

Marin Energy Authority

MARIN CLEAN ENERGY



October 25, 2011



renewable. reliable. affordable.

MCE In a Nut Shell

- Administered by local, not-for-profit, public agency (Marin Energy Authority)
- Cleaner, greener, non-polluting energy
- Partner with PG&E to deliver energy and maintain power lines
- 27-100% renewable power
- Service area currently includes Belvedere, Fairfax, Larkspur, Mill Valley, Novato, Ross, San Anselmo, San Rafael, Sausalito, Tiburon, and the County of Marin

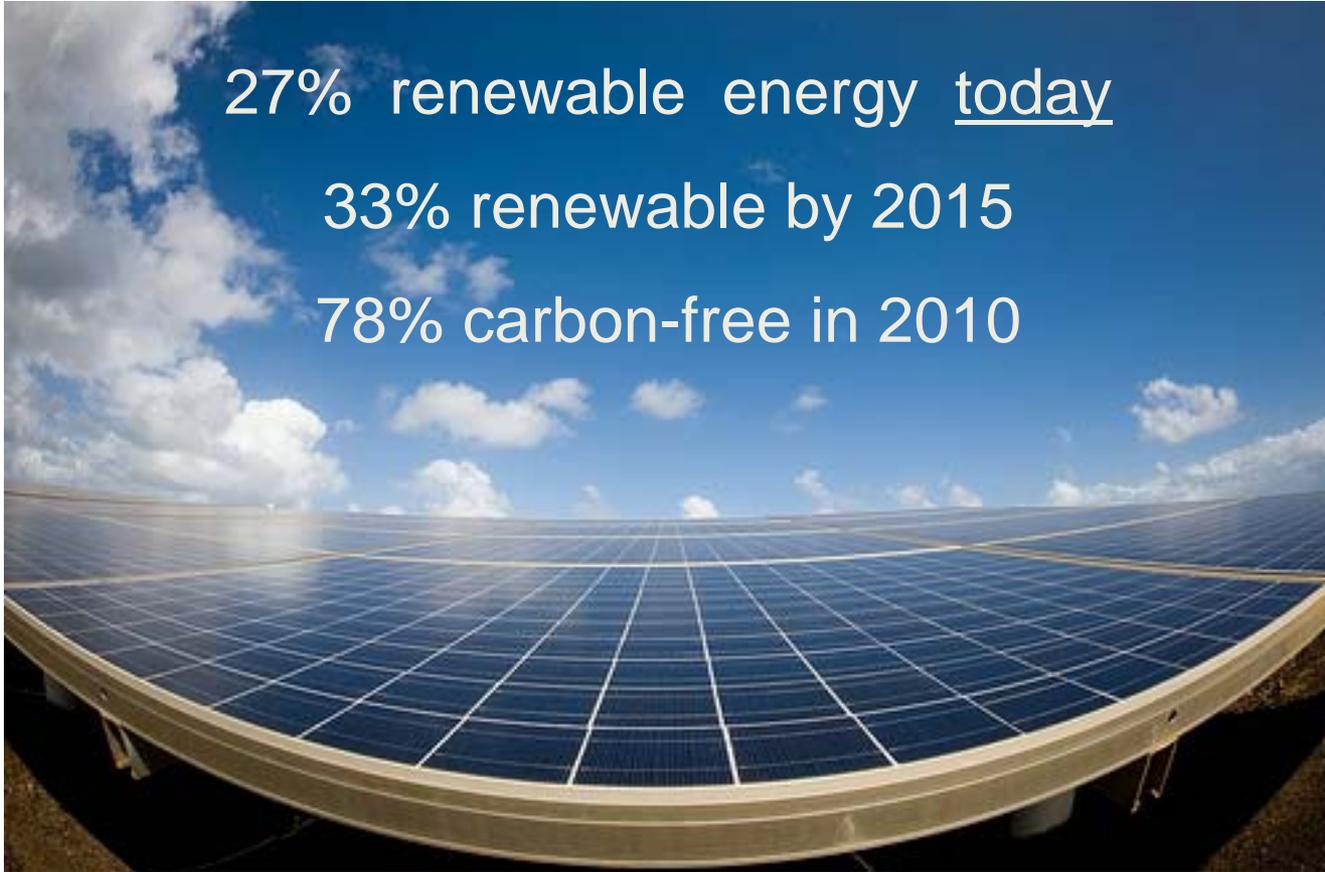


Light Green Power

27% renewable energy today

33% renewable by 2015

78% carbon-free in 2010



Deep Green Power

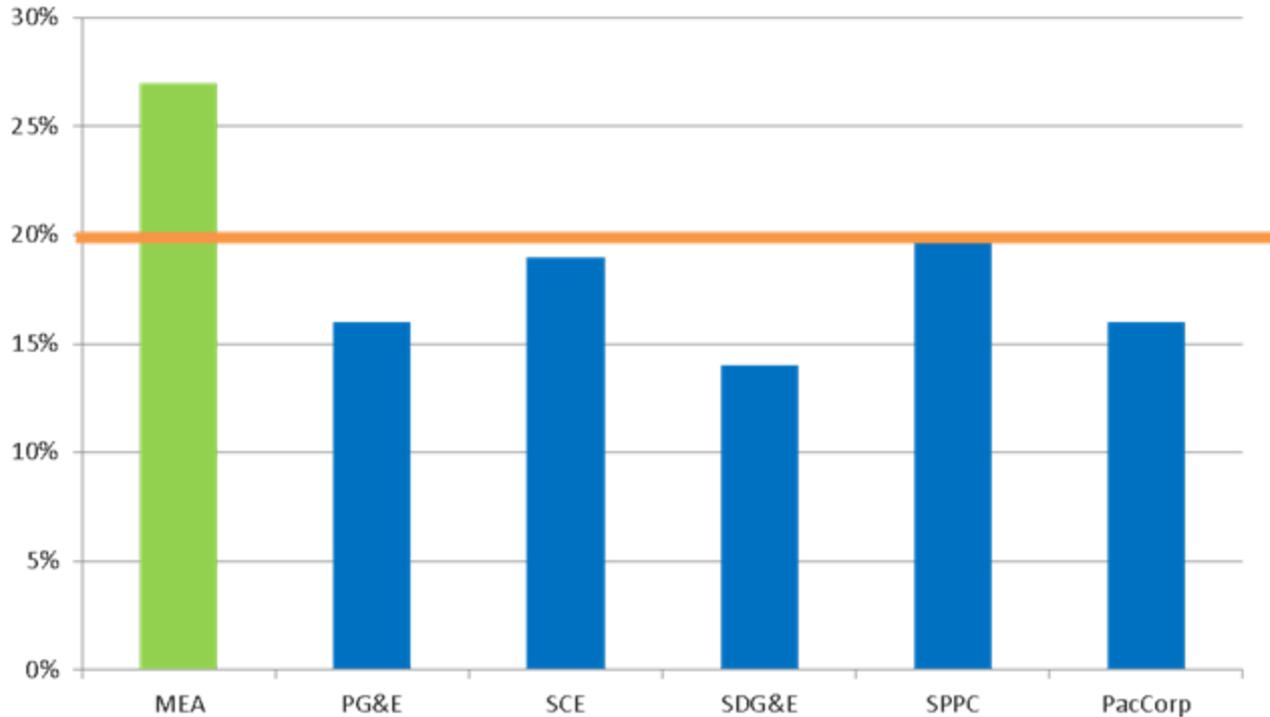
100% renewable energy today
100% carbon-free



CA Renewables Portfolio Standard

Exceeding State Requirements

Renewables Portfolio Standard / MEA Procurement – 2010



In first reporting, MEA is exceeding the State's Renewable Portfolio Standard by **33%**

Renewable Purchases



New renewable projects in California

- 31 MW of new solar
- 3.2 MW of new biogas



Local Solar Procurement

- 429 MCE customers generating solar power
- 393,886 kWh produced by local producers to-date
- 1 MW of new solar carport shade structures under development

Giving Back

Funding Local Programs:

- \$500 energy efficiency rebates to Energy Upgrade CA participants
- 5 electric vehicle charging stations for member cities/towns
- Local renewables
 - Net Energy Metering
 - Feed-In Tariff



Sample Bill – Summary Page



Pacific Gas and Electric Company

WE DELIVER ENERGY.™

9999009090999096900995900000000044

Account Number	Bill Date	Amount Due	Due Date	Amount Enclosed
1234567890-1	05/17/2011	\$218.38	06/01/2011	

MARY GREEN
123 STREET AVENUE
SAN RAFAEL CA 94901

PG&E
BOX 997300
SACRAMENTO CA
95899-7300

Please return this portion with your payment. Thank you.

Telephone Assistance

1-800-743-5000
Assistance is available by telephone 24 hours per day, 7 days per week.

Local Office Address

750 LINDARO ST STE 160
SAN RAFAEL CA 94901

Account Number

1234567890-1

May 2011

ACCOUNT SUMMARY

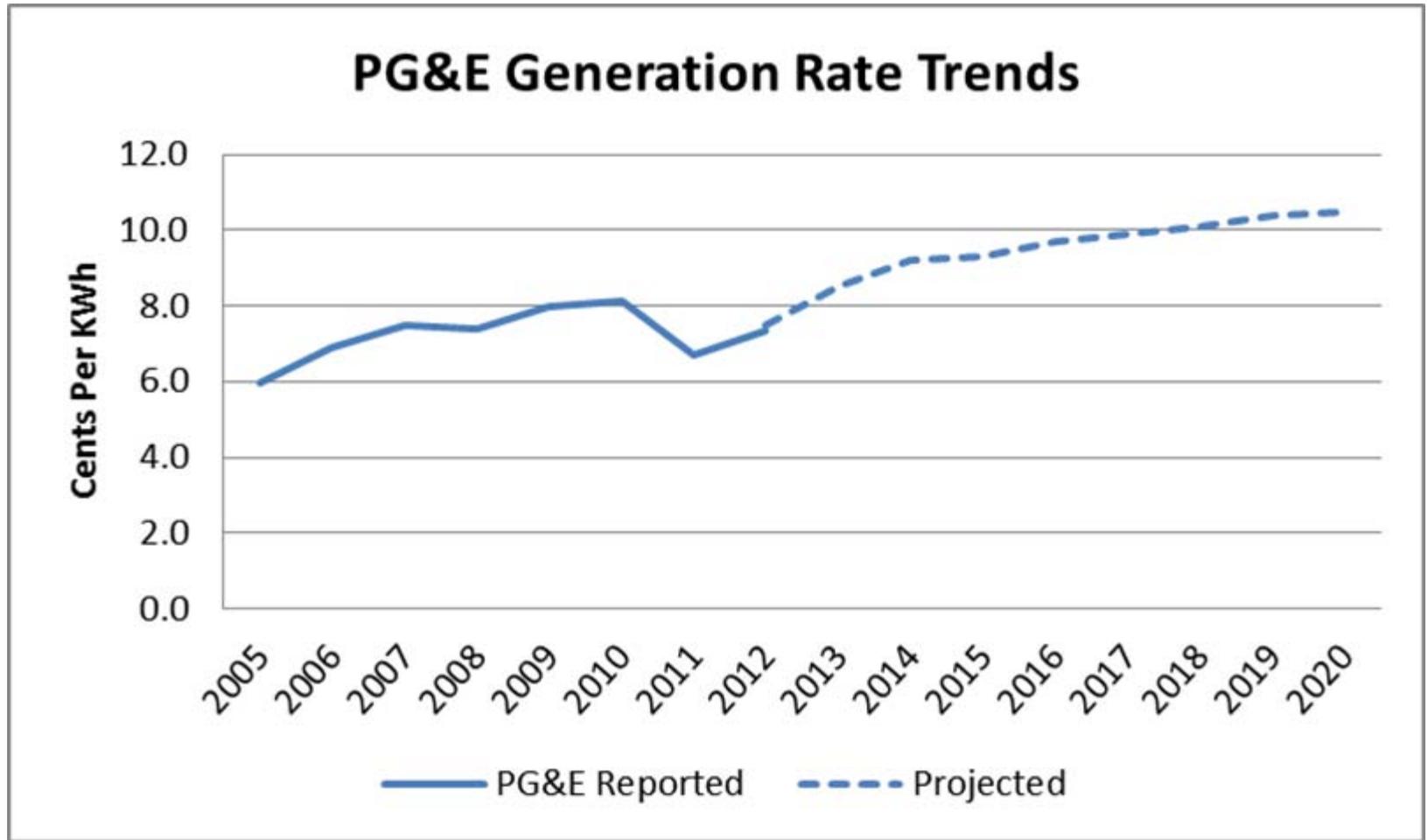
<u>Service</u>	<u>Service Dates</u>	<u>Amount</u>
Gas	04/09/2011 To 05/09/2011	\$36.88
Electric	04/09/2011 To 05/09/2011	96.85
Energy Commission Tax		.17
Gas PPP Surcharge		15.95
Marin Clean Energy Electric Charges		68.53
TOTAL CURRENT CHARGES		\$218.38
Previous Balance		\$261.56
04/15/11 Payment - Thank You		\$261.56-

TOTAL AMOUNT DUE \$218.38
DUE DATE - 06/01/2011

PG&E
Transmission
and
Distribution
Charges

MCE
Generation
Charges

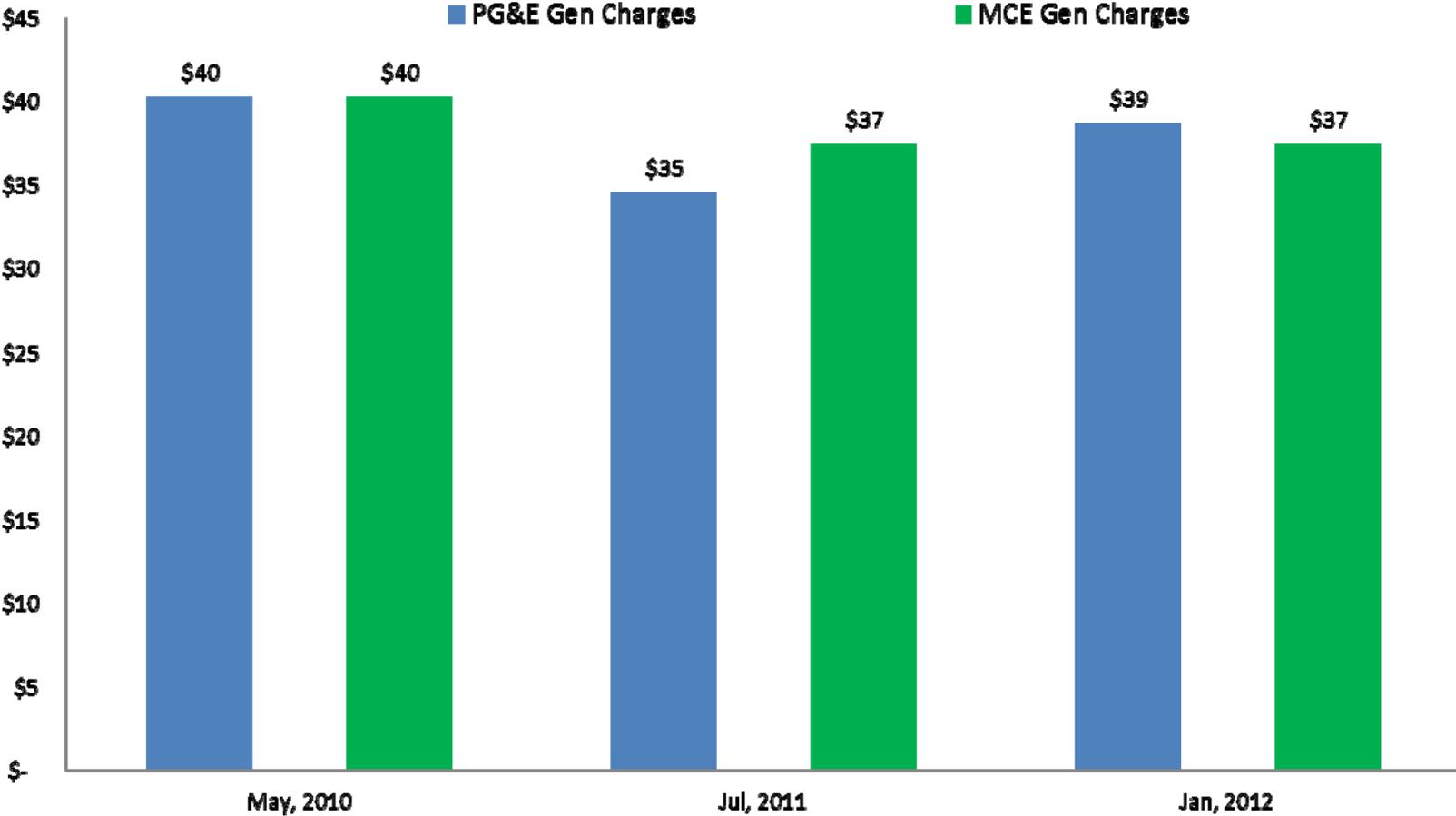
Market Forecasting



Source: PG&E Tariff Advice Letters to CPUC (<http://www.pge.com/notes/rates/tariffs/advice.shtml>)

Residential Comparison

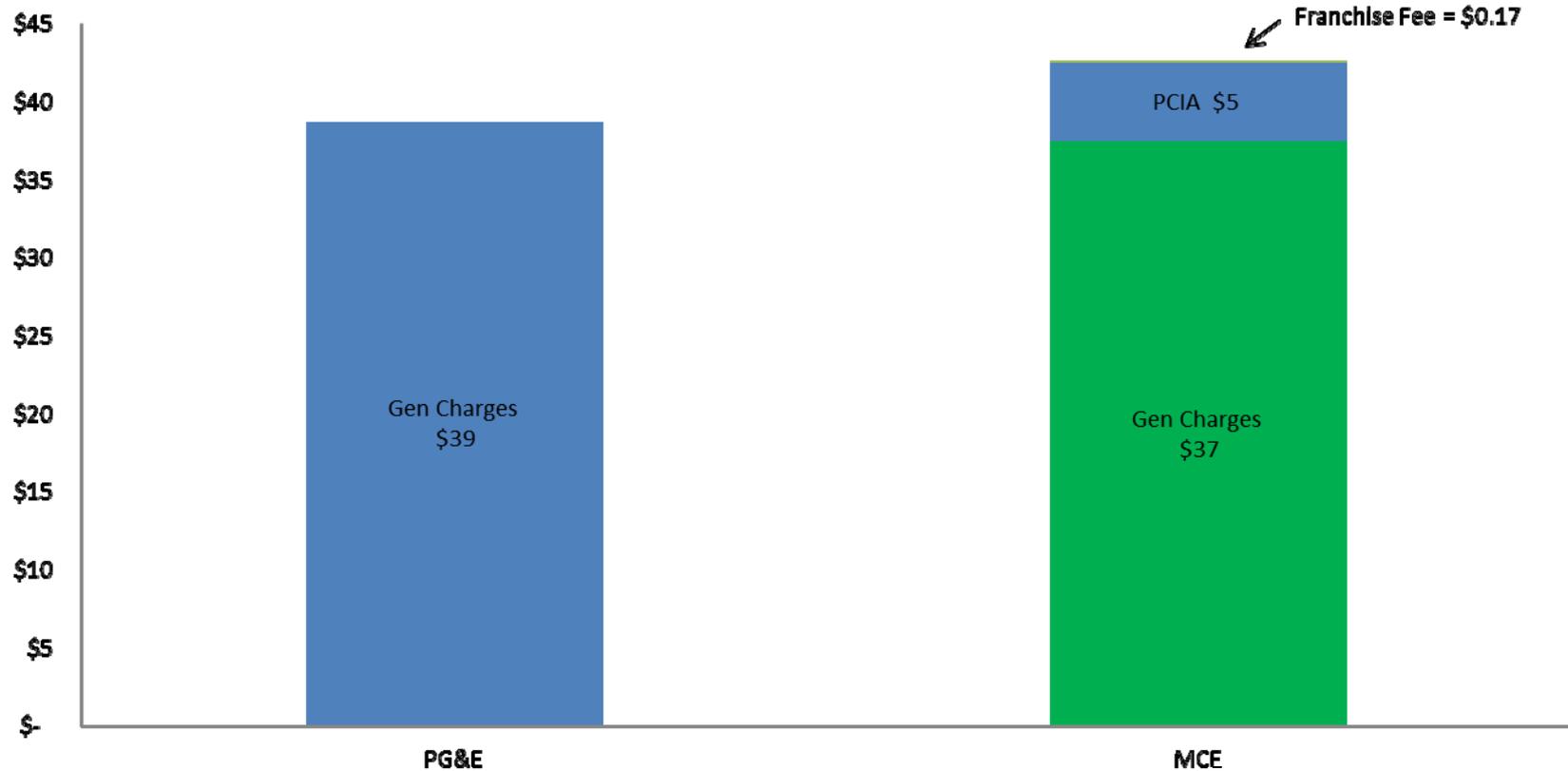
500 KWh/Month



Light Green Rate Comparison

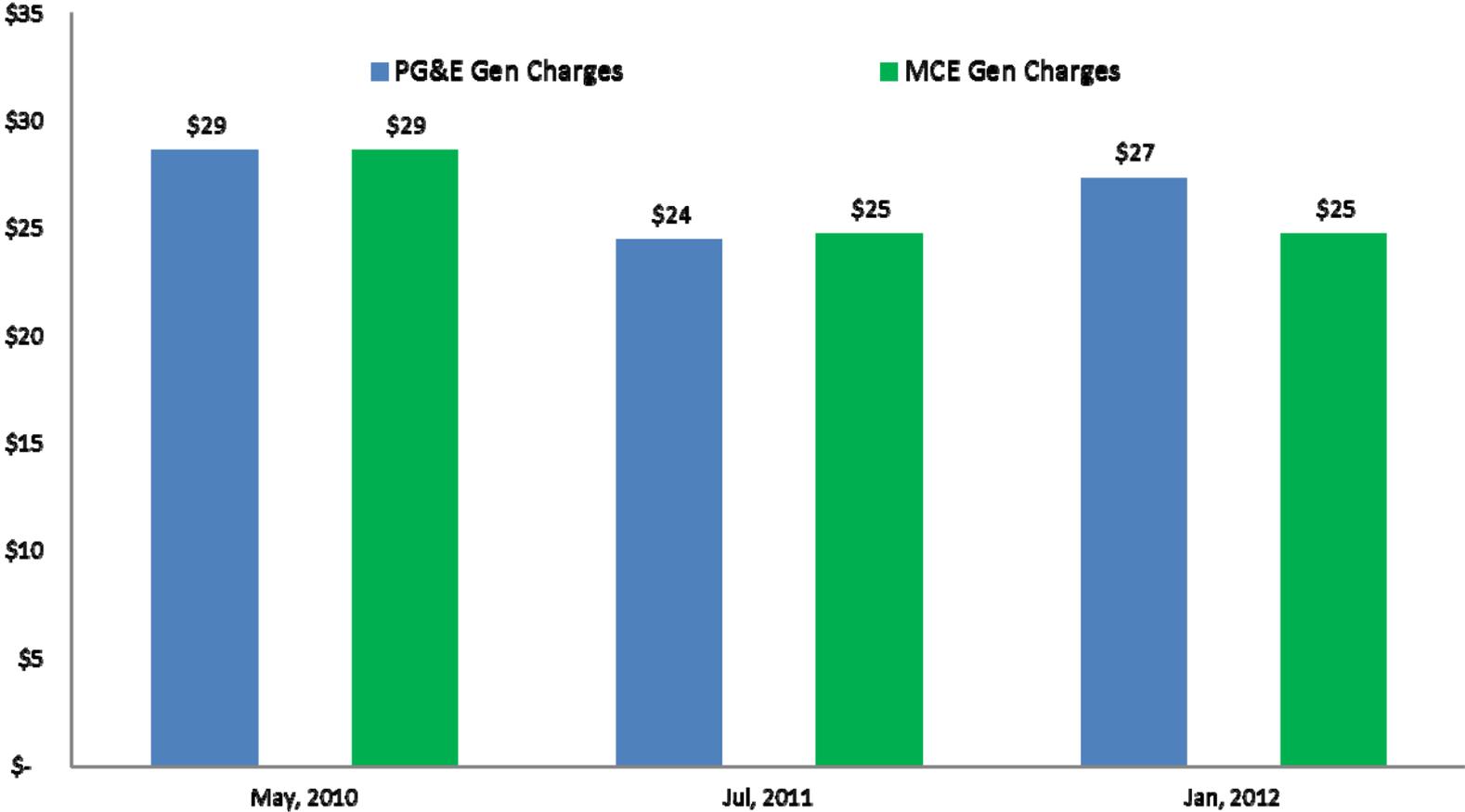
Residential Comparison - Jan 2012

500 KWh/Month



Residential CARE Comparison

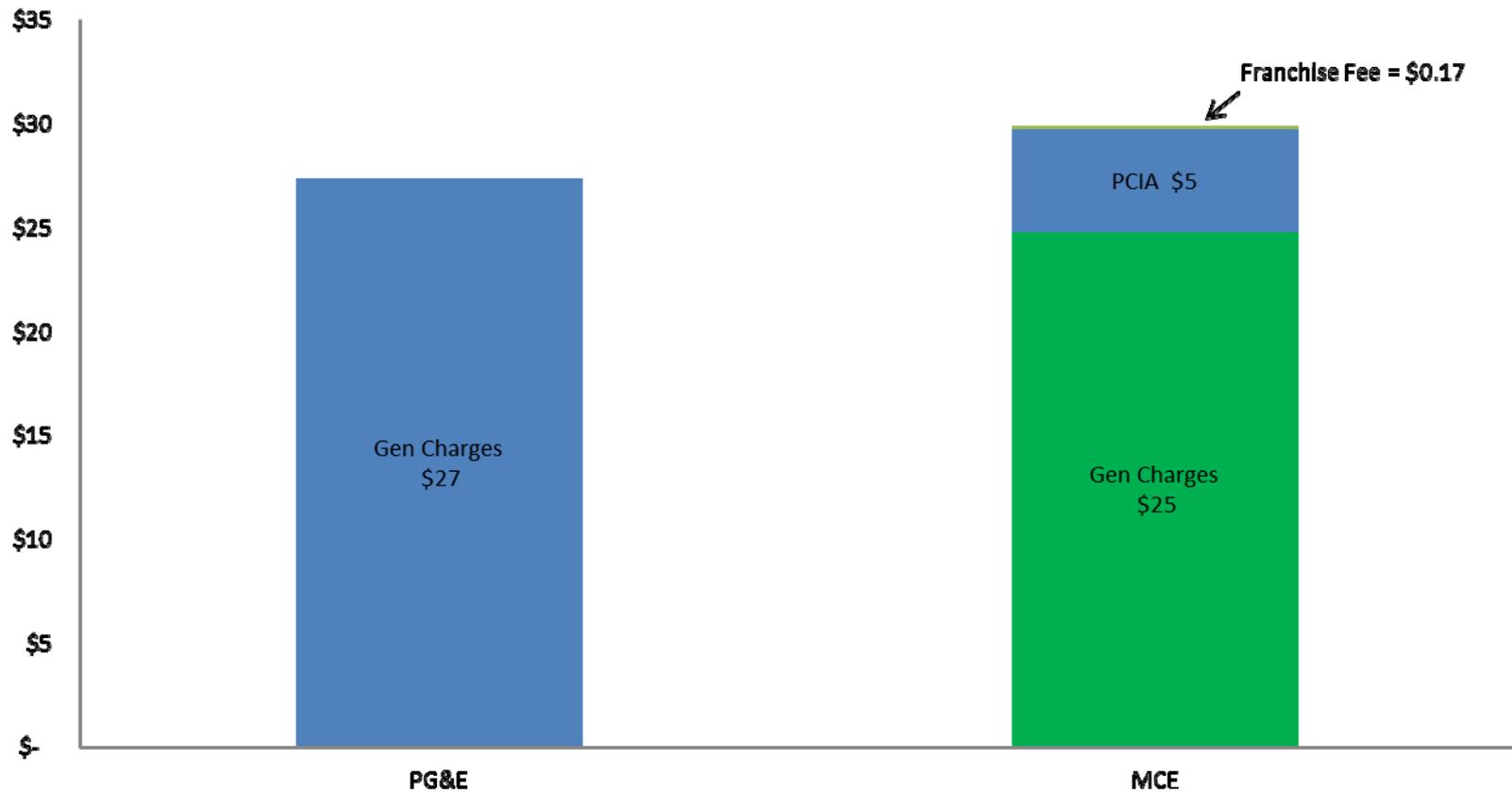
500 KWh/Month



Light Green Rate Comparison

Residential CARE Comparison - Jan 2012

500 KWh/Month



Medium Commercial Rate Comparison

45,000 KWh/Month Average Usage; 120 kW Peak

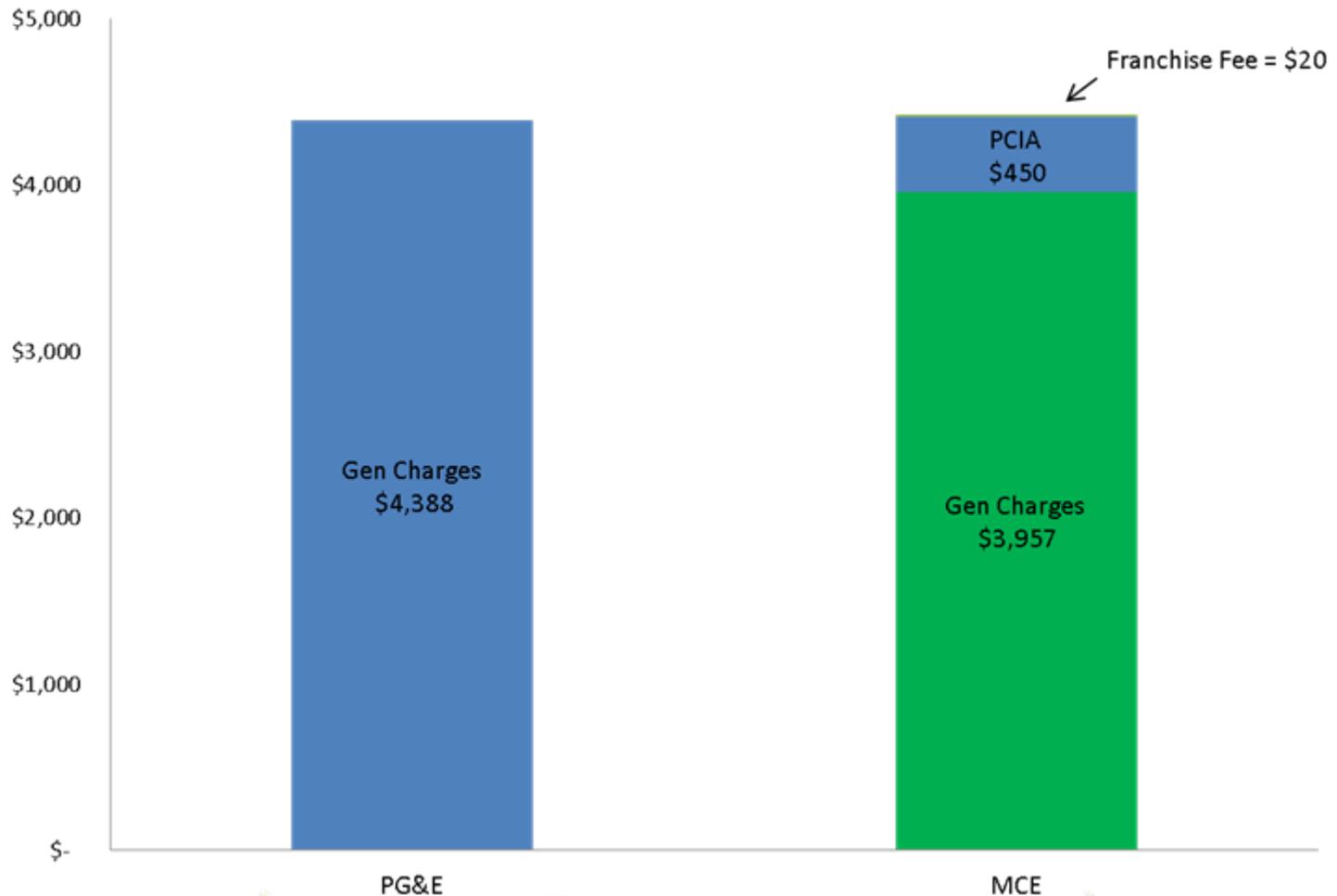
■ PG&E Generation Charges ■ MCE Generation Charges



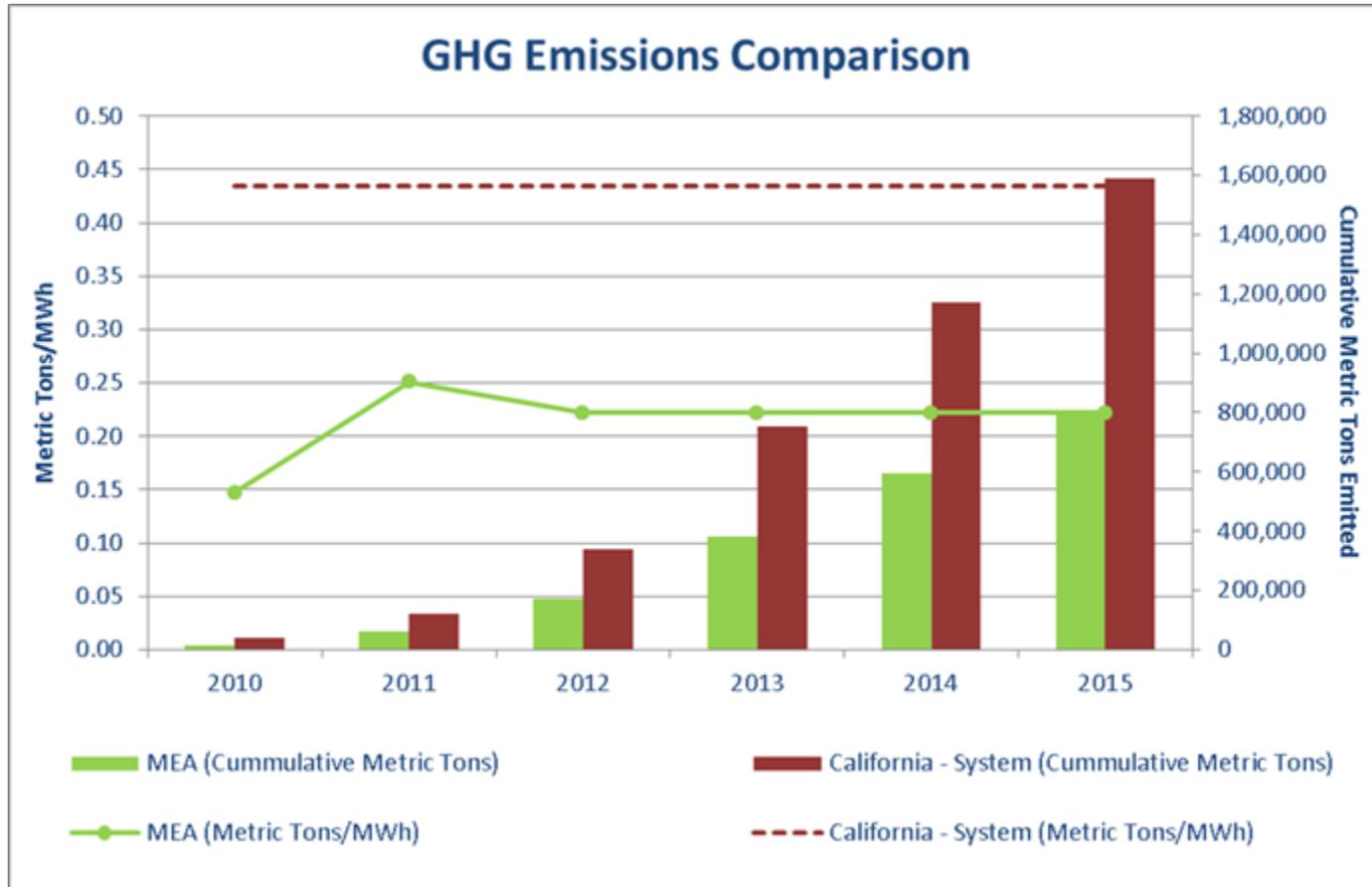
Light Green Rate Comparison

Medium Commercial Comparison - Jan 2012

45,000 kWh/Month Average Usage; 120 kW Peak



GHG Emissions Comparison



Customer Participation

- Customers receive 4 notices regarding enrollment spanning a 5-month period
- Customers may sign up for Deep Green service at anytime
- Customers may opt out at any time
- Opting out is free during initial 5-month period
- If opting out after the initial 5-month period there is a one time fee of \$5 (residential) or \$25 (commercial)



Legal Protections

Firewall Exists between Debts & Liabilities of MEA and its Member Agencies:

- Protection is based on JPA structure and is aligned with State Law
- 'No recourse' provision included in Joint Powers Agreement and in MEA Rules and Regulations
- 'No recourse' provision included in contracts for power supply and contracts with vendors

MEA Holds Insurance Coverage

- Coverage provide protection against tort liability claims

Potential Timeline

Phase I: City of Richmond Impact Analysis (August – December 2011)

- ✓ Obtain and analyze customer load data
- ✓ Analyze economic and administrative impact to MEA for serving customers
- ✓ Outreach/interface with stakeholders and policy-makers as resources allow
- ✓ Determine & implement changes to MEA Board composition/voting rights
- Assess compliance with membership criteria and approve application
- Aid in adoption of enabling ordinance and resolution

Potential Timeline

Phase II: Planning for Operations (January – September 2012)

- MEA to modify, adopt and submit updated amendment to Implementation Plan
- MEA to identify and secure any necessary short-term financing to support expansion
- MEA to solicit and negotiate agreement(s) for additional resource requirements

Potential Timeline

Phase III: Service to Customers (Begin January 2013, then ongoing)

- Provide noticing and outreach to new customers
- Enroll new customer in service and establish accurate customer accounting and billing processes
- Provide call-center services for all customer inquiries and other ongoing customer communications
- Provide for all required compliance filings to account for new load being served as well as any incremental procurement for new load
- Provide regulatory support at the CPUC

Membership Criteria

All of the following criteria must be met prior to MEA approving membership:

- Addition of Richmond load is beneficial to existing customer base by increasing contributions to fixed costs and rate stability
- The expansion results in acceleration of greenhouse gas reductions in California
- The expansion would allow for increases the amount of renewable energy being used in California's energy market
- City of Richmond is supportive of and endorses MEA's mission & current electricity procurement plans (target for 33% renewable energy content by 2015)
- City of Richmond adopts MEA's sample resolution and ordinance

Membership Criteria

Additional criteria will also be considered by MEA including:

- New opportunities are available to deploy local solar, other distributed renewable generation and/or CHP through MCE's Net Energy Metering Tariff and/or Feed in Tariff
- There is an increase in the ability to launch and operate energy efficiency activities and programs
- Regional benefits are achieved based on Richmond's geographically proximate location
- Greater demand for local jobs and other local economic activity (office rental, office materials, accounting, legal and other vendor services) is likely to result from the expansion
- The City of Richmond has completed a survey or polling to determine market interest in MCE with results that demonstrate market interest is present
- The City of Richmond and MEA have conducted outreach within the community to discuss MCE and received primarily positive feedback from the public

Evaluation of Economic Criteria

Addition of Richmond load is beneficial to existing customer base by increasing contributions to fixed costs and rate stability

The expansion results in acceleration of greenhouse gas reductions in California

The expansion would allow for increases the amount of renewable energy being used in California's energy market

In order for MEA to assess the criteria listed above, DMC conducted an analysis to examine customer load data within the City and performed a cost and resource analysis for MEA to extend service to the City:

- Load analysis to determine resource procurement requirements to serve the City of Richmond.
- Cost analysis to quantify incremental costs and revenues, assess MEA budgetary impacts and quantify potential MCE ratepayer benefits or costs.

Load Analysis

DMC prepared 20-year projections for the City:

- Service accounts (customers) and annual electricity consumption by customer segment;
- Renewable energy requirements necessary to meet the California Renewable Portfolio Standards, by procurement category set forth in SBX1 2;
- Monthly generation capacity requirements necessary to meet the California Resource Adequacy program, by resource type.

DMC modeled hourly load profiles to define:

- Hourly electric demand by customer segment and in aggregate;
- Peak and off-peak electricity needs by month, for wholesale power procurement.

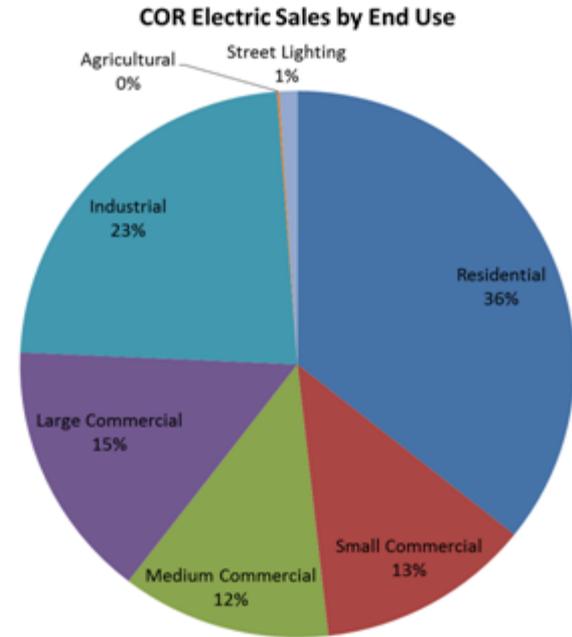
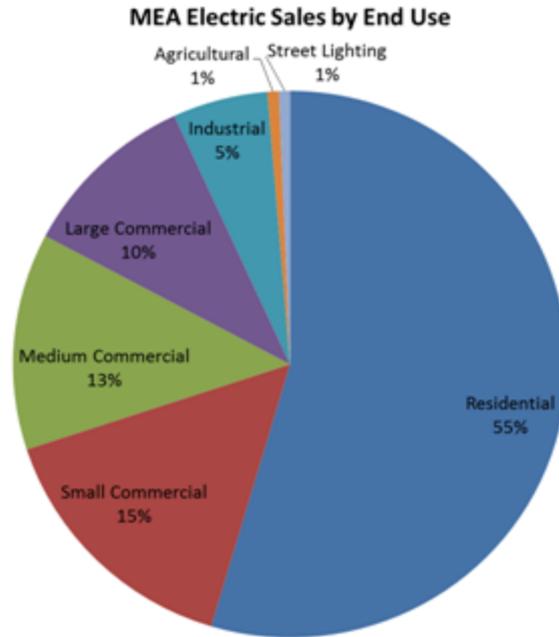
Customer Base and Sales

Customer Classification	----- Customers -----			----- Sales (GWh) -----		
	MEA	COR	Total	MEA	COR	Total
Residential	61,401	31,386	92,788	402	152	554
Small Commercial	7,236	2,501	9,737	113	53	166
Medium Commercial	519	265	785	94	52	146
Large Commercial	155	97	252	76	65	141
Industrial	7	7	14	41	98	139
Agricultural	151	1	152	5	1	6
Street Lighting	330	230	560	5	4	9
Total	69,801	34,487	104,287	737	426	1,162

Approximately 35,000 new customers would be projected to enroll in MCE (assuming 20% opt-out of bundled service customers and excluding direct access customers).

MEA would have incremental electricity sales and procurement needs of approximately 425 GWh per year.

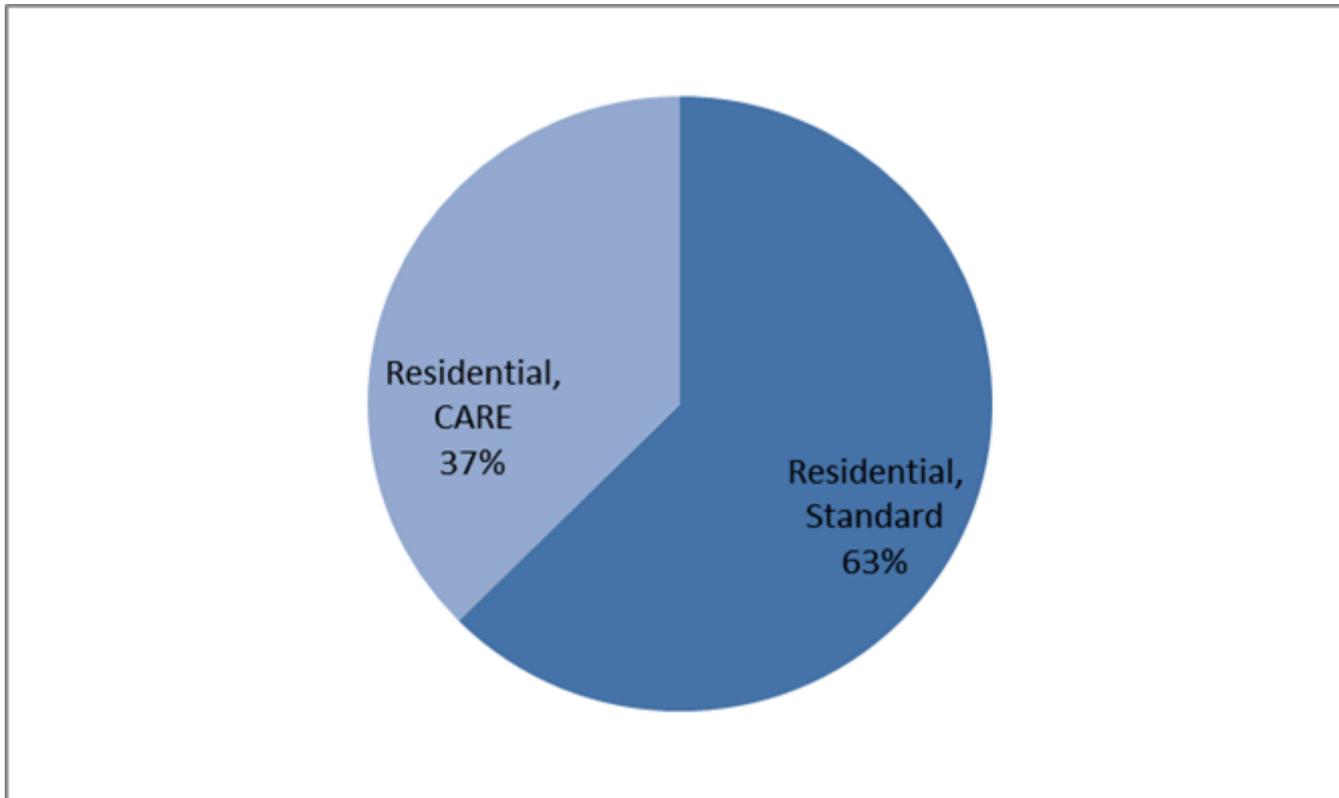
Electric Sales by Customer Segment



The City of Richmond includes proportionately more large commercial and industrial customers than do the current MEA municipalities. These customers tend to consume electricity relatively evenly throughout the day and year (high load factor), and both rates and cost of service are relatively low.

Retention of these customers was not deemed a critical factor in the economic evaluation as MEA rates essentially just cover the costs of serving these customers.

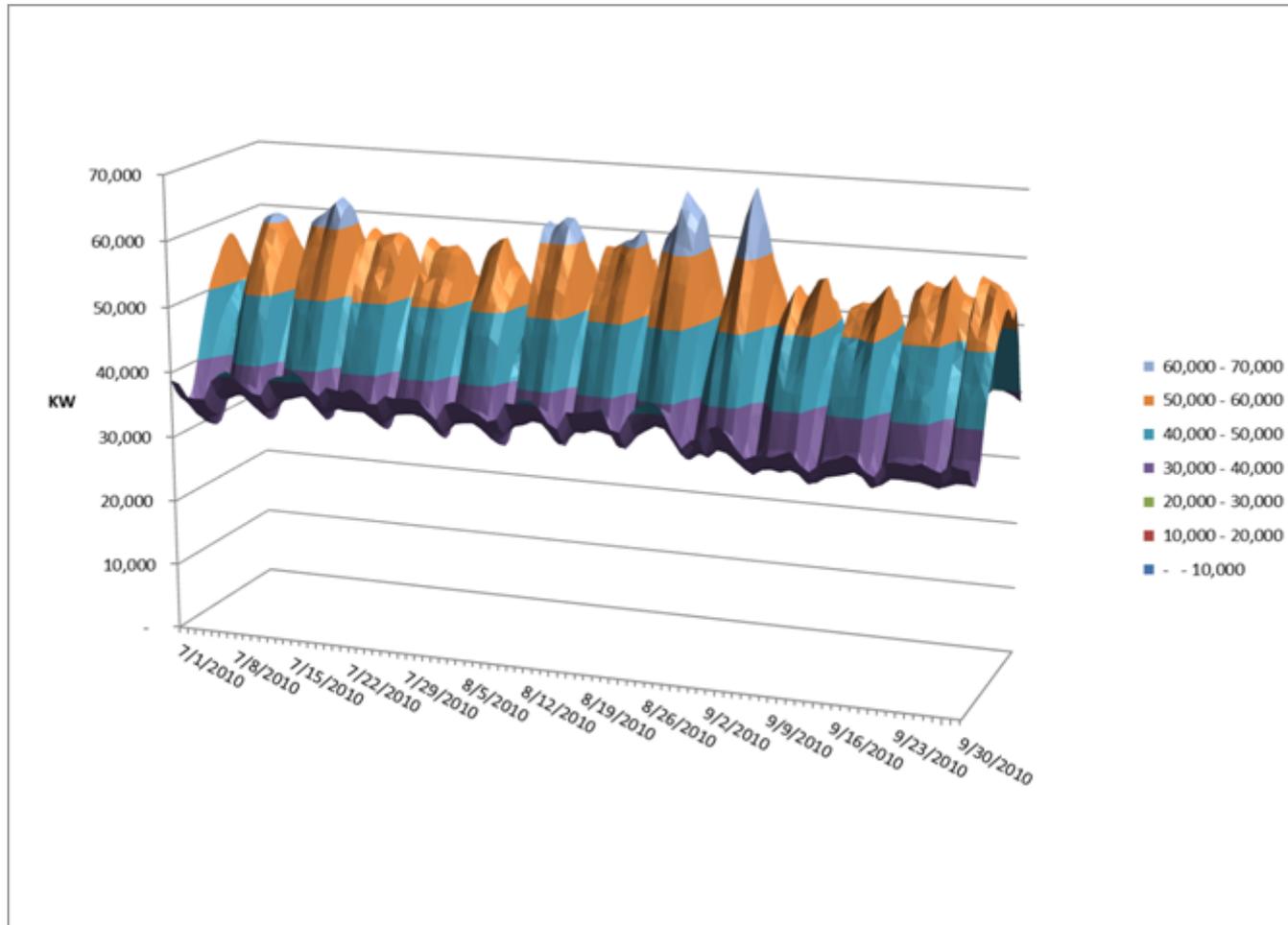
Residential Customer Base, CARE Program



Approximately 37% of residential customers within the City participate in the California Alternate Rates for Energy (CARE) program for qualifying low-income households.

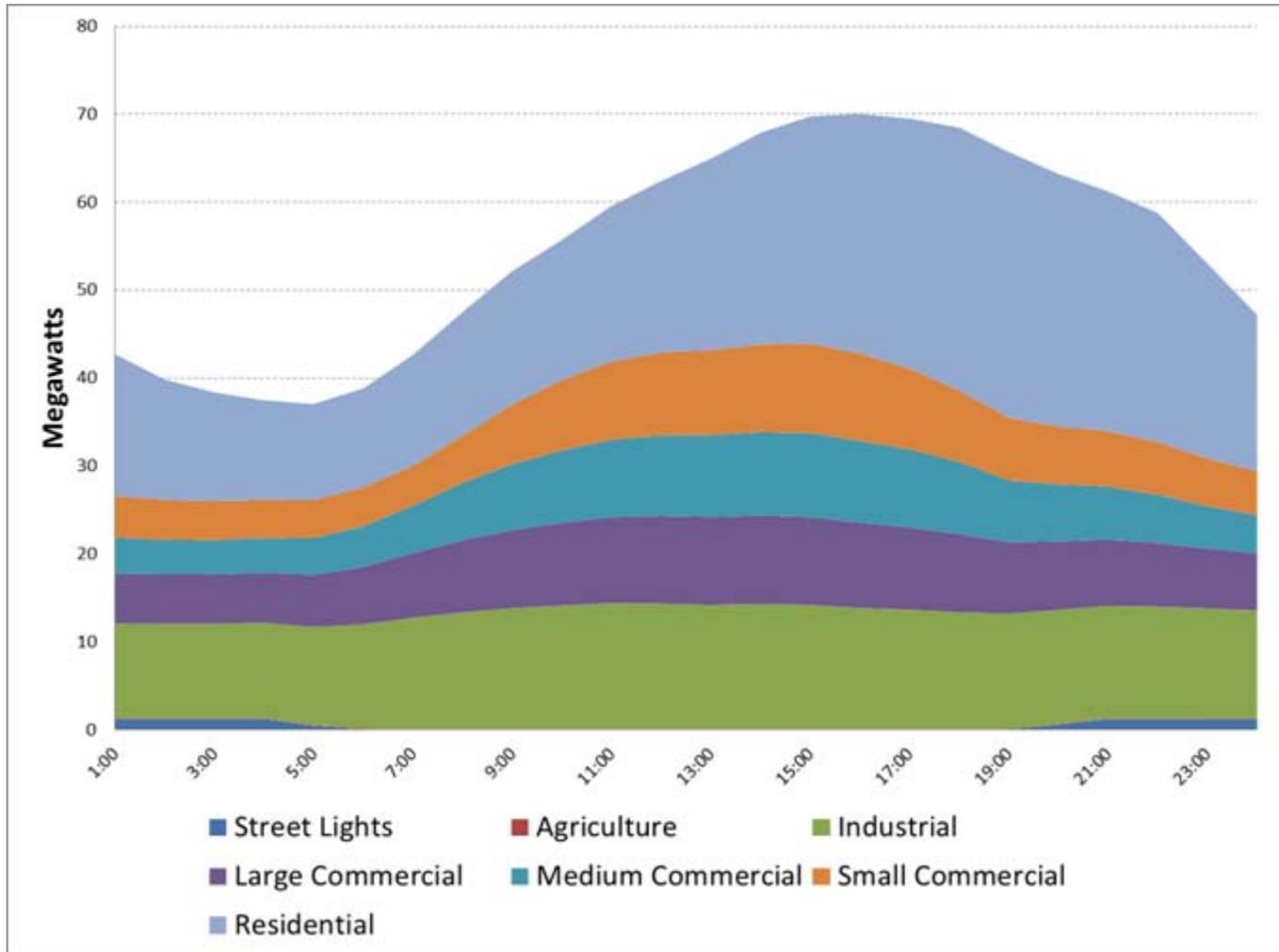
MEA offers discounted rates for participating CARE customers.

City of Richmond Load Profile



Electricity demand would be expected to range between 40 MW and 70 MW throughout the year (Q3 shown above).

City of Richmond Peak Day Load



MEA Economic Analysis

- **Additional Revenues from Energy Sales to City of Richmond Customers**
 - MCE rates by schedule (e.g., Res-1, Com-20) applied to projected monthly electricity usage for Richmond customers
- **Minus Additional Costs from Providing Energy to City of Richmond Customers**
 - Peak and off-peak energy
 - Renewable energy at MCE renewable energy content
 - Generation capacity by month and reliability area
 - CAISO grid and scheduling fees
 - Customer services for call center, data management
 - Staff impacts (assume 3 FTEs)
 - Billing and metering fees from PG&E
 - Working capital financing
 - Reserves at current percentage of revenue
- **Equals Net Impact to MEA from Serving City of Richmond Customers**
 - Analysis indicates expansion to Richmond would modestly benefit existing MCE ratepayers as Richmond revenues would be sufficient to cover additional costs.

MEA Consideration of Richmond Membership

- MEA Board has approved application documents for the City of Richmond to apply for membership.
- The City of Richmond would be offered a seat on the MEA Board

Steps Necessary to Join MEA:

- Complete application documents
- Adopt resolution by majority vote requesting membership
- Adopt Ordinance required by CPUC Code Section 366.2(c)(10)

Opportunity for Richmond's Climate Action Plan

Town of San Anselmo Climate Action Plan, April 2011

Mitigation Measures for Government Operations

Measure	Cost to Implement	Annual Savings	GHG Reductions (Metric Tons)	
3.4.G1	Install Energy Efficiency Upgrades in Town Buildings	\$103,405	\$6,219	30.9
3.4.G2	Install Solar Energy System at Town Hall	\$102,000	\$3,170	4.1
3.4.G3	Install Solar Energy System at Corporation Yard	\$37,000	\$1,153	1.5
3.4.G4	Install Solar Energy System at Isabel Cook Community Center	\$601,000	\$18,731	24.5
3.4.G5	Upgrade Street Lighting to Energy-efficient Technologies (LED)	\$301,931	\$17,949	31.7
3.4.G6	Upgrade Traffic Signals to Energy-efficient Technologies (LED)	\$7,875	\$2,821	0.3
3.4.G7	Purchase Marin Clean Energy Deep Green Electricity for Government Facilities	\$4,120 per year	n/a	92.1
	TOTAL			185.1
	% Reduced from 2005 Levels			29.2%

Marin Clean Energy is....

Achieving Goals

- Creating demand for new renewable supply in California & Marin
- Reducing GHG emissions
- Simple, easy opt-out process

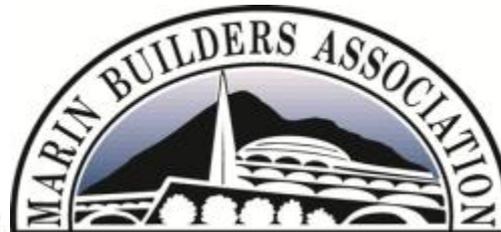
Exceeding Targets

- MCE's 25% renewable choice has grown to 27% renewable, and will grow to 33% by 2015
- MCE is exceeding CA State renewable mandate
- MCE is leading the State in renewable supply



Awards & Recognition

- Environmental Protection Agency
 - MEA ranked #13 on Local Government Largest Green Power Purchasers, 2010
 - Green Power Leadership Club, 2011
- Power Association of Northern California Annual Award, 2010
- California State Legislature Certificate of Recognition, 2010
- Congresswoman Lynn Woolsey Certificate of Recognition, 2010
- Marin Builders Association Leadership Award, 2011



Marin Clean Energy...It's working.



Questions?

Call 888-632-3674

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