



Community Choice Energy for Alameda County

Status Update

City of San Leandro

May 16, 2016

Presenting: Tom Kelly, Sequoia Foundation

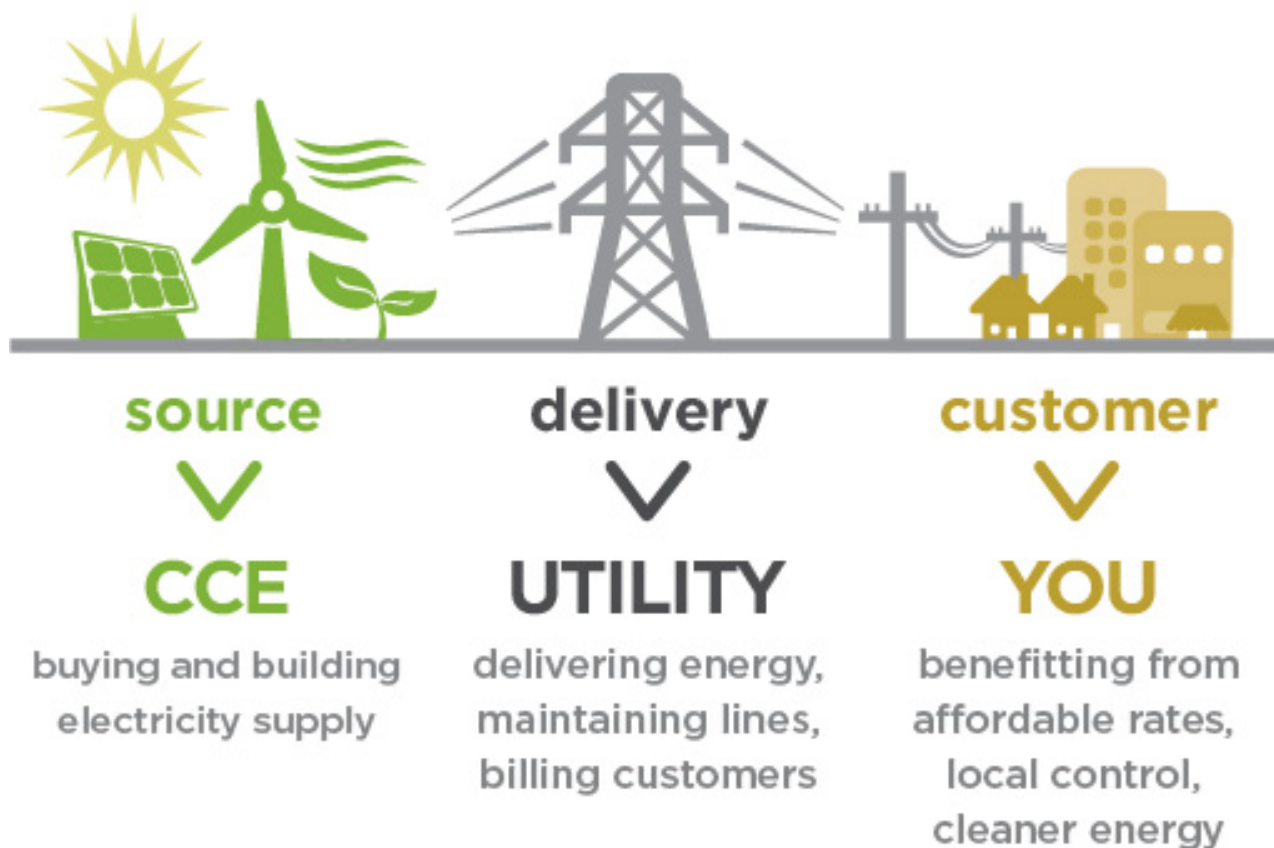


What is Community Choice Energy?



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

How Community Choice Energy Works



Potential CCE Advantages



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

CCE is Growing in California



● Operational CCAs

MCE Clean Energy (*includes Napa County, parts of Contra Costa and Solano Counties*)
Lancaster Choice Energy
Sonoma Clean Power

● 2016 Launch

City/County of San Francisco / CleanPowerSF
San Mateo County / Peninsula Clean Energy

● Exploring / in Process

Alameda County
Butte County
City of San Jose
Contra Costa County
Humboldt County
Lake County
Los Angeles County
Mendocino County
Monterey County*
Placer County
Riverside County
San Benito County*
San Bernardino County
San Diego County
San Luis Obispo County**
Santa Barbara County**
Santa Clara County / Silicon Valley Clean Energy
Santa Cruz County*
Solano County
Ventura County**
Yolo County

*Monterey Bay Tri-County

**Central Coast Tri-County

Status in Bay Area Counties



All Nine Counties Engaged ...

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



Alameda County CCE Thus Far



- In June 2014, the Board of Supervisors allocated \$1.32 million to assess CCE in Alameda County. Up to \$3.25 million may be spent if the first phase looks positive.
- All eligible cities authorized load data collection
- Phase I includes establishing a CCE Steering Committee, program goals, name/brand, initial city and stakeholder outreach, completion of a technical study.
- MRW & Associates in Oakland was selected as the technical study consultant; Study will be complete in late May.

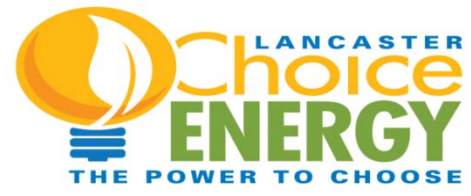


Steering Committee Goals



1. Overall rates and customer bills that are lower or competitive with those offered by PG&E for similar products.
2. Differentiated energy options (e.g. 33% or 50% qualified renewable) for default service, and a 100% renewable content option in which customers may “opt-up” and voluntarily participate.
3. An electric supply portfolio with a lower greenhouse gas intensity than PG&E, and one that supports the achievement of Alameda County’s Climate Action Plan greenhouse gas reduction goals and comparable goals of all participating jurisdictions.
4. An energy portfolio that prioritizes the use and development of local renewable resources and minimizes the use of unbundled renewable energy credits.
5. An energy portfolio that incorporates energy efficiency and demand response programs and has aggressive reduced consumption goals.
6. A program that demonstrates quantifiable economic benefits to the region (e.g. union and prevailing wage jobs, local workforce development, new energy programs, and increased local energy investments).
7. A program that promotes personal and community ownership of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities and communities of color, which are most impacted by climate change.
8. An administering Agency that is financially sustainable, responsive to County and regional priorities, and well managed.

3 CCE Programs in California... so far



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

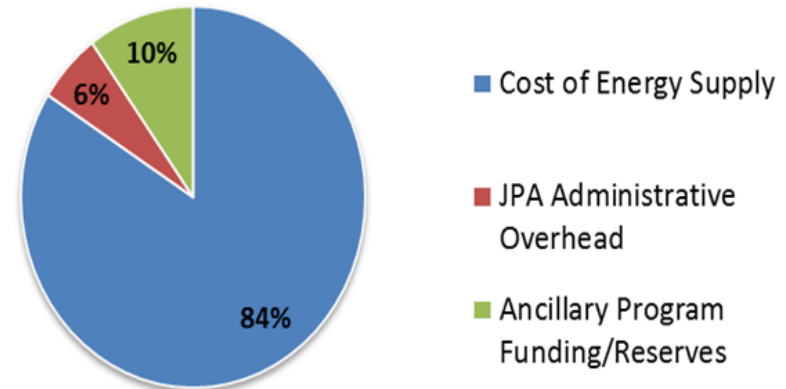
CCE Financial Performance



MCE and SCP are fiscally sound

	MCE (FY 15-16)	SCP (FY 15-16)
Total Projected Revenue	\$145,933,000	\$165,495,000
Expenses	\$141,433,000	\$148,588,000
Cost of Energy	\$129,522,000	\$130,100,000
Cost of Administration	7%	4.5%
Projected Net Increase in Reserves	\$4,500,000	\$16,907,000

Typical CCA Revenue Allocation




Basic Program Mechanics



1. In Alameda County, local governments may participate by passing an ordinance and entering into a JPA Agreement. The JPA structure protects city general funds by separating assets and liabilities of the JPA from those of its member agencies.
2. Under state law, CCE is an “opt-out” program, so customers are automatically enrolled with the option to return to PG&E service at any time.
3. PG&E programs for low income/CARE customers remain the same
4. CCE electric generation charges (including PCIA/exit fee) appear as new line items on the customer bill; all other charges remain the same.
5. The CA Public Utilities Commission certifies CCE Plan; oversees utility/CCE service agreement and other regulatory requirements.

Sample Energy Bill – MCE



ENERGY STATEMENT
www.pge.com/MyEnergy

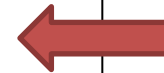
Account No: 1234567890-1
Statement Date: 10/01/2013
Due Date: 10/22/2013

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

Your Account Summary

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

PG&E
continues to
send bills
and collect
payments.



Questions about your bill?

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

Local Office Address


750 LINDARO STREET, STE 160
SAN RAFAEL, CA 94901

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Important Messages

Your charges on this page are separated into delivery charges other than PG&E. These two charges are for delivery of electric power to your premises.

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



ENERGY STATEMENT
www.pge.com/MyEnergy

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

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

10/01/2013 – 11/01/2013

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

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.

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

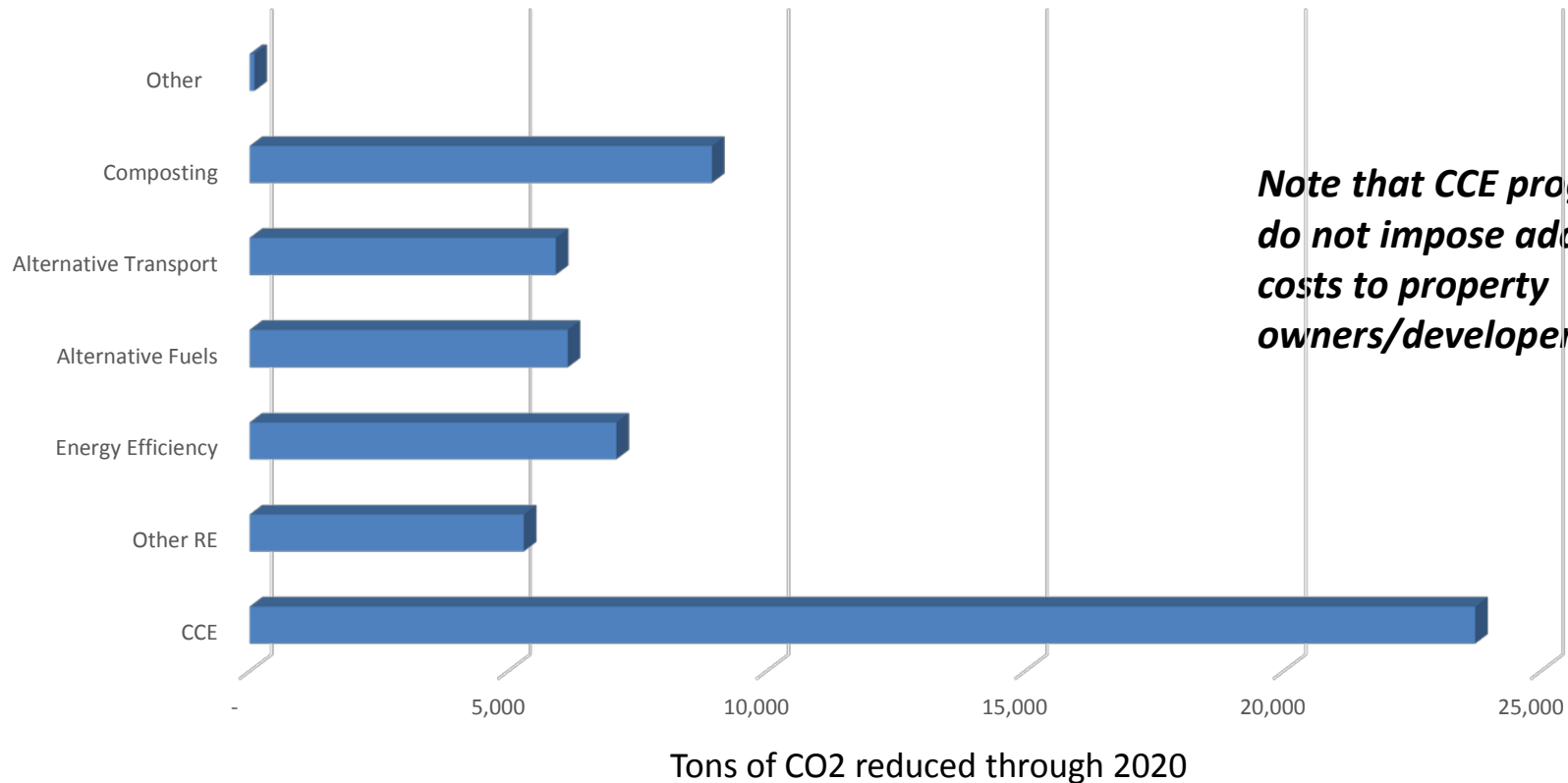
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CCE & Local Climate Action Plans

Excerpt from City of San Mateo Climate Action Plan



CAP Program Options



What are the Risks...

And how are they mitigated?



Rate Competition/Market Fluctuation: Rates will vary with market conditions. Power market expertise, diversified supply portfolio and “value added” programs are essential.



Customer Opt-Out: Opt-out rates have gone down as new programs come on-line. Important to maintain competitive rates and positive customer relationship.



Political: CCE aligns with various State and local policy objectives; appeal to a range of political ideologies by making the environmental, consumer benefit, and economics case.



Regulatory/Legislative: Legislative and Public Utility Commission decisions may adversely affect CCE; Participate in the regulatory and legislative process.

Next Steps: Tech Study

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



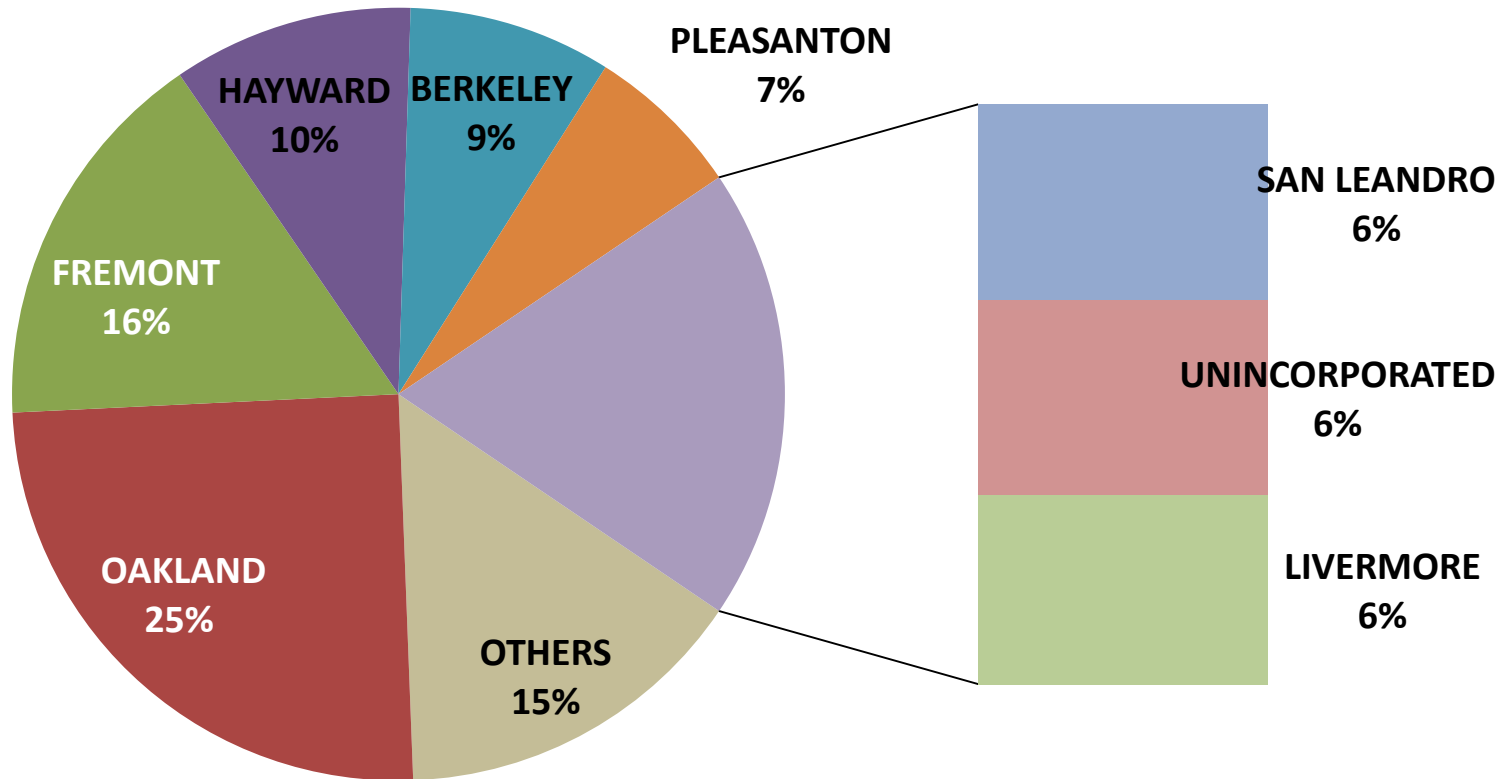
Alameda County Context: EBCE Would be Largest in the Bay



CCE Program	Customers	Sales (GWh)
<i>East Bay Community Energy/ Alameda County</i>	<i>~600,000</i>	<i>~6,500</i>
Silicon Valley Clean Energy/ Santa Clara County	~210,000	~3,400
Clean Power SF/San Francisco	~340,000	~3,200
Peninsula Clean Energy/ San Mateo County	~250,000	~3,300
Marin Clean Energy - includes Marin, Napa, parts of Contra Costa	170,000	1,800
Sonoma Clean Power	190,000	2,100

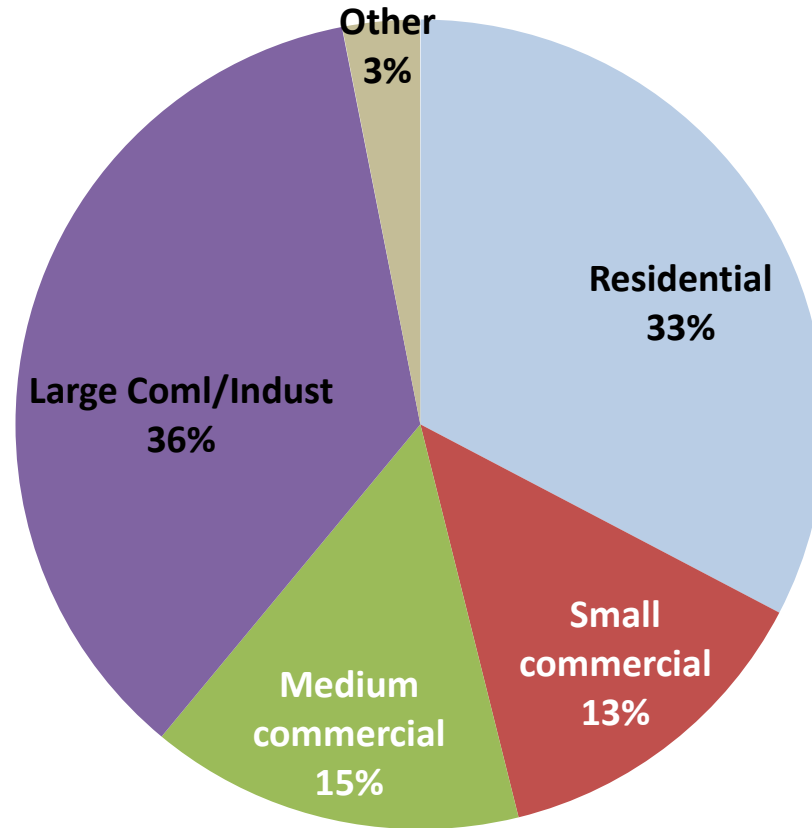
Source: MRW preliminary estimates, March 2016

Alameda County Context: Electrical Load by Jurisdiction



Source: MRW preliminary estimates, March 2016

Alameda County Context: Electrical Load by Rate Class



Source: MRW preliminary estimates, March 2016

Next Steps/Timeline



- Goal is to launch East Bay Community Energy in **Spring, 2017**
- To meet this goal, we are working on parallel paths
- The County is starting the JPA process and has reached out to all the city managers and attorneys. The JPA Agreement will return to the Board of Supervisors at the end of June or early July
- The tentative deadline to join the JPA is **October 31, 2016**
- A robust, multi-lingual public outreach effort will commence once JPA votes are in
- No expenditure of city general funds will be requested for program start-up

What We're Asking from the Cities



- Schedule City Council and staff briefings; continue to participate in CCE Steering Committee
- Ask your City Attorney to participate in JPA Agreement discussions
- Schedule a follow up presentation once Technical Study results are in (summer)
- Agendize CCE item for go/no-go decision this Fall. A copy of the technical study, negotiated JPA agreement and CCE ordinance will be provided.
- The **tentative** deadline for cities to determine their participation is **October 31.**
- The County stands ready to assist the City in whatever it needs to support decision-making (community workshops, study sessions, materials, etc.)



Thank you!

For further information, please contact:
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Bruce.Jensen@acgov.org

