Marin Energy Authority
Technical Committee Meeting
Monday, June 10, 2013
9:00 A.M.

San Rafael Corporate Center, Boro Room
750 Lindaro Street, San Rafael, CA 94901

Agenda – Page 1 of 1

1. Board Announcements (Discussion)
2. Public Open Time (Discussion)
3. Report from Executive Officer (Discussion)
4. MCE Supply Reporting and Audits (Discussion)
5. MCE Expansion: Past and Future (Discussion)
6. Board Member & Staff Matters (Discussion)
7. Adjourn
**PROPOSED ANNUAL REPORT TO THE CALIFORNIA ENERGY COMMISSION: Power Source Disclosure Program**

**June 2013**

**for the year ending December 31, 2012**

**SCHEDULE 2: ANNUAL POWER CONTENT LABEL CALCULATION**

**Applicable to:** Load Serving Entities

INSTRUCTIONS: Total specific purchases (by fuel type) and enter these numbers in the first column. Null power purchases should be included with Unspecified Power. REC only purchases should be included as part of the fuel type they represent. The remainder of this schedule will be automatically populated with net generic purchase and total retail sales information from Schedule 1. Any difference between total net purchases and total retail sales will be applied pro-rata to each non-renewable fuel type. The pro-rata calculations will then be divided by total retail sales to calculate fuel mix percentages. If you wish to change how the pro-rata calculation is applied, enter revised purchases in column labeled "Pro-Rata Net Purchases based on Retail Purchases".

<table>
<thead>
<tr>
<th>Specific Purchases</th>
<th>Net Purchases (kWh)</th>
<th>Pro-Rata Net Purchases based on Retail Sales (kWh)</th>
<th>Percent of Total Retail Sales (kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biomass &amp; Biowaste</td>
<td>304,553,000</td>
<td>304,553,000</td>
<td>53%</td>
</tr>
<tr>
<td>Geothermal</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Eligible hydroelectric</td>
<td>10,000,000</td>
<td>10,000,000</td>
<td>2%</td>
</tr>
<tr>
<td>Solar electric</td>
<td>3,194,000</td>
<td>3,194,000</td>
<td>1%</td>
</tr>
<tr>
<td>Wind</td>
<td>225,452,000</td>
<td>225,452,000</td>
<td>40%</td>
</tr>
<tr>
<td>Coal</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Large hydroelectric</td>
<td>40,000,000</td>
<td>40,000,000</td>
<td>7%</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Nuclear</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Total Specific Purchases</td>
<td>344,553,000</td>
<td>344,553,000</td>
<td>60%</td>
</tr>
<tr>
<td>Unspecified Power (kWh)</td>
<td>225,590,667</td>
<td>225,590,667</td>
<td>40%</td>
</tr>
<tr>
<td>Total</td>
<td>570,143,667</td>
<td>570,143,667</td>
<td>100%</td>
</tr>
<tr>
<td>Total Retail Sales (kWh)</td>
<td>570,143,667</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CEC Reg. # 0

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June 10, 2013

TO: Marin Energy Authority Technical Committee
FROM: Dawn Weisz, Executive Officer
RE: Expansion: Past and Future (Agenda Item #5)
ATTACHMENT: A. Criteria for MCE Membership
B. Criteria for Assistance to Local Governments Exploring CCA Programs

Dear Board Members:

SUMMARY:
Since the launch of the MCE program various cities and counties in California have reached out to MCE, requesting information regarding community choice aggregation (CCA) programs and in some cases, potential membership opportunities with MCE. Some of these local governments are interested in allowing a choice to their customers regarding renewable energy supply while others are focused on rate stability, local control or greenhouse gas emissions reductions that can be achieved through CCA programs.

Because there are considerable costs and many challenges associated with creating a new CCA program some cities and counties have inquired about the possibility of joining MCE or receiving support and guidance as they prepare to launch their own CCA program. In response to such inquiries the Executive Committee began exploring potential scenarios for MCE program expansion as well as the provision of support to other communities considering the independent implementation of CCA programs. Both options were discussed at the Executive Committee’s regular meetings on March 16, April 20 and May 20, 2011. On June 2, 2011 the MEA Board approved Criteria for MCE Membership and Criteria for Assistance to Local Governments Exploring CCA Programs, both of which are attached.

MCE staff has since provided services to communities exploring formation of their own CCA through a fee for service contract. For example, such services have been provided to the Sonoma County Water Agency as they work to implement the Sonoma Clean Power program. At-cost services provided have ranged from structural and organizational support to marketing recommendations. The fee for service model provides flexibility for the community to form and manage its own CCA program as desired.

Given the addition of new member cities and towns since the Board Action in June, 2011, experience has been gained which can inform future membership-based
expansion discussions. There also may be a need for additional discussion regarding any potential changes to the existing Board composition and/or voting rights related to future membership changes. This topic will be discussed at the Executive Committee meeting on June 19, 2013.

Cities, Town and Counties joining MCE can benefit by being able to offer a choice of MCE power for the local municipal, residential and commercial load. However, for a community that is interested in joining MCE there is a need to first conduct research, analysis and other preparatory work as follows:

1. Obtain and analyze customer load data
2. Analyze economic impact to MCE for serving customers
3. Outreach/interface with City policy-makers and aid in adoption of enabling ordinance

After analysis has been completed and a new jurisdiction has requested membership with MCE and approved the enabling ordinance, the tasks listed below would then need to be accomplished. In addition, phasing in of new customers may be necessary depending on analyses of electric load characteristics and other factors. Tasks include:

1. Modify, adopt and submit updated Implementation Plan
2. Negotiate agreement for additional resource requirements
3. Identify/secure any necessary short-term financing to support expansion
4. Notice customers
5. Provide call-center services for all customer inquiries
6. Provide ongoing customer communication
7. Provide for all regulatory compliance filings to cover new load being served
8. Provide regulatory support at the CPUC

Recommendation: No action needed. Informational only.
Criteria for MCE Membership

MCE’s membership for new communities will be considered if three or more of the following criteria are met:

- The expansion is likely to increase the amount of renewable energy being used in California’s energy market.
- The expansion is likely to result in acceleration of greenhouse gas reductions.
- There likely to be an increase in the ability to launch and operate energy efficiency activities and programs.
- New opportunities would be available to deploy local solar and other distributed renewable generation through the Net Energy Metering Tariff and the Feed in Tariff.
- Regional benefits are likely to be achieved based on geographic location.
- Greater demand for local jobs and other local economic activity (office rental, office materials, accounting, legal and other vendor services) is likely to result from the expansion.
Criteria for Assistance to Local Governments Exploring CCA Programs

MCE may provide support to eligible local governments in California who are seeking support to launch their own CCA program. Support to such entities would be considered if three or more of the following criteria are met:

- Must receive request from a local government agency or another agency authorized to launch a CCA program.
- The CCA being considered is likely to help broaden MCE’s environmental goals including greenhouse gas reductions, and an increase in renewable energy generation and/or energy efficiency.
- The creation of the CCA would is likely to further develop the market for small and mid-size renewable energy.
- The CCA is likely to create potential opportunities for group procurement and combined efforts around energy efficiency, demand response, etc.
- The addition of the new CCA in the State would create a louder voice at the regulatory level from CCA programs.