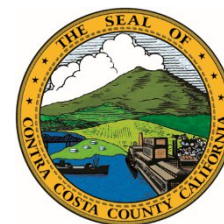


Community Choice Energy (CCE) In Contra Costa County

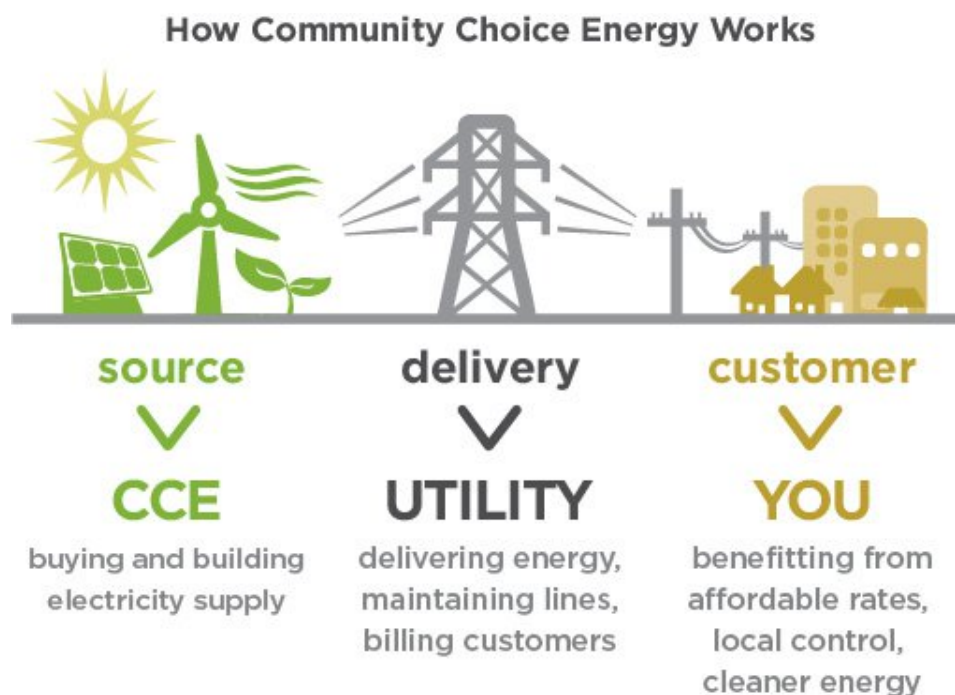
Internal Operations Committee of the Board of Supervisors
February 29, 2016





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.



Basic Program Mechanics

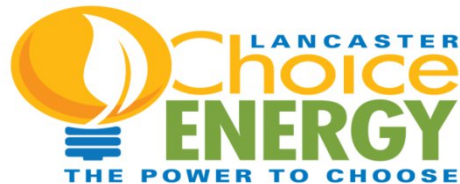


1. Form or join a Joint Powers Agency: Local governments participate by passing an ordinance and entering into a JPA Agreement
2. Utility (PG&E) continues to provide consolidated billing, customer service, grid and line maintenance.
3. PG&E programs for low income/CARE customers remain the same
4. CCE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





3 Programs in California... so far



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

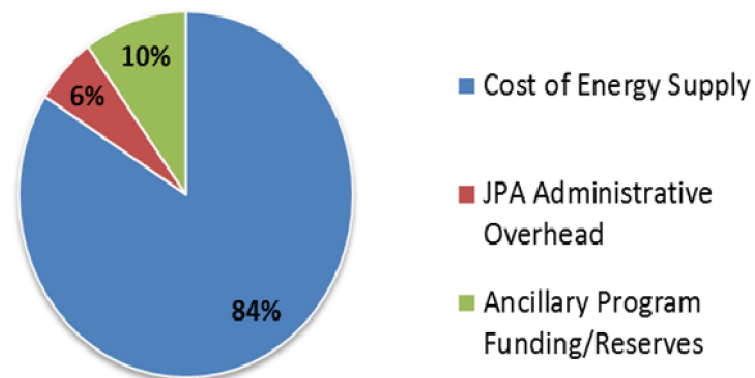


CCE Financial Performance

MCE and SCP are fiscally sound

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

Typical CCA Revenue Allocation

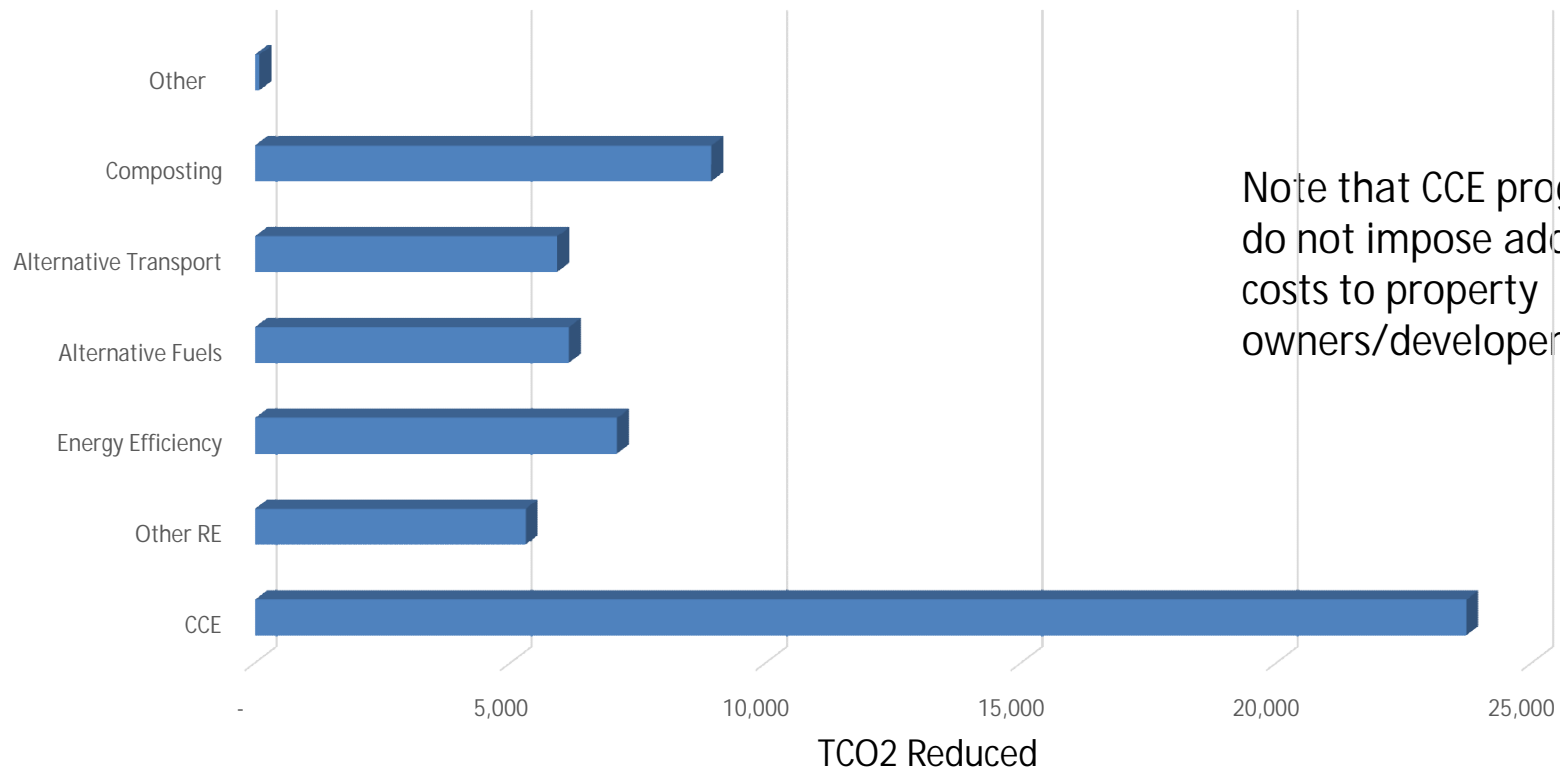


CCE & Local Climate Action Plans

Excerpt from City of San Mateo Climate Action Plan



CAP Program Options



Note that CCE programs do not impose additional costs to property owners/developers





Renewable Energy Product Options

Provider	Program	Power Options	Average Premium for Residential Customers	<u>Added</u> charge on monthly bill (assume 500 kwh/month)
PG&E	Default Solar Choice	27% Renewable	No premium	None
		50% Solar	3.58 cents/kWh	\$8.96/month (assume 250 kWh from solar)
		100% Solar	3.58 cents/kWh	\$17.91/month (assume all 500 kWh from solar)
Marin Clean Energy	Light Green	56% Renewable	No premium	None
	Deep Green	100% Renewable	1 cent/kWh	\$5.00/month
	Local Sol*	100% Local Solar	6 cents/kWh	\$30.00/month
Sonoma Clean Power	CleanStart	36% Renewable	No premium	None
	EverGreen**	100% Renewable	3.5 cents/kWh	\$18.00/month

* 100% from local solar project in Novato

** 100% sourced from the Geysers geothermal facility in Sonoma County



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

Outreach Activities Since Last BOS Meeting



- County staff sent letters to all 16 eligible cities (Richmond, San Pablo and El Cerrito are already members of MCE) to authorize load data collection and assess interest in a technical study.
- Announced regional workshops at Dec. 3 Mayors Conference
- Three Regional Workshops
 - a) Walnut Creek (Dec. 10)
 - b) Hercules (Dec. 14)
 - c) Brentwood (Dec. 16)
- Presentations to City Councils: Concord, Clayton, Pinole, Lafayette and Brentwood



City Responses



City	Load Data Authorization	Cost Sharing for Tech Study
Antioch	Yes	No indication
Brentwood	Yes	Yes, not to exceed \$30,000
Clayton	Yes	Yes, pending more details
Concord	Yes	Yes, not to exceed \$25,000
Danville	Yes	Yes, not to exceed \$18,000
Hercules	Yes	No indication
Lafayette	Yes	No indication
Martinez	Yes	No indication
Moraga	Yes	No indication
Oakley	Yes	No indication
Orinda	Yes	Need more information
Pinole	Yes	Need more information
Pittsburg	Yes	Yes, pending more details
Pleasant Hill	Yes	Yes, not to exceed \$15,000
San Ramon	Yes	Maybe, pending more details
Walnut Creek	Yes	Yes, not to exceed \$20,000



Where do we go from here?

- Given city interest in a potential CCE program in Contra Costa, staff recommends the Board direct DCD to undertake a technical study of CCE in Contra Costa County.
- County's contribution to the technical study likely to be in the \$25,000-\$50,000 range. Total cost of study est. \$75,000-\$150,000.
- First Next Step: Obtain PG&E Load Data
- Work with cities to fund and initiate the tech study, examining three options:
 - Stand-alone CCE
 - Join MCE
 - Partner with Alameda County on joint CCE program





What could go into a technical study?

- Evaluate total load requirements for a CCE (MWH and MW peak demand)
- Look at different resource scenarios (50% renewable, 100% renewable option, etc.)
- Ability to be competitive in current market environment (including PG&E's new Solar Choice option)
- Assessment of risks
- Discussion/modeling of local renewable project development (and associated economic benefits)
- Useful to keep in mind that other counties have undertaken such studies, and similar issues apply.





Community Outreach

- Community Outreach has two objectives:
 - Inform the public about CCE
 - Gather public input to assist decision-makers evaluate tech study
- Community Outreach activities would include:
 - Public workshops
 - Focused stakeholder engagement
 - Web-based educational materials
 - Presentations at Mayors Conference, City Council meetings, and/or other venues



Summary of Recommendations/Fiscal Impacts



- Take steps to obtain PG&E Load Data
- Work with Cities to fund and initiate technical study
- Estimated Fiscal Impact: \$300,000
 - \$75,000 for consulting services to obtain load data, develop and evaluate technical study, and community outreach activities (LEAN Energy)
 - \$50,000 for County share of costs for technical study
 - \$175,000 for County project management and legal expenses
- The County would seek to recover its costs if a new CCE JPA is formed. Costs will not be reimbursed if the County does not create a new JPA.



Thank You



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