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mceCleanEnergy.org

Technical Committee Meeting
Thursday, July 6, 2017
9:00 A.M.

The Barbara George Conference Room
1125 Tamalpais Avenue, San Rafael, CA 94901

3675 Mt. Diablo Blvd. Room 265
Lafayette, CA 94549

Agenda Page 1 of 1

1. Board Announcements (Discussion)
2. Public Open Time (Discussion)
3. Report from Chief Executive Officer (Discussion)
4. 6.1.17 Meeting Minutes (Discussion/Action)
5. Preview of New Communities from Contra Costa County (Discussion)
6. Carbon Pricing and the Likely Impacts on the Power Sector of 2030 Energy Policy in California (Discussion)
7. Committee Member & Staff Matters (Discussion)
8. Adjourn



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DRAFT

**MCE
TECHNICAL COMMITTEE MEETING
June 1, 2017
9:00 A.M.**

**The Barbara George Conference Room
1125 Tamalpais Avenue, San Rafael, CA 94901**

**555 Montgomery Street, Suite 820
San Francisco, CA 94111-2560**

Roll Call

Present: Ford Greene, Town of San Anselmo
Kevin Haroff, City of Larkspur (Dialing in)
Greg Lyman, City of El Cerrito (Dialing in)
Emmett O'Donnell, Town of Tiburon
Kate Sears, County of Marin, Chair
Ray Withy, City of Sausalito

Absent: Don Tatzin, City of Lafayette

Staff: Greg Brehm, Director of Power Resources
David Potovsky, Power Supply Contracts Manager
CC Song, Regulatory Analyst
Jamie Tuckey, Director of Public Affairs
Dawn Weisz, Chief Executive Officer

Action Taken:

Agenda Item #4 – Approval of Minutes from 4.6.17 Meeting (Discussion/Action)

ACTION: It was M/S/C (Greene/Lyman) to **approve minutes from 4.6.17 meeting**. Motion carried by unanimous 6-0 vote. (Absent: Director Tatzin)

Agenda Item #5 – Procurement Planning for 2017 and 2018 (Discussion)

ACTION: No action required.

DRAFT

Agenda Item #6 – Expanded Feed in Tariff (Discussion)

ACTION: No action required.

Agenda Item #7 – Non-bypassable Charges for CCA Customers (Discussion)

ACTION: No action required.

The meeting was adjourned to the next scheduled meeting on July 6, 2017.

Kate Sears, Chair

ATTEST:

Dawn Weisz, Chief Executive Officer



July 6, 2017

TO: MCE Technical Committee

FROM: Alex DiGiorgio, Deputy Director of Community Development

RE: Preview of New Communities from Contra Costa County (Agenda Item #05)

ATTACHMENTS: A. Policy 007 – New Customer Communities
B. MCE Affiliate Membership Process
C. MCE Membership Application Checklist

Background on CCA in California

Community choice aggregation (CCA) programs have continued to emerge throughout California, including well over 80 different jurisdictions. In 2016 and 2017 CCA service was launched by San Francisco's CleanPowerSF (service began Q2 2016); San Mateo County's Peninsula Clean Energy (service began Q3 2016); Apple Valley Choice Energy (service began Q2 2016) and Santa Clara County's Silicon Valley Clean Energy Authority (service began Q4 2016).

Elsewhere in California, cities and counties are joining together to form CCA programs. The multi-county structure appears to be gaining popularity as San Luis Obispo, Santa Barbara, and Ventura Counties consider joining together, much like Santa Cruz, Monterey, and San Benito Counties did approximately three years ago. Multiple jurisdictions in the LA County Area have passed resolutions to explore CCA, and similar mobilization is occurring from Humboldt to San Diego. Mendocino County has joined Sonoma Clean Power, although not all incorporated jurisdictions have done so.

Background on MCE Inclusion Process

On September 29, 2016, your Board authorized a six-month inclusion period for interested Contra Costa communities to complete the steps required to join MCE as a member. The inclusion period was established to create efficiencies in workflow, achieve economies of scale, and streamline procurement procedures.

During the seven-month inclusion period (December 1, 2016 – June 30, 2017¹) each of the following jurisdictions completed all membership steps to join MCE, to be effective on the date of MCE Board approval. The requisite Council vote and/or CCA ordinance was passed in each jurisdiction on the following dates:

¹ MCE agreed to accommodate a one-month extension request by Contra Costa County and a majority of its eligible cities, which revised the deadline from May 31 to June 30, 2017.

1. Moraga – April 26, 2017
2. Contra Costa County (unincorporated) – May 2, 2017
3. Danville – May, 2 2017
4. Oakley – May 9, 2017
5. Pittsburg – May 15, 2017
6. Pinole – May 16, 2017
7. Concord – May 23, 2017
8. Martinez – June 7, 2017
9. San Ramon – June 27, 2017 (*The second reading of the ordinance is scheduled for San Ramon's July 11th meeting*)



New MCE Member Community Overview

Information is provided below regarding each of the cities that have completed required membership steps under the inclusion period that concluded on June 30:

- The **Town of Moraga** spans approximately 9.4 square miles in the central-western part of the County commonly known as ‘Lamorinda’ (the combined name of three incorporated jurisdictions: Lafayette, Moraga, and Orinda). As of 2010, the Town has a population of just over 16,000. Moraga’s Town Council was the first to vote to join MCE in 2017.

- **Contra Costa County** (unincorporated) was one of the original 27 counties of California and is home to approximately 170,000 people. It spans more than 800 square miles and is by far the most heavily populated prospective MCE jurisdiction. Correspondingly, it also represents the single largest electricity load—approximately 25% of the combined load of all eligible incorporated and unincorporated communities. The cities of Concord and Pittsburg together represent another 25%. Contra Costa (aka “CoCo”) is a dynamic jurisdiction in terms of geography and demographics, and includes Mt. Diablo, historic Delta communities, extensive Bay shore borders, multiple oil refineries and heavy industry, rich agricultural lands, and a broad array of ethnic groups, foreign languages, and socio-economic diversity.
- The **Town of Danville** is located within the San Ramon Valley in the southwestern part of the County and is home to approximately 45,000. The incorporated area spans approximately 18 square miles.
- The **City of Oakley** is located in the eastern-most part of the County along the Delta and is home to approximately 40,600. The City incorporated relatively recently (1999) and spans just over 16 square miles. Oakley has been exploring CCA generally, and MCE membership specifically, for longer than most other jurisdictions seeking membership this inclusion period. In 2016, Oakley nearly joined MCE along with Lafayette and Walnut Creek. The City’s moto is “A Place for Families in the Heart of the Delta.”
- The **City of Pittsburg** is located along the County’s northern waterfront and is home to more than 70,000. It is well known for its rich history, ethnic diversity, heavy industry, and busy riverfront areas. It has substantial Latino, Asian, Pacific Islander, and African-American communities, and spans nearly 20 square miles. Pittsburg has the third largest electricity load among this year’s prospective new communities. The City also has a small municipal utility (Island Energy) located within its borders, which serves Mare Island with gas and electricity services. For this reason, the City has had the help of seasoned energy professionals as it explored the possibility of joining MCE.
- The **City of Pinole** is among the County’s smallest jurisdictions and is home to approximately 20,000. It has a sizable Latino population and spans approximately 13.5 square miles. The downtown area has many turn-of-the-century buildings, which contrast with the many “big box” stores closer to the Hilltop Mall boarder. Pinole’s MCE inclusion would complete West Contra Costa County’s membership, along with Richmond, San Pablo, and El Cerrito.
- The **City of Concord** is Contra Costa’s largest incorporated jurisdiction with a population of nearly 130,000 and more than 30.5 square miles within its borders. It is located toward the geographic center of the County at the base of Mt. Diablo and is home to many large businesses. The City has two BART stations and about one-fifth of the County’s population reportedly commutes to Concord for work. Concord alone represents more than 12% of MCE’s prospective additional electricity load, the second largest among all applicant communities. The Concord Naval Weapons Station is a focus of the City’s redevelopment efforts and it is widely considered to be an ideal site for innovative renewable energy projects. Chevron and PG&E are among the City’s largest employers.



- The **City of Martinez** is the County seat and is home to just under 40,000. It is well known for its historic architecture, vibrant history, and large nearby oil refineries. Multiple building trades unions have their union halls located within the City. Martinez is well known for being the home of John Muir, whose spirit of conservationism continues to color the City's identity.
- The **City of San Ramon** is the namesake jurisdiction of the San Ramon Valley in the southwestern part of the County and is home to approximately 75,000. Its Bishop Ranch office park development is occupied by offices of multiple large corporations, including Chevron and AT&T. PG&E is among the City's largest employers.

The next step required to complete membership is MCE Board approval subject to a positive result of a quantitative membership analysis for the purpose of determining projected environmental benefits (e.g. incremental increases in renewable energy deliveries and expected reductions in greenhouse gases (GHGs) related to electric energy consumption) and rate/financial impacts related to the addition of customers located within the aforementioned jurisdictions. This analysis will be presented to your Board at the regular July Board meeting.

Recommendation: Discussion item only.



POLICY NO. 007 – NEW CUSTOMER COMMUNITIES

Whereas MCE’s founding mission is to address climate change by using a wide range of renewable energy sources, reducing energy related greenhouse gas emissions and promoting the development of energy efficiency programs; and

Whereas creating opportunities for customer electric service in new communities may allow MCE to further progress towards its founding mission; and

Whereas MCE currently provides a minimum 50% renewable energy supply to all MCE customers (through its default Light Green retail service option), which substantially exceeds similar renewable energy supply percentages provided by California’s investor-owned utilities (IOUs); and

Whereas the inclusion of new communities to MCE’s membership will increase state-wide renewable energy percentages due to 1) MCE’s specified minimum renewable energy supply percentage of 50%, and 2) access to its 100% renewable option; and

Whereas the inclusion of new communities to MCE’s membership will also decrease greenhouse gas emissions within the Western United States as a result of minimum renewable energy supply percentages exceeding such percentages provided by California’s IOUs; and

Whereas the inclusion of new communities reaffirms the viability of community choice aggregation, and provides an incentive for other cities and counties to pursue more renewable energy options within their own jurisdictions.

Therefore, it is MCE’s policy to explore and support customer electric service in new communities to further agency goals.

In consideration of the above MCE may allow access to service in new communities through two channels, affiliate membership or special-consideration membership, as applicable.

Affiliate membership considered if:

1. All applicable membership criteria are satisfied,
2. New community is located in a county that is not more than 30 miles from MCE existing county jurisdiction, and
3. Customer base in new community is 40,000 or less or is within a County already served by MCE.

Special-consideration membership considered if:

1. All applicable membership criteria are satisfied,
2. New community is located in a county that is more than 30 miles from MCE existing jurisdiction and/or the customer-base in the new community is greater than 40,000.



MCE Affiliate Membership Process

Step 1: Governing body submits letter to MCE from new community jurisdiction, requesting consideration as a member.

Step 2: Staff evaluates request to determine: (a) if internal resources are available to consider new membership, and (b) if a formal 'inclusion period' is in effect or should be offered to create staff efficiencies.

Step 3: MCE staff request Membership Application from new community governing body.

Step 4: Membership Application submitted to MCE. Request submitted to MCE Board to consider adherence to criteria D, E, F and G below, and to authorize membership of new community, subject to a net positive result in quantitative membership analysis by staff.

Step 4: Following MCE Board approval, staff executes agreement with governing body of new jurisdiction to fund costs of membership analysis (cost waived under inclusion period). Staff undertakes and completes analysis, with primary focus on quantitative criteria A, B and C below. If needed, re-analysis may be conducted over time to account for varying market conditions.

Step 5: Results of membership analysis presented to MCE Board. 1). If quantitative affiliate membership criteria are met, MCE Board adopts resolution to include municipality in MCE Joint Powers Authority membership. 2). If quantitative criteria are not met but other compelling criteria are present, Board may consider approval of membership.

Step 6: Mayor/Board President of new jurisdiction executes JPA Agreement.

Step 7: MCE submits updated Implementation Plan to CPUC.

Membership Criteria:

- A. Including new community is projected to result in a neutral or positive fiscal impact for MCE and the existing customer base.
- B. Including new community will enhance strength of local programs, including an increase in distributed generation, and will accelerate greenhouse gas reductions on a larger scale.
- C. Including new community will increase the amount of renewable energy being used in California's energy market.
- D. There will be an increase in opportunities to launch and operate MCE energy efficiency programs to reduce energy consumption and reliance on fossil fuels.
- E. New opportunities are available to deploy local solar and other distributed renewable generation through the MCE Net Energy Metering Tariff and Feed in Tariff.
- F. Greater demand for jobs and economic activity is likely to result from service in new community.
- G. Inclusion of new community is likely to create stronger voice for MCE at the State and regulatory level.

MCE Membership Application Checklist

- ✓ Request for load data for PG&E signed by Mayor, City Manager, Board president or Chief County Administrator
- ✓ County assessor data for all building stock in jurisdiction
- ✓ Adoption of a resolution requesting membership in MCE
- ✓ Adoption of the ordinance required by the Public Utilities Code Section 366.2(c) (10) to join MCE's CCA program, adopted governing Board, subject to MCE Board approval
- ✓ Executed 'Agreement for Services' or 'Memorandum of Understanding' (if during inclusion period) to cover:
 - Community agrees to publicize and share information about MCE with community during the 6 month enrollment period. Options to publicize include but are not limited to website, social media, public events, community workshops, and newsletter announcements (where feasible), as well as distribution of flyers and handouts provided by MCE at community offices.
 - Community agrees to provide desk space for up to 2 MCE staff during the 6 month enrollment period, and agrees to consider ongoing desk space availability if needed for effective and efficient outreach.
 - Community agrees to assign staff member as primary point of contact with MCE. Assigned staff member will support and facilitate communication with other community staff and officials, as well as provide input and high-level assistance on community outreach.
 - Community agrees to cover of quantitative analysis cost, not to exceed \$10,000; waived under inclusion period.



Inclusion of New Communities

July 2017

MCE Inclusion Background

September 25, 2013: MCE Board Retreat

- Board approved Policy 007: New Customer Communities

2013, 2014, and 2015

- Inclusion of five new communities
 - Richmond; Napa County; San Pablo; El Cerrito; Benicia
- Ad Hoc Inclusion Committee established June 15, 2015

September 17, 2015: MCE Board Retreat

- Adjustments to Policy 007
- Adjustments to MCE Affiliate Membership Process to minimize cost, reduce staff impacts, and create efficiency
- Formal six-month inclusion period initiated for communities expressing interest (Napa Cities, Davis, Yolo County & Contra Costa Cities) October 2015 – March 2016

MCE Inclusion Background

Spring 2016

- Seven new communities added to MCE Board Membership
 - Napa: American Canyon, Calistoga, Napa, St. Helena, Yountville
 - Contra Costa: Lafayette & Walnut Creek

September 29, 2016: MCE Board Retreat

- No changes recommended to MCE Policy 007
- Approved Inclusion Period for Contra Costa County & Cities
 - December 2016 to May 2017, extended to June 2017

July 2017

- Nine jurisdictions completed MCE membership requirements
 - Contra Costa County (unincorporated)
 - Concord, Danville, Martinez, Moraga, Pittsburg, Pinole, Oakley, San Ramon

Prospective MCE Service Area

Communities seeking MCE membership:

1. Contra Costa County (unincorporated)
2. Concord
3. Danville
4. Martinez
5. Moraga
6. Oakley
7. Pinole
8. Pittsburg
9. San Ramon



Questions?

Agenda Item #05 -2017 Inclusion of New Communities Presentation

