

Community Choice Energy for Alameda County

Status Update

City of Oakland
Tuesday, May 3, 2016

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OFFICE OF THE CITY CLERK
OAKLAND

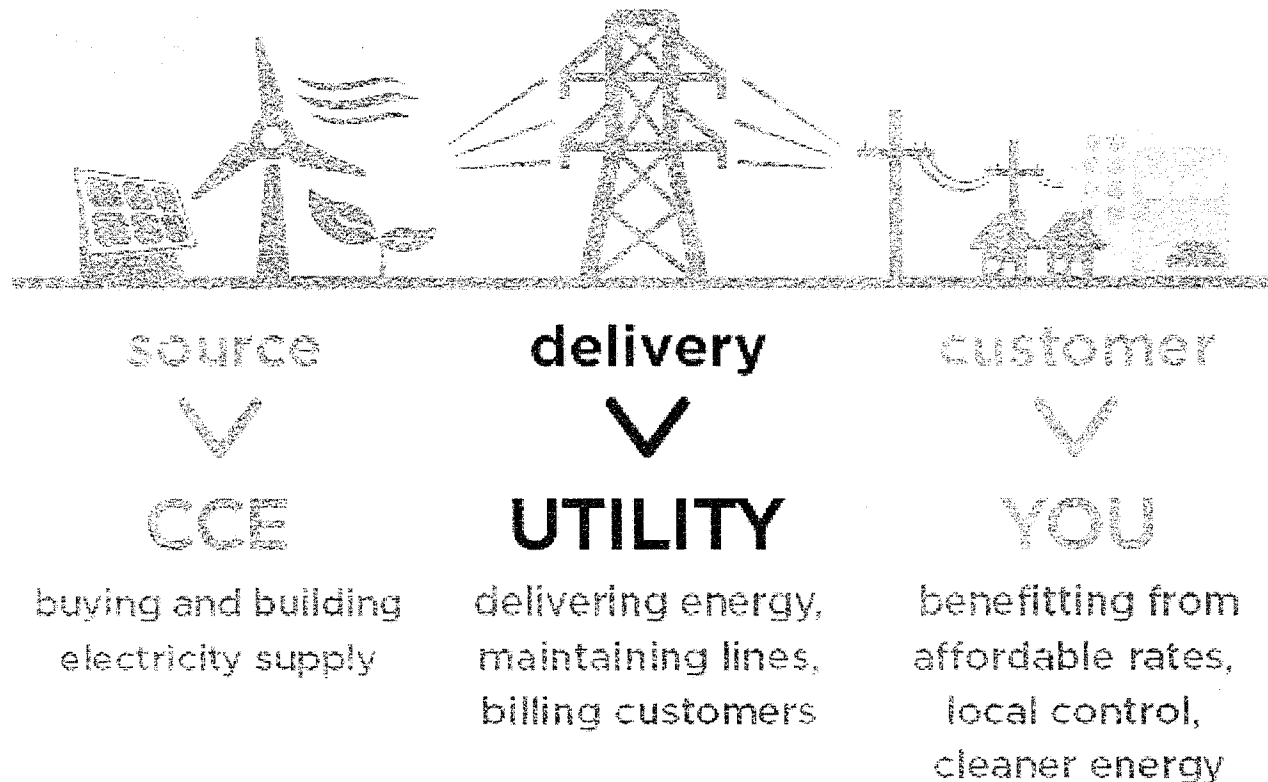


What is Community Choice Energy?

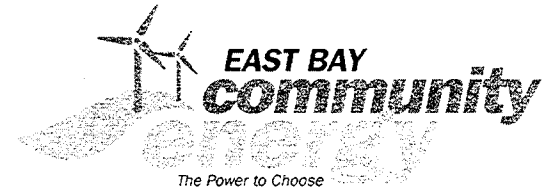


CCE enables local governments to procure and/or develop power on behalf of their public facilities, residents and businesses. It has proven to increase renewable energy and lower greenhouse gases while providing competitive electricity rates.

How Community Choice Energy Works



Potential CCE Advantages



- CCE is responsive to local environmental and economic goals
- Offers consumers a choice where none currently exists
- Revenue supported, not taxpayer subsidized
- Stable, often cheaper, electricity rates
- Allows for rapid switch to cleaner power supply and significant Greenhouse Gas reductions; achievement of local Climate Action Plan goals
- Provides a funding source for energy efficiency and other energy programs like energy storage and electric vehicle charging stations

CCE is Growing in California



- Operational CCAs**
 MCE Clean Energy (*includes Napa County, parts of Contra Costa and Solano Counties*)
 Lancaster Choice Energy
 Sonoma Clean Power

- 2016 Launch**
 City/County of San Francisco / *CleanPowerSF*
 San Mateo County / *Peninsula Clean Energy*

- Exploring / in Process**
 Alameda County
 Butte County
 City of San Jose
 Contra Costa County
 Humboldt County
 Lake County
 Los Angeles County
 Mendocino County
 Monterey County*
 Placer County
 Riverside County
 San Benito County*
 San Bernardino County
 San Diego County
 San Luis Obispo County**
 Santa Barbara County**
 Santa Clara County / *Silicon Valley Clean Energy*
 Santa Cruz County*
 Solano County
 Ventura County**
 Yolo County

*Monterey Bay Tri-County

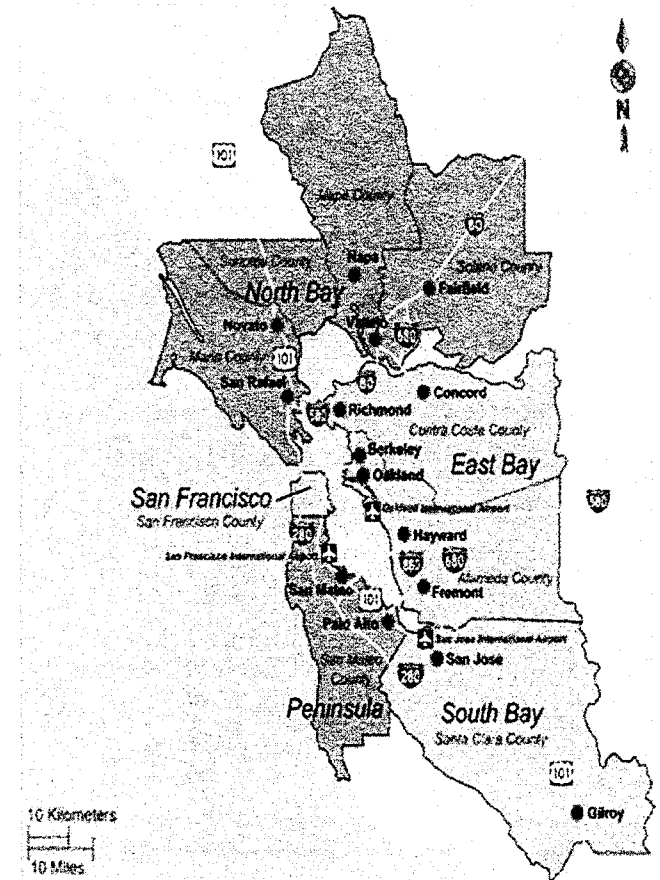
**Central Coast Tri-County

Status in Bay Area Counties



All Nine Counties Engaged ...

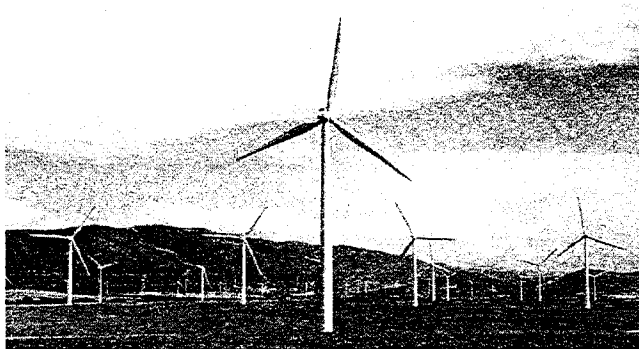
- Operational: Marin, Sonoma Counties
City of San Francisco
- Joined Marin: County of Napa, Cities of Richmond,
San Pablo, El Cerrito, Benicia
- Launching Soon: San Mateo County
- Under Development: Alameda, Santa Clara Counties
- Early Investigations: Contra Costa County
- Next/Follow Up: Solano County



Alameda County CCE Thus Far



- In June 2014, the Board of Supervisors allocated \$1.32 million to assess CCE in Alameda. Up to \$3.25 million may be spent if the first phase looks positive.
- All eligible cities authorized load data collection
- Phase I includes establishing a CCE Steering Committee, program goals, name/brand, initial city and stakeholder outreach, completion of a technical study.
- MRW & Associates in Oakland was selected as the technical study consultant; Study will be complete in late May.

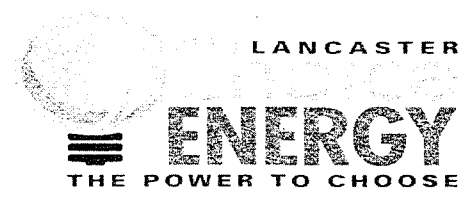
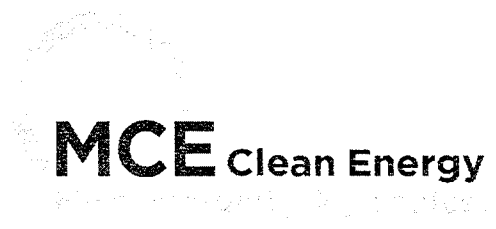


Steering Committee Goals



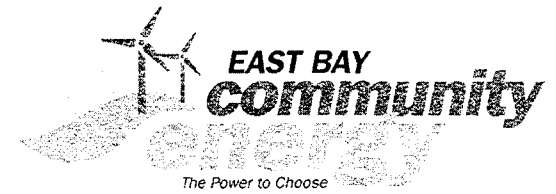
1. Overall rates and customer bills that are lower or competitive with those offered by PG&E for similar products.
2. Differentiated energy options (e.g. 33% or 50% qualified renewable) for default service, and a 100% renewable content option in which customers may “opt-up” and voluntarily participate.
3. An electric supply portfolio with a lower greenhouse gas intensity than PG&E, and one that supports the achievement of Alameda County’s Climate Action Plan greenhouse gas reduction goals and comparable goals of all participating jurisdictions.
4. An energy portfolio that prioritizes the use and development of local renewable resources and minimizes the use of unbundled renewable energy credits.
5. An energy portfolio that incorporates energy efficiency and demand response programs and has aggressive reduced consumption goals.
6. A program that demonstrates quantifiable economic benefits to the region (e.g. union and prevailing wage jobs, local workforce development, new energy programs, and increased local energy investments).
7. A program that promotes personal and community ownership of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities and communities of color, which are most impacted by climate change.
8. An administering Agency that is financially sustainable, responsive to County and regional priorities, and well managed.

3 CCE Programs in California... so far



Launch Year	2015 Avg. Customer Rate Savings	Power Options (current)
2010	2-5% below PG&E	56% Renewable 100% Renewable 100% Local Solar
2014	6-14% below PG&E	36% Renewable 100% Renewable
2015	3-4% below SCE	35% Renewable 100% Renewable

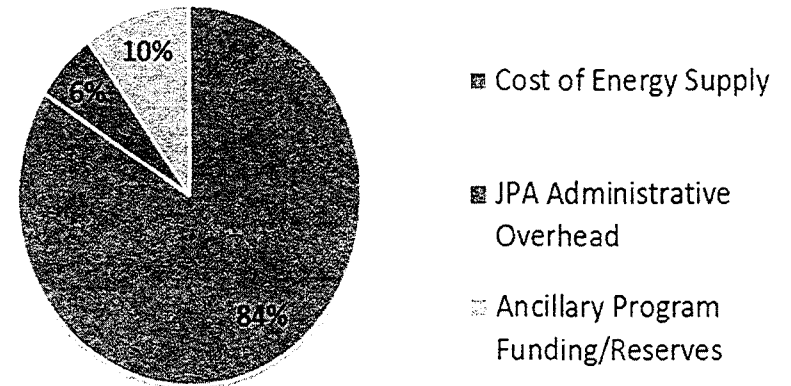
CCE Financial Performance



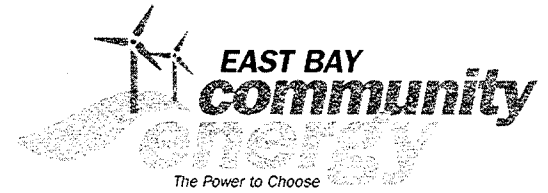
MCE and SCP are fiscally sound

	MCE (FY 15-16)	SCP (FY 15-16)
Total Projected Revenue	\$145,933,000	\$165,495,000
Expenses	\$141,433,000	\$148,588,000
Cost of Energy	\$129,522,000	\$130,100,000
Cost of Administration	7%	4.5%
Projected Net Increase in Reserves	\$4,500,000	\$16,907,000

Typical CCA Revenue Allocation


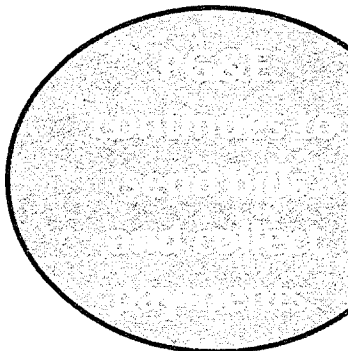



Basic Program Mechanics



1. In Alameda, local governments may participate by passing an ordinance and entering into a JPA Agreement. The JPA structure protects city general funds by separating assets and liabilities of the JPA from those of its member agencies.
2. Under state law, CCE is an “opt-out” program, so customers are automatically enrolled with the option to return to PG&E service at any time.
3. PG&E programs for low income/CARE customers remain the same
4. CCE electric generation charges (including PCIA/exit fee) appear as new line items on the customer bill; all other charges remain the same.
5. The CA Public Utilities Commission certifies CCE Plan; oversees utility/CCE service agreement and other regulatory requirements.

Sample Energy Bill – MCE

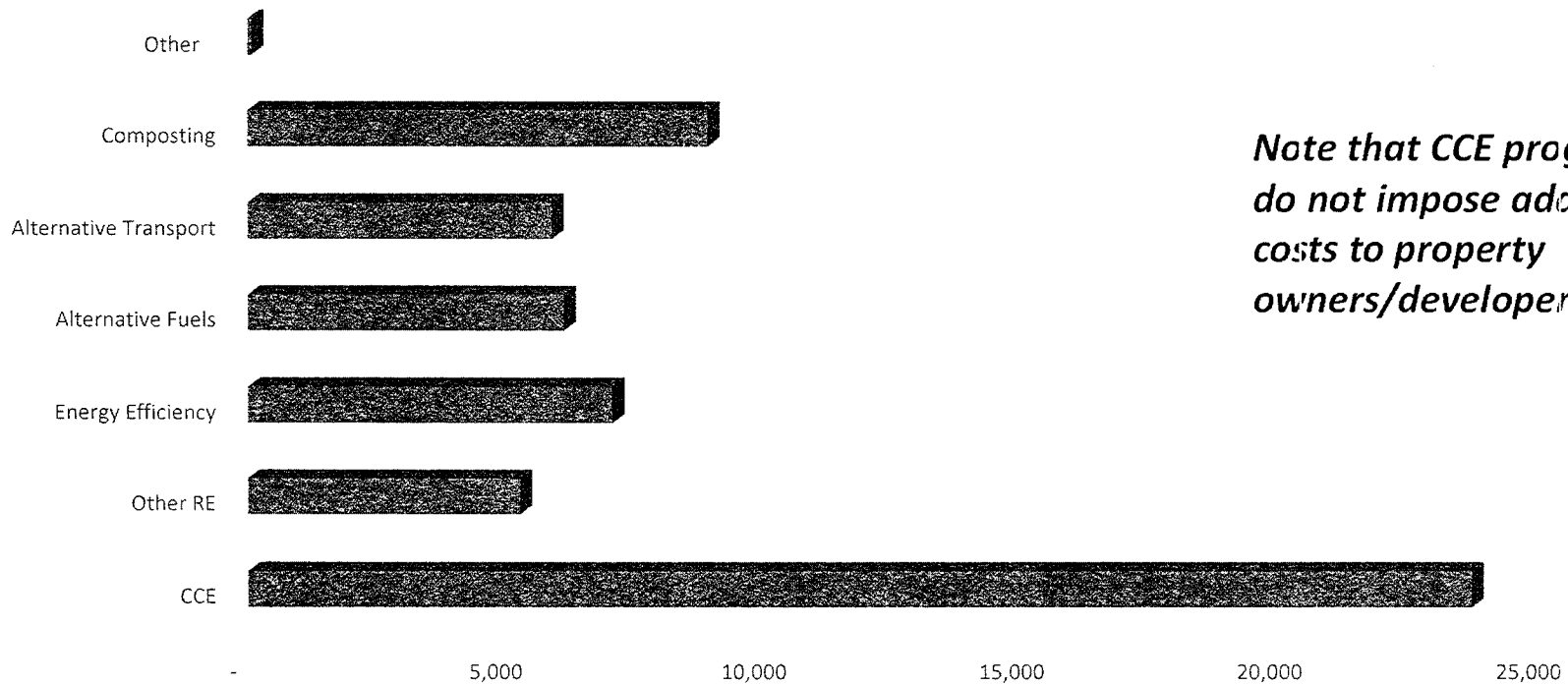
 ENERGY STATEMENT www.pge.com/MyEnergy	Account No: 1234567890-1 Statement Date: 10/01/2013 Due Date: 10/22/2013																
Service For: MARY SMITH 1234 STREET AVENUE SAN RAFAEL, CA 94804	Your Account Summary <table border="0"> <tr> <td>Amount Due on Previous Statement</td> <td>82.85</td> </tr> <tr> <td>Payments Received Since Last Statement</td> <td>82.85</td> </tr> <tr> <td>Previous Unpaid Balance</td> <td>\$0.00</td> </tr> <tr> <td>Current PG&E Electric Delivery Charges</td> <td>\$39.32</td> </tr> <tr> <td>MCE Electric Generation Charges</td> <td>\$42.81</td> </tr> <tr> <td>Current Gas Charges</td> <td>\$27.20</td> </tr> <tr> <td>Total Amount Due</td> <td>\$109.33</td> </tr> <tr> <td>Total Amount Due</td> <td>\$109.33</td> </tr> </table>		Amount Due on Previous Statement	82.85	Payments Received Since Last Statement	82.85	Previous Unpaid Balance	\$0.00	Current PG&E Electric Delivery Charges	\$39.32	MCE Electric Generation Charges	\$42.81	Current Gas Charges	\$27.20	Total Amount Due	\$109.33	Total Amount Due
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Questions about your bill? 24 hours per day, 7 days per week Phone: 1-866-743-0335 www.pge.com/MyEnergy	 ENERGY STATEMENT www.pge.com/MyEnergy Details of MCE Electric Generation Charges 10/01/2013 – 11/01/2013 (31 billing days) SERVICE FOR: 1234 STREET AVENUE Service Agreement ID: 0123456789 ESP Customer Number: 0123456789 10/01/2013 – 11/01/2013 Rate Schedule: RES-1 <table border="0"> <tr> <td>DEEP GREEN - TOTAL</td> <td>508.000000 kWh @ \$0.0100</td> <td>\$5.08</td> </tr> <tr> <td>GENERATION - TOTAL</td> <td>508.000000 kWh @ \$0.07400</td> <td>\$37.59</td> </tr> <tr> <td></td> <td>Net charges</td> <td>\$42.67</td> </tr> </table> Energy Surcharge \$0.14 <hr/> Total MCE Electric Generation Charges \$42.81	DEEP GREEN - TOTAL	508.000000 kWh @ \$0.0100	\$5.08	GENERATION - TOTAL	508.000000 kWh @ \$0.07400	\$37.59		Net charges	\$42.67	Account No: 1234567890-1 Statement Date: 10/01/2013 Due Date: 10/22/2013						
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Local Office Address 750 LINDARO STREET, STE 160 SAN RAFAEL, CA 94901	Service Information Total Usage 508.000000 kWh For questions regarding charges on this page, please contact: MCE 781 LINCOLN AVE STE 320 SAN RAFAEL CA 94901 1-888-632-3674 www.mceCleanEnergy.com																
Page 1 Important Messages Your charges on this page are separated into delivery charges other than PG&E. These two charges are for delivery and service charges. Electric power line safety PG&E cares about your safety. Please keep antennas at least 10 feet away from overhead power lines. For more information, call 9-1-1 and then PG&E at 1-800-743-5000.	Additional Messages For questions regarding your charges on this page, please contact your Third Party Energy Service Provider.																
	Page 2																

CCE & Local Climate Action Plans

Excerpt from City of San Mateo Climate Action Plan



CAP Program Options



Note that CCE programs do not impose additional costs to property owners/developers

Tons of CO2 reduced through 2020



What are the Risks...

And how are they mitigated?



Rate Competition/Market Fluctuation: Rates will vary with market conditions. Power market expertise, diversified supply portfolio and “value add” programs are essential.



Customer Opt-Out: Opt-out rates have gone down as new programs come on-line. Important to maintain competitive rates and positive customer relationship.



Political: CCE aligns with various State and local policy objectives; appeal to a range of political ideologies by making the environmental, consumer benefit, and economics case.

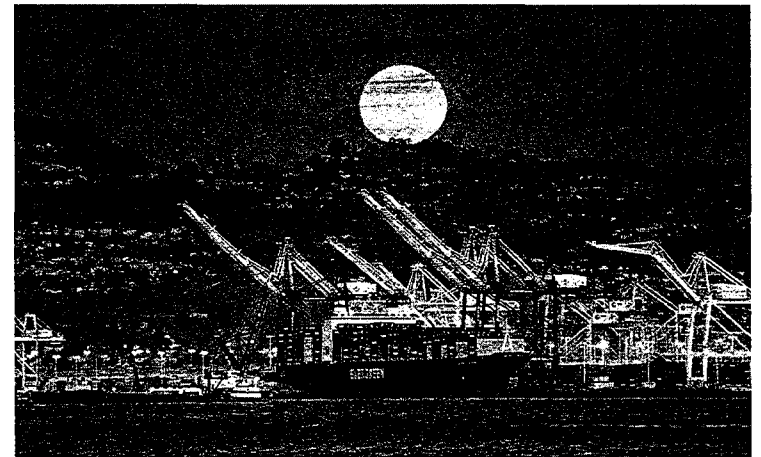


Regulatory/Legislative: Legislative and Public Utility Commission decisions may adversely affect CCE; Participate in the regulatory and legislative process.

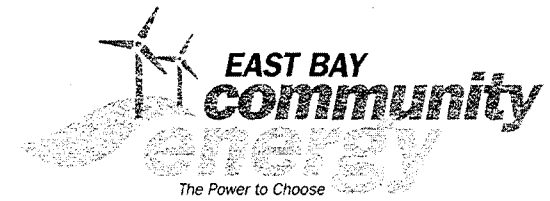
Next Steps: Tech Study



- Purpose is to determine megawatt-hour need, peak demand requirements, ability to be competitive with PG&E and procure enough renewables
- Alameda's technical study is unique for two reasons:
 - ✓ Economic Development: Seeking to quantify more precisely the job creation benefits of local renewables development
 - ✓ Energy Efficiency: Assessing the potential for energy efficiency programs as an integral part of the CCE program
- Draft of tech study expected to be completed by late-May.



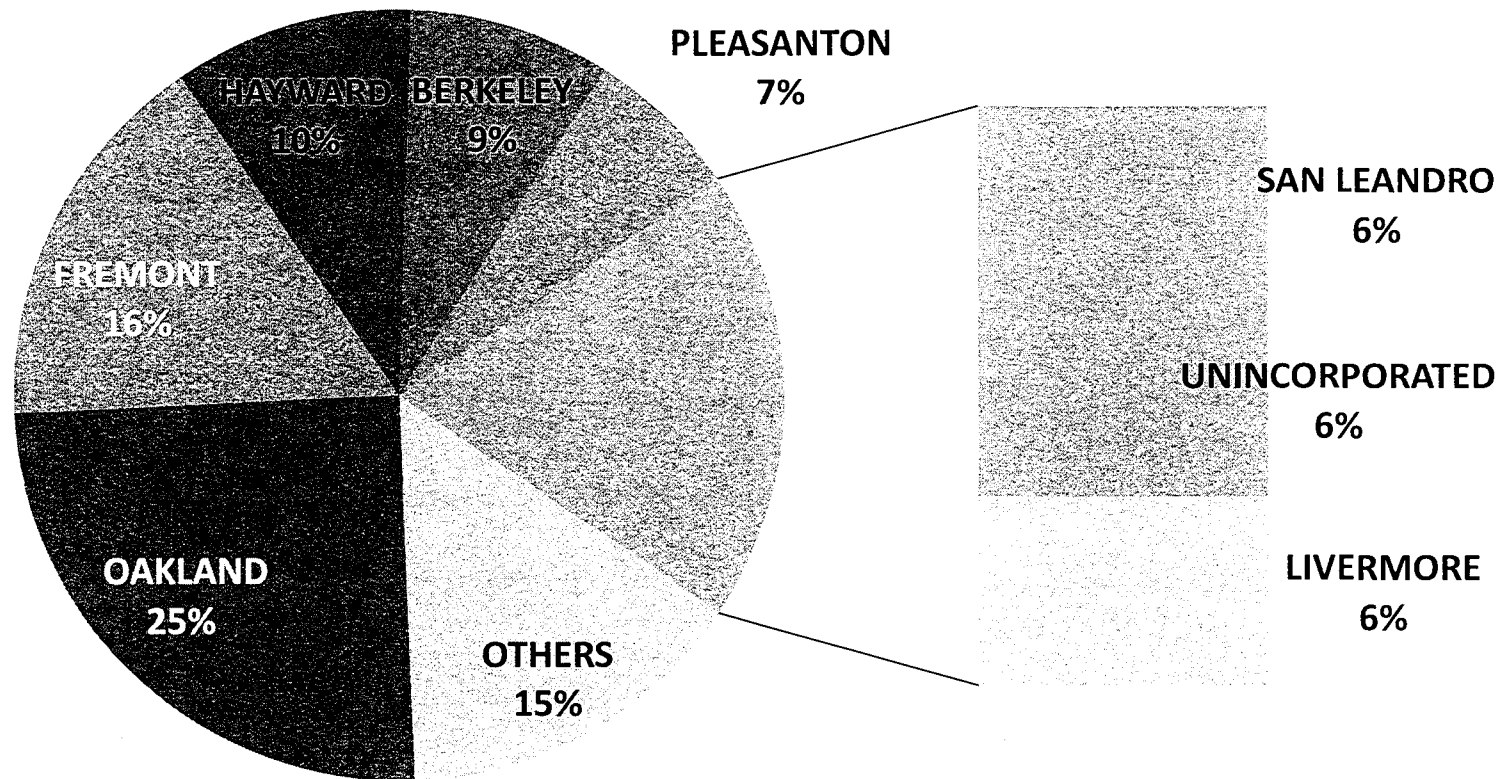
Alameda Context: EBCE Would be Largest in the Bay



CCE Program	Customers	Sales (GWh)
<i>East Bay Community Energy/ Alameda County</i>	~600,000	~6,500
Silicon Valley Clean Energy/ Santa Clara County	~210,000	~3,400
Clean Power SF/San Francisco	~340,000	~3,200
Peninsula Clean Energy/ San Mateo County	~250,000	~3,300
Marin Clean Energy - includes Marin, Napa, parts of Contra Costa	170,000	1,800
Sonoma Clean Power	190,000	2,100

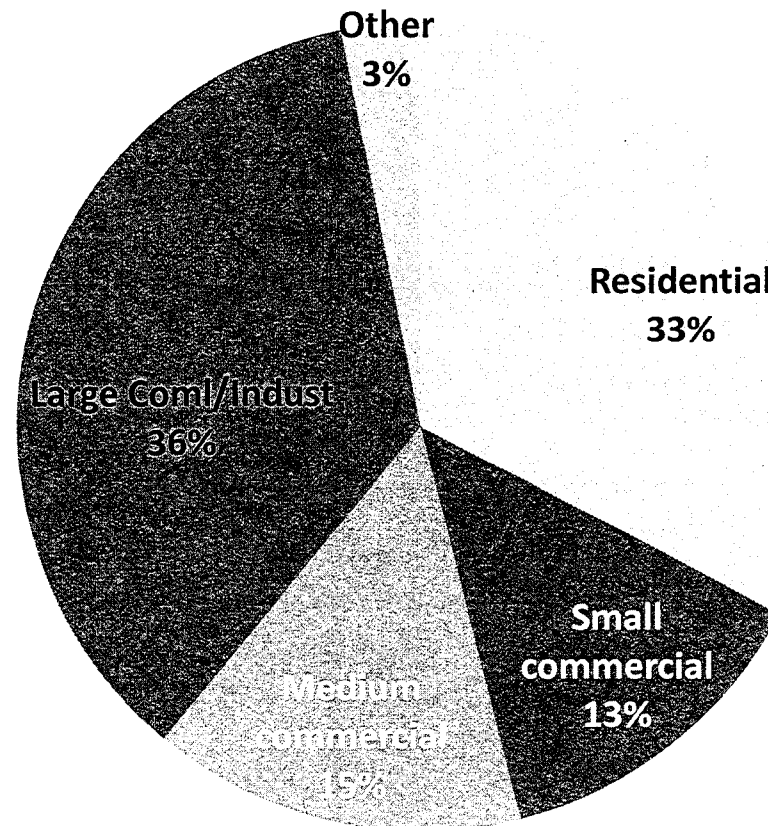
Source: MRW preliminary estimates, March 2016

Alameda Context: Electrical Load by Jurisdiction



Source: MRW preliminary estimates, March 2016

Alameda Context: Electrical Load by Rate Class



Source: MRW preliminary estimates, March 2016

Alameda Context: Largest Users By Class/Jurisdiction



Residential	Commercial	Lrg. Com'l + Industrial
Oakland	Oakland	Oakland
Fremont	Fremont	Fremont
Unincorporated County	Hayward	Berkeley

Source: MRW preliminary estimates, March 2016

Next Steps/Timeline



- Goal is to launch East Bay Community Energy in **Spring, 2017**
 - To meet this goal, we are working on parallel paths
 - The County is starting the JPA process and has reached out to all the city managers and attorneys. The JPA Agreement will return to the Board of Supervisors at the end of June or early July
 - The tentative deadline to join the JPA is **October 31, 2016**
 - A robust, multi-lingual public outreach effort will commence once JPA votes are in
 - No expenditure of city general funds will be requested for program start-up
-



What We're Asking from the Cities

- Schedule City Council and staff briefings; continue to participate in CCE Steering Committee
 - Ask your City Attorney to participate in JPA Agreement discussions
 - Schedule a follow up presentation once Technical Study results are in (summer)
 - Agendize CCE item for go/no-go decision this Fall. A copy of the technical study, negotiated JPA agreement and CCE ordinance will be provided.
 - The **tentative** deadline for cities to determine their participation is **October 31.**
 - The County stands ready to assist the City in whatever it needs to support decision-making (community workshops, study sessions, materials, etc.)
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Thank you!

For further information, please contact:
Bruce Jensen
Alameda County Community Development Agency
(510) 670-5400
Bruce.Jensen@acgov.org



ATTACHMENT A

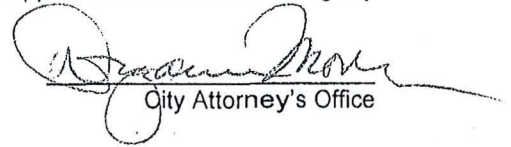
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OFFICE OF THE CITY CLERK
OAKLAND

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OFFICE OF THE CITY CLERK
OAKLAND

16 APR 28 PM 4:22

Approved as to Form and Legality


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBERS DAN KALB and DESLEY BROOKS, and
VICE MAYOR REBECCA KAPLAN

RESOLUTION IN SUPPORT OF AN ALAMEDA COUNTY COMMUNITY CHOICE ENERGY PROGRAM IN ORDER TO BENEFIT OAKLAND COMMUNITIES, WORKERS AND ENVIRONMENT, AND PROPOSING REQUIREMENTS AND GOALS FOR THE PROGRAM AND A CITY SEAT ON THE ALAMEDA COUNTY COMMUNITY CHOICE STEERING COMMITTEE

WHEREAS, in 2005 the Oakland City Council, in Resolution No. 79325 C.M.S. notifying the California Public Utility Commission (CPUC) of Oakland's intent to become a Community Choice aggregator, cited the "...numerous potential benefits for cities that aggregate including, but not limited to: (1) More stable and reliable power supplies, (2) Opportunity for general fund revenue, (3) Greater use of renewable energy resources compared to those planned by PG&E, and (4) Ratepayer access to a democratically elected governing body..."¹ and

WHEREAS, there are two Community Choice energy programs operating in Northern California, and dozens of other jurisdictions throughout California considering the establishment of Community Choice energy programs; and

WHEREAS, the Alameda County Board of Supervisors has voted unanimously to begin the process of studying a Community Choice energy program for the purpose of establishing such a program that could serve the residents throughout Alameda County, including Oakland; and

WHEREAS, the high desire and demand for clean, renewable energy is creating opportunities for work in the development of new renewable power generation through the building of local and in-state renewable energy in which the Oakland City Council and organized labor are united in providing as much of this work under Project Labor Agreements; and

WHEREAS, a Community Choice energy program can accelerate the transition to renewable energy resources and reduce greenhouse gas emissions in the electricity

¹ Oakland City Council Resolution No. 79325 C.M.S., May 12, 2005

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JUN 09 2015

sector, helping to achieve the goals of Oakland's Energy and Climate Action Plan (ECAP); and

WHEREAS, a Community Choice energy program that prioritizes the development of local renewable resources will likely create wealth within the community, boost Oakland's economy, and foster local business development; and

WHEREAS, a Community Choice energy program that prioritizes the development of local renewable resources can create family-sustaining clean energy jobs prioritizing training through union-sponsored apprenticeship programs, hiring of local residents, and expanding the number of unionized and similarly paid and benefitted jobs in the electricity sector thereby helping to address Oakland's high unemployment rate, provide for stable and reasonable wages and working conditions and electricity rates, including rates competitive with PG&E, and incentivize energy efficiency at the local level; and

WHEREAS, a Community Choice energy program can democratize energy by giving the community control and effective ownership of the energy supply and providing residents and businesses with access to a local, public energy agency; and

WHEREAS, a Community Choice energy program can target different categories of electricity customers to incentivize demand reduction and renewable energy installations and include programs to promote ownership of renewable energy assets for low and moderate income residents and communities of color, as well as those who do not own buildings and are often shut out of participation in the clean energy economy; now, therefore, be it

RESOLVED: That the Oakland City Council supports a robust study of Community Choice Energy in Alameda County and the eventual development of an Alameda County Community Choice energy program based, in large part, on the goals established by the East Bay Clean Power Alliance² (see attached), along with a priority goal to create fair-wage, clean energy jobs such as unionized and similarly paid and benefitted jobs as part of the growing green economy in the East Bay; and be it

FURTHER RESOLVED: That Oakland City Council urges that Oakland be well-represented on the Alameda County Community Choice Steering Committee to advocate for a program that provides substantial and equitable economic benefits to Oakland's residents, ratepayers, workers, businesses, and communities; and be it

FURTHER RESOLVED: That the City Administrator is directed to forward a copy of this enacted Resolution to each member of the Alameda County Board of

² The East Bay Clean Power Alliance advocates for Community Choice energy programs in the East Bay that serve to spur equitable economic development and unionized, family-sustaining clean energy jobs, reduce greenhouse gas emissions, stabilize or lower the cost of electricity, improve community health and social equity, and provide other community benefits. We see the development of local renewable energy resources (including reduced consumption) as key to securing these benefits. We also see engagement of the East Bay community, broadly and equitably, as central to achieving such goals, both in establishing the Community Choice program and in the governance structure of the program once it is set up.

Supervisors and the appropriate staff within the County administration working on the Alameda County Community Choice energy program and to the lobbyist for the City of Oakland to advocate for the implementation of this program in a manner that prioritizes the development of local clean energy projects and the use of power purchase agreements from unionized and other generating companies/agencies that pay fair wages and provide good benefits, and inclusive Project Labor Agreements / community benefits agreements that promote local hire and local construction, disadvantaged workers and disadvantaged businesses, as well as clean air and climate benefits for Oakland residents and communities.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLÉN, KALB, KAPLAN, REID, AND
PRESIDENT GIBSON MCELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California

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East Bay Clean Power Alliance Proposed Goals for an Alameda County Community Choice Program

We need bold action to address escalating climate destabilization and increasing economic hardship and inequality in our communities.

An Alameda County Community Choice Energy program that prioritizes and invests in the development of local renewable energy resources can be a powerful tool to reduce greenhouse gas emissions, speed up the switch to 100% renewable sources of energy, and address equitable economic development. Investing in local clean energy development builds wealth in our communities and helps create family-sustaining jobs. County-managed development projects can increase union participation in the renewable energy sector and offer opportunities to disadvantaged job seekers in Alameda County.

We seek to establish a Community Choice program that serves the residents and businesses of Alameda County in the following ways (not in priority order):

1. Provides competitively priced electricity to customers, at more stable and lower rates than Pacific Gas & Electric (PG&E).
2. Prioritizes the development of local renewable resources, including reduced energy consumption and renewable electrical generation, with goals of at least 18% reduction in electricity demand through conservation and energy efficiency, and at least 50% of renewable energy being locally generated, all within 10 years of the start of the program.³
3. Achieves Alameda County's Climate Action Plan Greenhouse Gas reduction goals and comparable goals of all participating jurisdictions, while also exceeding the California renewable portfolio standard (RPS) and the renewable portfolio of PG&E.
4. Generates family-sustaining, high-quality, clean energy jobs through local renewable resource development that prioritizes union jobs, spurs local workforce development, overcomes barriers to employment in historically disadvantaged communities, and includes local small businesses, diverse business enterprises,⁴ and cooperative enterprises.

³ Targets taken from scenario in, *East Bay Community Choice Energy: From Concept to Implementation*.

⁴ Includes minority-owned, women-owned, and disabled veteran-owned businesses, and other such enterprises

5. Promotes local and community ownership and control of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities and communities of color, which are most impacted by climate change.
6. Improves community health and safety by reducing pollution from fossil fuel power generation and by electrifying vehicle transportation.
7. Includes community stakeholders in the decision-making process of the Community Choice program and ensures inclusive representation.

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