

Council Report –January 21, 2015 Council Meeting -- Rick DeGolia

December 3 – Meeting with San Mateo County Counsel re: Aircraft Noise

I met with Brian Wong, county counsel, Irving Torres, Warren Slocum’s assistant, Gretchen Kelly, Manager of San Mateo County Airports, and two North Fair Oaks residents, Adam Ullman and Frank Konecny. Excellent discussion regarding noise thresholds subject to county policy (75 dBA 7am-10pm, 70 dBA 10pm-7am) and whether or not that policy is pre-empted by the FAA. Discussion regarding county-based landing and use fees. SMC currently charges all airport users 1% of gross revenue, but no landing fee. SMC Airports generate \$300K of revenue in excess of cost for the county and an additional \$300K for the San Carlos and other schools. Discussion re: deployment of noise monitoring equipment. The county will look into this and the possibility of adding a landing fee structure.

December 3 -- Atheton Park and Recreation Committee Meeting

Attended meeting as Council liaison. Detailed review of the Park Master Plan. Staff recommended that Committee give serious consideration to a remodel of the Pavilion kitchen. Discussed Friends of HP Park (previously the Dames) desire to restore the Carriage House and use it for programs of up to 70 attendees in an extremely historical setting. Agreed to discuss priority recommendations at the next meeting. Discussed and approved recommendation of Event Garden proposal.

December 9 – San Mateo County Board of Supervisors Meeting

Briefly attended meeting to discuss Community Choice Aggregation for SMC: a form of energy purchase and distribution to reduce community energy costs by purchasing energy directly from the producers. More on this in January.

December 16 -- Information Technology Ad-Hoc Committee Meeting

Joined Councilman Widmer, the City Manager, the Assistant City Manager and residents Mike Farmwald, Peter Carpenter and John Thibault at a meeting of the Information Technology Committee. We discussed the concept of building a public-private partnership to build and contract with a service provider to manage a comprehensive fiber network in Atherton.

December 17 -- C/CAG Resource Management and Climate Protection Committee

Excellent presentation by Bob Cornia, Foothill College, summarizing the National Report on Climate Change and Sea Level Rise. If interested, I would ask him to report to the Council at a future meeting

December 18 – Meeting with Richard Moran, President Menlo College

Met with President Moran to discuss increasing interaction between Menlo College and its students and the Town of Atherton. Explored the concept of Atherton moving forward to build a new library and the College also considering its need for a new library and whether this presented any synergies between the town and the College.

December 19 -- Council of Cities Meeting and Dinner

At the Colma Firehouse, election of San Mateo County city council members to various countywide committees or commissions. Vice Mayor Lewis was elected as Chair of the Council of Cities committee.

January 5 -- Meeting with Anne-Marie Despain re: Library Donor Fund Issues

I met with Ms. Despain and her staff for a detailed discussion of the Library JPA Donor Fund issues. The purpose of the meeting was to see if there is common ground that will work for Atherton and other members of the JPA Governing Board, who are seeking to limit the accumulation of tax dollars in the donor fund accounts. Very useful and enlightening.

January 6 – Mayor’s Office Hours in the Council Chambers

I joined two residents and the City Manager for lunch in the council chambers. We discussed general issues concerning the Town, including the library donor fund issue and the opportunities for deployment of a town-wide fiber network, among other matters.

January 9 – Meeting with California State Senator Jerry Hill

I met with Senator Hill to discuss the Atherton civic center project and how he may be help us look for funds to optimize the energy efficiency opportunities in the civic center and to help us in our dealings with the SFPUC on the water line that runs through the property. We also discussion the SMC Library donor fund issue.

January 9 -- Meeting with Rob Silano, member of the Menlo Fire District Board

Introductory meeting to get to know each other. Nothing significant to report.

January 12 -- Atherton Now Meeting

Vice Mayor Lewis and I attended a meeting of the Atherton Now steering committee to discuss fundraising for the civic center project. Reviewed the excellent video of the need for the project and the opportunity that the project presents to Atherton residents.

January 12 -- Library JPA Donor Fund Subcommittee

Vice Mayor Lewis (the JPA Alternate) and I attended this committee meeting. There was excellent, frank discussion about options for treatment of the donor funds within the library. Members of the subcommittee agreed to recommend to the JPA Governing Board that any change to the donor fund arrangements not begin before the 2017-18 fiscal year (beginning July 1, 2017) to allow Atherton to use 100% of the accumulated funds (about \$8.5m as of today) and all funds that will accumulate over the 2014-14, 2015-16 and 2016-17 fiscal years on the new Atherton library within the Atherton civic center and related Atherton library matters. Subcommittee members also agreed to recommend that at the current annual review of tax proceeds and proposed uses by each donor fund city would continue. There was discussion about the structure of implementing a cap on future donor fund accumulations and splitting excess tax dollars between the donor fund cities and the overall JPA. No specific proposal on these matters was agreed to.

January 13 – Mayor’s Office Hours in the Council Chambers

I joined a resident for quick lunch in the council chambers. We discussed general matters.

January 13 – Special Meeting of the Civic Center Advisory Committee

I joined Vice Mayor Lewis, member of the CCAC and Town staff to interview three of the five architectural firms and design teams for the Atherton civic center project.

January 14 – Special Meeting of the Civic Center Advisory Committee

I joined Vice Mayor Lewis, member of the CCAC and Town staff to interview two of the five architectural firms and design teams for the Atherton civic center project.

January 14 – Sustainable Silicon Valley Leadership Council

I participated in the second meeting of the SSV Leadership Council, held at the headquarters of LinkedIn. I joined the Financing Alternatives for Green Building Infrastructure breakout meeting where multiple ideas for financing green building infrastructure was discussed.

January 15 – Conference call with Public Facilities Investment Corporation

I participated in a brief conference with Jeff Tompkins, the CEO of PFIC, and our city manager in which we discussed financing possibilities that PFIC could look at to support Atherton in connection with different capital improvement projects. Mr. Tamkin asked questions about possible different projects, including deployment of a fiber network, the civic center project, street light replacements and drainage projects. He will get back to us with some ideas.

Vice Mayor Elizabeth Lewis
Council Report January 2015

January 15, 2015

Commute.Org (formerly called Traffic Congestion Relief Alliance)

Board formally approved a new contract with MV Transportation, Inc. of Dallas, Texas to provide contracted shuttle services for a base term of five years and four months at an estimated amount of \$10,366,000 to be paid by Commute.org. The entire San Mateo County contract amount is \$55m+ over the 5-year period with the balance of the funds being provided by MTC and other SMC agencies.

The Executive Director or designee is authorized to exercise up to five additional one-year option terms in the estimated aggregate amount of \$11,343,267. The award of this contract to MV Transportation Inc. replaces the current vendor, PCAM who had been providing shuttle services over the past several years. PCAM has protested the evaluation process.

Board approved audited financial statements FY13/14 and delegated authority to the Finance Committee to approve new office lease.

January 13 & 14, 2015

CCAC meetings to interview 5 architects for new Civic Center project

January 12, 2015

Library JPA - Donor Fund Subcommittee meeting

Mayor Rick DeGolia is the Library JPA representative and a member of this subcommittee. I attended as a silent observer.

January 8, 2015

C/CAG meeting

Presentation on Community Choice Aggregation (CCA) given by Shawn Marshall, LEAN Energy US and Seth Baruch, Carbonomics, LLC. Marin County formed a CCA which gives their communities an opportunity to buy bulk energy which translates into cost savings.

Supervisor Dave Pine will present this concept at the January 30, 2015 Council of Cities Dinner being hosted by the County at Angelica's restaurant in Redwood City.

Attached is the power point which was presented at C/CAG meeting on Jan 8.

December 19, 2014 - Colma Council of Cities Annual Dinner

Council of Cities 2015

I was elected Chair of the Council of Cities for 2015, and I have been busy these past few weeks -- along with our Deputy City Manager/City Clerk Theresa DellaSanta -- organizing this year's dinners. We have 10 of the 12 months committed at this time. If you have ideas about speakers that you would like to have present, please let Theresa and me know and we will pass it by those cities who may not have chosen a speaker yet.

Community Choice Aggregation

**A Local Energy Model to Green the Grid, Offer Consumer Choice,
and Boost Local Economies**

January 8, 2015



Authorized by CA Assembly Bill 117 in 2002

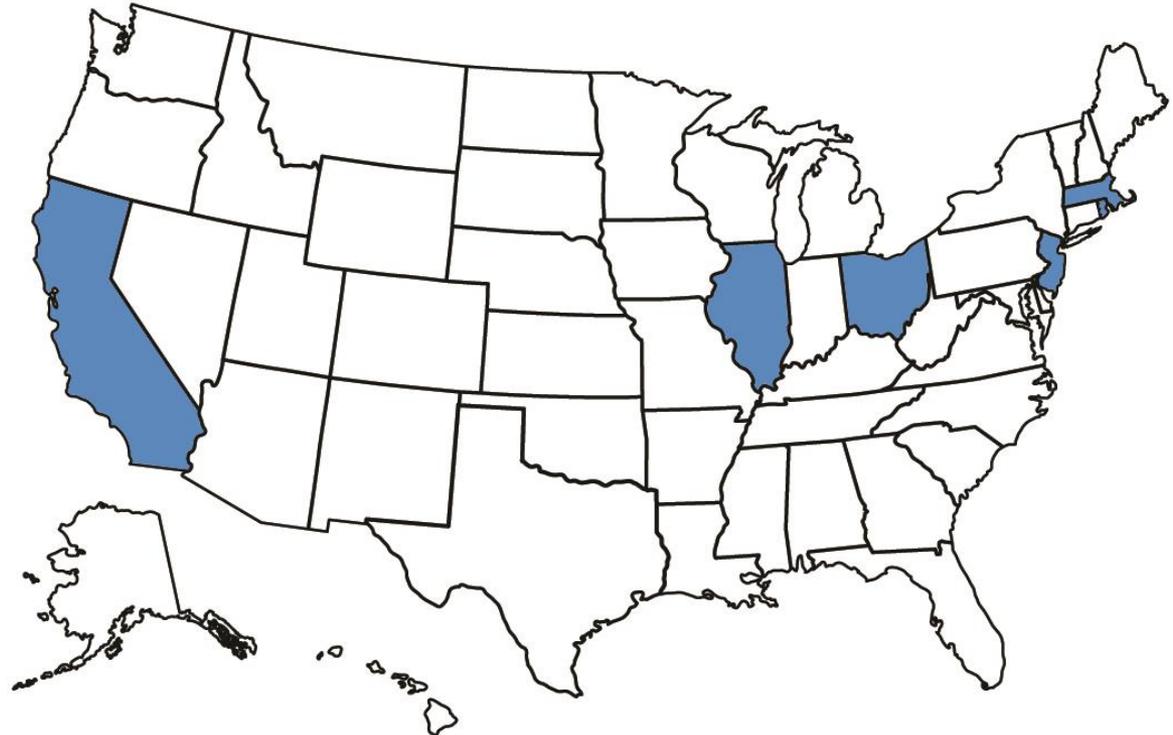
CCA allows communities to pool their electricity demand in order to purchase and potentially develop power on behalf of local residents, businesses, and municipal facilities.

CCAs in 6 States

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

Under Consideration

Utah, New York,
Delaware,
Minnesota

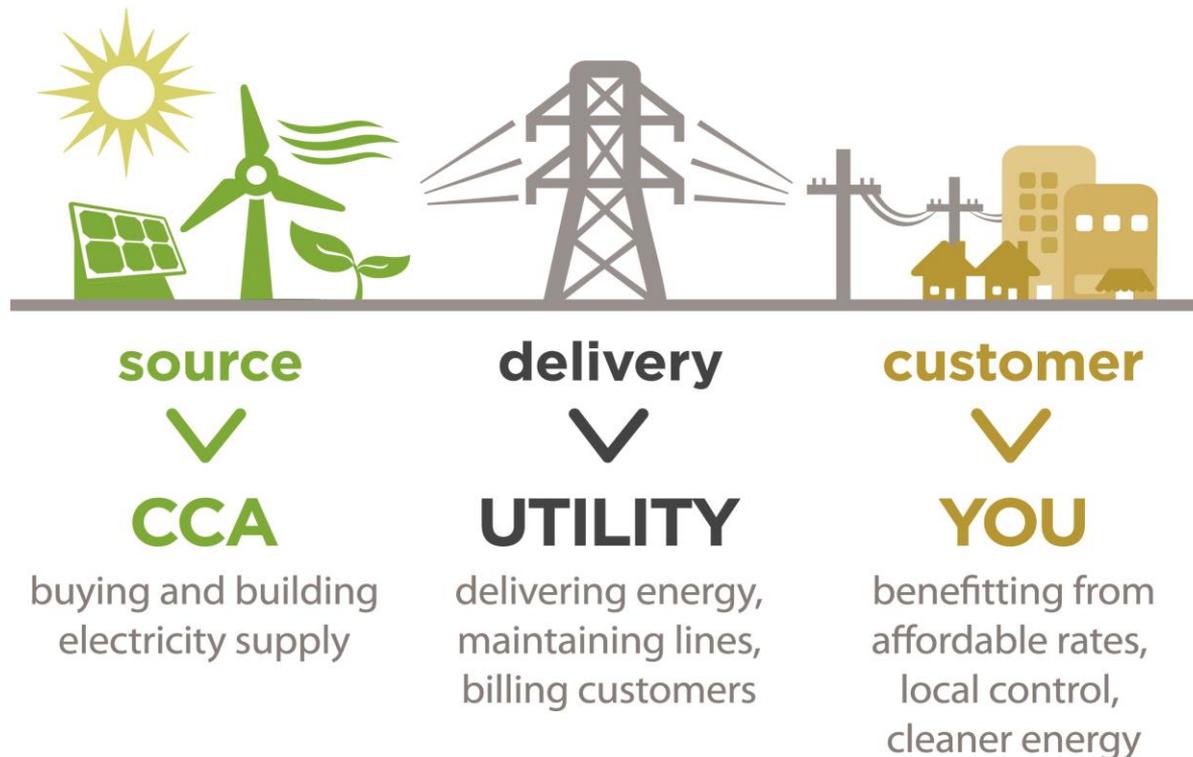


How Does It Work?

CCA leverages the market power of group purchasing and local control.

- It creates a partnership between municipalities and investor-owned utilities.
- CCA allows local governments to procure power on behalf of all customers within its borders.

How Local Energy Aggregation Works



Why is CCA So Powerful?



- 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
- Provides funding for energy efficiency and innovative energy programs like energy storage and EV charging stations

CCA Responds to State and Local Climate & Energy Policy

2002/2011	AB 117 and SB 790 - CCA Legislation
2006	AB 32 – Global Warming Solutions Act 15% below 1990 levels by 2020
Revised 2011	CA State Renewable Portfolio Standard (RPS) and Resource Adequacy (RA) requirements Laws governing utility renewable energy requirements (RPS = 33% by 2020)
2011/2012	Governor’s Renewable Energy Mandate - 12,000 MW local/distributed RE by 2020 http://www.law.berkeley.edu/12901.htm
Current	Local Climate Action & General Plans

Basic Program Features



“CCA: The Biggest Change You’ll Never Notice”

- JPA or special district can operate a CCA in CA; local governments participate by passing an ordinance
- Utility (PG&E) continues to provide consolidated billing, customer service, line maintenance; relationship codified in Utility Service Agreement
- CCA electric generation charges appear as a new section of customer bill; all other charges are the same
- CCA is an opt-out program; Customers receive *minimum 4 opt-out notices over 120 days and can return to PG&E service any time.*
- CPUC certifies CCA Plan; oversees utility/CCA relationship and other requirements such as RPS and RA requirements.





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

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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Important Messages

Your charges on this page are separated into deliver other than PG&E. These two charges are for differ

Electric power line safety PG&E cares about your antennas at least 10 feet away from overhead power away, 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

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.

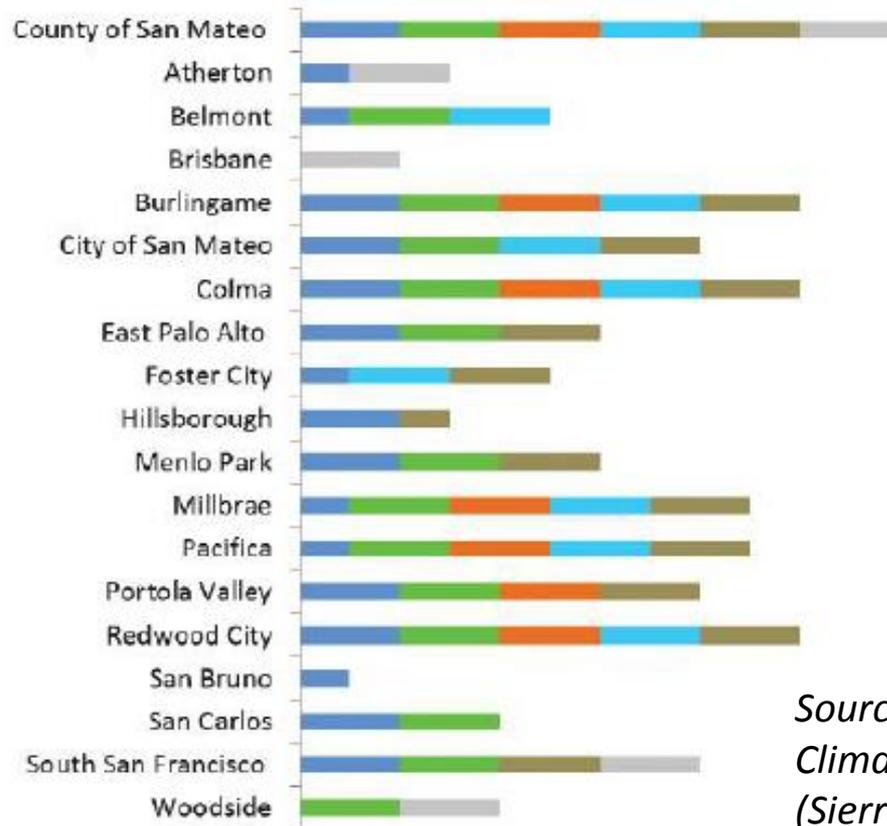
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CCA Responds to Local CAP Goals



Commitment to Climate Action

- Developed Climate Action Plan
- Signed Climate Protection Agreement
- Assigned Climate Staff
- Community-Wide Reduction Targets
- Created Climate Action Committee
- Other Commitments Made



Source: Local Government Climate Action Survey, 2014 (Sierra Club, Loma Prieta Chapter)

And Supercharges GHG Reduction

Excerpt from Town of San Anselmo's CAP (2010)



Our Plan to Reduce Greenhouse Gas Emissions

Local Actions	Metric Tons of CO ₂ e Reduced
Encourage Transit-Oriented Housing	23
Increase Walking and Biking for Local Trips	524
Increase Public Transit Use	535
Increase Ridesharing	311
Accelerate Adoption of Electric Vehicles	731
Improve Energy Efficiency in Residential Buildings	954
Improve Energy Efficiency in Commercial Buildings	296
Reduce Energy Use in New Residential Buildings	116
Reduce Energy Use in New Commercial Buildings	13
Install Solar Energy Systems in Residential Buildings	1,294
Install Solar Energy Systems in Commercial Buildings	560
Marin Energy Authority	6,053
Divert All Food Waste from Landfills	395
Reduce Solid Waste Disposal to Landfills	443
Reduce Hot Water Use in Community	922
Community Participation in Carbon Offset Programs	812
Increase Tree Stock	2
Improve Government Operations (see below)	254
SUBTOTAL	14,238
State Actions	6,176
TOTAL	20,414

CCA's Potential GHG Impact in SMC



Excerpt from the City of San Mateo's Draft CAP:

CCA has the potential to reduce 27,000 tCO₂ in the City each year... more than twice as much as any other measure.

Some Quick Calculations...

- PG&E 2014 Emissions Rate (ER) = 445 lbs CO₂/MWH
- Marin Clean Energy's 2014 Emissions Rate = 373 lbs CO₂/MWH
- San Mateo County annual electricity consumption = 4.5M MWH or 910,227 metric tons of CO₂/year using PG&E's ER.

*So, if San Mateo merely matched MCE's power mix and ER, it would translate to 762,954 MT/year, a **147,273-ton reduction in CO₂ annually.***

The equivalent of removing 11,000 cars from the road each year!

Overview of CCA Economics



- CCA is a revenue-based enterprise, not government subsidized
 - Supported by redirected generation revenues from IOU
- Utility kept whole through cost recovery surcharges/exit fees
- CCA's estimated gross annual value in San Mateo County = \$356M*
 - Plus leveraged funding and avoided costs of compliance
- Average start-up investment: \$1.5-\$3.5M depending on program size
 - Start-up costs fully recoverable from early operating revenues
- Financing is available for initial energy contracts and working capital
- CCAs have public agency bonding authority to initiate local power projects.
- Low overhead -- no shareholder profits or multi-million \$\$ salaries

** 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 with commercial customers included.*

CCAs Can Save Cities & Citizens Money



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

- The City of San Rafael (municipal operations) saved \$47,000 in 2014
- The City of Richmond (municipal operations) has saved \$40,000 since joining MCE
- West Contra Costa Unified School District is projected to save \$60,000 per year from its operations in Richmond and San Pablo
- 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.



Case Study – Marin Clean Energy



- May 2010: service starts for Phase I customers
- As of 2014: 125,000 customers; 77% of customer base
- Service area includes City of Richmond and Marin County
- 13-Member Board of Directors
- 177 MW new renewable energy in development for MCE customers
- 131 M tons of GHG reductions to date (2010-2013 reporting periods)
- 1,800 jobs created/supported by MCE; most in construction sector
- MCE customers saved \$5.9 million in 2014

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



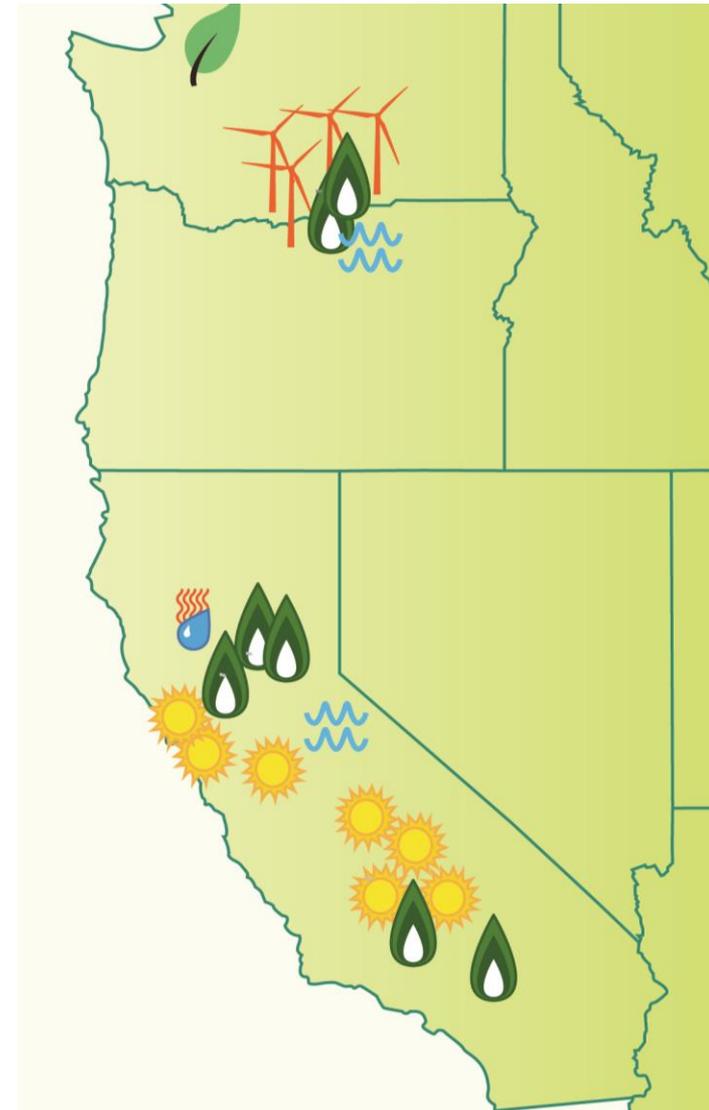
1,405 kWh A-1/Com-1	PG&E 22%	MCE Light Green 50%	MCE Deep Green 100%	MCE Local Solar 100%
Delivery	\$154.70	\$154.70	\$154.70	\$154.70
Generation	\$142.54	\$111.00	\$125.05	\$199.51
PG&E Fees	-	\$15.45	\$15.45	\$15.45
Total Cost	\$297.24	\$281.15	\$295.20	\$369.66

- 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

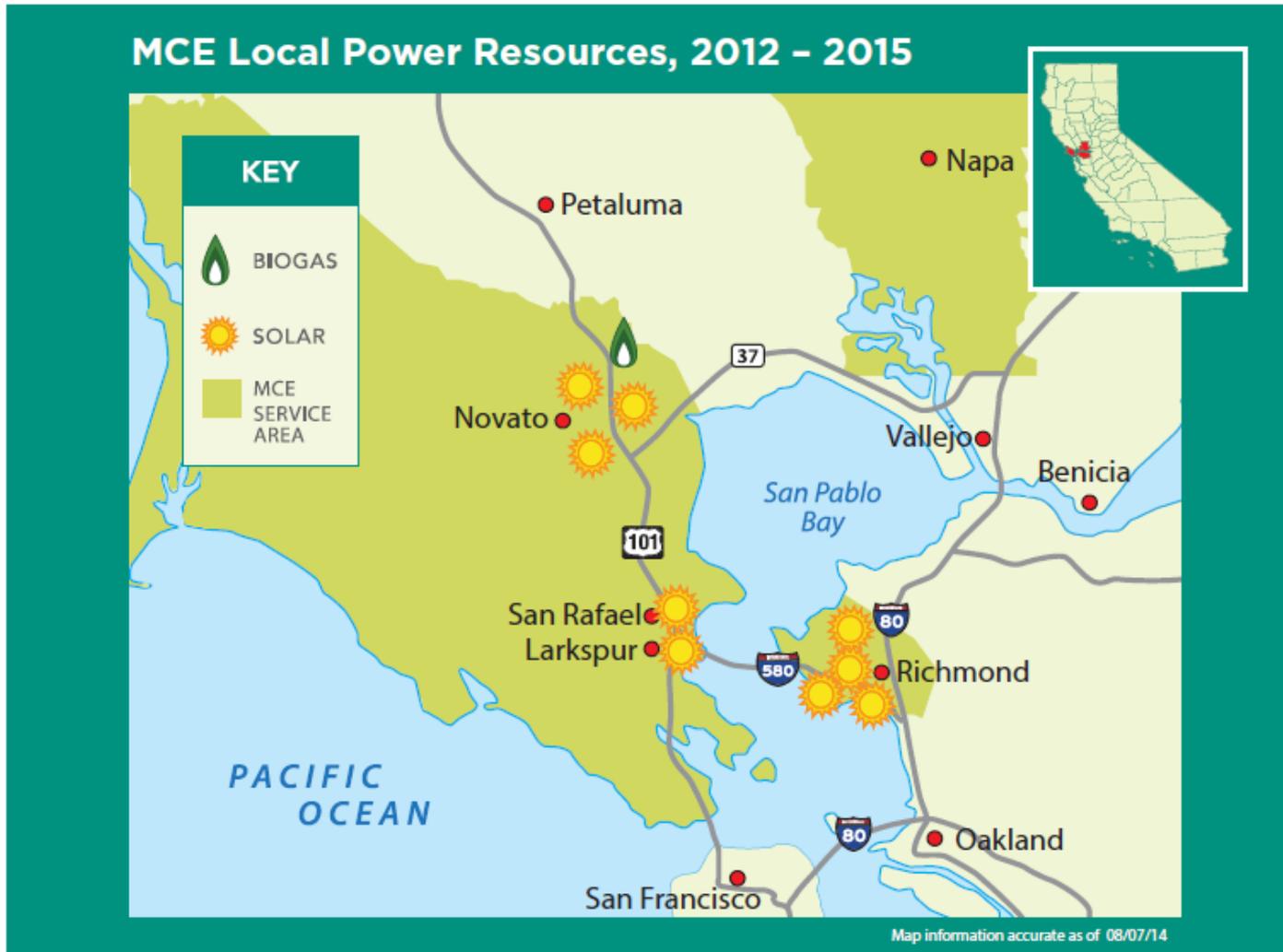
MCE Power Sources 2010-2018



- Contracts with 17 Energy Suppliers
- More than 177 MW of new California renewable energy under development for MCE customers
- 20 MW of local solar in development
- Enough clean energy to power approximately 85,000 homes per year



CCA Facilitates Local Renewable Power



Sonoma Clean Power



- May 2014: service starts for 22,000 commercial customers
- December 2014: Roll out to 140,000 residential customers
- SCP has 92.6% of customer base (avg. 7.4% opt out rate)
- Service area includes unincorporated Sonoma County all of its cities
- Average rates 5%-8% lower than PG&E
- Phase I customers saved \$6M in first seven months of program
- Product Options: CleanStart @ 33% and Evergreen @ 100% CA qualified renewable power
- 100% renewable product sourced from Calpine/local geo- thermal plant
- 70MWs new solar for SCP customers recently announced

CCA: What are the Risks...

And how are they mitigated?



Rate Competition/Market Fluctuation: Power market expertise and well crafted power RFPs are essential; Long and short term contracts; Diversified supply portfolio and “value add” programs.



Customer Opt-Out: Competitive rates are a must; Articulate additional consumer and community benefits; Opt-outs in CA typically in 10%-20% range.



Political: Align CCA to local policy objectives; Appeal to both progressive and conservative minds by making the environmental AND business case; Local education and advocacy is key.



Regulatory/Legislative: PUC decisions may adversely affect CCA, and proposed bills (eg: AB 2145) can change the original statute; Participate in the regulatory and legislative process.

Now is the Time... The 3 Year Outlook



- ✓ Historic gas lows help achieve competitive pricing
- ✓ Solar tax credit shrinking or expiring at end of 2016
- ✓ Utilities are fully resourced through 2018-2020; excess power available
- ✓ Capacity charges currently low
- ✓ Affordable financing available



Momentum Around the Bay



All Nine Counties Engaged ...

Operational:	Marin, Sonoma Counties
Joining Marin:	Unincorporated Napa, City of Benicia and San Pablo
Moving Ahead:	Alameda County
Early Investigations:	San Mateo, Santa Clara Contra Costa Counties
On Political Hold:	San Francisco City/County
Up Next:	Solano County



Next Steps in San Mateo County



- CCA workshops on Wednesday, 1/28 – please join us!
- Build outreach database and connect with key stakeholders
- Return to Board of Supervisors in late February/early March
 - Study authorization, potential funding and approval of plan to move forward
- Countywide Technical Study



What We're Asking From the Cities



- Indicate your interest by authorizing electrical load data for CCA Technical Study
 - via City resolution or letter
- Help us identify key stakeholder groups in your area
- Attend CCA briefings; participate in future steering committee if formed
- *No anticipated cost to the Cities*





Thank you!

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NOW is the time to take control of
your local energy future.

CCA is the path forward.