

## **Initial MCE Comments re: Draft Technical Study for Community Choice Aggregation in Contra Cost County**

### **Primary Issues to Address**

#### **1. Deviation from the intent of the County's Request For Proposals (RFP)**

The Draft Study deviates from the original intent of the RFP (i.e., to compare the risks and benefits of three potential CCE options).

- The Draft Study gives disproportionate attention to assessing the feasibility of a 'Stand-Alone Contra Costa CCE,' while providing scant analysis on MCE's operational program. For language of the RFP (see bottom of p.4):  
<http://www.cccounty.us/DocumentCenter/View/43037>
- Only one of nine chapters (Chapter 7) specifically provides a 'Comparative Analysis of CCE Options'
- Example: P.69 provides a list of East Bay Community Energy's (EBCE) proposed vision, but nothing similar detailing MCE's current, actual accomplishments

#### **2. West Contra Costa communities under-represented in Draft Study's definition of 'Local Control'**

- The Draft Study misrepresents MCE's governance structure, current Board member composition, and the degree of local control Contra Costa County and its cities would exercise through their voting shares if they were to join MCE.
- Table 29 of the Draft Study should be revised to include the cities of Richmond, San Pablo, El Cerrito, Lafayette and Walnut Creek within the "TOTAL CONTRA COSTA COUNTY" section, instead of the 'Rest of MCE' section. Corresponding load and voting shares should be adjusted to reflect this.

#### **3. Contra Costa County would have the largest Board vote on MCE Board**

- There is relatively little acknowledgment that with MCE, Contra Costa County and its largest cities would be the largest municipalities within MCE's service area. Their Board voting shares would reflect this. With EBCE, Oakland, Fremont and Hayward are all larger.
- Currently, Walnut Creek holds the largest vote on the MCE Board.
- Currently, the five Contra Costa cities that have already joined MCE represent 1/3 of the MCE Board vote.
- If all 14 eligible cities and the County were to join MCE, their combined Board vote would be 62% of the voting share, a larger voting share larger than the rest of MCE's current communities.
- If Contra Costa County joined MCE, it would take the largest voting share on the Board, representing double the weight of any other party.

**4. No analysis of MCE's local renewable and energy projects**

- MCE's development of renewable energy projects within its service area—and specifically within Contra Costa County—is missing from the Draft Study
- These include multiple Feed-in Tariff (FIT) projects, as well as MCE's 10.5 MW 'Solar 1' project in Richmond, scheduled for completion in 2017. Please see the attached list of MCE's local projects (i.e., built within 100 miles of MCE's service area).
- MCE's \$1M annual allocation in Energy Efficiency revenue from the CPUC is not disclosed, nor is the Low Income funding for Energy Efficiency for \$3.6 M. Both of these revenue streams result in local energy efficiency projects, related energy cost savings for customers and related job creation.

**5. No analysis of MCE's support for customer-sited solar**

- MCE's Net Energy Metering (NEM) "cash out" for local solar customers goes completely unmentioned. This year, MCE paid its own NEM customers over \$1,000,000 for the surplus renewable energy they generated. Beneficiaries include cities, schools, businesses, non-profits, etc.
- MCE's Solar Rebate Program: Partnered with GRID Alternatives to provide 57 (so far) to low-income solar customers—many of whom reside in Contra Costa County—totaling over \$35,000.

**6. No mention of MCE's local workforce development**

- Contracts with RichmondBUILD = \$100,000+
- MCE's 10.5 MW 'Solar 1' project in Richmond has a local hire requirement ensuring at least half of the project's labor force must reside within the cities of Richmond, San Pablo or unincorporated North Richmond .
- MCE has partnered with Rising Sun energy Center to install LED lights and water-saving devices at multi-family buildings in San Pablo and El Cerrito. Through this program, Rising Sun has employed 9 youths from both cities and has served 71 units so far.
- MCE's bank, located in Walnut Creek, has partnered with MCE to support local programs including an on-bill repayment program for energy efficiency upgrades.

**7. No mention of MCE's new California-based energy supply and corresponding support union labor and in-state job creation**

As of October 2016, MCE's renewable energy projects have:

- Supported more than 2,800 California jobs;
- Supported 2,700 union jobs
- Created 1.2 million union labor hours

- Committed \$1.4 Billion to build 813 MW of new, California-based renewable energy projects. This includes: \$723 million for in-State solar; \$665 million for in-State wind; 17.4 million for in-State biogas projects.
- In 2016, MCE contracted with four California solar companies to build 445 MW of new solar capacity.
- In 2016, MCE contracted with two California wind farms to build 167 MW of new wind capacity.

**8. Projected job creation of a ‘Stand-Alone CCE’ relies on stable or declining power supply market**

- If increasing power supply costs, the PCIA and other line-item charges outside CCA control change, customer rate-savings, projected local job creation could be substantially diminished or eliminated. This should be disclosed.

**9. Inconsistent analysis and speculation re: PCIA and other variable bill charges**

- Footnote 4 states the PCIA will level off in 2018. This is assumption is contradicted on pages 37, 39, 72, 82 and elsewhere when the Draft Study acknowledges a higher future PCIA could negatively impact rate competitiveness.

**10. Missing items re: MCE inclusion process & requirements**

- Page 70 of the Draft Study states the second reading of a city or county ordinance to join MCE occurs after the MCE Board votes to include a new city or county. Current Policy is for both readings of ordinance to be completed prior to MCE Board membership vote.
- Prospective new MCE communities also need to provide County Assessor data. This is used to help facilitate MCE’s Energy Efficiency program and other customer programs.

**11. No mention of collateral requirements for CCA start-up**

**12. Table ES-5/Table 25 (‘Comparison of Contra Costa CCE Options’) would benefit from revision and/or further explanation**

- Why would MCE score lower in the category of ‘Local Control/Governance’ than the other two options? If Contra Costa County were to join MCE, it would become the largest single vote on MCE’s Board. Please see #3 above.
- Why would MCE score lower in the category of ‘Local Economic Benefits’ than the other two options? MCE already administers a well-established Feed-in Tariff (FIT); Net Energy Metering (NEM) program; Energy Efficiency Program; Low Income Solar Program; and supports local job training and apprentice programs. These MCE programs are already helping to develop local projects, create local jobs, and reduce

locally generated GHGs in Contra Costa County. These are real and current benefits; why would they measure less favorably than the aspirational—and uncertain—benefits of the other two potential options?

- Was MCE’s established credit profile considered when comparing the cost and pace at which each CCE option could deliver local project developments? This would allow MCE to make greater and quicker local investments than either of the other two potential CCE options.
- “Level of Effort” includes related cost, correct? Please state this.
- “Program Risks” includes potential costs, correct? Please state this.
- It is assumed the Start Up Costs/Costs to Join EBCE would likely be nothing; on what is this expectation based?
- Contra Costa County and its cities could join MCE as early as mid-2017. The table currently says “Late 2017” - please revise.
- Footnote #8 states the “Start-up costs incurred by the County or others are likely to be reimbursed by the JPA.” What is this assumption based on? When would this be likely to occur? Please quantify the anticipated amount of these start-up costs and state them in this section so they can be directly compared to the other options.
- In the category of “GHG Reduction Potential Over Forecast Period,” MCE should rank higher, considering it has adopted a policy (as indicated in MCE’s Integrated Resource Plan) to achieve a 95% carbon free content by 2025. The timeline of the other two options is uncertain at this time.

## **Secondary Issues to Address**

### **1. Reference to a “Contra Costa-Only CCE”**

- Obscures fact that five Contra Costa cities are currently MCE members.
- It would be more accurate to refer to a “Partial Contra Costa CCE” or a “Split Contra Costa CCE.” Even reference to a “Stand-Alone CCE” obscures the fact that the County’s service area will be split if the jurisdictions evaluated in this study form a separate program.

### **2. Failure to identify MCE’s five Contra Costa communities by name**

- Although the cities are mentioned in an early footnote, there are numerous points at which the failure to name these cities obscures the fact that a substantial portion of Contra Costa County is already served by MCE.

### **3. Three year phase-in of ‘Stand-Alone CCE’ underemphasized**

- If the remaining Contra Costa jurisdictions form their own CCA, some customers will not receive service until 2020 at the earliest.

- 4. The ability of MCE member-communities to combine their weighted voting share would be more accurately referred to as “consolidation,” than dilution (p.67).**
  - As the Draft Report indicates, all of Napa County’s municipalities are represented by a single MCE Board member. As such, the City of Calistoga is represented by a much larger weighted Board vote than it would otherwise.
  
- 5. Please reference “MCE”**
  - MCE is referred to throughout the Draft Study as “MCE Clean Energy” and “Marin Clean Energy (MCE)” – neither is currently accurate.
  - MCE acronym not included among list of acronyms (both EBCE and PG&E are included here)
  - Suggested revision: Refer to “MCE” with a footnote describing origins in Marin County, and now providing service to all of Napa, Benicia, and the following five cities within Contra Costa County: Richmond, San Pablo, El Cerrito, Lafayette, and Walnut Creek.

### **Outstanding Questions**

- 1. Did MRW contact City staff in Richmond, San Pablo, El Cerrito, Lafayette or Walnut Creek to learn more about their experience working with MCE, or the service MCE has provided to their ratepayers?**
  - If not, MCE kindly requests MRW do so. We are happy to provide names and contact information for these purposes.
  
- 2. Were CCA collateral cash on hand and posting requirements considered in the start-up and operating costs for a new CCE?**
  - If not, please revise to include these costs.
  
- 3. What are the anticipated funding and credit sources for the proposed local build out in year 1 (p.33 of Draft Study)?**
  - Who pays the upfront costs for these construction projects? Who builds and manages them?
  - Was MCE’s established credit profile considered anywhere within the Draft Study? Bonds cannot be issued without a credit profile, and it will take time for newly launching CCAs to establish this.
  
- 4. Diablo Canyon was referenced but PG&E’s new proposed “Clean Energy Charges” to be imposed on CCA customers appear to not have been factored into pricing estimates?**
  - If not, please revise to include these costs.