Marin Clean Energy
Board of Directors Meeting
Thursday, June 5, 2014
7:00 P.M.

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

Agenda Page 1 of 2

1. Board Announcements (Discussion)

2. Public Open Time (Discussion)

3. Report from Executive Officer (Discussion)

4. Consent Calendar (Discussion/Action)
   C.1 5.1.14 Board Minutes
   C.2 Monthly Budget Report
   C.3 Approved Contract Update
   C.4 Records Retention

5. Ad Hoc Committee for Special Consideration Membership (Discussion/Action)

6. MCE Feed-in-Tariff Amendment (Discussion/Action)

7. Implementation Plan Update to reflect MCE Name Change and Membership Change (Discussion/Action)
Agenda Page 2 of 2

8. Power Purchase Agreements with Exelon Generation Company, LLC. for Power Supply Including Renewable Energy (Discussion/Action)

9. Energy Efficiency Update (Discussion)

10. Communications Update (Discussion)

11. Regulatory and Legislative Update (Discussion)

12. Board Member & Staff Matters (Discussion)

13. Adjourn
MARIN CLEAN ENERGY
BOARD MEETING
THURSDAY, May 1, 2014
7:00 P.M.
SAN RAFAEL CORPORATE CENTER, TAMALPAIS ROOM
750 LINDARO STREET, SAN RAFAEL, CA 94901

Roll Call
Present: Damon Connolly, City of San Rafael, Chair
Bob McCaskill, City of Belvedere
Sloan Bailey, Town of Corte Madera
Larry Bragman, Town of Fairfax
Kevin Haroff, City of Larkspur
Denise Athas, City of Novato
Tom Butt, City of Richmond
Katie Hoertkorn, Town of Ross, Alternate
Ford Greene, Town of San Anselmo
Ray Withy, City of Sausalito
Emmett O'Donnell, Town of Tiburon

Absent: Kathrin Sears, County of Marin
Garry Lion, City of Mill Valley

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

Public Session: 7:11PM

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

Member of the public Roy Phillips, owner of REP Energy, along with his partner Frank Gobar is working on several projects in Marin and expressed his desire to sell energy to MCE specifically at the Cooley Quarry which is located outside of Novato. He spoke about the lengthy process they’ve had to endure and the challenges therein. He and Mr. Gobar started this project over a year ago which cost them approximately $70K for the startup. They have been stuck in the planning process for approximately 6 months but have a public hearing that is coming up in June. While the planning department has been helpful they are limited in how quickly they are able to expedite things. Mr. Phillips is hopeful their project will be approved and a categorical exemption will be given to them due to the amount of work they’ve invested in the project. Mr. Phillips indicated that Panasonic will be providing construction financing as well as a production guarantee and several banks have expressed their willingness to finance the project with MCE at the current rate. However, without a signed Power Purchase Agreement (PPA), the banks are hesitant in their commitment to funding the project. He asked if it is possible to receive a conditional approval or a letter of intent from MCE, based on the planning department’s final approval that would lock in the current PPA rate which REP could then present to the banks.

Chair Connolly explained this is not an agenda item and under the Brown Act guidelines, the Board cannot comment on items not already on the agenda. Director Connolly clarified that Mr. Phillips was referring to a Feed-in-Tariff (“FIT”) project and that Mr. Phillips had talked to MCE staff about the process. Mr. Phillips indicated that he was in fact referring to the FIT and he had spoken to MCE staff. Executive Officer Dawn Weisz offered to discuss this project with Mr. Phillips to follow up on his question.

**Agenda Item #3 – Report from Executive Officer (Discussion)**

Executive Officer Dawn Weisz reported on the following:

Ms. Weisz announced that Sonoma Clean Power launched today and that Lancaster in Southern California is preparing to announce their launch in early 2015. Lancaster was in Sacramento testifying along with MCE and others opposing parties on the AB2145 hearing.

Ms. Weisz shared the City of Richmond and MCE were presented an award from “Breath of California” for our significant Greenhouse Gas reductions. MCE jointly accepted the award with Richmond’s Mayor Gayle McLaughlin last week at the awards ceremony which was held in San Francisco. She congratulated and thanked the City of Richmond for collaborating with MCE and she believes it says a lot about the great work MCE and Richmond are able to do together.

She also announced that in light of all the new developments on the CCA front and the related press activity, a Google Alert is recommended for the Board.

Emily Goodwin, Director of Internal Operations presented the Google Alert resource and shared the simple process to set up for the alerts. She explained the benefits of having a direct link to receive alerts and real time press feeds. Ms. Goodwin highly recommends that each Board member sign up to receive the customized Google alerts.

Ms. Weisz announced that Beth Kelly, Regulatory Director had her baby and his name is Jack.

Ms. Weisz responded to questions from the Board.
**Agenda Item #4 – Consent Calendar (Discussion/Action)**

- C.1 4.3.14 Board Minutes
- C.2 Monthly Budget Report
- C.3 Approved Contract Update
- C.4 MCE Position Transition from Extra Hire to Regular Hire
- C.5 Amendment to Agreement with Windstream

M/s Greene/Athas (passed 10-0-0) approved all items on the consent calendar. Directors Bragman, Lion and Sears were absent.

**Agenda Item #5 – Records Retention Adjustment (Discussion/Action)**

Emily Goodwin, Internal Operations Director presented this item.

Ms. Goodwin reminded the Board that the Records Retention Policy 003 has been reviewed several times and with minor adjustments being made to the Policy as approved by external counsel, the following changes to Policy 003, Records Retention are being recommended:

- Executed Contracts – 10 years after termination date of the contract.
- Board Approved Decisions – retained in perpetuity
- Board and Committee Meeting Materials – retained in perpetuity
- Board Approved Budgets – retained in perpetuity
- Customer-Specific Usage Information and Data – retained for 5 years
- Personnel Information – 10 years after employee end date
- Accounting Records – 7 years in accordance with MCE’s CPA Firm

Ms. Goodwin responded to questions from the Board.

M/s Butt/O’Donnell (10-0-0 passed) approved Records Retention Adjustment. Directors Bragman, Lion and Sears were absent.

**NOTE:** Director Bragman arrived at the beginning of this presentation.

**Agenda Item #6 – Results of membership Analysis for the unincorporated County of Napa (Discussion)**

Kirby Dusel, Technical Consultant presented this item.

Mr. Dusel shared a summary of MCE’s current policy regarding new membership requirements for completion of a quantitative analysis as part of its preliminary evaluative process and the timeline associated with the prospective addition of Napa County.

The primary focus of the quantitative analysis is to determine the anticipated net rate impacts that would affect MCE’s existing customer base following the addition of the prospective new community. The quantitative analysis must demonstrate that the addition of the prospective new community will result in a projected net rate reduction for MCE’s existing customer base which is a threshold requirement that must be met before MCE proceeds with further membership activities. In addition, the quantitative analysis addresses the projected environmental impacts that would result from offering CCA service to the prospective new community. The analysis prospectively
determines whether or not the new community will accelerate greenhouse gas (GHG) reductions, beyond those reductions already achieved by MCE’s existing membership, while increasing the amount of renewable energy being used within California’s energy market.

Mr. Dusel shared that the quantitative analysis indicated a couple of things:

- The additional customer base within Napa County would likely result in an approximate 3% rate reduction for MCE customers, including all existing and prospective accounts, and
- Including Napa County in MCE’s membership would increase the amount of renewable energy being used in California’s energy market by approximately 72,000 MWh per year while reducing GHG emissions by an estimated 21 million pounds of carbon dioxide equivalent per year.

Mr. Dusel spoke about the Napa County customer base and MCE’s analysis of the potential new customers to estimate the revenues and costs associated with extending MCE service to Napa County. The data indicated the potential for nearly 16,000 new MCE customers with a potential increase in annual electricity sales of approximately 336,000 MWh per year. He pointed out the interesting difference between MCE and Napa County is that Napa County includes a significantly more Agricultural and Pumping accounts and proportionately fewer residential accounts.

The Napa County Agricultural and Pumping accounts are relatively small in terms of electricity consumption but, on the other hand, the residential sector in Napa County uses nearly 70% more electricity per capita than the current MCE residential customer base. The Napa County commercial sector also exhibits higher average electricity consumption that MCE’s current commercial base. The average monthly usage of Napa County customers is nearly twice as high as that of the current MCE customer base.

Mr. Dusel discussed MCE hourly load profile and shared charts showing Napa County’s peak vs MCE’s peak profile. He discussed key assumptions and projected outcomes of rate impacts as being:

- Service would be initiated to Napa County customers in April, 2015.
- Rate impact analysis assumed that 85% of customers who would be offered CCA service would elect to participate in the MCE program; this assumption blended findings from previous phases of enrollment in Marin and Richmond.
- Participatory rate equates or translates to an increase in annual MCE electricity sales of 288,319 MWh or approximately 22%.

Incremental revenues and costs were quantified for the Napa County customer additions. The surplus is assumed to offset a share of MCE’s fixed costs and could be used to reduce overall MCE rates. The incremental cost analysis accounts for ongoing costs related to additional power supplies, customer billing, customer service support (call center), and PG&E service fees associated with the additional customers. One-time costs associated with the expansion of MCE to Napa County were shown in one of the charts presented by Mr. Dusel.

Mr. Dusel further explained the rate impact analysis indicates that the addition of Napa County customers to MCE’s total customer base would provide benefits to MCE ratepayers and, it is estimated that expanding MCE service to Napa County with current market power supply costs would allow for MCE rates to be 3% lower than without the expansion.

He shared that additional costs related to the expansion would be incurred prior to initiation of service to the new customers. These costs would be incurred for regulatory, resource planning and procurement activities that would be necessary to incorporate the new member community and its customers into MCE as well as for communication
and outreach to the new customers. The projected implementation costs related to a Napa County expansion are expected to be less than the $450,000 spent in preparation for the expansion to Richmond.

**Renewable Energy Impacts**

Mr. Dusel discussed that renewable energy requirements were calculated for Napa County to ensure compliance with the statewide Renewables Portfolio Standard (RPS) as well as the more aggressive MCE renewable energy content standards adopted by MCE. The total renewable energy requirement associated with prospective expansion to Napa County would be approximately 144,000 MWh annually. Including Napa County electric customers in MCE service will increase the amount of renewable energy being used in California's energy market by approximately 72,000 MWh annually based on the increased renewable energy procurement targets voluntarily adopted by MCE’s governing Board relative to California’s then-current RPS mandate (which must be followed by PG&E).

**GHG Impacts**

Mr. Dusel further explained with regard to projected GHG emission reductions that would result from the expansion of MCE service to Napa County, estimates were derived by comparing the most current, validated emission statistics related to the MCE and PG&E electric supply portfolios.

Mr. Dusel responded to questions from the Board and Ms. Weisz explained some next steps after presenting analysis for Napa County are: (1) Napa County adopting a CCA ordinance which will trigger (2) MCE’s efforts to get the Implementation Plan revised which would be brought to the Board for approval and 3) MCE’s procurement initiation that will be needed to serve Napa County. She also shared that prior to bringing expansion requests to the Board, MCE considers whether or not there are energy efficiency opportunities, renewable energy installation opportunities available and opportunities for more Feed-in-Tariff (FIT) projects. Ms. Weisz shared what has been seen in the Napa County expansion is a higher than expected potential for energy efficiency opportunities and NEM, solar development.

Member of the public Roy Phillips asked if there were any geographical limitations to other California communities interested in joining MCE. Ms. Weisz responded to his question by explaining that there is no physical or technical limitation for MCE expansion. She then revisited the MCE expansion process which includes (1) affiliate membership, and (2) special consideration. There is a policy in place for the special consideration category but written process has not yet been developed for special consideration communities. Ms. Weisz responded to a question from Director Greene concerning the tracking of AB1245 as it relates to other communities interested in becoming CCAs and the effect AB2145 would have on those communities. She assured the Board that MCE would continue watching AB2145 closely and engaging very closely. If the outcome does not look promising MCE would then make plans to accelerate the enrollment process for Napa County by implementing a “fast track” approach for the interested community.

Patrick Lowe, Natural Resources Conservation Manager for Napa County spoke. On behalf of Napa County, Mr. Lowe expressed they are happy to have the opportunity to become a member of MCE. There are an incredible number of opportunities within the community, some of which MCE staff has addressed relating to the wineries. Napa County has worked with several wineries and understands challenges they face with PG&E. Napa does substantial outreach with several environmental programs and has a good working relationship with wineries as well as other industrial and agricultural properties. He expressed that Napa County looks forward to working with MCE staff and the Board.
Agenda Item #7 – Power Purchase Agreement with Calpine Energy Services, L.P. for Renewable Energy Supply (Discussion)
Greg Brehm Director of Power Resources presented this item.

Mr. Brehm provided a brief overview and history of the agreement between Calpine Energy Services and MCE. Subsequent to execution of the original agreement between Calpine and MCE, staff identified a net short position for 2014 and 2015 because of under production in MCE’s existing landfill gas contracts and slightly higher than expected load. As a result staff negotiated a short term, “as available” confirmation for 15,000 MWh in 2014 and 10,000 in 2015. This transaction supplements MCE’s existing Renewable Energy (“RE”) supply portfolio with a highly desirable, locally situated geothermal resource.

Staff has negotiated mutually agreeable terms with Calpine to address short term (2014 and 2015) renewable energy needs. This agreement will provide MCE customers with necessary renewable energy (with positive optics coming from a local resource), filling projected deficits that would otherwise occur during the 2014 and 2015 calendar years.

Mr. Brehm explained that the Geysers project is a good fit for MCE’s resource portfolio based on the following considerations:

- Project size and expected energy production will support the future renewable energy requirements of MCE customers.
- Timing of initial energy deliveries under the agreement is aligned with planned reduction in renewable energy deliveries under SENA agreement.
- The project is being operated by an experienced team, which is currently supplying power from various projects to MCE and other multiple counterparties.
- The project is located within California and meets the highest value renewable portfolio standards category (“Bucket 1”).
- The project is highly viable and has been producing power since 1960.

Mr. Brehm responded to questions from the Board.

Agenda Item #8 – Energy Efficiency Update (Discussion)
Beckie Menten, Director of Energy Efficiency presented this item.

Ms. Menten shared that she would focus on three major items tonight:

She shared that a revamped version of the School Program design rolled out today. MCE worked with Strategic Energy Innovations (“SEI”) last year and they produced an intense inter-classroom curriculum designed to help kids get excited about energy, then go home and conduct an energy assessment on their own homes using MCE’s MyEnergyTool. It was a great program but MCE discovered a number of action plans generated on the web portal, based on the amount of money put into it, were not delivering the expected results to meet their target. As a result, the Energy Efficiency (“EE”) team met again with SEI to strategize on what MCE could do to maximize the EE dollars and reach as many people as possible with the current available resources.
It was decided that the following steps would be implemented:

- Go into the schools and actually create an assembly rather than meeting with one classroom at a time, they would meet with the entire school with at one time. A kid-friendly video has been produced, designed to get the kids excited and engaged about energy.
- Walk-a-thon model designed to empower the kids as ambassadors for MyEnergyTool and send them out into the community to get as many pledges as they can from neighbors and friends. The idea is that MCE would actually pay the school money for every pledge received from the community. Some of the other incentive structures are awards for the kids with the most pledges and awards for the classroom that gets the most action plans. The EE team is hopeful that this model will get more kids as well as parents excited about investing in the school and, ultimately will create community buy-in.

PEI is starting with two schools in the Spring, they will see how the program works and make any necessary adjustments to the program in the Fall. The first assembly kicked off today at Lou Sutton School in Novato and the second assembly will be next week at Hamilton School in Novato. They hope to have six schools involved by the Fall 2014.

**Green Loan Program**
Ms. Menten reported they are continuing an ad campaign that was started in April and will run throughout May 2014 that includes both a print campaign and an online campaign, running through Marin County and the City of Richmond.

She reported in addition to the print and online campaigns, there is on the ground outreach as well. Material has been developed for distribution at different retail locations; specifically at Fairfax lumber Saturday, May 3rd and Marin Ace Hardware next week. Such outreach creates an opportunity for the EE team to talk with folks who are interested in doing projects in person and showcase the various products the Energy Efficiency Program has to offer. Rafael Silberblatt, Program Coordinator and Meaghan Doran, Energy Efficiency Program Specialist, both have been working diligently to line up more opportunities for interfacing with the community.

Ms. Menten shared and discussed the MCE full page ad that appears in the Marin Home Magazine which is published by the Marin Builders’ Association.

**Home Energy Advisor**
Ms. Menten reported that as of April 30th, 42 referrals have been made to the Green Home Loan program and 7 customers who called had already heard of the program. She is hopeful that the referrals will translate into applications and she will be able to report back to the Board at the June meeting.

**2016 Energy Efficiency Portfolio Planning**
Ms. Menten shared that the Energy Efficiency Team will try as much as possible to make this a grassroots effort and work with the community in earlier stages to solicit input from the community and well known, local EE experts about not only where energy is being used throughout the territory, but what other programs are out there. The goal is to find out where incentives are needed to drive action in the marketplace or where education is more effective, instead of being motivated by a financial incentive.

The plan is to have a series of meetings to kick this process off. The first meeting will be held in late May, and it will be an invitation only stakeholder planning session. The list of invitees will include the County of Marin, the City
of Richmond and Napa County. It will present an opportunity to get a number of people in a room to brainstorm and strategize about what can be done to improve the Energy Efficiency Program. The next scheduled meeting will take place on June 25th at Richmond City Hall 6-8PM and then on July 23rd possibly at the Marin County Civic Center. A listserve is also being developed and the community will be able to view and sign up at the Energy Efficiency website at: mceCleanEnergy.org/ee.

Ms. Menten responded to questions from the Board.

Agenda Item #9 – Communications Update (Discussion)
Jamie Tuckey, Communications Director presented this item.

Ms. Tuckey provided the following brief updates: Rates – She confirmed and reminded everyone that today PG&E’s rate increase went into effect. This increase translates into significant savings for MCE’s customers and MCE’s rates are still less than PG&E’s rates. Based on those rates MCE expects to save its customers just under $6M this fiscal year and that does not take into account an additional rate increase that PG&E has proposed later this year.

Ms. Tuckey explained as part of MCE’s rate analyses for its customers, research was conducted to determine what MCE saved the City of San Rafael. Last year the City of San Rafael saved upward of $30K on its electricity bills by having MCE’s Light Green service. With MCE’s new rates this year and PG&E’s increase the estimated savings to the City of San Rafael will be approximately $47K. These are significant savings and other MCE service areas, specifically municipal customers, most likely have experienced similar savings. She indicated if the Board is interested in knowing the level of savings for their town or city, MCE would be happy to prepare a cost analysis for those service areas.

Ms. Tuckey shared that MCE is currently working with PG&E to develop a joint cost comparison that is sent out to all customers whether they are with PG&E or MCE. Per statute, it is a requirement that the information be sent out by July but the information will be mailed out early to mid-June. The mailer includes 1) a cost comparison for different customer classes, 2) a power sources comparison of what MCE submits for its power content label to the California Energy Commission (CEC), and 3) Greenhouse Gas Emission (GHG) for PG&E Deep Green and Light Green.

Ms. Tuckey shared in a recent press release that the County of Marin met its GHG targets 8 years ahead of schedule and this was due, in large part, to renewable power that is provided by MCE. The goal for the County of Marin was to reduce its GHG emissions by 15% of its 1990 levels by 2020.

Ms. Tuckey reported that they finalized the Heart Deep Green campaign at the end of April and the winners of the competition were the Marin Agricultural Land Trust, the Asian Pacific Environmental Network and the Sierra Club on behalf of the Clean Energy Coalition. MCE received 40 new Deep Green sign ups as a result of this campaign and the next campaign will target schools in the City of Richmond and Marin County. She also reported that the Syndicated Solar Program (SolShares) first public announcement went to approximately 4,000 people yesterday and 20 people have inquired about signing up for SolShares.

Ms. Tuckey responded to questions from the Board and members of the public.
Agenda Item #10 – Regulatory and Legislative Update (Discussion)
Shalini Swaroop, Regulatory Counsel ceded the floor to Executive Officer, Dawn Weisz to discuss some of the Regulatory matters.

Ms. Weisz provided an update on AB2145 – In addition to the regular legal issues there are political, communications and operational impacts from this bill. There was a bill that was introduced early in this legislative session from Bradford’s office on the Assembly side AB2145. MCE had been watching this bill since January but it was a spot bill and didn’t have much content. The content was added a few weeks ago just one session day before it was to be heard in Committee. MCE looked at language that was added to the Amendment and it was very concerning. Ms. Weisz reminded the Board of Proposition 16 and what and indicated this bill is a bit of a rehash of that Proposition. Basically it would change the CCA structure in the State to make CCA’s an opt-in program rather than an opt-out program.

It also has a couple other provisions that would not be workable due to practical constraints. It would require a CCA when filing its implementation plan before serving customers to provide a 5-year rate projection and comparison against the incumbent utility in a service territory, and to provide a 5-year GHG projection to the incumbent utility. This requirement is not feasible since the IOUs do not know what their own rates will be until they’ve been approved by the CPUC which sometimes happens the day before rates go into effect and certainly not 5-years in advance. The GHG accounting typically is done 2 years after the fact. PG&E released their 2012 GHG emissions factor in February 2014. The 2-yr lag for GHG comparisons makes the projection requirements of the bill problematic as well.

The primary concern is the opt-in nature of the bill and how that would impact future CCA programs, making it potentially infeasible for future CCA programs to launch and also impacting expansion of existing CCA programs.

This bill was heard for the first time on April 28th in the Assembly Utilities and Commerce Committee and the Chair of the Committee actually authored the bill which added an extra layer of challenges for those on the Committee to vote based on the facts. Nonetheless, MCE took a very high level effort to engage and educate committee members and those on the Assembly side. MCE worked with a coalition of many advocates, Sonoma Clean Power as well as the folks in Lancaster who are preparing to launch their own CCA in the near future. An enormous coalition of opposing groups was pulled together by Shalini Swaroop in four days. Some of those included the Sierra Club and local government agencies who have expressed interest in CCA. A tremendous amount of effort went into preparing for the hearing.

Some of what is happening around this bill is reminiscent of the MCE 2010 launch. A lot of misinformation is being circulated by the folks who are supporting this bill. They have four supporting entities with PG&E being one of the four. The misinformation being tossed around is frustrating to hear and is easily refutable but MCE was not able to refute at the time of the hearing. In an effort to rebut some of the negative statements and misinformation, a packet was created prior to the hearing to give folks an overview of who MCE is and what we are accomplishing. It talks a lot about our ability to reduce GHG emissions and to get more renewables onto the grid.

There is also a lot of discussion about customer engagement and some of the language addresses public disclosure and a concern about customers being made a default customer of a new entity when they had been served by a monopoly in the past. There is a lot of discussion in the packet about customer disclosure and engagement when MCE takes on enrolling a new community. Another bit of misinformation is related to MCE and its ties to union
labor. A substantial amount of information was pulled together in the packet indicating vendors used by MCE are in fact using union labor.

At Monday’s Committee Hearing there was a presentation by the supporting side and PG&E did sit at the dais for this presentation. MCE was told by the people with whom PG&E are meeting that their number one legislative objective of the year is to get this bill passed. The misinformation continued with comments about MCE’s power content, how its opt-out process worked, and job creation results and even used a report from 2009 before MCE was serving customers. There was no discussion about MCE’s RPS compliance, no discussion about all the other State agencies with whom we are required to comply with and the fact that we are in good standing with all of these agencies.

After the supporting entities spoke they were asked if there were any supporters in the audience and no one stood up for them. There was an opportunity for opposing speakers to come up and MCE had four speakers come up from different jurisdictions. The speakers were: Joe Como from Office of Ratepayer Advocacy (“ORA”), Geoff Syphers, Chief Executive Officer of Sonoma Clean Power, Heather Swan from the City of Lancaster, and a representative from Mayor McLaughlin’s Office, City of Richmond. About 35 people spoke opposing the bill. The bill passed out of the committee with no opposing votes.

Ms. Weisz shared next steps as being: 1) bill goes to appropriations committee on the assembly side, 2) bill goes to the assembly floor and, 3) bill heard in the Senate Energy Committee. Much lobbying is needed and Ms. Weisz informed the Board that staff may be calling on them to speak on behalf of MCE. She asked that if they planned on being in Sacramento to let her know so that she could connect them with Emily Pappas, MCE’s representative in Sacramento. Ms. Weisz reminded everyone that we, as a local government agency, are outnumbered compared to IOU efforts and unable to camp out in front of the doors of the Committee members but the good news is MCE has the facts on its side. She also asked if any of the Board members have lobbyist in their jurisdictions, have ties to other organizations, or sit on boards where advocates might be interested in assisting MCE, to let her know.

Ms. Weisz responded to several questions from the Board related to Appropriations Committee timeline and Code of Conduct (Leno Legislation) which went into effect January 2012. She explained the full effect and intent of the Code of Conduct and that the CPUC was required to implement the Code but it was not fully implemented. Therefore CCAs are not protected against the outcomes originally intended for them to be protected against. The Code of Conduct requires an IOU to file a marketing plan if they plan to market in any CCA community. The reason for that is so there will be transparency. They would also need to create a separate entity to do their marketing without all the advantages the monopoly utility provider has such as customer lists.

Ms. Weisz and Ms. Swaroop responded to questions from Board. Ms. Weisz also suggested a few follow up action items for Board members to better engage their individual jurisdictions involved in the AB2145 matter. MCE plans on having some strategy sessions over the next few days and will keep the Board advised.

**Agenda Item #11 - Board Matters (Discussion)**

None
Agenda Item #12 – Adjourn
8:54PM

____________________________
Damon Connolly, Chair

Attest:

__________________________
Dawn Weisz, Secretary
June 5, 2014

TO:   Marin Clean Energy Board
FROM: Greg Morse, Business Analyst
RE:   Monthly FY 14 Budget Report (Agenda Item #4 - C.2)
ATTACHMENT: MCE Budget Reports 2014-04 (Unaudited)

Dear Board Members:

______________________________________________

SUMMARY:

The attached budget update compares the FY 2015 budget to the unaudited revenue and expenses of MCE for the month ending April 2014.

Expenditures over the last month have been stable and have remained within budget. Electric sales were slightly below projections and will likely trend upwards as MCE shifts from winter to summer rates. The General and Administration budget item was slightly above expectations, but still within the budget for the new fiscal year.

Overall, MCE continues to spend below projections, as reflected in year-to-date figures.

Recommendation: No action needed. Informational only.
ACCOUNTANTS’ COMPILATION REPORT

Board of Directors
Marin Clean Energy

We have compiled the accompanying budgetary comparison schedules of Marin Clean Energy (a California Joint Powers Authority) for the period ended April 30, 2014. We have not audited or reviewed the accompanying financial statement and, accordingly, do not express an opinion or provide any assurance about whether the financial statement is in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements with undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statement.

We are not independent with respect to Marin Clean Energy.

Maker Accountancy
May 19, 2014
## MARIN CLEAN ENERGY

### OPERATING FUND

**BUDGETARY COMPARISON SCHEDULE**  
April 1, 2014 through April 30, 2014

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Budget Remaining</th>
<th>Actual/Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE AND OTHER SOURCES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue - Electricity (net of allowance)</td>
<td>$101,138,394</td>
<td>$6,847,572</td>
<td>$94,290,822</td>
<td>6.77%</td>
</tr>
<tr>
<td><strong>EXPENDITURES AND OTHER USES:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CURRENT EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of energy</td>
<td>88,410,551</td>
<td>6,486,196</td>
<td>81,924,355</td>
<td>7.34%</td>
</tr>
<tr>
<td>Staffing</td>
<td>1,950,000</td>
<td>153,002</td>
<td>1,796,998</td>
<td>7.85%</td>
</tr>
<tr>
<td>Technical consultants</td>
<td>560,000</td>
<td>40,325</td>
<td>519,675</td>
<td>7.20%</td>
</tr>
<tr>
<td>Legal counsel</td>
<td>335,000</td>
<td>2,412</td>
<td>332,588</td>
<td>0.72%</td>
</tr>
<tr>
<td>Communications consultants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and related expenses</td>
<td>750,000</td>
<td>18,844</td>
<td>731,156</td>
<td>2.51%</td>
</tr>
<tr>
<td>Data manager</td>
<td>2,670,000</td>
<td>217,436</td>
<td>2,452,564</td>
<td>8.14%</td>
</tr>
<tr>
<td>Service fees- PG&amp;E</td>
<td>670,000</td>
<td>55,788</td>
<td>614,212</td>
<td>8.33%</td>
</tr>
<tr>
<td>Other services</td>
<td>300,000</td>
<td>18,471</td>
<td>281,529</td>
<td>6.16%</td>
</tr>
<tr>
<td>General and administration</td>
<td>350,000</td>
<td>32,747</td>
<td>317,253</td>
<td>9.36%</td>
</tr>
<tr>
<td>Marin County green business program</td>
<td>15,000</td>
<td>-</td>
<td>15,000</td>
<td>0.00%</td>
</tr>
<tr>
<td>Solar rebates</td>
<td>25,000</td>
<td>-</td>
<td>25,000</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Total current expenditures</strong></td>
<td>96,035,551</td>
<td>7,025,221</td>
<td>89,010,330</td>
<td>7.32%</td>
</tr>
<tr>
<td><strong>CAPITAL OUTLAY</strong></td>
<td>20,000</td>
<td>5,027</td>
<td>14,973</td>
<td>25.14%</td>
</tr>
<tr>
<td><strong>DEBT SERVICE</strong></td>
<td>1,195,000</td>
<td>99,490</td>
<td>1,095,510</td>
<td>8.33%</td>
</tr>
<tr>
<td><strong>INTERFUND TRANSFER TO:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Renewable Energy Development Fund</td>
<td>109,994</td>
<td>109,994</td>
<td>-</td>
<td>100.00%</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>97,360,545</td>
<td>7,239,732</td>
<td>$90,120,813</td>
<td>7.44%</td>
</tr>
<tr>
<td><strong>Net increase (decrease) in available fund balance</strong></td>
<td>$3,777,849</td>
<td>$(392,160)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

See accountants' compilation report.
### MARIN CLEAN ENERGY
#### ENERGY EFFICIENCY PROGRAM FUND
#### BUDGETARY COMPARISON SCHEDULE
April 1, 2013 through April 30, 2014

<table>
<thead>
<tr>
<th>REVENUE AND OTHER SOURCES:</th>
<th>Budget</th>
<th>Actual</th>
<th>Budget Remaining</th>
<th>Actual/Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public purpose energy efficiency program</td>
<td>$1,505,702</td>
<td>$113,523</td>
<td>$1,392,179</td>
<td>7.54%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES AND OTHER USES:</th>
<th>Budget</th>
<th>Actual</th>
<th>Budget Remaining</th>
<th>Actual/Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT EXPENDITURES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public purpose energy efficiency program</td>
<td>$1,505,702</td>
<td>$113,523</td>
<td>$1,392,179</td>
<td>7.54%</td>
</tr>
</tbody>
</table>

Net increase (decrease) in fund balance

$ - $ - $ 7.54%

* Transfer of $547,500 for security of On Bill Repayment program not recognized as expenditure.

### LOCAL DEVELOPMENT RENEWABLE ENERGY FUND
#### BUDGETARY COMPARISON SCHEDULE
April 1, 2013 through April 30, 2014

<table>
<thead>
<tr>
<th>REVENUE AND OTHER SOURCES:</th>
<th>Budget</th>
<th>Actual</th>
<th>Budget Remaining</th>
<th>Actual/Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer from Operating Fund</td>
<td>$109,994</td>
<td>$109,994</td>
<td>$ -</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENDITURES AND OTHER USES:</th>
<th>Budget</th>
<th>Actual</th>
<th>Budget Remaining</th>
<th>Actual/Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Outlay</td>
<td>$109,994</td>
<td>$ -</td>
<td>$109,994</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

Net increase (decrease) in fund balance

$ - $ 109,994
June 5, 2014

TO: Marin Clean Energy Board

FROM: Sarah Ritter, Administrative Associate

RE: Report on Approved Contracts (Agenda Item #4 – C.3)

Dear Board Members:

SUMMARY:

On March 7, 2013 your Board adopted Resolution 2013-04 which authorized the Executive Officer to enter into and execute contracts for an amount not to exceed $25,000 within a fiscal year consistent with the Board approved budget, the Joint Powers Agreement, and the Operating Rules and Regulations. The MCE Integrated Resource Plan (IRP) approved in November of 2012 further authorized the Executive Officer to enter into and execute medium term power purchase agreements for Energy, Capacity and RECs with terms greater than 12 months and less than or equal to 5 years.

The following chart summarizes contracts of this nature which have been entered into during the previous month:

<table>
<thead>
<tr>
<th>Month</th>
<th>Purpose</th>
<th>Contractor</th>
<th>Maximum Contract Amount</th>
<th>Term of Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>May</td>
<td>Legal services pertaining to land use agreements.</td>
<td>Shute, Mihaly, Weinberger</td>
<td>$25,000</td>
<td>1 Year</td>
</tr>
<tr>
<td>May</td>
<td>Consulting services related to labor relations and job creation.</td>
<td>Kenneth M. Smokuska</td>
<td>$5,000</td>
<td>3 Months</td>
</tr>
<tr>
<td>May</td>
<td>Strategic planning and facilitation services for EE program.</td>
<td>Jody London</td>
<td>$5,000</td>
<td>1 Year</td>
</tr>
<tr>
<td>May</td>
<td>Annual Green-e Audit</td>
<td>Abbott, Stringham &amp; Lynch</td>
<td>$10,000</td>
<td>10 Months</td>
</tr>
</tbody>
</table>

Recommendation: Information only. No action required.
June 5, 2014

TO: Mari

FROM: Emily Goodwin, Director of Internal Operations

RE: Records Retention Compliance (Agenda Item #4-C.4)

ATTACHMENT: MCE Records Retention Policy 003

Dear MCE Board Members:

SUMMARY:

On July 7, 2011, your Board adopted Policy No. 003, Records Retention. Pursuant to Policy 003, MCE staff recommended various documents be discarded following the December 5, 2013 Board meeting. Based on important considerations and suggestions from the Board about the timeframes for certain document types, your Board recommended MCE staff instead revisit and revise Policy 003. This began an exercise spanning several months’ time which included extensive discussion at various Executive Committee meetings, research amongst other municipalities and thorough legal review.

As a result of that due diligence, your Board voted to approve final revisions made to the attached Policy 003 at the May 1, 2014 meeting. Based on those revisions, Pursuant to Policy No. 003, the following files will be deleted or discarded:

1. **Executed Contracts** (retained until 10 years after termination date of the contract)
   - N/A

2. **Invoices from Vendors** (retained until 2 years after completion of contract)
   - 55 items

3. **Non-Disclosure Agreements** (in perpetuity)
   - N/A
4. **Board Approved Decisions** (in perpetuity)
   - N/A

5. **Board and Committee Meeting Materials** (in perpetuity)
   - N/A

6. **Board Approved Budgets** (in perpetuity)
   - N/A

7. **Drafts of Documents** (retained until 30 days after final version is approved)
   - 152 items

8. **General Electronic Correspondence** (retained for 2 years)
   - 10,653

9. **Customer-Specific Usage Information and Data** (retained for 5 years)
   - N/A

10. **Marketing Material** (retained for 2 years after public distribution)
    - N/A

11. **General Educational or Informational Material** (retained for 2 years)
    - N/A

12. **Personnel Information** (10 years after employee end date)
    - N/A

13. **Accounting Records** (7 years)

**Recommendation:** Approve the deletion or discarding of documents according to Policy No. 003.
## POLICY NO. 003 – RECORDS RETENTION

Records will be retained according to the following schedule. After the required retention date has passed all documents or electronic files will be deleted or discarded.

<table>
<thead>
<tr>
<th>Record Type</th>
<th>Required Retention</th>
<th>Sample Descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executed Contracts</td>
<td>10 years after termination date of the contract</td>
<td>Power supply contracts, contracts with vendors or consultants</td>
</tr>
<tr>
<td>Invoices from Vendors</td>
<td>2 years after completion of contract</td>
<td>Vendor invoices for payment</td>
</tr>
<tr>
<td>Non-Disclosure Agreements</td>
<td>In perpetuity</td>
<td>NDA with vendor, employee, Board member or advisor</td>
</tr>
<tr>
<td>Board Approved Decisions</td>
<td>In perpetuity</td>
<td>Resolutions, meeting minutes, and other items approved at regular or special Board meetings</td>
</tr>
<tr>
<td>Board and Committee Meeting Materials</td>
<td>In perpetuity</td>
<td>Agendas, staff reports and other material provided to Board members in preparation for meetings</td>
</tr>
<tr>
<td>Board Approved Budgets</td>
<td>In perpetuity</td>
<td>Final, approved budgets</td>
</tr>
<tr>
<td>Drafts of Documents</td>
<td>30 days after final version is approved</td>
<td>Draft contracts, programs, RFPs, etc.</td>
</tr>
<tr>
<td>General Electronic Correspondence</td>
<td>2 years</td>
<td>Relevant email correspondence at staff discretion</td>
</tr>
<tr>
<td>Customer-Specific Usage Information and Data</td>
<td>5 years</td>
<td>Electronic information and reporting from Data Manager, bill analyses</td>
</tr>
<tr>
<td>Marketing Material</td>
<td>2 years after public distribution</td>
<td>Flyers, brochures, electronic advertisements</td>
</tr>
<tr>
<td>General Educational or Informational Material</td>
<td>2 years</td>
<td>Brochures, reports, electronic information</td>
</tr>
<tr>
<td>Personnel Information</td>
<td>10 years after employee end date</td>
<td>Offer letter, resume, evaluations</td>
</tr>
<tr>
<td>Accounting Records</td>
<td>7 years</td>
<td>Unaudited financials, bank statements, payables/receivables and controls back up documentation, etc.</td>
</tr>
</tbody>
</table>
June 5, 2014

TO: Marin Clean Energy Board  
FROM: Greg Brehm, Director of Power Resources  
RE: Feed-In Tariff Amendments (Agenda Item #6)  
ATTACHMENT:  
Att. A – Draft Amended MCE Feed-In Tariff  
Att. B – Draft Amended Feed-In Tariff Power Purchase Agreement

Dear Board Members:

SUMMARY:

On December 2, 2010, the MCE Board approved the implementation of a Feed-In Tariff ("FIT") for locally situated, smaller-scale renewable energy projects (up to 1 MW each). The initial Feed-In Tariff was established as a pilot program and capped at 2 MW in consideration of MCE’s relatively small customer base and annual energy requirements. In November of 2012 MCE reevaluated the FIT program as part of an integrated resource planning effort that was intended to maximize FIT opportunities throughout MCE’s expanding service territory while maintaining a reliable and cost effective supply portfolio for MCE customers.

Through the development of MCE’s Integrated Resource Plan, three changes were recommended and approved to MCE’s FIT including:

- An increase in the aggregate FIT program cap from 2 MW to 10 MW;
- An expansion of the eligible service territory to include all member jurisdictions – Marin County and the City of Richmond; and
- An update to existing pricing schedules.

Subsequent to these changes, as a result of ongoing Feed-In Tariff review and the establishment of the MCE Sol Shares program in April of this year, staff recommended additional changes to the Feed-In Tariff to the MCE Technical Committee in April in order to facilitate diverting selected FIT projects to the Sol Shares Program. The recommended changes include:

1. Adding a footnote to the Tariff as follows:

   "MCE Staff reserves the right to divert select FIT projects to supply the MCE "Sol Shares" solar development program at the sole discretion of MCE staff and subject to the approval of MCE’s Board of Directors. The development requirements for such projects, as reflected on the FIT Application, may be..."
amended as part of this process to expedite contract execution, subject to MCE staff and Board approval. FIT projects supplying the Sol Shares program will receive the currently effective FIT price but the associated project capacity shall not count against the active condition (rate) for other FIT projects. Projects diverted to the Sol Shares program shall be subject to all applicable FIT terms and conditions as determined by MCE staff, including execution of the PPA.”

2. Adding a second option under delivery terms for the Sol Shares program which includes three additional Conditions Precedent:

“Delivery Term – Sol Shares option 2 [] The Seller shall deliver the Products from the Facility to MCE for a period of twenty (20) Contract Years ("Delivery Term"), which shall commence on the first date on which Products are delivered from the Facility to MCE under this Agreement (the “Initial Product Delivery Date”) and continue until the end of the last Contract Year unless terminated by the terms of this Agreement. The Initial Product Delivery Date shall occur only when all of the following conditions have been satisfied:

A. the project receives a final conditional use permit from the local planning authority within 45 days of the date this agreement is executed.

B. the project receives an unconditional financing commitment within 60 days of the date this agreement is executed.

C. the project developer demonstrates substantial construction mobilization on the project site with 90 days of the execution of this agreement.”

Going forward, MCE staff intends to continue periodic review the FIT program to ensure that pricing and general terms remain competitive with other available contracting options (more specifically, PG&E’s FIT tariff and “Green Option”). In the event that certain adjustments may be necessary to ensure an attractive and competitive FIT offering, MCE staff will raise these issues with the Board and its Technical Committee for further evaluation and direction.

**Recommendation**: Approve proposed amendments to MCE’s Feed-In Tariff and Feed-In Tariff Power Purchase Agreement to take effect immediately.
I. Applicability

This Schedule is optional for customers who wish to sell to Marin Clean Energy (“MCE”) the electric output from an Eligible Small-Scale Distributed Renewable Generation Resource (“Eligible Resource”), with capacity of not more than one (1) megawatt (“MW”), as defined in the General Conditions section of this Schedule.

Service under this schedule is on a first-come, first-served basis until the combined rated generation capacity within the Eligible Territory (as measured by Eligible Resources under contract with MCE) reaches ten (10) MW or until such combined rated generation capacity is increased beyond the current level of ten (10) MW by MCE’s Board of Directors.

II. Territory

This Schedule is available to any Eligible Resources located within any member jurisdiction of the MCE (the “Eligible Territory”), which meets the eligibility requirements established in this Schedule.

III. General Conditions

1. REQUIRED CONTRACT

Any Eligible Resource accepting service under this tariff shall execute a power purchase agreement (“PPA”) with MCE.

2. CONTRACT DELIVERY TERM

The tariff shall be offered for a contract Delivery Term of twenty (20) years.

3. PARTICIPATION IN OTHER MCE PROGRAMS

Customers taking service under this Schedule may not also obtain benefits from any of the following:

a. A power purchase agreement with MCE for deliveries from the same facility; or

b. Any net metering option for energy deliveries from the same facility.

4. ENVIRONMENTAL ATTRIBUTES

A distributed generation resource accepting service under this tariff will deliver to MCE both the energy generated and any environmental attributes associated with that energy.
5. DEFINITION OF ELIGIBLE RESOURCES

For purposes of this Schedule, Eligible Resource shall have the following meaning: an electric generating facility meeting the California Renewables Portfolio Standard eligibility requirements described in the California Energy Commission’s Renewables Portfolio Standard Guidebook: http://www.energy.ca.gov/2012publications/CEC-300-2012-006/CEC-300-2012-006-CMF.pdf, as this document may be amended or supplemented from time to time, which also meets the capacity requirements/limitations described herein.

6. ELECTRICAL INTERCONNECTION

Distributed generation resources receiving service under this Schedule Tariff shall be interconnected within the Eligible Territory and shall be required to: 1) comply with applicable interconnection procedures established by PG&E and/or the California Independent System Operator (“CAISO”); and 2) shall execute applicable agreements with PG&E and/or the CAISO to establish and maintain interconnection with such transmission or distribution system. Any resources not meeting the requirements specified in the applicable interconnection procedures of PG&E and/or the CAISO will not be eligible for service under this Schedule.

7. METERING REQUIREMENTS

Eligible Resources receiving service under this Schedule shall comply with all applicable rules in installing a meter appropriate for full buy/sell or excess sale agreements, and which can be read daily by means acceptable to PG&E and MCE. All costs associated with such installation will be the responsibility of the customer. The customer shall be responsible for procuring and maintaining any communication link required by PG&E for retrieving meter data.

IV. Payments for Electric Generation Produced by Eligible Resources

Under this Schedule, MCE will pay for the Eligible Resource according to the applicable price for metered energy, consistent with the Energy Delivery Profile specified.

Applicable prices are presented below in Section VI, Prices for Energy Produced by Eligible Resources, and will also be reflected in MCE’s Small Renewable Generator Power Purchase Agreement, with prices differentiated by Delivery Profile.
V. Renewable Energy Delivery Profiles

MCE has established the following Energy Delivery Profiles, which will be used to determine applicable energy prices to be paid for Eligible Resources.

<table>
<thead>
<tr>
<th>Energy Delivery Profile</th>
<th>Delivery Characteristics</th>
<th>Representative Fuel Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peak</td>
<td>Under normal operating conditions, 90 percent or more of daily electric generating output is produced and delivered between the hours of 6:00 A.M. and 10:00 P.M. (On-Peak Hours)</td>
<td>Photovoltaic Solar and Solar Thermal</td>
</tr>
<tr>
<td>Baseload</td>
<td>Under normal operating conditions, the annual capacity factor for the generator typically exceeds 75 percent, inclusive of planned outages (maintenance)</td>
<td>Landfill Gas, Biomass, Fuel Cell</td>
</tr>
<tr>
<td>Intermittent</td>
<td>Delivery characteristics are not consistent with either of the described Peak or Baseload Energy Delivery Profiles</td>
<td>Wind</td>
</tr>
</tbody>
</table>

VI. Prices for Energy Produced by Eligible Resources

MCE has established the following price schedule, consistent with the Energy Delivery Profiles specified in this Schedule, which will be used to determine prices paid to Eligible Resources meeting the requirements of this Schedule. MCE’s Board of Directors may periodically review and revise this price schedule.

<table>
<thead>
<tr>
<th>Condition</th>
<th>Peak Energy Prices (20-year Term, $/MWh)</th>
<th>Baseload Energy Prices (20-year Term, $/MWh)</th>
<th>Intermittent Energy Prices (20-year Term, $/MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>137.66</td>
<td>116.49</td>
<td>100.57</td>
</tr>
<tr>
<td>2</td>
<td>120.00</td>
<td>105.00</td>
<td>95.00</td>
</tr>
<tr>
<td>3</td>
<td>115.00</td>
<td>100.00</td>
<td>90.00</td>
</tr>
<tr>
<td>4</td>
<td>110.00</td>
<td>95.00</td>
<td>85.00</td>
</tr>
<tr>
<td>5</td>
<td>105.00</td>
<td>90.00</td>
<td>80.00</td>
</tr>
</tbody>
</table>

**Condition 1**: For any Eligible Resource such that the addition of such Eligible Resource occurs before the combined rated generation capacity within the Eligible Territory (as measured by Eligible Resources under contract with MCE) reaches 2 MW.

---

1 MCE Staff reserves the right to divert select FIT projects to supply the MCE “Sol Shares” solar development program at the sole discretion of MCE staff and subject to the approval of MCE’s Board of Directors. The development requirements for such projects, as reflected on the FIT Application, may be amended as part of this process to expedite contract execution, subject to MCE staff and Board approval. FIT projects supplying the Sol Shares program will receive the currently effective FIT price but the associated project capacity shall not count against the active condition (rate) for other FIT projects. Projects diverted to the Sol Shares program shall be subject to all applicable FIT terms and conditions as determined by MCE staff, including execution of the PPA.
**Condition 2:** For any Eligible Resource such that the addition of such Eligible Resource occurs after the combined rated generation capacity within the Eligible Territory (as measured by Eligible Resources under contract with MCE) has reached 2 MW but before such combined rated generation capacity reaches 4 MW.

**Condition 3:** For any Eligible Resource such that the addition of such Eligible Resource occurs after the combined rated generation capacity within the Eligible Territory (as measured by Eligible Resources under contract with MCE) has reached 4 MW but before such combined rated generation capacity reaches 6 MW.

**Condition 4:** For any Eligible Resource such that the addition of such Eligible Resource occurs after the combined rated generation capacity within the Eligible Territory (as measured by Eligible Resources under contract with MCE) has reached 6 MW but before such combined rated generation capacity reaches 8 MW.

**Condition 5:** For any Eligible Resource such that the addition of such Eligible Resource occurs after the combined rated generation capacity within the Eligible Territory (as measured by Eligible Resources under contract with MCE) has reached 8 MW but before such combined rated generation capacity reaches 10 MW.
SMALL RENEWABLE GENERATOR
POWER PURCHASE AGREEMENT
BETWEEN
_____________________________________ AND
MARIN CLEAN ENERGY

MARIN CLEAN ENERGY, a California joint powers authority ("MCE" or "Buyer"), and ___________________________________ ("Seller") hereby enter into this Small Renewable Generator Power Purchase Agreement ("Agreement"). Seller and MCE are sometimes referred to in this Agreement jointly as "Parties" or individually as "Party." In consideration of the mutual promises and obligations stated in this Agreement and its appendices, the Parties agree as follows:

1. DOCUMENTS INCLUDED; DEFINED TERMS

This Agreement includes the following appendices, which are specifically incorporated herein and made a part of this Agreement.

   Appendix A – Definitions
   Appendix B – Initial Product Delivery Date Confirmation Letter
   Appendix C – Counterparty Notification Requirements for Outage and Generation Schedule Changes
   Appendix D – Description and Location of Facility
   Appendix E – Facility Drawings

2. SELLER’S GENERATING FACILITY, PURCHASE PRICES AND PAYMENT

   2.1 Facility. This Agreement governs MCE’s purchase of Products from the electrical generating facility as described below in this Section 2.1 (the "Facility"):

   2.1.1 The Facility’s Energy Delivery Profile is _______ [based on the descriptions provided below in this Section 2.1.1 select one of the following designations: 1) “Peak”; 2) “Baseload”; or 3) “Intermittent”, as approved by MCE]. Seller shall be required to deliver Products consistent with the Energy Delivery Profile of the Facility.

   2.1.2 Contract Type [MCE Staff to select one]
   [ ] Standard Feed-In-Tariff
   [ ] Sol Shares (see additional Conditions Precedent is section 2.4.2)
<table>
<thead>
<tr>
<th>Energy Delivery Profile</th>
<th>Delivery Characteristics</th>
<th>Representative Fuel Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peak</td>
<td>Under normal operating conditions, 90 percent or more of daily electric generating output is produced and delivered between the hours of 6:00 A.M. and 10:00 P.M. (generally described as “On-Peak Hours”)</td>
<td>Photovoltaic Solar and Solar Thermal</td>
</tr>
<tr>
<td>Baseload</td>
<td>Under normal operating conditions, the annual capacity factor for the generator typically exceeds 75 percent, inclusive of planned outages (maintenance)</td>
<td>Landfill Gas, Biomass, Fuel Cell</td>
</tr>
<tr>
<td>Intermittent</td>
<td>Delivery characteristics are not consistent with either of the described Peak or Baseload Energy Delivery Profiles</td>
<td>Wind</td>
</tr>
</tbody>
</table>

2.1.2.2.1.3 A description of the Facility, including a summary of its significant components, is attached and incorporated herein as Appendix D. A drawing showing the general arrangements of the Facility, and a single line diagram illustrating the interconnection of the Facility and loads with PG&E’s electric distribution system, are attached and incorporated herein as Appendix E.

2.1.32.1.4 The name and address PG&E and MCE use to locate the electric service account(s) and premises used to interconnect the Facility with PG&E’s distribution systems is:

___________________________
___________________________
___________________________
___________________________

2.2 Contract Capacity. The contract capacity (“Contract Capacity”) of the Facility is equal to the nameplate rating of the Facility at unity power factor at 60 degrees Fahrenheit at sea level available upon Commercial Operation of the Facility in the amount shown in Appendix D. Contract Capacity shall not exceed 1,000 kilowatts. Seller shall not modify the Facility to increase the Contract Capacity without the prior written consent of MCE. Any increase in Contract Capacity must be consistent with the interconnection requirements of Pacific Gas & Electric Company (“PG&E”).
2.3 **Transaction.** Subject to the terms of this Agreement, during the Delivery Term of this Agreement, Seller shall sell and deliver, or cause to be delivered, and MCE shall purchase and receive, or cause to be received, the Products from the Facility at the Delivery Point, pursuant to Seller’s election of a (check one) ☐ full buy/sell or ☐ excess sale arrangement as described in paragraphs 2.3.1 and 2.3.2 below. MCE shall pay Seller the Contract Price, set forth in Section 2.5, in accordance with the terms hereof. Whenever Facility output is not enough to supply Station Use and transformation and transmission losses to the Delivery Point, Seller shall purchase energy required to serve the Facility’s on-site load from MCE pursuant to MCE’s applicable retail rate schedule. In no event shall Seller have the right to procure or substitute the Products from sources other than the Facility for sale or delivery to MCE under this Agreement. MCE shall have no obligation to receive or purchase Products from Seller prior to the Initial Product Delivery Date, as defined in Section 2.4, or after the end of the Delivery Term, as defined in Section 2.4.

2.3.1 **Full Buy/Sell.** Seller agrees to sell to MCE the Facility’s gross output of Products delivered to the Delivery Point into the PG&E electrical system for delivery to MCE customers. For purposes of this Section 2.3.1, the Energy conveyed to MCE shall be net of Station Use and transformation and transmission losses.

2.3.2 **Excess Sale.** Seller agrees to sell to MCE the Facility’s gross output of Products delivered to the Delivery Point into the PG&E electrical system for delivery to MCE customers. For purposes of this Section 2.3.1, the Energy conveyed to MCE shall be net of Station Use and any on-site use by Seller and transformation and transmission losses.

2.4 **Delivery Term.**

2.4.1 **Delivery Term – Standard Feed-In-Tariff option 1 [ ]** The Seller shall deliver the Products from the Facility to MCE for a period of twenty (20) Contract Years (“Delivery Term”), which shall commence on the first date on which Products are delivered from the Facility to MCE under this Agreement (the “Initial Product Delivery Date”) and continue until the end of the last Contract Year unless terminated by the terms of this Agreement. The Initial Product Delivery Date shall occur only when all of the following conditions have been satisfied:

A. the Commercial Operation Date has occurred, if the Facility was not in operation prior to the Execution Date of this Agreement;

B. Seller has identified a certified Qualified Reporting Entity (“QRE”), according to criteria established by WREGIS, for the Facility and has executed the appropriate agreement(s) with such QRE to ensure that the net electric energy produced by the Facility will be timely reported to WREGIS for the purpose of creating related renewable energy certificates throughout the Delivery Term; a copy of the aforementioned QRE agreement(s) has been provided to MCE.
C. the Facility’s status as an Eligible Renewable Energy Resource is demonstrated by Seller’s receipt of certification from the CEC and registration with WREGIS; and

D. as evidence of the Initial Product Delivery Date, the Parties shall execute and exchange the “Initial Product Delivery Date Confirmation Letter” attached hereto as Appendix B on the Initial Product Delivery Date.

2.3.32.4.2 Delivery Term – Sol Shares option 2 [1] The Seller shall deliver the Products from the Facility to MCE for a period of twenty (20) Contract Years (“Delivery Term”), which shall commence on the first date on which Products are delivered from the Facility to MCE under this Agreement (the “Initial Product Delivery Date”) and continue until the end of the last Contract Year unless terminated by the terms of this Agreement. The Initial Product Delivery Date shall occur only when all of the following conditions have been satisfied:

A. the project receives a final conditional use permit from the local planning authority within 45 days of the date this agreement is executed.

B. the project receives an unconditional financing commitment within 60 days of the date this agreement is executed.

C. the project developer demonstrates substantial construction mobilization on the project site with 90 days of the execution of this agreement.

D. the Commercial Operation Date has occurred, if the Facility was not in operation prior to the Execution Date of this Agreement;

E. Seller has identified a certified Qualified Reporting Entity (“QRE”), according to criteria established by WREGIS, for the Facility and has executed the appropriate agreement(s) with such QRE to ensure that the net electric energy produced by the Facility will be timely reported to WREGIS for the purpose of creating related renewable energy certificates throughout the Delivery Term; a copy of the aforementioned QRE agreement(s) has been provided to MCE.

F. the Facility’s status as an Eligible Renewable Energy Resource is demonstrated by Seller’s receipt of certification from the CEC and registration with WREGIS; and

G. as evidence of the Initial Product Delivery Date, the Parties shall execute and exchange the “Initial Product Delivery Date Confirmation Letter” attached hereto as Appendix B on the Initial Product Delivery Date.
2.42.5 **Contract Price.** For the Delivery Term, the contract price for the Products ("Contract Price") equals the amount set forth below for the applicable Energy Delivery Profile and corresponding "condition," as described below. Amounts owed to Seller by MCE will be calculated by multiplying the Contract Amount by the applicable hourly Energy quantity delivered to MCE (as metered at the Delivery Point), net of any on-site uses or losses, as described above in Section 2.3; however, Seller shall not receive payment for any Products delivered in any hour to MCE in excess of the maximum hourly energy delivery quantity specified in Appendix D.

<table>
<thead>
<tr>
<th>Prices Shall Apply Under the Following Conditions</th>
<th>Peak Energy Prices (20-year Term, $/MWh)</th>
<th>Baseload Energy Prices (20-year Term, $/MWh)</th>
<th>Intermittent Energy Prices (20-year Term, $/MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condition 1</td>
<td>$137.66</td>
<td>$116.49</td>
<td>$100.57</td>
</tr>
<tr>
<td>Condition 2</td>
<td>$120.00</td>
<td>$105.00</td>
<td>$95.00</td>
</tr>
<tr>
<td>Condition 3</td>
<td>$115.00</td>
<td>$100.00</td>
<td>$90.00</td>
</tr>
<tr>
<td>Condition 4</td>
<td>$110.00</td>
<td>$95.00</td>
<td>$85.00</td>
</tr>
<tr>
<td>Condition 5</td>
<td>$105.00</td>
<td>$90.00</td>
<td>$80.00</td>
</tr>
</tbody>
</table>

**Condition 1:** For any Eligible Resource such that the addition of such Eligible Resource occurs before the combined rated generation capacity within the Eligible Territory (as measured by Eligible Resources under contract with MCE) reaches 2 MW.

**Condition 2:** For any Eligible Resource such that the addition of such Eligible Resource occurs after the combined rated generation capacity within the Eligible Territory (as measured by Eligible Resources under contract with MCE) has reached 2 MW but before such combined rated generation capacity reaches 4 MW.

**Condition 3:** For any Eligible Resource such that the addition of such Eligible Resource occurs after the combined rated generation capacity within the Eligible Territory (as measured by Eligible Resources under contract with MCE) has reached 4 MW but before such combined rated generation capacity reaches 6 MW.

**Condition 4:** For any Eligible Resource such that the addition of such Eligible Resource occurs after the combined rated generation capacity within the Eligible Territory (as measured by Eligible Resources under contract with MCE) has reached 6 MW but before such combined rated generation capacity reaches 8 MW.

**Condition 5:** For any Eligible Resource such that the addition of such Eligible Resource occurs after the combined rated generation capacity within the Eligible Territory (as measured by Eligible Resources under contract with MCE) has reached 8 MW but before such combined rated generation capacity reaches 10 MW.

---

1 MCE Staff reserves the right to divert select FIT projects to supply the MCE "Sol Shares" solar development program at the sole discretion of MCE staff and subject to the approval of MCE's Board of Directors. The development requirements for such projects, as reflected on the FIT Application, may be amended as part of this process to expedite contract execution, subject to MCE staff and Board approval. FIT projects supplying the Sol Shares program will receive the currently effective FIT price but the associated project capacity shall not count against the active condition (rate) for other FIT projects. Projects diverted to the Sol Shares program shall be subject to all applicable FIT terms and conditions as determined by MCE staff, including execution of the PPA.
2.5.2.6  Billing. MCE shall pay Seller by check or Automated Clearing House transfer within approximately 30 days of invoice receipt from Seller if the value of the purchased energy in a month is at least fifty dollars ($50); if less, MCE may pay Seller quarterly. Seller shall submit invoices for Products to MCE on a monthly basis consistent with the terms of this Agreement. MCE shall have the right, but not the obligation, to read the Facility’s meter on a daily basis.

2.6.2.7  Title and Risk of Loss. Title to and risk of loss related to the Products from the Facility shall transfer from Seller to MCE at the Delivery Point. Seller warrants that it will deliver to MCE all Products from the Facility free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point.

2.7.2.8  No Additional Incentives. Seller agrees that during the Term of this Agreement, Seller shall not seek additional compensation or other benefits pursuant to the Self-Generation Incentive Program, as defined in CPUC Decision (“D.”) 01-03-073, the California Solar Initiative, as defined in CPUC D.06-01-024, PG&E’s net energy metering tariff, MCE’s net energy metering tariff, or other similar California ratepayer subsidized program relating to energy production with respect to the Facility.

2.8.2.9  Private Energy Producer. Seller agrees to provide to Buyer copies of each of the documents identified in California Public Utilities Code Section 2821(d)(1), if applicable, as may be amended from time to time, as evidence of Seller’s compliance with such California Public Utilities Code section. Such documentation shall be provided to Buyer within thirty (30) days of Seller’s receipt of written request therefore.

3.  GREEN ATTRIBUTES; RESOURCE ADEQUACY BENEFITS

3.1  Conveyance of Green Attributes. Seller provides and conveys all rights, title, and interest in all Green Attributes (whether now existing or that hereafter come into existence during the Term) from the Facility to MCE as part of the Product delivered to MCE for the duration of the Delivery Term. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Facility, and Seller agrees to convey and hereby conveys all such Green Attributes to MCE to the fullest extent allowed by applicable law as included in the delivery of the Product from the Facility. Seller represents that the Products and Green Attributes from the Facility have not been, nor will be, sold or used to satisfy any California Renewables Portfolio Standard obligation other than the RPS Requirements applicable to MCE.

3.2  WREGIS. Prior to the Initial Product Delivery Date, Seller shall register the Facility in WREGIS and take all other actions necessary to ensure that the Products from the Facility are tracked for purposes of satisfying the MCE RPS
Requirements. Seller warrants that it shall take all necessary steps to ensure the Renewable Energy Credits transferred to Buyer under this Agreement are tracked in WREGIS and transferred in a timely manner to Buyer through WREGIS for purposes of satisfying the MCE RPS Requirements.

3.3 Resource Adequacy Benefits. In accordance with California Public Utilities Code Section 399.20(f), Seller conveys to MCE all Resource Adequacy Benefits attributable to the physical generating capacity of Seller’s Facility to enable MCE to count such capacity towards MCE’s resource adequacy requirement for purposes of California Public Utilities Code Section 380. At MCE’s request, Seller shall take all reasonable actions and execute documents and instructions necessary to enable MCE to secure Resource Adequacy Benefits; Seller shall comply with all applicable reporting requirements.

4. REPRESENTATION AND WARRANTIES; COVENANTS

4.1 Representations and Warranties. On the Execution Date, each Party represents and warrants to the other Party that:

4.1.1 it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

4.1.2 the execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

4.1.3 this Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms;

4.1.4 it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;

4.1.5 there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement; and

4.1.6 it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of, and understands and accepts, the terms, conditions and risks of this Agreement.
4.2 **General Covenants.** Each Party covenants that throughout the Term of this Agreement:

4.2.1 it shall continue to be duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

4.2.2 it shall maintain (or obtain from time to time as required, including through renewal, as applicable) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement; and

4.2.3 it shall perform its obligations under this Agreement in a manner that does not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it.

4.3 **Seller Representation and Warranty and Covenant.**

4.3.1 **Representation and Warranty.** In addition to the representations and warranties specified in Section 4.1, Seller makes the following additional representations and warranties as of the Execution Date:

(a) Seller has not received an incentive under the Self-Generation Incentive Program, as defined in CPUC D.01-03-073, or the California Solar Initiative, as defined in CPUC D.06-01-024.

(b) Seller’s execution of this Agreement will not violate California Public Utilities Code Section 2821(d)(1) if applicable.

4.3.2 **Covenant.** Seller hereby covenants that throughout the Term of the Agreement, the Facility is, or will qualify prior to the Initial Product Delivery Date, as an ERR, specifically, Seller and, if applicable, its successors, represents and warrants throughout the term of the Delivery Term of this Agreement that: (a) the Facility qualifies and is certified by the CEC as an Eligible Renewable Energy Resource; and (b) the Facility output of Products delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law.

5. **GENERAL CONDITIONS**

5.1 **Facility Care, Interconnection and Transmission Service.** If PG&E or MCE does not deem Seller’s existing interconnection service, equipment and agreement satisfactory for the delivery of Products under this Agreement, Seller shall execute an interconnection agreement for the Facility with PG&E and pay and be responsible for designing, installing, operating, and maintaining the Facility in accordance with all applicable laws and regulations.
and shall comply with all applicable MCE, PG&E, CAISO, CPUC and FERC tariff provisions, including applicable interconnection and metering requirements. Seller shall also comply with any modifications, amendments or additions to the applicable tariff and protocols. Prior to and during the Delivery Term, Seller shall arrange and pay independently for any and all necessary costs under any interconnection agreement with PG&E. To make deliveries to MCE, Seller must maintain an interconnection agreement with PG&E in full force and effect.

5.2 Metering Requirements. Seller shall comply with all applicable rules in installing a meter appropriate for deliveries pursuant to the Full Buy/Sell or Excess Sale arrangement selected in paragraph 2.2, above, which can be electronically read daily by: (a) a telephone and modem; (b) an analog or digital phone connection; or (c) an internet portal address for PG&E’s Energy Data Services (“EDS”). Seller shall be responsible for procuring and maintaining the communication link to electronically retrieve this metering data.

5.3 Standard of Care. Seller shall: (a) maintain and operate the Facility and Interconnection Facilities, except facilities installed by PG&E, in conformance with all applicable laws and regulations and in accordance with Good Utility Practice; (b) obtain any governmental authorizations and permits required for the construction and operation thereof; and (c) generate, schedule and perform transmission services in compliance with all applicable operating policies, criteria, rules, guidelines and tariffs and Good Utility Practice. Seller shall reimburse MCE for any and all losses, damages, claims, penalties, or liability MCE incurs as a result of Seller’s failure to obtain or maintain any governmental authorizations and permits required for construction and operation of the Facility throughout the Term of this Agreement.

5.4 Access Rights. MCE, its authorized agents, employees and inspectors shall have the right to inspect the Facility on reasonable advance notice during normal business hours and for any purposes reasonably connected with this Agreement or the exercise of any and all rights secured to MCE by law, or its tariff schedules, PG&E Interconnection Handbook and rules on file with the CPUC. Seller shall keep MCE and PG&E advised of current procedures for communicating with the Facility operator’s Safety and Security Departments.

5.5 Protection of Property. Seller shall be responsible for protecting the Facility from possible damage resulting from electrical disturbances or faults caused by the operation, faulty operation, or non-operation of the PG&E interconnection facilities.

5.6 MCE Performance Excuse; Seller Curtailment.
5.6.1 **MCE Performance Excuse.** MCE shall not be obligated to accept or pay for any Products provided from the Facility during a Dispatch Down Period, or an event of Force Majeure.

5.6.2 **Seller Curtailment.** MCE, PG&E or the CAISO may require Seller to interrupt or reduce deliveries of energy: (a) in the case of PG&E, when necessary to construct, install, maintain, repair, replace, remove, or investigate any of its equipment or part of PG&E’s transmission system or distribution system or facilities; or (b) if MCE, PG&E or the CAISO determines that curtailment, interruption, or reduction is necessary because of a System Emergency, as defined in the CAISO Tariff, Forced Outage, Force Majeure as defined in Appendix A, or compliance with Good Utility Practice.

5.7 **Interconnection Agreement.** Seller shall comply with the terms and conditions of the Facility’s interconnection agreement between Seller and PG&E.

5.8 **Greenhouse Gas Emissions.** During the Term, Seller acknowledges that a Governmental Authority may require Buyer to take certain actions with respect to greenhouse gas emissions attributable to the generation of Energy, including, but not limited to, reporting, registering, tracking, allocating for or accounting for such emissions. Promptly following Buyer’s written request, Seller agrees to take all commercially reasonable actions and execute or provide any and all documents, information or instruments with respect to generation by the Facility reasonably necessary to permit Buyer to comply with such requirements, if any.

6. **INDEMNITY**

Each Party as indemnitor shall save harmless and indemnify the other Party and the directors, officers, and employees of such other Party against and from any and all loss and liability for injuries to persons including employees of either Party, and damages, including property of either Party, resulting from or arising out of: (a) the engineering, design, construction, maintenance, or operation of; or (b) the installation of replacements, additions, or betterments to the indemnitor’s facilities. This indemnity and save harmless provision shall apply notwithstanding the active or passive negligence of the indemnitee. Neither Party shall be indemnified for liability or loss, resulting from its sole negligence or willful misconduct. The indemnitor shall, on the other Party’s request, defend any suit asserting a claim covered by this indemnity and shall pay all costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.

7. **LIMITATION OF DAMAGES**

EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL
DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED UNLESS EXPRESSLY HEREIN PROVIDED. NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. UNLESS EXPRESSLY HEREIN PROVIDED, AND SUBJECT TO THE PROVISIONS OF SECTION 6 (INDEMNITY), IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

8. NOTICES

Notices shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic messaging (email). Whenever this Agreement requires or permits delivery of a “notice” (or requires a Party to “notify”), the Party with such right or obligation shall provide a written communication in the manner specified below. A notice sent by facsimile transmission or email will be recognized and shall be deemed received on the Business Day on which such notice was transmitted if received before 5 p.m. Pacific prevailing time (and if received after 5 p.m., on the next Business Day) and a notice by overnight mail or courier shall be deemed to have been received two (2) Business Days after it was sent or such earlier time as is confirmed by the receiving Party unless it confirms a prior oral communication, in which case any such notice shall be deemed received on the day sent. A Party may change its addresses by providing notice of same in accordance with this provision. All written notices shall be directed as follows:

TO MCE: Marin Clean Energy
Attention: Executive Officer
781 Lincoln Ave, Suite 320
San Rafael, CA 94901

TO SELLER: ____________
____________________
____________________
____________________

9. INSURANCE

9.1 General Liability Coverage.
9.1.1 Seller shall maintain during the performance hereof, General Liability Insurance\(^2\) of not less than $1,000,000 if the Facility’s nameplate is over 100 kW, $500,000 if the nameplate rating of the Facility is over 20 kW to 100kW or $100,000 if the nameplate rate of the Facility is 20 kW or below of combined single limit or equivalent for bodily injury, personal injury, and property damage as the result of any one occurrence.

9.1.2 General Liability Insurance shall include coverage for Premises Operations, Owners and Contractors Protective, Products/Completed Operations Hazard, Explosion, Collapse, Underground, Contractual Liability, and Broad Form Property Damage including Completed Operations.

9.1.3 Seller shall use reasonable efforts to provide for thirty (30) days written notice to MCE prior to cancellation, termination, alteration, or material change of such insurance.


9.2.1 Evidence of coverage described above in Paragraph 9.1 shall state that coverage provided is primary and is not excess to or contributing with any insurance or self-insurance maintained by MCE.

9.2.2 MCE shall have the right to inspect or obtain a copy of the original policy(ies) of insurance.

9.2.3 Seller shall furnish the required certificates and endorsements to MCE prior to commencing operation.

10. TERM, DEFAULT, TERMINATION EVENT AND TERMINATION

10.1 Term. The term of this Agreement shall commence upon execution by the duly authorized representatives of each of MCE and Seller; and shall remain in effect until the conclusion of the Delivery Term or unless terminated sooner pursuant to Section 10.3 of this Agreement (the “Term”). All indemnity rights shall survive the termination of this Agreement for twelve (12) months.

10.2 Termination Event. Buyer shall be entitled to terminate the Agreement upon the occurrence of any of the following, each of which is a “Termination Event”:

\(^2\) Governmental agencies which have an established record of self-insurance may provide the required coverage through self-insurance.
a. The Facility has not achieved Commercial Operation within twelve (12) months of the Execution Date other than as a direct result of a Force Majeure event;

b. Seller has not sold or delivered energy from the Facility to MCE for a period of twelve (12) consecutive months other than as a direct result of a Force Majeure event;

c. Seller fails to deliver Energy from the Facility consistent with the selected Energy Delivery Profile as calculated over the most recent rolling twenty four (24) month period;

d. Seller breaches its covenant to maintain its status as an ERR as set forth in Section 4.3.2 of the Agreement.

10.3 Termination.

10.3.1 Declaration of a Termination Event. If a Termination Event has occurred and is continuing, Buyer shall have the right to: (a) send notice, designating a day, no earlier than five days after such notice is deemed to be received (as provided in Section 8) and no later than 20 days after such notice is deemed to be received (as provided in Section 8), as an early termination date of this Agreement (“Early Termination Date”) unless Seller has timely communicated with Buyer and the Parties have agreed to resolve the circumstances giving rise to the termination Event; (b) accelerate all amounts owing between the Parties; and (c) terminate this Agreement and end the Delivery Term effective as of the Early Termination Date.

10.3.2 Release of Liability for Termination Event. Upon termination of this Agreement pursuant to Section 10.3.1, neither Party shall be under any further obligation or subject to liability hereunder, except with respect to the indemnity provision in Section 6 hereof, which shall remain in effect for a period of 12 months following the Early Termination Date.

11. SCHEDULING

11.1 Scheduling Obligations. As necessary, MCE shall designate Seller’s Scheduling Coordinator (as defined by CAISO Tariff). At MCE’s direction, MCE’s designated scheduling coordinator will schedule the output of the Facility using Good Utility Practices and Seller shall employ Good Utility Practices and exercise reasonable efforts to operate and maintain the Facility. All necessary generation interconnection and scheduling services shall be performed in accordance with all applicable operating policies, criteria, guidelines and tariffs of the CAISO or its successor, and any other generally accepted operational requirements. Seller, at its own expense, shall be responsible for complying with all applicable contractual, metering and interconnection requirements. Seller shall promptly notify MCE and the Scheduling Coordinator, as applicable, of significant (i.e., greater than 100
kW) changes to its energy schedules using Scheduling Coordinator’s web site (see Appendix C). Seller will exercise reasonable efforts to comply with conditions that might arise if the CAISO modifies or amends its tariffs, standards, requirements, and/or protocols in the future.

11.2 CAISO Charges.

11.2.1 CAISO Charge Obligations. To the extent that the Facility’s electric output is scheduled with the CAISO, MCE and Seller shall cooperate to minimize CAISO delivery imbalances and any resulting fees, liabilities, assessments or similar charges assessed by the CAISO (“CAISO Charges”) to the extent possible, and shall each promptly notify the other as soon as possible of any material loss of system capability, deviation or imbalance that is occurring or has occurred. In the event that the Facility’s electric output is scheduled with the CAISO, Seller shall reimburse MCE for any CAISO Charges MCE incurs as a result of Seller's loss of system capability, deviation or imbalance. Any such CAISO Charges reimbursable to MCE shall be limited to the period until the commencement of the next settlement period following Seller’s notification for which the delivery schedule can be adjusted. Notwithstanding anything to the contrary herein, in the event Seller makes a change to its schedule on the actual date and time of delivery for any reason (other than an adjustment imposed by CAISO) which results in differences between the Facility’s actual generation and the scheduled generation (whether in part or in whole), Seller shall use reasonable efforts to notify MCE and the Scheduling Coordinator. MCE and the Scheduling Coordinator will make commercially reasonable efforts to accommodate Seller’s changes and mitigate any imbalance penalties or charges levied for such changes.

11.2.2 CAISO Penalties. To the extent that the Facility’s electric output is scheduled with the CAISO, Seller shall be responsible for any “non-Performance Penalties” assessed to MCE by the CAISO (“CAISO Penalties”), under the CAISO Tariff Enforcement Protocol, and not due to any fault of MCE, which shall include, without limitation, any deviation, imbalance or un instructed energy charges or penalties payable to the CAISO that are due to the fault of Seller. To the extent that Seller materially deviates from its energy schedules (other than an adjustment imposed by the CAISO, a deviation due to any fault of MCE, or an excused Seller failure to deliver, whether for reasons of Force Majeure or otherwise), and such departure results in CAISO Penalties being assessed to MCE, such CAISO Penalties shall be passed on to Seller. Any such CAISO Penalties passed on to Seller shall be limited to the period until the commencement of the next settlement period following Seller’s notification (as described above) for which the delivery schedule can be adjusted.

12. CONFIDENTIALITY

Seller authorizes MCE to release to the California Energy Commission (“CEC”) and/or the CPUC information regarding the Facility, including the Seller’s name and location, and the size, location and operational characteristics of the Facility, the Term, the ERR type, the Initial
Product Delivery Date and the net power rating of the Facility, as requested from time to time pursuant to the CEC’s or CPUC’s rules and regulations.

The Parties hereto acknowledge that MCE is a local agency and subject to provisions of the California Public Records Act (Cal. Government Codes section 6250 and following). In the event that Seller contends that any information disclosed or required to be disclosed by Seller pursuant to this Agreement is confidential, Seller shall clearly identify such documents as such before transmitting the same to MCE. In the event that any claim or action is filed against MCE pursuant to the Public Records Act seeking the disclosure of any records or documents provided by Seller which were marked confidential hereunder, MCE shall notify Seller in writing of such fact and Seller shall thereupon defend, save harmless and indemnify MCE from all costs and expense in connection with said claim or litigation, including attorney's fees, and agrees to abide by the final decision of a court of competent jurisdiction in connection therewith.

13. ASSIGNMENT

Except as expressly provided in this Section, neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof to its financing providers and the financing provider(s) shall assume the payment and performance obligations provided under this Agreement with respect to the transferring Party provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request. Notwithstanding anything to the contrary set forth herein, Seller may transfer or assign its interest under this Agreement without the consent of Buyer, to (a) an affiliate, subsidiary, or parent of Seller, or a corporation, partnership or other legal entity wholly owned by Seller (collectively, an “Affiliated Party”), or (b) a successor to Seller by purchase, merger, consolidation or reorganization (each such transfer a “Permitted Transfer” and any such assignee or transferee of a Permitted Transfer, a “Permitted Transferee”); provided that Seller shall give Buyer written notice at least ten (10) days prior to the effective date of the proposed Permitted Transfer and any such Permitted Transferee shall agree in writing to be bound by the terms and conditions hereof. As used herein, (1) “parent” shall mean a company which owns a majority of Seller’s voting equity; (2) “subsidiary” shall mean an entity wholly owned by Seller or at least fifty-one percent (51%) of whose voting equity is owned by Seller; and (3) “affiliate” shall mean an entity controlled, controlling or under common control with Seller.

14. APPLICABLE LAW

THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. TO THE EXTENT ENFORCEABLE
AT SUCH TIME, EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

15. NO RE Course AGAINST CONSTITUENT MEMBERS OF MCE

MCE is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to the Joint Powers Agreement and is a public entity separate from its constituent members. MCE shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Seller shall have no rights and shall not make any claims, take any actions or assert any remedies against any of MCE’s constituent members in connection with this Agreement.

16. SEVERABILITY

If any provision in this Agreement is determined to be invalid, void or unenforceable by the CPUC or any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

17. COUNTERPARTS

This Agreement may be executed in one or more counterparts each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile or PDF transmission will be deemed as effective as delivery of an originally executed counterpart. Each Party delivering an executed counterpart of this Agreement by facsimile or PDF transmission will also deliver an originally executed counterpart, but the failure of any Party to deliver an originally executed counterpart of this Agreement will not affect the validity or effectiveness of this Agreement.

18. GENERAL

No amendment to or modification of this Agreement shall be enforceable unless reduced to writing and executed by both parties. This Agreement shall not impart any rights enforceable by any third party other than a permitted successor or assignee bound to this Agreement. Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default. The term “including” when used in this Agreement shall be by way of example only and shall not be considered in any way to be in limitation.

Absent the prior mutual written agreement of all parties to the contrary, the standard of review for any proposed changes to the rates, terms, and/or conditions of service of this Agreement, whether proposed by a Party, a non-party or FERC acting sua sponte, shall be the “public interest” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956).
In addition, to the fullest extent permitted by applicable law, each Party, for itself and its successors and assigns, hereby expressly and irrevocably waives any rights it can or may have, now or in the future, whether under §§ 205 and/or 206 of the Federal Power Act or otherwise, to seek to obtain from FERC by any means, directly or indirectly (through complaint, investigation or otherwise), and each hereby covenants and agrees not at any time to seek to so obtain, an order from FERC changing any section of this Agreement specifying the rate, charge, classification, or other term or condition agreed to by the Parties, it being the express intent of the Parties that, to the fullest extent permitted by applicable law, neither Party shall unilaterally seek to obtain from FERC any relief changing the rate, charge, classification, or other term or condition of this Agreement, notwithstanding any subsequent changes in applicable law or market conditions that may occur. In the event it were to be determined that applicable law precludes the Parties from waiving their rights to seek changes from FERC to their market-based power sales contracts (including entering into covenants not to do so) then the foregoing shall not apply, provided that, consistent with the foregoing, neither Party shall seek any such changes except solely under the “public interest” application of the “just and reasonable” standard of review and otherwise as set forth in the foregoing.

The headings used herein are for convenience and reference purposes only.
IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below.

MARIN CLEAN ENERGY
By: ___________________________ Date: _________________________
Name: _________________________
Title: __________________________

SELLER
By: ___________________________ Date: ___________________
Name: __________________________
Title: ___________________________
Appendix A
DEFINITIONS

“Agreement” has the meaning set forth in the preamble.

“Business Day” means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday during the hours of 8:00 a.m. and 5:00 p.m. local time for the relevant Party’s principal place of business where the relevant Party in each instance shall be the Party from whom the notice, payment or delivery is being sent.

“CAISO” means the California Independent System Operator Corporation or any successor entity performing similar functions.

“CAISO Tariff” means the CAISO FERC Electric Tariff as amended from time to time.

“California Renewables Portfolio Standard” means the renewable energy program and policies established by Senate Bill 1038 and 1078, codified in California Public Utilities Code Sections 399.11 through 399.20 and California Public Resources Code Sections 25740 through 25751, as such provisions may be amended or supplemented from time to time.

“CEC” means the California Energy Resources Conservation and Development Commission, also known as the California Energy Commission, or its successor agency.

“Commercial Operation” means the period of operation of the Facility once the Commercial Operation Date has occurred.

“Commercial Operation Date” means the date on which the Facility is operating and is in compliance with applicable interconnection and system protection requirements, and able to produce and deliver energy pursuant to the terms of this Agreement.

“Contract Capacity” has the meaning set forth in Section 2.2.

“Contract Price” has the meaning set forth in Section 2.5.

“Contract Year” means a period of twelve (12) consecutive months with the first Contract Year commencing on the first day of the month immediately following the Initial Product Delivery Date and each subsequent Contract Year commencing on the anniversary of the Initial Product Delivery Date.

“CPUC” means the California Public Utilities Commission, or successor entity.

“Delivery Point” means the point of interconnection to the PG&E distribution system.

“Delivery Term” has the meaning set forth in Section 2.4.
“Dispatch Down Period” means: (a) curtailments ordered by the CAISO or PG&E as a result of a System Emergency, as defined in the CAISO Tariff; or (b) scheduled or unscheduled maintenance on PG&E’s transmission, distribution or interconnection facilities that prevents Buyer from receiving Delivered Energy at the Delivery Point.

“Distribution Operator” means PG&E.

“Early Termination Date” has the meaning set forth in Section 10.3.1.

“Eligible Renewable Energy Resource” or “ERR” has the meaning set forth in Public Utilities Code Sections 399.12 and California Public Resources Code Section 25741, as either code provision may be amended or supplemented from time to time.

“Energy” means electrical energy delivered to the PG&E Distribution System for the benefit of MCE with the voltage and quality required by PG&E, and measured in megawatt-hours (“MWh”) or kilowatt-hours (“kWh”).

“Energy Delivery Profile” means the manner in which Energy is delivered from the Facility in consideration of the delivery characteristics described in 2.1.1.

“Expected Annual Output” means the Energy that the Facility can be expected to produce during a typical year of operation, factoring in typical weather patterns, expected fuel availability, etc. The Expected Annual Output is shown in Appendix D.

“ERR Credits” means any and all credits associated with electricity procured from Eligible Renewable Energy Resources, pursuant to the California Renewables Portfolio Standard, that are directly attributable to electric production from the Facility.

“Execution Date” means the latest signature date found at the end of the Agreement.

“Facility” has the meaning set forth in Section 2.1.

“FERC” means the Federal Energy Regulatory Commission or any successor government agency.

“Forced Outage” means any unplanned reduction or suspension of the electrical output from the Facility resulting in the unavailability of the Facility, in whole or in part, in response to a mechanical, electrical, or hydraulic control system trip or operator-initiated trip in response to an alarm or equipment malfunction and any other unavailability of the Facility for operation, in whole or in part, for maintenance or repair that is not a scheduled maintenance outage and not the result of Force Majeure.

“Force Majeure” means any event or circumstance which wholly or partly prevents or delays the performance of any material obligation arising under this Agreement, but only if and to the extent (i) such event is not within the reasonable control, directly or indirectly, of the Party seeking to have its performance obligation(s) excused thereby, (ii) the Party seeking to have its
performance obligation(s) excused thereby has taken all reasonable precautions and measures to prevent or avoid such event or mitigate the effect of such event on such Party’s ability to perform its obligations under this Agreement and which by the exercise of due diligence such Party could not reasonably have been expected to avoid and which by the exercise of due diligence it has been unable to overcome, and (iii) such event is not the direct or indirect result of the negligence or the failure of, or caused by, the Party seeking to have its performance obligations excused thereby. Force Majeure shall not be based on: (i) MCE’s inability economically to use or resell the energy or capacity purchased hereunder; (ii) Seller’s ability to sell the energy, capacity or other benefits produced by or associated with the Facility at a price greater than the price set forth in this Agreement, (iii) Seller’s inability to obtain approvals of any type for the construction, operation, or maintenance of the Facility; (iv) Seller’s inability to obtain sufficient fuel to operate the Facility, except if Seller’s inability to obtain sufficient fuel is caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iv) of this definition of Force Majeure; (v) a Forced Outage except where such Forced Outage is caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iv) of this definition of Force Majeure; (vi) a strike or labor dispute limited only to Seller, Seller’s affiliates, the Engineering, Procurement, and Construction Contractor or subcontractors thereof; or (vii) any equipment failure not caused by an event of Force Majeure of the specific type described in any of subsections (i) through (iv) of this definition of Force Majeure.

“Good Utility Practice” means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to any one of a number of the optimum practices, methods, or acts which generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4). Seller acknowledges that the use of Good Utility Practice by Seller does not exempt Seller from any obligations set forth in this Agreement. Good Utility Practice includes, at a minimum, those professionally responsible practices, methods and acts that comply with manufacturers’ warranties, restrictions in this Agreement, the interconnection requirements of PG&E, the requirements of Governmental Authorities, and WECC and NERC standards.

Good Utility Practice also includes taking reasonable steps to ensure that:

a) Equipment, materials, resources, and supplies, including spare parts inventories, are available to meet the Facility’s needs;

b) Sufficient operating personnel are available at all times and are adequately experienced and trained and licensed as necessary to operate the Facility properly and efficiently, and are capable of responding to reasonably foreseeable emergency conditions at the Facility and emergencies whether caused by events on or off the Facility site;
c) Preventive, routine, and non-routine maintenance and repairs are performed on a basis that ensures reliable, long-term and safe operation of the Facility, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools;

d) Appropriate monitoring and testing are performed to ensure equipment is functioning as designed;

e) Equipment is not operated in a reckless manner, in violation of manufacturer’s guidelines or in a manner unsafe to workers, the general public, or the connecting utility’s electric system or contrary to environmental laws, permits or regulations or without regard to defined limitations such as, flood conditions, safety inspection requirements, operating voltage, current, volt ampere reactive (VAR) loading, frequency, rotational speed, polarity, synchronization, and control system limits; and equipment and components are designed and manufactured to meet or exceed the standard of durability that is generally used for electric energy generating facilities operating in the Western United States and will function properly over the full range of ambient temperature and weather conditions reasonably expected to occur at the Facility site and under both normal and emergency conditions.

“Green Attributes” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Facility, and its displacement of conventional energy generation. Green Attributes include but are not limited to ERR Credits and Renewable Energy Credits, as well as: (1) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4) nitrous oxide, hydrofluoro carbons, perfluoro carbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; (3) the reporting rights to these avoided emissions such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser’s discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of energy. Green Attributes do not include: (i) any energy, capacity, reliability or other power attributes from the Facility; (ii) production tax credits associated with the construction or operation of the Facility and other financial incentives in the form of credits, reductions, or allowances associated with the Facility that are applicable to a state or federal income taxation obligation; (iii) fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits; or (iv) emission reduction credits encumbered or used by the Facility for compliance with local, state, or federal operating and/or air quality permits. If Seller’s Facility is a biomass or landfill gas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer
with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from such facility.

“Initial Delivery Period” shall mean the calendar year in which the Initial Product Delivery Date occurs.

“Initial Product Delivery Date” has the meaning set forth in Section 2.4.

“Law” means any statute, law, treaty, rule, regulation, ordinance, code, permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction by a court or Governmental Authority of competent jurisdiction, including any of the foregoing that are enacted, amended, or issued after the Execution Date, and which becomes effective during the Delivery Term; or any binding interpretation of the foregoing.

“MCE RPS Requirements” means (i) the California Renewables Portfolio Standard-compliant energy MCE is required to procure pursuant to the California Renewables Portfolio Standard, and (ii) any additional California Renewables Portfolio Standard-compliant energy procured by MCE in excess of the mandatory California Renewables Portfolio Standard requirements.

“NERC” means the North American Electric Reliability Corporation, or any successor organization.

“Party” or “Parties” has the meaning set forth in the preamble.

“PG&E” means Pacific Gas & Electric Company, or any successor entity.

“Products” means Energy, Contract Capacity and Green Attributes.

“Renewable Energy Credit” has the meaning set forth in California Public Utilities Code Section 399.12(g), as may be amended from time to time or as further defined or supplemented by Law.

“Resource Adequacy” means a requirement by a governmental authority or in accordance with its FERC-approved tariff, or a policy approved by a local regulatory authority, that is binding upon either Party and that requires such Party procure a certain amount of electric generating capacity.

“Resource Adequacy Benefits” means the rights and privileges attached to the Facility that satisfy any entity’s resource adequacy obligations, as those obligations are set forth in any Resource Adequacy Rulings and shall include any local, zonal or otherwise locational attributes associated with the Facility.

“Resource Adequacy Rulings” means CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031 and any subsequent CPUC ruling or decision, or any other resource adequacy laws, rules or regulations enacted, adopted or promulgated by any applicable governmental authority, as such decisions, rulings, laws, rules or regulations may be amended or modified from time-to-time during the Delivery Term.
“Seller” has the meaning set forth in the preamble.

“Station Use” means energy consumed within the Facility’s electric energy distribution system as losses, as well as energy used to operate the Facility’s auxiliary equipment. The auxiliary equipment may include, but is not limited to, forced and induced draft fans, cooling towers, boiler feeds pumps, lubricating oil systems, plant lighting, fuel handling systems, control systems, and sump pumps.

“Term” has the meaning set forth in Section 10.1.

“WREGIS” means the Western Renewable Energy Generating Information System or any successor renewable energy tracking program.
INITIAL PRODUCT DELIVERY DATE CONFIRMATION LETTER

In accordance with the terms of that certain Small Renewable Generator Power Purchase Agreement dated ___________ (“Agreement”) by and between the Marin Clean Energy (“MCE”) and ______________ (“Seller”), this letter serves to document the parties further agreement that MCE will begin receiving the Products, as specified in the Agreement, as of this _____ day of ______________, ___________ (the “Initial Product Delivery Date”). This letter confirms the Initial Product Delivery Date, as defined in the Agreement, as the date referenced in the preceding sentence.

Pursuant to the Agreement, Seller hereby represents and warrants that as of the date hereof that:

A. the Commercial Operation Date has occurred, if the Facility was not in operation prior to the Execution Date of this Agreement;

B. Seller has identified a certified QRE, according to criteria established by WREGIS, for the Facility and has executed the appropriate agreement(s) with such QRE to ensure that the net electric energy produced by the Facility will be timely reported to WREGIS for the purpose of creating related renewable energy certificates throughout the Delivery Term; a copy of the aforementioned QRE agreement(s) has been provided to MCE.

C. the Facility’s status as an Eligible Renewable Energy Resource, is demonstrated by Seller’s receipt of certification from the CEC and evidence of Seller’s registration with WREGIS has been satisfied.

IN WITNESS WHEREOF, each Party has caused this Agreement to be duly executed by its authorized representative as of the date of last signature provided below:

By Seller  By: Marin Clean Energy
Name: _________________________  Name: ___________________________
Title: _________________________  Title: ___________________________
Date: _________________________  Date: ___________________________
Appendix C
COUNTERPARTY NOTIFICATION AND FORECASTING REQUIREMENTS

A. NOTIFICATION REQUIREMENTS FOR START-UP AND SHUTDOWN

Prior to paralleling to or after disconnecting from the electric system, ALWAYS notify your designated Distribution Operator as follows:

1. Call your Distribution Operator for permission to parallel before any start-up.
2. Call your Distribution Operator again after start-up with parallel time.
3. Call your Distribution Operator after any separation and report separation time as well as date and time estimate for return to service.

B. FORECASTING REQUIREMENTS

Seller shall abide with all established requirements and procedures described below:

(a) Generating Facilities of 1000 kW must comply with the CAISO Tariff and Protocols while generating facilities under 1000 kW must comply with all applicable interconnection, communication and metering rules; and

(b) Annual Energy Forecast: No later than January 1st of each year during the Delivery Term, Generating Facilities 100 kW and greater will electronically provide MCE and the Scheduling Coordinator, if applicable, with an Energy Forecast for the next calendar year.

The Annual Energy Forecast submitted to MCE and the Scheduling Coordinator, if applicable, shall:
(a) Not include any anticipated or expected electric energy losses;
(b) Be provided as instructed by MCE;
(c) Include Seller’s contact information and an indication of the Generating Facilities for which the forecast is being provided;
(d) Identify the expected dates and times of any planned outages associated with the Generating Facilities.
Appendix D

DESCRIPTION AND LOCATION OF FACILITY

A.1 Seller’s Feed-In Tariff Record Number as assigned by MCE: _______________

A.2 The Facility is described as _______________________________________________________________________
________________________________________________________________________
________________________________________________________________________

A.3 The Facility is located at the following address __________________________.

A.4 The Facility’s primary fuel is _______________________________________________________________________

A.5 The Facility has a Contract Capacity of ___ kilowatts (“kW”).

A.6 The maximum hourly energy delivery quantity is __________kWh (Contract Capacity x 1 hour).

A.7 The Expected Annual Energy Output of the Facility is ______________ kWh.

A.8 The scheduled Commercial Operation Date of the Facility is ________________.

A.9 The Facility has a primary voltage level of ____ kilovolts (“kV”).

A.10 The Facility is connected to PG&E’s electric system at _____ kV.

A.11 MCE shall revise this Appendix D as appropriate, give written notice to Seller regarding the revision, and issue a new Appendix D which shall then become part of the Agreement, in the event of changes to the information contained within Appendix D.
Appendix E

FACILITY DRAWINGS

[Seller to include: (i) a drawing showing the general arrangements of the Facility, and (ii) a single line diagram illustrating the interconnection of the Facility and loads with PG&E’s electric distribution system]
REGULATORY UPDATE
SUMMARY OF PROCEEDINGS
MCE BOARD MEETING – JUNE 5, 2014

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)

Cost Allocation and Procurement Affecting CCA

1) 2014 Long Term Procurement Plan (LTPP) ................................................ R.13-12-010

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>To reflect CCA load in the Long Term Procurement Plans of the investor owned utilities (IOUs). This should reduce IOU procurement “on behalf of” CCA customers. Phase 2 of this proceeding will include addressing “changes to the Commission’s rules regarding the treatment of CCAs and DA, including those adopted related to the CAM per SB 695, SB 790, D.11-05-005 and any relevant previous decisions.”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>- Workshop on Operational Flexibility April 24</td>
</tr>
<tr>
<td></td>
<td>- Ex-Parte Meeting April 30</td>
</tr>
<tr>
<td></td>
<td>- Scoping Ruling May 6</td>
</tr>
<tr>
<td></td>
<td>- Ruling of Technical Updates to Planning Assumptions May 16</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>Phase 1a – System Reliability Needs:</td>
</tr>
<tr>
<td></td>
<td>- Status Report and Recommendations on Operational Flexibility Modelling Parameters May 31</td>
</tr>
<tr>
<td></td>
<td>- Comments on Report June 10</td>
</tr>
<tr>
<td></td>
<td>- Testimony of Parties Preparing Models August 13</td>
</tr>
<tr>
<td></td>
<td>- Testimony of Parties not Preparing Models Sept. 3</td>
</tr>
<tr>
<td></td>
<td>- Reply Testimony Sept. 24</td>
</tr>
<tr>
<td></td>
<td>- Last Date to Request Evidentiary Hearings Sept. 24</td>
</tr>
<tr>
<td></td>
<td>- Evidentiary Hearings Oct. 2014</td>
</tr>
<tr>
<td></td>
<td>- Briefing Schedule TBD</td>
</tr>
<tr>
<td></td>
<td>- Proposed Decision (w/o Evidentiary Hearings) Nov. 2014</td>
</tr>
<tr>
<td></td>
<td>- Proposed Decision (w/ Evidentiary Hearings) Feb. 2015</td>
</tr>
<tr>
<td></td>
<td>- Start Phase 1b After Phase 1a ruling</td>
</tr>
</tbody>
</table>

Phase 2 – Procurement Rules and Bundled Procurement Plans:

- IOUs file Bundled Procurement Plans October 3
- [Remainder of Schedule] [TBD]
2) PG&E 2014 General Rate Case – Phase 2 ................................................. A.13-04-012

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>To address rate design and other issues applicable to CCA and MCE. Excludes residential rate design due to AB 327 implementation.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actions Taken:</strong></td>
<td>- Settlement Progress Report May 16</td>
</tr>
</tbody>
</table>
| **Next Steps:** | - Settlement Progress Report June 6  
- Settlement Progress Report July 2  
- Rebuttal Testimony July 30 or later  
- Evidentiary Hearings Aug. 25 or later  
- Opening Briefs [TBD]  
- Reply Briefs [TBD]  
- Request for Final Oral Argument and Submission [TBD] |

3) Petition for Rulemaking on Cost Allocation Issues .............................................. P.12-12-010

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>MCE has petitioned the CPUC to start a proceeding in which cost allocation, cross-subsidization and non-bypassable charge issues will be addressed.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actions Taken:</strong></td>
<td>- N/A</td>
</tr>
<tr>
<td><strong>Next Steps:</strong></td>
<td>- Workshop to be scheduled [TBD]</td>
</tr>
</tbody>
</table>

4) PG&E 2014 General Rate Case – Phase 1 ................................. A.12-11-009, I.13-03-007

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>To address cost functionalization and other issues applicable to CCA and MCE.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actions Taken:</strong></td>
<td>- N/A</td>
</tr>
</tbody>
</table>
| **Next Steps:** | - Proposed Decision Expected [TBD]  
- Request for Oral Argument 10 days after PD  
- Decision [TBD] |

5) EPIC Implementation Applications ............................................. A.12-11-001, et al.

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>To ensure that the program administrators (PG&amp;E, SCE, and SDG&amp;E) are applying these funds to programs in a competitively neutral fashion.</th>
</tr>
</thead>
</table>
| **Actions Taken:** | - Second Triennial Investment Planning Cycle (2015-2017) to be initiated by IOU and CEC Applications  
SDG&E Petition to Modify D.13-11-025, Filed 1/14/14:  
- SDG&E Surreply Comments May 8 |
| **Next Steps:** | SDG&E Petition to Modify D.13-11-025, Filed 1/14/14:  
- Commission Response July 14 |

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>Second Triennial Investment Planning Cycle (2015-2017) initiated by IOU and CEC Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>CEC Application (A.14-04-034): - Application Filed April 29</td>
</tr>
<tr>
<td></td>
<td>PG&amp;E Application (A.14-05-003): - Application Filed May 1</td>
</tr>
<tr>
<td></td>
<td>SDG&amp;E Application (A.14-05-004): - Application Filed May 1</td>
</tr>
<tr>
<td></td>
<td>SCE Application (A.14-05-005): - Application Filed May 1, Amendment to Application Filed May 8</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>- Consolidation Ruling and Scoping Ruling Anticipated [TBD]</td>
</tr>
</tbody>
</table>

7) 2012 Long Term Procurement Plan (LTPP)............................... R.12-03-014

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>Involvement regarding the cost allocation mechanism (CAM) and other matters.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>Track 4 – San Onofre Nuclear Power (SONGS): - Application for Rehearing filed by Protect Our Communities Foundation May 23</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>- TBD</td>
</tr>
</tbody>
</table>

8) PG&E Economic Development Rate........................................... A.12-03-001

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>This rate subsidy is intended to prevent companies from departing from California due to high energy costs; the rate is applied inequitably to CCA customers.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>TURN Application for Rehearing - N/A</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>- TBD</td>
</tr>
</tbody>
</table>

9) PG&E 2012 Rate Design Window........................................... A.12-02-020

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>MCE is monitoring to resolve issues stemming from the zero minimum bill requirement.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>- Proposed Decision Issued May 27</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>- Comments on Proposed Decision June 6</td>
</tr>
</tbody>
</table>
- Reply Comments on Proposed Decision: June 23
- Commission Vote on Proposed Decision: June 26

### 10) Green Tariffs Shared Renewables (SDG&E SunRate, PG&E Green Option, and Southern California Edison Green Rate) ........ A.12-01-008, A.12-04-020, A.14-01-007

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>Ensure appropriate customer protections and cost allocation of SDG&amp;E’s, PG&amp;E’s and SCE’s Green Tariff Shared Renewables (“GTSR”) Programs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td><strong>Phase 1: PG&amp;E and SDG&amp;E GTSR Programs</strong></td>
</tr>
<tr>
<td></td>
<td>- PG&amp;E Hearings: April 28-29</td>
</tr>
<tr>
<td></td>
<td>- Opening Briefs: May 6</td>
</tr>
<tr>
<td></td>
<td>- Reply Briefs: May 9</td>
</tr>
<tr>
<td></td>
<td><strong>Phase 2: SCE GTSR Programs</strong></td>
</tr>
<tr>
<td></td>
<td>- Opening Briefs: May 2</td>
</tr>
<tr>
<td></td>
<td>- Reply Briefs SCE Proposal and ECR: May 2</td>
</tr>
<tr>
<td></td>
<td><strong>Phase 3: Enhanced Community Renewable Option</strong></td>
</tr>
<tr>
<td></td>
<td>- ACR Establishing Phase 3: May 23</td>
</tr>
<tr>
<td>Next Steps:</td>
<td><strong>Phases 1 &amp; 2: PG&amp;E, SDG&amp;E, &amp; SCE GTSR Programs</strong></td>
</tr>
<tr>
<td></td>
<td>- Proposed Decision All Three IOU GTSR Proposals: June 9</td>
</tr>
<tr>
<td></td>
<td>- Comments on Proposed Decision: June 30</td>
</tr>
<tr>
<td></td>
<td>- Reply Comments: July 7</td>
</tr>
<tr>
<td></td>
<td>- Final Commission Decision: July 2014</td>
</tr>
<tr>
<td></td>
<td><strong>Phase 3: Enhanced Community Renewable Option</strong></td>
</tr>
<tr>
<td></td>
<td>- Scoping and Scheduling Ruling Anticipated: [TBD]</td>
</tr>
</tbody>
</table>

### 11) IOU Energy Storage Applications......................A.14-02-006, A.12-02-007, A.12-02-009

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>To address cost allocation of energy storage procured by IOUs in compliance with D.13-10-040 and how this may impact CCAs and MCE.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>- Pre Hearing Conference: May 14</td>
</tr>
<tr>
<td></td>
<td>- Scoping Memo Issued: May 27</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>- Workshop on Outstanding Issues: June 2</td>
</tr>
<tr>
<td></td>
<td>- Responses to Scoping Memo Questions: June 12</td>
</tr>
<tr>
<td></td>
<td>- Replies to Responses to Scoping Memo Questions: June 19</td>
</tr>
<tr>
<td></td>
<td>- Final Day to Request Evidentiary Hearings: June 19</td>
</tr>
<tr>
<td></td>
<td>- Proposed Decision Issued: Late Aug.</td>
</tr>
<tr>
<td></td>
<td>- Comments and Reply Comments on Decision: Sept.</td>
</tr>
<tr>
<td></td>
<td>- Final Decision: Oct.</td>
</tr>
<tr>
<td></td>
<td>- Utility Request for Offers (RFOs): Dec. 1</td>
</tr>
</tbody>
</table>
Rulemakings on Standards

12) Joint Reliability Plan

MCE’s Interest: Ensure that resource adequacy requirements, the joint reliability planning assessment, and new rules and policy adequately incorporate CCA interests.

Actions Taken

Track 1 (Multi-Year Resource Adequacy)
- Workshop A on Track 1 (Qs 1&2) May 2
- Workshop B on Track 1 (Qs 3&4) May 13
- Assigned Commissioner’s Ruling and Scoping Memo May 20

Track 2 (Long-Term Reliability Planning Assessment)
- N/A

Track 3 (Commission Policy Decisions on CAISO Proposal for Replacement to CPM)
- N/A

Next Steps:

Track 1 (Multi-Year Resource Adequacy)
- ACR Issuing CPUC Staff Proposal on Multi-year RA July 1
- Initial Comments on Staff Proposal July 17
- Reply Comments on Staff Proposal July 31
- ACR Issuing CPUC Revised Proposal Oct. 1
- Initial Comments on Revised Proposal Oct. 22
- Reply Comments on Revised Proposal Nov. 5
- Final Date to Request Evidentiary Hearings Nov. 12
- Evidentiary Hearings Dec. 2014
- Proposed Decision on Multi-year RA Feb. 2015
- Decision on Multi-year RA March-April 2015

Track 2 (Long-Term Reliability Planning Assessment)
- Staff proposal on methodology, assumptions, and rules for joint reliability planning assessments July 15
- Workshop Aug. 2014
- Initial Comments on Staff Proposal Aug. 15
- Reply Comments on Staff Proposal Aug. 29
- ACR or Commission Decisions on confidentiality, data collection, publication, methodology, assumptions, impact of assessment on ongoing CPUC proceedings, or other issues (as needed) As Needed
- Energy Division First assessment published Q1 2015

Track 3 (Commission Policy Decisions on CAISO Proposal for Replacement to CPM)
- Staff Straw Proposal for Backstop Procurement Mechanism June 2014
- ACR Directing Legal Briefing on CAISO Proposal June 2014
- Workshop on CAISO Proposal September 2014
- Proposed Decision on issues re: CAISO backstop As Needed
procurement mechanism
- Decision on issues re: CAISO backstop procurement mechanism
- Additional Workshops, Comments, Replies, and Legal Briefings on CAISO Proposals

13) Electric Vehicle Rulemaking…………………………………………………………………R.13-11-007

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>Determine the role of CCAs in providing Electric Vehicle (EV) rates and services and evaluating the benefits and costs of EVs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken</td>
<td>Draft Resolution E-4651 on IOU EV Sub-Metering Pilot</td>
</tr>
<tr>
<td></td>
<td>- E-4651 Issued</td>
</tr>
<tr>
<td></td>
<td>- Comments on Draft Resolution</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>- Scoping Memo To Be Issued</td>
</tr>
<tr>
<td></td>
<td>Draft Resolution E-4651 on IOU EV Sub-Metering Pilot</td>
</tr>
<tr>
<td></td>
<td>- E-4651 to be voted on by CPUC</td>
</tr>
</tbody>
</table>

14) General Rate Case Rulemaking……………………………………………………………………R.13-11-006

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>MCE will be monitoring this proceeding to determine the new processes for General Rate Case filings.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken</td>
<td>- Pre-Hearing Conference</td>
</tr>
<tr>
<td></td>
<td>- Opening Comments on Refined Straw Proposal</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>- Reply Comments on Refined Straw Proposal</td>
</tr>
<tr>
<td></td>
<td>- Second Round Opening Comments</td>
</tr>
<tr>
<td></td>
<td>- Second Round Reply Comments</td>
</tr>
<tr>
<td></td>
<td>- Proposed Decision on Risk-Making Decision</td>
</tr>
<tr>
<td></td>
<td>- Comments on PD</td>
</tr>
<tr>
<td></td>
<td>- Reply Comments on PD</td>
</tr>
<tr>
<td></td>
<td>- Decision on First Round Issues</td>
</tr>
<tr>
<td></td>
<td>- Proposed Decision on Second Round Issues</td>
</tr>
<tr>
<td></td>
<td>- Comments on Second Round PD</td>
</tr>
<tr>
<td></td>
<td>- Reply Comments on Second Round PD</td>
</tr>
<tr>
<td></td>
<td>- Decision on Second Round Issues</td>
</tr>
</tbody>
</table>

15) Demand Response Rulemaking……………………………………………………………………R.13-09-011

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>MCE will be participating in demand response policy discussions and will advocate for an analysis of proper cost allocation for demand response programs and projects.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>Phase 1: Bridge Funding</td>
</tr>
</tbody>
</table>
- Opening Comments on Proposed Decision May 5
- DRMEC Workshop May 7
- Reply Comments May 12
- Meeting on DRAM May 22

Phases 2 & 3: Foundational Questions
- Q&A Workshop on DRAM April 28
- Testimony Served May 6
- Rebuttal Testimony Served May 22

Next Steps: Phase 1: Bridge Funding
- TBD

Phases 2 & 3: Foundational Questions
- Second Workshop on DRAM June 2
- Evidentiary Hearings June 9-11
- Ruling Issued Providing Briefing Guidance June 20
- Opening Briefs July 14
- Reply Briefs July 28

PG&E Advice Letter 4306-E

16) Distributed Generation Rulemaking ................................................................. R.12-11-005

MCE’s Interest: MCE will be participating to evaluate changes to the California Solar Initiative (CSI), the Self-Generation Incentive Program (SGIP) and other Distributed Generation (DG) issues.

Actions Taken: Energy Storage Systems Paired with NEM
- Opening Comments May 5
- Reply Comments May 12
- Final Decision May 15

Next Steps: - N/A

17) Residential Rate Rulemaking ................................................................. R.12-06-013

MCE’s Interest: MCE will be participating to ensure that residential rate design elements facilitate customer choice.

Actions Taken: Phase 1 – Optimal Residential Rate Designs
- PHC Statements Describing Evidence May 2
- PHC Regarding Evidence May 13
- Supplemental Utility Testimony May 16
- List of Locations for Public Participation Hearings May 23

Phase 2 – Interim Residential Rate Changes
- Proposed Decision May 9
Next Steps: Phase 1 – Optimal Residential Rate Designs
- IOU Optional Additional Testimony
- Intervenor Opening Testimony
- Rebuttal Testimony
- Evidentiary Hearings
- Opening Briefs
- Reply Briefs
- Proposed Decision
Phase 2 – Interim Residential Rate Changes
- Comments on PD
- Reply Comments on PD

18) Resource Adequacy……………………………………………………………………………R.11-10-023

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>Track revisions to resource adequacy rules as they apply to CCA.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>Track 3 (Flexible and Local Capacity Requirements)</td>
</tr>
<tr>
<td></td>
<td>- Reply Comments on 4/9 Workshop</td>
</tr>
<tr>
<td></td>
<td>- CAISO publishes final LCR report</td>
</tr>
<tr>
<td></td>
<td>- Comments on Final LCR Report</td>
</tr>
<tr>
<td></td>
<td>- Reply Comments on Final LCR Report</td>
</tr>
<tr>
<td></td>
<td>- Proposed Decision</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>Track 3 (Flexible and Local Capacity Requirements)</td>
</tr>
<tr>
<td></td>
<td>- Comments on Proposed Decision</td>
</tr>
<tr>
<td></td>
<td>- Reply Comments on Proposed Decision</td>
</tr>
<tr>
<td></td>
<td>- Final Decision</td>
</tr>
</tbody>
</table>

19) Renewables Portfolio Standard (RPS)……………………………………………………..R.11-05-005

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>Ensure appropriate implementation of RPS for purposes of CCA procurement.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>Reforming IOU RPS Procurement Review Process</td>
</tr>
<tr>
<td></td>
<td>- Comments on Staff Proposal to Reform Procurement Review Process for the Renewables Portfolio Standard Program</td>
</tr>
<tr>
<td></td>
<td>2014 Renewable Portfolio Standard Procurement Plans</td>
</tr>
<tr>
<td></td>
<td>- LSEs File Proposed Annual RPS Procurement Plans</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>Reforming IOU RPS Procurement Review Process</td>
</tr>
<tr>
<td></td>
<td>- Reply Comments on Staff Proposal to Reform Procurement Review Process for the Renewables Portfolio Standard Program</td>
</tr>
<tr>
<td></td>
<td>2014 Renewable Portfolio Standard Procurement Plans</td>
</tr>
<tr>
<td></td>
<td>- Comments filed on RPS Plans, Supplement, and</td>
</tr>
</tbody>
</table>

8
20) Energy Storage .................................................................................................................... R.10-12-007

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>This Phase 2 would “develop the costs and benefits for [energy storage systems] and establish how they should be allocated.”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>N/A</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>- Subsequent Energy Storage Rulemaking expected [TBD]</td>
</tr>
<tr>
<td></td>
<td>- Commission consideration of Advice Letter Q2 2014</td>
</tr>
<tr>
<td></td>
<td>- First Energy Storage Auction June 30</td>
</tr>
<tr>
<td></td>
<td>- IOUs present results of Storage Auction to PRG and request approval of winning contracts Q3-4 2014</td>
</tr>
<tr>
<td></td>
<td>- Workshop evaluating data from first energy storage auction Q4 2014</td>
</tr>
<tr>
<td></td>
<td>- Commission consideration of Advice Letter Q1 2016</td>
</tr>
<tr>
<td></td>
<td>- IOUs hold second energy storage auction June 30, 2016</td>
</tr>
</tbody>
</table>

Greenhouse Gas Proceedings and Cap and Trade


<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>Ensure fair outreach for CCA customers regarding Cap and Trade.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>N/A</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>Phase 1: Determine whether IOUs or Third Party</td>
</tr>
</tbody>
</table>
should be responsible for Outreach and Education
- Proposed Decision
Phase 2: Evaluate Proposed O&E Plans or set Third Party Plan
- Awaiting Second Scoping Ruling

**22) Cap and Trade Cost and Revenue Allocation.............................A.13-08-002, et al.**

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>Ensure fair allocation of costs and revenues to MCE customers for 2014.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actions Taken:</strong></td>
<td><strong>Phase 2: New Methodologies</strong></td>
</tr>
<tr>
<td>-</td>
<td>- Revised Utility Proposal Issues</td>
</tr>
<tr>
<td></td>
<td>- Motions for Evidentiary Hearings Filed</td>
</tr>
<tr>
<td></td>
<td>- Concurrent Opening Briefs (including Comments on the Revised Utility Proposal)</td>
</tr>
<tr>
<td></td>
<td>- Concurrent Reply Briefs (including Comments on the Revised Utility Proposal)</td>
</tr>
<tr>
<td><strong>Next Steps:</strong></td>
<td><strong>Phase 2: New Methodologies</strong></td>
</tr>
<tr>
<td>-</td>
<td>- Proposed Decision Expected</td>
</tr>
</tbody>
</table>

**23) GHG Costs (AB 32 Implementation)........................................R.11-03-012**

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>MCE will monitor this new Commission rulemaking, which will address potential utility cost and revenue issues associated with greenhouse gas (GHG) emissions.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actions Taken:</strong></td>
<td><strong>Track 1: Cap-and-Trade Implementation</strong></td>
</tr>
<tr>
<td>-</td>
<td>- PG&amp;E Advice Letter 4371-E Rejected</td>
</tr>
<tr>
<td></td>
<td>- PG&amp;E Advice Letter 4403-E Submitted</td>
</tr>
<tr>
<td></td>
<td><strong>Track 2: Low Carbon Fuel Standard (LCFS) Credit Revenue Allocation</strong></td>
</tr>
<tr>
<td></td>
<td>- Final Decision Determining IOU Eligibility to Sell LCFS Credits</td>
</tr>
<tr>
<td><strong>Next Steps:</strong></td>
<td><strong>Track 2: Low Carbon Fuel Standard (LCFS) Credit Revenue Allocation</strong></td>
</tr>
<tr>
<td>-</td>
<td>- Proposed Decision Determining Methodology for IOU Return of LCFS Revenue to Ratepayers</td>
</tr>
</tbody>
</table>

**Energy Efficiency**

**24) Water Energy Nexus.................................................................R.13-12-011**

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>Monitor any forthcoming policy and ensure that CCA interests are included</th>
</tr>
</thead>
</table>
in possible partnership framework between IOUs and water sector

<table>
<thead>
<tr>
<th>Actions Taken</th>
<th>Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Workshop</td>
<td>- TBD</td>
</tr>
<tr>
<td></td>
<td>April 25</td>
</tr>
</tbody>
</table>

**25) Energy Efficiency Rulemaking ................................................................. R.13-11-005**

<table>
<thead>
<tr>
<th>MCE’s Interest</th>
<th>Actions Taken</th>
<th>Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Phase 1: Extension of Current Portfolios</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- MCE Ex Parte Meetings</td>
<td>May 13</td>
</tr>
<tr>
<td></td>
<td>- Program Advisory Group meeting</td>
<td>May 9</td>
</tr>
<tr>
<td></td>
<td>- Proposed Decision Expected on 2015 Portfolio Funding</td>
<td>May 9</td>
</tr>
<tr>
<td></td>
<td>Phase 2: 2016 and Beyond</td>
<td>June 12</td>
</tr>
<tr>
<td></td>
<td>- Awaiting Next Steps</td>
<td>[TBD]</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>MCE’s Interest</th>
<th>Actions Taken</th>
<th>Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- N/A</td>
<td>- TBD</td>
</tr>
</tbody>
</table>

**27) Energy Efficiency and EM&V ................................................................. R.09-11-014**

<table>
<thead>
<tr>
<th>MCE’s Interest</th>
<th>Actions Taken</th>
<th>Next Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CCA Energy Efficiency Decision 14-01-033</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Reply to Responses to Petition to Modify</td>
<td>May 1</td>
</tr>
<tr>
<td></td>
<td>- MCE Ex Parte Meetings</td>
<td>May</td>
</tr>
<tr>
<td></td>
<td>CCA Energy Efficiency</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Ex Parte Meeting</td>
<td>June</td>
</tr>
<tr>
<td></td>
<td>- Commission Response to MCE Petition to Modify</td>
<td>By September 21</td>
</tr>
</tbody>
</table>
**Data and Smart Grid Proceedings**


<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>Ensure fair access of CCAs to data, including data backhaul mechanisms.</th>
</tr>
</thead>
</table>
| **Actions Taken:** | - Protests to PG&E Advice Letter 4378-E  
- PG&E Advice Filing Becomes Effective |
| **Next Steps:** | - PG&E Soft Launch/Staggered Approach  
- PG&E Full Launch |

**29) Smart Grid Privacy Policies.................................................................................. R.08-12-009**

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>Determination of what privacy and security rules for energy usage data should be applicable to CCAs.</th>
</tr>
</thead>
</table>
| **Actions Taken:** | Phase 3 – Energy Data Center:  
- Decision to Provide Energy Data  
- SCE Compliance Filings |
| **Next Steps:** | Phase 2 – CCA and Privacy:  
- Awaiting Next Steps on MCE Petition for Modification  
Phase 3 – Energy Data Center:  
- N/A |

**CALIFORNIA AIR RESOURCES BOARD (CARB)**

**30) AB 32 Scoping Plan Update**

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>Include CCAs as an effective local government strategy to fulfill AB 32 GHG emissions goals.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actions Taken:</strong></td>
<td>- Board Hearing to Consider Final Plan Update</td>
</tr>
<tr>
<td><strong>Next Steps:</strong></td>
<td>- TBD</td>
</tr>
</tbody>
</table>

**CALIFORNIA ENERGY COMMISSION (CEC)**


<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actions Taken:</strong></td>
<td>- Transportation—Climate Change Impacts</td>
</tr>
</tbody>
</table>

April 7  
April 17  
Q4 2014  
Q1 2015  
May 1  
May 9  
[TBD]  
May 22  
May 28
Next Steps:

- Transportation—CA EV Charging Infrastructure
  
- Transportation—Benefits and Metrics Workshop
  
- Transportation—Electricity and Natural Gas
  
- Trends in Crude Oil Sources
  
- Energy Efficiency—AB 758 Workshop
  
- DRECP/Renewables
  
- Electricity Infrastructure (Southern CA) Workshop
  
- Lead Commission Workshop on Draft 2014 IEPR Update
  
- Electricity Demand Forecast Update
  
- Business Meeting Adoption of Electricity Demand Forecast
  
- Adopt Final IEPR 2014 Report

**CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)**

**32) Voluntary Preferred Resource Auction**

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>MCE to participate in development of voluntary preferred resource (VPR) capacity auction to advance state preferred resource policy goals.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>- N/A</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>- Proceeding has been postponed</td>
</tr>
</tbody>
</table>

**33) Flexible Resource Adequacy Criteria and Must-Offer Obligation (FRAC-MOO)**

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>Track revisions to flexible capacity rules as they apply to CCA.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>- N/A</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>- TBD</td>
</tr>
</tbody>
</table>

**34) Multi-year Forward Framework**

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>Joint Reliability Framework proceedings are ongoing both at the CPUC and CAISO. See R.14-02-001.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>- Working Group Meeting: RSI</td>
</tr>
<tr>
<td></td>
<td>- Straw Poll Release</td>
</tr>
<tr>
<td></td>
<td>- Revised Straw Poll Release</td>
</tr>
<tr>
<td></td>
<td>- 2nd Revised Straw Poll</td>
</tr>
<tr>
<td></td>
<td>- Draft Final Proposal</td>
</tr>
<tr>
<td></td>
<td>- Board of Governors Meet</td>
</tr>
<tr>
<td></td>
<td>- FERC Filing</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>- Revised Straw Poll Release</td>
</tr>
<tr>
<td></td>
<td>- 2nd Revised Straw Poll</td>
</tr>
<tr>
<td></td>
<td>- Draft Final Proposal</td>
</tr>
<tr>
<td></td>
<td>- Board of Governors Meet</td>
</tr>
<tr>
<td></td>
<td>- FERC Filing</td>
</tr>
</tbody>
</table>

Updated May 28, 2014
### 35) Load Granularity

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>MCE to evaluate the impact of the proposal to disaggregate load by nodes as proposed by CAISO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>N/A</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>FERC Proceeding Launches: ISO will make a filing reflecting that ISO preliminary analysis does not show enough benefits to justify the costs of disaggregating the existing default load aggregation points.</td>
</tr>
</tbody>
</table>

**Q1 2014**

### 36) Energy Imbalance Market

<table>
<thead>
<tr>
<th>MCE’s Interest:</th>
<th>MCE to evaluate the impact of CAISO’s proposed Energy Imbalance Market Revised Governance Proposal and Draft Charter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions Taken:</td>
<td>N/A</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>TBD</td>
</tr>
</tbody>
</table>
### LEGISLATIVE UPDATE

**SUMMARY OF LEGISLATIVE ITEMS**

**MCE BOARD MEETING – JUNE 5, 2014**

### HIGH PRIORITY ITEMS

1) **Monopoly Protection Bill ........................................................... AB 2145**

<table>
<thead>
<tr>
<th>Summary:</th>
<th>The bill would require:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- An opt-in mechanism for new CCA customers after January 1, 2015</td>
</tr>
<tr>
<td></td>
<td>- A five year forecast of rates</td>
</tr>
<tr>
<td></td>
<td>- A five year forecast of greenhouse gas emissions</td>
</tr>
</tbody>
</table>

| MCE’s Interest: | Encouraging the formation and growth of more CCAs and protecting MCE’s ability to expand. |

<table>
<thead>
<tr>
<th>Actions Taken</th>
<th>Ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- MCE co-leading a group of grassroots organizations, government agencies, and ratepayer advocates to build opposition to the bill. There are currently over 140 opponents.</td>
</tr>
<tr>
<td></td>
<td>- Bill passed the Assembly Utilities and Commerce Committee April 28</td>
</tr>
<tr>
<td></td>
<td>- Bill held in suspense in Assembly Appropriations Committee May 19</td>
</tr>
<tr>
<td></td>
<td>- Bill passed the Appropriations Committee May 23</td>
</tr>
<tr>
<td></td>
<td>- Bill passed the Assembly Floor 51 - 15 May 28</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Next Steps:</th>
<th>June 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Bill moves to the Senate Energy and Utilities Committee</td>
</tr>
</tbody>
</table>

2) **Additional CCA Analyst Positions in the Budget for the CPUC**

<table>
<thead>
<tr>
<th>Summary:</th>
<th>The Governor has requested three new staff members at the California Public Utilities Commission (CPUC) to fully implement Senate Bill 790 (2011).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- The positions include two level four staff analysts and one temporary two-year Administrative Law Judge.</td>
</tr>
</tbody>
</table>

| MCE’s Interest: | Encouraging the Legislature to approve these positions in order to receive more attention on CCA issues at the CPUC. |

<table>
<thead>
<tr>
<th>Actions Taken:</th>
<th>May 20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Approved by Assembly Committee on Budget, Sub Committee 3 on Resources and Transportation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Next Steps:</th>
<th>June 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Hearing in Senate Budget Committee</td>
</tr>
</tbody>
</table>
**MCE Participation Items**

3) **Clean Power SF** .................................................................................................................. AB 2159

<table>
<thead>
<tr>
<th>Summary:</th>
<th>The bill:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Authorizes the Board of Supervisors of the City and County of San Francisco to elect to enter into a CCA program with an existing CCA program</td>
</tr>
<tr>
<td></td>
<td>- Allows over-the-fence energy transactions</td>
</tr>
<tr>
<td></td>
<td>- Requires PG&amp;E to provide electrical and gas consumption data to CCAs</td>
</tr>
</tbody>
</table>

| MCE’s Interest: | Encouraging the formation and growth of more CCAs. MCE has remained neutral but has participated in community discussions on the bill. |

| Actions Taken: | - Bill died in Assembly Local Government Committee April 30 |
|                | - SF Supervisors passed resolution to explore MCE membership May 5 |

| Next Steps: | - Possible amended bill to be sent to Senate June 2014 |

4) **Energy Efficiency Financing Options for Tenants** .................................................. AB 2017

| Summary: | Authorizes the CPUC to create a financing option for renters to receive Energy Efficiency upgrades in rental homes and apartments. Was identified as |

| MCE’s Interest: | Expanding the broad use of Energy Efficiency programs by both landlords and tenants in order to reduce usage. |

| Actions Taken: | - Hearing cancelled in Utilities and Commerce April 28 |
|                | - No further action from Committee May 5 |

| Next Steps: | - TBD |

5) **Solar Permit Streamlining Bill** .................................................................................. AB 2188

| Summary: | Streamlines the permit application process of residential rooftop solar systems up to 10kW on the same day. Reimburses costs mandated by the state for local agencies and school districts. |

| MCE’s Interest: | Streamlining permitting process for solar facilities within MCE’s jurisdiction improves the affordability and deployment of rooftop solar systems. |

| Actions Taken: | - Bill passes Local Government Committee April 30 |
|                | - Referred to Assembly Appropriations Committee May 12 |
|                | - Bill passes the Appropriations Committee May 21 |
## MONITORING ITEMS

### 6) Addressing Grid Security Risks ........................................................................................................... SB 699

<table>
<thead>
<tr>
<th>Summary:</th>
<th>Requires the CPUC to adopt rules to address security threats to the distribution systems of electrical corporations. Requires IOUs to submit security plans to the CPUC and coordinate with law enforcement to achieve security plan goals.</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCE’s Interest:</td>
<td>Ensuring the ongoing security of electrical supply, avoiding potential disruption of service to MCE customers, and advocating proper cost allocation.</td>
</tr>
<tr>
<td>Actions Taken:</td>
<td>- N/A</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>- TBD</td>
</tr>
</tbody>
</table>

### 7) Prohibiting CCA Employees from Appointment as CEC Commissioners...... AB 2661

<table>
<thead>
<tr>
<th>Summary:</th>
<th>Prohibits an individual from serving as a Commissioner of the California Energy Commission (CEC) if s/he has worked at a CCA in the previous two years. There is already a rule in place prohibiting utility employees from serving as a CEC Commissioner for two years.</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCE’s Interest:</td>
<td>Monitoring restrictions on CCA employees.</td>
</tr>
<tr>
<td>Actions Taken:</td>
<td>- Passed Assembly, moved to Senate May 15</td>
</tr>
<tr>
<td></td>
<td>- Referred to Senate Energy and Utilities Committee May 22</td>
</tr>
<tr>
<td>Next Steps:</td>
<td>- If passes, bill will continue to move through the Senate Summer 2014</td>
</tr>
</tbody>
</table>

### 8) Electrical Restructuring...................................................................................................................... SB 1277

<table>
<thead>
<tr>
<th>Summary:</th>
<th>Prohibits the Independent System Operator from submitting any proposal to the Federal Energy Regulatory Commission (FERC) that seeks approval of a new auction or market-based mechanism for forward procurement of electricity or capacity products in California unless it first obtains the formal concurrence of the California Public Utilities Commission.</th>
</tr>
</thead>
<tbody>
<tr>
<td>MCE’s Interest:</td>
<td>Ratepayer advocates have labeled this bill as an attempt for FERC to circumvent California’s renewable energy goals. This bill is designed in order to ensure the policy objectives of California remain when dealing with</td>
</tr>
</tbody>
</table>

---
federal processes. MCE is monitoring this bill in alignment with its renewable energy goals.

**Actions Taken**
- Referred to Senate Appropriations Committee
- Placed in suspense file in Senate Appropriations Committee
- Held in Committee under submission

**Next Steps**
- TBD, bill is likely terminated

---

**9) Sustainable Communities-Strategic Growth Council.........................................SB 1122**

**Summary:** This bill would authorize the Strategic Growth Council to manage and award financial assistance for the purpose of supporting the implementation of sustainable communities strategies or alternative planning strategies to be funded from the GHG Fund and adopt guidelines for the use of these funds.

**MCE’s Interest:** Monitoring uses of GHG funds and ensuring CCA participation in any future processes.

**Actions Taken**
- Referred to Senate Appropriations Committee
- Placed in suspense file in Senate Appropriations Committee
- Held in Committee under submission

**Next Steps**
- TBD, bill is likely terminated
KEY LEGISLATION:

AB 32 – Assembly Bill 32, the Global Warming Solutions Act of 2006
AB 32 is an environmental law in California that establishes a timetable to bring California into near compliance with the provisions of the Kyoto Protocol.

AB 117 – Assembly Bill 117, Community Choice Aggregation Enabling Legislation
AB 117 is the California legislation passed in 2002 that enabled community choice aggregation, authored by then Assemblywoman Carole Migden.

SB 790 – Senate Bill 790, Charles McGlashan Community Choice Aggregation Act
SB 790, authored by state Senator Mark Leno, was passed in 2012. This bill institutes a code of conduct, associated rules, and enforcement procedures for IOUs’ regarding how they interact with CCA. This bill also clarified a CCA’s equal right to participating in ratepayer-funded energy efficiency programs.

SB (1X) 2 – Senate Bill 2 (1st Extd. Session) California Renewable Energy Resources Act
SB (1X) 2 was approved in April of 2011 to expand upon previous RPS legislation. It raised the statewide RPS procurement target to 33% by 2020 and also includes interim procurement targets, new RPS content categories, and limitations. All IOUs, CCAs, ESPs, and POUs are all required to meet these procurement goals (with certain exceptions). The CPUC is addressing the implementation of SB (1X) 2 through its rulemaking process (R.11-05-005).

TERMINOLOGY:

Bundled Customers: receive both their electricity generation and distribution services from the same entity, typically the resident IOU.

Energy: the amount of work that can be (or has been) performed. When electrical appliances are run to wash cloths, watch television, chill food, or create light, these are all instances of
electricity performing work. Within the electric sector, the amount of electricity (or energy) that it takes to perform this work is expressed in units of kilowatt-hours (kWh) or megawatt-hours (MWh). The amount of electricity usage that appears on one’s electricity bill is a common expression of energy consumption and is typically noted in units of kWh.

**Power:** the amount of energy generated, transmitted, or consumed per unit of time. Within the electric sector, power is expressed in units of kilowatts (kW) or megawatts (MW). In this context these measurements of power are often used to describe (i) the capacity (i.e. bandwidth) of a generation facility to supply electricity to the grid, (ii) the amount of electricity a portion of the grid infrastructure can transmit, and (iii) the rate of consumption (i.e. demand) of electricity by customers.

**Unbundled Customers:** receive their electricity generation and distribution services from separate entities. Customers of MCE are considered unbundled customers because they purchase their electricity generation for MCE and their electricity distribution from PG&E.

**KEY ACRONYMS:**

**CAISO – California Independent System Operator**
The CAISO maintains reliability and accessibility to the California transmission grid. The CAISO manages, but does not own, the transmission system and oversees grid maintenance.

**CAM – Cost Allocation Mechanism**
CAM relates to the socialized costs of capacity (i.e. power) and is a mechanism for passing through RA-related procurement costs within an IOU’s service territory. In cases where there is a system or local reliability need, the Commission may authorize an IOU to procure RA on behalf of other LSEs and to recover the related capacity costs through a NBC.

**CARB – California Air Resources Board**
CARB was established by California’s Legislature in 1967 to: 1) attain and maintain healthy air quality; 2) conduct research to determine the causes of and solutions to air pollution; and 3) address the issue of motor vehicles emissions.

**CCA – Community Choice Aggregation**
CCA allows cities and counties to aggregate the buying power of individual customers within a defined jurisdiction in order to secure alternative energy supply. MCE is the only operational CCA in California.
CEC – California Energy Commission
The CEC is California’s primary energy policy and planning agency. It has responsibility for activities that include forecasting future energy needs, promoting energy efficiency through appliance and building standards, and supporting renewable energy technologies.

CHP – Combined Heat and Power
CHP (also referred to as Cogeneration) is the use of a heat engine or a power station to convert waste heat (usually steam) into additional electricity. Not necessarily considered renewable energy, CHP is still encouraged by state policy and regulations because it is more energy efficient than conventional power generation systems.

CIA – Conservation Incentive Adjustment
The CIA is a rate unrelated to generation, transmission or distribution. This rate design was implemented in the PG&E service territory in July 2012, replacing tiered generation and distribution rates with a flat rates and an added CIA charge/credit. Low usage customers receive a credit from the CIA, while high usage customers see added fees.

CPUC – California Public Utilities Commission
The CPUC, also simply called the Commission, is the entity that regulates privately-owned utilities in the state of California, including electric power, telecommunications, natural gas and water companies. The CPUC has limited jurisdiction over CCAs.

DA – Direct Access
DA is an option that allows eligible customers to purchase their electricity directly from competitive ESPs. There are legislatively mandated caps on DA that have gradually increased since the energy crisis. Large energy users in particular seek the cost certainty associated with being on DA service.

DG – Distributed Generation
DG refers to small, modular electricity sources sited at the point of electricity consumption. One example of residential distributed generation is an array of solar panels installed on a home’s roof.

DR – Demand Response
DR refers to intentional changes in electric usage by customers from their normal consumption patterns in response to changes in the price of electricity over time, or to incentive payments designed to induce lower electricity use.
EE – Energy Efficiency
EE is a way of managing and restraining the growth in energy consumption. It refers to using less energy to provide the same service. For example: In the summer, efficient windows keep the heat out so that the air conditioner runs less often which helps save electricity.

ES – Energy Storage
ES refers to various types of technologies that store energy to perform useful operation at a later time. ES devices can provide various benefits to electricity suppliers, electricity customers, and the electricity grid depending upon how they are leveraged. ES devices can be located at many different levels within the electricity grid (customer-sited, generation-sited, or within the distribution or transmission grid infrastructure), and where these devices are located influences what benefits these devices can provide.

ESP – Electricity Service Provider
ESPs are non-utility entities that offer DA electric service to customers within the service territory of an electric utility. ESPs share various regulatory interests with CCAs because the customers of both types of entities face departing load charges through the PCIA and other non-bypassable charges.

EV – Electric Vehicle
EV is a general term for an electric vehicle. Within EV there are many subtypes. The two main types are Plug-in Hybrid Electric Vehicles (PHEV) and Battery Electric Vehicles (BEV). PHEV use a combination of gasoline and electricity (e.g. Plug-In Hybrid Prius and Chevy Volt). BEV use only electricity to fuel the vehicle (e.g. Tesla Model S, Tesla Roadster, and Nissan Leaf). Because EVs depend on batteries to store their energy, they can behave like ES devices as well.

FC – Flexible Capacity
FC is a specialized type of capacity that can respond more quickly than conventional RA (see below) resources to fluctuations in the supply and demand of electricity within the grid. Obligations to procure FC resources may soon be required for all LSEs (see below) in order to help offset increased instability within the grid due to wider-spread usage of intermittent generation resources such as solar and wind and changes in customer usage patterns.

FFS – Franchise Fee Surcharge
The Franchise Fee is a small percentage of gross receipts collected by PG&E to pay for the right to use public streets to run gas and electric service. In the case of MCE, a “Franchise Fee Surcharge” is added to bills to represent MCE’s share of the Franchise Fee which must be paid.
FIT – Feed-In Tariff
FITs are long-term, standard-offer, must-take contracts offered by electricity retailers to small-scale renewable developers for the procurement of DG renewable energy. MCE currently offers a FIT.

IOU – Investor Owned Utility
IOU refers to an electric utility provider that is a private company, owned by shareholders. The three largest IOUs in California are Pacific Gas and Electric (PG&E), Southern California Edison (SCE) and San Diego Gas and Electric (SDG&E).

LSE – Load Serving Entity
LSEs are a categorization term that refers to IOUs, ESPs, CCAs, and any other entity serving electricity load to end-use or wholesale customers. POUs are excluded from this categorization.

NBC – Non-Bypassable Charge
NBCs are line item charges that all distribution customers (both Bundled and Unbundled) must pay. Types of NBCs include transmission access charges and nuclear power plant decommissioning costs.

NEM – Net Energy Metering
NEM allows a customer to be credited when their renewable generation system generates more electricity than is used on site. The customer continues to pay for electricity when more electricity is used on site than the system produces.

PCIA – Power Charge Indifference Adjustment
The PCIA is an “exit fee” imposed on departing load that is intended to protect bundled utility customers. When customers leave bundled service to purchase electricity from an alternative supplier, such as MCE, the IOU, who had previously contracted for generation to serve these customers on a going-forward basis, is able to charge these departing customers the above market costs of that electricity (i.e. energy).

PDP – Peak Day Pricing
The primary demand response program offered by PG&E. Demand response programs allow customers to receive credit for reducing their electrical usage during certain high-usage periods. Continued usage during these periods can result in penalties. This program is one of the only PG&E programs unavailable to CCA customers.
POU – Publicly Owned Utility
POUs are locally publicly owned electric utilities that are administered by a board of publicly appointed representatives (similar to a CCA). POUs are not within the jurisdiction of the CPUC, and are thus subject to different regulation and enforcement than IOUs, CCAs, and ESPs.

PV – Photovoltaic
PV is solar electric generation by conversion of light into electrons. The most commonly known form of solar electric power is roof panels on homes.

RA – Resource Adequacy
RA refers to a statewide mandate for all LSEs to procure a certain quantity of electricity resources that will ensure the safe and reliable operation of the grid in real time. RA also provides incentives for the siting and construction of new resources needed for reliability in the future.

RPS – Renewable Portfolio Standard
The RPS was created in 2002 under Senate Bill 1078 was most recently modified by SB (1X) 2 (2011). RPS requires that electricity providers meet certain minimum RPS requirements over time, and no less than 33% RPS by 2020.

VNEM/NEMV – Virtual Net Energy Metering
VNEM allows credit for renewable generation from a single account to be distributed to several other accounts, typically on-site. It otherwise generally functions the same as NEM.