Community Choice Energy for Alameda County

City of Newark
October 27, 2016
Community Choice Energy Refresher

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

- **Source**: CCE (Community Choice Energy), buying and building electricity supply
- **Delivery**: Utility, delivering energy, maintaining lines, billing customers
- **Customer**: You, benefitting from affordable rates, local control, cleaner energy
Topics to be Covered Tonight

- October 4 Board of Supervisors Meeting
- Background & Review of Technical Study Results
- Status of other Bay Area CCAs
- JPA Agreement Status
- Questions and Concerns
On October 4, County Board of Supervisors:

- Received CCE Technical Study
- Approved Resolution for JPA Agreement
- Conducted First Reading of CCE Ordinance
- Approved Funding for Phases 2 and 3 – Program Implementation

- Additional $2,410,000 allocated to launch the program
- Asking interested cities to join the JPA and pass CCE ordinances by December 2016.
- Targeting program launch and Phase 1 customer enrollment in late Fall 2017
Overview of Tech Study Results

- All scenarios were **LESS** expensive than PG&E over the forecast period.
- A sensitivity analysis that projected lower than expected PG&E rates and higher than expected exit fees validated these conclusions.
- Only under a ‘perfect storm’ of negative conditions was the rate higher.
- Homes and businesses in Alameda County could save between 1-9% on their electricity bill, depending on supply scenario and rate class.
- In Scenarios 2, 3 and 4, greenhouse gas emissions can be substantially reduced.
- There are positive economic development impacts for the region/County
- CCA in Alameda County could successfully start-up at about 6.5 – 7% of the total load, and be comfortably viable with JPA signatories representing 10-15% of all customer load.
EBCE Would Be Largest in State

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

*Overall load for the program, assuming all cities join and with customer phasing*

*Assumes County and all cities except City of Alameda which is served by its own utility; Customers served under other programs not included*
County Load by Jurisdiction

- Oakland: 25%
- Fremont: 16%
- Hayward: 10%
- Berkeley: 9%
- Pleasanton: 7%
- Others: 15%
- San Leandro: 6%
- Unincorporated: 6%
- Livermore: 6%
Minimum Size for Viability

- Minimum size set by the coverage of fixed costs
- Alameda Co. would need about 7% of the potential load
The Four Scenarios

1. Minimum RPS Compliance: 33% → 50% qualifying renewables
2. More Aggressive: Initially 50% RPS with lower GHG emissions
3. Ultra-Low GHG: 50% → 80% RPS by year 5
4. Scenario 2 with ½ of renewables coming from local projects (by 2030)
The potential delta – 1.6 cents/kWh for Scenario 3.
Greenhouse Gas Reductions: Scenario 3

Delta between PG&E and CCA = GHG savings
Local Power Potential: Scenario 3

Possibility of hundreds of megawatts built in Alameda County
Scenario 3: Potential Job Impacts

Scenario 3 Total Jobs Impacts by Source

- Trade-off between direct jobs (construction) and jobs generated from bill savings
- No Alameda County PG&E jobs lost
## Other Community Choice Programs

<table>
<thead>
<tr>
<th>CCA</th>
<th>2016 Rates</th>
<th>Portfolio</th>
<th>Opt Outs</th>
</tr>
</thead>
<tbody>
<tr>
<td>cleanpowerSF</td>
<td>1% below PG&amp;E</td>
<td>35% Renewable 100% Renewable Option</td>
<td>Less than 2%</td>
</tr>
<tr>
<td>PENINSULA CLEAN ENERGY</td>
<td>5% below PG&amp;E</td>
<td>50% Renewable 75% GHG Free 100% Renewable Option</td>
<td>Less than 1%</td>
</tr>
<tr>
<td>(2017 Target)</td>
<td>(2017 Target)</td>
<td>(2017 Target) 50% Renewable 100% GHG Free 100% Renewable Option</td>
<td>TBD/Launching in April 2017</td>
</tr>
</tbody>
</table>
JPA Agreement- Update

- EBCE Agreement adapted from existing CCE JPA Agreements (San Mateo and Santa Clara Counties)
- Process led by County Counsel’s office; City Attorneys have participated in discussions; most differences resolved by consensus
- Creates separate legal entity; no City liability
- Includes commitment to long-term program goals in its recitals
- Includes repayment of County loan
JPA Agreement – Recent Changes

- **Local Development Business Plan**

- **Unbundled Renewable Energy Credits (RECs)**

- **Community Advisory Committee/Board Composition**
  - Compromise: Form a separate Community Advisory Committee and have 1 ex-officio non-voting seat on the Board (to be filled by CAC Chair/Vice Chair)

- **Voting**
  - First Tier --Percentage vote (1 vote per member; majority carries)
  - Second Tier - Voting Shares Vote (vote based on load size)
  - Requires three members to invoke; used for affirmative percentage votes only; if more than 50% (majority of load) affirms percentage vote, the original motion carries; otherwise, fails.
<table>
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<tr>
<th>Issue</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local Development Business Plan</strong></td>
<td>• Requirement to do business plan within eight months after JPA Board is seated</td>
</tr>
<tr>
<td>Would require the JPA to create a local development business plan</td>
<td></td>
</tr>
<tr>
<td><strong>Use of Category 1-3 Renewable Energy Credits</strong></td>
<td>• JPA Agreement allows 50% of maximum allowed by State Law. State RPS is currently at around 30% and allows 10% RECs, which means under current JPA language EBCE can use around 1.5% RECs total.</td>
</tr>
<tr>
<td>Would eliminate use of category 3 RECs to achieve California RPS compliance</td>
<td>• Current plan is for EBCE to focus on Category 1 RECs and <em>not</em> use Category 3, but there is a desire to maintain future flexibility if market conditions change and cost competitiveness is adversely impacted.</td>
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## Stakeholder Concerns and Responses

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<th>Result</th>
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<td>Agency shall remain neutral if its employees wish to unionize.</td>
<td>• The Coalition’s language was retained</td>
</tr>
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</table>
| Agency shall take steps to minimize adverse impacts on current energy workforce and promote a “just transition” to a clean energy economy | • The union neutrality language was moved to the body of the JPA Agreement  
• Due to concerns about liability and risk to the Agency, the “just transition” language was left in the recitals |
| Integrated Resource Plan (IRP)                                         | • Coalition’s language was retained with modifications that acknowledge CPUC jurisdiction over the IRP and its relationship to the CA RPS and customer rate competitiveness  
• Approved by Committee                                                |
<table>
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<th>Result</th>
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<tr>
<td><strong>Voting Shares Vote</strong></td>
<td>• Options ranged from 2-4 votes required to trigger weighted shares vote. Large cities favor 2 while small cities favor 4. County staff recommended 3 as a compromise solution.</td>
</tr>
<tr>
<td>How many votes shall be required</td>
<td>• Result of steering committee straw poll is to retain current JPA language which stipulates three votes to trigger a weighted voting shares vote.</td>
</tr>
<tr>
<td>to trigger a weighted voting</td>
<td>• This issue remains a concern for some cities</td>
</tr>
<tr>
<td>shares vote?</td>
<td></td>
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**Project Timeline**

### Phase 1: Initial Assessment and Tech Study
- BOS funds allocated
- Load data request into PG&E
- Steering Committee (SC) formed
- Webpage and stakeholder database developed
- Final study scope reviewed by SC
- RFP issued and Study completed
- Targeted stakeholder mtgs;
- JPA Agreement and CCE ordinance drafted
- **BOS – Go/No-Go Decision**

### Phases 2-3: Program Implementation and Launch
- City Ordinances and JPA Agreement
- JPA Agency forms
- Technical, marketing and data mgmt. contracts
- Expanded website and community outreach
- Implementation Plan submitted
- Agency Financing
- Marketing/outreach
- Energy supply contract(s)
- Call center live; opt-out notices
- Utility bond and service agreement
- Phase 1 Launch
- Complimentary energy programs

**Timeline:**
- **Oct 2016**
  - Phase 2-3 Approvals
- **Q4 2016**
  - JPA Formed
- **Q1/2 2017**
  - Imp. Plan & Energy Svcs
- **Q3/4 2017**
  - Phase 1 Program Launch
Thank you!

For further information, please contact:
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Alameda County Community Development Agency
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Bruce.Jensen@acgov.org
ANNEX
Potential Rate Savings: Scenario 1
Greenhouse Gas Reductions: Scenario 1

Delta between PG&E and CCA = GHG savings
Scenario 1: Potential Job Impacts

Scenario 1 Total Jobs Impacts by Source

- all other CCA effects
- net Bill Savings effects
Local Power Potential: Scenario 1
Potential Rate Savings: Scenario 2

The chart illustrates the potential rate savings over the years from 2017 to 2030, comparing different energy sources such as PCIA, GHG, O/M, Non-Renewable, and Renewable. The vertical bars represent the energy mix for each year, with the orange line indicating the trend for PG&E.
Greenhouse Gas Reductions: Scenario 2

Delta between PG&E and CCA = GHG savings
Local Power Potential: Scenario 2

![Graph showing MW (Cumulative) for years 2017 to 2030 with categories: Small Solar (in county) (<3MW), Large Solar (in county), Large Solar, and Wind.]
Potential Rate Savings: Scenario 4
Greenhouse Gas Reductions: Scenario 4

Delta between PG&E and CCA = GHG savings
Local Power Potential: Scenario 4

Possibility of hundreds of megawatts built in Alameda County

- Small Solar (in county) (<3MW)
- Large Solar (in county)
- Large Solar
- Wind

MWs (Cumulative)
Scenario 4: Potential Job Impacts

**Scenario 4 Total Jobs Impacts by Source**

- Trade-off between *direct jobs (construction)* and *jobs generated from bill savings*
- No Alameda County PG&E jobs lost