

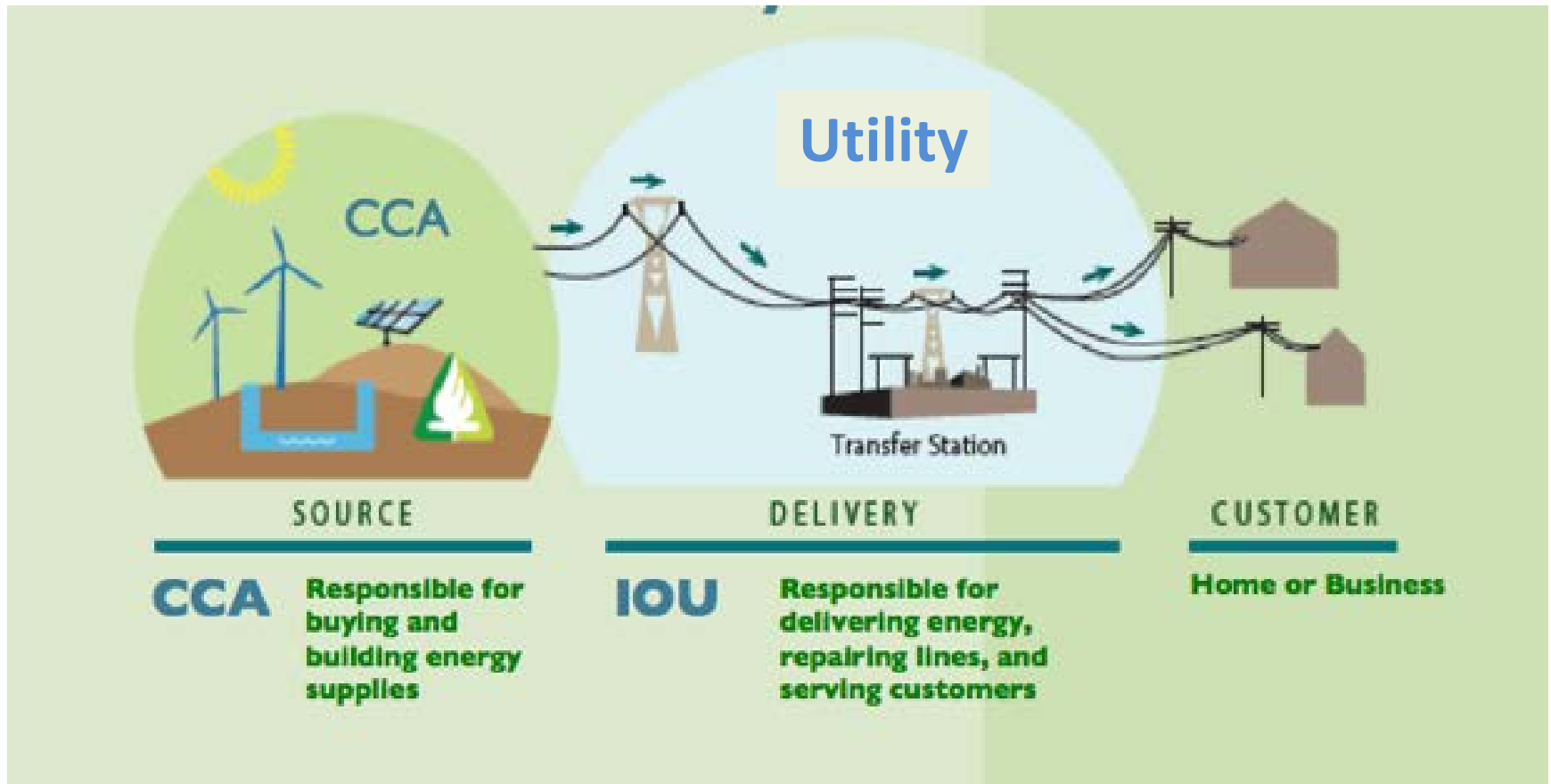


Greening The Grid Through Community Choice Aggregation

US EPA Webinar
March 6, 2012

WHAT IS CCA?

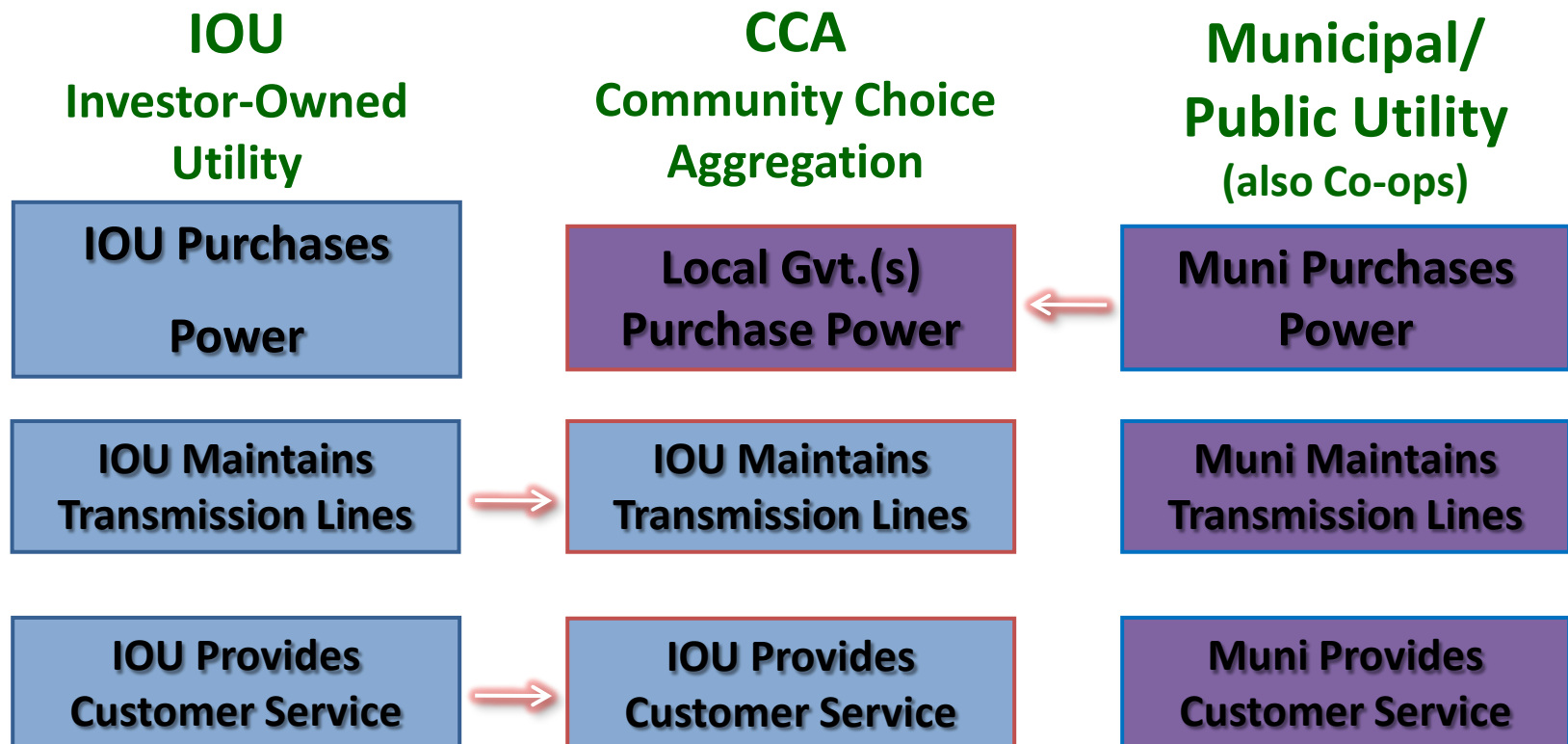
Established by State law, CCA allows cities and counties to pool their residential, business and municipal electricity loads, and to purchase power (and/or generate it*) on their behalf. Energy transmission, distribution, repair and customer service functions remain with the incumbent utility. **Where allowed by state CCA law*



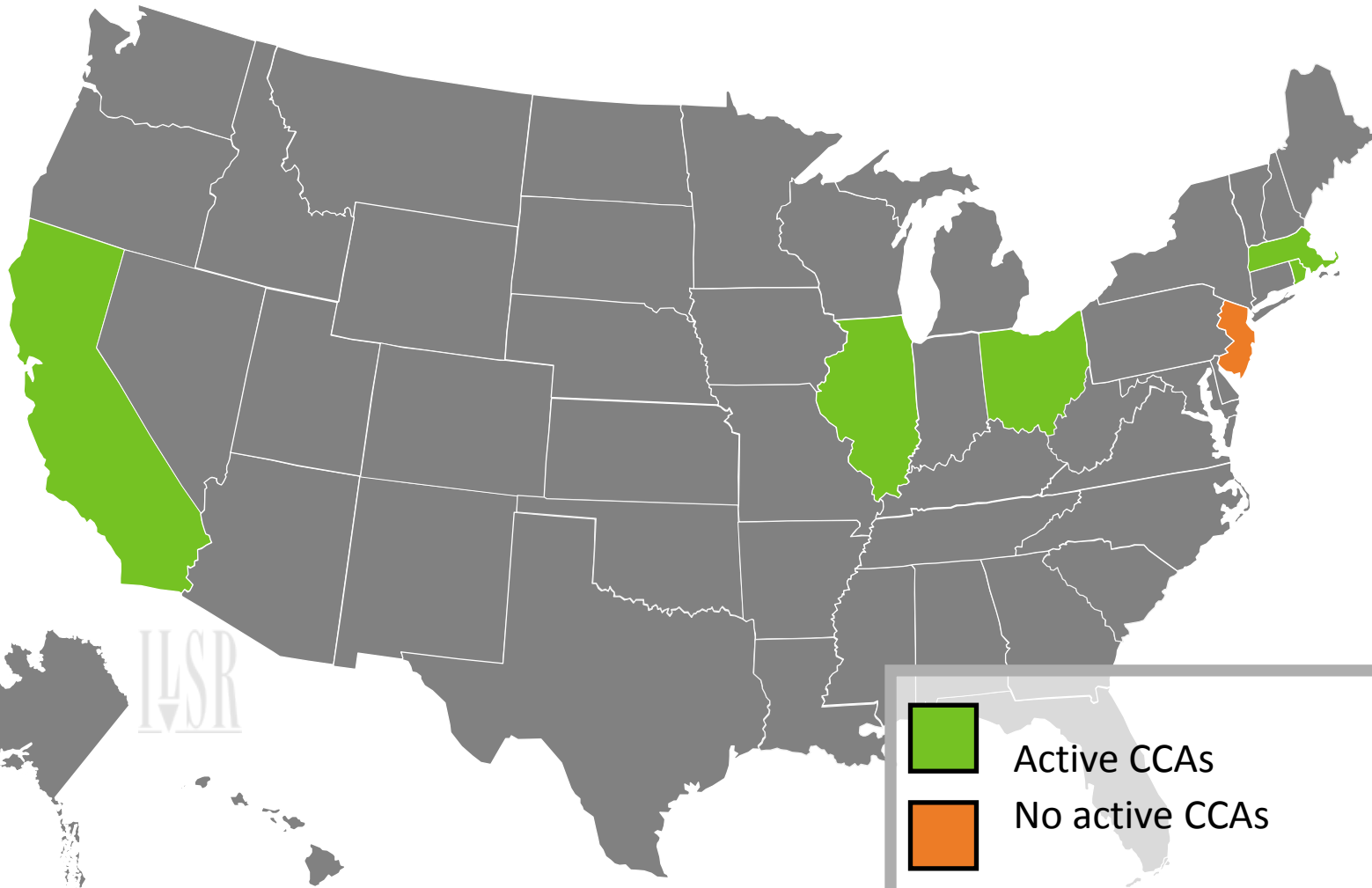
A HYBRID APPROACH



Roughly 70% of U.S. electricity is supplied by vertically integrated investor-owned utilities (IOUs), with much of the balance coming from publicly-owned municipal utilities. CCA offers a third, hybrid option, where key energy functions are split between a public entity and the IOU.

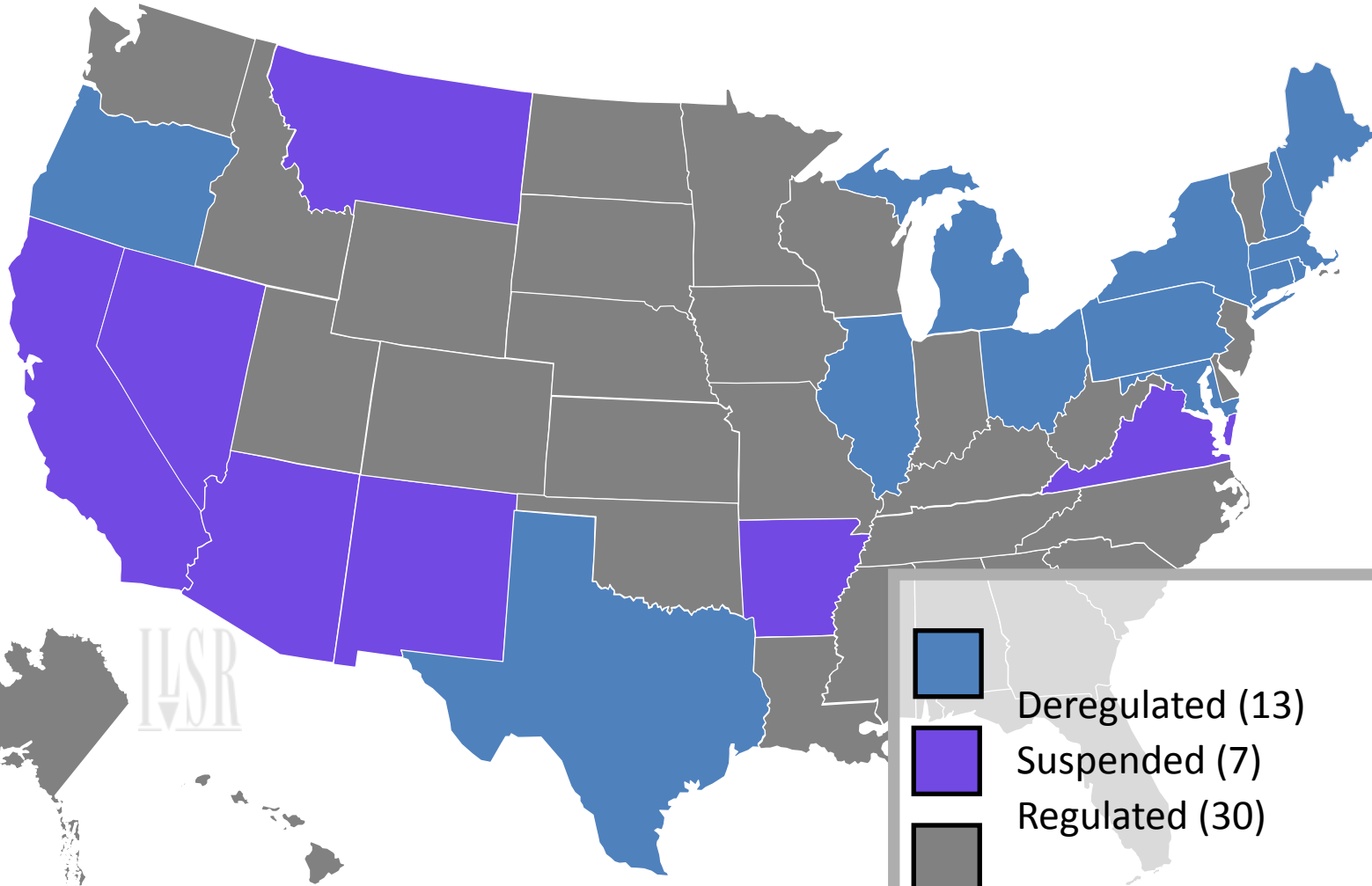


WHERE IS CCA NOW?



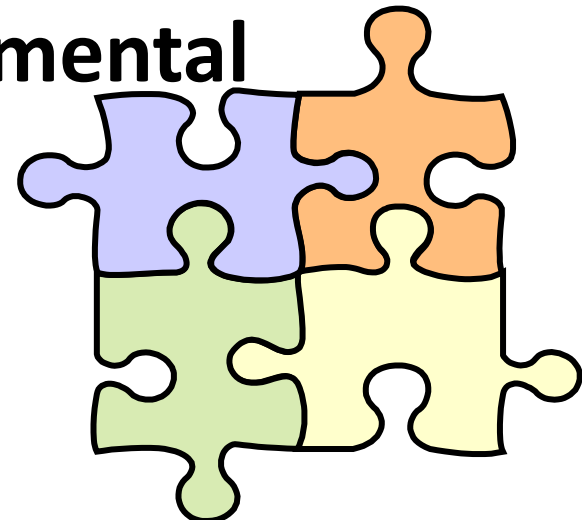
POTENTIAL FOR EXPANSION

Influenced by Electricity Markets



COMMON FEATURES

- ✓ **Enabled by State Legislation**
- ✓ **Opt-out program**
- ✓ **Local governments as decision-makers**
- ✓ **Utilities as delivery and billing partners**
- ✓ **Existing regulations and environmental mandates apply (e.g. RPS, RA)**
- ✓ **Not taxpayer funded**



DIFFERENCES BETWEEN STATES

- ✓ **Local referendum vs. vote of elected board or Council**
- ✓ **City as contracting agent vs. JPA/intergovt. entity**
- ✓ **Statutory requirements and implementing regulations vary**
- ✓ **Procurement, program, and asset development approach varies**
- ✓ **Utility relationships and service agreements vary**



WHY DO IT?



#1: STABLE RATES & COST SAVINGS

IL: Average 25% savings off ComEd and Ameren rates

MA: Average 6% lower rates for default supply; small premium for 100% green

CA: Competitive rates for 50% - 100% green supply; small premium for 100% green

RI: Over \$28 M saved by 37 municipal accounts

WHY DO IT?

#2 GHG EMISSIONS REDUCTION



Our Plan to Reduce Greenhouse Gas Emissions



Excerpt from Town of San Anselmo , CA -- Climate Action Plan

WHY DO IT?



#3 REDIRECTED REVENUES

Economic Projections for CCA programs in Northern CA Cities and Counties

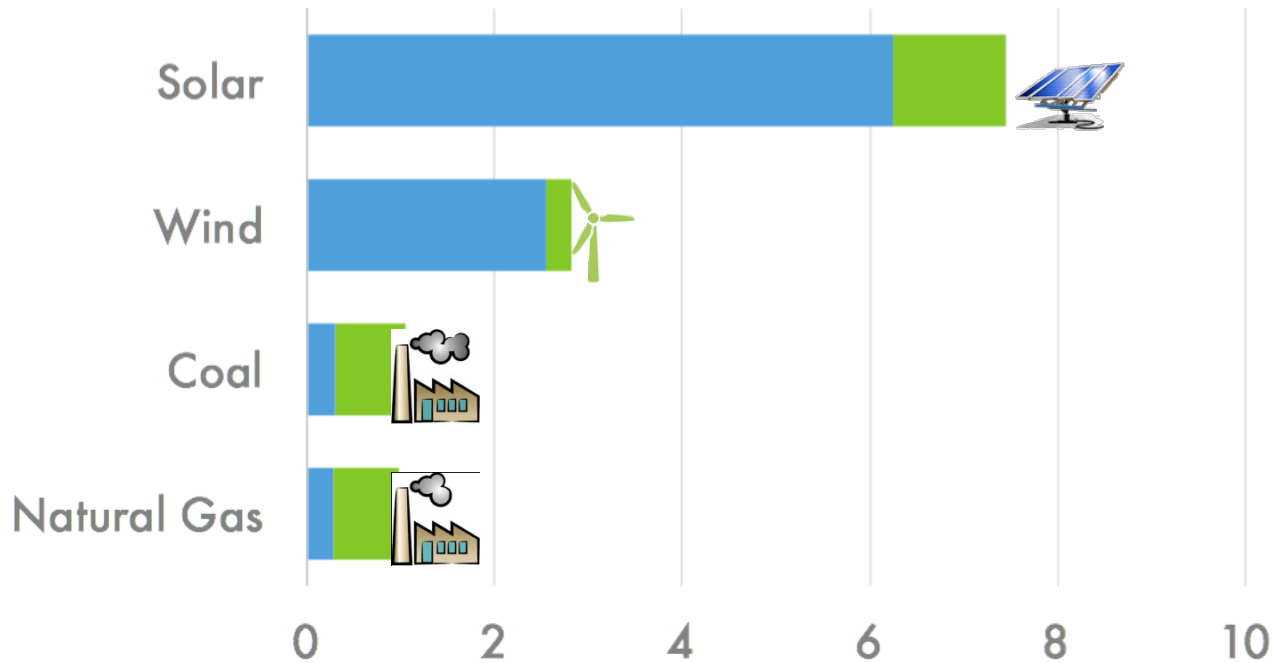
	TOTAL LOAD	# OF ACCOUNTS	EST. RATEPAYER REVENUE (in Millions)	NEW RENEWABLE estimated at 50% of load by 2020	COMPLIANCE COST SAVINGS
MARIN	150 MW	90,000	\$90-100 M	65 MW	\$263 M
SONOMA	350 MW	170,000	\$170 M	175 MW	TBD
SAN FRANCISCO Phase I	30-40 MW	75,000 (residential only)	\$31.2 M	30-40 MW Phase 1 @ 100% renewable	"
SAN FRANCISCO Full Load	450 MW	350,000	\$328 M	225 MW	"
SAN JOAQUIN	260 MW	112,000	\$52 M	130 MW	"
EAST BAY CITIES	540 MW	275,000	\$230 M	270 MW	"
TOTALS	1730 MW	977,000	\$855 M	865 MW	

WHY DO IT?

#4 *ECONOMIC DEVELOPMENT*



Jobs from Renewables



Jobs per Megawatt

- Construction, manufacturing and installation
- Ongoing maintenance and fuel

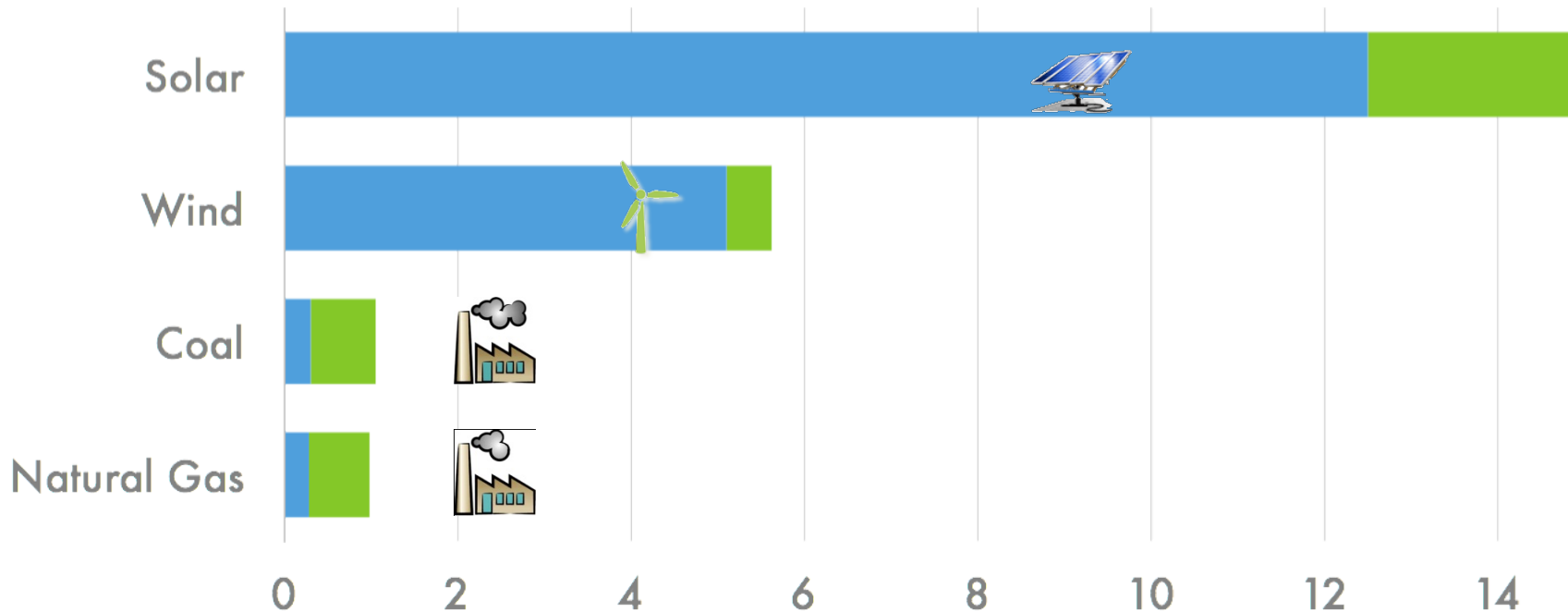
ILSR

WHY DO IT?

#4 *ECONOMIC DEVELOPMENT*



Local Ownership Boosts Jobs from Renewables



Jobs per Megawatt

- Construction, manufacturing and installation
- Ongoing maintenance and fuel

WHY DO IT?



#5 CONSUMER & COMMUNITY BENEFITS

CCA offers consumers an energy choice that reflects their goals and values without the tax burden of maintaining an aging delivery system.

CCA allows communities to choose their electricity supply, use/build local generation, and set rates locally.

CCA allows for local program optimization: integration of solar PACE, energy efficiency, net metering, feed-in-tariff, solar shares, green business programs, etc.

CCA helps communities meet State regulations and environmental mandates.

WHAT ARE THE RISKS...

And how are they mitigated?

Utility Opposition/Opt Out Risk (in certain states)

Price Risk (natural gas; expiring contracts)

Political Risk (local officials must be engaged early on)

Regulatory Risk (especially with utility opposition)

Operations Risk (in states that form a separate JPA)

GETTING STARTED



- ✓ **Education and assistance: Ask for help!**
- ✓ **Understand your State regulatory, compliance and political environments; find champions/build bi-partisan support.**
- ✓ **Be clear about how CCA meets State and local objectives; Remember: It's more than just price!**
- ✓ **Once State legislation is enacted, CCA efforts go local.**

“CCA is not a liberal or conservative thing-- It's a business tool that reflects the values of the region.” – D. Orth, Kings River Conservation District

CCA CASE STUDY - Marin Clean Energy

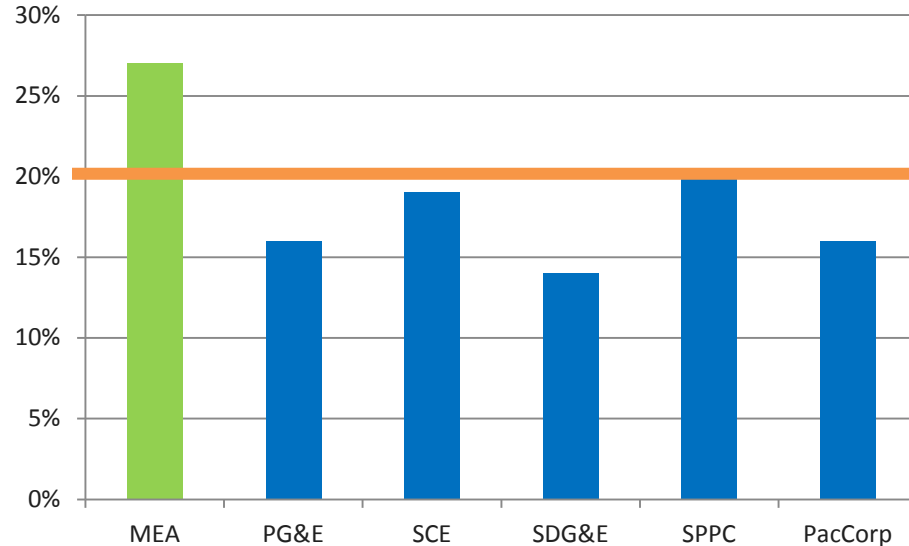


- First and only operating CCA program in California
- 50 – 100% renewable power available to customers
- Currently serving approximately 14,000 customers
 - Expanding to approximately 95,000 in July 2012
- Currently reducing 15,420 tons of annual GHG reductions
 - After July enrollment reductions will increase to 39,027 tons annually
- Reinvesting in local community by providing funding for installing electric vehicle charging stations, energy efficiency rebates, solar rebates, and supporting local nonprofit organizations

CCA CASE STUDY - Marin Clean Energy

- 2010 – MEA exceeded California's Renewable Portfolio Standard by 33%
- 2011 – 27.8% renewable content. Reports are due on March 1
- EPA Green Power Partner & Green Power Leadership Club in 2010 and 2011
- Investing in new renewable energy projects
 - 45 MW new solar in California planned for operation in 2014
 - 3.2 MW of new biogas in California planned for operation in 2013

Renewables Portfolio Standard/MEA Procurement – 2010

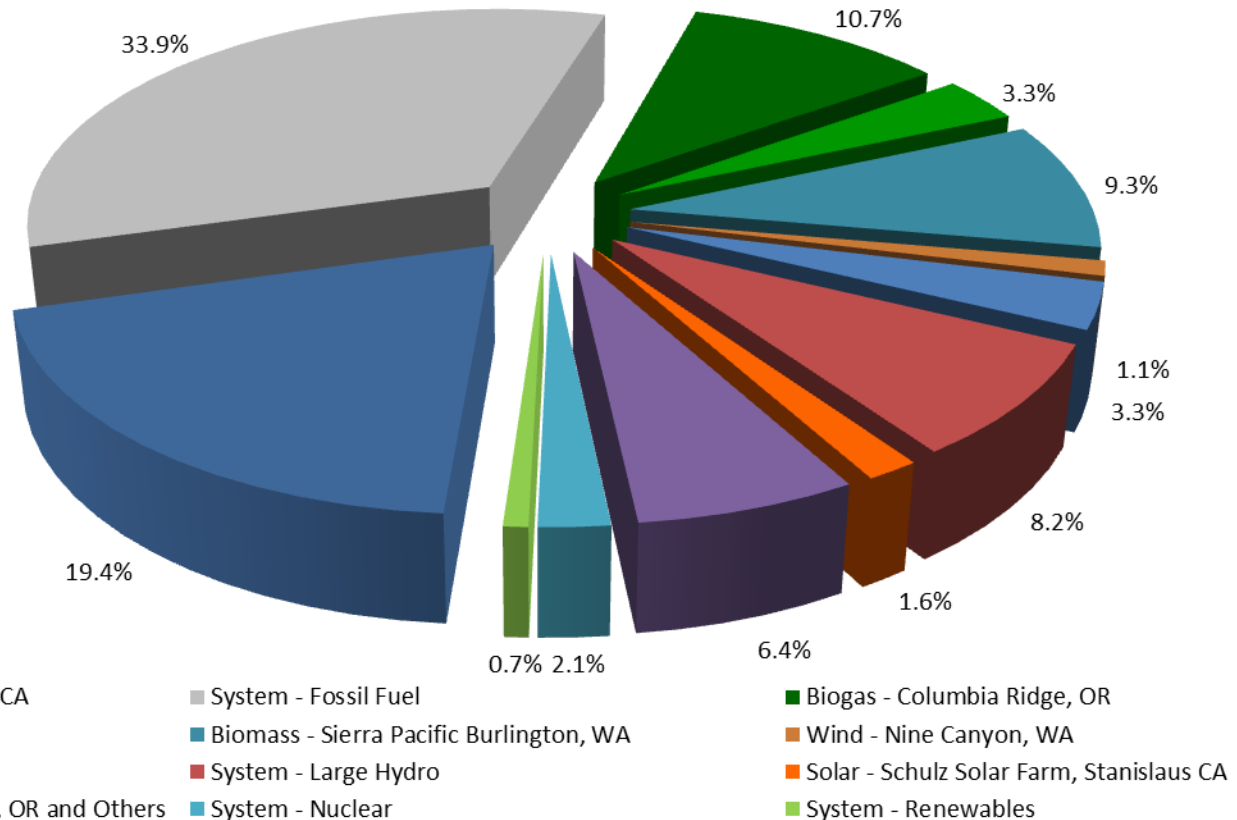


CCA CASE STUDY - Marin Clean Energy

MCE 2011 Resource Mix

Portfolio Highlights:

- 1) 66.1% Carbon Free/Neutral
- 2) 27.8% RPS-Eligible Renewable
- 3) 35.8% Renewable
- 4) Exceeded current CA RPS by nearly 39%
- 5) Portfolio currently exceeds CA's 2017 RPS requirement (27%)





Questions?

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