Roll Call
Present: Damon Connolly, City of San Rafael, Chair
        Kathrin Sears, County of Marin
        Bob McCaskill, City of Belvedere
        Sloan Bailey, Town of Corte Madera
        Barbara Coler, Town of Fairfax, Alternate
        Garry Lion, City of Mill Valley
        Denise Athas, City of Novato
        Tom Butt, City of Richmond
        Ray Withy, City of Sausalito
        Carla Small, Town of Ross
        Emmett O’Donnell, Town of Tiburon

Absent:  Ford Green, Town of San Anselmo
         Kevin Haroff, City of Larkspur

Staff:   Dawn Weisz, Executive Officer
         Shalini Swaroop, Regulatory Counsel
         Jamie Tuckey, Communications Director
         Beckie Menten, Energy Efficiency Coordinator
         Jeremy Waen, Regulatory Analyst
         Greg Brehm, Director of Power Resources
         Meaghan Doran, Energy Efficiency Program Specialist
         Greg Morse, Business Analyst
         John Dalessi, Technical Consultant
         Kirby Dusel, Technical Consultant
         Greg Stepanicich, General Counsel
         Emily Goodwin, Internal Operations Director
         Darlene Jackson, Clerk

Public Session:  7:08PM

Agenda Item #1- Board Announcements (Discussion)
None
Agenda Item #2 – Public Open Time (Discussion)
None

Agenda Item #3 – Report from Executive Officer (Discussion)
Executive Officer Dawn Weisz reported on the following:

- Ms. Weisz introduced new staff members to the full Board: Allison Kirk and Martha Serianz. Allison Kirk joined MCE as an Intern and will be assisting in numerous Marketing and Operations activities within the organization. Martha Serianz recently joined the Regulatory Team as Regulatory Assistant.

- Ms. Weisz informed the Board that the latest report from the Intergovernmental Panel on Climate Change (IPCC) was released on Monday, March 31. A few copies were circulated and Ms. Weisz shared if anyone was interested in receiving a copy they should contact Darlene and she would provide a link for the full electronic version.

Ms. Weisz also explained that the IPCC is the international body for assessing the science related to climate change and the impact therein. It was set up in 1988 by the World Meteorological Organization (WMO) and United Nations to provide policymakers with regular assessments of the scientific updates of climate change, its impacts and future risks, and options for adaptation and mitigation.

In the report the IPCC documents some of the science regarding the existing impact of climate change that we are already seeing globally including sea level rise, loss of artic ice, extreme weather events including heat waves, droughts, fires, and crop impacts, as well as impacts to ecological and social systems.

Ms. Weisz spoke about Governor Brown’s report and some of the key findings about climate change and, specifically, within the IPCC report.

- Solar Rebate Program
  Ms. Weisz reminded the Board that on March 7, 2013 it approved a $10,000 budget allocation to provide twenty $500 solar rebates to MCE customers. The Board later voted to restrict eligibility for MCE’s Solar Rebate Program to low income customers for an initial four month period before making any remaining rebates available to other residential customers. This project proved to be successful in helping to get solar installation in homes that otherwise would not have had resources to realize solar on their homes.

  There were 9 projects in Richmond and 11 projects in Marin that received rebates representing nearly 100 kW of new distributed solar resources in MCE’s service territory.

  The solar rebate program has been fully subscribed and funds have been exhausted. This successful program uptake is likely a result of working closely with Grid Alternatives who is the program administrator for California’s Single-Family Affordable Solar Homes program; 8 low income customers were among the rebate recipients.

Ms. Weisz responded to questions from the Board.

Agenda Item #4 – Consent Calendar (Discussion/Action)
C.1 3.6.14 Board Minutes
C.2 Monthly Budget Report
C.3 Approved Contract Update
C.4 Compensation Studies for MCE Staff Positions
C.5 Adjustments to MCE Benefit Schedule
C.6 Third Addendum to Second Agreement with Planet Ecosystems
C.7 Second Addendum to Second Agreement with Ellison, Schneider & Harris, LLP
C.8 First Addendum to First Agreement with Troutman Sanders, LLP

Alternate Director Barbara Coler asked whether or not Agenda Item #4 - C.4, Compensation Studies for MCE Staff Positions, had been to Executive Committee prior to being placed on the Consent Calendar, and Chair Connolly reassured her that it had. Chair Connolly asked Ms. Weisz if additional work was required on this item from the Executive Committee and she responded that one change had been recommended by the Executive Committee and was already incorporated into the recommendation for this item.

Ms. Coler also asked if Agenda Item #4 - C.5, Adjustments to the MCE Benefit Schedule had been to Executive Committee prior to being placed on the Consent Calendar and Chair Connolly reassured her that it had. In light of Ms. Coler’s concerns, Chair Connolly asked Ms. Weisz to elaborate on the strategy surrounding the changes being recommended. Ms. Weisz explained that MCE’s compensation and benefit package is designed to be competitive with other comparable agencies and to retain that approach to ensure employee satisfaction and retention.

M/s Sears/Lion (passed 11-0-0) approved all items on the consent calendar. Directors Greene and Haroff were absent.

Agenda Item #5 -MCE Rates for FY2014/15 (Discussion/Action)
John Dalessi, Technical Consultant presented this item.

- Mr. Dalessi explained that what is being presented tonight is the culmination of work with the MCE Ad Hoc Ratesetting Committee to establish the proposed adoption of the rates for the coming FY2014/15. He also provided a summary of the process for proposed rates and final adoption as well as the ratesetting cycle and calendar. He reviewed the ratesetting calendar process and what transpires between the February to April sixty day public comment period. He explained how MCE’s sixty-day public review period for proposed rate changes is customary before final rates are adopted by the Board. The proposed rates set forth in this item were accepted at the regular Board meeting held on February 6, 2014, initiating the public review period and allowing for final approval at this time.

Mr. Dalessi also discussed some changes to the PG&E generation rate.
- The first was the January 1st Fuel and Purchased Power Costs
  ✓ The PG&E generation rate increased approximately 9% which impacted PG&E’s bundled customers, not MCE customers.
  ✓ This item impacted MCE customers due to the fairly significant increase (nearly double) in CCA surcharges (PCIA) which is a surcharge applied by PG&E with the stated goal of recovering their above market generation costs for departing load already under contract.
  ✓ There was minimal net change for most MCE customers due to offsetting reductions in PG&E non-generation charges.

Mr. Dalessi reminded the Board that there was a discussion about another PG&E rate change coming in May and that related to recovery of GHG compliance costs in PG&E’s generation rates.
- The second change will be the Greenhouse Gas Compliance which will occur on May 1st
  ✓ A 6% increase is anticipated in GHG compliance costs in PG&E’s generation rates.
  ✓ A slight increase is anticipated in CCA surcharges (Franchise Fee Surcharge).
On the non-generation side which impacts MCE customers, there is a crediting of revenues that PG&E obtained by auctioning off GHG auction credits. This generates a return to electric customers through non-generation side of their bill and MCE customers receive a share of that. The bottom line is that bundled rates for PG&E customers are going up on May 1st and they are going down for MCE customers.

Mr. Dalessi discussed MCE's proposed rates and explained two things:
- How much revenue does MCE project using MCE's current rates for the upcoming fiscal year based on projection of sales and energy consumption? The present rate revenues are expected to be approximately $95,018,065.
- The Total Revenue Requirement category shows how much we need to recover with MCE rates; that total is approximately $101,646,625. The $6.6M gap translates into about a 7% increase in rates to recover that revenue requirement.

The reason MCE rates are increasing is primarily due to scheduled increase in power supply contract prices beginning in July 2014 and increased RPS compliance costs. Mr. Dalessi elaborated on the reasons for MCE's recommended rate increase by sharing that while MCE has contracts in place to protect itself from large price fluctuations in the market, the cost of power supply will increase thus warranting an increase in FY2014/15 rates.

MCE Revenue Allocation & Rate Design
Mr. Dalessi shared that this category is based on cost of service study, competitive assessment and rate stability considerations. The proposal is to increase all MCE charges by system average percentage change. It will maintain existing rate relationships among customer classes and the various types of MCE charges, and no changes are being recommended to the initial rate proposal presented to the Board in February.

MCE Competitive Assessment
Mr. Dalessi shared that a slightly different version of this table was presented with the initial proposal in February. It shows how the cost compares with PG&E for the different types of MCE customers. This basically shows an updated version of the different type rates that will be in effect as of May 1, 2014 for PG&E. The bottom line is good news for MCE customers in that customers in aggregate will be paying approximately $6M less because they are MCE customers than they would if they were PG&E customers. The other noteworthy item is MCE customers are saving $6M despite the payment to PG&E of $13.7M in various surcharges during the fiscal year.

In conclusion Mr. Dalessi discussed and shared the overall commercial cost comparison between MCE and PG&E, indicated that no public comments were received during the public noticing period, and recommended the Board approve the proposed rates as presented for FY2014/2015.

Mr. Dalessi and Communications Director Jamie Tuckey responded to questions from the Board.

M/s Sears/O'Donnell (11-0-0 passed) approved proposed rates for FY 2015. Directors Greene and Haroff were absent.

Agenda Item #6 – MCE 100% Local Solar Program (Discussion/Action)
Kirby Dusel, Technical Consultant presented this item.
- Mr. Dusel shared some background related to the MCE 100% Solar Program with initial discussions at the first Board Retreat in August 2010. At that time MCE began studying and discussing the feasibility of
developing a locally-focused solar program which would allow MCE customers to voluntarily purchase renewable energy from a designated small-scale generator located within the MCE service territory.

- Program Overview
  
  ✓ Mr. Dusel shared that while this is a voluntary opportunity for MCE customers to purchase electricity from new local solar projects, he listed three key features of the project:
  
  > 100% New renewable generation
  > 100% Local project, entirely within the MCE service territory
  > 100% Solar
  
  ✓ This project is separate and distinct from MCE’s Light Green option and Deep Green option. Deep Green is 100% renewable as well, but not linked to one specific generation product. It is designed to be environmentally responsible but also cost competitive. He did note that this product would be a unique product tailored to a niche market, and offered at a premium.
  
  ✓ One of the key elements or benefits it provides customers is that it eliminates barriers and risks typically associated with solar installation including:
  
  > Shading
  > Roof orientation
  > Non-owned structures/facilities
  > Tariff volatility
  
  ✓ The idea is that this particular product that would be sold to customers would be a bundled renewable energy product so the customer would receive the electric energy as well as the renewal attribute.
  
  ✓ Participation in this program would be limited.
  
  ✓ Mr. Dusel indicated they would be working to potentially use a Feed-In Tariff (FIT) product as the basis for this type program. As a result there would be a limited amount of electric output and that electric output would be sold off at a rate of about 90% of total production so to ensure they do not oversell the program. Total participatory numbers for this program are rather limited but meaningful for the niche market it serves; it would accommodate from 150 - 300 typical residential customers.
  
  ✓ The energy price/rate charged to customers would be directly tied to the FIT price that MCE pays. This would be a way of passing through that savings to MCE customers.
  
  ✓ The PG&E delivery charges would continue to apply.

Mr. Dusel discussed existing programs that MCE studied as a model of how the program could be applied within the existing territory. Such successful programs include those offered by SMUD (Sacramento), which was fully subscribed in a matter of a few months, and Tucson Electric Power (Arizona).

MCE plans to use a future FIT solar project as host site for Local Solar Program because:

 ✓ FIT project ensures long-term resource availability
 ✓ Fixed PPA price allows MCE to offer long-term rate stability to participating customers, Specific FIT project options have not yet been determined (multiple FIT applications are currently “active”).

Having this type program would be complimentary to the current Light Green and Deep Green products currently offered by MCE.

Deep Green Comparison

Mr. Dusel explained that similarities between the Local Solar Program and Deep Green Program do not extend beyond renewable energy content. Other program feature comparisons: Project Location, Product Certification, Age of Generator(s), Fuel Source and Generation Cost vary between products.
Key Program Elements
Mr. Dusel briefly reviewed the key elements of the program as being:

- Limited Participation
- Proposed Pricing/Costs
- Economic Development
  - Significant customer interest may allow MCE to extend current FIT pricing levels for additional FIT capacity
  - MCE FIT pricing advantages create enhanced financial incentives for qualified local developers/contractors
  - MCE FIT development creates local economic benefits
- Annual Reconciliation – He explained that MCE would track monthly/annually solar production and electricity use by participating customers. MCE would annually compare actual energy production and customer energy usage. An annual staff report would be produced demonstrating sufficiency of energy production in supporting program participation.
- Billing – The program generation price/rate would be substituted for participating customer’s otherwise applicable generation rate and there would be no rate differentiation based on time of use. The program rate would apply for all usage which may simplify the billing process and bill presentation for certain customers.

Mr. Dusel summarized his presentation by sharing the residential and commercial cost comparison. He offered that “next steps” would be to monitor FIT project development progress to identify a suitable project site. Communication and messaging would be featured via MCE website, E-newsletter and social media, and direct outreach to Deep Green customers. Mr. Dusel explained the Program “interest form” will 1) establish a participatory queue with preference given to current Deep Green customers, 2) ensure program is not over sold, and 3) facilitate follow-up communications with interested customers.

Mr. Dusel and Ms. Tuckey responded to questions from the Board. Mr. Dusel asked that the Board adopt the initial proposed rate and program parameters to enable the Public Affairs Team to begin outreach. It was the recommendation of the Board that the possibility of offering a flat or ‘not to exceed’ cost to the customer be considered and discussed in the next Technical Committee.

M/s Sears/O’Donnell (11-0-0 passed) approved general solar program parameters and begin generating interest from MCE customers. Directors Greene and Haroff were absent.

Agenda Item #7 – Addition of Members to MCE Technical Committee (Discussion/Action)
Executive Officer Dawn Weisz presented this item. She explained that Director Kevin Haroff expressed interest in joining the Technical Committee and the request is to add him to that committee.

M/s Sears/Athas (11-0-0 passed) approved adding Director Kevin Haroff to the MCE Technical Committee. Directors Greene and Haroff were absent.

Agenda Item #8 - Request for Membership from the City of San Pablo (Discussion/Action)
Executive Officer Dawn Weisz presented this item.
Ms. Weisz explained that MCE has set policy regarding the possibility of expanding to additional service territories. The rationale behind this was to create a greater impact on climate change to align with MCE’s founding mission, getting more renewables onto the grid, making more energy efficiency programs available to customers, with all these things leading to additional impacts on climate change.

The expansion into the City of Richmond was extremely successful and following that process, MCE took up the discussion around additional expansion at its 2013 Board Retreat. What resulted from those discussions was a Policy 007 on expansion and also an approach process your Board adopted for an affiliate membership process. Policy 007 allows for new communities to participate in MCE through two channels, affiliate membership or special-consideration membership.

Ms. Weisz spoke about the need for MCE to gain traction in the legislative arena and create a stronger voice for CCAs in the legislative community. While MCE has made a lot of progress, a greater number of CCAs would have a significant impact on this endeavor and the CPUC decision making process. It is evident that there is a need for a broader support base on a regional and statewide level for CCA issues. She explained how MCE spends a significant amount of time fighting for CCA issues alone.

Ms. Weisz shared that MCE is supporting other efforts for CCAs to launch around the state and explained where other communities are in relation to progress being made (either in a decision to join MCE or other developments on their own CCA formation). She shared some of the reasons for San Pablo’s interest in joining the CCA community, specifically MCE.

Ms. Weisz shared some history and background on the City of San Pablo, its geographical location and overall demographic and customer make up. San Pablo is positioned in between MCE’s existing service area in the City of Richmond. San Pablo became a member of the International Council for Local Environmental Initiatives (ICLEI) Governments for Sustainability and subsequently enacted a “Climate Action Plan” in 2012. She also shared some of the goals and objectives of San Pablo as they relate to reducing GHG emissions through energy efficiency by 18% by 2020.

To achieve these goals, San Pablo has a couple of initiatives in place. They would like to increase renewable energy use by 15% and energy use reduction objectives (energy efficiency) by 20%. There is substantial opportunity for San Pablo to make progress towards reaching their goal by having a choice for cleaner renewable products.

Ms. Weisz reiterated the expansion process and the steps involved in that process. Part of the goal in the Step 2 decision making process is to look at “lumping” small communities together, more of a bundled approach as opposed to trying to incorporate small communities individually where that process would not be as economically efficient.

Ms. Weisz responded to questions from the Board.

M/s Sears/Bailey (11-0-0 passed) approved the Request for Membership from the City of San Pablo. Directors Greene and Haroff were absent.

Agenda Item #9 – MCE Greenhouse Gas Emissions Analysis & Reporting (Discussion/Action)
Kirby Dusel, Technical Consultant presented this item.
Mr. Dusel provided brief background on MCE’s greenhouse gas (GHG) emissions. A key tenet of MCE’s mission, and a charter objective of the agency, is to reduce energy related greenhouse gas emissions through the development
and use of various clean energy resources. MCE has committed to assembling a power supply portfolio that not only exceeds the renewable energy content offered by the incumbent utility (PG&E) but also provides customers a cleaner energy alternative, as measured by a comparison of the portfolio GHG emission rate published by each organization. This comparison will be performed on an annual basis in consideration of each utility’s most recently published emission factor.

In each calendar year, MCE will endeavor to procure GHG-free energy supplies in sufficient quantities to ensure that MCE provides its customers with an electric energy supply that generates fewer GHG emissions per megawatt hour than the incumbent utility.

**Emission Rates**
Ms. Dusel shared that the portfolio emission rates reflect the proportionate use of various fuel sources and resource types within a utility’s supply portfolio. To the extent that selected resources emit GHGs while producing electric energy, such resources will increase the utility’s portfolio emission factor (above zero). Conversely, the inclusion of resources that do not emit GHGs will reduce the utility’s portfolio emission factor. In general, renewable energy resources, which use fuel sources like wind and solar, have been identified as non-polluting or GHG-free. Similarly, hydroelectric and nuclear generators, which do not involve GHG-emitting combustion processes, are also considered to be non-polluting or carbon-neutral. Consistent with its adopted Integrated Resource Plan, MCE does not engage in procurement transactions with nuclear generating facilities and will rely exclusively on renewable energy resources and hydroelectricity to ensure delivery of a comparatively cleaner energy supply.

MCE has joined The Climate Registry (TCR), a nonprofit collaboration among North American states, provinces, territories and native Sovereign Nations that sets consistent transparent standards to calculate, verify and publicly report greenhouse gas emissions into a single registry.

**Emission Factor**
Mr. Dusel shared that an emission factor expresses the rate at which GHGs, particularly carbon dioxide, are produced by a specific activity. In the electric power sector, emission factors are expressed in relation to metered units of power production, using various measurements. Some organizations, such as the California Air Resources Board (CARB), also use similar measurements, which quantify the impacts of a broader spectrum of GHGs, including methane, sulfur dioxide, etc.

Emission factors are often used by electric utilities to communicate the cleanliness of their respective power supply portfolios. Certain third-party organizations, such as The Climate Registry (TCR), have developed GHG measurement protocols, reporting standards and verification procedures to promote consistency in this area.

AB 790 now requires joint comparison of MCE and PG&E data of rates, costs and emissions factors and general power sources.

**Key Data Components**
Mr. Dusel reported that there are some key data components necessary in order to calculate the emission factor. The first being total retail sales to customers (MWh) and the second being the specific generating sources used to supply the power.

Based on preliminary calculations, MCE’s 2013 aggregate portfolio emission factor is marginally lower than in 2012 and should compare favorably to PG&E.
Ms. Dusel responded to questions from the Board.

M/s McCaskill/Withy (11-0-0 passed) approved the use, distribution and web posting of 1) MCE's Emission Factor Certification Template, as provided by The Climate Registry; and 2) the "Understanding MCE’s GHG Emission Factors' document. Directors Greene and Haroff were absent.

**Agenda Item #10 – Energy Efficiency Update (Discussion)**

Beckie Menten, Director of Energy Efficiency presented this item.

Ms. Menten provided a recap of the components of the MCE Energy Efficiency Program:

- **Single Family** – Home Utility Reports (HUR) were sent to more than 18,000 customers. The marketing campaign has resulted in 25% more traffic to site, but higher bounce rate (i.e. people who leave after one page).

Ms. Menten explained Metrics of the program as having 818 Action Plans created, 309 HUR accounts claimed, 78,278 kWh claimed from Nov-Feb, which is equivalent to taking 11 cars off the road and a normal comparative report on how results are measured.

- **Small Commercial** – Ms. Menten shared that Saturation Campaigns are currently running in both Richmond and Mill Valley; these campaigns vary in respective areas. In Richmond, teams are working with the East Bay Energy Watch Partnership and the City of Richmond. Property owners are called prior to being onsite in attempt to improve in person reception of the program. This new approach has proved to be successful in that it has saved the teams as much as three days in the field which helps reduce the overall administrative costs. The same approach was applied in Mill Valley and did not prove to be as successful as the Richmond. A significant amount of time was being spent on the phone with unanswered and/or unresponsive calls. They discovered in Mill Valley that the door-to-door approach has produced 7 to 10 audits per day.

Ms. Menten reported that 71 projects have been completed for a total of 169,632 kWh which is equivalent to taking 24 cars off the road. There currently are 12 projects in the pipeline totally 2,578 units, equivalent to taking 10 cars off the road.

- **Bay Area Regional Energy Network (BayRen)** – Ms. Menten reported that BayRen is comprised of 9 counties including Marin, locally implementing the Home Upgrade program to 34 homeowners in Marin County, for $15,000 disbursed in rebates.

**PACE Program** – Ms. Menten shared MCE has worked with the County of Marin to get the California First program. It has been undergoing legal validation actions for almost a year but is in the final stages of being made officially available. HERO, a residential PACE program which has completed over 1200 home upgrade retrofits in the Riverside, CA area has started contacting various counties to see if there is any interest in a partnership.

Ms. Menten discussed actions on behalf of Gov. Brown who has been working with the FHFA to set aside funds as insurance which would guarantee loans made by the FHFA as a result of PACE liens and cover any losses PACE might incur. Based on those actions by Gov. Brown, there is consideration being taken for PACE residential programs to be offered again in the State of California.

Ms. Menten shared Proposition 39 details where funds were set aside for schools and workplace development related activities. The County of Marin has taken the lead on implementing that program. So far they've accomplished 60 energy audits in the County of Marin. They are working with 15 of the 19 school districts on next steps.
Codes and Standards Program

- The County of Marin has done significant work in educating contractors and building officials on upcoming changes to the code. The 2014 code was to be implemented in January but there was a vote at the Energy Commission in December to postpone implementation until July 2014. As a result of that vote the Energy Efficiency Team anticipates a significant rush of projects in the month of June before the code is implemented.
- The County continues to be the sustainability lead for the counties and currently they are working with Sausalito to finalize the Sausalito Climate Action Plan.

2015 Funding Request

- Ms. Menten explained the 2015 Funding Request to the CPUC for overall program components. The CPUC has requested that as they move to a 20-year rolling portfolio cycle, that 2015 be treated as a “bridge” or “transitional” year. As a result, they’ve requested administrators to submit a funding request that was more or less a 50% extension of 2013/2014 and they didn’t want significant changes to programs. None of these changes significantly impact MCE’s Energy Efficiency program. MCE requested a 50% extension on its existing programs.
- Ms. Menten is requesting a slight increase in funding for the Multi-family, slightly less funding for the Small Commercial program, slightly higher increase in funding for the Single Family Program, and a significantly higher increase is being requested for the Financing Program. What this means for the Energy Efficiency Program is MCE is asking for slightly less than a 50% extension.
- Ms. Menten reported in terms of next steps MCE’s Funding Request was submitted on 3/26/14, comments from parties are due on 4/4/14, reply comments are due 4/17/14, and a Decision is anticipated on 6/12/14.

Ms. Menten responded to questions from the Board.

Agenda Item #11 – Communications Update (Discussion)

Jamie Tuckey, Communications Director presented this item.

Ms. Tuckey announced that production of four MCE videos created with MicroDocumentary is complete. The videos have four different topics, are short in length, and are meant to engage a variety of customers within MCE’s service territory. The first film is a general “About MCE” overview that talks about the foundation, mission and reach of the agency. The second film is features an expert testimonial about the San Rafael Airport project. The third film is a more educational type featuring our Energy Efficiency Program and our partnership with the Marin Community Development Corporation. The fourth film is a customer testimonial featuring our Deep Green Commercial business. A sneak preview of the general “About MCE” video was shown to the Board.

Each video is 2 minutes long and MCE has the option to shorten them to 30 seconds. The impact of these films will really depend on MCE’s distribution of them. MCE will be sending out email links to the Board in hopes that they will share them with their own social media circle. Having the option of shortening the films to 30 seconds allows for broadcasting on local cable television in MCE’s service area and target Marin and Richmond specifically; they can be shown at conferences and events, posted on MCE’s website and other social media sites. They can also be distributed in other communities that might be interested in CCA programs.

April 1 – May 8 On Bill Message

- Ms. Tuckey shared that the on bill message has changed from noticing MCE rate increase to now noticing MCE Customer Privacy policy. The CPUC requires each year MCE send a direct notice to its customers
reminding them that customer privacy is very important to the organization and directing the customers to a link where they are able to read the policy.

- Ms. Tuckey reported that the MCE Financing Program is now called Green Home Loan and MCE is just embarking on an advertising campaign for that program. It is a complex program that MCE has simplified through its messaging to get across the practical and financial benefits and value of participating in the energy efficiency programs and utilizing the green home loans to finance those projects. This program is supported by BayRen and 30% of the loan can be used for non-energy efficiency projects. Ads will be running in the Marin Home Magazine, the Marin IJ, the Richmond Post, the Richmond Pulse, and the AdTaxi online. MCE is partnership with First Community Bank who will contribute half the cost of advertising. MyEnergyTool Advertising campaign is being funded totally by PlanetEcosystem and they are doing an all web-based ad campaign.

Earth Day Marin

- Ms. Tuckey discussed MCE’s Earth Day that is coming up this weekend and will be held at Redwood High School. MCE will have a booth where its four videos will be shown throughout the day. Thanks to MCE’s new customer relations management system, people will be able to sign up for Deep Green on the spot. Ms. Tuckey reminded the Board that half of the revenue for Deep Green goes to local renewable projects and a video was shown about MCE’s San Rafael Solar Import project. Ms. Tuckey is working on getting the MCE videos shown at the Marin County Fair this year.

Ms. Tuckey responded to questions from the Board.

Agenda Item #12 – Regulatory and Legislative Update (Discussion)
Shalini Swaroop, Regulatory Counsel presented this item.
Ms. Swaroop indicated that she would discuss 3 major topics: Petition for Modification of Energy Efficiency Decision on CCAs, Legislative Update, and Overview of PCIA (Power Charge Indifference Adjustment)

Petition for Modification of Energy Efficiency Decision on CCAs

- **The Good** - In January the CPUC issued a Decision 14-01-033 on how CCAs apply for Energy Efficiency program funds. CCAs have been confirmed to have the same rights and responsibilities as the Utility Administrators in other Energy Efficiency programs. New CCAs like Sonoma Clean Power do not have to adhere to the normal 3-year application cycle as set by the Commission. Which means when they are ready to start up Energy Efficiency programs, they just need to apply.

- **The Bad** – 1) Statute indicates that CCAs should propose programs that do not overlap with statewide and regional programs. The decision has a problematic definition of what statewide and regional mean. They are classifying single-IOU programs as “Statewide and Regional Programs,” limiting CCA ability to administer similar programs. 2) The Commission requires CCAs to adhere to all previous Energy Efficiency Decisions based on IOUs. 3) The Commission does not acknowledge need for CPUC Ombudsman.

- **The Ugly** – 1) CCAs were given the same cost-effectiveness requirements as utilities which means, IOUs can blend their portfolios over a larger service area and with different types of programs. This is a problem because utilities have a much larger footprint than CCAs, so they have a far greater variety of customers that they can customize energy efficiency programs for in a more specialized and customer centric way. 2) CCAs ability to administer natural gas Energy Efficiency programs was limited which discourages comprehensive programs.
As a result of this Decision, MCE filed a Petition for Modification and asked the CPUC 1) to take a “whole portfolio approach” to CCA cost-effectiveness requirements, and 2) to determine how CCA can apply to administer natural gas Energy Efficiency programs.

Legislative Update
- Ms. Swaroop provided the following update and explained status of the CPUC positions and where they currently are in relation to the State Budget.
- She also shared the various bills, what they represent and where they are in the Legislative process.

Overview of PCIA (Power Charge Indifference Adjustment)
- Ms. Swaroop provided a Residential Cost Comparison: MCE proposed rates effective April 6, 2014 and PG&E proposed rates effective May 1, 2014. 88% of MCE customers are residential.
- Ms. Swaroop also spoke about PCIA Policy Basis and how the Utilities are required to procure for their customers. Utilities typically buy “long-term” power years in advance and also plan to buy “short-term” power. Departing customers leave the utility with “excess” power and utilities could sell excess “long-term” power on the open market, but sometimes choose to keep it. Departing customers pay the difference between the contract price and the market benchmark price of power.
- Ms. Swaroop explained the impact of this practice discourages responsible procurement and therefore utilities don’t plan for CCA departing load. It discourages competition, it creates barrier to entry for communities interested in CCA, and it penalizes CCA customers.

PCIA Issues
- Customers pay for energy they are not using, new accounts also pay the PCIA, the fee is volatile and doubled in January 2014, the fees have no end date, and departing load costs make MCE look more expensive than PG&E.

PCIA Impact on MCE Customers
- In 2014, MCE customers will pay $12,880,000 in PCIA fees, PCIA disproportionately affects CARE households, more than 11% of their bills are due to the PCIA, and time horizon of up to 25 years or more.

PCIA Possible solutions
- Require PG&E to plan for future departing CCA load to minimize PCIA over time, a planned multi-year phase-out with PG&E adjusting their load accordingly, and eliminating PCIA fees for new customers or move-ins within the service territory.

What is MCE doing about the PCIA?
- California Public Utilities Commission
  - Long-Term Procurement Plans Proceeding
  - Workshop on PCIA
- California Energy Commission
  - Incorporate CCA load into 10-year forecast
- Legislature
  - Education of key legislators
- Grassroots
  - Building customer knowledge with community partners.

Ms. Swaroop and Ms. Menten responded to questions from Board.
Agenda Item #13 - Board Matters (Discussion)
Ms. Weisz thanked General Counsel Greg Stepanicich for being with us tonight.

Agenda Item #14 – Adjourn
10:02 PM

[Signature]
Damon Connolly, Chair

Attest:

[Signature]
Dawn Weisz, Secretary

APPROVED
MAY 01 2014
MARIN CLEAN ENERGY