

Community Choice Aggregation In San Mateo County

San Mateo County Board of Supervisors
February 24, 2015



Presentation Overview



- Progress and Activities Since Last Meeting
- Overview of CCA Technical Study, Budget and Timeline
- Next Steps if Approved



January-February CCA Activities

- ✓ Focused outreach to all 20 cities
 - 4 local gov't organization presentations
 - 2 half day workshops
 - 3 City Council presentations
- ✓ Stakeholder database development & notifications
- ✓ Informational website in development
- ✓ CCA workplan, timeline and budget development
- ✓ Responding to community and press inquiries

CCA Interest in San Mateo County



There is significant interest across the county in furthering CCA investigation and conducting a technical feasibility study

10 cities have passed resolutions

5 cities have submitted letters

5 cities have agendized or provided verbal confirmation



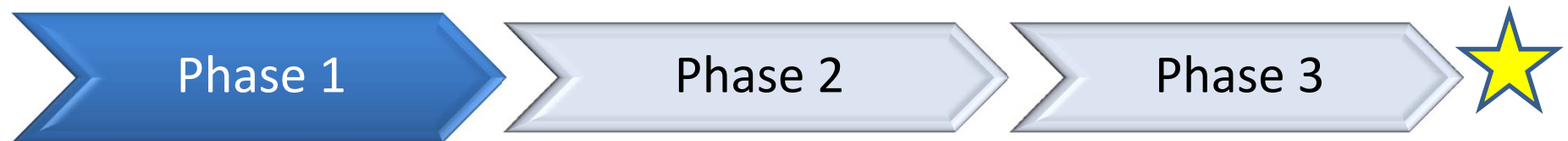
What will the Technical Study tell us?

- Overall size of the program (megawatt hours and peak demand levels)
- Forecasted demand into the future
- Resource availability and other compliance issues
- Ability to be rate competitive given short and medium term market conditions
- Development of different power supply scenarios and their impact on GHGs, jobs created, etc.
- Robust risk analysis

Overview of CCA Formation Timeline



*With political alignment and local leadership,
San Mateo County could launch a CCA by Q3 2016.*



January -August 2015	Sept. 2015 - April 2016	May – September 2016
Pre-Planning & Due Diligence	Community Outreach; JPA/CCA Planning & Development	Preparing for Launch
Initial Outreach/Education; CCA Technical Study; Steering Committee	JPA Formation; Community Education/Marketing; Local Ordinances; Implementation Plan; RFP for Energy Services Provider; Working Capital	Finalize Financing; Execute Energy Svcs/Vendor Contracts; Utility Service Agreement; Call Center; Customer Enrollment

Proposed CCA Formation Budget



All start-up costs are recoverable through early CCA revenues

	Phase I	Phase II	Phase III	TOTALS:
Internal Planning; CCA JPA Development	\$60,000	\$220,000	\$100,000	\$370,000
External Affairs/ Community Engagement	\$75,000	\$350,000	\$210,000	\$635,000
Technical & Energy Services	\$150,000- \$160,000	\$220,000	\$80,000	\$470,000
Financing Partner(s)	\$5,000	\$10,000	\$10,000	\$25,000
TOTALS	\$300,000	\$800,000	\$400,000	\$1.5M*

* Includes ~\$200,000 in contingency funding

Proposed Next Steps – Phase I



March	Complete Load Data Request /Submit to PG&E
April	Establish Countywide Steering Committee
March-Aug.	Issue Tech Study RFP/Conduct Study
August	Study Review; Go/No-Go vote on Phase II
Ongoing	Expanded Outreach & Stakeholder Meetings



Recommendation



- Adopt the resolution authorizing the ATR for \$300,000 to the Office of Sustainability for Phase I of the Community Choice Aggregation project



Questions??

Appendix Slides:
Economic Overview
Marin and Sonoma Rate
Comparisons





Illustrative Comparisons...

Some Quick stats from Marin Clean Energy and Sonoma Clean Power:

CCA customers in Marin and Sonoma are saving money on the electrical generation portion of their bills – this includes residential, commercial and municipal accounts

Nearly \$1B has been committed for in state power contracts; 75% of that is supporting the development of clean power resources .

Hundreds of California-based and local jobs have been created through power contracts and new power programs in Marin and Sonoma; many of them union supported

Sonoma Clean Power projects a 34% reduction in GHG emissions in their 2014 reporting period; Marin Clean Energy reports a reduction of 60 metric tons of GHGs since 2010.

Both programs have product options ranging from a low of 33% or 50% renewable content to a high of 100% locally sourced renewable content.





Potential Economic Value

CCA's estimated gross annual value in San Mateo County = \$356M*

- Plus leveraged funding and avoided costs of compliance

Leveraged Funding

- Energy Efficiency \$\$, CA Energy Upgrade, Bonding Authority

Renewable Power: 2,000+ MW technical potential in the County based on expert surveys

Marin (since 2010)

- 195 new MW in pipeline; 20 MW in Marin and Richmond
- 10.5 MW solar project @ Richmond's Chevron Refinery

Sonoma (since 2014)

- 70 MW to date; 20 MW solar with Sonoma Co Water Agency

** San Mateo County 2013 electrical consumption = 4.5M kwh x .079/kwh which is MCE's current E-1 residential rate. Annual revenues likely higher @ 2015 rates.*



Cities & Citizens Are Saving Money



Marin and Sonoma's electric rates are lower than PG&E. Thus...

- MCE's residential customers saved nearly \$6M in 2014; greater savings expected in 2015
- Phase I customers (commercial) in Sonoma saved \$6M in the first seven months of service.
- Sonoma's current rates are 5-8% lower than PG&E's rates; Greater savings expected in 2015.
- The City of San Rafael (municipal operations) saved \$77,000 in 2013/2014
- The City of Richmond (municipal operations) saved \$107,000 in 2014
- West Contra Costa Unified School District is projected to save \$66,000 per year from its operations in Richmond and San Pablo.



2015 MCE Residential Cost Comparison



508 kWh E-1/Res-1	PG&E 22%	MCE Light Green 50%	MCE Deep Green 100%	MCE Local Solar 100%
Delivery	\$44.37	\$44.37	\$44.37	\$44.37
Generation	\$49.50	\$40.13	\$45.21	\$72.14
PG&E Fees	-	\$6.27	\$6.27	\$6.27
Total Cost	\$93.87	\$90.77	\$95.85	\$122.78

- Delivery rates stay the same
- Generation rates vary by service option
- PG&E adds exit fees on CCA customer bills
- Even with exit fees, total cost for Light Green is less than PG&E

2015 MCE Commercial Cost Comparison



<i>1,405 kWh A-1/Com-1</i>	PG&E 22%	MCE Light Green 50%	MCE Deep Green 100%	MCE Local Solar 100%
Delivery	\$154.70	\$154.70	\$154.70	\$154.70
Generation	\$142.54	\$111.00	\$125.05	\$199.51
PG&E Fees	-	\$15.45	\$15.45	\$15.45
Total Cost	\$297.24	\$281.15	\$295.20	\$369.66

- Delivery rates stay the same
- Generation rates vary by service option
- PG&E adds exit fees on CCA customer bills
- Even with exit fees, total cost for Light Green and Dark Green is less than PG&E

SCP Residential Cost Comparison



Example Residential Electric Charges	PG&E*	CleanStart	EverGreen
Based on a home using 500 kWh per month on the RES-1 (E-1) rate			
	28% [†] Renewable Energy	33% Renewable Energy	100% Renewable Energy
Electric Generation (all customers)	\$46.01	\$35.50	\$53.00
PG&E Electric Delivery* (all customers)	\$54.25	\$54.25	\$54.25
Additional PG&E Fees (SCP customers only)	\$0.00	\$5.82	\$5.82
	Average Total Cost \$100.26	Average Total Cost \$95.57	Average Total Cost \$113.07

*PG&E fees are calculated by Sonoma Clean Power using rate data provided by PG&E effective on August 1, 2014.

[†]Based on 2014 forecasted data, as reported by PG&E. The Power Content comparison, linked at left, contains 2013 actual data for PG&E.

SCP Commercial Cost Comparison



Example Commercial Electric Charges	PG&E*	CleanStart	EverGreen
Based on a business using 1,500 kWh per month on the COM-1 (A-1) rate			
	28%[†] Renewable Energy	33% Renewable Energy	100% Renewable Energy
Electric Generation (all customers)	\$145.82	\$114.24	\$166.74
PG&E Electric Delivery* (all customers)	\$159.47	\$159.47	\$159.47
Additional PG&E Fees (SCP customers only)	\$0.00	\$15.47	\$15.47
	Average Total Cost \$305.28	Average Total Cost \$289.17	Average Total Cost \$341.67

*PG&E fees are calculated by Sonoma Clean Power using rate data provided by PG&E effective on August 1, 2014.

[†]Based on 2014 forecasted data, as reported by PG&E. The Power Content comparison, linked at left, contains 2013 actual data for PG&E.