

Community Choice Energy In California



May 24 and June 9, 2016



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 offering competitive electricity rates.

How Community Choice Energy Works



CCE Around the Country

Authorized by CA Assembly Bill 117 in 2002

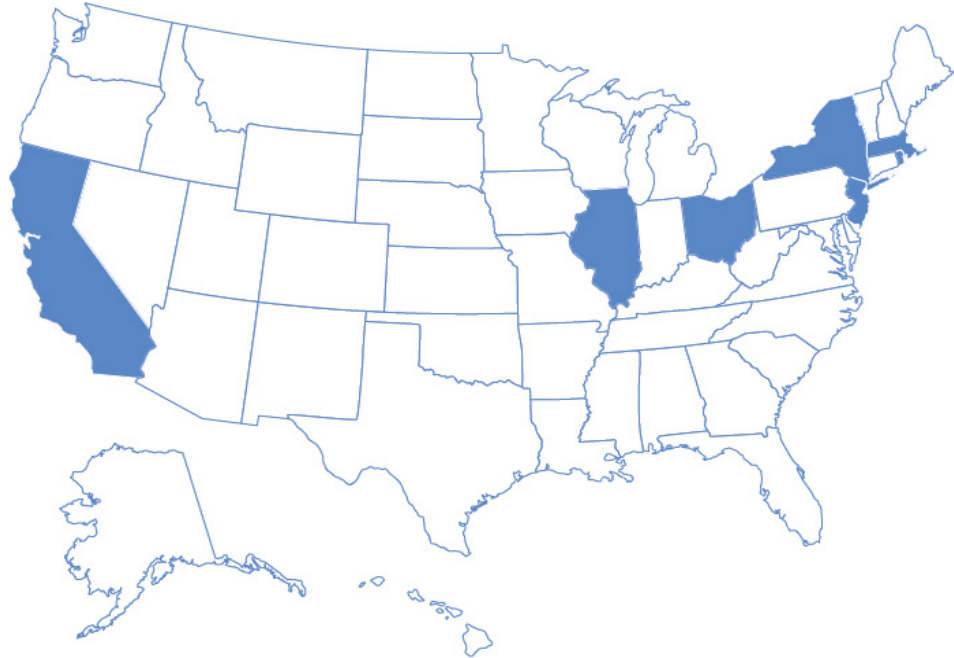
CCEs in 7 States

- California
- Illinois
- Massachusetts
- New Jersey
- Ohio
- Rhode Island
- New York

Under

Consideration:

Utah, Delaware,
Minnesota



CCE is on the Rise in California

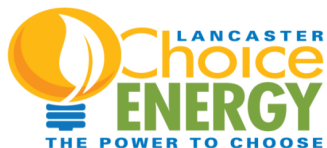


Why are Communities so Interested?



- 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 GHG reductions; achievement of local Climate Action Plan goals
- Provides a local funding source for energy efficiency and other energy programs like energy storage and electric vehicle charging stations

A Snapshot of Operational CCEs



Launch Year/ # of Customers	2015 Avg. Customer Rate Savings	Power Options (current)
2010 ~ 175,000 accts.	2-5% below PG&E	56% Renewable 100% Renewable 100% Local Solar
2014 ~ 200,000 accts.	6-14% below PG&E	36% Renewable 100% Renewable
2015 ~ 55,000 accts.	3-4% below SCE	35% Renewable 100% Renewable

Basic Program Mechanics

1. Under State law, CCE is an “opt out” program; MPCP would become the default electric service provider in partnership with PG&E
2. Utility (PG&E) continues to provide consolidated billing, customer service, and power line maintenance.
3. CCE electric generation charges (including PCIA/exit fee) appear as new line items on the customer bill; all other charges remain the same.
4. PG&E programs for low income/CARE customers remain the same
5. CPUC certifies CCE Plan; oversees utility service agreement and other requirements
6. Most CCEs are run through a JPA: Local governments participate by passing a CCE ordinance and entering into a JPA Agreement.



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

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

Questions about your bill?

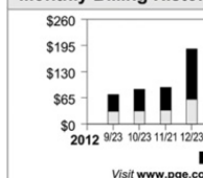
24 hours per day, 7 days per week
Phone: 1-866-743-0335
www.pge.com/MyEnergy

Local Office Address

750 LINDARO STREET, STE 160
SAN RAFAEL, CA 94901

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Monthly Billing History



Important Messages

Your charges on this page are separated into delivery charges from PG&E and gas charges from MCE. These two charges are for different services and are not duplicative.

Electric power line safety PG&E cares about your safety. Be aware of your surroundings and keep antennas at least 10 feet away from overhead power lines. If you see an electric power line, call 9-1-1 and then PG&E at 1-800-743-5000.



ENERGY STATEMENT

www.pge.com/MyEnergy

Account No: 1234567890-1

Statement Date: 10/01/2013

Due Date: 10/22/2013

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

DEEP GREEN - TOTAL	508.000000 kWh @ \$0.0100	\$5.08
GENERATION - TOTAL	508.000000 kWh @ \$0.07400	\$37.59
	Net charges	\$42.67

Energy Surcharge \$0.14

Total MCE Electric Generation Charges \$42.81

PG&E
continues to
send bills
and collect
payments.

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

Additional Messages

For questions regarding your charges on this page, please contact your Third Party Energy Service Provider.

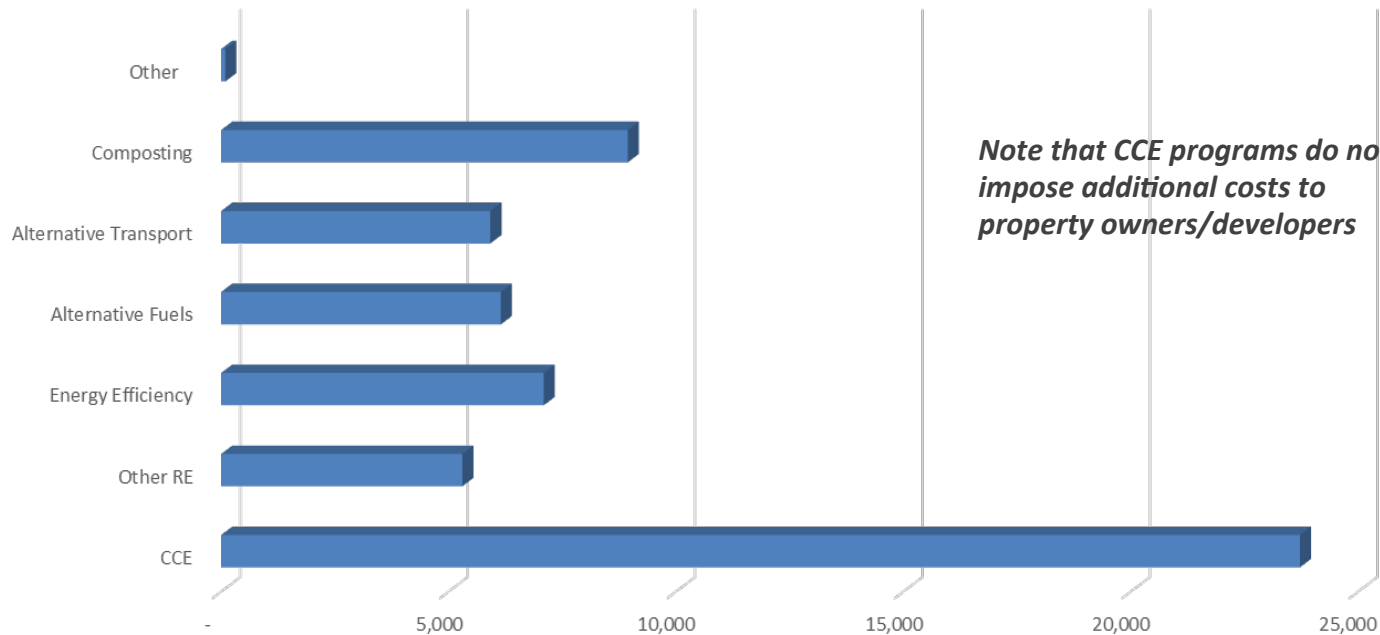
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CCE & Local Climate Action Plans

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

CCE as a Clean Tech Innovator



- MCE and SCP have collectively put over 300MWs of new renewable power on the grid; of that, nearly 100 MW is local
- Local Feed-in-Tariff, Net Energy Metering programs incentivize local solar development
- Public/Private Partnerships: Community solar, commercial and residential battery storage, home area networks/demand reduction, EV charging stations
- Energy efficiency funding is available from utility and state
- On-bill repayment option and green business loans
- Local job training programs that focus on underserved populations



Risks and Mitigations



Rate Competition/Market Fluctuation: Rates will vary with market conditions. Power market expertise and well crafted power RFPs are essential; Diversified supply portfolio with some owned assets will mitigate market risk



Customer Opt-Outs: Competitive rates are a must; Articulate additional consumer and community benefits to add to the value proposition



Availability of carbon-free power supply: As the demand for GHG free power goes up, competition for renewables and large hydro resources will increase; nuclear resources are tapped by IOUs; now is a good time to be entering the market



Regulatory/Legislative: Public Utility Commission decisions may adversely affect CCE; participation in State regulatory proceedings and statewide legislative initiatives is essential

SCP: Program Economics Are Strong

NET POSITION

Net investment in capital assets	195,525
Unrestricted	34,699,139
Total net position	<u>\$ 34,894,664</u>

As of 3/31/16

- All start up debt paid off (~\$2.5M)
- Ahead of schedule in building reserves (goal of \$50M within 5 years)
- \$3.5 million invested for efficiency programs for 2016-2017
- Across the board reductions in customer electrical rates



Building Local Value Through Local Partnerships

Investing locally is key for Sonoma Clean Power

- NetGreen – Net energy metering helps customers keep their dollars at home
- FlotoVoltaics – A new approach to wastewater ponds; solar partnership with Sonoma County Water Agency
- EV technology for the next generation
- Working with local partners to address climate challenges



Making The Switch To Renewables

An investment in our future

- ProFit – Supports local small-scale renewable generation
- Mustang Project – 70 MW of clean CA solar for 20 years
- Geysers- Local geothermal that smooths SCP's power load and sources the 100% Evergreen product



Thank You!

For further information, please contact:

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