Personal Choice option (for people who generate solar/wind power).

Start-up Costs: ~$1.5 million.

Rates: Electricity costs are variable depending on rate schedules, but the Clear Choice option is currently less expensive than Southern California Edison while the Smart Choice option is more expensive (customers pay a flat rate premium). Attached is a cost comparison table with Southern California Edison.

Option for Lafayette? No, Lancaster Energy Choice is for Lancaster residents/businesses only. The CCE is set up as a single jurisdiction power, not joint powers association, so it is not set up in a way which would allow growth to other cities. They are currently providing assistance to neighboring cities to help them create their own CCE.

Sonoma Clean Power

Sonoma Clean Power (SCP) began planning in 2011 and in May 2014 it began a phased rollout of its service. By mid-2015, that rollout was completed. It offers service to all electric customers in Sonoma County, except in Healdsburg, which has its own municipal utility. SCP offers a CleanStart option (36-percent renewable) and EverGreen option (100-percent renewable).

Start-up Costs: $1.6 Million

Rates: Rates are variable depending on rate schedules, but the CleanStart option is currently less expensive than PG&E while the EverGreen option is more expensive. Attached is a cost comparison table with PG&E.

Option for Lafayette? No, SCP is only able to serve its current service area at this time. There is not an option for jurisdictions outside of its service area to join.

Contra Costa CCE *Pending Program*

On October 13, 2015, the Contra Costa County Board of supervisors authorized staff to conduct outreach and explore the formation of a CCE. It has directed the Conservation and Development Director to gauge Contra Costa cities' interest in various options which include: forming a CCE with the Contra Costa cities and county, partnering with Alameda County (not a present option according to Alameda County staff), and joining Marin Clean Energy. The County has estimated this initial research effort to will require a County staff commitment of 57.5 hours/month for four months.

Option for Lafayette? Unknown. At this time, the Board of Supervisors has not indicated if it will or will not move forward with the actual formation of a CCE. It has only authorized the outreach and education to

Contra Costa Cities to gauge interest. It currently seems as though there is a decent amount of interest from Contra Costa Cities, indicating a likelihood that the County will move forward. If the County moves forward, this will be an option for Lafayette.

In order for Lafayette to be considered by the County and to participate in the feasibility study, the City must adopt a resolution (Resolution 2015-03) authorizing load data to be shared with the County, and send a letter of interest by January 31, 2016. The necessary documents are attached.

Start-up Costs: Unknown, however, based on other programs likely ~$2-3 million. Start-up costs are typically recoverable through revenues of the program if the CCE is formed. MCE, for example, recovered costs within a year. The first step of creating a CCE is conducting a feasibility study which the County estimates will cost ~$75,000-150,000, to be shared among participating cities.

In addition to the fiscal start-up costs of the program itself, there is also a resource cost of staff time for Lafayette staff to attend steering committee meetings and aid in the creation of the CCE. The time commitment is unknown and largely will be based on the time frame to create the CCE and frequency at which the steering committee meets (likely monthly for a few years). Given current workloads, it may be difficult for current City staff to devote the time needed for this option.

Rates: Unknown, however, based on other programs it will likely aim to be competitive with PG&E. Future rates will be largely dependent on the cost of energy at the time of procurement among other factors.

Governance: Unknown. There will probably be a board that votes similar to Marin Clean Energy and Sonoma Clean Power. If Lafayette is helping to form this CCE, it is expected that there will be a large element of local control on decisions and the way the board is governed. The board would also be made up of Contra Costa cities with which Lafayette has a high level of familiarity.

Time Frame to Serve Customers: Unknown. Based on other programs, from the time the Board of Supervisors authorizes the formation of a CCE it can take anywhere from 1-11 years with an average of ~4.5 years from research to implementation. There are existing CCE models that Contra Costa can use, so that time frame may be reduced.

Customer Programs: Unknown. Based on other CCE programs, revenues have gone toward a number of things including creating new programs for customers. These are generally developed over the course of several years and may not be immediately available.

Risks: Similar risks as with Marin Clean Energy, as described in the City of Richmond Risk Assessment Document (attached). Additional risks with Contra Costa County include the potential that the County Supervisors do not approve the formation of a CCE, in which case any start-up costs invested by Lafayette will be lost.

Marin Clean Energy

MCE was formed in 2008, started service in 2010, and currently serves 170,500 customers. Its service area includes all of Marin 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, rate 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 in addition to programs offered by PG&E, for which all MCE customers remain eligible. MCE procures 56-100% renewable electricity on behalf of its customers. It has reduced more than 63,482 metric tons of greenhouse gas emissions and in 2014 saved its customers more than 6 million dollars through lower electricity rates. In 2015, MCE's customers collectively saved approximately $10.6 million.

Start-up Costs: $2.2 million in working capital. This was recovered in a year.

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 (56-percent renewable), Deep Green (100-percent renewable), and Local Sol (100-percent local solar). The cost of electricity with MCE is currently competitive with PG&E even with the PCIA (Power Charge Indifference Adjustment) "exit fee" for customers who decide to use MCE.

The cost of electricity for customers is based on the PCIA (applies to CCE customers only), rate for electricity (applies to both MCE and PG&E customers, each with varying rates), and a PG&E delivery charge (applies to both MCE and PG&E customers for the same amount). MCE's generation rates are ~14-percent lower than PG&E's generation rates but the PCIA inflates the total cost of electricity for MCE customers. MCE is committed to offering competitive rates and will aim to keep electricity costs low. At the time this staff report was prepared, the total cost of electricity for the Light Green option is lower than PG&E while Deep Green and Local Sol are more expensive than PG&E. Attached is a cost comparison table with PG&E.

The cost of electricity is a moving target as MCE adjusts its rates once a year and PG&E adjusts its rates around 3-5 times per year. There are also many different rate schedules with varying levels of cost difference between MCE and PG&E. Currently, most MCE customers save between 1-10-percent on their electricity costs. On January 1, 2016, the PCIA was increased which will likely cause residential customers to pay more for electricity through MCE than with PG&E until the next rate change by MCE or PG&E. The PCIA increase is charged to all customers in Community Choice Programs (not just customers in MCE).

Revenues: MCE's increase in net position for 2015 was $3,698,283. MCE is a not-for-profit public agency which ensures that any financial benefits directly serve the community. The board decides exactly how to spend the revenues; however, revenues are always invested into local projects and programs.

Governance: MCE is governed by a Board of Directors representing each of the member communities it serves. The Board conducts its business at monthly meetings that are always open to the public.

Lafayette will have a seat on the MCE Board and will contribute to the decision making process including voting on the budget and how revenues are spent. Each member on the board has one vote. Voting is weighted by energy use when there is not consensus among Board members, so Lafayette's vote will not have as large of a voting share as larger jurisdictions in those instances.

Can I opt-out of MCE? If Lafayette joins MCE or any other Community Choice program, each customer can choose to opt-out of the CCE and continue to use PG&E's energy supply. At any time, customers can choose to opt-out of MCE back into PG&E or opt-up to MCE's Deep Green Option (or back down to MCE's Light Green Option). MCE generally processes opt-out and opt-up requests by the next billing cycle.

If a customer opts-out of MCE and re-joins PG&E, PG&E requires that the customer make a one-year commitment to PG&E (i.e., that customer has a one-year waiting period until they can go back to MCE). After that one-year waiting period, the customer can then go back to MCE if they so choose or stay with PG&E. There is no limit to the amount of times a customer switches between MCE and PG&E.

Option for Lafayette? Yes, the City of Lafayette sent a letter of intent to MCE on August 11, 2015 expressing interest in joining MCE (attached). MCE has since decided to have an inclusion period which is open until March 31, 2016, during which time the membership analysis cost will be waived.

In order to be considered by MCE, Lafayette will need to pass a resolution (Resolution 2013-02), execute a memorandum of understanding, authorize load data to be shared with MCE, and adopt an ordinance binding the City to MCE, if accepted (Ordinance 644). The necessary documents are attached.

Cost to Lafayette: $0. It was originally anticipated that if the City's request for membership was approved, the City would be required to fund a membership analysis. However, if the City joins within the inclusion period (i.e., by March 31, 2016), MCE will waive the membership analysis cost given the high level of interest from a number of cities.

There will be a resource impact on staff time to join MCE. While MCE is dedicated to doing the necessary outreach to the community, workshops, mailers, etc., there will need to be a point person at the City to communicate with MCE staff and help the program launch. Based on the experiences of other participating jurisdictions, staff anticipates that the temporary added workload will be manageable. There are monthly board meetings that a member of the Council will also attend once the program is launched in Lafayette. There are also Technical and Executive Committee Board meetings, should Lafayette's representative join one or both of these Committees.

Potential Money Saved: Electricity rates, delivery rates, and the PCIA are subject to change and rates are unique to each customer based on their rate schedule. Based on the 2015 cost of electricity (cost comparison attached), had residential, commercial, and municipal electricity customers in Lafayette switched in 2014 to MCE Light Green, the total cost savings in 2015 to customers in the City would have been ~$605,000. In 2015, with the MCE Light Green Option, the City would have saved ~$13,000 on its municipal accounts including the street lighting, traffic lighting, and City facilities (library, city offices, etc.). See attached cost comparison table.

Time Frame to Serve Customers: If Lafayette joins MCE during the inclusion period, the City's electricity customers can begin service by late summer 2016 or fall 2016 depending on a variety of factors including the number of cities being studied by MCE.

Outreach to Community: MCE in conjunction with the City will do extensive outreach prior to any changes.

MCE sends out five notices as part of its effort to help customers make an informed decision. The notices will inform customers of the service choices with instructions on how to opt out or how to obtain more information about the program. In addition, MCE performs outreach with local events and workshops, and will reach out to Lafayette clubs and organizations. The City will also ensure that information is available on the City's website, at the City Offices, and distributed to customers prior to the transition. If desired, MCE can develop a customized Community Outreach Plan, as was done for El Cerrito, San Pablo, Benicia, Napa County, and Richmond.

Other questions asked by the public about MCE are included in attachment 5. They include: what is the environmental impact, how does MCE affect solar panels, what happens if costs increase, are there fiscal risks to the city, are tax dollars used, is there a possibility of increased power outages, and what are the potential risks of joining, among others.

Other California jurisdictions also investigating CCE programs: City of Arcata, Butte County, Lake County, Los Angeles County, Mendocino County, Monterey Bay, City of San Luis Obispo, City of San Diego, San Mateo County, Santa Barbara County, City of Sunnyvale, Solano County, Ventura County, and others.

CONTRA COSTA CITIES ACTIONS

Contra Costa County CCE Interest: Danville, Martinez, Oakley, and San Ramon have sent letters to the County expressing interest and authorizing load data from PG&E to the County. Concord, Pleasant Hill, and Walnut Creek have done the former in addition to authorizing up to $25,000, $15,000 and $20,000 respectively for a feasibility study.

Marin Clean Energy Letters of Intent: Moraga (pending 1/27/2016 meeting), Oakley, and Walnut Creek have sent letters of intent to MCE. In addition, El Cerrito, Richmond, and San Pablo are the Contra Costa jurisdictions that are already members of MCE. Other non-Contra Costa cities that have also sent letters of intent: Davis, Yolo County, Calistoga, American Canyon, St. Helena, Yountville, and the City of Napa.

VIABLE OPTIONS FOR LAFAYETTE

The two potential options are Contra Costa County (assuming that County supervisors approve the creation of a Contra Costa CCE) and Marin Clean Energy. There are benefits and risks with both options. Many of the risks are also risks currently associated with PG&E.

A potential benefit of a Contra Costa County program compared to MCE is the governance of the CCE. Lafayette will be involved from inception to implementation and therefore would have more control over the programs, renewable mix, how the revenues are spent, and how the board is structured, among other factors. While Lafayette will have a seat on the MCE board and can vote on policy decisions, the vote is weighted by our electricity usage. Lafayette might therefore have a larger impact on potential policy votes with a Contra Costa CCE.

The negatives of a Contra Costa CCE compared to MCE are the unknowns. At this time there is no guarantee that the County Supervisors will approve the formation of a County CCE. If they do approve the formation, the start-up costs, electricity costs, renewable mix, time frame, customer programs, and governance are all unknown at this time. Presumably, a Contra Costa CCE will get contracts that allow competitive rates with PG&E, provide beneficial programs to customers, and have an environmentally strong mix of renewables. However, wholesale energy rates will likely change over the next two years, which will affect the rate competitiveness of all future CCE programs, such as Contra Costa County. The time frame, as seen with other CCE programs, can range from 1-10 years. The start-up costs, as seen with other CCE programs, can also range but will likely be a couple million dollars. This will be a shared cost with the other Contra Costa Cities and will also have a payback period that is probably a couple years based on other CCE programs; however, the total is unknown at this time.

Marin Clean Energy has a clear path on how to join, costs to join, and a clear implementation strategy once Lafayette joins. The cost is low, rates are currently competitive with PG&E, there are a number of beneficial programs offered to customers, the governance is understood, and there is a clearer time frame of when Lafayette can join- minimizing the unknowns of a Contra Costa CCE.

Environmental Task Force Recommendation

In addition to its earlier 2014-2015 studies of Community Choice, the Task Force evaluated the new Contra Costa option and determined that MCE was a more practical option for the City of Lafayette.

On November 12, 2015, the Environmental Task Force unanimously voted to move forward with Marin Clean Energy. The Task Force urges the City Council to move forward with MCE due to the critical nature of climate change and current opportunity with MCE and encourages Contra Costa to continue its study on Community Choice.

Staff Recommendation

Staff recommends the City Council:

1. Move forward with Marin Clean Energy, as recommended by the Environmental Task Force
    a. Adopt Resolution No. 2016-02 requesting membership in Marin Clean Energy
    b. Introduce Ordinance 644 which approves the implementation of a Community Choice Aggregation Program within the City of Lafayette's jurisdiction by and through participation in Marin Clean Energy and authorizes the Mayor to execute the MCE Joint Powers Agreement

   c. Execute the attached Memorandum of Understanding regarding MCE membership consideration
   d. Authorize the City Manager to sign the attached request to PG&E for the sharing of electric use data within City limits to Marin Clean Energy
2. Move forward with Contra Costa County as an alternative to MCE
   a. Adopt Resolution No. 2016-03 which authorizes Contra Costa County to complete a technical and feasibility study to determine if a Contra Costa Community choice program is feasible
   b. Authorize the City Manager to sign the attached request to PG&E for the sharing of electric use data within City limits to Contra Costa County

The aforementioned actions will allow MCE to conduct a membership analysis. Assuming the membership analysis is positive in terms of rates and environmental impact, Lafayette will join MCE. If the membership analysis is negative and we cannot join MCE, the City will have taken the necessary steps to continue studying CCEs with Contra Costa County.

ATTACHMENTS

1. Staff Report August 10, 2015 *[Page 9-12]*
2. Letter of Intent to Marin Clean Energy *[Page 13]*
3. Contra Costa County CCE Presentation *[Page 14-33]*
4. Staff Outreach Materials *[Page 34-38]*
5. Response to Public Comments from Survey *[Page 39-44]*
6. Comparison of electricity costs *[Page 45-75]*
   a. Sonoma Clean Power
   b. Lancaster Choice Energy
   c. Marin Clean Energy
   d. PG&E and MCE renewable energy
   e. Table of community and city electricity costs
7. Marin Clean Energy Documents *[Page 76-195]*
   a. MCE Bill Example
   b. MCE Flyer
   c. MCE PowerPoint Presentation to El Cerrito, June 18, 2015
   d. City of Richmond Risk Assessment of Participation in MCE
   e. MCE Joint Powers Agreement
8. Marin Clean Energy Letter *[Page 196-203]*
   a. City Council Resolution 2016-02 *DRAFT*
      i. Exhibit A- Memorandum of Understanding *DRAFT*
      ii. Exhibit B- Request for Load Data from PG&E
   b. City Council Ordinance 644 *DRAFT*
9. Contra Costa CCE Letter *[Page 204-206]*
   a. Resolution 2016-03 *DRAFT*
   b. Letter of Support *DRAFT*

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

August 11, 2015

Dawn Weisz, Executive Officer
1125 Tamalpais Avenue
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,

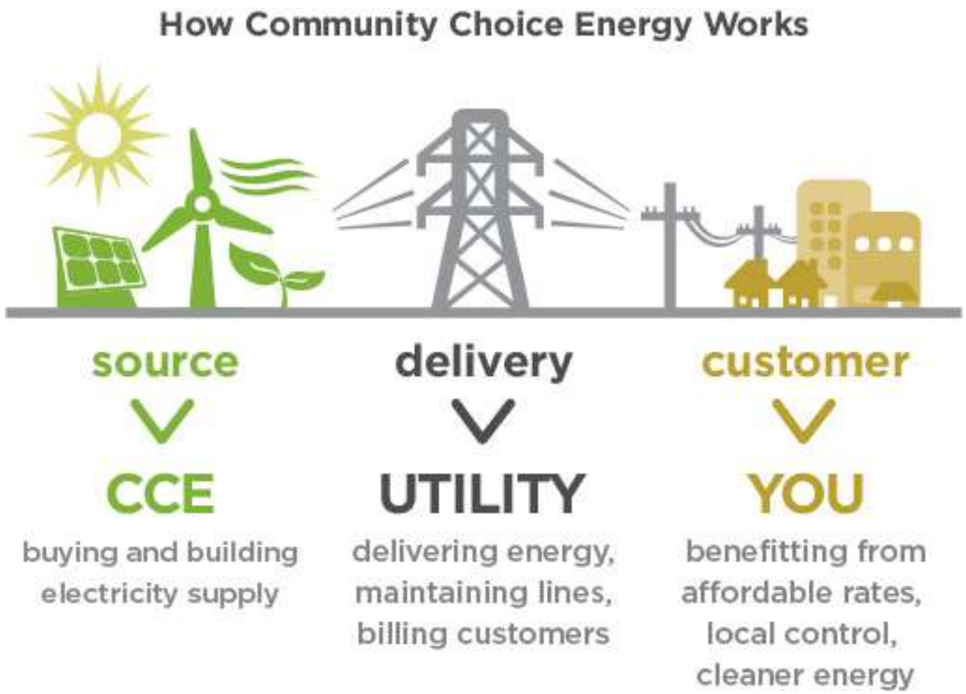
Steven Falk
Lafayette City Manager

Community Choice Energy (CCE) In Contra Costa County

Public Workshops
December 10, 14 and 16
7:00 -9:00 pm

What is Community Choice Energy?

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



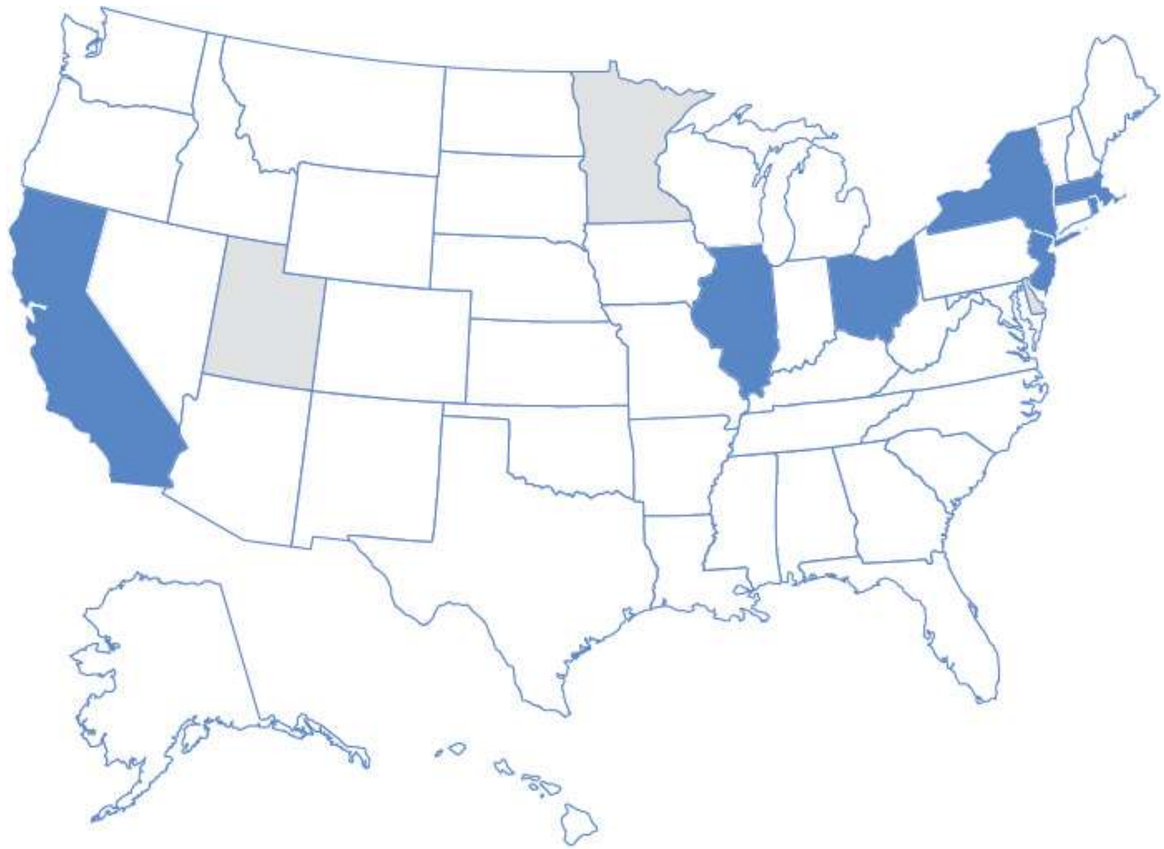
CCE Around the Country

Authorized by CA Assembly Bill 117 in 2002

<u>CCEs in 7 States</u>

- California
- Illinois
- Massachusetts
- New Jersey
- Ohio
- Rhode Island
- New York

<u>Under Consideration:</u>
Utah, Delaware, Minnesota



Status in Bay Area Counties

All Nine Counties Engaged …

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

3 Programs in California… so far

	Launch Year	Avg. Customer Rate Savings	Power Options (current)
MCE Clean Energy My community. My choice.	2010	2-5% below PG&E	56% Renewable 100% Renewable 100% Local Solar
Sonoma Clean Power	2014	6-14% below PG&E	36% Renewable 100% Renewable
Lancaster Choice Energy The Power to Choose	2015	3-4% below SCE	35% Renewable 100% Renewable

Basic Program Mechanics

1. Form or join a Joint Powers Agency: Local governments participate by passing an ordinance and entering into a JPA Agreement
2. Utility (PG&E) continues to provide consolidated billing, customer service, grid and line maintenance.
3. PG&E programs for low income/CARE customers remain the same
4. CCE electric generation charges (including exit fee) appear as new line items on the customer bill; all other charges remain the same
5. CCE becomes default electric provider. Customers receive a *minimum* 4 opt-out notices over 120 days and *can return to PG&E service any time*.
6. CPUC certifies CCE Plan; oversees utility/ CCE service agreement and other requirements.

Typical Start Up Costs

- ✓ If forming a new JPA, general rule of thumb: 1-2% of projected revenues; ~ $1.5- $3M depending on size and complexity
- ✓ This includes program development and launch costs, but does not include credit capacity for JPA working capital or initial energy contract
- ✓ All start up costs can be repaid through CCE program revenues within 24 -36 months of launch.

<u>Start-Up Funding Options</u>:

Municipal Sponsorship/Cost-Share

Bank financing (with municipal credit guaranty)

Grants

Private investors

Sample Energy Bill – Marin Clean Energy

ENERGY STATEMENT
www.pge.com/MyEnergy

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

Service For:

MARY SMITH
1234 STREET AVENUE
SAN RAFAEL, CA
94804

Your Account Summary

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

Questions about your bill?

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

Local Office Address

750 LINDARO STREET, STE 160
SAN RAFAEL, CA 94901

Page 1

Important Messages

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

Electric power line safety PG&E cares about your
antennas at least 10 feet away from overhead powe
away, call **9-1-1** and then PG&E at **1-800-743-5000**

ENERGY STATEMENT
www.pge.com/MyEnergy

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

Details of MCE Electric Generation Charges

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

10/01/2013 – 11/01/2013

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

Energy Surcharge $0.14

Total MCE Electric Generation Charges $42.81

Service Information
Total Usage 508.000000 kWh

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

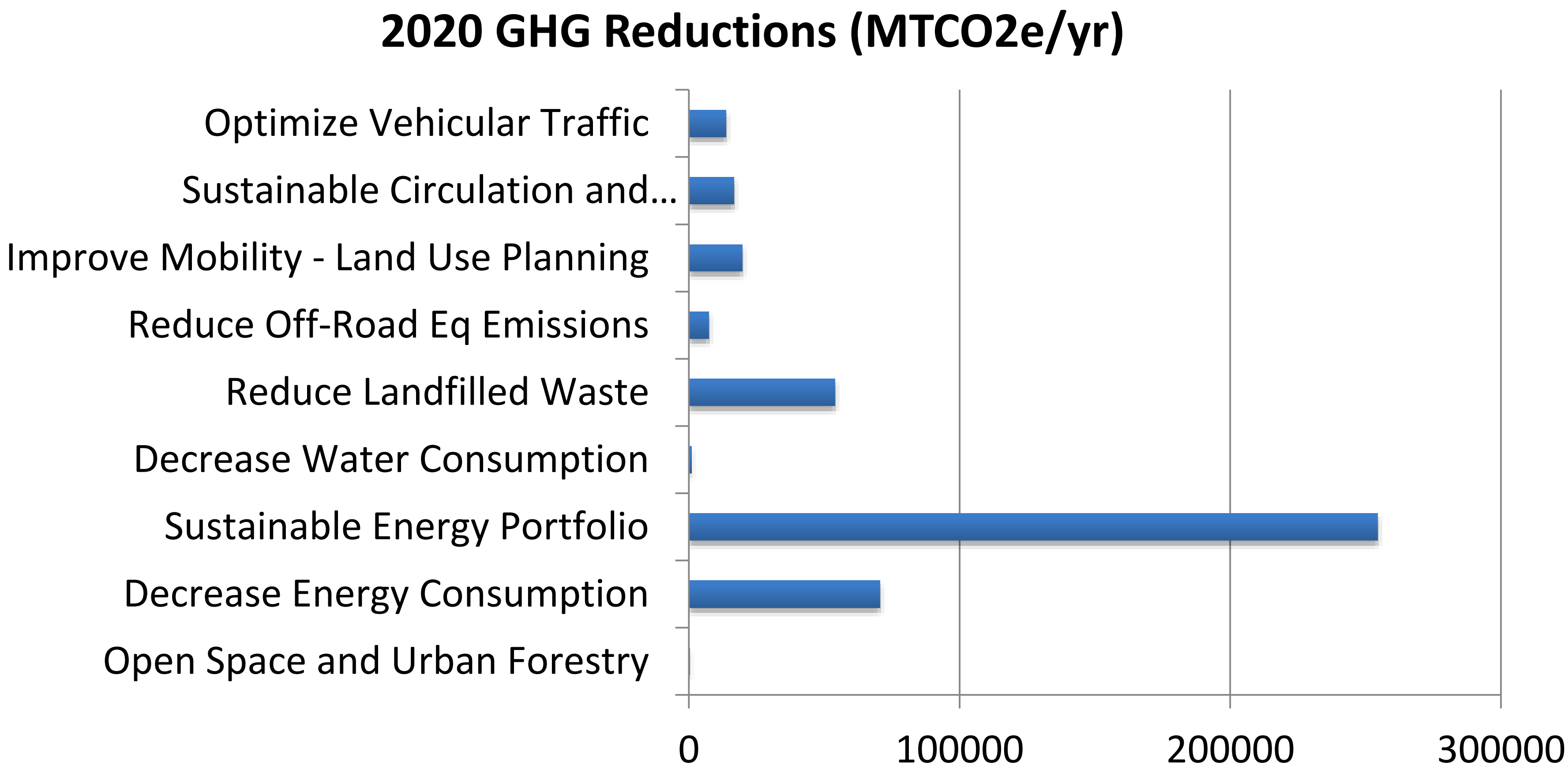
Additional Messages

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

Page 2

CCE and Potential GHG Reductions

Excerpt from City of Sunnyvale Climate Action Plan





2014 Emission Profile: Sonoma Clean Power

Electric Power Generation Mix*

Specific Purchases	Percent of Total Retail Sales (kWh)		
	PG&E	Sonoma Clean Power	
		CleanStart	EverGreen
Renewable	22%	33%	100%
• Biomass & Biowaste	4%	9%	0%
• Geothermal	5%	15%	100%
• Eligible hydroelectric	2%	0%	0%
• Solar electric	5%	0%	0%
• Wind	6%	9%	0%
Coal	0%	0%	0%
Large hydroelectric	10%	37%	0%
Natural gas	28%	0%	0%
Nuclear	22%	0%	0%
Other	0%	0%	0%
Unspecified sources of power	18%	30%	0%
Total	100%	100%	100%

* PG&E's generation data represents 2013 is provided in the "Annual Report to the California Energy Commission: Power Source Disclosure Program." SCP's generation data is forecast for 2014.

Total CO_2 Emissions from Electricity Sales per Megawatt-Hour**

PG&E	CleanStart	EverGreen
445 pounds	294 pounds	70 pounds

** The CO_2 emission rates reflect the energy generation provided by PG&E in 2012. SCP's CO_2 emission data is forecast for 2014.

Note that for 2014, PG&E is at ~427 lbs

SCP is where PG&E is expected to be in 2020

MCE and SCP Financial Conditions

	MCE (FY15-16)	SCP (FY15-16)
Total Projected Revenue	$145,933,000	$165,495,000
Expenses	$141,433,000	$148,588,000
Cost of Energy	$129,522,000	$130,100,000
Cost of Administration	4%	3.5%
Projected Net Increase in Reserves	*$4,500,000*	*$16,907,000*

MCE & SCP Base Generation Rate Comparison (Per Kwh; As of May 2015)

Generation Rate	PG&E	MCE/Light Green	MCE Deep Green
E-1 (residential)	$0.097	$0.082	$0.092
A-1 (small commercial)	$0.102	$0.082	$0.092
E-19S (large industrial)	$0.099	$0.081	$0.091
AG-1A (agricultural)	$0.103	$0.093	$0.103
	PG&E	**SCP/Clean Start**	**SCP/Evergreen**
E-1 (residential)	$0.097	$0.071	$0.106
A-1 (small commercial)	$0.102	$0.076	$0.111
E-19S (large industrial)	$0.099	$0.077	$0.112
AG-1A (agricultural)	$0.103	$0.081	$0.116

***Note**: No guarantee will always be lower; existing CCE programs changes rate once a year compared to multiple times a year for PG&E.*

Key Elements of a Technical Study

1) **Load Analysis/Forecast**

    Answers: How much energy does CCCo use now and potentially need in the future?

2) **Rate Analysis**

    Answers: Can the program be cost competitive now and in the longer term?

3) **Supply Scenarios**

    Answers: What are the potential rate and GHG reduction impacts of various renewable energy supply scenarios?

4) **Sensitivity Analysis**

    Answers: How do various market conditions and policy changes affect the program's viability?

5) **ProForma Analysis**

    Provides the quantitative data/analytics supporting previous sections as well as costs of operation/programs

Other Issues Addressed in Recent Studies:

Economic impacts/jobs; Energy efficiency, demand response and other program potential; Risk analysis

Example of Technical Study:
Peninsula Clean Energy

Key Considerations	Scenario 1	Scenario 2	Scenario 3
General Environmental Benefits	**35%** Renewable **35%** GHG-Free	**50%** Renewable **63%** GHG-Free	**100%** Renewable **100%** GHG-Free
Rate Competitiveness (on average, relative to PG&E rate projections)	**6%** savings	**4%** savings	**2%** increase
Projected Residential Customer Cost Impacts (On average, relative to PG&E rate projections. Average monthly usage for residential customers ≈ 450 kWh)	**$5.40** monthly cost savings	**$4.05** monthly cost savings	**$1.80** monthly cost increase
Assumed PCE Customer Participation	**85%** across all customer groups	**85%** across all customer groups	**75%** for residential and small commercial **50%** for all other groups
Comparative GHG Emissions Impacts (in metric tons of CO_2 equivalent)	**~211,000** $MTCO_2$ of additional GHG emissions in Year 1	**~75,000** $MTCO_2$ of GHG emissions reduction in Year 1	**~204,000** $MTCO_2$ of GHG emissions reduction in Year 1

Local CCE Program Options

Community Choice Energy supports local decision-making and local program design

- MCE and SCP have collectively put over 300MWs of new renewable power on the grid; of that, nearly 100 MW is local power
- Local Feed-in-Tariff, Net Energy Metering programs incentivize local DG
- Public/Private Partnerships: Community solar, commercial and residential battery storage, home area networks/demand reduction, EV charging stations
- Energy efficiency funding is available from utility and state
- On-bill repayment option and green business loans
- Local job training programs that focus on underserved populations


What are the Risks…

And how are they mitigated?

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

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

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

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

In Summary: Potential CCE Advantages

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

CCE Program Options

Key Attributes	Joining MCE	Contra Costa CCE	Partnership with Alameda County
Cost to launch	No cost if joining by 3/31/16; $10,000 thereafter.	Estimated costs at $1.5M for program design and JPA formation. Costs are recoverable through early revenues.	Alameda County has allocated initial start-up funding. Unsure of cost implications for CCCo.
Governance	MCE has large regional board serving a broad service territory; not Contra Costa-specific.	Contra Costa-specific Board of Directors.	To date, plan is for Alameda-County specific Board. Possible expansion to CCCo cities/county.
Program Development (local power, EVs, battery storage, etc.)	Ability to participate in existing MCE programs	Ability to start and tailor programs of priority/interest to CCCo (local power generation, energy efficiency programs)	Ability to start and tailor programs of priority/interest to Alameda (and CCCo if there is a partnership).
Control of surplus Revenues	MCE controls revenues at discretion of MCE Board.	CCCo CCE would control revenues at discretion of its Board.	Alameda (and potentially CCCo) would control revenues at discretion of its JPA Board.
Estimated Commencement of Service	End of 2016	Potentially 2017	Proposed 2017
Other considerations	MCE and its member communities have been subject to organized opposition/negative marketing campaigns.	Need to form partnership with participating cities; JPA formation/agreement.	Alameda process currently underway; large advisory committee with some political risk.

Where do we go from here?

- CCE Options
  - a) Form a Contra Costa County Program
  - b) Partner with Alameda County to form a joint program
  - c) Join Marin Clean Energy
- Determine level of interest from cities for investigating options and participating in technical study
- Request for Load Data Authorization (responses by January 31)
- If there is interest in a Contra Costa CCE, determine potential cost-share for technical study
- Return to Internal Operations Committee and BOS for direction on next steps



Thank You

For More Information:

Jason Crapo, Deputy Director
Building Division, Department of Conservation and Development
County of Contra Costa
jason.crapo@dcd.cccounty.us
(925) 674-7722

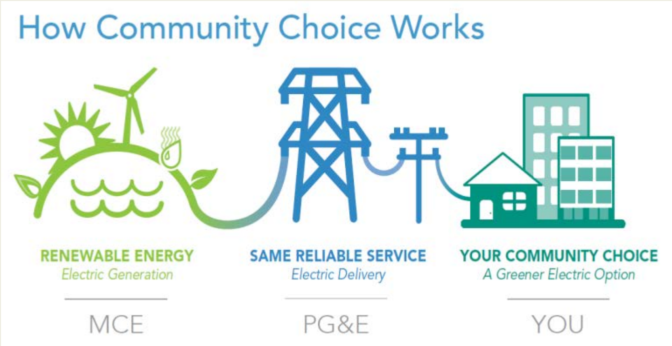
LEAN Energy US
Shawn Marshall   Seth Baruch (Carbonomics)   Tom Kelly (KyotoUSA)
shawnmarshall@leanenergyus.org
(415) 888-8007



Community Choice Energy

What is Community Choice Energy?

In 2002, the State of California passed AB 117, enabling public agencies and joint power authorities to form a Community Choice Aggregation. Community Choice Aggregations allow a city, county, or group of cities and counties to pool electricity demand and purchase/generate power on behalf of customers within their jurisdictions in order to provide local choice. CCEs work with PG&E to deliver power to its service area. The CCE is responsible for the electric generation (procure or develop power) while PG&E is responsible for electric delivery, power line maintenance, and monthly billing.



Why is the City of Lafayette Interested in Community Choice?

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. The City is interested in offering Lafayette residents and businesses another option when it comes to energy providers. 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) and is currently working to add more renewable energy to its power mix under California's renewable portfolio standard. Through this statewide renewable portfolio standard, PG&E is on track to have 33-percent renewables by the end of 2020.

Approximately 89% 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% 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.

The City finds importance in giving residents and businesses more options for renewable energy procurement in Lafayette beyond PG&E.

What CCEs currently exist?

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 four CCE's serving customers: MCE Clean Energy, Sonoma Clean Power Authority, Lancaster Community Choice, and CleanPowerSF.

At this time, Sonoma and Lancaster are not accepting new members outside of their existing service area. MCE Clean Energy has expressed interest in expanding and is accepting letters of intent from jurisdictions outside of its current service area. Three Contra Costa cities have already joined MCE Clean Energy: Richmond, El Cerrito, and San Pablo. In addition, Walnut Creek and Oakley have sent letters of intent to join MCE and Walnut Creek has allocated up to $20,000 to complete a feasibility study.

Other CCE programs in California currently being studied and under development:

- ✓ Alameda County
- ✓ San Diego Energy District
- ✓ San Luis Obispo Clean Energy
- ✓ Sunnyvale, Cupertino, Mountain View, Santa Clara County, Santa Monica, Redondo Beach, Torrance, Beverly Hills, Palos Verdes Estates, Malibu, among many other communities are all studying Community Choice as well.

Community Choice Energy Options

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 and reviewed a variety of options including joining an existing CCE, creating a Lafayette CCE, or helping to create a Contra Costa County CCE.

The Task Force investigated a number of questions while evaluating the potential options, including: rate volatility, financial liabilities, impact to GHG emissions, impact to customers, control over governance, time frame and impact to local jobs.

At this time, the Task Force determined that sending a letter of intent to join MCE Clean Energy is the most practical option for Lafayette.

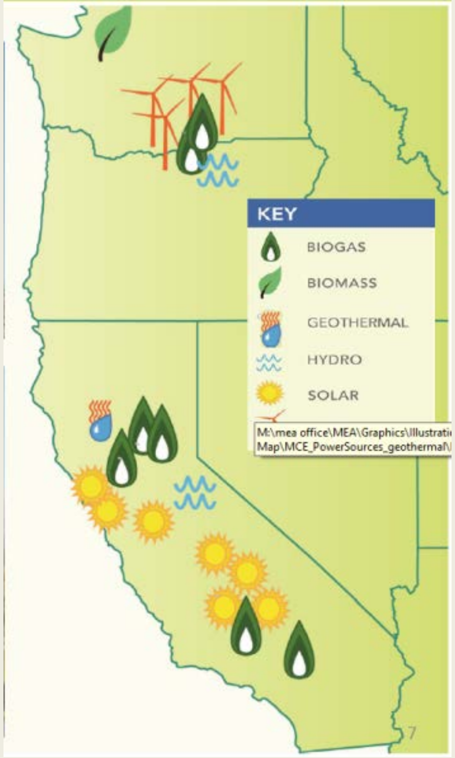
About MCE Clean Energy

Although MCE was formed in 2008, it began serving customers in 2010 and has since expanded to serve 170,500 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.

Through MCE, Lafayette customers are automatically enrolled in the 50% renewable energy program ("Light Green") and will have the ability to "opt-up" to the 100% renewable energy program ("Deep Green") or to "opt-out" and continue to purchase power from PG&E. Customers who choose to remain in MCE will benefit from affordable rates, local control, additional programs, and a more renewable power source. Currently, the default Light Green MCE program provides power at less expensive rates than PG&E.

Is Electricity from MCE Cleaner?

Through acquiring electricity from renewable sources, MCE is able to offer services ranging from 50% renewable to 100% renewable or 100% local solar, in comparison to PG&E's 27% renewable energy. Since 2013, MCE has led to energy efficiency savings of 1,373 MWh of electricity, 27,232.55 therms of natural gas, and 5,304,556 gallons of water.



Benefits for MCE Customers:

- ✓ **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.

How will customers be impacted if Lafayette joins a CCE?
Day-to-day, most customers will not notice any difference other than a line item for the electric generation of the CCE on their PG&E utility bill. It is likely that customers will notice that their electric generation rates become more stable and that there are more clean energy projects that arise throughout the community.

Will taxes increase?
A CCE does not have the ability to tax and therefore will have no impact on taxes.

Isn't renewable energy more expensive than regular electricity?
Once the initial investment is made for renewable energy, the "fuel" (wind, sun, etc.) is free.

For more information about MCE Clean Energy, visit their website.

Provide Feedback: https://www.surveymonkey.com/r/LKNW22B. You can also direct questions, comments, and feedback to Megan Canales at (925) 299-3242, MCanales@ci.lafayette.ca.us or Julia Koppman Norton at (925) 299-3202, JNorton@ci.lafayette.ca.us.

Other Resources

- City Council Staff Report

City of Lafayette
3675 Mt. Diablo Blvd. #210
Lafayette, CA 94549

Postal Customer
Lafayette, CA 94549

Is The Offramp Sign Crooked? NO!

Ever since the City installed its new (and beautiful, we might add) entrance signs near the freeway offramps earlier this year, we have heard suggestions that the sign along the Oak Hill Road exit is not level and should be fixed. Well, we couldn't help but check for ourselves. As you can see from the photo on the right: the sign is not crooked!

Green Power Choice?

During the last year or so, the City's Environmental Task Force has investigated the feasibility of joining or forming a so-called Community Choice Aggregation, or CCA, that would give Lafayette residents a choice regarding where their energy is sourced.

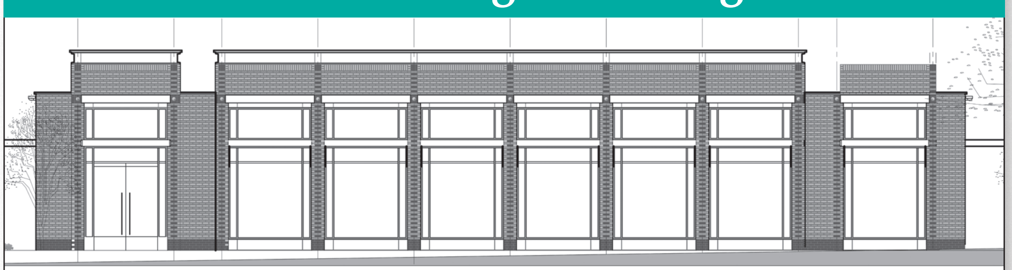
CCAs purchase energy from a variety of alternative sources – many of which are green – while PG&E remains responsible for power delivery, power line maintenance, and monthly billing.

The closest CCA is MCE Clean Energy. Several Contra Costa cities have already joined MCE and are now giving their residents the option to purchase non-polluting wind or solar power for their homes. It currently costs about $5 dollars more per month to buy energy from 100% renewable sources.

In August, the Lafayette City Council asked MCE to conduct a membership analysis for Lafayette. Once accepted, the Environmental Task Force will return to Council with an update including full details of the cost to join and an outline for the next steps.

For more information, visit "hot topics" at **lovelafayette.org.**

Chase Bank Coming to Dewing Avenue



It took a couple of years, and there was a robust discussion about whether Lafayette needs more banks along the busiest stretch of Mt. Diablo Boulevard but, once the dust settled, the application for Chase Bank was approved. The new one-story, 4,100 square foot bank building will sit on the now-vacant corner just in front and east of Diablo Foods. The building will have a brick façade and glass and aluminum storefront windows.

City Directory

For Council Members call: **284-1968**

Council Members

Brandt Andersson	**Mayor**
Traci Reilly	**Vice Mayor**
Michael Anderson	**Council Member**
Mark Mitchell	**Council Member**
Don Tatzin	**Council Member**

Messages to **all** Council Members:
cityhall@lovelafayette.org

Administration

General Reception and Steven Falk, City Manager	**284-1968 Fax: 284-3169**
Tracy Robinson, Admin. Srv. Dir.	**299-3227**
Jennifer Wakeman, Financial Srv. Mgr.	**299-3213**
Joanne Robbins, City Clerk	**299-3210**
Tony Coe, City Engineer	**284-1951**
Niroop Srivatsa, Planning & Building Dir.	**284-1976**
Mike Moran, Public Works Dir.	**299-3214**
P.W. Hotline (to report problems)	**299-3259**

If you observe illegal dumping in creeks & storm drains or accidental spills on roads, call Contra Costa Hazardous Materials Division 646-2286.

Lamorinda School Bus Program

Juliet Hansen, Program Mgr.	**299-3216 Or 299-3215**

Parks, Trails and Recreation **284-2232**

Jennifer Russell, Director

Senior Services **284-5050**

Police Services

Emergency: 24 Hours	**911**
Police Dispatch: 24 Hours	**284-5010**
Police Business Office:	**283-3680**

Anonymous Tipline, Traffic Enforcement, Suggestions & LEARN (Laf. Emergency Action Response Network), 299-3230

Fax **284-3169**

Address **3675 Mt. Diablo Blvd. #210 Lafayette, CA 94549**

Website **www.ci.lafayette.ca.us**

E-MAIL: Council/staff members can be reached via e-mail using this address format:
First Initial + Last Name @lovelafayette.org
Example: SFalk@lovelafayette.org

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NEWS RELEASE

City of Lafayette
3675 Mt. Diablo Blvd., Suite 210
Lafayette, CA 94549
www.ci.lafayette.ca.us

CONTACT
City of Lafayette
Megan Canales
(925) 299-3242
Email: MCanales@ci.lafayette.ca.us

Julia Koppman Norton
(925) 299-3202
Email: JNorton@ci.lafayette.ca.us

In 2002, the State of California passed AB 117, enabling public agencies and joint power authorities to form a Community Choice Aggregation. Community Choice Energy ("CCE"), also referred to as Community Choice Aggregation ("CCA"), allows a city, county, or group of cities and counties to pool electricity demand and purchase/generate power on behalf of customers within their jurisdictions in order to provide local choice. These CCEs, such as MCE Clean Energy, work with PG&E to deliver power to its service area. The CCE is responsible for the electric generation (determination of power sources) while PG&E is responsible for electric delivery, power line maintenance, and monthly billing.

Over the course of the past year, the Environmental Task Force of the City of Lafayette has conducted research about the feasibility of joining or forming a Community Choice Aggregation in order to provide Lafayette residents a choice in where their energy is sourced, decrease Greenhouse Gas Emissions, and promote energy efficiency within the city.

In California, there are currently three CCE's serving customers: MCE Clean Energy, Sonoma Clean Power Authority, and Lancaster Community Choice Aggregation. At this time, Sonoma and Lancaster are not accepting new members. Meanwhile, three Contra Costa cities have already joined MCE Clean Energy: Richmond, El Cerrito, and San Pablo. Walnut Creek has also sent a letter of intent to join MCE. At this time, the Task Force determined that sending a letter of intent to join MCE Clean Energy is the most practical option for Lafayette. Joining MCE will benefit Lafayette customers in numerous ways, including customer choice, competitive electricity rates, renewable incentive programs, access to PG&E programs, support of community programs and projects, and direct governance within MCE. Through MCE, Lafayette customers are automatically enrolled in the 50% renewable energy program and will have the ability to "opt-up" and choose to use energy deriving from 100% renewable sources or to "opt-out" and continue to purchase power from PG&E.

On August 10, 2015, the City Council of the City of Lafayette adopted Resolution No. 2015-49 authorizing the City Manager, Steven Falk, to send a non-binding Letter of Intent to MCE Clean Energy requesting that they conduct a membership analysis for Lafayette. If MCE accepts the City's request to conduct a membership analysis, the Environmental Task Force will return to Council prior to accepting the analysis with an update on other local CCE action, full details of the cost, and a framework outlining the next steps of the process.

Please visit the City's website (www.lovelafayette.org/communitychoice) to learn more about Community Choice Energy and to provide feedback to the Task Force.

<u>Responses to Survey Questions:</u>

For survey questions posted through January 19, 2016

How would the switch to MCE affect customers with solar panels using Net Energy Metering?

If you opt-out and stay with Pacific Gas and Electric (PG&E), there will be no changes to your current Net Energy Metering (NEM) rates/rules.

If you take no action or opt up and join MCE Clean Energy, you will be enrolled in MCE NEM rates/rules. MCE has different rates/rules than PG&E and MCE never zeroes out your credits. If you have surplus generation at the end of the April billing cycle each year, you have the option of letting the credits roll over or if your credit balance is over $100 you can cash out (and MCE credits surplus generation at retail rates plus 1 penny per kWh for net negative usage). Here is a net metering rate comparison table between PG&E and MCE, here are frequently asked questions on PG&E's website about Community Choice programs and how they affect service, and here is a link to MCE's net metering page which has answers to many net metering questions and goes into more detail. PG&E also posted the following:

"A customer transitioning to CCA service will remain grandfathered on the original NEM design if they were on it as a bundled PG&E customer. From the perspective of the NEM grandfathering eligibility, PG&E will treat a CCA customer no differently than bundled customers. The CCA customer on NEM will get their generation credits from the CCA rather than PG&E, but their eligibility for grandfathering is unchanged by a move to or from CCA service."

Has the City considered installing solar panels on City property or creating a community solar project?

The City has not considered community solar or installation of solar panels on City property at this time. If any individual or group of individuals (including the City) were to choose to install rooftop solar or to build a solar farm, than MCE's NEM rates/rules will apply if they are enrolled in MCE and PG&E rates/rules will apply if they are enrolled in PG&E.

If MCE's prices increase, can everyone opt-out? Can we change our selection of opting in or out in the future?

Yes, all customers can change their options at any point in the future. At any time, customers can choose to opt-out of MCE back into PG&E or opt-up to MCE's Deep Green Option (or back down to MCE's Light Green Option). MCE generally processes opt-out and opt-up requests by the next billing cycle (following the request).

If a customer opts-out of MCE and re-joins PG&E, PG&E requires that the customer make a one-year commitment to PG&E (i.e., that customer has a one-year waiting period until they can go back to MCE). After that one-year waiting period, the customer can then go back to MCE if they so choose or stay with PG&E. There is no limit to the amount of times a customer can switch between MCE and PG&E.

How much will it cost the city to join MCE?

The cost for the City of Lafayette to join MCE at this time is $0 as MCE has waived the membership analysis cost given the high level of interest from multiple cities. However, there will be a resource impact on staff time initially to set-up the program. MCE is dedicated to doing the necessary outreach to the community, but there will need to be a point person at the City to communicate with MCE staff and help with the success of the launch.

Is a Community Choice program meant for those individuals with older homes? I want to go green but I also want to keep expenses down.

MCE is for all buildings and homes – not just older homes- that use electricity. PG&E is currently reporting that its power comes from 27-percent renewable sources and MCE is reporting between 56-percent and 100-percent (depending on the plan). Therefore, even if your home is only using a small amount of electricity, joining MCE can help make that small amount come from more renewable sources. Additionally, if Lafayette joins MCE all homes in Lafayette would become eligible for MCE's energy efficiency and renewable energy programs (in addition to PG&E's existing programs) regardless of whether the household has signed up for MCE.

Fiscally, the City recommends that all individuals and businesses review their rate schedule and compare the current cost of electricity at PG&E and the current cost of electricity at MCE before making a decision between the two. Financial implications will vary for each customer.

Are there fiscal risks for the City?

With the model that is currently used, MCE is able to provide energy at a cost lower than that of PG&E, despite the fact that PG&E will continue to distribute the energy. Procurement costs for power and customer costs for electricity will vary over time. As a customer, risks include the exit fee increasing and the continued ability of MCE to provide power at a lower cost than PG&E. If Lafayette joins MCE and the City becomes a customer of MCE (instead of opting out and staying with PG&E), the City will bear the risks like any other customer purchasing power with MCE. Aside from general customer risks, there is no fiscal risk to the City's general fund. There is a firewall protected by state law that indicates the debts and liabilities of the Joint Powers Authority do not extend to the member cities.

Are any tax dollars used?

No tax dollars are used to fund MCE. MCE is funded by revenues of the CCE.

What is the difference in cost between MCE & PG&E? Does MCE support the same range of usage plans as PG&E?

MCE supports the range of usage plans that are available at PG&E. Electricity cost differences change over time based on procurement costs, exit fees, and delivery costs. These costs are also variable *dependent on each rate schedule. The City encourages residents and businesses to review cost comparison documents: PG&E – MCE Joint Rate Comparison document and NEM rate comparison.*

Will PG&E charge people for switching to MCE?

There is a PCIA (Power Charge Indifference Adjustment) "exit fee" for customers who decide to use MCE. This will appear itemized on the customer's bill. The cost of electricity for customers is based on the PCIA (MCE customers only), rates for electricity (applies to both MCE and PG&E customers, and each has different rates) and a PG&E delivery charge (applies to both MCE and PG&E customers, for the same amount). In order for the electricity cost with MCE to remain competitive with PG&E, it has to aim to procure power at better rates than PG&E. An example bill for a MCE customer can be reviewed here and a comparison of the cost of electricity between MCE and PG&E can be reviewed here.

What happens if the cost of clean energy drops?

MCE adjusts its rates once per year and PG&E adjusts its rates around 3-5 times a year. These rates are adjusted based on a number of factors including the procurement cost for power. Both MCE and PG&E aim to execute contracts with power sources that benefit their customers. Some of these contracts are long term multi-year contracts, and others are more short term. Both MCE and PG&E try to execute contracts, dependent on power needs, when the cost of energy is low. They both adjust their rates accordingly.

Is the possibility of power outages increased when going with a company like MCE?

The possibility of power outages will remain the same with PG&E and MCE. In all cases, PG&E will remain to be the company operating the local power lines and will be the entity that comes out to fix the power in the event that there is an outage. This is the case no matter which company you buy your power from. MCE and PG&E work together to provide power to their customers. If you were to join MCE, MCE will be responsible for the electric generation (where the power is procured from or developed), while PG&E continues to own the grid, distribute power, maintain power lines, and issue customers' monthly bills.

Where does MCE get its power from and how does it plan to get additional power as it adds customers?

MCE procures power from renewable and non-renewable sources currently reporting 56-percent renewable sources for its Light Green Option and 100-percent renewable for its Deep Green Option. Examples of sources include solar, wind, bioenergy, geothermal, and small hydroelectric. Power is sourced throughout California, Oregon, and Washington. MCE conducts membership analyses for interested cities to determine the amount of power it will need to procure.

The City encourages customers to review MCE's webpage on its current and developing energy sources. MCE is looking to increase the supply of green energy. There are currently over 195 megawatts of new

California renewable energy sources under development for its customers and $516 million committed to the development of local renewable energy projects.

What are the potential risks of joining MCE?

Potential risks can be reviewed in the Risk Assessment of Participation report prepared on behalf of the City of Richmond, attached to the staff report. In summary the risks include procurement risks (the ability to procure power at reasonable costs), regulatory risks (decision of the California Public Utilities Commission such as increasing exit fees), policy risks (while JPA members have a seat on the board, no single vote can control a policy), and customer cost risks (uncertainty of exit fees, cost of procurement etc). Many of these risks can be mitigated. For example, if MCE's rates increase and surpass those of PG&E, MCE customers will face increased costs. However, customers can choose to opt-out of MCE at any given time. All of these risks largely exist with PG&E. With PG&E, the City does not have any control of policy decisions, regulatory decisions, procurement rate, and customer costs of PG&E. By offering an alternative to PG&E, it may incentivize PG&E to procure power at lower rates and stabilize customer costs.

Another potential risk is that if the City of Lafayette joins MCE, it will not have the option of joining a different Joint Powers Authority at a later date. So if the County creates a CCE in five years, for example, the City will be committed to staying with MCE.

Is there documentation demonstrating holistic evaluation of MCE's environmental impacts?

MCE has more than 177 MW of new in-state renewable energy under development and has reduced approximately 131 million lbs of greenhouse gases since the company began providing service in 2010. The City recommends customers review MCE's environmental impacts in the 2013 GHG Emissions Factors summary and at the 2015 Integrated Resource Plan.

Does MCE have customer programs similar to those at PG&E?

In addition to the programs that PG&E already offers, MCE offers financing options, rebates, discounts and other incentives for customers to become more energy efficient. MCE also offers a feed-in-tariff for customers wishing to sell the power they output and net energy metering for customers wishing to power their own homes and businesses from renewable generating systems they have installed. MCE has an online tool which can help customers determine which energy improvements will meet money and energy saving goals. All of the customer programs at PG&E will still be available to customers with MCE, because customers of MCE remain customers of PG&E as well.

Other Public Comments from the Survey:

- Thank you so much for looking into this - I am very excited to be part of this important movement.
- Please join!
- Love it! Way for Lafayette to lead the "green" movement!

- I am so glad Lafayette is considering providing an alternative to PG&E.
- I think this is so important.
- Please strongly consider joining MCE Clean Energy, it's the right choice for the environment and thus the right choice for future generations.
- Let's join MCE Clean Energy. The sooner the better!!
- I believe the CCE is misleading. This seems like a way to expand Lafayette's government and spending. I do not support.
- The city of Palo Alto operates its own utilities. It might be helpful to look into the rates they offer to customers and how that system operates as well. I believe they are the last city to own and operate their own utilities in the state. That said, this looks like a great option. Thank you!
- Please do this and lead Lafayette to cleaner future.
- This is a terrific idea and should be done ASAP. The environment cannot wait.
- The state just passed a law to mandate increasing energy generation from renewables from 33% in 2020 to 50% in 2030. PG&E is bound by this law as well and will be sourcing energy accordingly.
- We'd love to see this and fully support it. It would be great for people who don't own their home - or those without a good roof/location for solar - to have more freedom in their energy choices.
- Thank you for researching this option.
- Great idea to improve conservation. Thanks for making it possible.
- I think this is a great program and I am thrilled the city is moving in this direction. I'm proud to be from Lafayette!
- Would like more info on MCE, but this looks like a win-win. We should do it!
- Let's get our community on 100% renewable energy!
- It is time to get away from PG&E.
- I would be glad to have an alternative to PG&E.
- Thank you for your wonderful work on this.
- I would consider switching from automatic enrollment to "opt-up" if given an opportunity down the line.
- Do it!
- As you can see, I'm very concerned about the details of the MCE proposal and how much investigation has been done on key terms and conditions. This information is not clear from the documentation provided in this e-mail. I'm all for renewable energy. I just don't want to see Lafayette stuck with more expensive power when alternatives are likely to present themselves in the future.
- I think this is an important option for Lafayette to support and have available to its citizens, and urge you to make this available.
- I'd like to choose 100% renewables and am willing to pay extra for it.
- I am SO EXCITED to hear we are going for this!! It makes so much sense, and helps us all do our part to decrease GHG generation. And, it's painless!! Please join the MCE Clean Energy CCE now. Thank you for helping us with more choices for how we consume energy. We have lived in Lafayette for nearly 13 years.

- Please join MCE it is the responsible thing to do
- We have solar at our house but still connect to PG&E for gas and electricity storage, so presumably we would benefit (and give benefits) from enrolling in this program.
- Would welcome MCE as an option even if it is more expensive than PG&E. Competition will make all our options better in the long run.
- I support joining MCE as long as my home solar power generation is still reimbursed.
- Please take this step to provide the residents of Lafayette the choice to adopt clean energy.
- Still need more comparable numbers.
- Choices / Options are important for my family. Thank you.
- Yay!!!!!
- Great idea!
- It's time we start doing something, so happy to see this!
- I strongly believe in free market and energy choices must be cost effective.
- We question whether or not the cost figures provided reflect the high public subsidies required to make green energy sources feasible. If these subsidies are included, it seems the total cost of providing energy (public and private) would increase significantly.
- Glad you are looking at this. Competition is good. Lower prices are good.
- Thank you for caring.
- If Marin can do it, so should we.
- Currently renting so we can't put solar on our roof, so this is would be a great and appreciated option. Also would provide a nice option when we purchase a home here in Lafayette if it does not have good solar gain.
- Let’s do this!!
- Wonderful idea!
- Thank you for researching this option.
- Seems like a no-brainer, I fully support it!
- This is an exciting project!
- Already solar powered at my house. But we should keep the pressure on PG&E.
- Let's do this Lafayette!
- We're comfortable with PG&E!
- I have been waiting for this option to become available.
- Fabulous Idea!
- I support Lafayette being a leader in clean energy.
- Excellent idea! I appreciate our city's commitment to sustainability and care of our precious environment.
- Let’s join MCE Clean Energy!

PG&E - SCP
Joint Rate Comparisons

As a part of our mutual commitment to support your energy choice, Sonoma Clean Power (SCP) and PG&E have partnered to create a comparison of our typical electric rates, average monthly charges and generation portfolio contents. Below you will find a representative comparison of our rates, average monthly bills and power generation portfolio content based on customer class. To find your specific electric rate, please scroll down to your rate plan to view the rate and bill comparisons.

Residential	• E-1 / RES-1 • E-1 / RESL-1 (CARE) • E-6 / RES- 6 • E-6 / RES- 6 (CARE) • E-7 / RES-7 • E-7 / RESL-7 (CARE) • E-8 / RES-8 • E-8 / RESL-8 (CARE) • EA-9 / RESA-9
Small and Medium Business	• A-1 / COM-1 • A-1X / COM-1X • A-1 / COM-1 (CARE) • A-6 / COM-6 • A-6 / COML-6 (CARE) • A-10S / COM-10S • A-10S/ COML-10S (CARE) • A–10SX / COM -10SX • A–10SX / COM -10SX (CARE) • A-10P / COM-10P • A-10PX / COM-10PX
Large Commercial and Industrial	• E-19S / COM-19S • E-19P / COM-19P • E-19PV / COM-19P • E-19 SV/ COM- 19S • E-20P / COM-20P • E-20S / COM-20S • E-20T / COM-20T
Agriculture	• AG-1A / AG-1A • AG-1B / AG-1B • AG-4A / AG-4A • AG-4B / AG-4B • AG-5A / AG-5A • AG-5B / AG-5B • AG-5C / AG-5C
Streetlight and Outdoor Lighting	• LS-1 / LS-1 • LS-2 / LS-2 • LS-3 / LS-3 • TC-1 / TC-1

Definitions

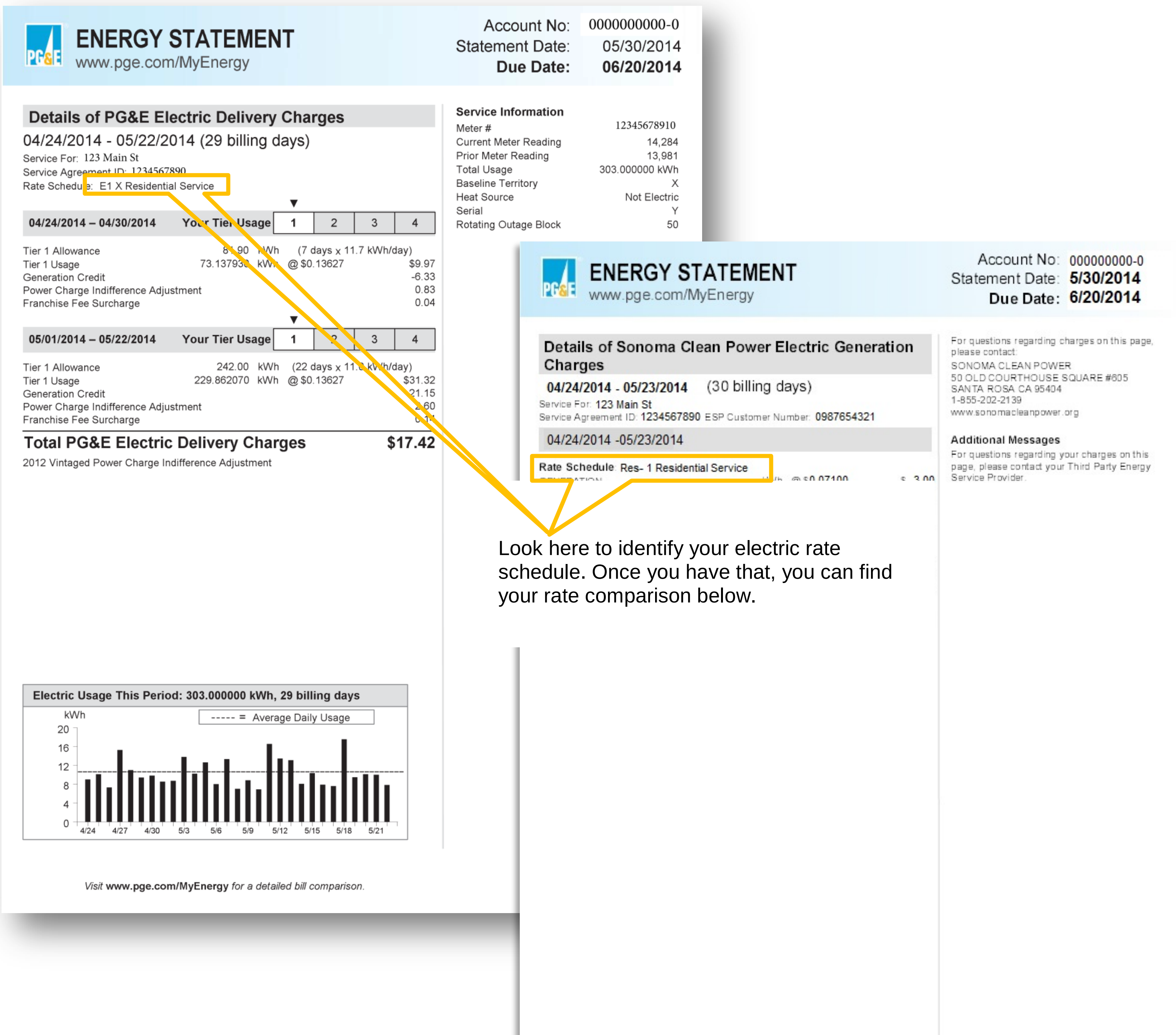
Generation Rate is the cost of creating electricity to power your home or business. The generation rate varies based on your energy provider, either Sonoma Clean Power or PG&E.

PG&E Delivery Rate is a charge assessed by PG&E to deliver electricity to your home or business. The PG&E delivery rate depends on your electricity usage, but is charged equally to both SCP and PG&E customers.

PG&E PCIA/FF represents the Power Charge Indifference Adjustment (PCIA) and the Franchise Fee surcharge (FF). The PCIA is a charge to cover PG&E's generation costs acquired prior to a customer's switch to a third-party electric generation provider, like Sonoma Clean Power. PG&E acts as a collection agent for the Franchise Fee surcharge, which is levied by cities and counties for all customers.

Where Do I Find My Electric Rate Schedule?

Need some help finding your electric rate? Go to the "Electric Account Detail" section of your energy statement – you'll find your electric rate in the upper left.



E-1 / RES-1*

Residential: E-1	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.09752	$0.07100	$0.10600
PG&E Delivery Rate ($/kWh)	$0.11416	$0.11416	$0.11416
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.21168	$0.19750	$0.23250
Average Monthly Bill ($)	**$107.98**	**$100.75**	**$118.60**

Monthly usage: 536 kWh
Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the SCP/PG&E service area (Sonoma County) with an average monthly usage of 536 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-1 / RES-1 rate schedules for PG&E's and SCP's published rates as of September 1, 2015.

E-1 / RES-1 (CARE)*

Residential: E-1 CARE	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.09752	$0.07100	$0.10600
PG&E Delivery Rate ($/kWh)	$0.02354	$0.02354	$0.02354
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.12106	$0.10688	$0.14188
Average Monthly Bill ($)	**$51.19**	**$45.19**	**$59.99**

Monthly usage: 471 kWh
Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the SCP/PG&E service area (Sonoma County) with an average monthly usage of 471 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-1 / RES-1 (CARE) rate schedules for PG&E's and SCP's published rates as of September 1, 2015.

E-6 / RES-6*

Residential: E-6	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.08870	$0.06283	$0.09783
PG&E Delivery Rate ($/kWh)	$0.14745	$0.14745	$0.14745
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.23615	$0.22262	$0.25762
Average Monthly Bill ($)	**$206.55**	**$194.72**	**$225.33**

Monthly usage: 1,222 kWh
Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the SCP/PG&E service area (Sonoma County) with an average monthly usage of 1,222 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-6 / RES-6 rate schedules for PG&E's and SCP's published rates as of September 1, 2015.

E-6 / RES-6 (CARE)*

Residential: E-6 CARE	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.08868	$0.06281	$0.09781
PG&E Delivery Rate ($/kWh)	$0.02502	$0.02502	$0.02502
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.11369	$0.10017	$0.13517
Average Monthly Bill ($)	**$35.10**	**$30.92**	**$41.73**

Monthly usage: 1,490 kWh
Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the SCP/PG&E service area (Sonoma County) with an average monthly usage of 1,490 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-6 / RES-6 (CARE) rate schedules for PG&E's and SCP's published rates as of September 1, 2015.

E-7 / RES-7*

Residential: E-7	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.12460	$0.09294	$0.12794
PG&E Delivery Rate ($/kWh)	$0.07614	$0.07614	$0.07614
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.20074	$0.18141	$0.21641
Average Monthly Bill ($)	**$170.56**	**$154.14**	**$183.88**

Monthly usage: 926 kWh
Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the SCP/PG&E service area (Sonoma County) with an average monthly usage of 926 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-7 / RES-7 rate schedules for PG&E's and SCP's published rates as of September 1, 2015.

E-7 / RES-7 (CARE)*

Residential: E-7 CARE	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.12294	$0.09156	$0.12656
PG&E Delivery Rate ($/kWh)	$0.00327	$0.00327	$0.00327
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.12621	$0.10717	$0.14217
Average Monthly Bill ($)	**$100.69**	**$85.50**	**$113.42**

Monthly usage: 889 kWh
Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the SCP/PG&E service area (Sonoma County) with an average monthly usage of 889 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-7 / RES-7 (CARE) rate schedules for PG&E's and SCP's published rates as of September 1, 2015.

E-8 / RES-8*

Residential: E-8	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.16831	$0.13139	$0.16639
PG&E Delivery Rate ($/kWh)	$0.05259	$0.05259	$0.05259
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.22090	$0.19632	$0.23132
Average Monthly Bill ($)	**$244.67**	**$217.44**	**$256.20**

Monthly usage: 1,179 kWh
Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the SCP/PG&E service area (Sonoma County) with an average monthly usage of 1,179 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-8 / RES-8 rate schedules for PG&E's and SCP's published rates as of September 1, 2015.

E-8 / RES-8 (CARE)*

Residential: E-8 CARE	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.16663	$0.12997	$0.16497
PG&E Delivery Rate ($/kWh)	($0.04367)	($0.04367)	($0.04367)
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.12296	$0.09864	$0.13364
Average Monthly Bill ($)	**$115.39**	**$92.56**	**$125.41**

Monthly usage: 1,068 kWh
Rates are current as of September 1, 2015

*The CARE discount is taken out of the PG&E Delivery Rate and can result in a negative PG&E Delivery Rate. This enables customers to make an accurate comparison of PG&E and SCP Generation Rates.

This compares electricity costs for a typical residential customer in the SCP/PG&E service area (Sonoma County) with an average monthly usage of 1,068 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-8 / RES-8 (CARE) rate schedules for PG&E's and SCP's published rates as of September 1, 2015.

EA-9 / RESA-9*

Residential: E-9A	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.09807	$0.06983	$0.10483
PG&E Delivery Rate ($/kWh)	$0.06495	$0.06495	$0.06495
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.16302	$0.14712	$0.18212
Average Monthly Bill ($)	**$101.77**	**$91.85**	**$113.70**

Monthly usage: 662 kWh
Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the SCP/PG&E service area (Sonoma County) with an average monthly usage of 662 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on EA-9 / RESA-9 rate schedules for PG&E's and SCP's published rates as of September 1, 2015.

*** Please note this rate comparison excludes the California Climate Credit from the State of California which is issued twice a year to residential customers. For more information visit www.energyupgradeCA.org/credit**

A-1 / COM-1**

Commercial/Industrial: A-1	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.10260	$0.07635	$0.11135
PG&E Delivery Rate ($/kWh)	$0.11041	$0.11041	$0.11041
PG&E PCIA/FF ($/kWh)	N/A	$0.01100	$0.01100
Total Electricity Cost ($/kWh)	$0.21301	$0.19776	$0.23276
Average Monthly Bill ($)	**$292.29**	**$271.36**	**$319.39**

Monthly usage: 1,372 kWh; monthly demand: 3 kW

Rates are current as of September 1, 2015

A-1X / COM-1 TOU**

Commercial/Industrial: A-1 TOU (A-1X)	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.10274	$0.07684	$0.11184
PG&E Delivery Rate ($/kWh)	$0.11318	$0.11318	$0.11318
PG&E PCIA/FF ($/kWh)	N/A	$0.01100	$0.01100
Total Electricity Cost ($/kWh)	$0.21592	$0.20102	$0.23602
Average Monthly Bill ($)	**$241.88**	**$225.19**	**$264.39**

Monthly usage: 1,120 kWh; monthly demand: 6 kW

Rates are current as of September 1, 2015

A-1 / COM-1 (CARE)**

Commercial/Industrial: A-1 CARE	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.10216	$0.07607	$0.11107
PG&E Delivery Rate ($/kWh)	$0.03150	$0.03150	$0.03150
PG&E PCIA/FF ($/kWh)	N/A	$0.01100	$0.01100
Total Electricity Cost ($/kWh)	$0.13366	$0.11857	$0.15357
Average Monthly Bill ($)	**$410.20**	**$363.87**	**$471.28**

Monthly usage: 3,069 kWh

Rates are current as of September 1, 2015

A-6 / COM-6**

Commercial/Industrial: A-6	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.10752	$0.07900	$0.11400
PG&E Delivery Rate ($/kWh)	$0.10736	$0.10736	$0.10736
PG&E PCIA/FF ($/kWh)	N/A	$0.01100	$0.01100
Total Electricity Cost ($/kWh)	$0.21487	$0.19735	$0.23235
Average Monthly Bill ($)	**$691.99**	**$635.57**	**$748.28**

Monthly usage: 3,220 kWh; monthly demand: 13 kW
Rates are current as of September 1, 2015

A-6 / COM-6 (CARE)**

Commercial/Industrial: A-6 CARE	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.10540	$0.07709	$0.11209
PG&E Delivery Rate ($/kWh)	$0.03303	$0.03303	$0.03303
PG&E PCIA/FF ($/kWh)	N/A	$0.01100	$0.01100
Total Electricity Cost ($/kWh)	$0.13843	$0.12112	$0.15612
Average Monthly Bill ($)	**$491.09**	**$429.69**	**$553.85**

Monthly usage: 3,548 kWh

Rates are current as of September 1, 2015

A-10S / COM-10S Non Time-of-Use**

Commercial/Industrial: A-10S	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.10870	$0.08086	$0.11586
PG&E Delivery Rate ($/kWh)	$0.08283	$0.08283	$0.08283
PG&E PCIA/FF ($/kWh)	N/A	$0.01121	$0.01121
Total Electricity Cost ($/kWh)	$0.19153	$0.17490	$0.20990
Average Monthly Bill ($)	**$2,235.29**	**$2,041.16**	**$2,449.63**

Monthly usage: 11,671 kWh; monthly demand: 39 kW

Rates are current as of September 1, 2015

A-10S / COM-10S (CARE) Non Time-of-Use**

Commercial/Industrial: A-10S CARE	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.10711	$0.07950	$0.11450
PG&E Delivery Rate ($/kWh)	$0.00712	$0.00712	$0.00712
PG&E PCIA/FF ($/kWh)	N/A	$0.01121	$0.01121
Total Electricity Cost ($/kWh)	$0.11423	$0.09783	$0.13283
Average Monthly Bill ($)	**$1,975.99**	**$1,692.31**	**$2,297.73**

Monthly usage: 17,298 kWh; monthly demand: 45 kW
Rates are current as of September 1, 2015

The CARE discount is taken out of the PG&E Delivery Rate and can result in a negative PG&E Delivery Rate. This enables customers to make an accurate comparison of PG&E and SCP Generation Rates.

A-10SX / COM-10S Time-of-Use**

Commercial/Industrial: A-10SX	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.10932	$0.08111	$0.11611
PG&E Delivery Rate ($/kWh)	$0.07567	$0.07567	$0.07567
PG&E PCIA/FF ($/kWh)	N/A	$0.01121	$0.01121
Total Electricity Cost ($/kWh)	$0.18499	$0.16798	$0.20298
Average Monthly Bill ($)	**$7,308.46**	**$6,636.72**	**$8,019.51**

Monthly usage: 39,508 kWh; monthly demand: 137 kW
Rates are current as of September 1, 2015

A-10SX / COM-10S Time-of-Use (CARE)**

Commercial/Industrial: A-10SX CARE	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.10680	$0.07895	$0.11395
PG&E Delivery Rate ($/kWh)	$0.00712	$0.00712	$0.00712
PG&E PCIA/FF ($/kWh)	N/A	$0.01121	$0.01121
Total Electricity Cost ($/kWh)	$0.11392	$0.09729	$0.13229
Average Monthly Bill ($)	**$1,970.64**	**$1,682.86**	**$2,288.28**

Monthly usage: 17,298 kWh; monthly demand: 45 kW

Rates are current as of September 1, 2015

A-10P / COM-10P Non Time-of-Use**

Commercial/Industrial: A-10P	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.10021	$0.07676	$0.11176
PG&E Delivery Rate ($/kWh)	$0.07191	$0.07191	$0.07191
PG&E PCIA/FF ($/kWh)	N/A	$0.01121	$0.01121
Total Electricity Cost ($/kWh)	$0.17212	$0.15989	$0.19489
Average Monthly Bill ($)	**$7,042.28**	**$6,541.61**	**$7,973.60**

Monthly usage: 40,945 kWh; monthly demand: 144 kW

Rates are current as of September 1, 2015

A-10PX / COM-10PX Time-of-Use**

Commercial/Industrial: A-10PX	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.09993	$0.07624	$0.11124
PG&E Delivery Rate ($/kWh)	$0.07191	$0.07191	$0.07191
PG&E PCIA/FF ($/kWh)	N/A	$0.01121	$0.01121
Total Electricity Cost ($/kWh)	$0.17185	$0.15963	$0.19436
Average Monthly Bill ($)	**$7,030.91**	**$6,520.22**	**$7,952.21**

Monthly usage: 40,945 kWh; monthly demand: 144 kW
Rates are current as of September 1, 2015

**** Please note this rate comparison excludes volumetric California Climate Credits issued to eligible business customers that impact PG&E Delivery Rates only. For more information visit www.energyupgradeCA.org/credit**

E-19S / COM-19S

Commercial/Industrial: E-19S	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.10216	$0.07718	$0.11218
PG&E Delivery Rate ($/kWh)	$0.06982	$0.06982	$0.06982
PG&E PCIA/FF ($/kWh)	N/A	$0.00941	$0.00941
Total Electricity Cost ($/kWh)	$0.17198	$0.15641	$0.19141
Average Monthly Bill ($)	**$36,920.81**	**$33,577.05**	**$41,090.83**

Monthly usage: 214,680 kWh; monthly demand: 602 kW

Rates are current as of September 1, 2015

E-19P / COM-19P

Commercial/Industrial: E-19P	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.09661	$0.07238	$0.10738
PG&E Delivery Rate ($/kWh)	$0.05756	$0.05756	$0.05756
PG&E PCIA/FF ($/kWh)	N/A	$0.00941	$0.00941
Total Electricity Cost ($/kWh)	$0.15417	$0.13935	$0.17435
Average Monthly Bill ($)	**$ 38,500.02**	**$ 34,799.47**	**$ 43,539.95**

Monthly usage: 249,728 kWh; monthly demand: 644 kW

Rates are current as of September 1, 2015

E-19PV / COM-19P

Commercial/Industrial: E-19PV	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.09615	$0.07199	$0.10699
PG&E Delivery Rate ($/kWh)	$0.05688	$0.05688	$0.05688
PG&E PCIA/FF ($/kWh)	N/A	$0.00941	$0.00941
Total Electricity Cost ($/kWh)	$0.15303	$0.13828	$0.17328
Average Monthly Bill ($)	**$12,542.34**	**$11,333.42**	**$14,201.99**

Monthly usage: 81,985 kWh; monthly demand: 222 kW

Rates are current as of September 1, 2015

E-19SV / COM-19S

Commercial/Industrial: E-19SV	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.09630	$0.07219	$0.10719
PG&E Delivery Rate ($/kWh)	$0.06141	$0.06141	$0.06141
PG&E PCIA/FF ($/kWh)	N/A	$0.00941	$0.00941
Total Electricity Cost ($/kWh)	$0.15771	$0.14301	$0.17801
Average Monthly Bill ($)	**$ 5,136.39**	**$4,657,54**	**$5,797.42**

Monthly usage: 30,383 kW; monthly demand: 70 kW
Rates are current as of September 1, 2015

E-20P / COM-20P

Commercial/Industrial: E-20P	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.09159	$0.06911	$0.10411
PG&E Delivery Rate ($/kWh)	$0.04814	$0.04814	$0.04814
PG&E PCIA/FF ($/kWh)	N/A	$0.00851	$0.00851
Total Electricity Cost ($/kWh)	$0.13973	$0.12577	$0.16077
Average Monthly Bill ($)	**$129,338.98**	**$116,413.50**	**$148,810.62**

Monthly usage: 925,632 kWh; monthly demand: 1972 kW

Rates are current as of September 1, 2015

E-20S / COM-20S

Commercial/Industrial: E-20S	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.09309	$0.06992	$0.10492
PG&E Delivery Rate ($/kWh)	$0.05755	$0.05755	$0.05755
PG&E PCIA/FF ($/kWh)	N/A	$0.00887	$0.00887
Total Electricity Cost ($/kWh)	$0.15064	$0.13634	$0.17134
Average Monthly Bill ($)	**$82,287.63**	**$74,475.32**	**$93,594.03**

Monthly usage: 546,249 kWh; monthly demand: 1240 kW

Rates are current as of September 1, 2015

E-20T / COM-20T

Commercial/Industrial: E-20T	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.08223	$0.06247	$0.09747
PG&E Delivery Rate ($/kWh)	$0.02525	$0.02525	$0.02525
PG&E PCIA/FF ($/kWh)	N/A	$0.00758	$0.00758
Total Electricity Cost ($/kWh)	$0.10748	$0.09530	$0.13030
Average Monthly Bill ($)	**$290,768.90**	**$257,812.60**	**$352,500.00**

Monthly usage: 2,705,354 kWh; monthly demand: 5,580 kW

Rates are current as of September 1, 2015

Agricultural
Agricultural

AG-1A / AG-1A

Agricultural: AG-1A	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.10840	$0.08156	$0.11656
PG&E Delivery Rate ($/kWh)	$0.21070	$0.21070	$0.21070
PG&E PCIA/FF ($/kWh)	N/A	$0.01065	$0.01065
Total Electricity Cost ($/kWh)	$0.31910	$0.30291	$0.33791
Average Monthly Bill ($)	**$185.45**	**$176.04**	**$196.38**

Monthly usage: 581 kWh; monthly demand 3 kW

Rates are current as of September 1, 2015

AG-1B / AG-1B

Agricultural: AG-1B	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.11050	$0.08342	$0.11842
PG&E Delivery Rate ($/kWh)	$0.16394	$0.16394	$0.16394
PG&E PCIA/FF ($/kWh)	N/A	$0.01065	$0.01065
Total Electricity Cost ($/kWh)	$0.27444	$0.25801	$0.29301
Average Monthly Bill ($)	**$523.92**	**$492.56**	**$559.37**

Monthly usage: 1,909kWh; monthly demand: 16 kW

Rates are current as of September 1, 2015

AG-4A / AG-4A

Agricultural: AG-4A	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.09605	$0.07148	$0.10604
PG&E Delivery Rate ($/kWh)	$0.19134	$0.19134	$0.19134
PG&E PCIA/FF ($/kWh)	N/A	$0.01065	$0.01065
Total Electricity Cost ($/kWh)	$0.28739	$0.27347	$0.30847
Average Monthly Bill ($)	**$183.15**	**$174.28**	**$196.59**

Monthly usage: 637kWh; monthly demand: 6 kW

Rates are current as of September 1, 2015

AG-4B / AG-4B

Agricultural: AG-4B	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.10403	$0.07807	$0.11307
PG&E Delivery Rate ($/kWh)	$0.13095	$0.13095	$0.13095
PG&E PCIA/FF ($/kWh)	N/A	$0.01065	$0.01065
Total Electricity Cost ($/kWh)	$0.23498	$0.21967	$0.25467
Average Monthly Bill ($)	**$703.72**	**$657.86**	**$762.67**

Monthly usage: 2,995 kWh; monthly demand: 26 kW
Rates are current as of September 1, 2015

AG-5A / AG-5A

Agricultural: AG-5A	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.08900	$0.06463	$0.09963
PG&E Delivery Rate ($/kWh)	$0.08899	$0.08899	$0.08899
PG&E PCIA/FF ($/kWh)	N/A	$0.01065	$0.01065
Total Electricity Cost ($/kWh)	$0.17799	$0.16427	$0.19927
Average Monthly Bill ($)	**$501.15**	**$462.51**	**$561.06**

Monthly usage: 2,816 kWh; monthly demand: 8 kW

Rates are current as of September 1, 2015

AG-5B / AG-5B

Agricultural: AG-5B	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.08254	$0.05939	$0.09439
PG&E Delivery Rate ($/kWh)	$0.06620	$0.06620	$0.06620
PG&E PCIA/FF ($/kWh)	N/A	$0.01065	$0.01065
Total Electricity Cost ($/kWh)	$0.14874	$0.13624	$0.17124
Average Monthly Bill ($)	**$1582.80**	**$1,449.71**	**$1,822.15**

Monthly usage: 10,641 kWh; monthly demand: 38 kW

Rates are current as of September 1, 2015

AG-5C / AG-5C

Agricultural: AG-5C	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.07991	$0.05760	$0.09260
PG&E Delivery Rate ($/kWh)	$0.05143	$0.05143	$0.05143
PG&E PCIA/FF ($/kWh)	N/A	$0.01065	$0.01065
Total Electricity Cost ($/kWh)	$0.13134	$0.11968	$0.15468
Average Monthly Bill ($)	**$8,532.42**	**$7,775.09**	**$10,048.82**

Monthly usage: 64,964 kWh; monthly demand: 192 kW
Rates are current as of September 1, 2015

LS-1 / LS-1

Streetlights: LS1	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.08711	$0.07200	$0.10700
PG&E Delivery Rate ($/kWh)	$0.06334	$0.06334	$0.06334
PG&E PCIA/FF ($/kWh)	N/A	$0.00180	$0.00180
Total Electricity Cost ($/kWh)	$0.15045	$0.13714	$0.17214
Average Monthly Bill ($)	**$72.97**	**$66.51**	**$83.49**

Monthly usage: 484 kWh

Rates are current as of September 1, 2015

LS-2 / LS-2

Streetlights: LS2	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.08711	$0.07200	$0.10700
PG&E Delivery Rate ($/kWh)	$0.06334	$0.06334	$0.06334
PG&E PCIA/FF ($/kWh)	N/A	$0.00180	$0.00180
Total Electricity Cost ($/kWh)	$0.15045	$0.13714	$0.17214
Average Monthly Bill ($)	**$200.71**	**$182.95**	**$229.64**

Monthly usage: 13,334 kWh

Rates are current as of September 1, 2015

LS-3/ LS-3

Streetlights: LS3	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.08711	$0.07200	$0.10700
PG&E Delivery Rate ($/kWh)	$0.06334	$0.06334	$0.06334
PG&E PCIA/FF ($/kWh)	N/A	$0.00180	$0.00180
Total Electricity Cost ($/kWh)	$0.15045	$0.13714	$0.17214
Average Monthly Bill ($)	**$34.34**	**$31.31**	**$39.30**

Monthly usage: 231 kWh

Rates are current as of September 1, 2015

TC-1 / TC-1

Streetlights: TC1	PG&E	Sonoma Clean Power CleanStart (36% Renewable)	Sonoma Clean Power EverGreen (100% Renewable)
Generation Rate ($/kWh)	$0.08526	$0.06200	$0.09700
PG&E Delivery Rate ($/kWh)	$0.12779	$0.12779	$0.12779
PG&E PCIA/FF ($/kWh)	N/A	$0.01100	$0.01100
Total Electricity Cost ($/kWh)	$0.21305	$0.20079	$0.23579
Average Monthly Bill ($)	**$49.28**	**$46.44**	**$54.54**

Monthly usage: 240 kWh
Rates are current as of September 1, 2015

SCE – LCE
JOINT RATE COMPARISONS

As part of our mutual commitment to better serve customers, Lancaster Choice Energy (LCE) and Southern California Edison (SCE) have come together to provide a comparison of common rates, average monthly charges, and the power sources we provide. Below you will find a representative comparison of our rates, average monthly bills, and power generation portfolio content based on customer class. To find your specific electric rate, please scroll down to your rate plan to view the rate and bill comparisons.

RATE CLASS	SCE RATE SCHEDULE	LCE RATE SCHEDULE
RESIDENTIAL	▪ D-CARE	D
	▪ D-CARE-SDP	D
	▪ D-CARE-SDP-O	D
	▪ DE / D	D
	▪ DE-FERA	D
	▪ DE-FERA-SDP	D
	▪ DE-SDP	D
	▪ DE-SDP-O	D
	▪ D-FERA	D
	▪ D-FERA-SDP	D
	▪ D-FERA-SDP-O	D
	▪ DM	D
	▪ DMS -2	D
	▪ DOMESTIC	D
	▪ D-S	D
	▪ D-S-CARE	D
	▪ D-SDP	D
	▪ D-SDP-O	D
	▪ TD-TEV-C-SDP	D
	▪ TD-TEV-SDP	D
	▪ TOU-DE-T	D
	▪ TOU-D-T	D
	▪ TOU-D-T-CARE	D
	▪ TOU-DT-C-SDP	D
	▪ TOU-D-TEV	D
	▪ TOU-D-TEV-C	D
	▪ TOU-D-T-SDP	D
	▪ TOU-EV-1	D

Definitions

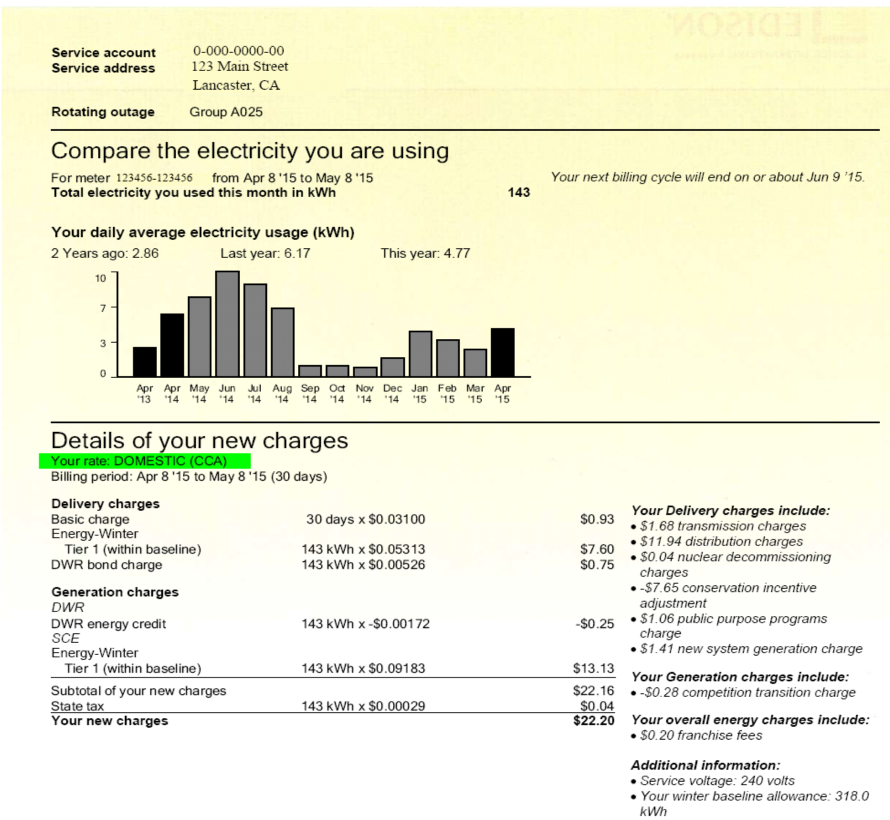
Generation Rate reflects the cost of producing or purchasing electricity to power your home or business. This rate will vary depending on your service provider and rate plan.

SCE Delivery Rate is a charge assessed by SCE to deliver electricity to your home or business. This rate depends on usage.

Surcharges represent the Cost Responsibility Surcharge (CRS) and Franchise Fee (FF) that are applicable to Community Choice Aggregation (CCA) customers. The CRS recovers costs of power purchase commitments that become stranded as a result of CCA initiating service. The FF recovers taxes owed to a city in exchange for allowing SCE to utilize electrical distribution lines throughout the property of the city. SCE acts as the collection agency for the FF surcharge which is levied by cities and counties for all customers.

Where Do I Find My Electric Rate Schedule?

Need some help finding your electric rate? Go to the “Details of your new charges” section of your energy statement – You’ll find your electric rate in the upper left.



Service account 0-000-0000-00
Service address 123 Main Street
Lancaster, CA

Rotating outage Group A025

Compare the electricity you are using

For meter 123456-123456 from Apr 8 '15 to May 8 '15
Total electricity you used this month in kWh **143**

Your next billing cycle will end on or about Jun 9 '15.

Your daily average electricity usage (kWh)
2 Years ago: 2.86 Last year: 6.17 This year: 4.77

Details of your new charges

Your rate: DOMESTIC (CCA)
Billing period: Apr 8 '15 to May 8 '15 (30 days)

Delivery charges		
Basic charge	30 days x $0.03100	$0.93
Energy-Winter		
Tier 1 (within baseline)	143 kWh x $0.05313	$7.60
DWR bond charge	143 kWh x $0.00526	$0.75
Generation charges		
DWR		
DWR energy credit	143 kWh x -$0.00172	-$0.25
SCE		
Energy-Winter		
Tier 1 (within baseline)	143 kWh x $0.09183	$13.13
Subtotal of your new charges		$22.16
State tax	143 kWh x $0.00029	$0.04
Your new charges		**$22.20**

Your Delivery charges include:
- *$1.68 transmission charges*
- *$11.94 distribution charges*
- *$0.04 nuclear decommissioning charges*
- *-$7.65 conservation incentive adjustment*
- *$1.06 public purpose programs charge*
- *$1.41 new system generation charge*

Your Generation charges include:
- *-$0.28 competition transition charge*

Your overall energy charges include:
- *$0.20 franchise fees*

Additional information:
- *Service voltage: 240 volts*
- *Your winter baseline allowance: 318.0 kWh*

RESIDENTIAL

DOMESTIC / D

2015 Schedule D	SCE	LCE Clear Choice (35% Renewable)	LCE Smart Choice (100% Renewable)
Generation Rate ($/kWh)	$0.09512	$0.08325	$0.08325
SCE Delivery Rate ($/kWh)	$0.09194	$0.08669	$0.08669
Surcharges ($/kWh)	N/A	$0.01659	$0.01659
Total Costs ($/kWh)	$0.18706	$0.18653	$0.18653
Smart Choice Premium	N/A	N/A	$10.00
Average Monthly Bill ($)	**$125.14**	**$124.79**	**$134.79**

Monthly Usage: 669 kWh

Rates are current as of June 1, 2015
**This comparison illustrates the estimated electricity costs for a typical Schedule D residential customer within the jurisdiction of the City of Lancaster with an average monthly consumption of 669 kilowatt-hours (kWh). This comparison is based on 2014 bill usage for all applicable SCE Schedule D (non-CARE) service accounts within the jurisdiction of the City of Lancaster and LCE's published rates as of June 1, 2015.*

Generation Rate reflects the cost of producing or purchasing electricity to power your home. This rate will vary depending on your service provider and rate plan.

SCE Delivery Rate is a charge assessed by SCE to deliver electricity to your home. This rate depends on usage.

Surcharges represents the Cost Responsibility Surcharge (CRS) and Franchise Fee (FF) that are applicable to Community Choice Aggregation (CCA) customers. The CRS recovers costs of power purchase commitments that become stranded as a result of CCA initiating service. The FF recovers taxes owed to a city in exchange for allowing SCE to utilize electrical distribution lines throughout the property of the city. SCE acts as the collection agency for the FF surcharge which is levied by cities and counties for all customers.

RESIDENTIAL

DOMESTIC / D (CARE)

2015 Schedule D-CARE	SCE	LCE Clear Choice (35% Renewable)	LCE Smart Choice (100% Renewable)
Generation Rate ($/kWh)	$0.09373	$0.08144	$0.08144
SCE Delivery Rate ($/kWh)	$0.02980	$0.02980	$0.02980
Surcharges ($/kWh)	N/A	($0.00110)	($0.00110)
Total Costs ($/kWh)	$0.12353	$0.11014	$0.11014
Smart Choice Premium	N/A	N/A	$10.00
Average Monthly Bill ($)	**$74.74**	**$66.64**	**$76.63**

Monthly Usage: 605 kWh

Rates are current as of June 1, 2015
**This comparison illustrates the estimated electricity costs for a typical residential CARE customer within the jurisdiction of the City of Lancaster with an average monthly consumption of 605 kilowatt-hours (kWh). This comparison is based on 2014 bill usage for all applicable SCE D-CARE service accounts within the jurisdiction of the City of Lancaster and LCE's published rates as of June 1, 2015.*

Generation Rate reflects the cost of producing or purchasing electricity to power your home. This rate will vary depending on your service provider and rate plan.

SCE Delivery Rate is a charge assessed by SCE to deliver electricity to your home. This rate depends on usage.

Surcharges represents the Cost Responsibility Surcharge (CRS) and Franchise Fee (FF) that are applicable to Community Choice Aggregation (CCA) customers. The CRS recovers costs of power purchase commitments that become stranded as a result of CCA initiating service. The FF recovers taxes owed to a city in exchange for allowing SCE to utilize electrical distribution lines throughout the property of the city. SCE acts as the collection agency for the FF surcharge which is levied by cities and counties for all customers.

PG&E - MCE
Joint Rate Comparisons

As a part of our mutual commitment to support your energy choice, MCE and PG&E have partnered to create a comparison of our typical electric rates, average monthly charges and generation portfolio contents. Below you will find a representative comparison of our rates, average monthly bills and power generation portfolio content based on customer class. To find your specific electric rate, please scroll down to your rate plan to view the rate and bill comparisons.

Residential	• E-1 / RES-1 • E-1 / RES-1 (CARE) • E-6 / RES- 6 • E-7 / RES-7 • E-7 / RES-7 (CARE) • E-8 / RES-8 • E-8 / RES-8 (CARE) • EA-9 / RES-9
Small and Medium Business	• A-1 / COM-1 • A-1X / COM-1 TOU • A-1 / COM-1 (CARE) • A-6 / COM-6 • A-6 / COM-6 (CARE) • A-10S / COM-10S • A-10S/ COM-10S (CARE) • A–10SX / COM -10S TOU • A-10P / COM-10P • A-10PX / COM-10P TOU • A-10S / COM-10S (CARE)
Large Commercial and Industrial	• E-19S, V / COM-19S • E-19P / COM-19P • E-19PV / COM-19P • E-19SV / COM-19S (CARE) • E-20P / COM-20P • E-20S / COM-20S • E-20T / COM-20T
Agriculture	• AG-1A / AG-1A • AG-1B / AG-1B • AG-4A / AG-4A • AG-5A / AG-5A • AG-5B / AG-5B • AG-5C / AG-5C
Streetlight and Outdoor Lighting	• LS-1 / LS-1 • LS-2 / LS-2 • LS-3 / LS-3 • TC-1 / TC-1

Definitions

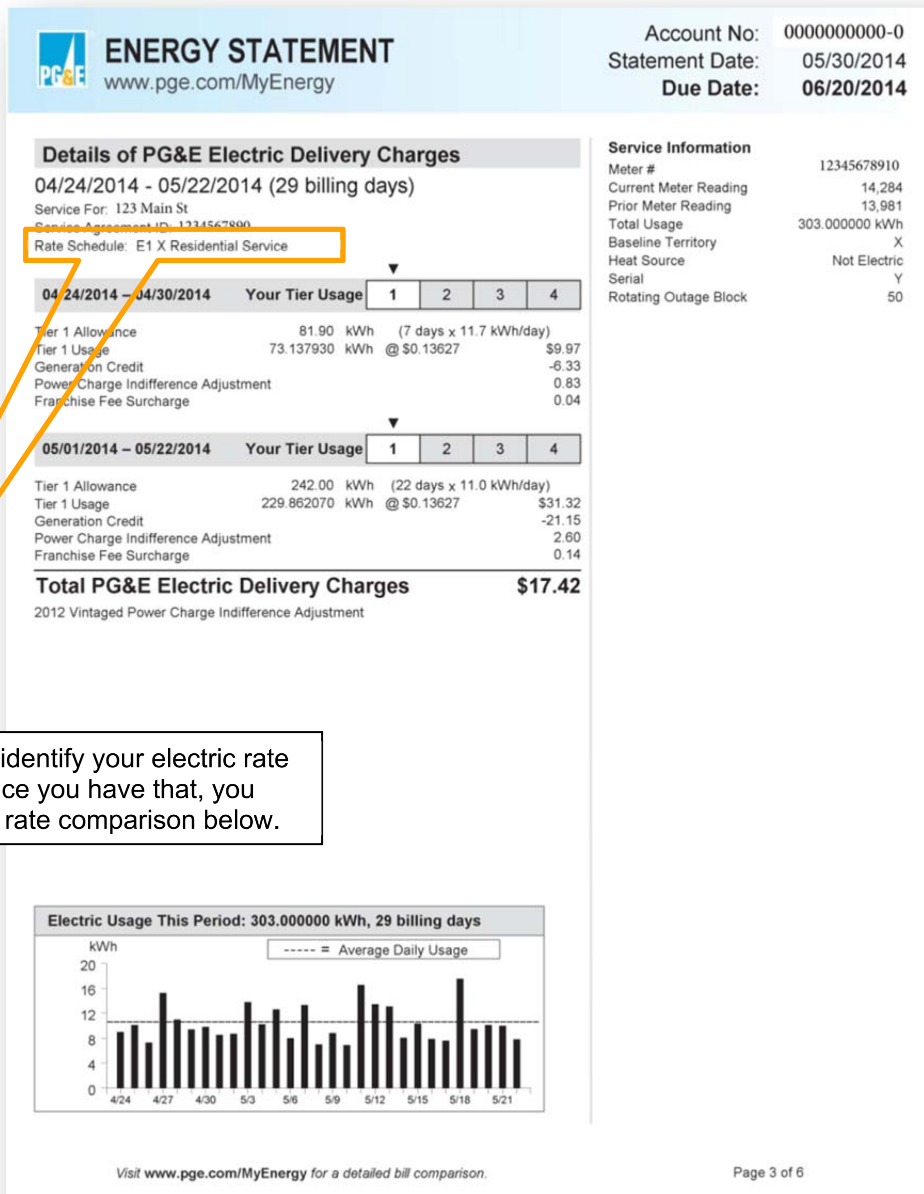
Generation Rate is the cost of creating electricity to power your home or business. The generation rate varies based on your energy provider, either MCE or PG&E.

PG&E Delivery Rate is a charge assessed by PG&E to deliver electricity to your home or business. The PG&E delivery rate depends on your electricity usage, but is charged equally to both MCE and PG&E customers.

PG&E PCIA/FF represents the Power Charge Indifference Adjustment (PCIA) and the Franchise Fee surcharge (FF). The PCIA is a charge to cover PG&E's generation costs acquired prior to a customer's switch to a third-party electric generation provider. PG&E acts as a collection agent for the Franchise Fee surcharge, which is levied by cities and counties for all customers.

Where Do I Find My Electric Rate Schedule?

Need some help finding your electric rate? Go to the "Electric Delivery Charges" section of your energy statement - you'll find your electric rate in the upper left.



ENERGY STATEMENT
www.pge.com/MyEnergy

Account No: 0000000000-0
Statement Date: 05/30/2014
Due Date: 06/20/2014

Details of PG&E Electric Delivery Charges

04/24/2014 - 05/22/2014 (29 billing days)

Service For: 123 Main St
Service Agreement ID: 1234567890
Rate Schedule: E1 X Residential Service

04/24/2014 – 04/30/2014	Your Tier Usage	1	2	3	4

Tier 1 Allowance	81.90 kWh	(7 days x 11.7 kWh/day)		
Tier 1 Usage	73.137930 kWh	@ $0.13627	$9.97
Generation Credit			-6.33
Power Charge Indifference Adjustment			0.83
Franchise Fee Surcharge			0.04

05/01/2014 – 05/22/2014	Your Tier Usage	1	2	3	4

Tier 1 Allowance	242.00 kWh	(22 days x 11.0 kWh/day)	
Tier 1 Usage	229.862070 kWh	@ $0.13627	$31.32
Generation Credit			-21.15
Power Charge Indifference Adjustment			2.60
Franchise Fee Surcharge			0.14

Total PG&E Electric Delivery Charges **$17.42**

2012 Vintaged Power Charge Indifference Adjustment

Service Information

Meter #	12345678910
Current Meter Reading	14,284
Prior Meter Reading	13,981
Total Usage	303.000000 kWh
Baseline Territory	X
Heat Source	Not Electric
Serial	Y
Rotating Outage Block	50

Electric Usage This Period: 303.000000 kWh, 29 billing days

Visit **www.pge.com/MyEnergy** *for a detailed bill comparison.*

Page 3 of 6

Look here to identify your electric rate schedule. Once you have that, you can find your rate comparison below.

E-1 / RES-1*

Residential: E-1	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09752	$0.08200	$0.09200
PG&E Delivery Rate ($/kWh)	$0.11216	$0.11216	$0.11216
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.20968	$0.20650	$0.21650
Average Monthly Bill ($)	**$98.01**	**$96.53**	**$101.20**

Monthly usage: 467 kWh
Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the MCE/PG&E service area (Marin County and Richmond) with an average monthly usage of 467 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-1 / RES-1 rate schedules for PG&E's and MCE's published rates as of September 1, 2015.

E-1 / RES-1 (CARE)*

Residential: E-1 CARE	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09752	$0.08200	$0.09200
PG&E Delivery Rate ($/kWh)	$0.02271	$0.02271	$0.02271
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.12023	$0.11705	$0.12705
Average Monthly Bill ($)	**$42.67**	**$41.54**	**$45.09**

Monthly usage: 355 kWh
Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the MCE/PG&E service area (Marin County and Richmond) with an average monthly usage of 355 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-1 / RES-1 rate schedules for PG&E's and MCE's published rates as of September 1, 2015.

E-6 / RES-6*

Residential: E-6	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09304	$0.07527	$0.08527
PG&E Delivery Rate ($/kWh)	$0.12489	$0.12489	$0.12489
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.21794	$0.21250	$0.22250
Average Monthly Bill ($)	**$135.42**	**$132.04**	**$138.26**

Monthly usage: 621 kWh
Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the MCE/PG&E service area (Marin County and Richmond) with an average monthly usage of 621 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-6 / RES-6 rate schedules for PG&E's and MCE's published rates as of September 1, 2015.

E-8 / RES-8 (CARE)*

Residential: E-8 CARE	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.16807	$0.08200	$0.09200
PG&E Delivery Rate ($/kWh)	($0.04060)	($0.04060)	($0.04060)
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.12747	$0.05374	$0.06374
Average Monthly Bill ($)	**$119.81**	**$50.51**	**$59.91**

Monthly usage: 940 kWh

Rates are current as of September 1, 2015

The CARE discount is taken out of the PG&E Delivery Rate and can result in a negative PG&E Delivery Rate. This enables customers to make an accurate comparison of PG&E and MCE Generation Rates.

This compares electricity costs for a typical residential customer in the MCE/PG&E service area (Marin County and Richmond) with an average monthly usage of 940 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-8 / RES-8 rate schedules for PG&E's and MCE's published rates as of September 1, 2015.

EA-9 / RES-9*

Residential: E-9A	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09935	$0.08046	$0.09046
PG&E Delivery Rate ($/kWh)	$0.08350	$0.08350	$0.08350
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.18284	$0.17630	$0.18630
Average Monthly Bill ($)	$127.36	$122.80	$129.77

Monthly usage: 697 kWh

Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the MCE/PG&E service area (Marin County and Richmond) with an average monthly usage of 697 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on EA-9 / RES-9 rate schedules for PG&E's and MCE's published rates as of September 1, 2015.

*** Please note this rate comparison excludes the California Climate Credit from the State of California which is issued twice a year to residential customers. For more information visit www.energyupgradeCA.org/credit**

E-7 / RES-7*

Residential: E-7	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.12806	$0.10209	$0.11209
PG&E Delivery Rate ($/kWh)	$0.07671	$0.07671	$0.07671
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.20476	$0.19114	$0.20114
Average Monthly Bill ($)	**$158.10**	**$147.58**	**$155.30**

Monthly usage: 772 kWh
Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the MCE/PG&E service area (Marin County and Richmond) with an average monthly usage of 772 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-7 / RES-7 rate schedules for PG&E's and MCE's published rates as of September 1, 2015.

E-7 / RES-7 (CARE)*

Residential: E-7 CARE	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.12615	$0.10079	$0.11079
PG&E Delivery Rate ($/kWh)	$0.00043	$0.00043	$0.00043
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.12658	$0.11356	$0.12356
Average Monthly Bill ($)	**$80.01**	**$71.78**	**$78.10**

Monthly usage: 632 kWh
Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the MCE/PG&E service area (Marin County and Richmond) with an average monthly usage of 632 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-7 / RES-7 rate schedules for PG&E's and MCE's published rates as of September 1, 2015.

E-8 / RES-8*

Residential: E-8	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.16870	$0.08200	$0.09200
PG&E Delivery Rate ($/kWh)	$0.06189	$0.06189	$0.06189
PG&E PCIA/FF ($/kWh)	N/A	$0.01234	$0.01234
Total Electricity Cost ($/kWh)	$0.23059	$0.15623	$0.16623
Average Monthly Bill ($)	**$267.89**	**$181.50**	**$193.12**

Monthly usage: 1,162 kWh
Rates are current as of September 1, 2015

This compares electricity costs for a typical residential customer in the MCE/PG&E service area (Marin County and Richmond) with an average monthly usage of 1,162 kilowatt-hours (kWh). This is based on the recent 12-month billing history for all customers on E-8 / RES-8 rate schedules for PG&E's and MCE's published rates as of September 1, 2015.

Small and Medium Business **

A-1 / COM-1**

Commercial/Industrial: A-1	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.10219	$0.08201	$0.09201
PG&E Delivery Rate ($/kWh)	$0.11131	$0.11131	$0.11131
PG&E PCIA/FF ($/kWh)	N/A	$0.01100	$0.01100
Total Electricity Cost ($/kWh)	$0.21350	$0.20431	$0.21431
Average Monthly Bill ($)	**$265.64**	**$254.21**	**$266.65**

Monthly usage: 1,244 kWh

Rates are current as of September 1, 2015

A-1X / COM-1TOU**

Commercial/Industrial: A-1 TOU (A-1X)	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.10215	$0.08278	$0.09278
PG&E Delivery Rate ($/kWh)	$0.11252	$0.11252	$0.11252
PG&E PCIA/FF ($/kWh)	N/A	$0.01100	$0.01100
Total Electricity Cost ($/kWh)	$0.21467	$0.20630	$0.21630
Average Monthly Bill ($)	**$250.15**	**$240.39**	**$252.04**

Monthly usage: 1,165 kWh

Rates are current as of September 1, 2015

A-1X / COM-1 (CARE)**

Commercial/Industrial: A-1 TOU CARE (A-1X CARE)	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09946	$0.08063	$0.09063
PG&E Delivery Rate ($/kWh)	$0.03150	$0.03150	$0.03150
PG&E PCIA/FF ($/kWh)	N/A	$0.01100	$0.01100
Total Electricity Cost ($/kWh)	$0.13096	$0.12313	$0.13313
Average Monthly Bill ($)	**$401.90**	**$377.86**	**$408.55**

Monthly usage: 3069 kWh

Rates are current as of September 1, 2015

A-6 / COM-6**

Commercial/Industrial: A-6	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.11191	$0.08876	$0.09876
PG&E Delivery Rate ($/kWh)	$0.10827	$0.10827	$0.10827
PG&E PCIA/FF ($/kWh)	N/A	$0.01100	$0.01100
Total Electricity Cost ($/kWh)	$0.22018	$0.20802	$0.21802
Average Monthly Bill ($)	**$995.95**	**$940.97**	**$986.20**

Monthly usage: 4,523 kWh

Rates are current as of September 1, 2015

A-6 / COM-6 (CARE)**

Commercial/Industrial: A-6 CARE	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.10540	$0.08300	$0.09300
PG&E Delivery Rate ($/kWh)	$0.03303	$0.03303	$0.03303
PG&E PCIA/FF ($/kWh)	N/A	$0.01100	$0.01100
Total Electricity Cost ($/kWh)	$0.13843	$0.12703	$0.13703
Average Monthly Bill ($)	**$491.09**	**$450.66**	**$486.13**

Monthly usage: 4321 kWh

Rates are current as of September 1, 2015

A-10S / COM-10S Non Time-of-Use**

Commercial/Industrial: A-10S	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.10831	$0.08865	$0.09865
PG&E Delivery Rate ($/kWh)	$0.08092	$0.08092	$0.08092
PG&E PCIA/FF ($/kWh)	N/A	$0.01121	$0.01121
Total Electricity Cost ($/kWh)	$0.18923	$0.18077	$0.19077
Average Monthly Bill ($)	**$2,491.46**	**$2,380.14**	**$2,511.81**

Monthly usage: 13,166 kWh, monthly demand: 43 kW

Rates are current as of September 1, 2015

A-10SX / COM-10S Time-of-Use**

Commercial/Industrial: A-10SX	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.10913	$0.08959	$0.09959
PG&E Delivery Rate ($/kWh)	$0.07450	$0.07450	$0.07450
PG&E PCIA/FF ($/kWh)	N/A	$0.01121	$0.01121
Total Electricity Cost ($/kWh)	$0.18362	$0.17530	$0.18530
Average Monthly Bill ($)	**$7,453.87**	**$7,115.78**	**$7,521.71**

Monthly usage: 40,593 kWh, monthly demand: 136 kW

Rates are current as of September 1, 2015

A-10P / COM-10P Non Time-of-Use**

Commercial/Industrial: A-10P	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.10021	$0.08434	$0.09434
PG&E Delivery Rate ($/kWh)	$0.07191	$0.07191	$0.07191
PG&E PCIA/FF ($/kWh)	N/A	$0.01121	$0.01121
Total Electricity Cost ($/kWh)	$0.17212	$0.16746	$0.17746
Average Monthly Bill ($)	**$7,042.28**	**$6,851.43**	**$7,260.57**

Monthly usage: 40,945 kWh, monthly demand: 144 kW

Rates are current as of September 1, 2015

A-10PX / COM-10P Time-of-Use**

Commercial/Industrial: A-10PX	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09993	$0.08442	$0.09442
PG&E Delivery Rate ($/kWh)	$0.07191	$0.07191	$0.07191
PG&E PCIA/FF ($/kWh)	N/A	$0.01121	$0.01121
Total Electricity Cost ($/kWh)	$0.17185	$0.16754	$0.17754
Average Monthly Bill ($)	**$7,030.91**	**$6,854.76**	**$7,263.90**

Monthly usage: 40,945 kWh, monthly demand: 144kW

Rates are current as of September 1, 2015

A-10S / COM-1 (CARE) Non Time-of-Use**

Commercial/Industrial: A-10S CARE	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.10711	$0.08785	$0.09785
PG&E Delivery Rate ($/kWh)	$0.00712	$0.00712	$0.00712
PG&E PCIA/FF ($/kWh)	N/A	$0.01121	$0.01121
Total Electricity Cost ($/kWh)	$0.11423	$0.10618	$0.11618
Average Monthly Bill ($)	**$1,975.99**	**$1,836.71**	**$2,009.68**

Monthly usage: 17,298 kWh, monthly demand: 45 kW

Rates are current as of September 1, 2015

The CARE discount is taken out of the PG&E Delivery Rate and can result in a negative PG&E Delivery Rate. This enables customers to make an accurate comparison of PG&E and MCE Generation Rates.

**** Please note this rate comparison excludes volumetric California Climate Credits issued to eligible business customers that impact PG&E Delivery Rates only. For more information visit www.energyupgradeCA.org/credit**

E-19S/ COM-19S

Commercial/Industrial: E-19S	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09954	$0.08126	$0.09126
PG&E Delivery Rate ($/kWh)	$0.06490	$0.06490	$0.06490
PG&E PCIA/FF ($/kWh)	N/A	$0.00941	$0.00941
Total Electricity Cost ($/kWh)	$0.16445	$0.15558	$0.16558
Average Monthly Bill ($)	**$38,406.62**	**$36,335.26**	**$38,670.74**

Monthly usage: 233,549 kWh, monthly demand: 593 kW

Rates are current as of September 1, 2015

E-19SV / COM-19S

Commercial/Industrial: E-19SV	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09558	$0.07863	$0.08863
PG&E Delivery Rate ($/kWh)	$0.06105	$0.06105	$0.06105
PG&E PCIA/FF ($/kWh)	N/A	$0.00941	$0.00941
Total Electricity Cost ($/kWh)	$0.15663	$0.14908	$0.15908
Average Monthly Bill ($)	**$5,143.50**	**$4,895.79**	**$5,224.18**

Monthly usage: 32,839 kWh, monthly demand: 73 kW

Rates are current as of September 1, 2015

E-19P / COM-19P

Commercial/Industrial: E-19P	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09661	$0.07768	$0.08768
PG&E Delivery Rate ($/kWh)	$0.05756	$0.05756	$0.05756
PG&E PCIA/FF ($/kWh)	N/A	$0.00941	$0.00941
Total Electricity Cost ($/kWh)	$0.15417	$0.14465	$0.15465
Average Monthly Bill ($)	**$38,500.02**	**$36,123.53**	**$38,620.81**

Monthly usage: 249,728 kWh, monthly demand: 644 kW

Rates are current as of September 1, 2015

E-19PV / COM-19P

Commercial/Industrial: E-19PV	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09615	$0.07722	$0.08722
PG&E Delivery Rate ($/kWh)	$0.05688	$0.05688	$0.05688
PG&E PCIA/FF ($/kWh)	N/A	$0.00941	$0.00941
Total Electricity Cost ($/kWh)	$0.15303	$0.14351	$0.15351
Average Monthly Bill ($)	**$12,542.38**	**$11,761.93**	**$12,581.52**

Monthly usage: 79,507 kWh, monthly demand: 112 kW

Rates are current as of September 1, 2015

E-19SV / COM-19S (CARE)

Commercial/Industrial: E-19SV CARE	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09573	$0.07867	$0.08867
PG&E Delivery Rate ($/kWh)	$0.00569	$0.00569	$0.00569
PG&E PCIA/FF ($/kWh)	N/A	$0.00941	$0.00941
Total Electricity Cost ($/kWh)	$0.10142	$0.09376	$0.10376
Average Monthly Bill ($)	**$3,081.35**	**$2,848.75**	**$3,152.58**

Monthly usage: 27,690 kWh, monthly demand: 33 kW

Rates are current as of September 1, 2015

The CARE discount is taken out of the PG&E Delivery Rate and can result in a negative PG&E Delivery Rate. This enables customers to make an accurate comparison of PG&E and MCE Generation Rates.

E-20S / COM-20S

Commercial/Industrial: E-20S	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09309	$0.07499	$0.08499
PG&E Delivery Rate ($/kWh)	$0.05755	$0.05755	$0.05755
PG&E PCIA/FF ($/kWh)	N/A	$0.00887	$0.00887
Total Electricity Cost ($/kWh)	$0.15064	$0.14141	$0.15141
Average Monthly Bill ($)	**$82,287.63**	**$77,242.87**	**$82,705.36**

Monthly usage: 546,249 kWh, monthly demand: 1972 kW

Rates are current as of September 1, 2015

E-20P / COM-20P

Commercial/Industrial: E-20P	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09202	$0.07586	$0.08586
PG&E Delivery Rate ($/kWh)	$0.04924	$0.04924	$0.04924
PG&E PCIA/FF ($/kWh)	N/A	$0.00851	$0.00851
Total Electricity Cost ($/kWh)	$0.14126	$0.13361	$0.14361
Average Monthly Bill ($)	**$105,004.95**	**$99,316.67**	**$106,750.08**

Monthly usage: 743,341 kWh, monthly demand: 1,629

kW Rates are current as of September 1, 2015

E-20T / COM-20T

Commercial/Industrial: E-20T	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.08223	$0.06805	$0.07805
PG&E Delivery Rate ($/kWh)	$0.02525	$0.02525	$0.02525
PG&E PCIA/FF ($/kWh)	N/A	$0.00758	$0.00758
Total Electricity Cost ($/kWh)	$0.10748	$0.10088	$0.11088
Average Monthly Bill ($)	**$290,768.90**	**$272,913.85**	**$299,967.39**

Monthly usage: 2,705,354 kWh, monthly demand: 5580 kW

Rates are current as of September 1, 2015

AG-1A / AG-1A

Agricultural: AG-1A	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.10705	$0.09640	$0.10640
PG&E Delivery Rate ($/kWh)	$0.19959	$0.19959	$0.19959
PG&E PCIA/FF ($/kWh)	N/A	$0.01065	$0.01065
Total Electricity Cost ($/kWh)	$0.30664	$0.30664	$0.31664
Average Monthly Bill ($)	**$215.88**	**$215.88**	**$222.92**

Monthly usage: 704 kWh

Rates are current as of September 1, 2015

AG-1B / AG-1B

Agricultural: AG-1B	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.11058	$0.08729	$0.09729
PG&E Delivery Rate ($/kWh)	$0.16687	$0.16687	$0.16687
PG&E PCIA/FF ($/kWh)	N/A	$0.01065	$0.01065
Total Electricity Cost ($/kWh)	$0.27745	$0.26481	$0.27481
Average Monthly Bill ($)	**$527.56**	**$503.53**	**$522.54**

Monthly usage: 1,901 kWh, monthly demand: 18

kW Rates are current as of September 1, 2015

AG-4A / AG-4A

Agricultural: AG-4A	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09670	$0.07943	$0.08943
PG&E Delivery Rate ($/kWh)	$0.18907	$0.18907	$0.18907
PG&E PCIA/FF ($/kWh)	N/A	$0.01065	$0.01065
Total Electricity Cost ($/kWh)	$0.28577	$0.27916	$0.28916
Average Monthly Bill ($)	**$193.47**	**$188.99**	**$195.76**

Monthly usage: 677 kWh

Rates are current as of September 1, 2015

AG-5A / AG-5A

Agricultural: AG-5A	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.09151	$0.07544	$0.08544
PG&E Delivery Rate ($/kWh)	$0.09313	$0.09313	$0.09313
PG&E PCIA/FF ($/kWh)	N/A	$0.01065	$0.01065
Total Electricity Cost ($/kWh)	$0.18464	$0.17922	$0.18922
Average Monthly Bill ($)	**$460.69**	**$447.16**	**$472.11**

Monthly usage: 2,495 kWh

Rates are current as of September 1, 2015

AG-5B / AG-5B

Agricultural: AG-5B	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.08007	$0.06421	$0.07421
PG&E Delivery Rate ($/kWh)	$0.06189	$0.06189	$0.06189
PG&E PCIA/FF ($/kWh)	N/A	$0.01065	$0.01065
Total Electricity Cost ($/kWh)	$0.14196	$0.13675	$0.14675
Average Monthly Bill ($)	**$1,730.74**	**$1,667.22**	**$1,789.14**

Monthly usage: 12,192 kWh, monthly demand: 38

kW Rates are current as of September 1, 2015

AG-5C / AG-5C

Agricultural: AG-5C	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.07991	$0.06398	$0.07398
PG&E Delivery Rate ($/kWh)	$0.05143	$0.05143	$0.05143
PG&E PCIA/FF ($/kWh)	N/A	$0.01065	$0.01065
Total Electricity Cost ($/kWh)	$0.13134	$0.12606	$0.13606
Average Monthly Bill ($)	**$8,532.42**	**$8,189.52**	**$8,839.15**

Monthly usage: 64,964 kWh, monthly demand: 192 kW

Rates are current as of September 1, 2015

LS-1 / LS-1

StreetLights: LS1	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.08711	$0.07600	$0.08600
PG&E Delivery Rate ($/kWh)	$0.06204	$0.06204	$0.06204
PG&E PCIA/FF ($/kWh)	N/A	$0.00180	$0.00180
Total Electricity Cost ($/kWh)	$0.14915	$0.13984	$0.14984
Average Monthly Bill ($)	**$136.37**	**$127.86**	**$137.00**

Monthly usage: 914kWh

Rates are current as of September 1, 2015

LS-2 / LS-2

StreetLights: LS2	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.08711	$0.07600	$0.08600
PG&E Delivery Rate ($/kWh)	$0.06204	$0.06204	$0.06204
PG&E PCIA/FF ($/kWh)	N/A	$0.00180	$0.00180
Total Electricity Cost ($/kWh)	$0.14915	$0.13984	$0.14984
Average Monthly Bill ($)	**$500.93**	**$469.66**	**$503.25**

Monthly usage: 3,359 kWh

Rates are current as of September 1, 2015

LS-3 / LS-3

StreetLights: LS3	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.08711	$0.07600	$0.08600
PG&E Delivery Rate ($/kWh)	$0.06204	$0.06204	$0.06204
PG&E PCIA/FF ($/kWh)	N/A	$0.00180	$0.00180
Total Electricity Cost ($/kWh)	$0.14915	$0.13984	$0.14984
Average Monthly Bill ($)	**$25.05**	**$23.49**	**$25.17**

Monthly usage: 168 kWh

Rates are current as of September 1, 2015

TC-1 / TC-1

StreetLights: TC1	PG&E	MCE Light Green (50% Renewable)	MCE Deep Green (100% Renewable)
Generation Rate ($/kWh)	$0.08526	$0.07300	$0.08300
PG&E Delivery Rate ($/kWh)	$0.12388	$0.12388	$0.12388
PG&E PCIA/FF ($/kWh)	N/A	$0.01100	$0.01100
Total Electricity Cost ($/kWh)	$0.20914	$0.20788	$0.21788
Average Monthly Bill ($)	**$53.20**	**$52.88**	**$55.42**

Monthly usage: 254 kWh

Rates are current as of September 1, 2015

Renewable Energy Rate Comparisons (PG&E and MCE)

PG&E recently launched a renewable energy option for a limited number of customers. The following table compares the cost of electricity for PG&E and MCE:

E-1 (Typical residential customer)

	PG&E Standard (Currently 27% Renewable)	50% Renewable	100% Renewable
PG&E	$98.01*	$106.38**	$114.74***
MCE	n/a	$96.53*	$101.20*

* As provided by PG&E for the E-1 / RES-1 tariff for consumer using 467 kWh/month, with rates as of 9/1/2015.
** Assumes PG&E average rate plus an additional $8.37 per month for a residential consumer with monthly usage of 467 kWh.
*** Assumes PG&E average rate plus an additional $16.73 per month for a residential customer with monthly usage of 467 kWh.

A-1 (Typical small commercial customer)

	PG&E Standard (Currently 27% Renewable)	50% Renewable	100% Renewable
PG&E	$265.64*	$283.09**	$300.54***
MCE	n/a	$254.21*	$266.65*

* As provided by PG&E for the A-1, A-6, A-15, TC-1 tariff as of 9/1/2015, for businesses using 1244 kWh/month.
** Assumes PG&E average rate plus an additional $17.45 per month for businesses with monthly usage of 1244 kWh.
*** Assumes PG&E average rate plus an additional $34.90 per month for businesses with monthly usage of 1244 kWh.

Data Source: PG&E website [January 18, 2016]

	Electricity Usage	PG&E Cost	MCE Light Green Cost	City-Wide Savings
	Total annual electricity usage in kWh (all customers city-wide)	Estimated total annual city-wide electricity cost with all customers using PG&E	Estimated total city-wide electricity cost with all customers using MCE Light Green	Estimated city-wide electricity cost savings per year using MCE Light Green
Residential*	82,205,777.00	$17,236,907.32	$16,975,492.95	$261,414.37
Commercial**	36,095,646.00	$7,706,420.42	$7,374,701.43	$331,718.99
Municipal***	1,058,370.41	$233,042.00	$220,141.05	$12,900.95

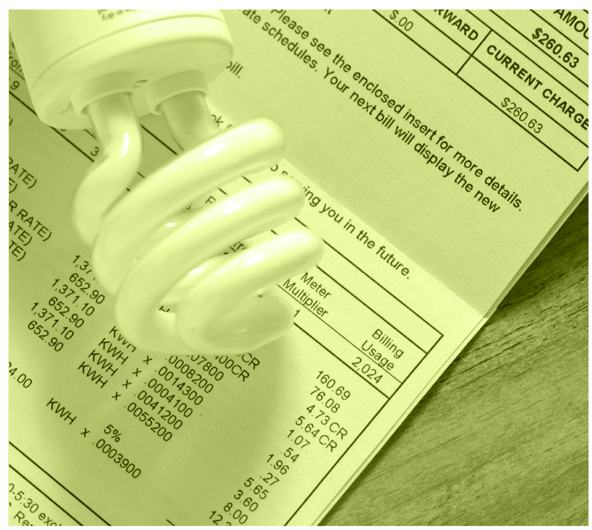
- Rates are based on Joint Rate Comparisons Table published by PG&E and MCE, updated September 1, 2015
- There are multiple different rate schedules and rates are variable. The numbers used are only estimates using the September 1, 2015 rate schedules listed below and represent what the City would have saved in 2015.

  * **kWh data source:** PG&E 2010; **Rate schedule**: E-1/Res-1
  ** **kWh data source:** PG&E 2010; **Rate schedule**: A-1/Com-1
  *** **kWh data source:** PG&E Electricity Bills 2015; **Rate schedule**: A-6/Com-6

MCE Clean Energy
My community. My choice.

We know how confusing utility bills can be.

Here's your electric bill, **explained.**



We know how confusing utility bills can be.

As MCE begins providing your electric service, we want to minimize any confusion you might have about your PG&E bill.

Use this sample bill to understand the various charges on your bill.

If you have questions or concerns, please call us at 1 (888) 632-3674, Monday through Friday between 7 A.M. and 7 P.M. Press 0 to speak to a customer service agent. Or email us at info@mceCleanEnergy.com.

Page One: Account Summary

SAMPLE BILL: **PAGE ONE**

ENERGY STATEMENT
www.pge.com/MyEnergy

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

Service For:

MARY SMITH
1234 STREET AVENUE
SAN RAFAEL, CA
94804

Questions about your bill?

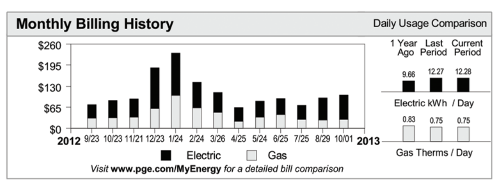
24 hours per day, 7 days per week
Phone: 1-866-743-0335
www.pge.com/MyEnergy

Local Office Address

750 LINDARO STREET, STE 160
SAN RAFAEL, CA 94901

Your Account Summary

Amount Due on Previous Statement	82.85
Payments Received Since Last Statement	82.85
Previous Unpaid Balance	$0.00
(2) Current PG&E Electric Delivery Charges	$42.16
(3) MCE Electric Generation Charges	$51.97
Current Gas Charges	$27.20
Total Amount Due	$121.33
(4) **Total Amount Due**	**$121.33**



Important Messages

Your charges on this page are separated into delivery charges from PG&E and generation or procurement charges from an energy provider other than PG&E. These two charges are for different services and are not duplicate charges.

Electric power line safety PG&E cares about your safety. Be aware of your surroundings and keep yourself, tools, equipment and antennas at least 10 feet away from overhead power lines. If you see an electric power line fall to the ground, keep yourself and others away, call **9-1-1** and then PG&E at **1-800-743-5000**.

1 Account Number

This PG&E account number is needed to Opt Up to Deep Green service or to Opt Out.

2 PG&E Electric Delivery Charges

This is PG&E's charge for the delivery of electricity to your home or business. **It includes transmission, distribution, and a variety of other fees explained in Point 6** (page 2 of your Sample Bill)**. It does NOT include generation charges if you're an MCE customer.**

PG&E has always charged for the delivery of electricity; this rate will not change if you're an MCE customer. The only change is that generation is no longer included, because it is billed by MCE instead.

3 MCE Electric Charges

This is MCE's charge for generation—the cost of electricity that powers your home or business. This charge replaces what PG&E would otherwise charge. These charges are detailed on Page 4 of your Sample Bill.

4 Total Amount Due

The total amount due includes ALL of your fees for PG&E gas services and electric delivery, and MCE electric generation services. You should remit the total amount due on your bill to PG&E, as indicated.

Pages Two and Three: PG&E Charges

SAMPLE BILL: **PAGE THREE**

ENERGY STATEMENT
www.pge.com/MyEnergy

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

Details of PG&E Electric Delivery Charges
10/01/2013 – 11/01/2013 (31 billing days)

Service For: 1234 STREET AVENUE
Service Agreement ID: 0123456789
Rate Schedule: E1 T Residential Service

Service Information

Meter #	0000000000
Current Meter Reading	1,508
Prior Meter Reading	1,000
Total Usage	508.000000 kWh
Baseline Territory	X
Heat So	
Serial	
Rotating	

10/01/2013 – 11/01/2013	Your Tier Usage	1	2	3	4

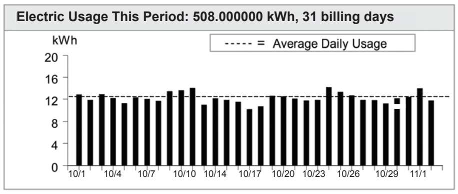
Tier 1 Allowance	362.70 kWh	(31 days x 11.7 kWh/day)
Tier 1 Usage	362.70 kWh	@$0.13230
Tier 2 Usage	108.81 kWh	@$0.15040
Tier 3 Usage	36.49 kWh	@$0.31916
Generation Credit	-$40.05	
6 Power Charge Indifference Adjustment	$5.59	
Franchise Fee Surcharge	$0.32	
7 **Total PG&E Electric Delivery Charges**	**$42.16**	

8

2013 Vintaged Power Charge Indifference Adjustment

Your delivery and maintenance services from PG&E will remain unchanged.

Electric Usage This Period: 508.000000 kWh, 31 billing days



SAMPLE BILL: **PAGE TWO**

ENERGY STATEMENT
www.pge.com/MyEnergy

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

Important Phone Numbers - 24 hours per day, 7 days per week

Customer Service (All Languages; Relay Calls Accepted) 1-800-743-5000
TDD/TTY (Speech/Hearing Impaired) 1-800-652-4712

Servicio al Cliente en Español (Spanish)	1-800-660-6789	Dịch vụ khách tiếng Việt (Vietnamese)	1-800-298-8438
華語客戶服務 (Chinese)	1-800-893-9555	Business Customer Service	1-800-468-4743

Rules and rates

You may be eligible for a lower rate. To learn more about optional rates or view a complete list of rules and rates, visit www.pge.com or call 1-800-743-5000.

If you believe there is an error on your bill, please call 1-800-743-5000 to speak with a representative. If you are not satisfied with our response, contact the California Public Utilities Commission (CPUC), Consumer Affairs Branch, 505 Van Ness Avenue, San Francisco, CA 94102, 1-800-649-7570 or 415-703-2032 (TDD/TTY).

To avoid having service turned off while you wait for a CPUC decision, enclose a deposit check (payable to the CPUC) for the disputed amount and a description of the dispute. The CPUC will only accept deposits for matters that relate directly to billing accuracy. If it is not possible for you to pay your deposit, you must advise the CPUC. PG&E can not turn off your service for nonpayment while it is under review by the CPUC, however, you must continue to pay your current charges to keep your service turned on.

If you are not able to pay your bill, call PG&E to discuss how we can help. You may qualify for reduced rates under PG&E's CARE program or other special programs and agencies may be available to assist you. You may qualify for PG&E's Energy Savings Assistance Program which is an energy efficiency program for income-qualified residential customers.

Important definitions

Rotating outage blocks are subject to change without advance notice due to operational conditions.

Tier 1 (Baseline) allowance: All residential customers are given a Tier 1 allowance - a CPUC approved percentage of average customer usage during summer and winter months. Your Tier 1 allowance provides for basic needs at an affordable price and encourages conservation. Your allowance is assigned based on the climate where you live (baseline territory), the season and your heat source. As you use more energy, you pay more for each tier of usage.

Electric Tier	% of Baseline
1	0% – 100%
2	101% – 130%
3	131% – 200%
4	> 200%
Gas Tier	% of Baseline
1	0% – 100%
2	> 100%

DWR bond charge: Recovers the cost of bonds issued by the Department of Water Resources (DWR) to purchase power to serve electric customers during the California energy crisis. DWR bond charges are collected on behalf of DWR and do not belong to PG&E.

DWR power charge: Included in generation charges for energy provided by the Department of Water Resources. Approximately 1% of your energy is provided by DWR and collected by PG&E as DWR's agent. In 2013, DWR will return $26 million to bundled service customers which offsets other generation charges in this bill.

Power Charge Indifference Adjustment (PCIA): Ensures that customers who purchase electricity (generation) from non-PG&E suppliers pay their share of generation costs acquired to serve them prior to their departure, unless otherwise exempt.

Gas Public Purpose Program (PPP) Surcharge. Used to fund state-mandated gas assistance programs for low-income customers, energy efficiency programs, and public-interest research and development.

Visit: www.pge.com/billexplanation for more definitions.

Your Electric Charges Breakdown	
Conservation Incentive	-$22.36
Transmission	$7.46
Distribution (note: includes NSGC)	$37.75
Public Purpose Programs	$7.38
Nuclear Decommissioning	$0.25
DWR Bond Charge	$2.50
Competition Transition Charges (CTC)	$1.93
Energy Cost Recovery Amount	-$0.10
PCIA	$3.08
Taxes and Other	$0.29
Total Electric Charges	**$39.32**

5

5 Your Electric Charge Breakdown

These are PG&E electric delivery charges and associated fees.

6 Franchise Fee Surcharge

This fee is collected by PG&E to pay for the right to use public streets to run gas and electric service.

7 Net Charges and Total Charges

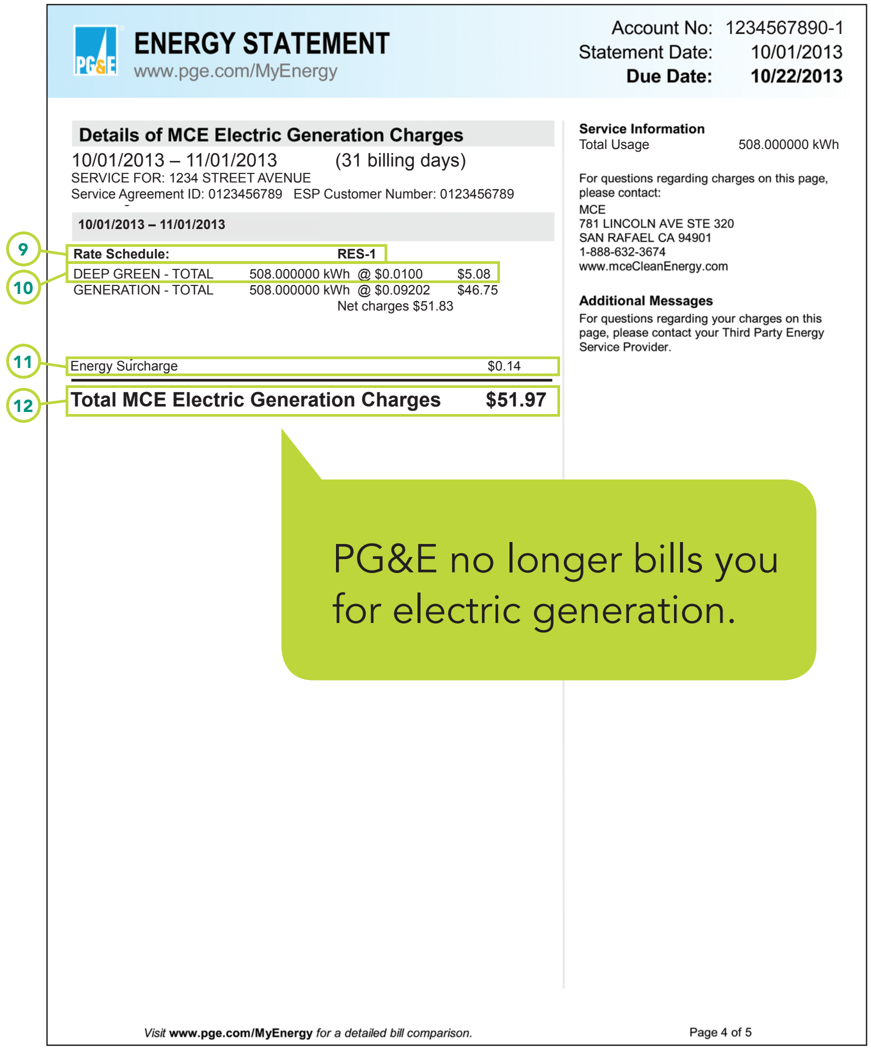
This is the sum of PG&E's charges for electric delivery, which matches the charge on the summary page of your bill (page 1 on your Sample Bill).

8 Power Charge Indifference Adjustment

This fee is required by PG&E of all MCE customers. It is intended to ensure that customers who switch to MCE pay for energy that PG&E procured on their behalf, prior to their switch.

Page Four: MCE Charges

SAMPLE BILL: **PAGE FOUR**



ENERGY STATEMENT
www.pge.com/MyEnergy

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

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

10/01/2013 – 11/01/2013

9 **Rate Schedule:**	**RES-1**		
10 DEEP GREEN - TOTAL	508.000000 kWh	@ $0.0100	$5.08
GENERATION - TOTAL	508.000000 kWh	@ $0.09202	$46.75
		Net charges $51.83	
11 Energy Surcharge			$0.14
12 **Total MCE Electric Generation Charges**			**$51.97**

Service Information
Total Usage 508.000000 kWh

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

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

Visit **www.pge.com/MyEnergy** *for a detailed bill comparison.*

Page 4 of 5

9 Rate Schedule

This indicates the rate at which you are receiving electric generation service, as determined by MCE. For more information about our rates visit www.mceCleanEnergy.com/rates.

10 Deep Green Total

If you've Opted Up to Deep Green 100% renewable energy, you'll see an additional $0.01 per kilowatt hour charge. It only applies to Deep Green customers.

11 Energy Surcharge

This fee is collected on behalf of the California Energy Commission. It was previously included in PG&E's fees.

12 Total Charges

This is the sum of all electric generation services from MCE.

MCE Clean Energy
My community. My choice.

Questions or Comments? We'd love to hear from you!

CALL US 1(888) 632-3674
EMAIL US info@mceCleanEnergy.com
VISIT OUR WEBSITE mceCleanEnergy.com

MCE
781 Lincoln Avenue, Suite 320
San Rafael, CA 94901

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twitter.com/mceCleanEnergy

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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

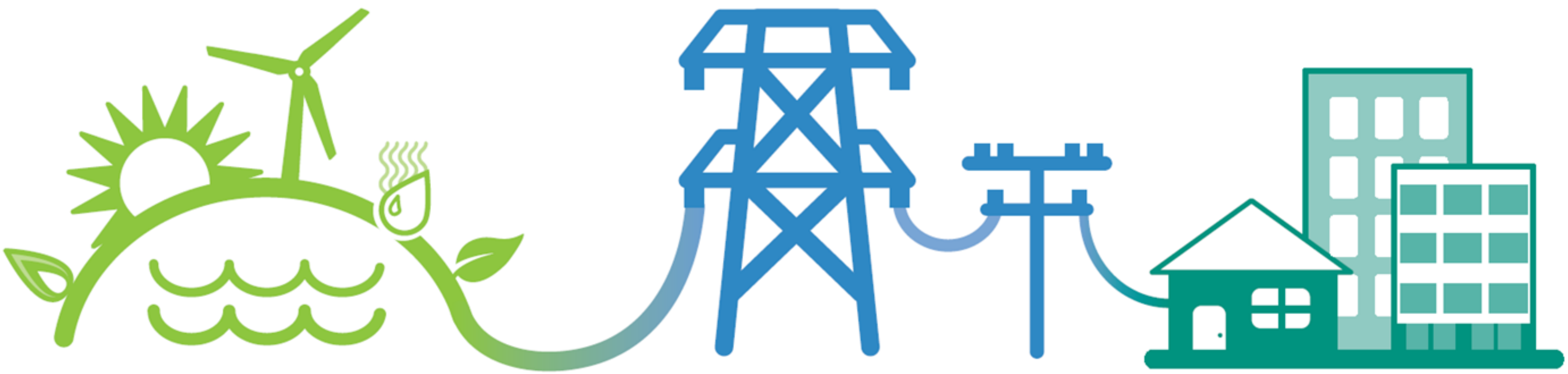
Offer more renewable power to consumers

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

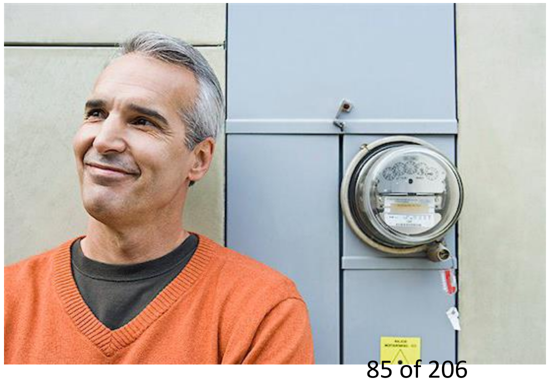
MCE

Local Sol

100%

Local Solar (2016)

*Most recently reported.



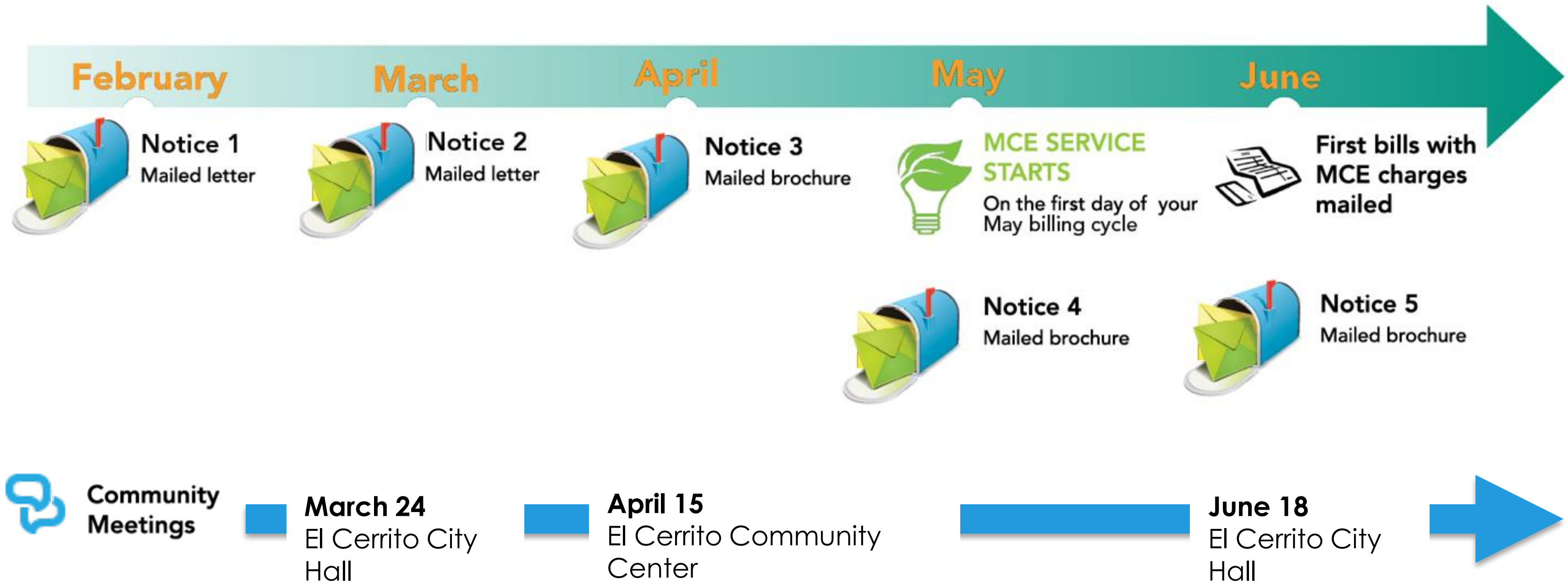
Average annual savings

$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

263 MW peak

≈165,000 accounts; ≈1,800 GWh/yr

MCE Overview

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

CALIFORNIA ENERGY COMMISSION

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

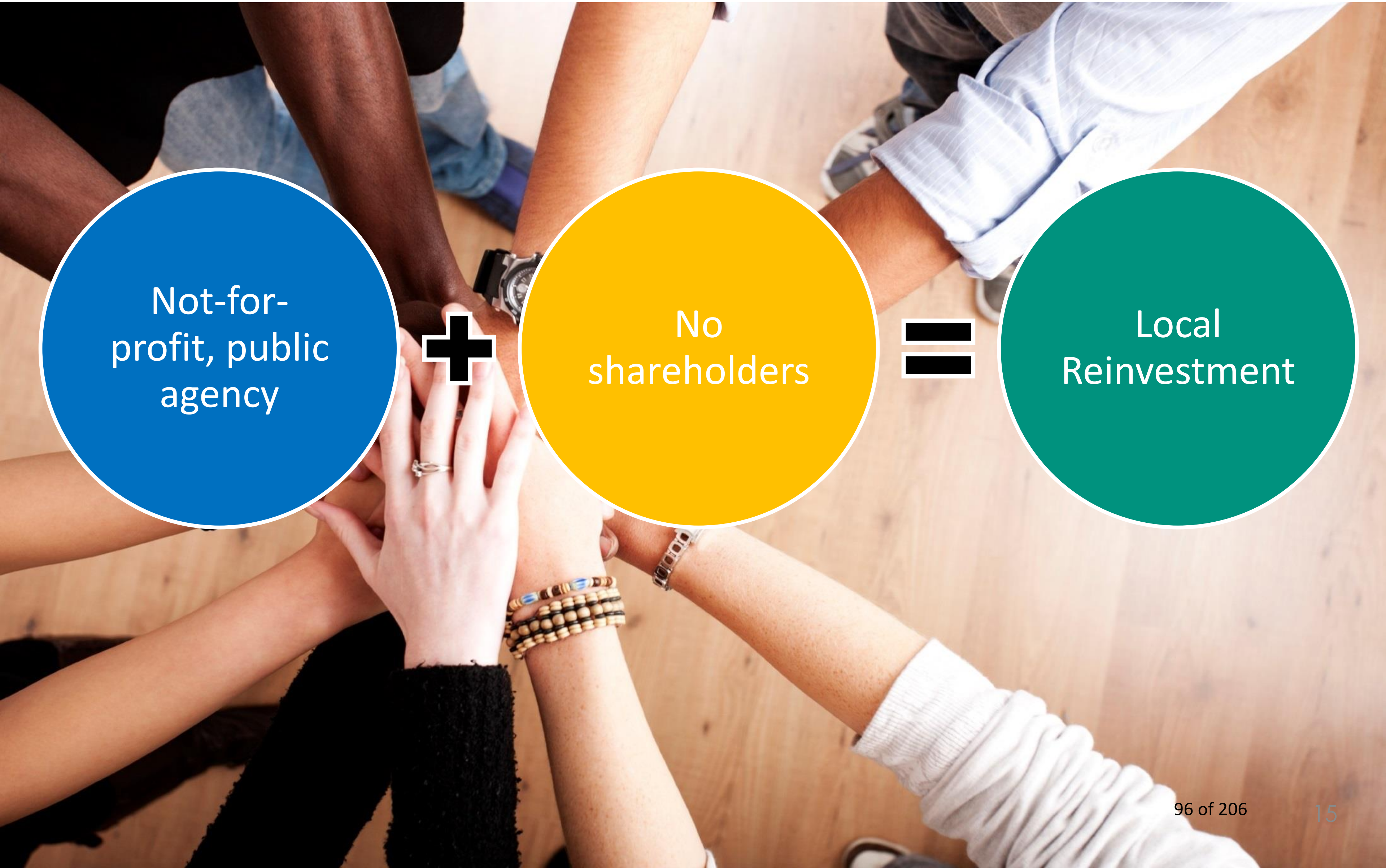
Demand Management Pilots

- $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



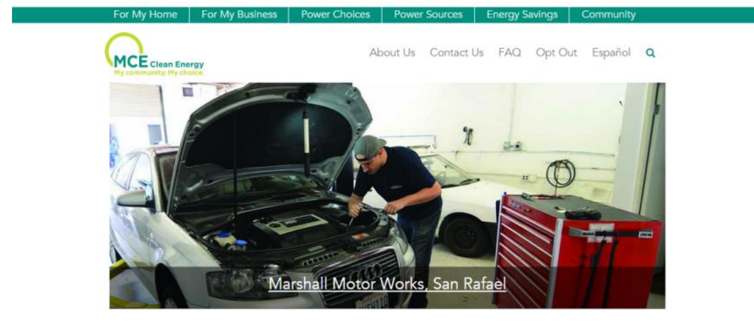
Deep Green Champions

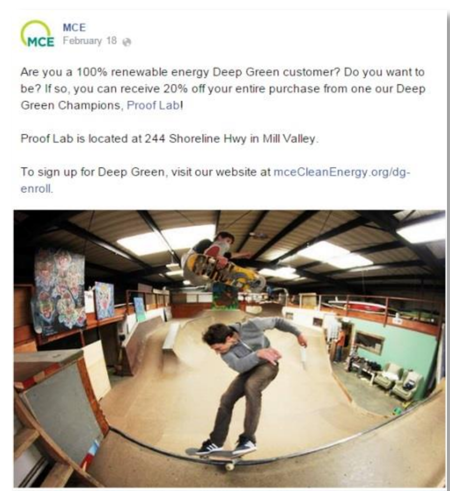
Deep Green 100% renewable energy is available now.

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

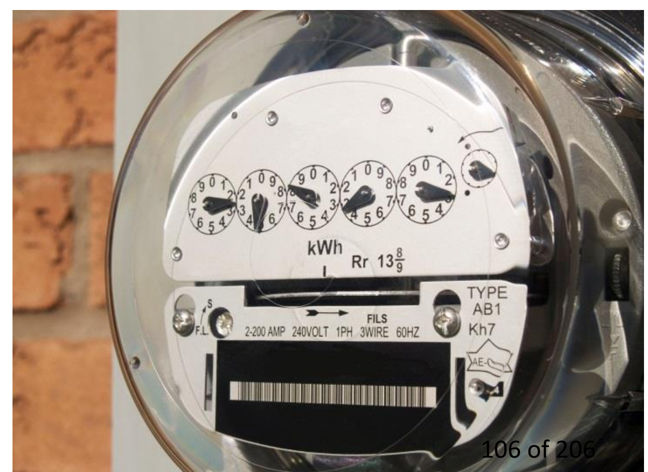
- **Net Energy Metering (NEM)** – MCE serves 3,800 rooftop solar customers, totaling 35.2 MW

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

Risk Assessment of Participation in the Marin Clean Energy Community Choice Aggregation Program

On Behalf of the City of Richmond

MRW & Associates, LLC
1814 Franklin Street, Suite 720
Oakland, CA 94612

October 20, 2011

Contents

Acronyms Used

CARE	California Alternate Rates for Energy
CCA	Community Choice Aggregation
CPUC	California Public Utilities Commission
CRS	Responsibility Surcharge
DMC	Dalessi Management Consultants, LLC
GHG	greenhouse gas
JPA	Joint Powers Authority
kWh	kilowatt-hour
LBNL	Lawrence Berkeley National Laboratory
MCE	Marin Clean Energy
MEA	Marin Energy Authority
MRW	MRW & Associates, LLC
PCIA	Power Charge Indifference Amount
PG&E	Pacific Gas & Electric
RPS	Renewable Portfolio Standard

Executive Summary

The Marin Energy Authority (MEA) is a Joint Powers Authority (JPA) consisting of the County of Marin, City of Belvedere, Town of Fairfax, City of Mill Valley, Town of San Anselmo, City of San Rafael, City of Sausalito, and Town of Tiburon. MEA is considering allowing the City of Richmond to become a member of the JPA and participate in the Marin Clean Energy (MCE) Community Choice Aggregation (CCA) program. MCE provides commodity electric service to citizens and businesses throughout Marin.

Richmond retained MRW & Associates, LLC to examine the risks associated with joining MEA, participating in MCE, and review the load studies that Richmond commissioned as part of its due diligence related to participation in MEA and MCE. MRW's scope of work consists of four tasks:

- Assess potential risks and benefits to City residents and businesses if Richmond joins the MEA, in particular, the rate risk to the community.
- Assess potential risks and benefits to the City itself if it chooses to join the MEA.
- Provide comments on the Dalessi Management Consulting load and resource requirement analysis.
- Provide qualitative comments on any materials MEA provides to Richmond.

Participation in MCE does not come without risks. However, remaining a customer of PG&E also involves risks, although those risks may be less easily identifiable. It is up to the policymakers of Richmond to determine if the benefits associated with participation in MCE justify the risks. If Richmond joins MEA, it would allow its citizens and businesses the opportunity to take commodity electric service from MCE. If a customer does not take the conscious choice to opt out from the program and remain with PG&E for commodity electricity service, then they would, by default, become a customer of MCE. The opt-out requirement effectively means that despite the many opt-out notices that MCE is required to send out, some customers could become MCE customers without necessarily intending to do so. This could be a problem because different stakeholders have different values and risk preferences. For example, one customer might be extremely price-sensitive and would not tolerate higher rates for electric service, while another customer might be willing to pay more for electric service in order to obtain power from renewable energy sources.

According to MCE, participation in MCE can provide the citizens and businesses of Richmond with certain benefits. These include:

- Greater levels of power supply from renewable energy sources than offered by PG&E at competitive costs
- Reduced greenhouse gas emissions as a result of participation in MCE
- Alternative power supply opportunities for MCE customers, including self-generation of renewable energy through MCE-sponsored feed-in tariffs

- Development of local renewable resources to supply power to MCE
- Economic development benefits resulting in more jobs and tax revenues
- Rebates to encourage investments in energy efficiency improvements in homes and businesses
- Greater local control over power supply decisions and rate setting.

Given the scope of work for this assignment, MRW has not attempted to quantify or evaluate the relative magnitude of these benefits.

MRW has identified a wide range of potential risks that the City of Richmond, its residents and businesses (if they do not opt out of service from MCE) would face were it to join MEA. Some of these risks are significant while others are less important. The types of risks fall into several broad categories:

- Procurement Risks: This broad category of risks relates to the ability of MCE to procure power at reasonable costs, to avoid significant under- or over-procurement, and the future success of MCE at renewing power supply agreements.
- Regulatory Risks: These risks consist of uncertainty in regulatory decisions by the California Public Utilities Commission that could adversely affect the costs that customers have to pay to take service from MCE, such as exit fees paid by customers and bonding requirements for MCE.
- MEA Policy Risks: While all JPA members have a voice on the MEA Board, no single city can control policy. Thus, given Richmond's differing demographic, economic, and business composition relative to Marin County, Richmond might find that the interests of its citizens and businesses are not well served by decisions of the MEA Board.
- Customer Cost Risks: These risks consist of the uncertainty in exit fees, whether MCE can continue to "meet or beat" PG&E's costs of service, how MCE will handle adding different tranches of customers in the future, and the uncertainty in costs that are passed through directly from the CCA's power supplier to customers. This also includes the risk that MCE may not be willing, or able, to provide low-income customers rates that will be no higher than PG&E's.
- City-Specific Risks: These risks relate to risks that Richmond might bear simply by becoming a member of MEA, separate and apart from any risks that it might bear as a customer purchasing power from MCE.

The following table summarizes the risks discussed in greater detail in the body of the report. The table categorizes the risks based on the type of risk (e.g., procurement, customer costs), the entity that bears the risk (citizens or the City) as well as the relative importance of the risk in terms of the impact that it might have on customer costs or viability of the CCA.

Description of Risk	Magnitude or Importance of Risk
Procurement Risks	
Volume Risk: Uncertainty in load can cause under- or over-procurement	Medium
Future Price Risk: MCE cannot procure power for incremental customers at competitive costs	High
Expansion of CCA: Can current contract accommodate all new customers?	Medium
Contract Renewal: MCE cannot procure power at competitive prices at end of current agreement	High
Regulatory and Policy Risks	
Adverse CPUC Decisions: Exit Fees and bonding costs may be higher than expected	High
MEA's lack of Low-Income ratepayer policy	Very High
Full details of requirements of new MEA members not set	Low
Richmond's interests may not always align with that of other JPA members	Medium
Customer Cost Risks	
PG&E Exit Fees: Who bears risk of changes in exit fees?	High
Uncertainty in Departing Load Fees: How much must customer pay to exit CCA after opt-out period ends?	Medium
MCE Pricing Commitment: Will MCE meet or beat PG&E rate?	High
MCE Pricing Commitment: Will MCE hold CARE customers harmless?	Very High
City-Specific Risks	
Supplier Guarantees: City must provide guarantees to power suppliers	Medium
New Generation Guarantees: City must provide support to obtain financing for new generation	Low
Loss of Participation Fee: City departs CCA	Low

MRW believes the most significant risk is whether MCE will ultimately be able to provide long-term power supplies at costs that are less than PG&E could provide. Thus, if the City's customers are highly price sensitive, then this risk may be of great concern and would indicate that the City should place a premium on ensuring the its citizens and businesses are fully informed about the opt-out requirements of MCE. The City should also delve deeper into the likely future rates for MCE and PG&E, especially for the City's most price-sensitive customers.

This is particularly true for low-income households who currently take service under the California Alternate Rates for Energy (CARE) program offered by PG&E. MCE does not provide any guarantee that these customers would not be financially harmed by participation in MCE. In other words, customers currently taking service from PG&E under the CARE program could (and, given MCE's current policy and rates, would) experience higher electricity bills with MCE than with PG&E. Under current (2011) rates, a typical CARE household taking service from MCE would pay roughly $100 a year more for electricity than it would taking service from PG&E, although given anticipated rate changes, this value is expected to drop to approximately $30-40 in 2012.

1. Introduction and Background

The Marin Energy Authority (MEA) is a Joint Powers Authority (JPA) consisting of the County of Marin, City of Belvedere, Town of Fairfax, City of Mill Valley, Town of San Anselmo, City of San Rafael, City of Sausalito, and Town of Tiburon.[1] MEA is considering allowing the City of Richmond to become a member of the JPA and participate in the Marin Clean Energy (MCE) Community Choice Aggregation program. MCE provides commodity electric service to citizens and businesses throughout Marin. The City has asked MRW & Associates, LLC (MRW) to provide an assessment of the risks and benefits inherent in joining MCE.

1.1 Background on Marin Clean Energy

MCE is a Community Choice Aggregation (CCA) program. As a CCA program, MCE provides commodity electric service and other energy-related services to its customers. MCE, the first fully functioning CCA in California, has been providing these services to a subset of the customers in its service area since May 2010. MCE plans to offer service to customers by July 2012.

At the present time, MCE offers two electric supply products:

1. The Light Green product, which provides electric service that has a greater penetration of California Certified renewable resources (i.e., 27%) than does the incumbent electric utility, Pacific Gas & Electric (PG&E). MCE contends that this energy supply option is cost-competitive with PG&E's retail rates.

2. The Deep Green product, which provides 100% California Certified renewable resources for a $0.01 per kWh surcharge on top of the charges for the Light Green product.

1.2 Background on Potential MEA Membership for Richmond

MEA is allowing other cities in Marin that are not currently members of MEA to join the Joint Powers Authority. In addition, MEA is considering allowing Richmond to join MEA. If a city chooses to join MEA, then that city's citizens and businesses are automatically enrolled as customers of MCE unless a new customer opts out from participation in MCE.

At its October 3, 2011 Board Retreat, MEA noted criteria that would need to be met for Richmond to join the MEA JPA, as well as a potential timeline. The Board Retreat packet (item 6a) noted that for Richmond to join MEA, <u>all</u> of the following criteria need to be met:

- Addition of load is beneficial to existing customer base by increasing contributions to fixed costs and rate stability
- The expansion results in acceleration of greenhouse gas reductions in California

[1] MRW understands that the Town of Ross and the City of Novato have decided to join MEA.

- The expansion would allow for increases the amount of renewable energy being used in California's energy market
- City of Richmond is supportive of and endorses MEA's mission & current electricity procurement plans (target for 33% renewable energy content by 2015)
- City of Richmond adopts MEA's sample resolution and ordinance

The Board Retreat packet also notes that three or more of the following criteria need to be met:

- New opportunities are available to deploy local solar, other distributed renewable generation and/or CHP through MCE's Net Energy Metering Tariff and/or Feed in Tariff
- There is in increase in the ability to launch and operate energy efficiency activities and programs
- Regional benefits are achieved based on Richmond's geographically proximate location
- Greater demand for local jobs and other local economic activity (office rental, office materials, accounting, legal and other vendor services) is likely to result from the expansion
- The City of Richmond has completed polling to determine market interest in MCE with results that demonstrate market interest is present
- The City of Richmond has conducted substantive outreach (i.e. 3 or more community-based meetings) within the community to discuss MCE and receive positive feedback from the public

Assuming that the above criteria are met, the timeline presented at the MEA Board retreat also suggests that the earliest Richmond could begin service from MCE is 2013.

1.3 Scope of Assignment

The office of Richmond's City Manager approached MRW to conduct an independent third-party analysis of the risks associated for Richmond to join the MEA. The Scope of MRW's analysis includes the following four areas:

- Determine potential risks to City residents and businesses if Richmond joins the MEA, in particular, the rate risk to the community
- Determine potential risks to the City itself if it chooses to join the MEA
- Provide comments on the Dalessi Management Consulting load and resource requirement analysis
- Provide qualitative comments on any materials MEA provides to Richmond

Appendix 2 summarizes MRW's qualifications related to this assignment.

It is important to note that this assessment is not a study of the overall risks and benefits of participation in MCE. Thus, this report does not attempt to evaluate or quantify the possible benefits to various Richmond stakeholders (e.g., residential customers, businesses, municipal accounts) or associated risks of remaining on PG&E service. As such, the assessment must be viewed as being only one part of the assessment of participation by Richmond in MCE. However, as noted above, MCE has clearly outlined the benefits that it sees associated with participation in a CCA such as MCE.

One additional point must be stressed: If Richmond decides to join MEA, the City is merely providing its citizens and businesses with *the opportunity* to take service from MCE: customers have the ability to opt-out from MCE and to remain customers of PG&E. However, customers must take conscious action to remain with PG&E; if they do nothing, they will become customers of MCE. MCE is required to provide at least four notices (post-cards, flyers, etc.) to all potential MCE customers informing them of this opt-out option. Nonetheless, even with the opt-out notices, it is almost certain that some citizens or businesses would become MCE customers effectively without their knowledge or consent. This could be a problem for Richmond's policymakers if the potential benefits and risks of participation in MCE are not consistent with the risk preferences and other goals of the citizens and businesses that become MCE customers by default.

2. Benefits of Participation in MCE

At the Richmond City Council meeting on July 19, 2011, MEA's Executive Director Dawn Weisz gave a presentation on MCE and the potential benefits to Richmond of becoming a member of the MEA JPA. MCE's website and presentation materials that MEA has circulated at other civic meetings discuss these benefits in detail and present additional ones. This section summarizes those benefits.[2]

Some of the primary benefits potentially offered by MCE to Richmond include:

- ***Greater levels of power supply from renewable energy sources than offered by PG&E at competitive costs***

It is clear that MEA's policy and supply portfolio is designed to, and will likely achieve, greater renewable penetration than is projected to be achieved by PG&E. It may or may not be able to do so at costs equal to or less than PG&E.

- ***Competition between electric service providers will lead to more competitive rates and prices for Richmond residents and businesses***

In theory, competition among suppliers will reduce prices to consumers and offer a wider variety of products in the marketplace. MCE, through its light-green and dark-green products, clearly is providing customers greater choice, but it is uncertain whether it will result in more competitive rates.

- ***Reduced greenhouse gas emissions as a result of participation in MCE***

Again, it is clear that MEA's policy and supply portfolio is designed to, and will likely achieve, a net reduction in greenhouse gas (GHG) emissions associated with electricity supply to its customers. This is because the average GHG emissions from the CCA would be lower than the *marginal* emissions from PG&E (i.e., the actual incremental emissions that PG&E would incur if it were serving that load). However, because PG&E has large amounts of carbon-free generation (large hydroelectric dams and the Diablo Canyon nuclear plant), PG&E's *average* GHG emissions rate might still be lower than the MCE's average emissions, even if the MCE has more qualifying "renewable" generation. Even so, as long as fossil fuel is on PG&E's generation margin, which it will be for the foreseeable future, the MCE policies would result in reduced GHG emissions.

- ***Provision of more robust incentives to businesses and residents to sell power back to MCA and thus stimulate the local economy***

Both PG&E and MCE offer net energy metering and feed-in-tariffs for small renewables generators. However, the current rates paid by MCE to small renewables generators through its

[2] This section is not intended to comprehensively repeat those benefits, or postulate additional ones. Instead, we simply reiterate some of the primary benefits that have been presented by MEA and briefly comment upon them.

feed-in-tariff are greater than that offered by PG&E. To the extent that MCE can maintain this price advantage over PG&E, and do so with lower transaction costs (i.e., fewer “hoops” to jump through), incremental local renewable development should occur, providing local economic stimulus.

- ***Attraction of more green businesses to locate in Richmond and thus increase business-related revenues to the City and create jobs for residents.***

and

- ***Creation of more employment opportunities for Richmond residents and contractors through the CCA power procurement contracts.***

To the extent that MCE has local purchase preferences and green businesses are attracted to MCE’s offerings, incremental economic development in Richmond may occur.

- ***Greater local control over power supply decisions and rate setting.***

Given that its policies are set by MEA’s Board of Directors, MCE would offer greater control of procurement and rate-making decisions than PG&E. However, Richmond has a different economic and demographic makeup than much or all of the other members of MEA. Since Richmond would only have a single vote on the MEA Board, it might find that the interests of the City and its residents and businesses are not always well served by Board decisions, especially in cases where Richmond’s interests to not align with those of the other MEA members.

3. Risks of Participation

This section presents MRW's assessment of the major risks facing customer groups and the City as a result of participation in MCE. It then examines potential risks faced by City residents if the City joins MEA. It concludes by examining potential risks to the City itself if the City were to join MEA.

The following table summarizes the risks discussed in the following sections. The table categorizes the risks based on the type of risk (e.g., volume, procurement, customer costs), the entity that bears the risk (e.g., citizens or the City) as well as the relative importance of the risk in terms of the impact that it might have on customer costs or viability of the CCA.

Description of Risk	Magnitude or Importance of Risk
Procurement Risks	
Volume Risk: Uncertainty in load can cause under- or over-procurement	Medium
Future Price Risk: MCE cannot procure power for incremental customers at competitive costs	High
Expansion of CCA: Can current contract accommodate all new customers?	Medium
Contract Renewal: MCE cannot procure power at competitive prices at end of current agreement	High
Regulatory and Policy Risks	
Adverse CPUC Decisions: Exit Fees and bonding costs may be higher than expected	High
MEA's lack of Low-Income ratepayer policy	Very High
Full details of requirements of new MEA members not set	Low
Richmond's interests may not always align with that of other JPA members	Medium
Customer Cost Risks	
PG&E Exit Fees: Who bears risk of changes in exit fees?	High
Uncertainty in Departing Load Fees: How much must customer pay to exit CCA after opt-out period ends?	Medium
MCE Pricing Commitment: Will MCE meet or beat PG&E rate?	High
MCE Pricing Commitment: Will MCE hold CARE customers harmless?	Very High
City-Specific Risks	
Supplier Guarantees: City must provide guarantees to power suppliers	Medium
New Generation Guarantees: City must provide support to obtain financing for new generation	Low
Loss of Participation Fee: City departs CCA	Low

3.1 Procurement-Related Risks

In late 2009, MRW provided an assessment of risks to Marin County and several cities and towns related to participation in MCE. At that time, MRW identified a number of risks that existed in the agreements and policies of MCE. Since then, MEA has finalized its power supply and service agreements and MCE has begun to deliver power to its customers. This section discusses the status of the major risks that MRW identified before MCE began operation.[3]

3.1.1 Uncertainty in Amount of Power to Procure

MCE had to either specify the quantity of renewable and non-renewable energy and other services that it will receive from the supplier or establish some other mechanism whereby its loads are met. This is a concern because if MCE over-procures, then it will have to resell its excess supplies into the market (at unknown prices) and could face significant costs (or gains) from those sales. On the other hand, if MCE under-procures, then it needs to purchase power in the future at unknown rates, which could be higher (or lower) than the fixed prices to be specified in the Agreement when they were originally signed.

MCE suffered lower opt-outs than expected in its first tranche of customers (i.e., 20 percent opt-outs instead of the 25 percent opt-out rate assumed by MEA). However, to ensure that it had not over-procured energy and other products, it allowed other customers to participate in Phase 1. Such a strategy will not be available for Phase II, since there will not be a set of customers waiting to participate in MCE.[4] On the other hand, the high opt-outs in Phase I can be at least partially attributed to a very aggressive campaign by PG&E to encourage customers to opt-out. PG&E appears to have discontinued that practice, so it is reasonable to expect fewer opt-outs in the next phase. The recently-enacted Senate Bill 790 should also discourage PG&E from taking actions against MCE in the future. Furthermore, MCE has demonstrated that it can provide service to the Phase I customers, which might assuage some concerns by customers in later implementation phases regarding the ability of MCE to perform.

3.1.2 MCE's Current Power Supply Agreement May Not be Able to Accommodate the City's (or Other Cities') Loads

As specified in the renegotiated Confirmation between MCE and its power supplier, the power supplier has an obligation to provide full requirements services to MCE. However, the agreement only specifies a fixed quantity of renewable energy that the power supplier must provide. Thus, there is some uncertainty as to the pricing of power for MCE if it is successful in recruiting the City or other cities or counties (such as Sonoma County). If the current agreement does not provide for adequate renewable supply if new entities join MCE, then MCE will have to

[3] MRW identified more risks in its assessment for Marin County than we present here. We have omitted risks that are either not germane to Richmond or not significant.

[4] MCE currently has 9,000 customers and is in the process of offering service to another 5,000 customers. These are primarily residential customers. MCE expects to deliver to 70,000 customers by the end of 2012. Thus, for the purposes of this report, we assume that customers enrolled in 2012 are considered "Phase II" customers.

negotiate yet another agreement with its power supplier. The pricing for power under such an agreement is unknown.

3.1.3 Term of Power Supply Agreement

The MCE agreement with its power supplier runs through May 2015. After that time, MCE will have to negotiate a new power supply agreement for its entire load (not just incremental load added in Phase II or through new cities joining MCE). The pricing of this power supply is unknown. Thus, there is some uncertainty regarding the ability of MCE to "meet or beat" PG&E's price when it is time to renew the MEA power purchase agreement.[5]

Also, MCE's power supply costs are more sensitive to natural gas prices than is PG&E's generation rate. Even though MCE's current contract specifies fixed prices for the first five years of operation, if natural gas prices increase in the future from their relatively low levels today, then this would make it more difficult for MCE to compete with PG&E when MCE attempts to negotiate its next power supply agreement.

3.2 Regulatory and Policy Risks

This section addresses two areas. First, there are the risks to the CCA and its customers of changes in State policies, in particular the regulatory decisions made at the California Public Utilities Commission (CPUC). Second, there are the risks to the JPA member cities and their residents and businesses associated with MEA policies. We raise this second risk area because while all JPA member cities have a voice on the MEA Board, no single city can control policy. Thus, given Richmond's differing demographic, economic and business composition relative to Marin County, Richmond's needs and policy preferences might not be fully addressed in MEA Board decisions.

3.2.1 Need to Establish a Departing Load Fee

MEA's Business Plan assumes that MCE will construct renewable supply sources starting in 2011, with an expected online date of 2014. To undertake this construction program, MEA would issue debt (as is typically the case for other utilities). This effort would allow MCE to increase its level of renewable resources beyond the level assumed in the Agreements and would form the basis for MCE's renewable portfolio after the end of the initial power supply agreements with MCE's power supplier. The Agreements allow MCE to undertake such a development program. MCE indicated to MRW that it would only undertake such a construction program if it appeared to be cost-effective at the time the decision was being made.

[5] Based on a review of the most recent Confirmation and the Cottonwood Solar PPA, it appears that the pricing in the Cottonwood Solar PPA is higher than the cost of renewable power under MCE's agreement with its power supplier (e.g., in 2015, the price for energy plus renewable attributes for Category 1 attributes is $114.03/MWh ($65.03/MWh for energy and $49/MWh for renewable attributes) while the cost of power from Cottonwood is no less than $121/MWh.

MCE developing its own resources or entering into long-term PPAs has certain consequences:

(1) the power supplier would likely have to liquidate some portion of the resources that it procured for MCE under the Agreements, with MCE customers being responsible for any losses (or benefiting from any gains) resulting from those sales; and

(2) MEA would have fixed debt service obligations to pay for its renewable resources.

If MCE customers choose to leave MCE's service after the end of the opt-out period, then either the departing customers must pay a "Departing Load Fee" to MCE or the electric rates for remaining customers would increase. This Departing Load Fee would be only applicable to customers who did not opt out during the four month opt-out window and then subsequently, at some later date, chose to take electric service from someone other than MCE.[6]

MCE's departing load fee is $5 for residential customers and $25 for commercial customers. However, since MCE has not yet constructed any assets, it is unclear whether the departing load fee will change in the future. This uncertainty regarding MCE's policy regarding exit fees may be resolved soon, since MCE has contracted with Cottonwood Solar for 31 MW of fixed price generation.

3.2.2 CCA Bonding Obligation

MCE must post a bond with the CPUC as part of its registration process. The CCA bond is designed to cover the potential reentry costs if the CCA were to suddenly fail and be forced to return all its customers back to PG&E bundled service. The financial risk associated with this CCA Bond is twofold. First, the magnitude of the bond is uncertain. Currently, there is a proposed settlement regarding the approach for determining the CCA bonding requirement that could result in CCA bond amounts much greater than the current bond requirements.[7] Second, if power prices spike and exceed PG&E's generation rate, then the bonding requirements under the the proposed settlement would increase dramatically.

During normal conditions, the CCA Bond amount will not be a concern. However, during a wholesale market price spike, the CCA Bond could potentially increase to tens of millions of dollars. This is one example of how regulatory change can erode the economic viability of a CCA.

On the other hand, it is important to note that high power prices (that would cause a high bond requirement) would also depress PG&E's exit fee and would also raise PG&E rates, which would in turn likely provide MEA sufficient headroom to handle the higher bonding requirement

[6] Also note that if an MCE customer returns to PG&E service after the end of the opt-out period, that customer would not continue to pay Exit Fees to PG&E; they would only have to pay Departing Load Fees to MCE.

[7] The yet-to-be approved settlement at the CPUC in the CCA Docket (R.03-10-003) proposes a formula that would result in even higher CCA Bond amounts. The parties in the Settlement do not include any active or near-term prospective CCAs (i.e., MEA or San Francisco). Both MEA and San Francisco have vigorously opposed the settlement.

and keep its customers' overall costs competitive with what they would have paid had they remained with PG&E.

3.2.3 Meaning of MCE's Commitment to "Meet or Beat" PG&E Rates

MCE has stated that one of the benefits for customers is "Costs at or below PG&E."[8] In discussions with MRW, MCE has clarified that this condition is based on comparing the ***projected*** overall costs of MCE assuming power supply by a third party over the term of the Agreements against MCE's costs assuming power supply was provided by PG&E at MCE's forecast of PG&E's tariffed generation rate. In other words, the following inequality must occur for MCE to sign the Agreements:

MCE Power Supply Costs + Customer Exit Fees + MCE Overhead $\leq$ PG&E Gen Rate[9]

Of course, all of the above factors are somewhat uncertain, although MCE Power Supply Costs are less uncertain than the other factors.

In recent presentations, MCE has shown that its net commercial rates (MCE rate plus the Exit Fee) are competitive with PG&E's generation rate, but that MCE's net residential rates (MCE's RES-1 plus Exit Fee) are higher than PG&E's residential generation rates.[10]

3.2.4 CARE (Low-Income) Rate Policies

To protect low-income households against escalating electricity bills, the CPUC froze rates for the California Alternate Rates for Energy (CARE) program at July 2001 levels. As general rates have increased with CARE rates remaining frozen, the effective CARE discounts now range from 29 to 30 percent in the lower two residential rate tiers and up to 76 percent in Tier 4. While recent Commission action is moving to adjust its rate design to modestly increase the CARE Tier 3 rates, these customers will continue to receive significant discounts relative to other residential customers.

According to the data provided by PG&E, approximately 37% of the residential customers (14,000) in Richmond are on CARE rates, representing 39% of the residential load and 12% of the city's overall load. This is somewhat higher than the PG&E system average, which shows approximately 25% of its residential customers on CARE rates.

The discounts for CARE customers are taken in both the distribution and generation components. This means that the level of CARE discount in the generation rate will have to be accounted for in setting an equivalent CARE rate for low-income CCA customers.

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[8] E.g., MEA presentation, October 2009, p. 12.

[9] MEA Power Supply Costs, Customer Exit Fees, MEA Overheads, and PG&E Gen Rate are all forecasted values in early February 2010.

[10] MCE Presentation to the Novato City Council, September 27, 2011.

MEA does not have a written policy concerning the treatment of CARE customers. Currently, for every CARE rate schedule offered by PG&E, MEA offers a parallel rate. However, MEA does not explicitly set its CARE rates to meet or beat PG&E's generation rates. In email correspondence with MEA, Jamie Tuckey reported that "…the majority of our CARE rates do beat PG&E's. There are 33 different rates provided for the CARE customers across the different tiers and rate schedules. Of those 33, 24 beat PG&E's rates."[11] While technically correct, this response is incomplete. When MCE's tariff is combined with the Exit Fee, CARE customers would be paying more than PG&E generation rate.

This means that under the current *ad hoc* situation, MEA does not guarantee that low-income customers will not be financially harmed by taking MEA service. Additional CARE issues this from the customer perspective are discussed in Section 3.3.3.

3.2.5 Timing and Rates for Customers Taking Service in Later Phases of MCE's Development

MCE initially procured power for its Phase I customers in early 2010. It had planned to obtain power for the remainder of its customers (i.e., the Phase II customers) at a later date. This meant that either prices will differ for Phase I and Phase II customers or Phase I customers will have their rates change at the onset of Phase II. According to MCE, it intends to negotiate a separate Confirmation agreement[12] with its Phase I supplier when MCE is ready to start Phase II.[13] MCE envisions this negotiation to address primarily price but also "may consider slight revisions to the Confirm for Phase II to the extent our better information (about opt outs, operations streamlining, other lessons learned) requires revision."[14] The *pro forma* financial analysis provided to MRW in 2009 shows the Phase II load being served on January 1, 2012, however MCE has said that, depending upon market conditions, it intends to remain flexible as to the start date of Phase II, moving it forward or backward by a year (or more) so as to take best advantage of pricing in the power markets. This phase-in approach has both positive and negative aspects.[15] Since power prices are volatile, it is likely that the prices MCE receives from its supplier for Phase II will differ from its pricing for Phase I. If power prices do differ, MCE will need to decide whether it

[11] Email from Jamie Tuckey (MEA) to Mark Fulmer (MRW), October 10, 2011. Included as Appendix 1.

[12] The Confirmation contains prices, quantities, and other important aspects of the agreement between MEA and its supplier.

[13] MCE renegotiated certain terms and conditions of its agreement with Shell Energy North America, the power supplier for Phase I, in May 2011. According to MCE, this allows MCE to "increase its energy purchases and reduce is average supply costs relative to the initial agreement."

[14] Email communication, Elizabeth Rasmussen to Mark Fulmer November 5, 2009.

[15] The positive aspects include simplifying the initial startup of MCE and negotiating a new agreement based on better understanding of opt-out risk. Negative aspects include possibly re-opening issues that were settled in Phase I, seeing wholesale power prices prior to Phase II that do not allow MCE to proceed (because its rates would not meet or beat PG&E's rates at that time) and having to negotiate with a supplier that has great deal of negotiating leverage.

establishes similar rates for all customers or sets rates for its Phase II customers different than for its Phase I customers.[16]

3.2.6 Full Details of New MEA Member Cities Not Known

While MEA is considering providing Cities such as Richmond an opportunity to join MEA, the exact terms of such participation have yet to be released. MRW notes that "[a] broader discussion has been scheduled for October 3rd, 2011 at the MEA Board retreat to finalize draft 'Criteria for New Members,' finalize the 'Process and Timing' document for interested jurisdictions and to finalize the draft 'Application' for interested jurisdictions."[17]

3.3 Potential Risks Faced by the City's Electric Consumers

As discussed above, there were and continue to be several risks that customers of MCE face. These are discussed below.

3.3.1 MCE May Be Unable to Procure Power for its Incremental Light Green Customers at Prices that Meet or Beat PG&E

In 2010, MCE successfully procured power for its Light Green customers at costs that allow those customers to have total energy bills that are less than they would have paid had they remained PG&E customers. However, at that time, PG&E's rate design for residential customers resulted in high usage customers having very high average electric rates. Thus, MCE was able to target the specific customers in its Phase I efforts that had very high rates. MCE will not be able to use this approach in its Phase II (or with Richmond) because of two factors. First, MCE will have to serve lower-usage customers that were not served in Phase I, and, more importantly, rate design changes in 2011 resulted in a "flattening" of PG&E's generation rate for residential customers, meaning that high usage customers no longer pay higher—sometime much higher—generation rates than low-usage residential customers. (Note that MCE essentially competes against PG&E's generation rate.)

As such, MCE is now projecting that it will not be able to offer net residential rates (MCE generation rate + Exit Fee) lower than PG&E's generation rate in 2012. Thus, MCE is not able to "meet or beat" PG&E prices even for its Light Green product. While it may be the case that MCE's net residential rates may be less than PG&E's generation rates in the future, this is by no means certain.

[16] This is exacerbated by the fact that the exit fees charged to CCA customers by PG&E vary depending upon when the customer begins CCA service. If MCE decides to have similar rates for both Phase I and Phase II customers, then the rates for Phase I customers might increase or decrease relative to the rates those customers saw during Phase I.

[17] Ad Hoc Committee on Expansion Scenarios, Staff Report, September 1, 2011.

3.3.2 Uncertainty in Exit Fees

Assembly Bill 117, which established the Community Choice Aggregation program in California, included a provision that states that the customers that remain with the utility should be "indifferent" to the departure of customers from utility service to CCA service. This has been broadly interpreted by the CPUC to mean that the departure of customers to CCA service cannot cause the rates of the remaining utility "bundled" customers to go up. In order to maintain bundled customer rates, the CPUC has instituted an exit fee, known as the "Power Charge Indifference Amount" or "PCIA" that is charged to all CCA customers. The PCIA is intended to ensure that generation costs incurred by PG&E before a customer transitions to CCA service are not shifted to remaining PG&E bundled service customers.

Even though there is an explicit formula for calculating the PCIA, forecasting the PCIA is difficult, since many of the key inputs to the calculation are not publically available and the results very sensitive to these key assumptions. For PG&E, the PCIA has varied widely; for example, at one time the PCIA was negative.

To further add to the uncertainty in future levels for the PCIA, the CPUC is considering revisions to the PCIA calculation methodology. A Proposed Decision in that proceeding would alter the PCIA formula with the net impact of significantly reducing the PCIA.[18] MCE's current policy is that customers bear the financial risk associated with the level of exit fees they will pay to PG&E. Thus, for a customer taking MCE service to be economically better off (i.e., pay less for electricity), the sum of the MCE charges plus the PCIA must be lower than PG&E's generation rate. As noted above, for 2012, this is not projected to be the case for MCE residential customers

3.3.3 CARE Customer Issues

As mentioned in Section 3.2.4, a significant fraction—almost 40%—of Richmond's residential electric customers take service under a discounted, CARE rate. Current MEA policy does not ensure that these customers will not pay more under MCE than they would had they taken service from PG&E. In fact, given current rates, these customers would indeed pay more.

The table below shows the generation rates offered by PG&E and MCE for a standard residential CARE customer. For both the baseline energy use (first ~250 kWhs per month) and above baseline energy use, MCE's rates for customers taking service under its CARE rates are only slightly higher than PG&E's CARE rates. However, MCE's CARE rate does not include PCIA, a rate element that is applicable only to CCA customers. When adding in the PCIA, the low-income customer taking service from MCE would have rates well above those offered by PG&E, which would result in much higher electric bills for that customer. For example, for a CARE customer using 400 kWh per month (the average for a Richmond CARE customer), the customer's annual electric bill at current rates would be at least $100 more per year than taking service from PG&E.

[18] The current PCIA charge for PG&E for customers who began MCE service in 2011 is 1.92¢/kwh. If the Proposed Decision contemplated at the CPUC is adopted, this value should decrease by 50% or more in 2012.

MRW expects that the PCIA will decrease in 2012. However, even if the PCIA is reduced by 50%, the cost impact to a low-income resident of having to pay MCE's rates plus the PCIA would still be significant.

CARE Rate Compaison (current tariffs), ¢/kWh

	PG&E Schedule EL-1	MEA Schedule RES-1-L	Difference
Baseline Generation Rate	4.270	4.40	+.170
Above Baseline Generation Rate	5.517	5.50	+.017
PCIA (Vintage 2010)	n/a	1.920	+1.920

Issue: Transfer of CARE Customers to MEA Service

There are two issues involved in transferring CARE customers from PG&E to MCE. First, MEA must insure that CARE customers are transferred to the proper tariff—RES-1-L rather than the standard residential tariff, RES-1. This would likely not be an issue, but would need to be monitored closely. Second, and more important, CARE customers would have to be fully informed that unless they proactively opt-out to remain on PG&E service, they would likely experience an effective rate increase, or at least be at risk for one. This would likely prove to be a serious communications challenge for MCE. Standard opt-out information routes—post cards, bill inserts, letters, electronic media, and such may not be sufficient to adequately inform all of Richmond's 14,000 CARE accounts. If a customer is not informed that they are becoming an MCE customer, then they will be receiving a rate increase without making an affirmative decision to accept such a rate increase.

Issue: Other Customers Subsidizing CARE Customers

Even if the full PCIA costs are borne by CARE customers, to the extent that the rate MCE charges CARE customers is less than the cost to provide power to those customers, some subsidization will occur. If MCE ultimately decides to hold CARE customers harmless and ensure that their net MCE rate is no higher than PG&E's CARE rate, then there would be increased need to raise rates for the other MCE customers to make up that revenue difference. A question that would likely be raised would be, how willing are MCE's ratepayers in Marin County to subsidize low-income customers in Richmond? MRW does not know the answer to this question but we believe that it could present a political and public relations challenge for Richmond officials as well as MCE.

3.3.4 Regulatory Changes Adversely Affect MEA Customers

Regulatory changes could make MEA's power costs uncompetitive with PG&E. As discussed elsewhere, the CPUC establishes exit fees that customers of MEA have to pay. There is currently an effort to revise the approach for determination of exit fees.[19] Such decisions have occurred in the past (e.g., MEA and others advocated strongly in opposition to PG&E's effort to flatten its generation rate, but these efforts proved unsuccessful). Also, as discussed above, the CPUC could adopt bonding requirements that would significantly increase the cost of security bonds for MCE, which would also tend to undermine the ability of MCE to provide electricity to its customers at a rate that meets or beats PG&E's rates.

3.4 City's Potential Financial Obligations to MCE

The City, as a consumer of electricity, faces many of the risks discussed above. However, the City also may face other risks as a participant in MEA. This section discusses those potential risks.

3.4.1 Need for City to Provide Backstop Support to MEA Power Suppliers

When MCE was originally established, it needed to fund its startup activities. However, at that time, it had no customers and no credit rating. Thus, MCE had to borrow funds from third parties.[20]

In addition, before startup, MCE needed to post security with its power supplier. MRW is not aware of the specifics of these security requirements but does not believe that they were onerous, primarily because MCE was not procuring a significant amount of energy in its Phase I procurement. However, for Phase II, MCE will need to procure a much greater amount of energy (especially if it is successful in recruiting new members such as the City). If this occurs, MRW believes that potential power suppliers may require greater levels of security from MCE. This security might include calls by the power suppliers to obtain backstop guarantees from MEA members.[21] While MRW does not have any first-hand knowledge of such requirements, this is certainly an issue that the City should investigate fully with MEA prior to making any sort of commitment to join.

Finally, as discussed above, there is a distinct possibility that the CCA bond that MCE must post with the CPUC could increase significantly. According to MEA and San Francisco (which is attempting to form a CCA), it could take up to three years before a CCA could become sufficiently creditworthy to engage an insurance or finance company to underwrite the CCA

[19] The Administrative Law Judge in the proceeding considering this change has issued a Proposed Decision regarding the proposed change. The Proposed Decision would adopt a compromise position between the positions advocated by proponents of CCA (and Direct Access) and the utilities, albeit more heavily weighted towards the position advocated by the CCA proponents.

[20] MRW understands that MCE has established a bank line of credit and has repaid these loans.

[21] MEA states that it would never sign an agreement that had backstop guarantees without approval of its member agencies. That is precisely the point: a power supplier could refuse to sell power to MCE without the backstop guarantee, which would put MCE into the position of either having to ask its members to supply such a guarantee or have to purchase power at higher prices, thereby making its rates less competitive with PG&E.

bond.[22] If this were the case, then it seems plausible that MEA might come to its member cities and request assistance in posting a portion of the CCA bond.[23]

3.4.2 Lenders Requiring MEA Members to Provide Balance Sheet Guarantees for Generation Assets

During MRW's initial review of the risks associated with participation in MEA, it asked MEA staff about the potential risk of cities needing to (or being forced to) provide balance sheet support to allow construction of generation assets that are owned by MCE or MEA. At that time, MRW received assurances that such balance sheet support from MEA members would not be required. This was reiterated by Executive Director Weisz at the September 27 Novato City Council meeting, where she went on to explain that the JPA structure itself protects the JPA's members from debts incurred by the JPA.

In general, this is a legal issue and is beyond the scope of MRW's assessment. However, MRW notes that the Town of Ross's city attorney, Hadden Roth, investigated Ross's liability should it join MEA. His conclusions were:

> …that the Town's general fund will not be responsible for any financial obligations of MEA unless the Ross Town Council first specifically agrees in writing to assume the liability. This protection is provided under both the JPA agreement and State law.[24]

Therefore, it is MRW's understanding that no liability could be placed on Richmond simply by being a member of the MEA JPA.

3.4.3 Participation Fee

In order to join MEA, it is possible that the City may have to pay a participation fee to cover "any new costs related to adding the new member and any other conditions deemed appropriate by the Board."[25] The magnitude of that fee has yet to be set, although MRW notes that the equivalent fee for Marin County cities and towns was estimated to be \$20,000 to \$40,000. It is reasonable to assume that any fee requested of Richmond would be of a similar magnitude. Furthermore, if the City pays the fee but is unable (or unwilling to act) in a timely fashion, then it may have to forfeit that fee. As this fee is not likely to be great, this is a low risk.

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[22] R.03-10-003, Supplemental Brief Of Marin Energy Authority On Proposed Bond Methodology, February 28, 2011. Page 6.

[23] Even more troubling, San Francisco claims: "even if a CCA's risk of ceasing operations is minimal, the expense of the bond requirement, by itself, could force a CCA out of business."

[24] Minutes to the Special Meeting Of The Ross Town Council, Tuesday, January 12, 2010. http://www.townofross.org/pdf/minutes_council/january-12-2010-special-meeting-adopted-minutes.pdf

[25] Memorandum from Greg Stepanicich to the MEA Chair and Board Members, September 26, 2011. Included as part of item #6c at the Marin energy Authority Mid-Year Retreat Packet, October 3, 2011.

4. Review of Dalessi Load Study

At the July 19, 2011 City Council meeting, Dalessi Management Consultants, LLC (DMC) was authorized to:

- Analyze the monthly customer electric load data for customers within the City as provided by PG&E.
- Incorporate estimates of electricity demand associated with the potential second campus of the Lawrence Berkeley National Laboratory (LBNL) if such estimates are available from the City.
- Create a composite hourly load dataset for the City, using statistical class hourly load profile data.
- Identify resource requirements for baseload energy, peak energy, generation capacity, ancillary services, California Independent System Operator costs, renewable portfolio standards and distribution losses.

MRW reviewed materials generated by DMC, including the workpapers used to analyze the load data, create the composite hourly load of the City (with and without the LBNL campus), and identify baseload energy, peak energy and required generation capacity and renewable portfolio standards. Information concerning California Independent System Operator costs and losses were not provided. In addition, MRW was provided "Summary of MEA's Economic Evaluation of the Potential Extension of MCE Service to the City of Richmond" (Economic Evaluation Summary). The workpapers supporting this economic evaluation were considered proprietary to DMC and MEA and not provided to MRW.

4.1 Comments on the Load Analysis

MRW found that:

- The load analysis method was sound
- The hourly loads derived from the data were reasonable
- Based on the hourly loads, the calculated baseload energy, peak energy and generation capacity needs were reasonable
- The estimates of the renewable energy needed to comply with Renewable Portfolio Standard regulations were reasonable

Our primary criticism with the analysis is with the underlying assumption that 20% of the load in *each customer class* would opt-out of MCE service and remain with PG&E. While the actual opt-out rate is difficult to predict, the composition of the customer base is very important for understanding the shape of the load that is to be served. Residential and small commercial customers tend to have "peakier" loads, as they have relatively high demands during late summer afternoons (driven by air conditioning) and winter evenings (driven by lighting and appliances).

Large commercial and industrial customers tend to have “flatter” loads, as their electricity demand is not as sensitive to weather or daylight hours. “Peakier” loads tend to be more costly to serve than flatter loads.

Because the total composite load is important, the assumptions concerning how each class is likely to participate in the CCA or opt out is likewise important. If Direct Access[26] participation statistics are a reasonable indicator (which we think they are), the industrial, large commercial and to a lesser degree medium commercial customer classes will tend to be more price sensitive and risk averse than other customer classes.

The assumption that 20% of the customers will opt-out from each customer class does not reflect this fact. While the 20% opt-out rate assumption is appropriate, or even conservative, for residential and small commercial customers, it is questionable for larger commercial and industrial customers.

This opt-out question impacts the load that would have to be served by MCE. If fewer large commercial and industrial customers participate in the CCA, the aggregate load served by the CCA would be “peakier,” and on an average per-kilowatt-hour basis, a CCA with a customer mix that is dominated by residential and small commercial customers would require higher rates to cover its procurement costs.

When queried about the opt out assumptions, Mr. Dalessi informed MRW that the cost to serve the larger customers was approximately equal to the revenue MCE would receive from them, and that therefore the overall cost-effectiveness results shown in the Economic Evaluation Summary were still valid. As more detailed work papers were not provided (due to MCE confidentiality concerns), MRW cannot verify this, but nonetheless finds the assertion plausible.

4.1 Comments on the Economic Evaluation Summary

In addition to the spreadsheets containing the load analysis, DMC also provided a summary of the economic evaluation it conducted for MEA. The Economic Evaluation Summary outlined the factors taken into account when conducting the analysis, which included the load that would have to be served, estimates of incremental overhead requirements at MCE and incremental financing costs. MRW found the load estimates shown in the summary were consistent with the detailed spreadsheets provided and the other general cost categories identified to be appropriate.

The Economic Evaluation Summary also provided an estimate of “ratepayer impacts.” This showed that the revenue that would be received using MCE rates from Richmond customers would equal approximately $33 million per year while the costs to serve those customers would equal approximately $31 million per year, for a net “ratepayer benefit” of $2 million per year.

MRW believes that characterizing the annual $2 million surplus as “ratepayer benefit” is misleading. This value simply says that DMC projects MCE’s rates to bring in, on average, $2 million per year more from Richmond customers than its cost to serve those customers. This is

[26] Direct Access is the current program whereby some non-residential customers may elect to receive power from providers other than their host investor-owned utility.

not a ratepayer benefit; instead, this is the benefit to MCE of taking in the residents and businesses of Richmond. Some of this benefit might be passed along to Richmond's customers in the form of lower MCE rates. However, this is not a certainty.

To show an economic benefit to the ratepayers in Richmond, one must compare the aggregate bills the Richmond ratepayers would pay under MCE to that which they would pay under PG&E service. Such an analysis was not provided to MRW.

5. Conclusions

MRW has identified various risks associated with the City's participation in MCE. The most significant risk is whether MCE will ultimately be able to provide long-term power supplies at costs that are less than PG&E generation rates. Thus, if the City's customers are highly price sensitive, then this risk may be of great concern and it might be reasonable for the City to delve deeper into the likely future rates for MCE and PG&E. On the other hand, if the City's residents and businesses are more concerned about the level of renewable resources used to generate their electric supply, then such an assessment is less important.

The price-sensitivity issue is particularly acute for low-income households taking service on CARE rates. MEA does not have a policy in place to ensure such customers will not be harmed by taking MCE service relative to remaining on PG&E service. Given the legislatively-mandated "opt-out" structure of CCA programs in California, MRW believes this should be addressed prior to Richmond committing to MEA membership.

It is beyond the scope of this assessment to either quantitatively assign either potential costs or probability of occurrence to these risks. In addition, this assessment does not identify or attempt to quantify the potential benefits associated with participation in MCE. Richmond's policymakers will need to weigh and balance the potential risks and benefits of participation in MEA given the risk and policy preferences of Richmond's citizens and businesses.

6. Appendix 1: Email Correspondence Concerning MEA CARE Rates

Mark Fulmer

From: Jamie Tuckey [jtuckey@marinenergyauthority.org]
Sent: Monday, October 10, 2011 3:30 PM
To: Mark Fulmer
Cc: Dawn Weisz
Subject: RE: CARE customer policies

Hi Mark,

Our CARE rates are available on our website here:

http://marincleanenergy.com/index.php?option=com_moofaq&view=categories&id=16&Itemid=172

MEA does not currently cover the PCIA charge for any of our customers, including those who are on the CARE schedule. Our CARE rates are not all currently set to meet or beat PG&E's. It depends on which rate schedule and which tier you are comparing, although the majority of our CARE rates do beat PG&E's. There are 33 different rates provided for the CARE customers across the different tiers and rate schedules. Of those 33, 24 beat PG&E's rates.

Please let me know if I can provide you with any other information.

Thanks,
Jamie

Jamie Tuckey
415-464-6024

From: Dawn Weisz [mailto:dweisz@marinenergyauthority.org]
Sent: Monday, October 10, 2011 2:11 PM
To: Mark Fulmer; Jamie Tuckey
Subject: RE: CARE customer policies

Hi Mark,
Jamie can point you to the CARE rates which are shown on our website. Jamie is included here if you have any follow up questions as well.

Thanks,
Dawn

marin energy authority

Dawn Weisz
Executive Officer
Marin Energy Authority
781 Lincoln Ave., Suite 320
San Rafael, CA 94901
415-464-6020
MarinCleanEnergy.com

From: Mark Fulmer [mailto:mef@mrwassoc.com]
Sent: Monday, October 10, 2011 1:11 PM
To: dweisz@marinenergyauthority.org
Subject: CARE customer policies

Dawn,

As I'm sure you've been told, MRW is working with the staff at the City of Richmond evaluating the risks of the City joining MEA.

In support of that effort, can you point me to (if it's on the web) or send me MEA's policies concerning rates for CARE customers? In particular, are MEA/MCE's rate set to meet/beat PG&E's CARE rate (it appears so from the website), and does MEA/MCE cover the PCIA for CARE customers?

Best regards,
Mark

Mark Fulmer
MRW & Associates, LLC
1814 Franklin Street, Suite 720
Oakland CA 94612
(510) 834-1999
mef@mrwassoc.com

7. Appendix 2: MRW's Qualifications

Established in Oakland, California in 1986, MRW early on built a solid reputation for delivering local insights on power and fuel markets in the western United States as well as intervening successfully in legislative and regulatory proceedings on clients' behalf. Today, MRW continues to deliver high-quality market insights, analysis, and client support on a national and international level. The company has undertaken engagements in more than twenty different states, including nearly every state in the western U.S. The company maintains a strong focus on California markets and regulatory structures. The location of the company office in Oakland, California, facilitates our active participation in proceedings at the CPUC, the California Energy Commission, and the CAISO.

MRW's client base includes major financial institutions, private power developers, consumer advocates, power marketers, municipalities, Fortune 500 industrial companies, commercial end-users, natural gas pipelines and storage service providers, regulatory agencies, and other strategic players in the energy sector. MRW's team of professionals include specialists in renewable energy, power market modeling, financial analysis, regulatory processes, utility rate design, legislative analysis, commodity procurement, energy use analysis, contract negotiations, transmission planning and pricing, and strategic planning.

On related CCA matters, in the spring of 2005, Navigant Consulting, pursuant to a California Energy Commission grant, issued a series of CCA feasibility studies for the County of Marin and the cities of Berkeley, Oakland and Emeryville. A similar report was issued for the Kings River Conservation District a few months later. The basic reports were nearly identical, differing only in how the customer and load characteristics of each jurisdiction affected the various data tables. MRW, along with JBS Energy, provided an independent third-party review of these studies on behalf of the studies' recipients. The reviews focused on the reasonableness of the analytical approach and assumptions used by the reports' authors, identifying areas that were either unreasonable or would need updating if a particular jurisdiction were to investigate CCA formation in greater detail. The review also identified key risks that would have to be addressed, including such factors as regulatory risk (i.e., impact of changes to PG&E rate design) and environmental compliance costs. As a result of these third-party assessments, Navigant ultimately made significant changes to the preliminary feasibility studies.

In late 2008, MRW conducted an independent review of the reports and documents associated with Marin County's Community Choice Aggregation efforts. This review focused on the "Marin CCA Business Plan" (April 2008), Bill Marcus's professional peer review of the Plan, PG&E's comments on the Plan, and responses to Marcus' and PG&E's comments. MRW's review concentrated on two main areas: the factors that were most important making a CCA financially viable and the major risk factors that would affect potential participants in the CCA. These included:

- the reasonableness of the power procurement strategy proposed in the Plan;
- the reasonableness of the procured power costs forecast in the Plan;
- hedging and risk management activities proposed in the Plan;
- underlying natural gas and wholesale power price projections;

- the consistency of rate and procurement costs with those underlying gas price projections;
- the reasonableness of the Plan's estimates of the non-bypassable charges including the CCA Cost Responsibility Surcharge (CRS);
- the depth and appropriateness of any sensitivity analysis; and
- the forecasts of utility rates (and rate designs) against which the CCA's rates would compete, including the consistency of assumptions underlying the utility rate projection and the CCA rate projection.

In late 2009, the County and City/Town Managers again retained MRW to review the draft service agreements that MEA was proposing to enter into with Shell Energy North America. This review concentrated on identifying the risks to MEA, the Cities, Towns, and the County that were not sufficiently addressed in the MEA-Shell agreement, and provided suggested changes and amendments to the agreements to mitigate those risks. Many of MRW's suggestions were subsequently incorporated in the final contract.

The primary authors of this assessment are William Monsen and Mark Fulmer.

William A. Monsen, a Principal with MRW & Associates, LLC, has been providing technical and economic analysis for the energy industry for more than 30 years. He is an expert in utility resource planning, retail power procurement, power market evaluations, due diligence for power generation projects, and independent power issues. He has helped municipalities and other end-users understand present and future consumption needs and reduce energy costs through competitive commodity procurement and efficiency improvements.

With respect to CCA matters, Mr. Monsen was the Principal in Charge for detailed peer reviews of the CCA feasibility studies for Marin, Berkeley, Oakland, Emeryville and the Kings River Conservation District. He also led MRW's work in reviewing Marin Energy Authority's business plan and draft service agreements that MEA was proposing to enter into with Shell Energy North America. He also provided professional review on behalf of the City and County of San Francisco of the proposed contracts between the city and a potential (but eventually rejected) supplier for their proposed CCA and was a co-author of the Southern California CCA feasibility study MRW conducted in 2008.

Mr. Monsen holds a Master's degree in Mechanical Engineering from the Solar Energy Laboratory at the University of Wisconsin-Madison and a Bachelor's degree in Engineering Physics from the University of California at Berkeley.

Mark Fulmer is a Principal at MRW & Associates, LLC, with over twenty years of experience in the energy industry. Much of this work has been in the regulatory arena, advising customers, trade groups, municipalities, utilities and state public utility commissions on resource planning, energy efficiency and rate matters. He has submitted testimony before FERC and utility commissions in Arizona, California, Hawaii, Pennsylvania, Rhode Island, as well as supporting testimony in ten other states and Canadian provinces.

With respect to CCA matters, Mr. Fulmer was the lead author of a CCA feasibility assessment in Southern California Edison's service area and contributed to the peer reviews of the CCA feasibility studies for Marin, Berkeley, Oakland, Emeryville and the Kings River Conservation

District. He also served as an expert witness before the California PUC on behalf of the City and County of San Francisco on CCA matters, including the rules under which CCA would operate and the fees that PG&E would be allowed to charge CCAs for the various services the utility would have to provide. Most recently, Mr. Fulmer was one of three witnesses sponsored jointly by the Marin Energy Authority, the City and County of San Francisco, and the Direct Access parties in the CPUC proceeding addressing the correct calculation of the Cost Responsibility Surcharge for departing load (CCA and DA) customers.

Mr. Fulmer holds a Master's Degree in Engineering from Princeton University, where he conducted graduate research at the Center for Energy and Environmental Studies, and a Bachelors' Degree in Engineering from the University of California, Irvine.

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Marin Energy Authority prepares for major expansion this summer

Posted:

The Marin Energy Authority expects this summer to increase its customer base more than fivefold to 96,000 Marin residents, and the board has taken several steps to prepare the fledgling public agency for the major expansion.

The authority, which now consists of the county of Marin and all 11 of Marin's municipalities, is the first successful attempt in California to launch a new, public model for providing electricity to residents. The authority serves as the retail electricity provider for its customers, who continue to also pay Pacific Gas and Electric Co. for transmission and distribution of their electricity.

Four Marin municipalities that initially resisted joining jumped on the bandwagon last year, and at the authority's meeting Thursday, executive officer Dawn Weisz reported that the city of Berkeley and the East Bay Municipal Utility District also are interested in exploring the possibility of joining. The city of Richmond expressed a similar interest last summer.

The authority's board approved a new $3 million loan from River City Bank in Sacramento; the money will be needed to pay for additional electricity when the authority begins adding customers. Once the customers begin paying their bills, the authority can use the revenue to repay the loan. The authority plans to start offering the remaining PG&E customers in Marin the choice of switching energy providers in July; it hopes to add an additional 82,000 customers to the 14,000 it currently has.

The major expansion will occur without one of the authority's key figures. Mill Valley Councilwoman Shawn Marshall, who was vice chairwoman of the authority board, left the board last month. Marshall is co-founder of a new nonprofit, the Local Energy Aggregation Network, which was created to support the advancement of local energy aggregation programs like the Marin Energy Authority nationwide.

Marshall said the authority has a seasoned director and staff, "so having a change of leadership at the board level does not create a hardship. In fact, it's a great opportunity for fresh perspectives and new leadership."

The board Thursday also approved preliminary plans for changes in its customers' rates. The board must still vote on final approval of the rates before putting them into effect, which is also expected to happen in July.

The agency expects to be able to lower rates by an average of 7 percent for residential and commercial customers when it expands because it will benefit from larger volume, and therefore cheaper purchases of energy and other economies of scale. Residential customers alone are projected to see an even larger drop of 12 percent in their rates in July due to the expansion.

Even so, however, the authority's residential rates are projected to be a bit higher, about half a cent per kilowatt hour, than its competitor, PG&E. Some of the authority's customers are paying somewhat more for their electricity than comparable PG&E customers. As of August, the authority estimated its 500-watt customers paid $26 per month for their electricity while PG&E customers using the same amount of energy paid $25 per month. The authority estimated then that its 1,000-kilowatt customers paid $111 per month while PG&E customers using 1,000 kilowatts per month paid $94 — $17 a month less.

The new rates also incorporate a decision by the authority's board to increase the renewable energy content of its "Light Green" electricity from the current 27 percent to 50 percent. For a slightly higher cost, the authority also offers "Dark Green" electricity, which is produced exclusively from renewable sources. By comparison, slightly less than 17 percent of PG&E's electricity comes from renewable sources.

"The numbers speak for themselves," said San Rafael Councilman Damon Connolly, who serves as chairman of the authority's board. "When we launched Marin Clean Energy in 2010, our Light Green product was 25 percent renewable power. In 2011 we increased that to 27 percent and already we've increased our renewables again to provide 50 percent for Light Green. We're achieving our goals ahead of schedule."

In addition to lowering rates, the authority plans to replace its five-tiered residential rate structure with a flat rate so that the same rate will apply regardless of the amount of energy used.

The change was triggered by PG&E's decision to flatten its residential generation rates and shift the tiered pricing structure to the section of the bill having to do with transmission and distribution.

Katie Romans, a spokeswoman for PG&E, said the change "will allow PG&E to better reflect the underlying generation costs, which do not generally vary with a customer's monthly usage."

Marin Clean Energy and PG&E compete strictly on generation costs. Both customers currently pay the same amount for transmission and distribution. If the authority had retained its tiered structure for generation costs, its customers who use large amounts of electricity would have faced both higher generation and higher transmission and distribution costs.

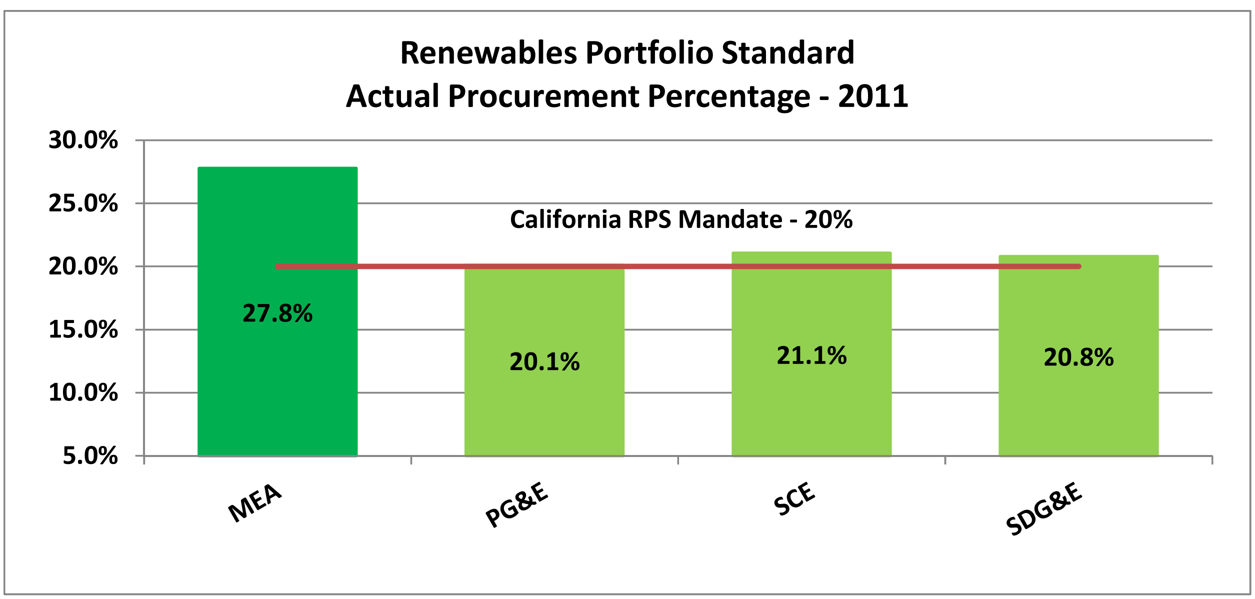
Contact Richard Halstead via e-mail at rhalstead@marinij.com

Renewables Portfolio Standard: Semi-Annual Compliance Reporting Update (March 2012)

Summary

MEA Staff recently reviewed semi-annual (March 2012) Renewables Portfolio Standard ("RPS") compliance reports, which were submitted to the California Public Utilities Commission ("CPUC" or "Commission") by jurisdictional load serving entities (investor-owned utilities, electric service providers and community choice aggregators), according to Rulemaking 11-05-005, which addresses the Implementation and Administration of California's new RPS Program. MEA timely submitted its semi-annual compliance report to the Commission on February 24, 2012, indicating that it procured 27.8 percent California Energy Commission ("CEC") qualifying renewable energy for Marin Clean Energy ("MCE") customers during the 2011 calendar year, an amount which exceeded California's currently effective RPS mandate by nearly 39 percent. MEA's procurement efforts for the 2011 calendar year also represent a year-over-year increase in RPS-eligible renewable energy procurement of 3.3 percent (MEA delivered 26.9 percent of total retail energy supplies from RPS-eligible renewable energy sources in 2010).

Based on reported 2011 RPS procurement percentages, MEA surpassed the renewable procurement efforts of California's investor-owned utilities ("IOUs"), PG&E, SCE and SDG&E, by 38.2 percent, 31.8 percent and 33.5 percent, respectively. It is also important to note that each of the aforementioned IOUs now represents procurement of renewable energy volumes sufficient to meet California's currently effective procurement requirement of 20 percent of annual retail electricity sales – this is the first time that any of the IOUs have met or exceeded the 20 percent procurement standard since MEA staff began monitoring reported data in 2008. The following bar chart depicts MEA's current RPS performance relative to California's three IOUs.



RPS Reporting Obligations & Recent Changes

California's previously effective RPS program was established to advance the procurement of renewable energy by jurisdictional entities until such purchases equate to 20 percent of annual retail sales (no later than December 31, 2010). As part of this program, jurisdictional organizations were obligated to submit periodic reports to demonstrate progress towards and, ultimately, compliance with the aforementioned standard. According to the CPUC,

> *The RPS program requires compliance filings on March 1st and August 1st of each year. The March 1st report is used to determine compliance for the previous year(s). It states historic performance in the RPS program, current year targets and procurement data, and forecasts targets and procurement data for at least three years. The August 1st report states historic performance in the RPS program, current year targets and procurement data, and forecasts targets and procurement levels for each year forward through 2020. The August report may be used by the Commission to make a final determination of compliance for the prior year(s).*[1]

California's RPS recently underwent reform. On April 12, 2011, Governor Jerry Brown signed SB x1 2, requiring public and private utilities as well as community choice aggregators to obtain 33 percent of their electricity from renewable energy sources by December 31, 2020. The CPUC is currently administering a proceeding (R. 11-05-005) to address implementation issues related to the new legislation. Staff will remain actively engaged in this proceeding, protecting the interests of the Authority and its customers, and will provide updates to the Board, as pertinent information becomes available.

Prior to the 2020 compliance deadline, the new legislation imposes certain interim procurement requirements, which include the following: jurisdictional entities will be required to procure an average of 20% of renewable energy for the period of January 1, 2011 through December 31, 2013; 25% by December 31, 2016, and 33% by 2020. Other elements of the new RPS program establish specific categories for renewable products that may be used for RPS compliance and provide certain opportunities for flexibility in the event that renewable energy procurement would impose upward pressure on customer rates.

Discussion & Comparative Analysis

Approximately seventeen load serving entities submitted semi-annual (March 2012) RPS Compliance Reports to the Commission, including the Authority's timely submittal. **Much of the information included in these reports is considered to be confidential by the respective respondents**, particularly California's Electric Service Providers ("ESPs"), and is marked as such (in redacted documents where confidential text has been blacked out) throughout each submittal, according to the reporting instructions. The CPUC's recently updated RPS reporting template has exacerbated this issue by eliminating historical data, including retail sales and renewable energy volumes, which staff previously used to extrapolate the RPS procurement percentages of certain reporting entities in the absence of current details. Nevertheless, information was provided by each of California's three IOUs to effectively

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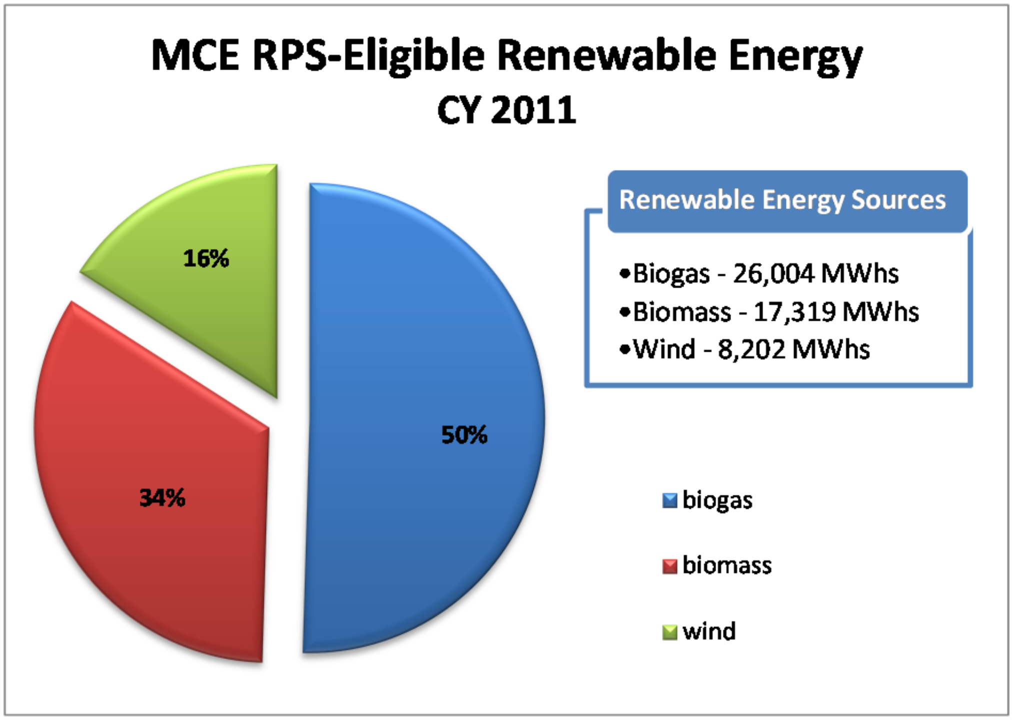
[1] California Public Utilities Commission website, as referenced on March 15, 2011: http://www.cpuc.ca.gov/PUC/energy/Renewables/compliance.htm.

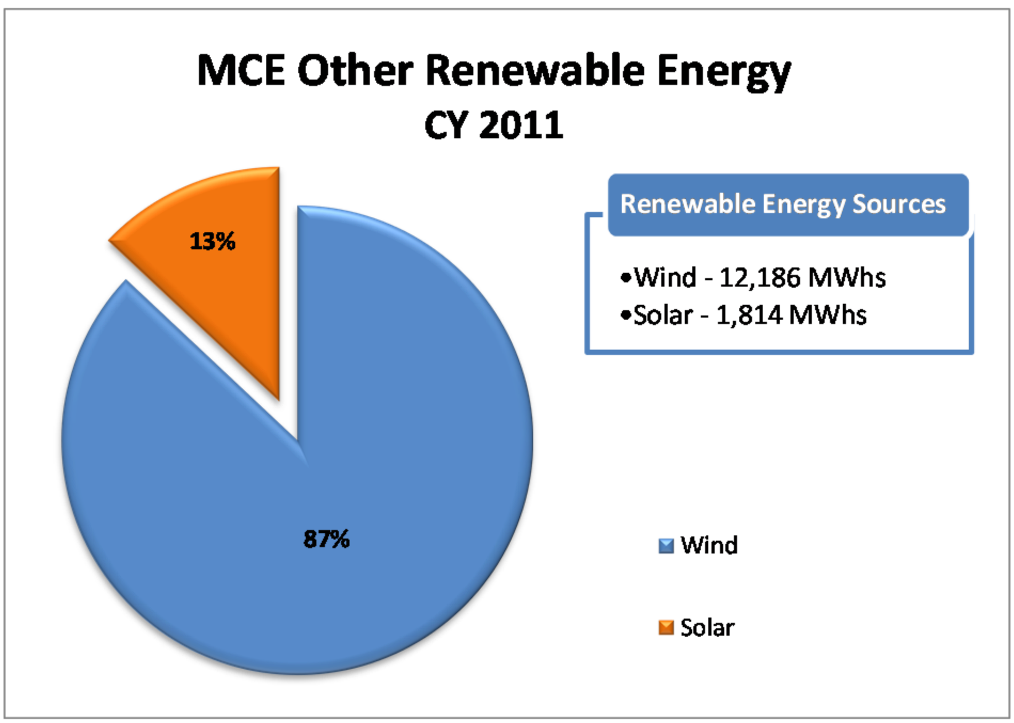
compare renewable energy procurement percentages for the 2011 compliance period. Developing comparisons to jurisdictional ESP's, however, was not possible, as nearly all reporting entities elected to submit redacted documents.

Transfers of MEA's renewable certificates continue to be administered through the Western Renewable Energy Generation Information System ("WREGIS"), the western interconnection's clearinghouse for renewable energy transactions and tracking. When substantiating RPS compliance, these certificates represent MEA's title to renewable energy produced by generation facilities (one Renewable Energy Certificate, "REC" or "certificate", for each megawatt hour of renewable energy production), which meet the CEC's RPS eligibility requirements. The following table and charts provide additional detail for these transactions during the month of December 2011 as well as year-end and resource-specific totals. It is also important to note that MEA procures additional RECs (14,000 in 2011) to provide 100 percent renewable energy supply for MCE's Deep Green customers. These REC purchases are included in the second chart and are labeled as "Other Renewable Energy". While these purchases represent clean, renewable energy generated by regional wind producers and photovoltaic solar facilities located within California's Central Valley, the associated RECs are not eligible for RPS compliance due to specific considerations related to energy deliverability and/or resource certification. By including Other Renewable Energy volumes in the MCE resource mix, aggregate renewable energy procurement (both RPS-eligible and "other" renewable energy) represents 35.8 percent of the MCE supply portfolio.

December 2011 - RPS-Eligible Renewable Energy Volumes

Generating Facility	County	State	Volume	Fuel	COD	CA Cert. Number	Production Period
Sierra Pacific Burlingtc	Skagit	WA	2657	biomass	3/15/2007	60596A	Jun-10
Sierra Pacific Burlingtc	Skagit	WA	602	biomass	3/15/2007	60596A	Jul-10
Big Horn Wind	Klickitat	WA	1241	wind	10/31/2006	60776A	Jan-11
			4,500				
Subtotal - RPS-Eligible Renewable Energy			**51,525**				
Grand Total - 2011			***66,333***				





As MCE customers continue to receive electric service on a going-forward basis, MEA will procure sufficient quantities of renewable energy (and receive related REC transfers through WREGIS) to demonstrate compliance with pertinent statutory requirements and stated internal objectives of the Authority. MEA Staff continues to actively monitor relevant regulatory proceedings focused on RPS reform and renewable energy procurement and regularly communicates with designated CPUC contacts prior to the submittal of applicable compliance reports.

When comparing MEA to California's IOUs, the following table presents the progression of each organization's renewable energy procurement efforts from 2008 through 2011.

Reporting Entity	2008 RPS Procurement	2009 RPS Procurement	2010 RPS Procurement	2011 RPS Procurement (March 2012 - Preliminary)	2011 Surplus/ (Deficit)	Percentage Difference (MEA & Utility/ESP)
Marin Energy Authority	**NA**	**NA**	**26.9%**	27.8%	7.8%	N/A
Pacific Gas & Electric Company	12.4%	14.1%	15.9%	20.1%	0.1%	38.2%
Southern California Edison Company	15.8%	16.8%	19.3%	21.1%	1.1%	31.8%
San Diego Gas & Electric Company	6.1%	10.2%	11.9%	20.8%	0.8%	33.5%

Conclusion

Based on a comparison of information presented in the previous table, it is clear that MEA is significantly outperforming California's investor-owned utilities with respect to RPS procurement – the Authority exceeded California's minimum renewable procurement standard by nearly 39 percent in 2011.[2] In fact, based on MEA's reported RPS procurement percentage of 27.8 percent, it is currently exceeding California's established target for the 2017 calendar year. As reported, all three California IOUs met or exceeded the minimum 20 percent procurement standard in 2011. However, MEA exceeded the renewable procurement efforts of these organizations by 38.2 percent, 31.8 percent and 33.5 percent, respectively. In consideration of these significant discrepancies, MEA has clearly and quickly established itself as a statewide leader in renewable energy procurement.

According to the currently applicable RPS reporting schedule, MEA's next reporting obligation related to RPS compliance is scheduled to occur on August 1, 2012. MEA plans to submit this report as part of the Commission's aforementioned semi-annual reporting process. As MEA moves forward, Staff will continue to closely monitor renewable energy procurement of the Authority and the IOUs (including certain other reporting entities) as well as related regulatory proceedings and reporting obligations; Staff will also provide periodic updates to the Board and the Authority's Executive Officer regarding these matters as new information becomes available.

[2] California's currently effective RPS delivery requirement for the compliance period beginning January 1, 2011 and ending December 31, 2013 is an average 20 percent of aggregate retail energy sales from RPS-eligible resources.

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MARIN ENERGY AUTHORITY

April 5, 2012

TO: Marin Energy Authority Board

FROM: John Dalessi, Operations and Development

RE: Proposed Marin Clean Energy Rates for Fiscal Year 2013 (Agenda Item #8)

ATTACHMENT: 1. Marin Clean Energy Proposed FY 2013 Rates
2. Resolution 2012-11 Adopting Marin Clean Energy Rate Change for FY2013

Dear Board Members:

SUMMARY: The Marin Energy Authority Community Choice Aggregation Implementation Plan and Statement of Intent ("Implementation Plan"), revised and adopted by your Board on December 1, 2011, describes the policies and procedures for setting and modifying electric rates for the Marin Clean Energy (MCE) program. As described in the Implementation Plan, the MCE annual ratesetting process is coordinated with the establishment of fiscal year program budgets. MCE rates are typically reviewed on an annual basis during the month of January to consider whether rate changes are warranted in consideration of the next fiscal year's projected budget and in consideration of other ratesetting objectives such as rate competiveness, rate stability, customer understanding and equity among customers. Final rates for the fiscal year are typically adopted during the month of April.

MEA's ratesetting policies establish a sixty-day public review period for proposed rate changes before final rates are adopted by the Board. Preliminary FY 2013 rates were accepted by your Board on February 2nd, 2012, initiating the 60-day public review period. Your Board accepted revised FY 2013 rates on March 1st, 2012, reflecting updates related to adoption of the FY 2013 MCE budget. No further changes have been made to the proposed rates, and Staff requests your board adopt the rates set forth in Attachment A to become effective on July 1, 2012.

Changes for FY 2013

There are two significant and related changes anticipated to occur during 2012 that will materially impact MEA's rate structure. The first change is the planned Phase 2B expansion of the MCE program to remaining customers scheduled for July, 2012, which will materially increase MEA's revenues as well as its power supply expenses and other service-related costs. The Phase 2B expansion will allow a reduction in MCE's rates, a consequence of increased economies of scale and reduced energy prices associated with recent power purchases. On average and including the impact of the Phase 2B expansion, the proposed MCE rates are approximately 11% lower than the MCE rates currently in effect.

The second significant event is PG&E's move to flatten its residential generation rates and shift the tiered pricing structure to the non-generation side of the bill through a new PG&E charge termed the Conservation Incentive Adjustment. This PG&E rate restructuring is scheduled to occur in July, 2012 and it compels MEA to consider changes to its residential rate structure in order to ensure that customer bill impacts related to the Conservation Incentive Adjustment are minimized and that customers are able to easily compare MCE rates with PG&E's.

Currently, MEA employs a five-tiered residential rate structure similar to PG&E's in which successive levels of electricity usage are charged at a higher rate. The proposed rate structure replaces the tiered residential rate with a flat rate so that the same rate applies irrespective of usage tier. This has the beneficial effect of greatly simplifying the MCE residential rate structure and facilitating easy comparisons between MCE rates and those charged by PG&E. The primary benefit, however, is to eliminate the possibility that MCE customers face a double-tiering effect when PG&E implements its Conservation Incentive Adjustment, which would occur if MCE maintained tiered residential rates. By moving to a flat MCE rate, the existing tier differentials - and the resulting price signals encouraging conservation - will be largely maintained, but they will now entirely reside on the PG&E portion of the bill.

Another consequence of the PG&E rate restructuring is the shifting to the non-generation portion of the bill of all low-income discounts from the California Alternate Rates for Energy ("CARE") program. Currently, a portion of the CARE discount is reflected in generation rates, and MEA provides a discounted rate for these customers to ensure that they receive their full CARE discount. Beginning in July, 2012, participating CARE customers will receive the entire CARE discount through PG&E. Similarly, rate discounts provided to certain qualifying medical needs customers (Medical Baseline) will also be provided entirely on the PG&E side of the bill.

Effective Date of Rate Changes

MEA staff has been working closely with PG&E and CPUC staff to coordinate the respective rate changes in order to ensure as seamless a transition as possible for MCE customers as PG&E implements the Conservation Incentive Adjustment and MCE initiates its Phase 2b expansion. In light of this need for coordination, the recommendation from the Rates Ad Hoc Committee is to make the proposed FY 2013 rates effective on July 1, 2012 rather than at the start of the fiscal year (April 1, 2012) and to maintain the current program rates in effect until that time.

FY 2013 Rate Proposal

As previously stated, the proposed rates would result in an average rate reduction of 11% on a program-wide basis relative to MCE rates now in effect, inclusive of the revenues projected from the Phase 2B expansion. The proposed revenue change by customer class is shown in Table 1 on an annualized basis[1]:

Table 1: Proposed Class Revenue Allocation (FY2013 rates, annualized)

Rate Group	Revenue at Present Rates	Revenue at Proposed Rates	Change in Revenues	% Change
Residential	$ 45,758,797	$ 37,613,802	$ (8,144,996)	-18%
Small Commercial 1 (Com-1)	$ 8,596,922	$ 8,596,922	$ 0	0%
Small Commercial 2 (Com-6)	$ 2,292,311	$ 2,292,311	$ 0	0%
Medium Commercial (Com-10)	$ 10,566,529	$ 10,566,529	$ 0	0%
Large Commercial (Com-19)	$ 8,667,622	$ 8,192,320	$ (475,301)	-5%
Industrial (Com-20)	$ 4,857,211	$ 4,490,859	$ (366,352)	-8%
Agricultural	$ 293,725	$ 293,725	$ 0	0%
Street Lighting (SL-1)	$ 422,679	$ 379,501	$ (43,178)	-10%
Traffic Control (TC-1)	$ 38,586	$ 38,586	$ 0	0%
Total	$ 81,494,383	$ 72,464,556	$ (9,029,827)	**-11%**

As can be seen from Table 1, the proposed rate changes are not uniform across the different customer classes served by MCE. In order to inform and guide the rate proposal, staff has performed a cost-of-service analysis and a comparative rate analysis to ascertain how current rates compare to costs as well as how they compare to the rates charged by PG&E.[2] For the customer classes where current average rates were found to be above MEA's costs and the corresponding PG&E generation average rates, a rate reduction is proposed. These include the following customer classes: Residential, Large Commercial (Com-19), Industrial (Com-20) and Street Lighting (SL-1). For the other customer classes, current average rates are either below estimated cost-of-service or below PG&E's generation rates. For these customer classes, rates have been maintained at their current levels.

Table 2 compares average rates paid by each customer class under the proposed rate structure to the estimated cost-of-service for the respective customer class and to the currently effective PG&E generation rates.

[1] Annualized figures represent twelve months of operation with the Phase 2b customers enrolled (July, 2012 through June, 2013).
[2] In comparing rates it should be noted that the MCE standard "Light Green" rates provide a 50% renewable energy content as compared to the 20% renewable energy content currently offered by PG&E.

Table 2: FY 2013 Proposed Rate Comparative Analysis Summary (Class Average Rates)[3]

Rate Group	Proposed MCE Average Rate (cents per kwh)	Cost of Service (cents per kwh)	PG&E Generation Average Rate[4] (cents per kwh)
Residential	6.9	7.1	6.7
Small Commercial 1 (Com-1)	6.9	7.0	7.2
Small Commercial 2 (Com-6)	6.6	6.6	7.2
Medium Commercial (Com-10)	7.4	6.8	7.5
Large Commercial (Com-19)	6.7	6.6	6.8
Industrial (Com-20)	6.2	6.2	6.2
Agricultural	5.6	6.7	6.1
Street Lighting (SL-1)	6.3	5.7	6.3
Traffic Control (TC-1)	6.5	7.1	5.9
Total	**6.9**	**6.9**	**6.8**

The proposed revenue allocation strikes a balance between the objectives of rate competiveness (comparison to PG&E), equity (comparison to cost) and stability (comparison to current).

Rate Design

For all rate schedules other than those applicable to residential usage, the proposed rate change is implemented by applying the average percentage change for the respective customer class shown in Table 1 to each current MCE rate component. This means that all customers within each non-residential rate classification will see the same percentage change in the MCE portion of their bills. Using Schedule Com-20 as an example, there are seven MCE rate components (demand and energy charges by season and time-of-use period), and each of those will be reduced by 8% from their current levels. All customers taking service on a Com-20 rate schedule will see an 8% decrease in the MCE portion of their bills.

Residential rate schedules that currently contain tiered charges based on monthly energy usage have been redesigned as flat rates, where the same unit rate ($/kWh) applies regardless of usage tier. The bill impacts from the MCE rate change will vary depending upon customer usage and baseline zone. Under the proposed rates, approximately 97% of current MCE residential customers served on the default rate schedule (Res-1) will see a reduction in the MCE portion of their bills, and 3% will see an increase.

It should be noted that a MCE customer's total electric cost also includes PG&E charges for (non-generation) delivery services. PG&E's new CIA rate will go into effect for residential customers at the same time as the MCE FY 2013 rate change. The CIA will

[3] Figures in Table 2 are averages for the respective customer classes. Individual customer rates may vary.
[4] PG&E class average generation rates for 2012 are as shown in PG&E Advice Letter 3896-E-B, Table 3, filed December 30, 2011.

result in more steeply tiered delivery charges, increasing bills for larger residential energy consumers and reducing bills for smaller residential energy consumers as well as for CARE and medical baseline customers. Bill impacts resulting from the imposition of the CIA and the flattening of generation rates will tend to offset each other so that customer impacts are moderated.

PG&E's delivery charges also include a surcharge, known as the Power Charge Indifference Adjustment (PCIA), which is in the process of being revised by the California Public Utilities Commission (CPUC). The revisions are expected to lower the PCIA, and the CPUC has ruled that the revised PCIA will be effective retroactive to April 14, 2011. MCE customers will be refunded a portion of the PCIA payments made to PG&E to the extent that application of the revised PCIA results in lower charges. Staff anticipates that the revised PCIA rates will be known prior to the July effective date of MEA's proposed rates. As of this date, neither the CPUC nor PG&E has published an estimate of the revised PCIA rates.

Recommendation: Accept the recommendation of the Ad Hoc Rates Committee to modify program rates per Attachment A with such rates becoming effective on July 1, 2012. Approve Resolution Adopting Marin Clean Energy Customer Rate Change for FY 2013.

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Marin Energy Authority
- Joint Powers Agreement -

Effective December 19, 2008
As amended by Amendment No. 1 dated December 3, 2009
As further amended by Amendment No. 2 dated March 4, 2010
As further amended by Amendment No. 3 dated May 6, 2010
As further amended by Amendment No. 4 dated December 1, 2011
As further amended by Amendment No. 5 dated July 5, 2012
As further amended by Amendment No. 6 dated September 5, 2013
As further amended by Amendment No. 7 dated December 5, 2013
As further amended by Amendment No. 8 dated September 4, 2014

Among The Following Parties:

City of Belvedere
Town of Corte Madera
Town of Fairfax
City of Larkspur
City of Mill Valley
City of Novato
City of Richmond
Town of Ross
Town of San Anselmo
City of San Pablo
City of San Rafael
City of Sausalito
Town of Tiburon
County of Marin
County of Napa

MARIN ENERGY AUTHORITY
JOINT POWERS AGREEMENT

This **Joint Powers Agreement** ("Agreement"), effective as of December 19, 2008, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the parties set forth in Exhibit B ("Parties"). The term "Parties" shall also include an incorporated municipality or county added to this Agreement in accordance with Section 3.1.

RECITALS

1. The Parties are either incorporated municipalities or counties sharing various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and their inhabitants.

2. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local government to develop programs to reduce greenhouse emissions.

3. The purposes for the Initial Participants (as such term is defined in Section 2.2 below) entering into this Agreement include addressing climate change by reducing energy related greenhouse gas emissions and securing energy supply and price stability, energy efficiencies and local economic benefits. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar and wind energy production.

4. The Parties desire to establish a separate public agency, known as the Marin Energy Authority ("Authority"), under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act") in order to collectively study, promote, develop, conduct, operate, and manage energy programs.

5. The Initial Participants have each adopted an ordinance electing to implement through the Authority Community Choice Aggregation, an electric service enterprise agency available to cities and counties pursuant to California Public Utilities Code Section 366.2 ("CCA Program"). The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program. Regardless of whether or not Program Agreement 1 is approved and the CCA Program becomes operational, the parties intend for the Authority to continue to study, promote, develop, conduct, operate and manage other energy programs.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1
CONTRACT DOCUMENTS

1.1 **Definitions**. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A, unless the context requires otherwise.

1.2 **Documents Included**. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

Exhibit A:	Definitions
Exhibit B:	List of the Parties
Exhibit C:	Annual Energy Use
Exhibit D:	Voting Shares

1.3 **Revision of Exhibits**. The Parties agree that Exhibits B, C and D to this Agreement describe certain administrative matters that may be revised upon the approval of the Board, without such revision constituting an amendment to this Agreement, as described in Section 8.4. The Authority shall provide written notice to the Parties of the revision of any such exhibit.

ARTICLE 2
FORMATION OF MARIN ENERGY AUTHORITY

2.1 **Effective Date and Term**. This Agreement shall become effective and Marin Energy Authority shall exist as a separate public agency on the date this Agreement is executed by at least two Initial Participants after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(10). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 7.4, subject to the rights of the Parties to withdraw from the Authority.

2.2 **Initial Participants**. During the first 180 days after the Effective Date, all other Initial Participants may become a Party by executing this Agreement and delivering an executed copy of this Agreement and a copy of the adopted ordinance required by Public Utilities Code Section 366.2(c)(10) to the Authority. Additional conditions, described in Section 3.1, may apply (i) to either an incorporated municipality or county desiring to become a Party and is not an Initial Participant and (ii) to Initial Participants that have not executed and delivered this Agreement within the time period described above.

2.3 **Formation**. There is formed as of the Effective Date a public agency named the Marin Energy Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. The debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 8.4 of this Agreement, this Section 2.3 may not be amended unless such amendment is approved by the governing board of each Party.

2.4 **Purpose**. The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties intend for this Agreement to be used as a contractual mechanism by which the Parties are authorized to participate as a group in the CCA Program, as further described in Section 5.1. The Parties intend that subsequent agreements shall define the terms and conditions associated with the actual implementation of the CCA Program and any other energy programs approved by the Authority.

2.5 **Powers**. The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following:

2.5.1 make and enter into contracts;
2.5.2 employ agents and employees, including but not limited to an Executive Director;
2.5.3 acquire, contract, manage, maintain, and operate any buildings, works or improvements;
2.5.4 acquire by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;
2.5.5 lease any property;
2.5.6 sue and be sued in its own name;
2.5.7 incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Section 53850 et seq. and authority under the Act;
2.5.8 issue revenue bonds and other forms of indebtedness;
2.5.9 apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state or local public agency;

2.5.10 submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;

2.5.11 adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority ("Operating Rules and Regulations"); and

2.5.12 make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services.

2.6 **Limitation on Powers**. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the County of Marin.

2.7 **Compliance with Local Zoning and Building Laws**. Notwithstanding any other provisions of this Agreement or state law, any facilities, buildings or structures located, constructed or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed.

ARTICLE 3
AUTHORITY PARTICIPATION

3.1 **Addition of Parties**. Subject to Section 2.2, relating to certain rights of Initial Participants, other incorporated municipalities and counties may become Parties upon (a) the adoption of a resolution by the governing body of such incorporated municipality or such county requesting that the incorporated municipality or county, as the case may be, become a member of the Authority, (b) the adoption, by an affirmative vote of the Board satisfying the requirements described in Section 4.9.1, of a resolution authorizing membership of the additional incorporated municipality or county, specifying the membership payment, if any, to be made by the additional incorporated municipality or county to reflect its pro rata share of organizational, planning and other pre-existing expenditures, and describing additional conditions, if any, associated with membership, (c) the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(10) and execution of this Agreement and other necessary program agreements by the incorporated municipality or county, (d) payment of the membership payment, if any, and (e) satisfaction of any conditions established by the Board. Notwithstanding the foregoing, in the event the Authority decides to not implement a CCA Program, the requirement that an additional party adopt the ordinance required by Public Utilities Code Section 366.2(c)(10) shall not apply. Under such circumstance, the Board resolution authorizing membership of an additional incorporated municipality or county shall be adopted in accordance with the voting requirements of Section 4.10.

3.2 **Continuing Participation**. The Parties acknowledge that membership in the Authority may change by the addition and/or withdrawal or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 3.1. The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

ARTICLE 4
GOVERNANCE AND INTERNAL ORGANIZATION

4.1 **Board of Directors**. The governing body of the Authority shall be a Board of Directors ("Board") consisting of one director for each Party appointed in accordance with Section 4.2.

4.2 **Appointment and Removal of Directors**. The Directors shall be appointed and may be removed as follows:

4.2.1 The governing body of each Party shall appoint and designate in writing one regular Director who shall be authorized to act for and on behalf of the Party on matters within the powers of the Authority. The governing body of each Party also shall appoint and designate in writing one alternate Director who may vote on matters when the regular Director is absent from a Board meeting. The person appointed and designated as the Director or the alternate Director shall be a member of the governing body of the Party.

4.2.2 The Operating Rules and Regulations, to be developed and approved by the Board in accordance with Section 2.5.11, shall specify the reasons for and process associated with the removal of an individual Director for cause. Notwithstanding the foregoing, no Party shall be deprived of its right to seat a Director on the Board and any such Party for which its Director and/or alternate Director has been removed may appoint a replacement.

4.3 **Terms of Office**. Each Director shall serve at the pleasure of the governing body of the Party that the Director represents, and may be removed as Director by such governing body at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director in accordance with the provisions of Section 4.2 within 90 days of the date that such position becomes vacant.

4.4 **Quorum**. A majority of the Directors shall constitute a quorum, except that less than a quorum may adjourn from time to time in accordance with law.

4.5 **Powers and Function of the Board**. The Board shall conduct or authorize to be conducted all business and activities of the Authority, consistent with this Agreement, the Authority Documents, the Operating Rules and Regulations, and applicable law.

4.6 **Executive Committee**. The Board may establish an executive committee consisting of a smaller number of Directors. The Board may delegate to the executive committee such authority as the Board might otherwise exercise, subject to limitations placed on the Board's authority to delegate certain essential functions, as described in the Operating Rules and Regulations. The Board may not delegate to the Executive Committee or any other committee its authority under Section 2.5.11 to adopt and amend the Operating Rules and Regulations.

4.7 **Commissions, Boards and Committees**. The Board may establish any advisory commissions, boards and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement.

4.8 **Director Compensation**. Compensation for work performed by Directors on behalf of the Authority shall be borne by the Party that appointed the Director. The Board, however, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors.

4.9 **Board Voting Related to the CCA Program**.

4.9.1. To be effective, on all matters specifically related to the CCA Program, a vote of the Board shall consist of the following: (1) a majority of all Directors shall vote in the affirmative or such higher voting percentage expressly set forth in Sections 7.2 and 8.4 (the "percentage vote") and (2) the corresponding voting shares (as described in Section 4.9.2 and Exhibit D) of all such Directors voting in the affirmative shall exceed 50%, or such other higher voting shares percentage expressly set forth in Sections 7.2 and 8.4 (the "percentage voting shares"), provided that, in instances in which such other higher voting share percentage would result in any one Director having a voting share that equals or exceeds that which is necessary to disapprove the matter being voted on by the Board, at least one other Director shall be required to vote in the negative in order to disapprove such matter.

4.9.2. Unless otherwise stated herein, voting shares of the Directors shall be determined by combining the following: (1) an equal voting share for each Director determined in accordance with the formula detailed in Section 4.9.2.1, below; and (2) an additional voting share determined in accordance with the formula detailed in Section 4.9.2.2, below.

4.9.2.1 Pro Rata Voting Share. Each Director shall have an equal voting share as determined by the following formula: (1/total number of

Directors) multiplied by 50, and

4.9.2.2 Annual Energy Use Voting Share. Each Director shall have an additional voting share as determined by the following formula: (Annual Energy Use/Total Annual Energy) multiplied by 50, where (a) “Annual Energy Use” means, (i) with respect to the first 5 years following the Effective Date, the annual electricity usage, expressed in kilowatt hours (“kWhs”), within the Party’s respective jurisdiction and (ii) with respect to the period after the fifth anniversary of the Effective Date, the annual electricity usage, expressed in kWhs, of accounts within a Party’s respective jurisdiction that are served by the Authority and (b) “Total Annual Energy” means the sum of all Parties’ Annual Energy Use. The initial values for Annual Energy use are designated in Exhibit C, and shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year

4.9.2.3 The voting shares are set forth in Exhibit D. Exhibit D may be updated to reflect revised annual energy use amounts and any changes in the parties to the Agreement without amending the Agreement provided that the Board is provided a copy of the updated Exhibit D.

4.10 **Board Voting on General Administrative Matters and Programs Not Involving CCA.** Except as otherwise provided by this Agreement or the Operating Rules and Regulations, each member shall have one vote on general administrative matters, including but not limited to the adoption and amendment of the Operating Rules and Regulations, and energy programs not involving CCA. Action on these items shall be determined by a majority vote of the quorum present and voting on the item or such higher voting percentage expressly set forth in Sections 7.2 and 8.4.

4.11 **Board Voting on CCA Programs Not Involving CCA That Require Financial Contributions.** The approval of any program or other activity not involving CCA that requires financial contributions by individual Parties shall be approved only by a majority vote of the full membership of the Board subject to the right of any Party who votes against the program or activity to opt-out of such program or activity pursuant to this section. The Board shall provide at least 45 days prior written notice to each Party before it considers the program or activity for adoption at a Board meeting. Such notice shall be provided to the governing body and the chief administrative officer, city manager or town manager of each Party. The Board also shall provide written notice of such program or activity adoption to the above-described officials of each Party within 5 days after the Board adopts the program or activity. Any Party voting against the approval of a program or other activity of the Authority requiring financial contributions by individual Parties may elect to opt-out of participation in such program or activity by providing written notice of this election to the Board within 30 days after the program or activity is approved by the Board. Upon timely exercising its opt-out election, a Party shall not have any financial obligation or any liability whatsoever for the conduct or operation of such program or activity.

4.12 **Meetings and Special Meetings of the Board**. The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Section 54950 et seq.).

4.13 **Selection of Board Officers.**

4.13.1 **Chair and Vice Chair**. The Directors shall select, from among themselves, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if: (a) the person serving dies, resigns, or the Party that the person represents removes the person as its representative on the Board or (b) the Party that he or she represents withdraws form the Authority pursuant to the provisions of this Agreement.

4.13.2 **Secretary**. The Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.

4.13.3 **Treasurer and Auditor**. The Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be a member of the Board. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may hold both the office of Treasurer and the office of Auditor of the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall act as the depositary of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The Board may require the Treasurer and/or Auditor to file with the Authority an official bond in an amount to be fixed by the Board, and if so requested the Authority shall pay the cost of premiums associated with the bond. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 6.

4.14 **<u>Administrative Services Provider</u>.** The Board may appoint one or more administrative services providers to serve as the Authority's agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of a written agreement between the Authority and the appointed administrative services provider or providers that will be known as an Administrative Services Agreement. The Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program.

ARTICLE 5
IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

5.1 **<u>Preliminary Implementation of the CCA Program.</u>**

5.1.1 **Enabling Ordinance**. Except as otherwise provided by Section 3.1, prior to the execution of this Agreement, each Party shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(10) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

5.1.2 **Implementation Plan**. The Authority shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 4.9.

5.1.3 Effect of Vote On Required Implementation Action. In the event that two or more Parties vote to approve Program Agreement 1 or any earlier action required for the implementation of the CCA Program ("Required Implementation Action"), but such vote is insufficient to approve the Required Implementation Action under Section 4.9, the following will occur:

5.1.3.1 The Parties voting against the Required Implementation Action shall no longer be a Party to this Agreement and this Agreement shall be terminated, without further notice, with respect to each of the Parties voting against the Required Implementation Action at the time this vote is final. The Board may take a provisional vote on a Required Implementation Action in order to initially determine the position of the Parties on the Required Implementation Action. A vote, specifically stated in the record of the Board meeting to be a provisional vote, shall not be considered a final vote with the consequences stated above. A Party who is terminated from this Agreement pursuant to this section shall be considered the same as a Party that voluntarily withdrew from the Agreement under Section 7.1.1.1.

5.1.3.2 After the termination of any Parties pursuant to Section 5.1.3.1, the remaining Parties to this Agreement shall be only the Parties who voted in favor of the Required Implementation Action.

5.1.4 Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

5.2 **Authority Documents**. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution, including but not necessarily limited to the Operating Rules and Regulations, the annual budget, and specified plans and policies defined as the Authority Documents by this Agreement. The Parties agree to abide by and comply with the terms and conditions of all such Authority Documents that may be adopted by the Board, subject to the Parties' right to withdraw from the Authority as described in Article 7.

ARTICLE 6
FINANCIAL PROVISIONS

6.1 **<u>Fiscal Year</u>**. The Authority's fiscal year shall be 12 months commencing July 1 and ending June 30. The fiscal year may be changed by Board resolution.

6.2 **<u>Depository</u>**.

6.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

6.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times. The Board shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

6.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

6.3 **<u>Budget and Recovery Costs</u>**.

6.3.1 **Budget**. The initial budget shall be approved by the Board. The Board may revise the budget from time to time through an Authority Document as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be prepared and approved by the Board in accordance with the Operating Rules and Regulations.

6.3.2 **County Funding of Initial Costs**. The County of Marin shall fund the Initial Costs of the Authority in implementing the CCA Program in an amount not to exceed $500,000 unless a larger amount of funding is approved by the Board of Supervisors of the County**.** This funding shall be paid by the County at the times and in the amounts required by the Authority. In the event that the CCA Program becomes operational, these Initial Costs paid by the County of Marin shall be included in the customer charges for electric services as provided by Section 6.3.4 to the extent permitted by law, and the County of Marin shall be reimbursed from the payment of such charges by customers of the Authority. The Authority may establish a reasonable time period over which such costs are recovered. In the event that the CCA Program does not become operational, the County of Marin shall not be entitled to any reimbursement of the Initial Costs it has paid from the Authority or any Party.

6.3.3 **CCA Program Costs**. The Parties desire that, to the extent reasonably practicable, all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric services under the CCA Program, including the establishment and maintenance of various reserve and performance funds, shall be recovered through charges to CCA customers receiving such electric services.

6.3.4 **General Costs**. Costs that are not directly or indirectly attributable to the provision of electric services under the CCA Program, as determined by the Board, shall be defined as general costs. General costs shall be shared among the Parties on such basis as the Board shall determine pursuant to an Authority Document.

6.3.5 **Other Energy Program Costs**. Costs that are directly or indirectly attributable to energy programs approved by the Authority other than the CCA Program shall be shared among the Parties on such basis as the Board shall determine pursuant to an Authority Document.

ARTICLE 7
WITHDRAWAL AND TERMINATION

7.1 **<u>Withdrawal</u>**.

7.1.1 **General.**

7.1.1.1 Prior to the Authority's execution of Program Agreement 1, any Party may withdraw its membership in the Authority by giving no less than 30 days advance written notice of its election to do so, which notice shall be given to the Authority and each Party. To permit consideration by the governing body of each Party, the Authority shall provide a copy of the proposed Program Agreement 1 to each Party at least 90 days prior to the consideration of such agreement by the Board.

7.1.1.2 Subsequent to the Authority's execution of Program Agreement 1, a Party may withdraw its membership in the Authority, effective as of the beginning of the Authority's fiscal year, by giving no less than 6 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party, and upon such other conditions as may be prescribed in Program Agreement 1.

7.1.2 Amendment. Notwithstanding Section 7.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement in the manner provided by Section 8.4.

7.1.3 Continuing Liability; Further Assurances. A Party that withdraws its membership in the Authority may be subject to certain continuing liabilities, as described in Section 7.3. The withdrawing Party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from membership in the Authority. The Operating Rules and Regulations shall prescribe the rights if any of a withdrawn Party to continue to participate in those Board discussions and decisions affecting customers of the CCA Program that reside or do business within the jurisdiction of the Party.

7.2 **<u>Involuntary Termination of a Party</u>**. This Agreement may be terminated with respect to a Party for material non-compliance with provisions of this Agreement or the Authority Documents upon an affirmative vote of the Board in which the minimum percentage vote and percentage voting shares, as described in Section 4.9.1, shall be no less than 67%, excluding the vote and voting shares of the Party subject to possible termination. Prior to any vote to terminate this Agreement with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or the Authority Documents that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its membership in the Authority terminated may be subject to certain continuing liabilities, as described in Section 7.3. In the event that the Authority decides to not implement the CCA Program, the minimum percentage vote of 67% shall be conducted in accordance with Section 4.10 rather than Section 4.9.1.

7.3 **<u>Continuing Liability; Refund</u>**. Upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or liabilities arising from the Party's membership in the Authority through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any claims, demands, damages, or liabilities arising after the date of the Party's withdrawal or involuntary termination. In addition, such

Party also shall be responsible for any costs or obligations associated with the Party's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority, to cover the Party's liability for the costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any liabilities or obligations shall be returned to the Party.

7.4 **Mutual Termination**. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its membership in the Authority, and thus terminate this Agreement with respect to such withdrawing Party, as described in Section 7.1.

7.5 **Disposition of Property upon Termination of Authority**. Upon termination of this Agreement as to all Parties, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

ARTICLE 8
MISCELLANEOUS PROVISIONS

8.1 **Dispute Resolution**. The Parties and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Should such efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be settled by binding arbitration in accordance with policies and procedures established by the Board.

8.2 **Liability of Directors, Officers, and Employees**. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Section 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

8.3 **Indemnification of Parties.** The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority, the Parties and the public. The Authority shall defend, indemnify and hold harmless the Parties and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

8.4 **Amendment of this Agreement**. This Agreement may be amended by an affirmative vote of the Board in which the minimum percentage vote and percentage voting shares, as described in Section 4.9.1, shall be no less than 67%. The Authority shall provide written notice to all Parties of amendments to this Agreement, including the effective date of such amendments. A Party shall be deemed to have withdrawn its membership in the Authority effective immediately upon the vote of the Board approving an amendment to this Agreement if the Director representing such Party has provided notice to the other Directors immediately preceding the Board's vote of the Party's intention to withdraw its membership in the Authority should the amendment be approved by the Board. As described in Section 7.3, a Party that withdraws its membership in the Authority in accordance with the above-described procedure may be subject to continuing liabilities incurred prior to the Party's withdrawal. In the event that the Authority decides to not implement the CCA Program, the minimum percentage vote of 67% shall be conducted in accordance with Section 4.10 rather than Section 4.9.1.

8.5 **Assignment**. Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 8.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 8.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

8.6 **Severability**. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

8.7 **Further Assurances**. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

8.8 **Execution by Counterparts**. This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

8.9 **Parties to be Served Notice**. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: ____________________________

Name: Thomas Cromwell

Title: Mayor

Date: December 8, 2008

Party: City of Belvedere

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: ____________________

Name: Alexandra Cock

Title: Mayor

Date: December 6, 2011

Party: Town of Corte Madera

ATTEST

____
Christine Green, Town Clerk

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: David Weinsoff

Name: David Weinsoff

Title: Mayor

Date: 2.12.09

Party: Town of Fairfax

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: [signature]

Name: Larry Chu

Title: Mayor, Larkspur

Date: November 16, 2011

Party: CITY OF LARKSPUR

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: SMarshall

Name: Shawn E. Marshall

Title: Mayor

Date: December 2, 2008

Party: City of Mill Valley

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Madeline R. Kellner

Name: Madeline R. Kellner

Title: Mayor

Date: October 7, 2011

Party: City of Novato

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority

By: Gayle McLaughlin

Name: Gayle McLaughlin

Title: Mayor

Date: 7/5/12

Party: City of Richmond

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: ______________________

Name: Carla Small

Title: Mayor

Date: 11/16/11

Party: Town of Ross

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: ______________________________

Name: ____Peter Breen__________________

Title: ____Mayor______________________

Date: ____January 9, 2009__________

Party: ____Town of San Anselmo_________

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: ______________________

Name: Paul V. Morris

Title: Mayor, City of San Pablo

Date: SEPT. 16, 2014

Party: City of San Pablo

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Cyr N. Miller

Name: Cyr N. Miller

Title: Vice Mayor

Date: DECEMBER 1, 2008

Party: CITY OF SAN RAFAEL

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Amy Belser

Name: Amy Belser

Title: Mayor

Date: November 18, 2008

Party: City of Sausalito

Attest:

Debbie Pagliaro

Deputy City Clerk

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: ____________________

Name: ALICE FREDERICKS

Title: MAYOR

Date: 2/10/09

Party: TOWN OF TIBURON

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: ____________________

Name: CHARLES F. McGLASHAN

Title: PRESIDENT, BD OF SUPERVISORS

Date: November 18 2008

Party: COUNTY OF MARIN

ARTICLE 9

Marin Clean Energy JPA Agreement

SIGNATURE

Amendment No. 8

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: ____________________

Name: Mark Luce,

Title: Chairman, Napa County Board of Supervisors

Date: 7/22/14

Party: Napa County

Approved as to form:

____________________ Date 7/21/14

Minh Tran,

County Counsel

<u>Exhibit A</u>

To the
Joint Powers Agreement
Marin Energy Authority

-Definitions-

"AB 117" means Assembly Bill 117 (Stat. 2002, ch. 838, codified at Public Utilities Code Section 366.2), which created CCA.

"Act" means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq*.)

"Administrative Services Agreement" means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

"Agreement" means this Joint Powers Agreement.

"Annual Energy Use" has the meaning given in Section 4.9.2.2.

"Authority" means the Marin Energy Authority.

"Authority Document(s)" means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

"Board" means the Board of Directors of the Authority.

"CCA" or "Community Choice Aggregation" means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.

"CCA Program" means the Authority's program relating to CCA that is principally described in Sections 2.4 and 5.1.

"Director" means a member of the Board of Directors representing a Party.

"Effective Date" means the date on which this Agreement shall become effective and the Marin Energy Authority shall exist as a separate public agency, as further described in Section 2.1.

"Implementation Plan" means the plan generally described in Section 5.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.

"Initial Costs" means all costs incurred by the Authority relating to the establishment and initial operation of the Authority, such as the hiring of an Executive Director and any administrative staff, any required accounting, administrative, technical and legal services in support of the Authority's initial activities or in support of the negotiation, preparation and approval of one or more Administrative Services Provider Agreements and Program Agreement 1. Administrative and operational costs incurred after the approval of Program Agreement 1 shall not be considered Initial Costs.

"Initial Participants" means, for the purpose of this Agreement, the signatories to this JPA as of May 5, 2010 including City of Belvedere, Town of Fairfax, City of Mill Valley, Town of San Anselmo, City of San Rafael, City of Sausalito, Town of Tiburon and County of Marin.

"Operating Rules and Regulations" means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

"Parties" means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.2 or 3.2 such that it is considered a member of the Authority.

"Party" means, singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.2 or 3.2 such that it is considered a member of the Authority.

"Program Agreement 1" means the agreement that the Authority will enter into with an energy service provider that will provide the electricity to be distributed to customers participating in the CCA Program.

"Total Annual Energy" has the meaning given in Section 4.9.2.2.

Exhibit B

To the
Joint Powers Agreement
Marin Energy Authority

-List of the Parties-

City of Belvedere
Town of Corte Madera
Town of Fairfax
City of Larkspur
City of Mill Valley
City of Novato
City of Richmond
Town of Ross
Town of San Anselmo
City of San Pablo
City of San Rafael
City of Sausalito
Town of Tiburon
County of Marin
County of Napa

Exhibit C
To the
Joint Powers Agreement
Marin Clean Energy

- Annual Energy Use -

This Exhibit C is effective as of September 5, 2014.

Party	**kWh (2012/2013*)**
City of Belvedere	9,973,170
Town of Corte Madera	62,093,107
Town of Fairfax	24,700,647
City of Larkspur	63,174,199
City of Mill Valley	69,176,164
City of Novato	286,565,119
City of Richmond	581,012,267
Town of Ross	13,529,793
Town of San Anselmo	46,642,417
City of San Pablo	97,383,170
City of San Rafael	347,362,327
City of Sausalito	48,099,763
Town of Tiburon	40,913,144
County of Marin	330,023,521
County of Napa	348,095,521
Authority Total Energy Use	**2,368,744,329**

*Data Provided by PG&E

Exhibit D
To the
Joint Powers Agreement
Marin Clean Energy

- Voting Shares -

This Exhibit D is effective as of September 5, 2014.

Party	kWh (2012/2013*)	Section 4.9.2.1	Section 4.9.2.2	Voting Share
City of Belvedere	9,973,170	3.33%	0.21%	***3.54%***
Town of Corte Madera	62,093,107	3.33%	1.31%	***4.64%***
Town of Fairfax	24,700,647	3.33%	0.52%	***3.85%***
City of Larkspur	63,174,199	3.33%	1.33%	***4.67%***
City of Mill Valley	69,176,164	3.33%	1.46%	***4.79%***
City of Novato	286,565,119	3.33%	6.05%	***9.38%***
City of Richmond	581,012,267	3.33%	12.26%	***15.60%***
Town of Ross	13,529,793	3.33%	0.29%	***3.62%***
Town of San Anselmo	46,642,417	3.33%	0.98%	***4.32%***
City of San Pablo	97,383,170	3.33%	2.06%	***5.39%***
City of San Rafael	347,362,327	3.33%	7.33%	***10.67%***
City of Sausalito	48,099,763	3.33%	1.02%	***4.35%***
Town of Tiburon	40,913,144	3.33%	0.86%	***4.20%***
County of Marin	330,023,521	3.33%	6.97%	***10.30%***
County of Napa	348,095,521	3.33%	7.35%	***10.68%***
	2,368,744,329	**50.00%**	**50.00%**	***100.00%***

*Data Provided by PG&E

BEFORE THE CITY COUNCIL OF THE CITY OF LAFAYETTE

IN THE MATTER OF:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAFAYETTE, CALIFORNIA REQUESTING MEMBERSHIP IN MARIN CLEAN ENERGY	)))	Resolution 2016-02

WHEREAS, the City of Lafayette of has been actively investigating options to provide electric services to constituents within its service area since June 2014 with the intent of promoting use of renewable energy, reducing energy related greenhouse gas emissions, and providing Lafayette residents and businesses with alternatives to Pacific Gas & Electric Company; and

WHEREAS, on September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat. 2002, Ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "Act"), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (CCA); and

WHEREAS, on September 27, 2006, AB32 was signed into law establishing 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 Act expressly authorizes participation in a CCA program through a joint powers agency, and on December 19, 2008, Marin Clean Energy (MCE) was established as a joint powers authority pursuant to a Joint Powers Agreement, as amended from time to time; and

WHEREAS, on February 2, 2010, the California Public Utilities Commission certified the "Implementation Plan" of MCE, confirming MCE's compliance with the requirements of the Act; and

WHEREAS, the City of Lafayette is committed to the development of renewable energy generation and energy efficiency improvements, reduction of greenhouse gases, protection of the environment, and fully supports MCE's current electricity procurement plan, which targets more than 50% renewable energy content; 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- have alternative choices to energy procurement beyond PG&E; and

WHEREAS, the City of Lafayette finds that joining MCE 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; and

WHEREAS, the City fully supports the mission of MCE, which states that 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. It is the intent of MCE to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar and wind energy production at competitive rates for customers; and

WHEREAS, on August 10, 2015 the Lafayette City Council authorized a Letter of Intent to be sent to MCE requesting that they conduct a membership analysis for Lafayette; and

WHEREAS, in order to become a member of MCE, the MCE Joint Powers Agreement requires the City to individually adopt a resolution requesting membership in MCE, adopt an ordinance electing to implement a Community Choice Aggregation program within its jurisdiction by and through MCE, a Memorandum of Understanding, and a completed request for load data.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council requests that the Board of Directors of Marin Clean Energy approve the City of Lafayette as a member of MCE.
2. The City Manager is hereby directed to forward a copy of this resolution, a Memorandum of Understanding, and a completed request for load data to MCE.

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 January 25, 2016, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

____
Joanne Robbins, City Clerk

APPROVED:

____
Mark Mitchell, Mayor

Memorandum of Understanding between MCE and the City of Lafayette
Exploring Inclusion in MCE

This Memorandum of Understanding (MOU) regarding MCE membership consideration is entered into by and between MCE and the City of Lafayette.

WHEREAS, the City of Lafayette has expressed interest in exploring membership in MCE; and

WHEREAS, MCE has a Policy to consider new community inclusion, subject to receipt of a complete application and subject to MCE analysis and approval; and

WHEREAS, MCE and the City of Lafayette are collaborating to determine the feasibility of including the City within MCE's Service area and approving the City's application for membership; and

WHEREAS, MCE and the City have a mutual interest in following the guidelines below,

NOW THEREFORE, the parties hereto agree as follows:

1. The City of Lafayette agrees to assign one staff member as primary point of contact with MCE. Assigned staff member will support and facilitate communication with other City staff and officials, as well as provide input and high-level assistance on community outreach.

2. The City of Lafayette will work with MCE to conduct public outreach about the MCE program to aid in outreach and education and to collect feedback from the community. Options to publicize include, but are not limited to, website, social media, public events, community workshops, and newsletter announcements, as well as distribution of flyers and handouts provided by MCE.

3. The City of Lafayette will complete and submit 'MCE Membership Application' to MCE.

4. After receipt of complete Membership Application MCE will conduct a quantitative analysis to determine feasibly of adding The City of Lafayette to the MCE Service Area, and approve membership if analysis results are positive.

5. Subject to membership approval by the MCE Board, The City of Lafayette agrees to publicize and share information about MCE within its community during the 6 month enrollment period.

6. Subject to membership approval by the MCE Board, The City of Lafayette agrees to provide desk space for up to 2 MCE staff during the 6 month enrollment period, and agrees to consider ongoing desk space availability if needed for effective and efficient outreach.

IN WITNESS WHEREOF, the parties hereto have executed this MOU.

MCE:
By: ________________________________ ____________________
Dawn Weisz, CEO Date:

Marin Clean Energy

City of Lafayette:

By: ______________________________ ____________________

Mark Mitchell, Mayor Date:

City of Lafayette

Pacific Gas and Electric Company®

DECLARATION BY MAYOR OR CHIEF COUNTY ADMINISTRATOR REGARDING INVESTIGATION, PURSUIT OR IMPLEMENTATION OF COMMUNITY CHOICE AGGREGATION

I, ______________________________ [*name*], state as follows:

1. I am the mayor or chief county administrator of ______________________________ [*name of city or county*].

2. I am authorized to make this declaration on behalf of ______________________________ [check appropriate box]

[ ] a city, or

[ ] county,

which is investigating, pursuing or implementing community choice aggregation as a community choice aggregator as defined by Section 331.1 of the California Public Utilities Code ("CCA" or "Potential CCA").

3. I understand that all of the confidential information provided by PG&E to the city or county indicated above is subject to the terms and conditions of the Nondisclosure Agreement between these two entities and is provided for the sole purpose of enabling the city or county to investigate, pursue or implement community choice aggregation.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this ___ day of ________________, 20___, at __________________, ______ [*city, state*].

______________________________[*Signature*]

BEFORE THE CITY COUNCIL OF THE CITY OF LAFAYETTE

IN THE MATTER OF:

An Ordinance of the City Council of the City of Lafayette approving the Marin Clean Energy Joint Powers Agreement and authorizing the Implementation of a Community Choice Aggregation Program	)))))	Ordinance 644

WHEREAS, the City of Lafayette of has been actively investigating options to provide electric services to constituents within its service area since June 2014 with the intent of promoting use of renewable energy, reducing energy related greenhouse gas emissions, and providing Lafayette residents and businesses with alternatives to Pacific Gas & Electric Company; and

WHEREAS, on September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat. 2002, Ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "Act"), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (CCA); and

WHEREAS, on September 27, 2006, AB32 was signed into law establishing 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 Act expressly authorizes participation in a CCA program through a joint powers agency, and on December 19, 2008, Marin Clean Energy (MCE) was established as a joint powers authority pursuant to a Joint Powers Agreement, as amended from time to time; and

WHEREAS, on February 2, 2010, the California Public Utilities Commission certified the "Implementation Plan" of MCE, confirming MCE's compliance with the requirements of the Act; and

WHEREAS, the City of Lafayette is committed to the development of renewable energy generation and energy efficiency improvements, reduction of greenhouse gases, protection of the environment, and fully supports MCE's current electricity procurement plan, which targets more than 50% renewable energy content; 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- have alternative choices to energy procurement beyond PG&E; and

WHEREAS, the City of Lafayette finds that joining MCE 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; and

WHEREAS, on August 10, 2015 the Lafayette City Council authorized a Letter of Intent to be sent to Marin Clean Energy requesting that they conduct a membership analysis for Lafayette; and

WHEREAS, in order to become a member of MCE, the MCE Joint Powers Agreement requires the City to individually adopt an ordinance electing to implement a Community Choice Aggregation program within its jurisdiction by and through its participation in MCE.

THE CITY COUNCIL OF THE CITY OF LAFAYETTE DOES ORDAIN AS FOLLOWS:

Section 1. The City of Lafayette has been actively investigating options to provide electric services to constituents within its service area with the intent of promoting use of renewable energy, reducing energy related greenhouse gas emissions, and providing Lafayette residents and businesses with alternatives to Pacific Gas & Electric Company.

Section 2. On September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat. 2002, ch . 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "Act"), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (CCA).

Section 3. The Act expressly authorizes participation in CCA program through a joint powers agency, and on December 19, 2008, Marin Clean Energy (MCE) was established as a joint powers authority pursuant to a Joint Powers Agreement, as amended from time to time.

Section 4. On February 2, 2010 the California Public Utilities Commission certified the "Implementation Plan" of the MCE, confirming the MCE's compliance with the requirements of the Act.

Section 5. In order to become a member of MCE, the Act requires the City of Lafayette to individually adopt an ordinance electing to implement a Community Choice Aggregation program within its jurisdiction by and through its participation in the MCE.

Section 6. Based upon all of the above, the City of Lafayette Council elects to implement a Community Choice Aggregation program within the City of Lafayette's jurisdiction by and through the City of Lafayette's participation in Marin Clean Energy. The Mayor is hereby authorized to execute the MCE Joint Powers Agreement.

Section 7. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance for any reason is held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

Section 8. This ordinance shall take effect on the later of (a) the date the - Board of Directors of MCE adopts a Resolution adding the City/Town as a member of MCE, or (b) 30 days after its adoption and, before the expiration of 30 days after its passage.

Section 9. The City Clerk shall either (a) have this Ordinance published in a newspaper of general circulation once within fifteen (15) days after its adoption, or (b) have a summary of this Ordinance published twice in a newspaper of general circulation, once five (5) days before its adoption and again within fifteen (15) days after adoption.

The foregoing Ordinance was introduced at a meeting of the City Council of the City of Lafayette held on January 25, 2016, and adopted and ordered published at a meeting of the City Council held on February 8, 2016, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: APPROVED:

______________________________ ______________________________

Joanne Robbins, City Clerk

Mark Mitchell, Mayor

BEFORE THE CITY COUNCIL OF THE CITY OF LAFAYETTE

IN THE MATTER OF:

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAFAYETTE, CALIFORNIA OF PARTICIPATION TO STUDY THE FEASIBILITY OF COMMUNITY CHOICE AGGREGATION FOR CONTRA COSTA COUNTY	))))	Resolution 2016-03

WHEREAS, the City of Lafayette of has been actively investigating options to provide electric services to constituents within its service area since June 2014 with the intent of promoting use of renewable energy, reducing energy related greenhouse gas emissions, and providing Lafayette residents and businesses with alternatives to Pacific Gas & Electric Company; and

WHEREAS, on September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat. 2002, Ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "Act"), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (CCA); and

WHEREAS, on September 27, 2006, AB32 was signed into law establishing 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- have alternative choices to energy procurement beyond PG&E; and

WHEREAS, The County of Contra Costa and City of Lafayette identified Community Choice Aggregation as a potential strategy to meet the state goal set out in AB32 and the goals outlined in the City's Environmental Strategy; and

WHEREAS, Community Choice Aggregation is a mechanism by which local governments assume responsibility for providing electrical power for residential and commercial customers in their jurisdiction in partnership with PG&E; and

WHEREAS, Community Choice Aggregation, if determined to be technically and financially feasible, could provide substantial environmental and economic benefits to all residents and businesses in City of Lafayette; and

WHEREAS, Community Choice Aggregation also provides the opportunity to fund and implement a wide variety of energy-related programs of interest to the community; and

WHEREAS, In addition to technical and financial feasibility, it is important to determine whether there is adequate public support for Community Choice Aggregation; and

WHEREAS, determining technical feasibility and public support requires the analysis of energy load data from PG&E and a focused stakeholder education and outreach effort.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City of Lafayette indicates its interest to participate in the pre-development and feasibility phase of Community Choice Aggregation in partnership with Contra Costa County without obligation of the expenditure of General Funds unless otherwise authorized by the City Council.
2. The City Manager is authorized to execute the appropriate documents to allow the County and/or its technical consultants to request energy usage/load data from PG&E so that it may be analyzed as part of a countywide CCA technical study.
3. Adoption of this resolution in no way binds or otherwise obligates the City of Lafayette to participate in Community Choice Aggregation, unless it so chooses by passage of a City ordinance.

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 January 25, 2016, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:	**APPROVED:**
______________________________	______________________________
Joanne Robbins, City Clerk	Mark Mitchell, Mayor

LAFAYETTE
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City Council

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

January 25, 2016

David Twa, County Administrator
County of Contra Costa
651 Pine St., 10th Floor
Martinez, CA 94553

Subject: Support for Electrical Load Data Request to study the feasibility of a Community Choice Aggregation Program in the County of Contra Costa

Dear Mr. Twa:

We have reviewed your letter in which you explain the County's plan to request from PG&E the County of Contra Costa's electric energy use data, i.e. electricity consumption and load data for all customer classes and customers located within the County's unincorporated land area and within the jurisdictions of the County, including the City of Lafayette.

We support this request and pursuant to Resolution No. 2016-03, authorize the County of Contra Costa to receive and analyze the electrical load data on behalf of the City. We understand that this data will be used to investigate the feasibility of electrical procurement options through a potential Community Choice Aggregation (CCA) program that could cover all or part of Contra Costa County. We understand that by making this authorization and request, the City of Lafayette is not obligated to pursue any alternative electricity procurement through a CCA program in the future.

Sincerely,

Steven Falk
City Manager

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