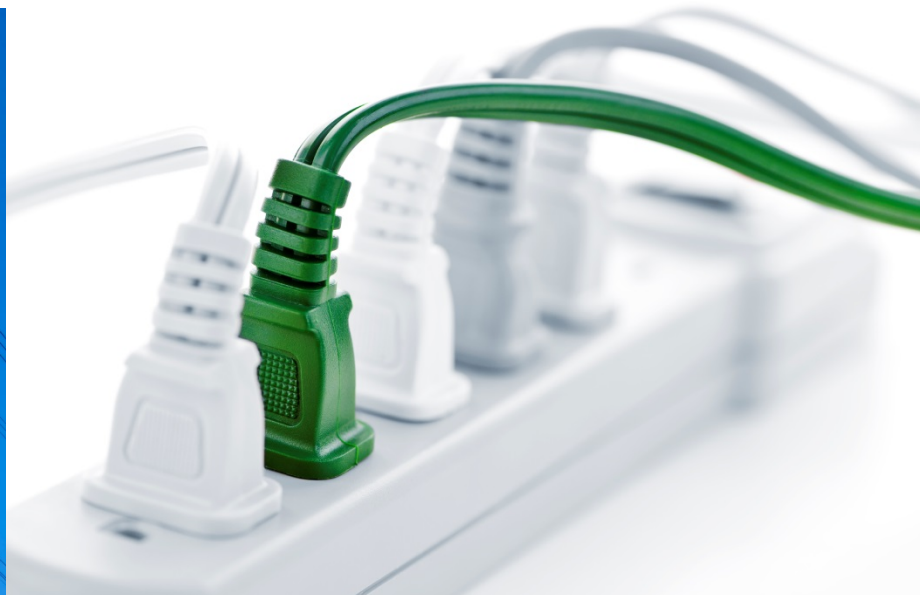




LGSEC: CCA Update

Beckie Menten
Energy Efficiency Director
Marin Clean Energy

February 7th, 2014



MCE Overview

2002: Enabling legislation passed in 2002 (AB117)

2003-2008: Feasibility studied, Business Plan created

2009: Procurement and significant IOU interference

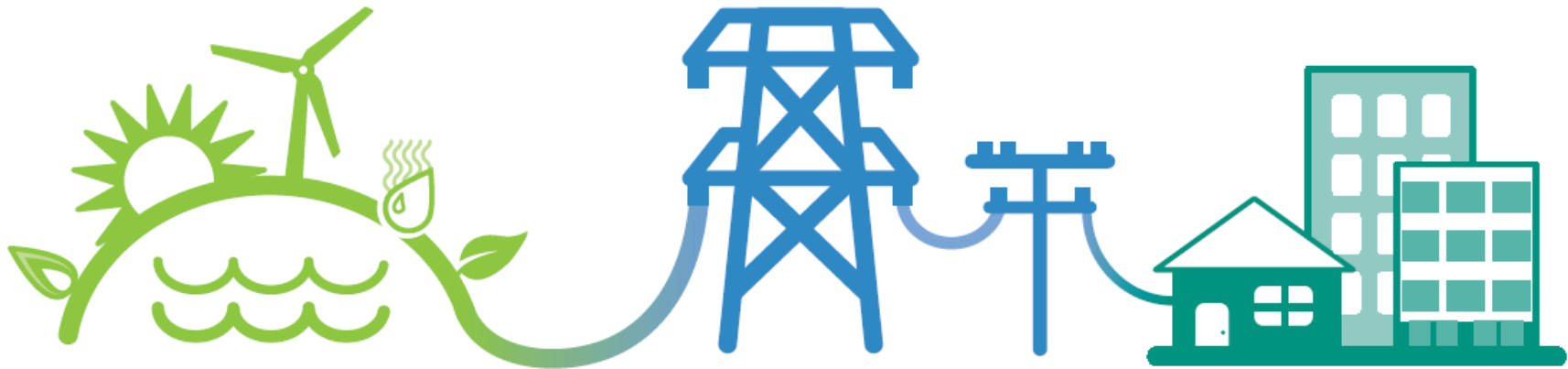
2010: Service launched to customers

Today: Serving 120,000 customers

5 more communities added since launch



MCE Partners with PG&E



RENEWABLE ENERGY

Electric Generation

MCE adds clean electricity to the grid.

SAME SERVICE AS ALWAYS

Electric Delivery

PG&E provides transmission, repairs, billing and service.

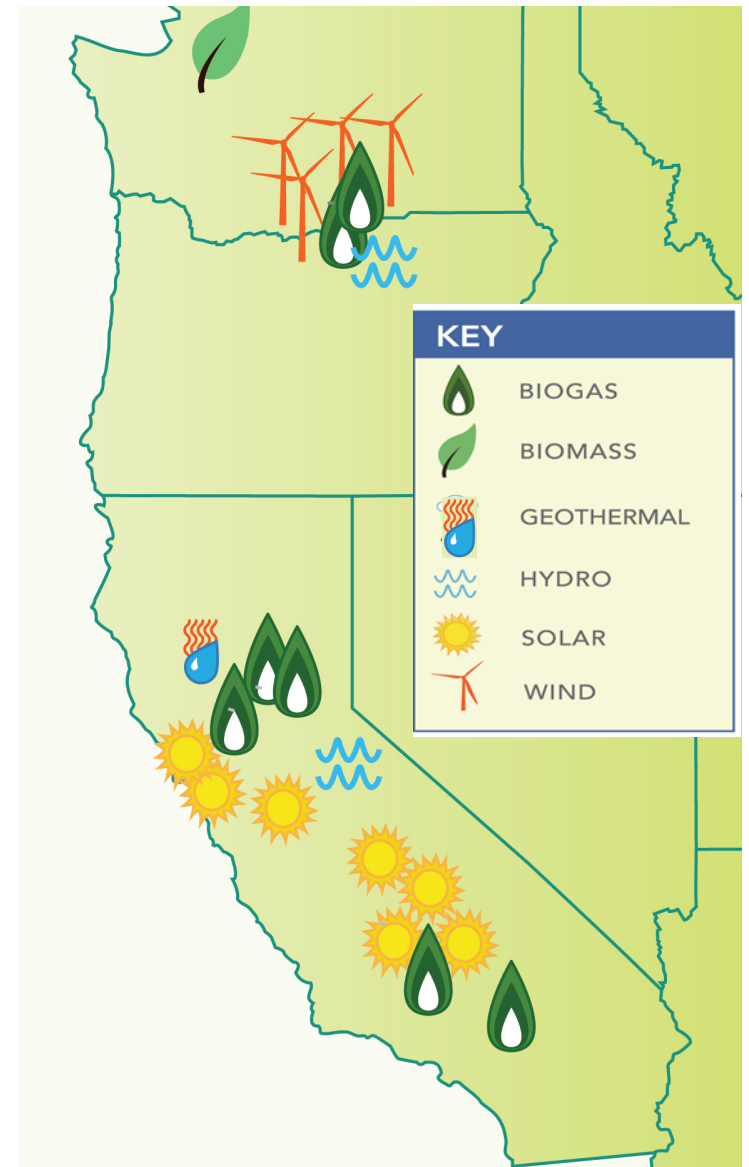
YOUR COMMUNITY CHOICE

A Greener Electric Option


You can choose MCE for cleaner energy, stable prices, and local jobs.

MCE Power Sources 2010 - 2013

- 20 power supply contracts with 12 suppliers
- 54 MW of new power is being built for MCE customers
 - 46 MW of solar
 - 8 MW of biogas
 - Enough clean power for 22,500 homes per year



Commercial Cost Comparison

Commercial Electric Fees 1,182 kWh/ A-1, Com-1 (Winter)	PG&E	MCE Light Green	MCE Deep Green
Renewable	19%	50%	100%
Electric Generation Rate <i>(all customers)</i>	\$84.32	\$69.74	\$81.56
PG&E Electric Delivery Rate <i>(all customers)</i>	\$103.33	\$103.33	\$103.33
Additional PG&E Fees <i>(MCE customers only)</i>	\$0.00	\$12.14	\$12.14
 Rates effective as of 01/01/14	Total Cost \$187.65	Total Cost \$185.20	Total Cost \$197.02



3 generations of Richmond residents:
Doria Robinson (center), Executive Director of Urban Tilth
with mother Kathy and daughter Innua



Renewable energy means rate stability for Richmond.

MCE's renewable energy means cleaner air for our family. Their reliable rates mean easier budgeting.

As a public agency, MCE's Board represents every city it serves, including Richmond.

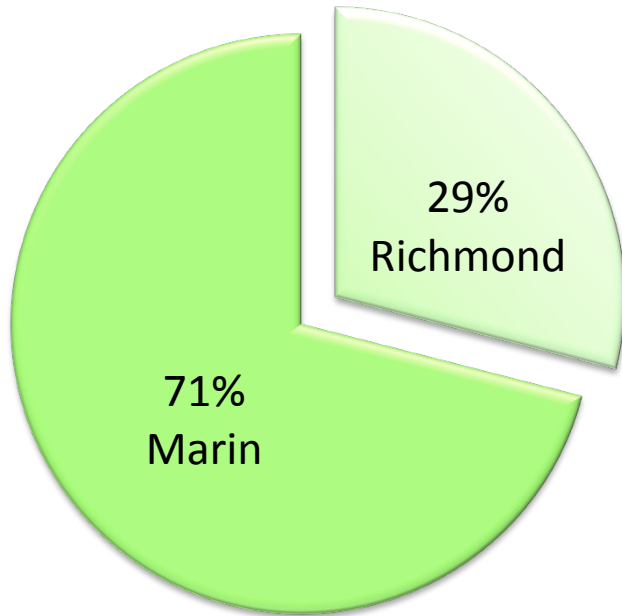
Look for MCE mailers to learn more.

What's *your* choice?

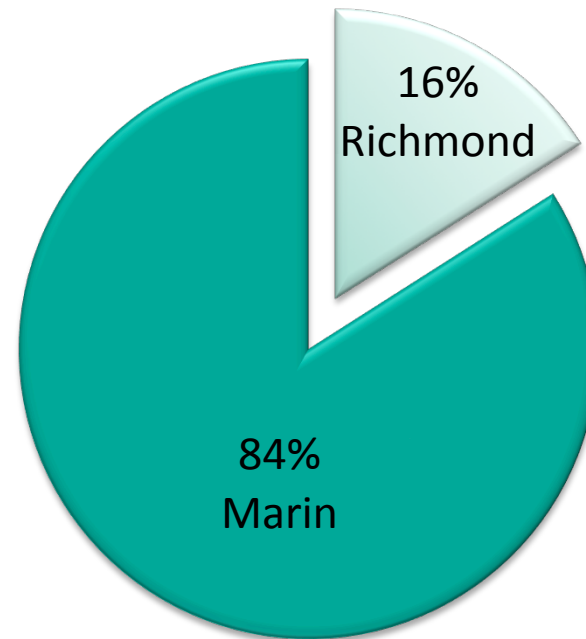
mceCleanEnergy.com | 1 (888) 632-3674

Serving 124,000+ MCE Customers

122,000~ Light Green Customers



1,800~ Deep Green Customers



Since October 2012, MCE's Deep Green customer base has increased by 42%

Local Renewables

- 20-year Feed-In Tariff power purchase agreement
 - Largest solar project in Marin County
 - (972 kW AC)
- Favorable NEM rate to encourage local solar
- MCE launching Local Development Fund from Deep Green Revenue to fund local renewable projects



MEA and Energy Efficiency

SB 790

Integrated Resources Plan

MEA Energy Efficiency Plan Development

- *MEA: Energy Efficiency Program Plan* (February 2012)
 - Adopted by MEA Board: Resolution 2012-08
 - Presented to Energy Division February of 2012

2012 Program Funding

2013 – 2014 Program Funding

CCA EE Decision Challenges

Statewide and Regional Programs

Gas and Electric Differentiation

Proposed TRC Ratios of 1.0 or 1.25

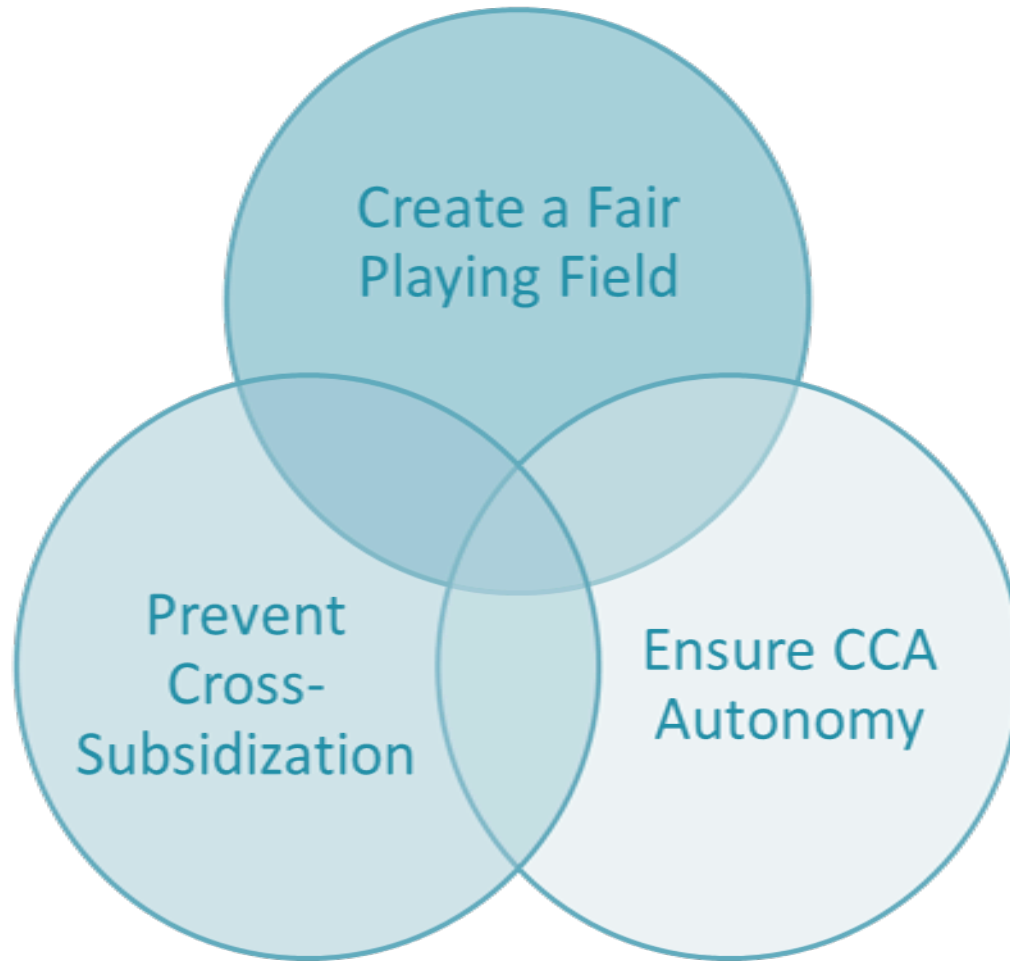
Applicability of Past IOU-Based Decisions on CCAs

Need for a CPUC Ombudsman

A New Chapter: CCAs and the Regulatory Framework



Efforts: Regulatory Focus



Power Charge Indifference Adjustment

Power Charge Indifference Adjustment (PCIA):

Allocation of above market cost of power purchased on a customer's behalf prior to their departure from bundled service.

- 2002: Energy Crisis Costs only (CRS)
- 2008: “New World Generation”
- 2011: Green Benchmark revisited

Questions:

- Is the duration of the PCIA appropriate?
- Are the “contents” of the PCIA appropriate?
- Are the benchmarks appropriate?

Cost Allocation Mechanism

Cost Allocation Mechanism (CAM):


Capacity procured on behalf of bundled and unbundled customers which are needed for a local or system area reliability need.

- For new system needs only
- Envisioned as “limited and transitional”
- Dramatically increased use of CAM

Questions:

- What are the criteria for granting CAM?
- How should new CCA generation procurement be counted?
- How can the costs of new generation capacity be equitably allocated?

PG&E-Funded “Common Sense Coalition”



**WATCH
OUT!**

The Marin Energy Authority is mailing notices to launch its **GOVERNMENT-RUN ENERGY BUREAUCRACY**



Before the Politicians Act, Get the Facts

What is the Marin Energy Authority's plan?

The plan is to replace the local electric company, PG&E, as the provider of electric power. PG&E would continue to deliver and bill for the power. The plan automatically enrolls everyone within the Marin Energy Authority's (MEA) area who does not affirmatively opt out, and permits MEA to charge unspecified "exit fees" for those who opt out more than 60 days after they begin receiving service.

What will it cost?

The MEA electricity plan will cost over \$375 million. And to pay for it, the MEA would use ratepayer money, creating as much as \$5,000 in debt, per Marin household, in participating towns and cities.

Who will be affected?

All Marin County residents and businesses will *automatically* be enrolled—whether you like it or not—except for those who affirmatively opt out or those in Corte Madera, Larkspur, or Novato where elected leaders have already rejected the plan due to its risks.

What can I do to avoid being penalized?

The MEA will begin automatically enrolling customers in June. Sign up today and we'll send you special notifications so you will stay informed and can tell your elected representatives to put the Marin Energy Authority to a vote.

CleanPower SF Update

- Political challenges
 - SFPUC has rejected rates
- Initial exploration of joining MCE by LAFCo
 - Legal constraints to doing do
- CleanPower SF is on hold



Questions?

Beckie Menten
Energy Efficiency Direction
MCE

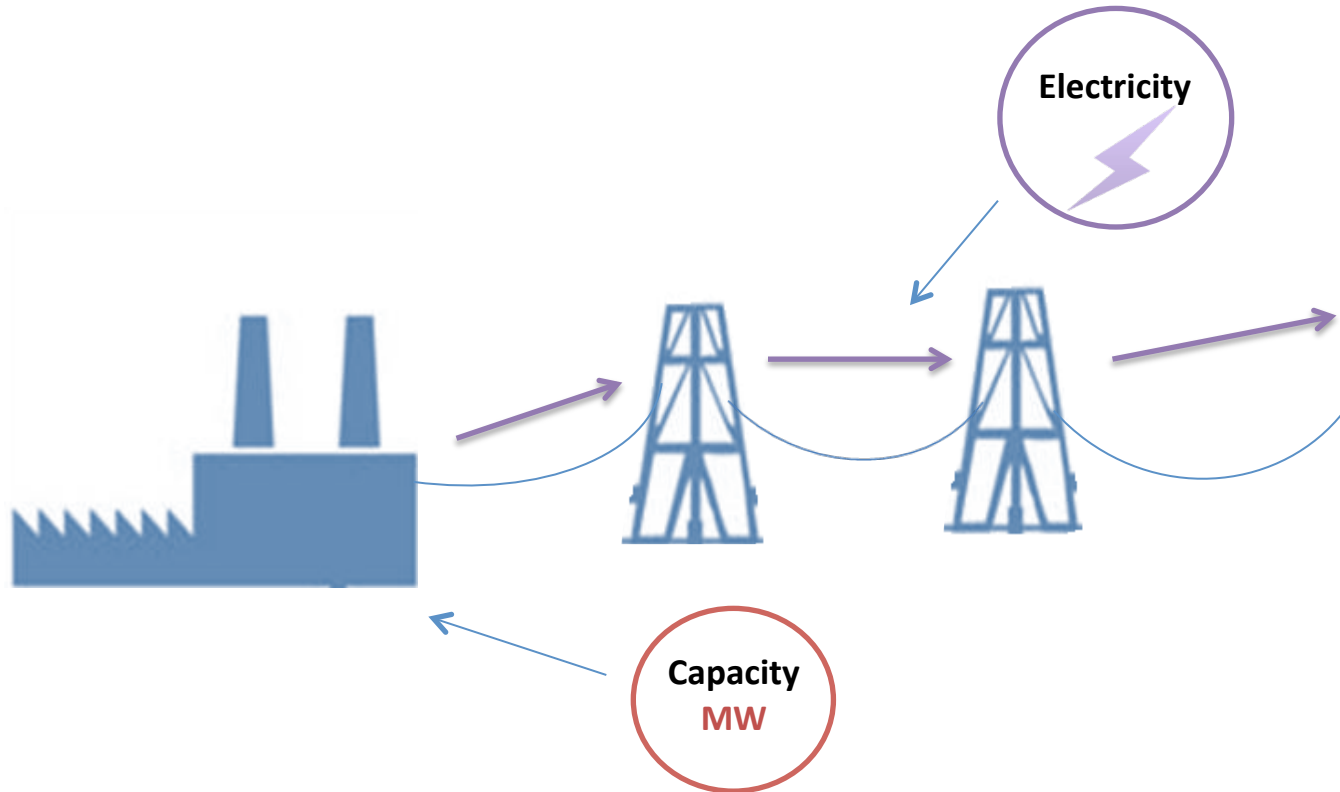
(415) 464-6034

bmenten@mceCleanEnergy.com



Appendix

CAM Example: Natural Gas Plant



PG&E enters into a power purchase agreement with a natural gas facility.

1. PG&E sells the electricity to its bundled customers.
2. PG&E sells the capacity to bundled and unbundled customers; MEA gets a *pro rata* share of capacity.

Bundled Customer: a customer who receives transmission, distribution and generation services from PG&E

Unbundled Customer: a customer who receives generation services from another (CCA or DA) provider

Problems with CAM:

1. Imposes costs on MEA customers which cannot be reviewed by MEA
2. MEA is not permitted to choose different or lower cost resources
3. MEA is not in control of timing of these resources, (e.g. if and when CAM will be applied, online and offline dates)
4. This results in MEA over-purchasing capacity
5. CAM should be a limited tool for the CPUC, but has been used in an almost unlimited way