

Jason Crapo

From: Carol Weed <cccleanenergy@gmail.com>
Sent: Monday, January 30, 2017 8:19 PM
To: federal.glover@bos.cccounty.us; Karen Mitchoff; John Gioia; Candace Andersen; Diane Burgis
Cc: John Kopchik; Jason Crapo; Jody London; Joellen Bergamini; shawnmarshall@leanenergyus.org; sbaruch@carbonomicsonline.com
Subject: The CCC CCE Draft Technical Study and the Need for Fuller Consideration of All Studied Options
Attachments: Rafferty Draft Study Comments.pdf; ATT00001.htm

January 30, 2017

Contra Costa County Board of Supervisors
651 Pine Street
Martinez, CA 94553
via electronic mail

Re: The CCE Draft Technical Study and the Need for Fuller Consideration of All Studied Options

Dear Members of the Contra Costa Board of Supervisors:

We, the undersigned, represent organizations that have been following the progress made by the cities and County of Contra Costa as they decide how to implement Community Choice Energy. We do not share a preference for any one of the three options outlined in the Draft Technical Study, but we do share the following concerns about the adequacy of that study and the public process that has unfolded in its aftermath.

- 1) We are highly critical of the current Draft Technical Study prepared by MRW, as well as the very cursory presentations made by the county and the consultants. Neither the study nor the presentations include enough necessary information or the specificity of detail required in order for the cities and the County to make fully informed decisions with lifelong consequences. To cite one such example, when addressing the very basic question of risks associated with the startup costs, the study actually neglects to mention that to date, all CCEs in California have paid back their loans in less than a year.
- 2) We are, moreover, extremely troubled by the premature decision of the Board of Supervisors on January 17, 2017, to eliminate the stand-alone Community Choice Energy option, which the draft study identified (in Table ES-5) as offering the “greatest” amount of local governance and local economic benefit. The decision to exclude the in-county (stand-alone) option unnecessarily limits the choices offered to residents and businesses in unincorporated areas of the County, and preempts input from leaders, residents, and businesses in the incorporated cities before they have had the opportunity to question and comment on the study. Seven cities contributed to the study’s cost and are entitled to one that fully addresses the impacts to their respective cities—

e.g., what amount of buildout is reasonably possible in the Concord Naval Weapons Depot over a ten-year period, and what its economic impact would be. We therefore urge you to reconsider your decision to remove the in-county option from consideration.

3) We would like to know why neither the Contra Costa study nor the presentations have answered this fairly simple question: Why did the study for Alameda County done by the same MRW Consulting firm give a much more robust analysis of the economic benefits of local buildout?

4) We would also like to know why, if the technical studies of six other Bay Area counties (Sonoma, San Francisco, San Mateo, Santa Clara, Alameda, and Yolo) show the stand-alone option to be superior, this would not also be the case in Contra Costa.

5) Unfortunately, the Draft Feasibility Study does not enable the reader to determine which option, in the choice between MCE and EBCE, might result in the greater buildout and job development within Contra Costa. In fact, the study does not indicate that any such buildout or job development will occur by joining either MCE or EBCE. We strongly encourage the county to communicate with both MCE and EBCE about these issues.

Attached is a letter from Scott Rafferty addressing in much more detail some additional concerns about missing or misrepresented facts in the current Contra Costa Draft Technical Study, including the paucity of current information about MCE. This is not an attempt to indicate that MCE is a bad choice, but rather to point out that relevant information about MCE that is available to the public is not included in the draft study. We understand that information about both a stand-alone option and EBCE is necessarily limited because neither yet exists.

Here are some of the points that Scott Rafferty makes:

a) He agrees with MCE's criticisms that the analyst provides "scant analysis of MCE's operational program," and "no analysis" of MCE's local renewable program, customer-sited solar, job creation, and other benefits. But despite some impressive claims about past performance, MCE doesn't really provide much insight into its forward-looking plan. He suggests that MCE may bring more legacy costs than synergies to our county.

b) MCE wants credit for \$4.6m in subsidies from the CPUC for energy development (that have already been fully committed to programs in Richmond or outside CCC). An independent CC-CCE program would probably be better positioned to seek equivalent subsidies from CPUC than MCE would be in getting them increased proportionally, which MCE does not suggest is likely.

c) He argues that the Supervisors have relied too heavily on the consultant's analysis of the more obvious "first order" effects of piggybacking on MCE—less "effort" and greater risk on "start-up costs," which the consultant concedes are small. The risk to which the BOS is averse, therefore, might be political. If things go awry, they can share responsibility with the existing local bodies.

d) He also rejects MCE's notion that El Cerrito and Richmond have an identity of interests with the rest of CCC or that there will be brand confusion. On the contrary, they share the climate and rate structure of Marin and Oakland, which is very different from the rest of Contra Costa County and Alameda east of the I-680.

e) Neither MCE nor, at this stage, our BOS has clear direction on how to weigh competing objectives—low electric rates, GHG mitigation, progressive rate design (including low-income and residential preferences), job creation and economic benefits, worker and public safety and service reliability. MCE is self-regulating and subject to very significant shifts in voting power.

f) The jury is still out on MCE's effectiveness in dealing with regulators. It settled very quickly with PG&E in a pending rate case, with limited concessions for clean energy or consumer rate relief. At the state level, two voices will likely have more clout than one—a statement MCE itself has made.

g) As the Governor's attempts at CAISO regionalization have made clear, larger geographic scale does not always increase the GHG benefits. Neither MCE nor the consultants have yet developed a measure of environmental benefit that accurately accommodates displacement to PG&E and other utilities.

For all the above reasons, we strongly urge the Board of Supervisors to reconsider what we believe was a premature narrowing of the choices. We request that more complete information be shared in future presentations, especially as regards the potential for local buildout and the economic benefits of each of the three proposed CCE choices, and that the final technical study include far more concrete information which the cities will need to make a truly informed choice.

Very sincerely yours,

Peter Ericson
Contra Costa Clean Energy Alliance

Lynda Deschambault
Generation Green / Contra Costa County Climate Leaders (4CL)

Peter Dragovich
Contra Costa Progressives

Bill Pinkham
350 Bay Area

Shoshana Wechsler
Sunflower Alliance

Pélló Walker
Pleasant Hill Chamber of Commerce Green Group

Carol Weed
Contra Costa Chapter Organizing for Action

Jan Warren

Interfaith Climate Action Network of Contra Costa County

cc:
John Kopchik
Jason Crapo
Jody London
LEAN Energy US
Cities of Antioch, Brentwood, Clayton, Concord, Danville, Hercules, Martinez, Moraga, Oakley, Orinda,
Pinole, Pittsburg, Pleasant Hill, San Ramon

Attachment: 1/25 /17 Scott Rafferty letter re: “Establishing a County-Only Clean Energy Authority”