Summary of Comments and Responses Regarding the CCE Technical Study in Contra Costa County

The following is a summary by topic of Draft Technical Study comments and County staff responses based on communications received through the on-line CCE survey posted on the County's website from December 2016 to January 2017 and from MCE, IBEW, Sierra Club SF Bay Chapter, Contra Costa Clean Energy Alliance, and several individuals in Contra Costa County. Responses are provided within the limitations of the Study scope and existing information concerning CCE programs that are in early stages of development.

TOPIC AREA	COMMENTS	RESPONSE
MCE/EBCE Program Options	Inadequate information about MCE's program and accomplishments	The scope of the Technical Study focuses on the potential of a new CCCo-based CCE program along with a high-level comparison with two other CCE program options – MCE and EBCE. Only one of these three program options – MCE – is currently operational, thus limiting a detailed program-level comparison of the three CCE program options evaluated in the Study. MCE has indicated its willingness to provide more detailed presentations of its programs to the County and interested cities in advance of their membership deadline of May 31, 2017.
	Need more information about East Bay Community Energy (EBCE)	EBCE is in the early phases of formation and is not yet operational. EBCE's JPA Agreement is attached to the Technical Study as an appendix. In addition, staff requested and received a letter from EBCE outlining the steps to join EBCE, if that is of interest to CCCo jurisdictions. A key element of EBCE's program is creation of a local development business plan which will be expanded to include new communities who join their JPA by June 30, 2017.
Governance	Concern about effectiveness of large, politically diverse and geographically dispersed Boards	This issue was raised by commenters as a potential disadvantage for CCEs that represent a large service territory with political differences with regards to rate sensitivity, environmental focus, and labor policies. Several commenters indicated that a CCCo focused program would be better able to achieve consensus and provide oversight over a smaller, more geographically and politically similar service territory. In both the MCE and EBCE options, new member jurisdictions will be offered a seat on the governing Board, with the potential for consolidation/vote by proxy if desired in MCE's program.
	Request for clarification about how CCCo County and cities "stack up" relative to size and	This issue has been further clarified in the Final Study. Currently, the 5 Contra Costa communities in MCE represent ~14% of the voting share on MCE's board. If all the

	voting share in MCE and EBCE programs	remaining Contra Costa communities and the unincorporated County join MCE, Contra Costa would represent 61% of the voting share on MCE's board. If the unincorporated area and the 14 cities not currently served by MCE were to join EBCE, these 15 jurisdictions would represent 56% of the Board seats on EBCE's Board of Directors and 36% of the electrical load served by EBCE.
Local Impacts	Request for more detailed information regarding local jobs, local build out and economic impacts of each option	Chapter 5 of the Technical Study is devoted to this topic and responds to many comments submitted. Many details concerning specific timing and siting of local renewable generation projects, and labor policies and impacts associated with such projects, will remain unknown until such time as a decision is made regarding implementation of a particular CCE program. The Study went as far as it could to identify local economic impacts within the constraints of available information.
	Projected timing of new local projects (i.e. within 2 years) is overly optimistic and doesn't reflect credit requirements	The study does not assume that the CCE will be developing power projects right away. It may, however, partner with private sector developers and/or sign power purchase agreements (PPA) that result in new local power development for the CCE program.
Cost Projections	Cost of power and renewable energy pricing assumptions are too low and unreliable after 2024	The Technical Study was updated to better reflect current market conditions for local renewable projects. (Specifically, costs were increased by $30/MWh). Second, while pricing further into the future is of course uncertain, common assumptions were made with the CCE and PG&E so as to minimize any comparative impacts.
	PCIA/exit fee estimates are inconsistent/flawed	The PCIA was estimated using the current formula with inputs to that formula that are fundamentally consistent with the PG&E and CCE rate forecasts. In addition, the actual 2017 PCIA was used. As noted in the Technical Study, there continues to be considerable regulatory uncertainty concerning the future of the PCIA. The CPUC is currently studying the method used to calculate the PCIA and may make changes.
	What are the assumptions underlying PG&E costs over time?	MRW relied upon PG&E's current and past ERRA filings, its long-term procurement plan, its renewable procurement plan, the Diablo Canyon retirement application, and its most recent General Rate Case application for PG&E-specific data. Underlying natural gas and power market prices are from NYMEX futures, the California Energy Commission, and the USDOE's Energy Information Administration.
GHG Reductions	Ability to reduce GHGs to the extent considered in the Study while remaining cost competitive seems unrealistic. What are the assumptions that support this?	The energy supply scenarios modeled in the Study, and the estimated GHG reductions associated with these scenarios, are similar to energy supplies currently being procured by operating CCE programs, which have achieved substantial GHG reductions compared to PG&E's energy supply portfolio while remaining price competitive with PG&E.

	Availability of large hydro to meet GHG reduction targets is overly optimistic	Additional information was added to the Final Study to address this issue. The hypothetical Contra Costa CCE that was modeled would use well under 0.1% of the available hydro available in the wholesale market. Furthermore, the strategy of using large hydro to decrease GHG footprints is being used by operating CCE programs, including MCE, SCP and PCE.
Other/Misc.	Were the future impacts of the Diablo Canyon plant closure included?	Yes. PG&E's power portfolio assumed in the analysis takes into account Diablo Canyon's closure and accounts for PG&E's (yet be approved) plans for its post-closure actions.
	Concern about narrowing program options too early	The County BOS has not yet made a final decision on the program options, but did state a general preference to join an existing program given the results of the Draft Study and the financial requirements for implementing a new program. Cities will make their own, separate decisions that may or may not mirror the County's decision.
Public Survey Comments	Consumer Preferences	Of the 300+ survey responses, over 100 comments were received. Approximately 60% of the comments favor some form of CCE in CCCo; 40% prefer current PG&E service or do not like certain aspects of CCE program design; 22% of respondents responded favorably to the MCE option; 9% support a new County-based program, 3.5% prefer EBCE, 19% prefer PG&E, and 46.5% indicated that they are unsure and/or want more information.
	Program costs/rates	Several respondents cite lower costs and competitive/cheaper rates as an essential program component regardless of the option selected.
	CCE as an opt-out program	Several respondents expressed concern about the opt-out nature of CCEs. This is a statutory program element that allows customers to opt out at any time and return to PG&E service.
	Solar Customers	Several solar users asked questions about net energy metering and encouraged the County to take positive steps toward additional solar installations and incentives, through CCE or other means.