## Mark Miner

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March 10, 2017

Clerk of the Contra Costa Board of Supervisors 651 Pine Street. 1st Floor, Room 106 Martinez, CA 94553

## RE. COMMUNITY ENERGY

Dear Board of Supervisors

I have had such a good experience working with MCE as a member of the El Cerrito Environmental Quality Committee (EQC), that I feel compelled to write you as a private citizen. The EQC first started looking at Community Choice around 2010, we watched closely as Richmond went live in 2013 and El Cerrito became a member of MCE in 2015.

MCE handled our roll-out with professionalism and experience. They brainstormed with us a list of almost 100 local El Cerrito organizations to contact and made efforts to follow through with all of them. It was a very comprehensive approach and the roll-out was very smooth with only 9.87% opt outs, a record low percentage. We also achieved a record percentage of opt ups to Deep Green 100% renewable (4.55% as of 2/14/17

Deep Green costs a penny a kilowatt more than MCE's standard product The EQC is working with MCE on a "100 for 100" campaign – 100% renewable for El Cerrito's 100<sup>th</sup> Anniversary in 2017. We plan to table at the many anniversary events and invite El Cerrito businesses to tell their 100% renewable stories on MCE's Green Champions Web Page.. MCE has been very helpful in designing logos, making calls, they bend over backwards to help

I don't always gush, but I am comfortable saying publicly that everyone I have met or working with at MCE is smart, talented, dedicated and passionate about making community choice successful.

One of the primary benefits I see coming from Community Choice is innovation. For example, Multifamily energy efficiency projects are not always easy to achieve. MCE has some innovative ideas that could help. I support East Bay Community Energy too. Community Choice in the Bay Area can pilot lots of new ideas.

Sincerely,

Mark Miner

## CITY OF RICHMOND, CALIFORNIA

Tom Butt Mayor Office of the Mayor

"We Can Do It!"
Office: 510.620.6503



March 22, 2017

Jami Napier, Chief Assistant Clerk of the Board C/O Contra Costa County Board of Supervisors 651 Pine St.

1<sup>st</sup> Floor, Rm 106
Martinez, CA 94553

Re: Joining MCE to create a unified community choice energy program for Contra Costa County – along with Richmond, San Pablo, El Cerrito, Lafayette and Walnut Creek

Dear Supervisors,

As Mayor of the City of Richmond, and Vice Chair of MCE's Board of Directors, I commend you and your staff for exploring community choice energy (CCE) generally, and MCE membership specifically. Energy is not called "power" by coincidence; Richmond knows this from experience. Since our City joined MCE in 2013, ratepayers in Richmond have benefited from 1) more local control of electricity rates and related energy policies; 2) expanded customer choice and renewable energy options; and 3) cost-effective measures to accelerate renewable energy project development and achieve greenhouse gas reductions.

For these reasons, and those outlined below, I encourage you and Contra Costa County to join MCE. In so doing, you will help Richmond, San Pablo, El Cerrito, Lafayette, and Walnut Creek create a unified CCE program for our County, and bring energy democracy to our ratepayers. Key reasons to join MCE:

- 1) <u>Local control</u>: MCE's Board of Directors is comprised of democratically elected leaders from each jurisdiction within its service area. Every Board member holds a weighted vote based on the amount of energy MCE procures to supply his or her community.
  - > Currently, a guarter of all Contra Costa cities have already joined MCE.
  - > Walnut Creek and Richmond represent the first and second largest MCE Board votes respectively. If Contra Costa County joins MCE, it would exercise the single largest Board vote. Correspondingly, if the remaining Contra Costa cities join MCE, they would most likely represent the seven largest Board votes, and their combined voting shares would represent a near super-majority (~61%) of MCE's Board.
- 2) Economies of scale and efficient, cost-effective administration: Joining an established CCE provides economies of scale, which translates to more cost-effective administration, competitive rates, and collective investments in local project development.
  - > This helps minimize uncertainty and redundancy by allowing the County and other cities to capitalize on MCE's established credit profile and long-term power purchase

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- agreements—most of which were secured while wholesale energy prices have been historically low.
- > Better still, the County could leap ahead to higher quality service options, pilot projects and customer programs than would initially be available with a nascent or emerging CCE program.
- 3) Avoid startup costs: The start-up costs of a new CCE are extraordinarily high, and the risks and benefits uncertain. Joining MCE, by contrast, entails no cost—just a bit of vision, gumption and political will.
  - > MCE has paid off its debts and has steadily accumulated \$50 million in reserves. Meanwhile, MCE has proven its ability to provide competitive rates, while catalyzing local and State-wide renewable energy development.
  - > Newly emerging CCEs, by contrast, will have debt and start-up costs to repay. According to Alameda County's draft technical study, these costs are estimated to be more than \$54 million in operational and working capital.
  - > Similarly, new CCEs will need time to develop credit history, which is key to making large investments in local renewable energy projects, pioneering innovative pilot programs, etc.
    - MCE has already been establishing its credit profile for these purposes.
- 4) Faster local renewable energy development and jobs: MCE offers to purchase renewable energy generated within its communities well above wholesale market rates. In Richmond, resources like wind and sunlight are literally worth more to energy entrepreneurs because of our City's membership with MCE. As a result, MCE currently has 19 MW of local renewable energy projects online, under construction, or soon to begin construction within its service area.
  - > In Richmond, a new 2 MW solar array was recently completed using MCE's standard offer contract. This project supported 23 jobs and was constructed in partnership with RichmondBUILD, a local green-collar career training academy.
  - > A 10.5 MW solar project, scheduled for construction in Richmond this year, will become one of the largest in the Bay Area. It features a 50% minimum local-hire requirement to help ensure MCE communities like Richmond, San Pablo and unincorporated North Richmond benefit from the jobs created by local renewable energy development.
- 5) <u>Statewide leadership and impact on renewable energy innovation</u>: Since 2010, when MCE first began serving customers, the organization has established itself as a leader among California's energy providers for catalyzing renewable energy development and pioneering innovative public policies.
  - > Based on available information, MCE was the largest purchaser of renewable energy in California in 2016.
  - > MCE provides 50% renewable energy by default, achieving Governor Brown's 2030 Statewide energy goals 18 years ahead of schedule.

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- > MCE's Sustainable Workforce Policy supports local businesses, prevailing wages, union members, and local workforce training and apprenticeship programs;
- > Through its power supply contracts, MCE has supported the following (as of Fall 2016):
  - \$1.6 billion in new, California-based renewable energy projects;
  - More than 2,800 union jobs;
  - Over 1.2 million union labor hours;
  - 813 MW of new, California-based renewable power;
    - 445 MW of new, California-based solar power;
    - 167 MW of new, California-based wind power;
- > For rooftop solar customers with its service area, MCE offers a "cash-out" option to those who generate more energy than they consume.
  - For 2016, MCE offered more than \$1 million (collectively) to local solar customers for their surplus energy generation.
    - This included \$28,000 for the West Contra Costa Unified School District and \$7,500 for the City of San Pablo.
- > MCE has allocated \$75,400 in solar rebates to low-income customers within its service area.
- 6) Quicker greenhouse gas reductions: Joining a pre-existing CCE program will allow Contra Costa County to immediately begin reducing energy-related greenhouse gas emissions, rather than waiting for another program to be built. Without any delay, this could help the County and any interested cities accelerate the implementation of their Climate Action Plans.

When it comes to advancing environmental justice, catalyzing sustainable development, and expanding access to competitively-priced renewable energy, *time* is the most limited resource we have. By joining MCE, Contra Costa communities can save time—and money—unifying the County and achieving these objectives together. While I'm optimistic about new CCE programs emerging in Alameda County and elsewhere, it will be years before they can deliver the type of results MCE is already providing to Contra Costa's ratepayers.

For these reasons and many more, I encourage you, your fellow elected leaders, and the communities you represent to join MCE as soon as possible. Change begins with choice, and the future is now.

Respectfully,

Mayor Tom Butt City of Richmond

Vice Chair, MCE Board of Directors

CC: Jason Crapo, Deputy Director, Department of Conservation & Development John Kopchik, Director, Department of Conservation & Development

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