



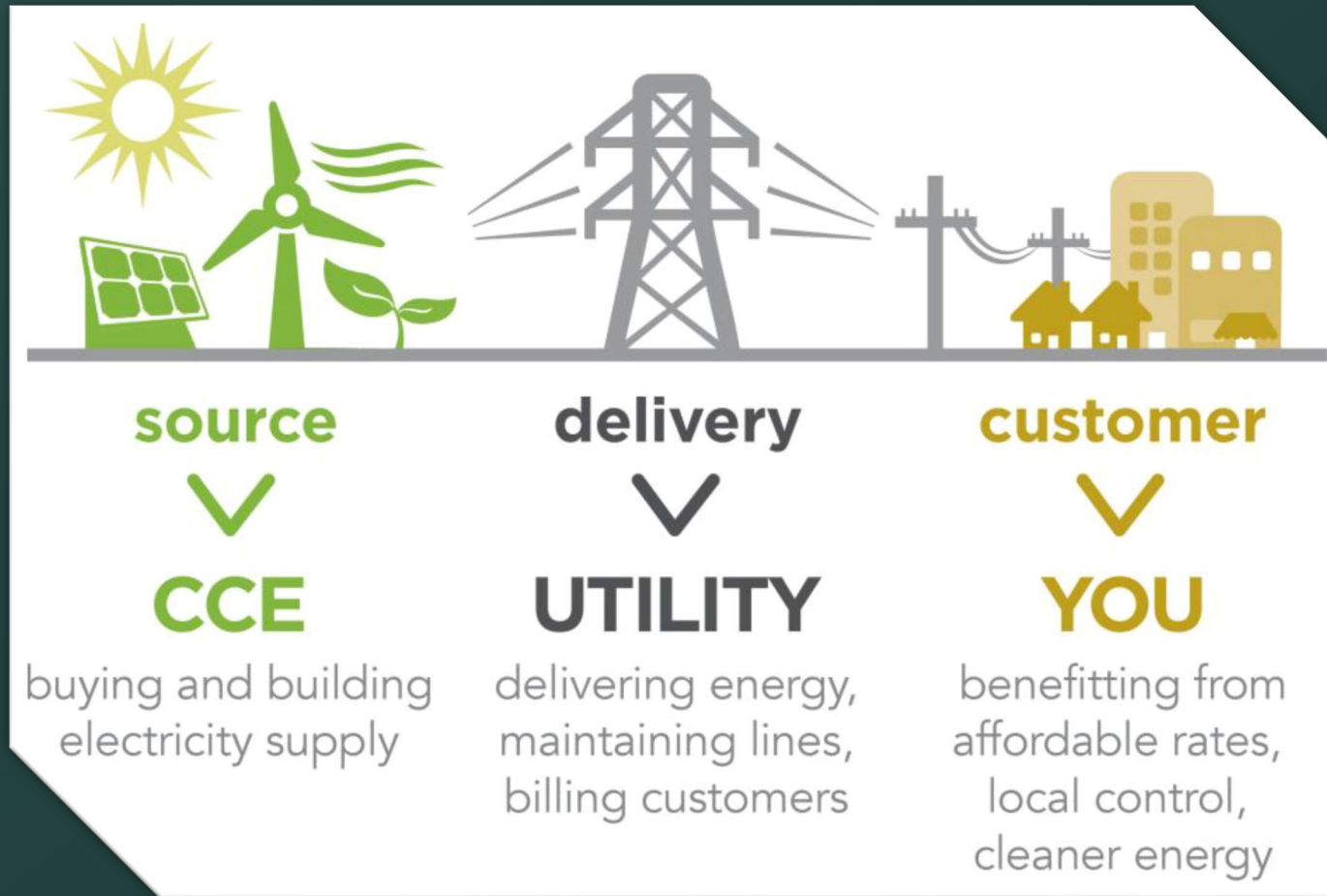
COMMUNITY CHOICE ENERGY IN SILICON VALLEY

Sunnyvale City Council

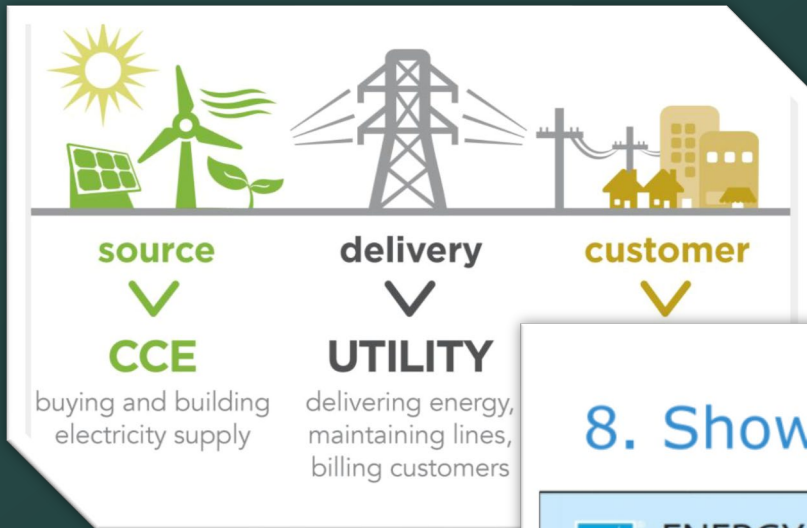
June 9, 2015

Environmental Services Department

What is It?



Customer View



8. Show the Bill

SCP Generation Charge

ENERGY STATEMENT
www.pge.com/MyEnergy

Account No: 1023456789-0
Statement Date: 07/17/2014
Due Date: 08/07/2014

Service For:
Brenda Alvarez
1234 Main Street
Apt. 3C
Santa Rosa, CA 95404

Your Account Summary

Amount Due on Previous Statement	\$404.99
Payment(s) Received Since Last Statement	-404.99
Previous Unpaid Balance	\$0.00
Current PG&E Electric Delivery Charges	\$83.15
Sonoma Clean Power (SCP) Electric Generation Charges	42.97
Current Gas Charges	34.91

Total Amount Due by 08/07/2014 **\$161.03**

Questions about your bill?
24 hours per day, 7 days per week
Phone: 1-866-743-0335 or
pge.com/MyEnergy

Growing Interest Around the State

CCA is Poised for Growth in CA



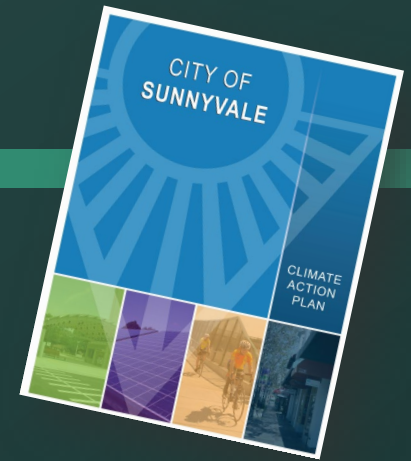
● Operational CCAs

MCE Clean Energy
Lancaster Choice Energy
Sonoma Clean Power

● Exploring / in Process

Alameda County
Butte County
City of Arcata/Humboldt County
City of Davis/Yolo County
City of San Diego
City/County of San Francisco
City of Sunnyvale/Silicon Valley Partnership
Contra Costa County
LA County/South Bay Consortium
Lake County
Mendocino County
Monterey Bay Community Power (Tri-County)
Napa County Cities
San Bernardino County
San Diego County
San Luis Obispo/Morro Bay
San Mateo County
Santa Barbara County
Solano County
Ventura County

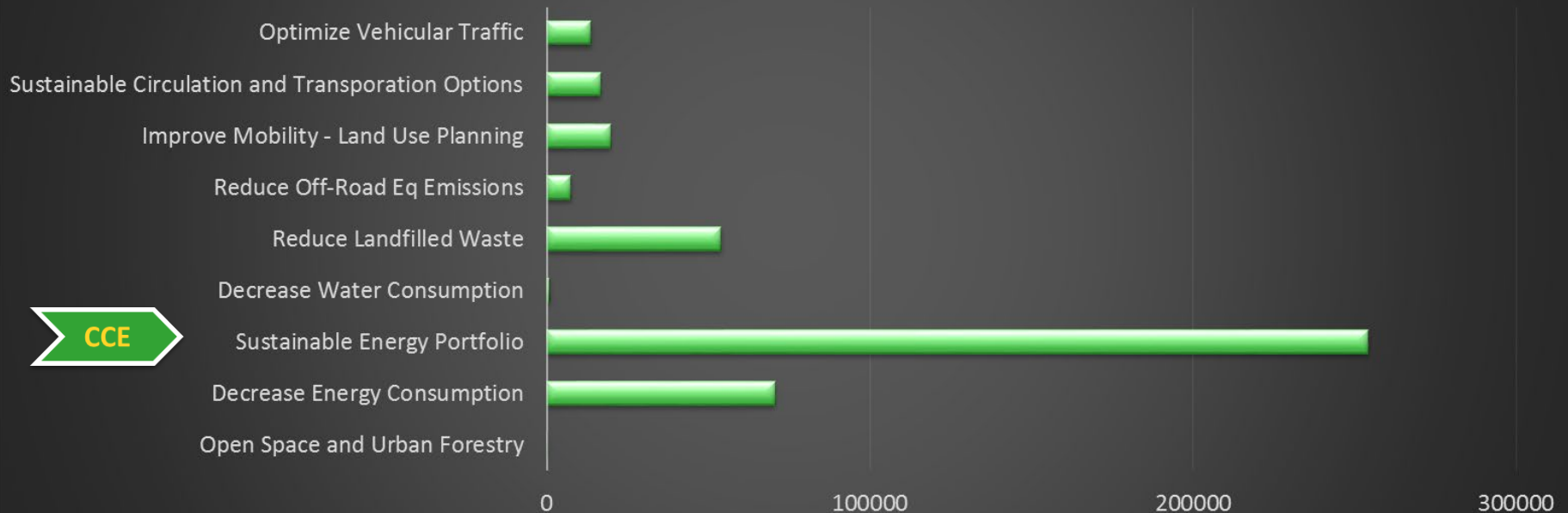
CAP Opportunities



Sunnyvale Interest Sparked

Climate Action Plan, Approved May 2014

2020 GHG Reductions (MTCO₂e/yr)



Sunnyvale Launches Study | ESD 14-02



South Bay Interest



Risks and Costs



CAP Opportunities



How to Move Forward

Sunnyvale Launches Study | ESD 14-02



South Bay Interest



Risks and Costs



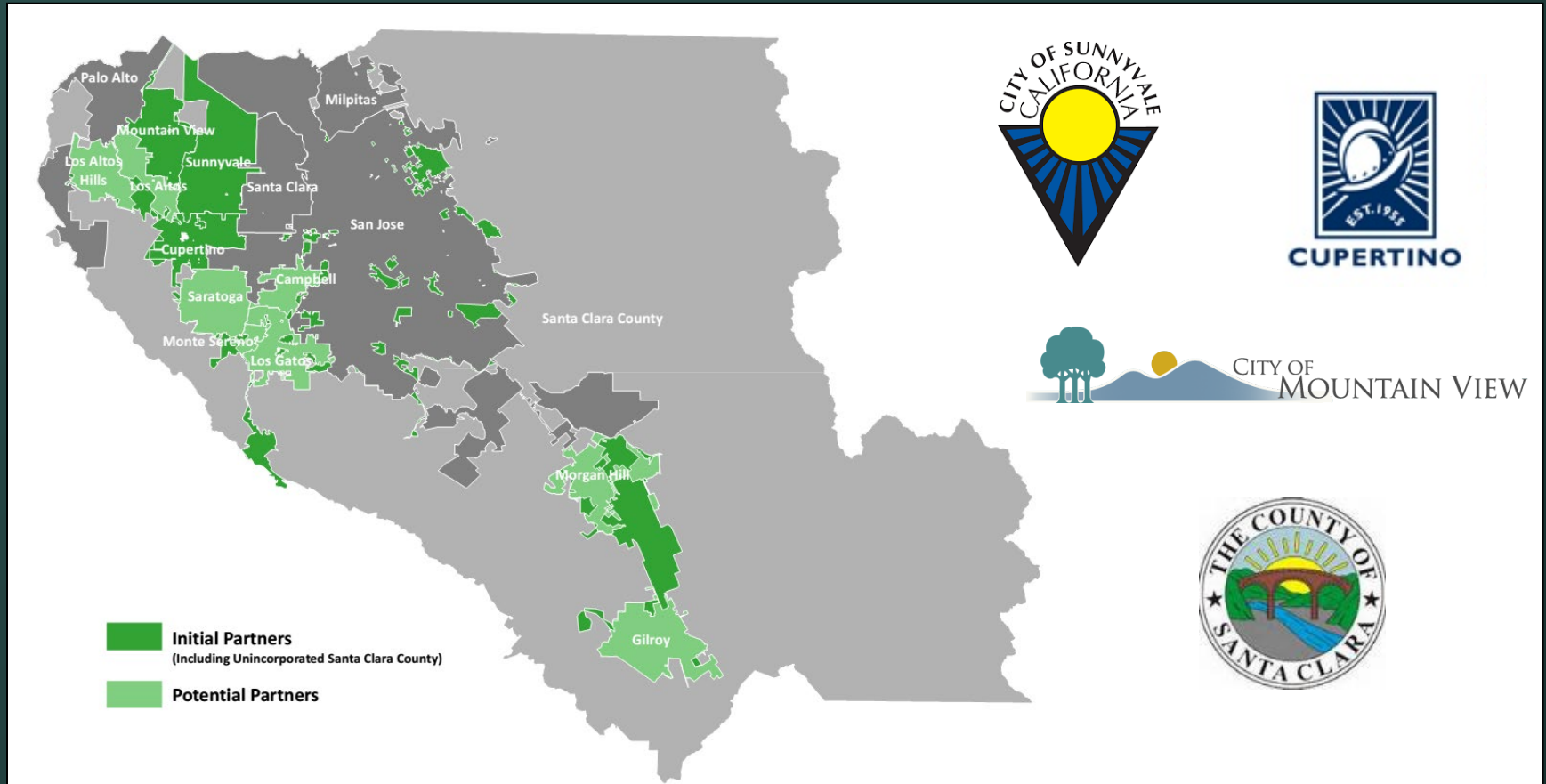
CAP Opportunities



How to Move Forward

South Bay Interest

Partners Emerge



Sunnyvale Launches Study | ESD 14-02



South Bay Interest



Risks and Costs



CAP Opportunities



How to Move Forward



Silicon Valley Community Choice Energy Partnership

**Results of CCE Assessment Report
- May 2015 -**

Key Findings

- Good Potential to Meet CAP Goals
- Timing is good
- Existing CCE Programs are Performing Well
- Anticipated Rate Savings in the Near Term
- Risks Exist But Can Be Mitigated

Key Findings

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Good Potential to Meet CAP Goals

Active Programs



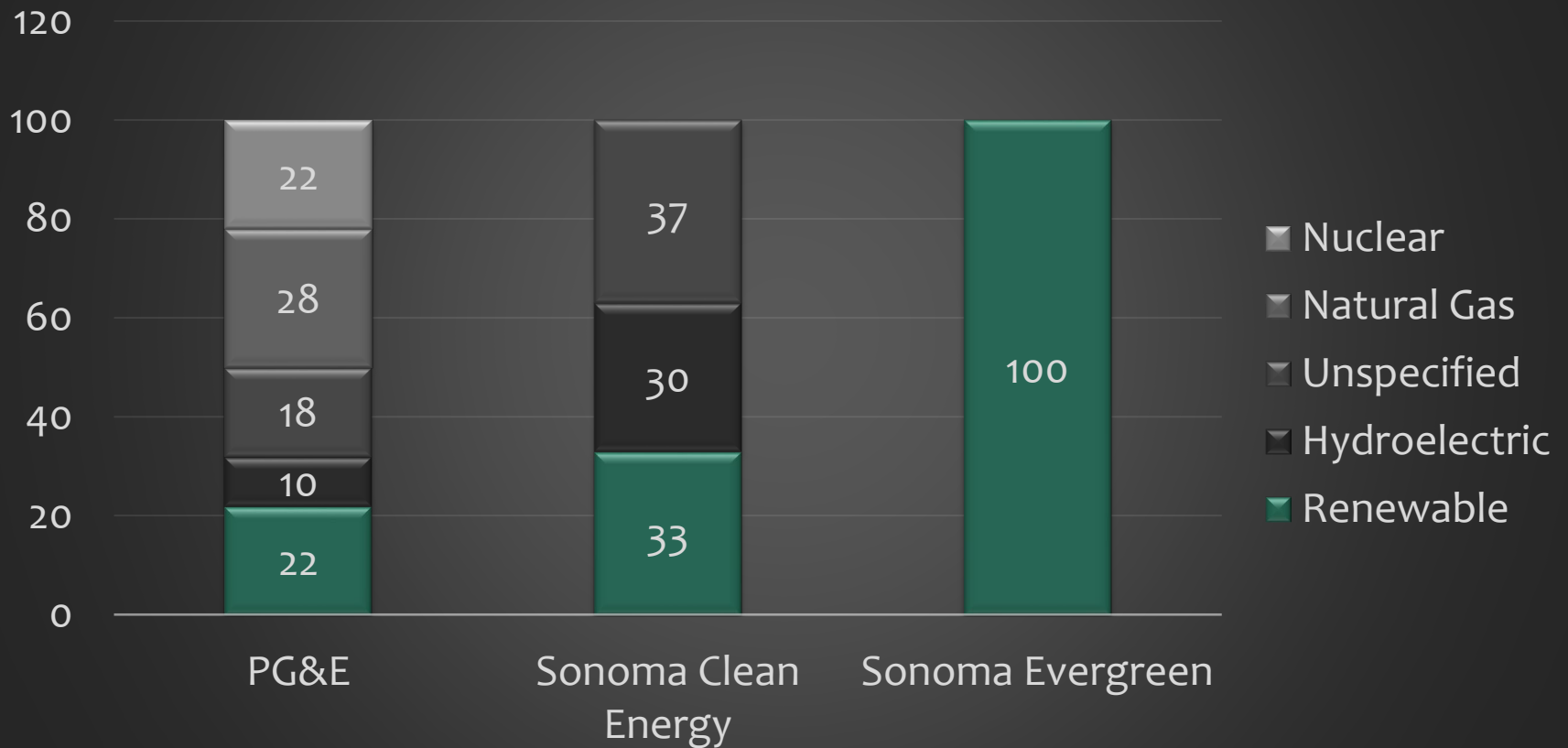
- Service since 2010
- JPA formed by Marin County
- Some cities outside county



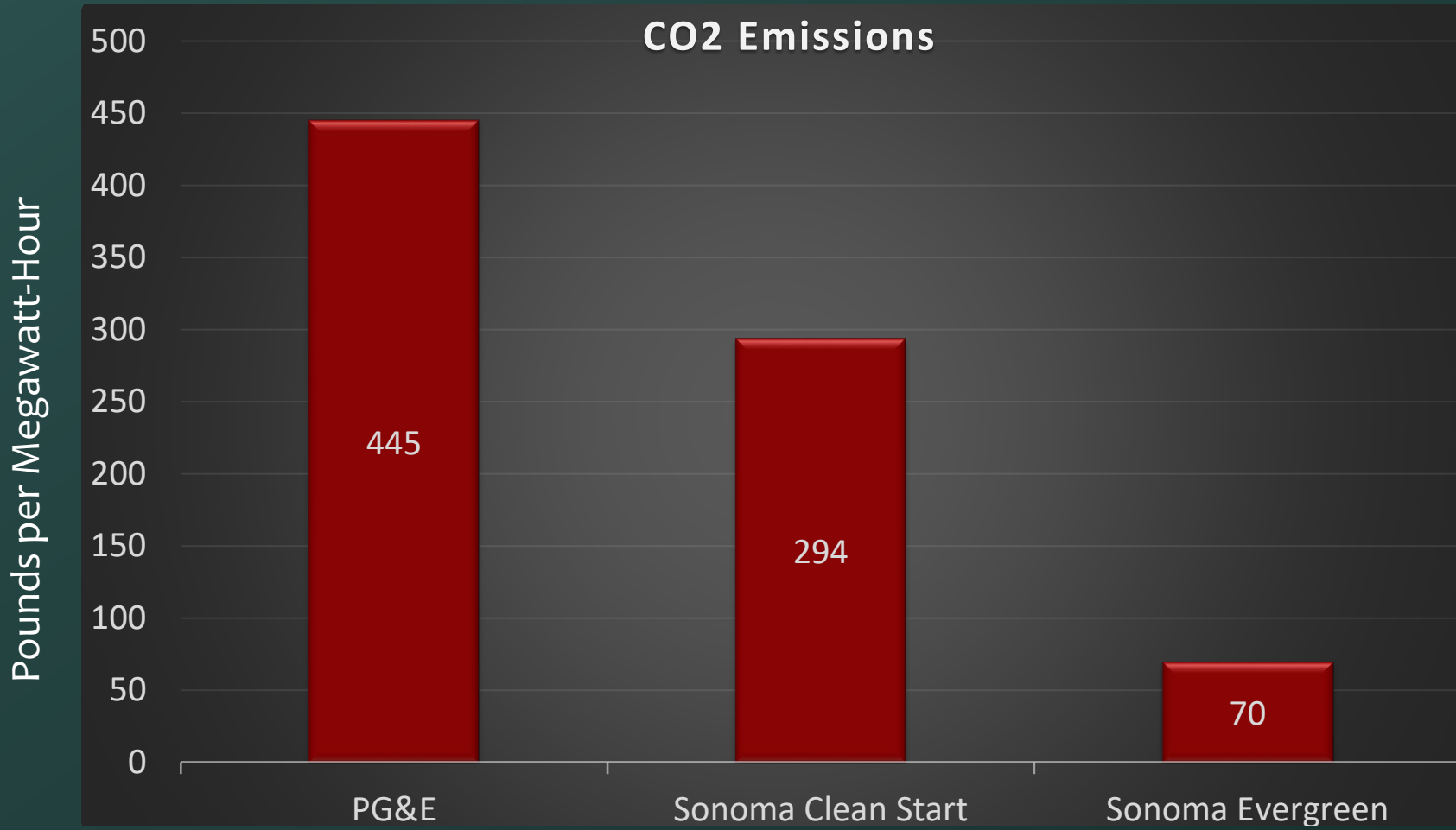
- Service since 2014
- JPA by Sonoma County and Sonoma County Water District

Good Potential to Meet CAP Goals

Electricity Generation (% by Source)



Good Potential to Meet CAP Goals



Local Innovations and Opportunities



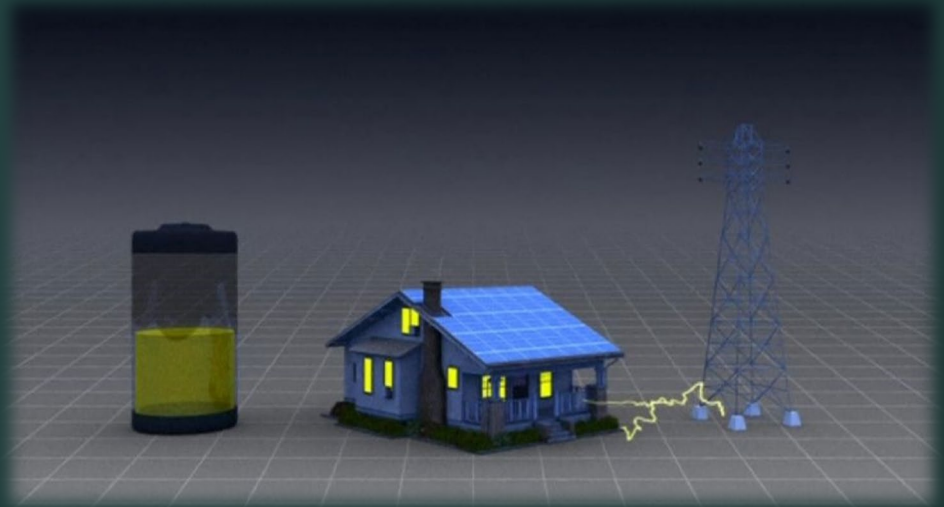
Solar on a Brownfield

Floatovoltaics



Local Innovations and Opportunities

Energy Efficiency



Battery Storage

Key Findings

- Good Potential to Meet CAP Goals
- **Timing is good**
- Existing CCE Programs are Performing Well
- Anticipated Rate Savings in the Near Term
- Risks Exist But Can Be Mitigated

Market Conditions/Utility Rate Trends

- Wholesale power and natural gas prices are at historic lows.
- Utilities are fully resourced through 2020 and thus excess power is available.
- Affordable financing available due to low interest rates.

Key Findings

- Good Potential to Meet CAP Goals
- Timing is good
- **Existing CCE Programs are Performing Well**
- Anticipated Rate Savings in the Near Term
- Risks Exist But Can Be Mitigated

Existing CCE Programs are Performing Well



Marin Clean Energy (MCE) and Sonoma Clean Power (SCP) Financial Conditions

Both CCE Programs:

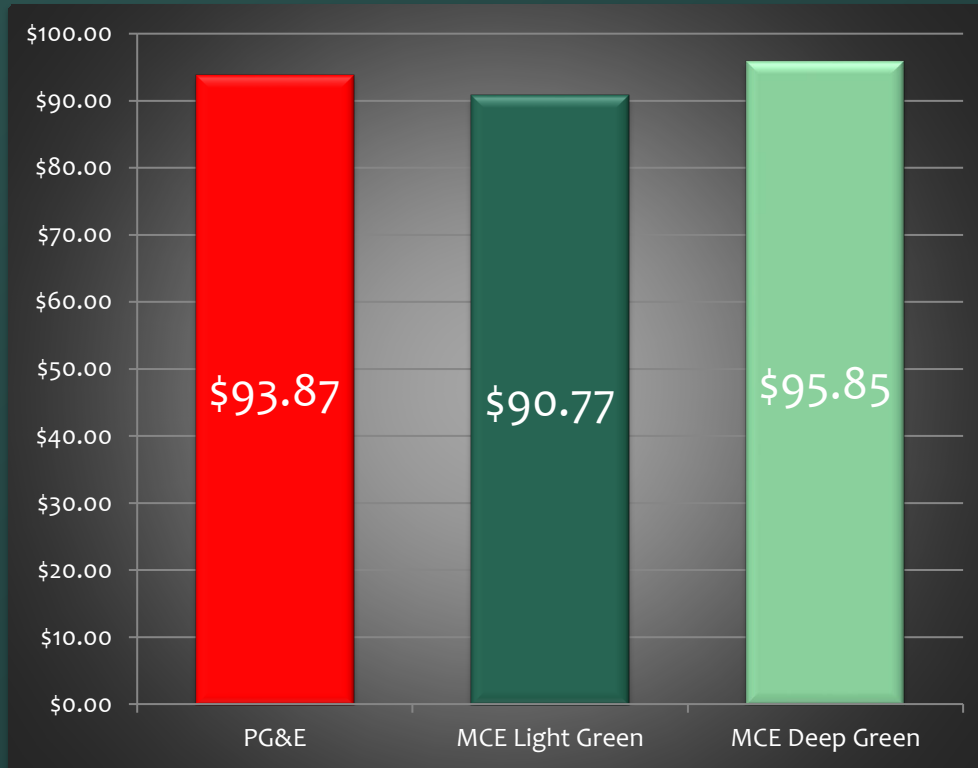
- Provide greener energy at competitive rates
- Provide enhanced energy programs
- Are fiscally sound

	MCE (Draft FY15-16)	SCP (Draft FY15-16)
Total Revenue	\$146M	\$165M
Expenses	\$141M	\$149M
Cost of Energy	\$129M	\$130M
Cost of Administration	4%	3.5%
Net Increase in Reserves	\$4.5M	\$16.9M

Key Findings

- Good Potential to Meet CAP Goals
- Timing is good
- Existing CCE Programs are Performing Well
- **Anticipated Rate Savings in the Near Term**
- Risks Exist But Can Be Mitigated

Anticipated Rate Savings in the Near Term

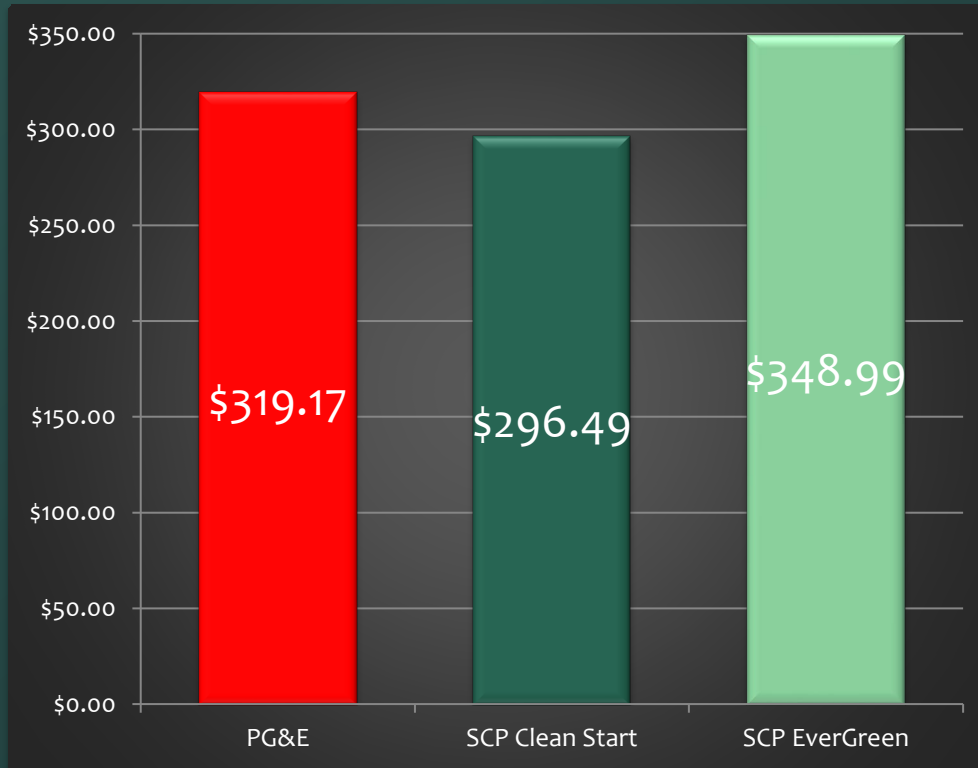


Rate Comparison

Marin Clean Energy
2015 Residential
E-1/Res-1 Rates, 508 kWh

	PG&E 22%	MCE Light Green 50%	MCE Deep Green 100%
Delivery	\$44.37	\$44.37	\$44.37
Generation	\$49.50	\$40.13	\$45.21
PG&E Fees	-	\$6.27	\$6.27
Total Cost	\$93.87	\$90.77	\$95.85

Anticipated Rate Savings in the Near Term



Rate Comparison Sonoma Clean Power 2015 Commercial Com-1/A-1, 1500 kWh

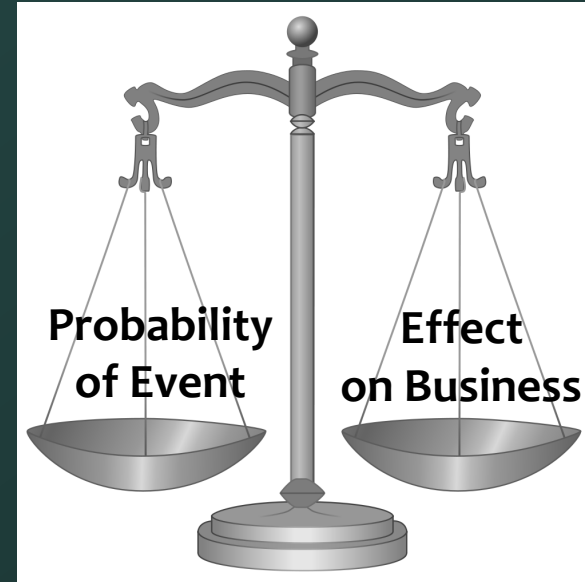
	PG&E*	CleanStart	EverGreen
	28% [†] Renewable Energy	33% Renewable Energy	100% Renewable Energy
Electric Generation (all customers)	\$153.42	\$114.24	\$166.74
PG&E Electric Delivery* (all customers)	\$165.75	\$165.75	\$165.75
Additional PG&E Fees (SCP customers only)	\$0.00	\$16.50	\$16.50
Average Total Cost	\$319.17	\$296.49	\$348.99

Key Findings

- Good Potential to Meet CAP Goals
- Timing is good
- Existing CCE Programs are Performing Well
- Anticipated Rate Savings in the Near Term
- **Risks Exist But Can Be Mitigated**

Risks related to CCE

- Financial Risk
- Competitive and Pricing Risk/
Opt-Out Rates
- Market Exposure
- Regulatory Risk
- Political Risk



Assessment Report analyzes these risks and outlines potential risk-mitigation measures

Sunnyvale Launches Study | ESD 14-02



South Bay Interest



Risks and Costs



CAP Opportunities



How to Move Forward

Report Recommendations

- Move forward with Technical Study.
The analysis of load data and program potential.
- Consider SVCCEP's large commercial/industrial load.
Presents both opportunities and challenges not found at MCE and SCP.
- Engage other Santa Clara cities to participate.
- Articulate CCE goals and objectives.
- Start stakeholder and community engagement now.
- Form JPA sooner rather than later.

How to Move Forward

	Activities	Timeframe
Phase 1a INITIAL STUDY \$80K	<ul style="list-style-type: none">▪ Identify potential partners▪ Identify opportunities▪ Identify costs and risks▪ Investigate other CCEs▪ Initiate community outreach▪ Gather feedback▪ Develop framework for next steps	Completed June 2015
Phase 1b FEASIBILITY STUDY \$450K	<ul style="list-style-type: none">▪ Establish partners and funding▪ Complete Technical Study<ul style="list-style-type: none">▪ Load and rate analysis▪ Supply options▪ Environmental outcomes▪ Expand outreach	July - November 2015 Pending Council action

How to Move Forward

	Activities	Timeframe
Phase 2 PROGRAM DEVELOPMENT \$750K	<ul style="list-style-type: none">▪ Form JPA▪ Conduct full-scale outreach▪ Procure energy services▪ Establish pricing▪ Enact enabling ordinances▪ Submit Implementation Plan to PG&E▪ Secure Agreement with PG&E▪ Secure bridge financing	November 2015 – Spring 2016 Pending Council action
Phase 3 CCE LAUNCH \$400K plus Bridge Financing	<ul style="list-style-type: none">▪ Staff up▪ Execute energy contracts▪ Execute service contracts▪ Notify customers▪ Establish conservation programming▪ Establish renewables programming	Spring – End of 2016 Pending Council action

How to Move Forward

Consultant Team Assembled



Program Development

PACIFIC
ENERGY
ADVISORS

Technical Services



Community Engagement

- Assessment Report completed
- Website launched: www.SVCleanEnergy.org

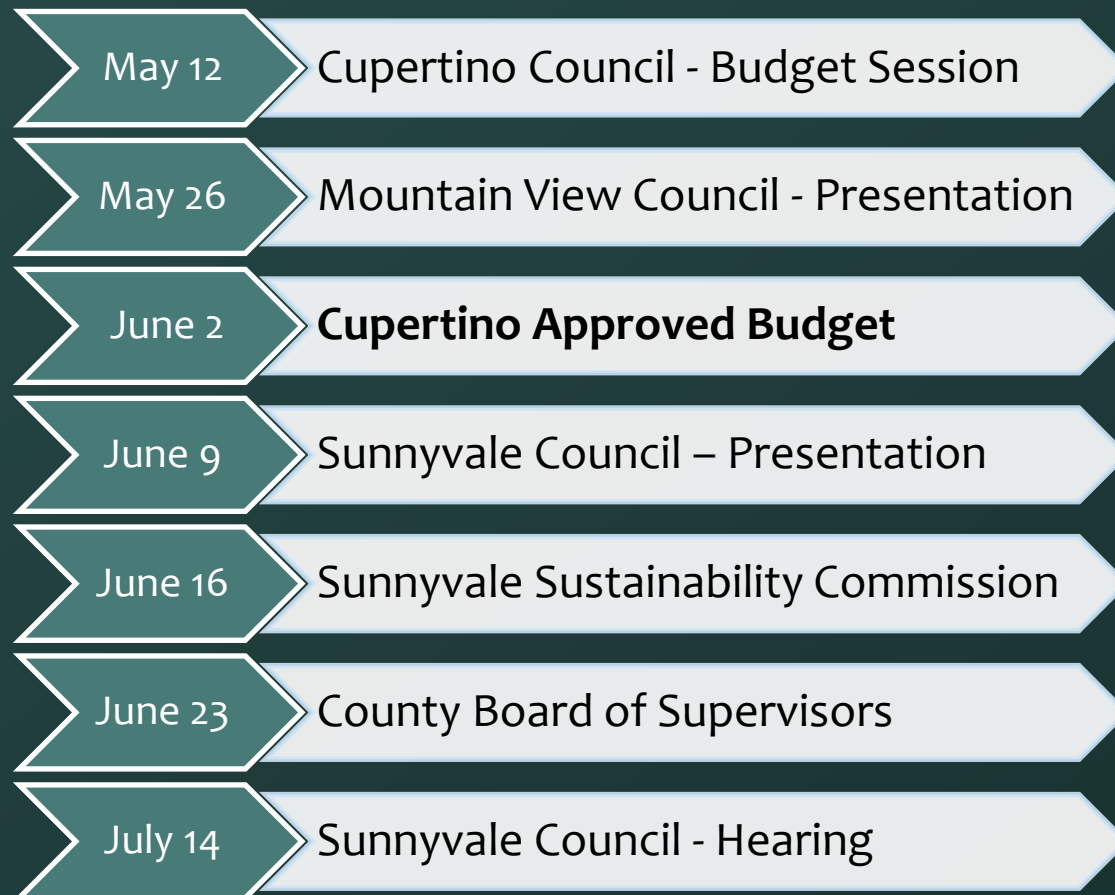
How to Move Forward



www.svcleanenergy.org

How to Move Forward

Council / Board Schedule



How to Move Forward

Advancing the Partnership

- Eight cities added to data request.
- Cost of Technical Study is fairly fixed.
- Costs of Partner coordination and community outreach is higher with more partners.
(More important for Phase 2)



How to Move Forward

Advancing the Partnership – Proposed Approach

- Partnership Agreement with Initial Partners until JPA formed.
- Form JPA in Fall 2015 with Initial Partners as the Sponsors (money and staff).
- Maintain advisory role for Potential Partners.
- Expand JPA in Spring 2016, prior to issuing RFP for Energy Services.
- Require “buy-in” for expanded outreach and program development at that time.



How to Move Forward

Considerations

- Project Pace
- Partnership Phasing
- Staffing Impacts
- Multi-jurisdictional Program Delivery Model



Return to Council – July 14, 2015

Back up Slides

- **Energy Efficiency:** Multiple ways for CCEs to fund programs; eg: MCE obtained \$5.5M by becoming an EE program administrator
- **Battery Storage:** MCE announces partnership with Tesla for home energy storage
- **Local Power Projects:**
 - MCE building 10.5 MW PV on Chevron brownfield site
 - SCP building a 12.5 MW “Floatovoltaics” PV project on wastewater ponds at County Water Agency.

CCE Generation Rate Comparison

Generation Rate	PG&E	MCE/Light Green	MCE Deep Green
E-1 (residential)	\$0.098	\$0.079	\$0.089
A-1 (small commercial)	\$0.102	\$0.079	\$0.089
E-19 (large industrial)	\$0.099	\$0.077	\$0.087
AG-1 (agricultural)	\$0.103	\$0.089	\$0.099
	PG&E	SCP/Clean Start	SCP/Evergreen
E-1 (residential)	\$0.097	\$0.071	\$0.106
A-1 (small commercial)	\$0.10 2	\$0.076	\$0.111
E-19 (large industrial)	\$0.102	\$0.077	\$0.112
AG-1 (agricultural)	\$0.108	\$0.081	\$0.116

How to Move Forward

Phase 1a: Initial Study

- ID potential agency partners
- ID opportunities, costs, and risks
- Investigate other CCEs
- Inform community and gather feedback
- Framework for next steps

\$80K

Phase 1b: Technical Feasibility Study

- ID partners & funding
- Technical Study: load and rate analysis, economics, supply options, environmental outcomes
- Community outreach & input

\$450K

Phase 2: CCE Program Dev't

- JPA Formation
- Expand Outreach
- Energy Svcs Pricing and Procurement
- Enabling Ordinance
- Implementation Plan to PUC
- Agreement w/PG&E
- Bridge financing to revenue

\$750K

Phase 3: CCE Launch

- Staffing and Org setup
- Energy and other Service Contracts
- Customer notifications and service
- Conservation & Renewables programming

\$400K + Bridge \$

**July
2015**

**Tech Study
Decision**

**Fall
2015**

**Initial JPA
Formation**

**Spring
2016**

Expand JPA

**Spring
2016**

**Imp'n Plan
to CPUC**

**End
of
2016**

**Commence
Service**

Anticipated Rate Savings in the Near Term



Generation Rate Comparison

