

Community Choice Energy

A Local Energy Model to Green the Grid, Provide
Customer Choice and Boost Local Economies

1/26/2016

City of Belmont

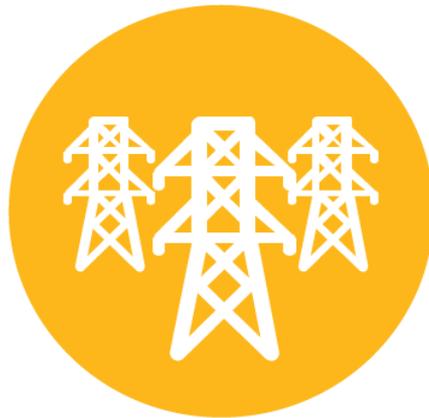


Community Choice Energy Overview

How Does It Work?

CCE leverages the market power of group purchasing and local control.

CCE allows communities to pool their electricity demand in order to purchase and potentially develop power on behalf of local residents, businesses, and municipal facilities.



Peninsula Clean Energy purchases electricity from renewable energy sources.

Utility companies deliver energy, maintain lines and bill customers.

Customers benefit from affordable rates, local control, and clean energy!

What Are the Benefits of CCE?

- Local, **community control** over electricity
- Offers consumers a **choice** where none currently exists
- **Cleaner power** supply
- Stable, often cheaper, electricity rates
- Rate-payer funded, **NOT** taxpayer funded
- Provides funding source for energy efficiency and innovative energy programs like energy storage and electric vehicle (EV) charging stations

Why CCE in San Mateo County?



San Mateo County fosters a culture of innovation, environmental health and clean technology.

- ✓ Positive results in Marin and Sonoma County
- ✓ Aggressive Climate Action goals
- ✓ Consumer and local economic benefits
- ✓ Support from local advocacy groups
- ✓ Positive feedback from public and business community
- ✓ Potentially a very good fit for San Mateo County and Cities



Basic Program Features

- Formation of Joint Powers Agency in San Mateo County: Local governments participate by passing an ordinance and entering into a JPA Agreement
- Utility (PG&E) continues to provide consolidated billing, customer service, line maintenance
- CCE electric generation charges appear as a new section of customer bill; all other charges are the same
 - CARE, Medical Baseline, and other low-income programs continue



Sample Energy Bill – Marin Clean Energy



ENERGY STATEMENT

www.pge.com/MyEnergy

Account No: 1234567890-1
Statement Date: 10/01/2013
Due Date: 10/22/2013

Service For:

MARY SMITH
1234 STREET AVENUE
SAN RAFAEL, CA
94804

Your Account Summary

Amount Due on Previous Statement	82.85
Payments Received Since Last Statement	82.85
Previous Unpaid Balance	\$0.00
Current PG&E Electric Delivery Charges	\$39.32
MCE Electric Generation Charges	\$42.81
Current Gas Charges	\$27.20
Total Amount Due	\$109.33
Total Amount Due	\$109.33

Questions about your bill?

24 hours per day, 7 days per week
Phone: 1-866-743-0335
www.pge.com/MyEnergy

Local Office Address

750 LINDARO STREET, STE 160
SAN RAFAEL, CA 94901

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Important Messages

Your charges on this page are separated into deliver other than PG&E. These two charges are for differ

Electric power line safety PG&E cares about your antennas at least 10 feet away from overhead power away, call 9-1-1 and then PG&E at 1-800-743-5000



ENERGY STATEMENT

www.pge.com/MyEnergy

Account No: 1234567890-1
Statement Date: 10/01/2013
Due Date: 10/22/2013

Details of MCE Electric Generation Charges

10/01/2013 – 11/01/2013 (31 billing days)

SERVICE FOR: 1234 STREET AVENUE

Service Agreement ID: 0123456789 ESP Customer Number: 0123456789

10/01/2013 – 11/01/2013

Rate Schedule:

RES-1

DEEP GREEN - TOTAL	508.000000 kWh @ \$0.0100	\$5.08
GENERATION - TOTAL	508.000000 kWh @ \$0.07400	\$37.59
	Net charges	\$42.67

Energy Surcharge \$0.14

Total MCE Electric Generation Charges \$42.81

Service Information

Total Usage 508.000000 kWh

For questions regarding charges on this page, please contact:

MCE
781 LINCOLN AVE STE 320
SAN RAFAEL CA 94901
1-888-632-3674
www.mceCleanEnergy.com

Additional Messages

For questions regarding your charges on this page, please contact your Third Party Energy Service Provider.

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Basic Program Features

- CCE becomes default electric provider. Customers receive a minimum 4 opt-out notices over 120 days and can return to PG&E service any time.
- CPUC certifies CCE Plan; oversees utility/ CCE relationship and other requirements



CCE in San Mateo County – Peninsula Clean Energy



- Governed by a Board of Directors made up of elected officials from jurisdictions PCE serves
- JPA will be legally and financially separate from the jurisdictions it serves
- No cost for cities to join during program launch; possible fee if cities join at later dates
- Deadline for jurisdictions to pass CCE ordinance and JPA resolution is **February 29th, 2016**

Technical Study Results

CCE Technical Study

- Overall size of the program (megawatt hours and peak demand levels)
- Forecasted demand into the future
- Resource availability and other compliance issues
- Ability to be rate competitive
- Development of different power supply scenarios and their impact on GHGs, jobs created, etc.
- Robust risk analysis

PG&E's Current Electric Resource Mix: 2014

Energy Resources	2014 PG&E Power Mix ¹	2014 California Power Mix ²
Eligible Renewable	27%	20%
--Biomass & Waste	5%	3%
--Geothermal	5%	4%
--Small Hydroelectric	1%	1%
--Solar	9%	4%
--Wind	7%	8%
Coal	0%	6%
Large Hydroelectric	8%	6%
Natural Gas	24%	45%
Nuclear	21%	9%
Unspecified Sources of Power	21%	14%
Total³	100%	100%

¹Source: PG&E 2014 Power Source Disclosure Report; ²Source: California Energy Commission; ³Numbers may not add due to rounding

Prospective Supply Scenarios

- **Scenario 1**: Baseline, minimum 35% renewable energy content scaling up to 50% by 2030
- **Scenario 2**: Minimum 50% renewable energy content scaling up to 75% by 2030; reduced overall GHG emissions relative to PG&E projections
 - Large hydro resources to be used for non-renewable, GHG-free supply
- **Scenario 3**: 100% renewable energy content with significant GHG emissions reductions

Unbundled renewable energy certificates (RECs) and nuclear- and coal-based energy excluded from all scenarios.

Summary of Scenario Results: Year 1

Key Considerations	Scenario 1	Scenario 2	Scenario 3
General Environmental Benefits	35% Renewable 35% GHG-Free	50% Renewable 63% GHG-Free	100% Renewable 100% GHG-Free
Rate Competitiveness (on average, relative to PG&E rate projections)	6% <u>savings</u>	4% <u>savings</u>	2% <u>increase</u>
Projected Residential Customer Cost Impacts (On average, relative to PG&E rate projections. Average monthly usage for residential customers ≈ 450 kWh)	\$5.40 monthly cost <u>savings</u>	\$4.05 monthly cost <u>savings</u>	\$1.80 monthly cost <u>increase</u>
Assumed PCE Customer Participation	85% across all customer groups	85% across all customer groups	75% for residential and small commercial 50% for all other groups
Comparative GHG Emissions Impacts (in metric tons of CO ₂ equivalent)	~211,000 MTCO ₂ of <u>additional</u> GHG emissions in Year 1	~75,000 MTCO ₂ of GHG emissions <u>reduction</u> in Year 1	~204,000 MTCO ₂ of GHG emissions <u>reduction</u> in Year 1

Risks, Uncertainties, and Mitigation

- PG&E rate uncertainty (generation rates and exit fees)
- Length of current wholesale energy price trough
- Availability of large hydro to meet carbon-free content goals
- Opt-out rate uncertainty
- Future CCE specific legislation and regulatory changes

Key Findings and Conclusions

- **Scenario 1** highlights CCE program viability on a rate competitive basis
- **Scenario 2** highlights CCE program viability on renewable and carbon-free content basis (w/rate competitiveness)
- **Scenario 3** highlights the CCE rate premium under a 100% renewable option as well as opt-out risk/uncertainty
- No “correct” answer, but in general terms, the technical study indicates that the Peninsula Clean Energy program could be economically viable while also achieving the County’s environmental objectives

Peninsula Clean Energy Authority (JPA)



Key Elements

- **Purpose:** Will focus solely on CCE and energy related programs
- **Membership:** Cities can join County as full members
- **Representation:** One seat per city (one elected, one alternate), two County seats
- **Voting:** Majority vote with option for weighted vote; supermajority for amendments to JPA agreement
- **Withdrawal:** Member may withdraw municipal accounts at anytime; possible financial obligations for withdrawing all customers
- **Costs:** Members not liable for JPA debt, members not expected to contribute to any start up costs
- **New Members:** Adding new members after launch dependent on approval from JPA Board

Peninsula Clean Energy: Phase 2

Overview of PCE Formation Timeline

Peninsula Clean Energy Formation Timeline



San Mateo County proposes a Fall 2016 Launch.



January -September 2015	Oct 2015 – February 2016	March – October 2016
Pre-Planning & Due Diligence	Community Outreach; PCE Planning & Development	Preparing for Launch
<ul style="list-style-type: none"> • Internal planning team • Initial outreach to cities and key stakeholders • Workshops & education • Formation of CCE advisory committee • CCE technical study complete (go/no-go) 	<ul style="list-style-type: none"> • PCE Program & JPA design • City outreach/passage of local ordinances • Impl. Plan Prepared • RFP for Energy Services • Plan for JPA staffing/working capital • Community outreach 	<ul style="list-style-type: none"> • First JPA Board meeting • Energy supply and other service contracts • Utility Service Agmt. • Regulatory Registrations • Marketing Campaign • Call Center & Customer Enrollment

Next Steps for PCE



Dates	Group	Topic(s)
January 28, 2016	Advisory Committee	Key Elements of the Implementation Plan
February 25, 2015	Advisory Committee	Review Implementation Plan, review data management RFP
February 29, 2016	City Councils	Deadlines for City Councils to Adopt CCE Ordinance and JPA Resolution
March 2016	PCE Board of Directors	First PCE Board Meeting
March – October 2016	Peninsula Clean Energy	Preparation to launch – Community outreach, Opt-out notices, Energy contracts, Customer enrollment, etc.

For More Information

Visit us: www.PeninsulaCleanEnergy.com

Contact us: info@peninsulacleanenergy.com

