BOARD OF SUPERVISORS

SCOTT HAGGERTY
PRESIDENT
SUPERVISOR, FIRST DISTRICT

March 11, 2016

Contra Costa County Board of Supervisors
Attn: Candace Andersen, Chair
651 Pine St. Room 107
Martinez, CA 94553

Dear Supervisor Andersen,

It was a pleasure to co-panel with you this week at the State of the East Bay. As always, the event was largely informative and I believe, served to further strengthen the ties of our two Counties as an East Bay Region.

As a follow-up to my presentation on Community Choice Aggregation, again I commend Contra Costa County for its interest in, and efforts to, either create or join program for your citizens. We believe that CCA is one of the most potentially effective regional tools for reducing energy consumption, pollution and our carbon footprint. An efficiently-run CCA can also save its customers money on their electric bills, and invest in renewable energy and job creation in its communities.

I understand that Contra Costa County has long considered a number of CCA alternatives and will vote on these alternatives at its March 15, 2016 public meeting. Among these alternatives is a proposal to join Marin Clean Energy (MCE) in order to accelerate the CCA process in your County and reduce up-front process costs. While I understand that this may be an attractive alternative, I would strongly suggest that Contra Costa County consider delaying this decision and consider joining Alameda County's effort to create the East Bay Clean Energy CCA (EBCE) once its Joint Powers Authority is formed.

Alameda County has been diligently pursuing the CCA process since 2014, and we have come a long way. Our EBCE Steering Committee and staff has been meeting for nearly a year, educating member cities and the public about CCA and energy in California. We have investigated the myriad of policy considerations for a CCA program, and are finding ways to accommodate a wide variety of public interests (including rate reduction, greenhouse gas reduction, and high-quality local job creation through energy project funding). The Steering Committee has made significant strides in defining what EBCE hopes to achieve with its new program. EBCE's program is well on its way to becoming a reality, as described in greater detail below.

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EBCE has engaged a consultant, MRW & Associates, to analyze the feasibility of a CCA for the East Bay. As with other CCAs, the feasibility study is primarily designed to determine if EBCE can be operated to the benefit of its member communities in terms of costs and energy considerations; however, unlike other local CCA efforts, the EBCE feasibility study is also examining the local economic and employment benefits of a CCA program -- something I believe would be of considerable interest to Contra Costa County, and which could be extended across County boundaries to your communities.

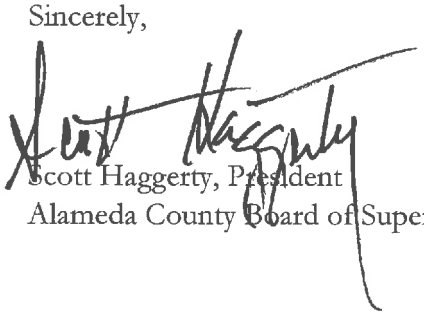
We expect to have our Feasibility Study completed in June 2016, and should it predict positive results, we would expect to have our EBCE JPA formed by October, with energy sales to customers commencing as early as April 2017. I believe that joining EBCE would offer a number of distinct benefits to Contra Costa County and most of its communities in comparison to alternate scenarios. First and foremost, our Counties share much in common geographically and demographically, including a commercial/ industrial bayshore with large energy consumption and considerable opportunities for renewable energy development and job creation; and more rural areas to the east with urbanized nodes surrounded by lands with further opportunities for wind and solar development.

Another important consideration is that right now, MCEs electric rates exceed those of the incumbent utility, PG&E -- partly a result of unfavorable decisions about exit fees by the CPUC, but also a result of MCE's completion of long-term energy contracts several years ago at a time when energy prices were much higher than today. If EBCE is able to kick off and begin entering into energy contracts by the first quarter of 2017, we believe that we can avoid the higher costs that MCE has needed to accept. While we sincerely hope that MCE can overcome this hurdle and maintain the most competitive rates possible while reducing their carbon footprint, I also believe that at this time, EBCE would offer Contra Costa County a more economically attractive option.

On behalf of Alameda County, and my Board, I would respectfully propose that Contra Costa County allow EBCE time to conclude its feasibility study before making a decision on which route the County will take. I understand MCE's Inclusion Period is ending March 31st, after which the cost to join MCE could increase, and I can appreciate the added pressure this puts on your Board to act now. However, I believe there is also value in learning more about the EBCE program, and our process could certainly be expanded to include Contra Costa County and some number of its communities in the future. The potential result would be the first of its kind - a two–county service area covering as many as 2.5 million people.

Please give this option serious consideration. We are very proud of our inclusive process to date, and the inclusion of a robust economic development and jobs analysis in our feasibility work. We anticipate that we will achieve a strong and beneficial CCA program for our communities beginning early next year. I welcome your communication and input; please do not hesitate to contact either my office at (925) 551-6995, or the County CCA staff at (510) 670-6527.

Sincerely,



Scott Haggerty, President
Alameda County Board of Supervisors