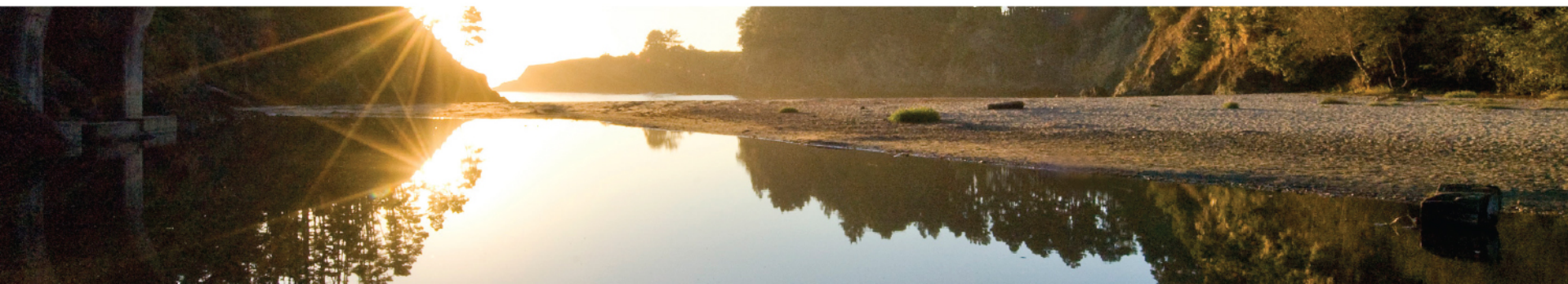




Community Choice Energy (CCE)

IN MENDOCINO COUNTY



What is Community Choice Energy?

CCE allows local governments to procure and/or develop power on behalf of their communities:

- For residential, municipal and business accounts
- Works in partnership with PG&E
- Proven to increase renewable energy and lower greenhouse gases
- Offers affordable electricity rates

How Community Choice Energy Works



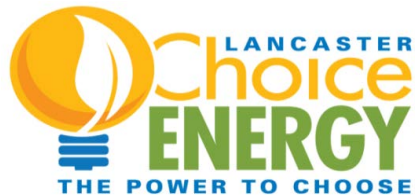
Potential CCE Advantages

Why is Mendocino County exploring CCE?

- Responsive to local environmental and **economic goals**
- Offers consumers a **choice** where none currently exists
- Is revenue supported, **not taxpayer subsidized**
- Offers stable—often cheaper—**electricity rates**
- Allows for rapid switch to cleaner power supply, significant **greenhouse gas reductions** and achievement of Climate Action Plan goals



3 Operational CCEs in CA Already



Launch Year	2015 Avg. Customer Rate Savings	Power Options (current)
2010	2-5% below PG&E	56% Renewable 100% Renewable 100% Local Solar
2014	6-14% below PG&E	36% Renewable 100% Renewable
2015	3-4% below SCE	35% Renewable 100% Renewable

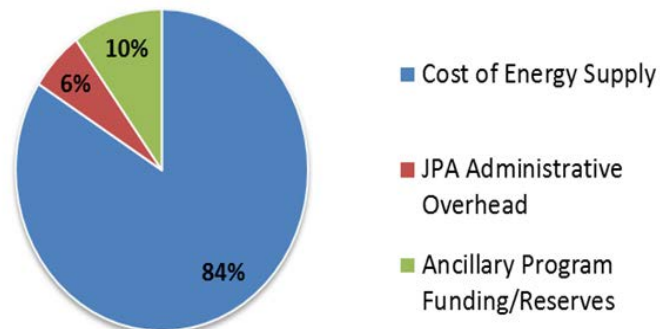
CCE is Growing in California



MCE and SCP are Fiscally Sound

	MCE (FY15-16)	SCP (FY15-16)
Total Projected Revenue	\$145,933,000	\$165,495,000
Expenses	\$141,433,000	\$148,588,000
Cost of Energy	\$129,522,000	\$130,100,000
Cost of Administration	7%	4.5%
Projected Net Increase in Reserves	\$4,500,000	\$16,907,000


Typical CCA Revenue Allocation



How Does it Work?

1. *FORM or JOIN a Joint Powers Agency* in which participating local governments pass an ordinance and enter into a JPA Agreement, or outsource the program.
2. *Utility (PG&E) continues to provide* consolidated billing, customer service, grid and line maintenance without service interruption.
3. *PG&E programs for low income/CARE* customers remain the same.
4. *CCE electric generation charges* (including exit fee) appear as new line items on the customer bill; all other charges remain the same.
5. *CCE becomes default electric provider*, as customers are automatically enrolled and receive *at least 4 opt-out* notices over 120 days and *can return to PG&E service any time*.
6. *CPUC certifies CCE Plan*, oversees utility/ CCE service agreement and other requirements.

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 <table><tr><td>Amount Due on Previous Statement</td><td>82.85</td></tr><tr><td>Payments Received Since Last Statement</td><td>82.85</td></tr><tr><td>Previous Unpaid Balance</td><td>\$0.00</td></tr><tr><td>Current PG&E Electric Delivery Charges</td><td>\$39.32</td></tr><tr><td>MCE Electric Generation Charges</td><td>\$42.81</td></tr><tr><td>Current Gas Charges</td><td>\$27.20</td></tr><tr><td>Total Amount Due</td><td>\$109.33</td></tr></table>	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
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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	Total Amount Due \$109.33														


Local Office Address

750 LINDARO STREET, STE 160
SAN RAFAEL, CA 94901

Important Messages

Your charges on this page are separated into delivery charges other than PG&E. These two charges are for different services.

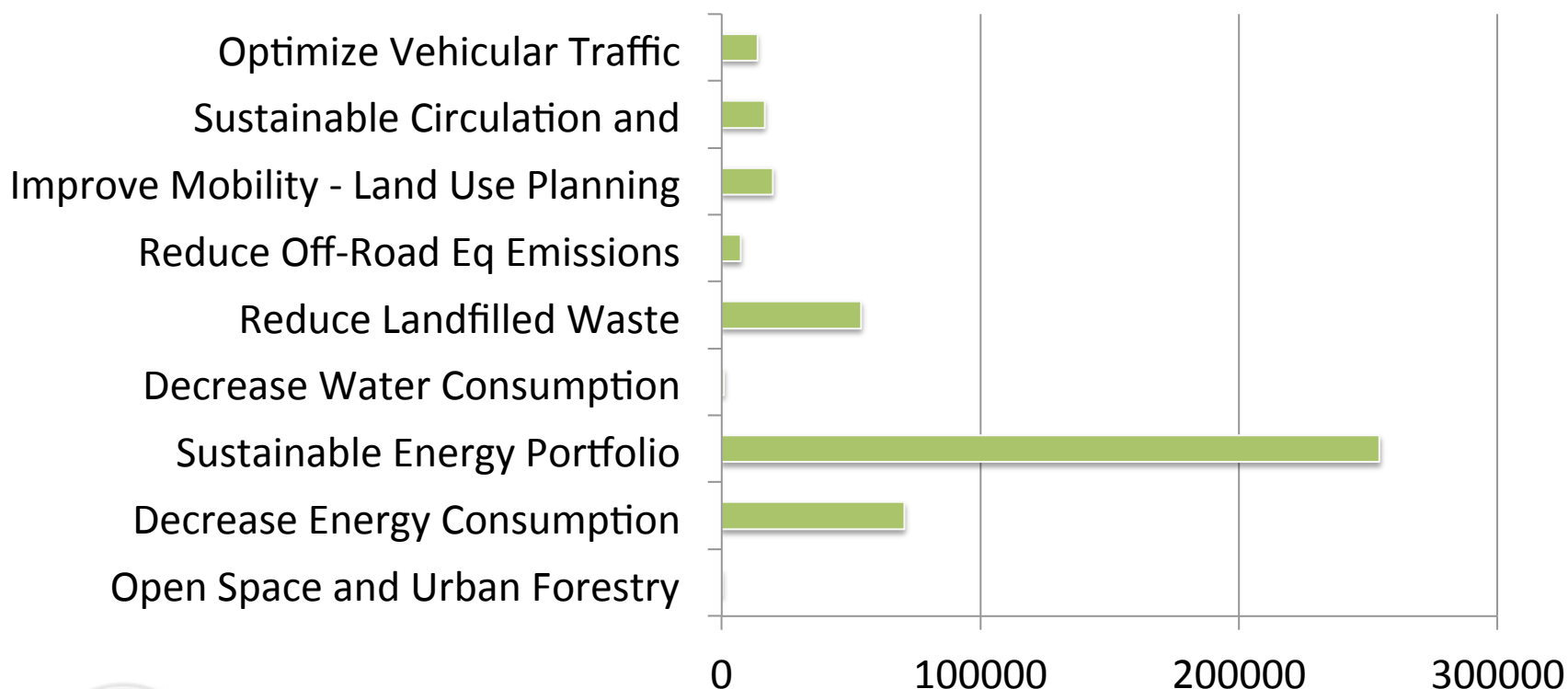
Electric power line safety PG&E cares about your safety. Please keep antennas at least 10 feet away from overhead power lines. If you have any questions, call 9-1-1 and then PG&E at 1-800-743-5000.

 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	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												
10/01/2013 – 11/01/2013 <table><tr><td>Rate Schedule:</td><td>RES-1</td><td></td></tr><tr><td>DEEP GREEN - TOTAL</td><td>508.000000 kWh @ \$0.0100</td><td>\$5.08</td></tr><tr><td>GENERATION - TOTAL</td><td>508.000000 kWh @ \$0.07400</td><td>\$37.59</td></tr><tr><td></td><td>Net charges</td><td>\$42.67</td></tr></table>	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	Additional Messages For questions regarding your charges on this page, please contact your Third Party Energy Service Provider.
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												

CCE Achieves Local Climate Goals

Excerpt from City of Sunnyvale Climate Action Plan

2020 GHG Reductions (MTCO₂e/yr)



Local CCE Program Options

CCE encourages new energy programs

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



Risks & Mitigations

Rate Competition/Market Fluctuation:

Rates will vary with market conditions. Power market is currently favorable but power market expertise and well crafted energy contracts are essential; diversified supply portfolio and “value add” programs.

Customer Opt-Out:

Competitive rates are a must; articulate additional community benefits. Opt-out rates typically range from 5%-15%.

Political:

Align CCE to local policy objectives; appeal to both progressive and conservative minds by making the environmental AND business case.

Regulatory/Legislative:

State legislation and CPUC decisions can adversely affect CCE; join a growing group of CCEs and advocacy organizations by participating in the state regulatory and legislative process.

Program Options & Next Steps

What options are being considered by the County?

- Join an existing CCE program (such as Sonoma Clean Power)
- Form a stand-alone CCE program that includes the county and interested cities
 - Option A: Outsource program funding and operations (similar to Humboldt County)
 - Option B: Form a new JPA that is locally funded and operated (similar to San Mateo County)
- Consider an operational partnership with City of Ukiah Electric Utility



For More Information

Chris Shaver, Deputy CEO

County of Mendocino

shaverc@co.mendocino.ca.us

(707) 463-4441

LEAN Energy US

Shawn Marshall

Tom Kelly

Susan Bierzychudek

shawnmarshall@leanenergyus.org

(415) 888-8007

