



Community Choice Energy Update

City of Hayward
June 28, 2016



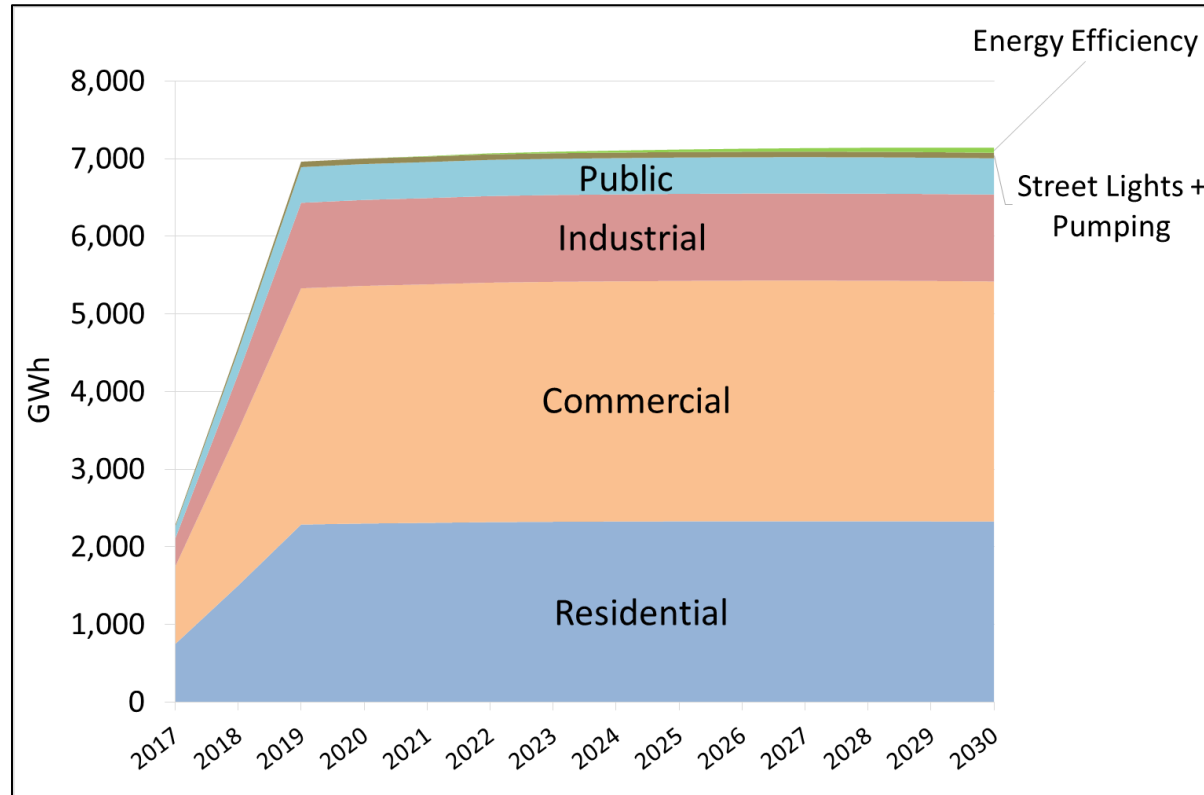
Where Things Stand Now



- Technical Study completed
- JPA agreement almost completed, having been discussed at the Steering Committee and with all city attorneys
- County staff planning on presenting all of this to the Board of Supervisors on July 19, when they will be asked to pass an ordinance authorizing the County to enter into the JPA (and provide Phase 2 funding)
- County is aiming to initiate local solar siting survey
- Still aiming to launch EBCE in mid-2017
- Elsewhere around the Bay: CleanPower SF has launched; PCE launching in October; SVCE launching early next year.

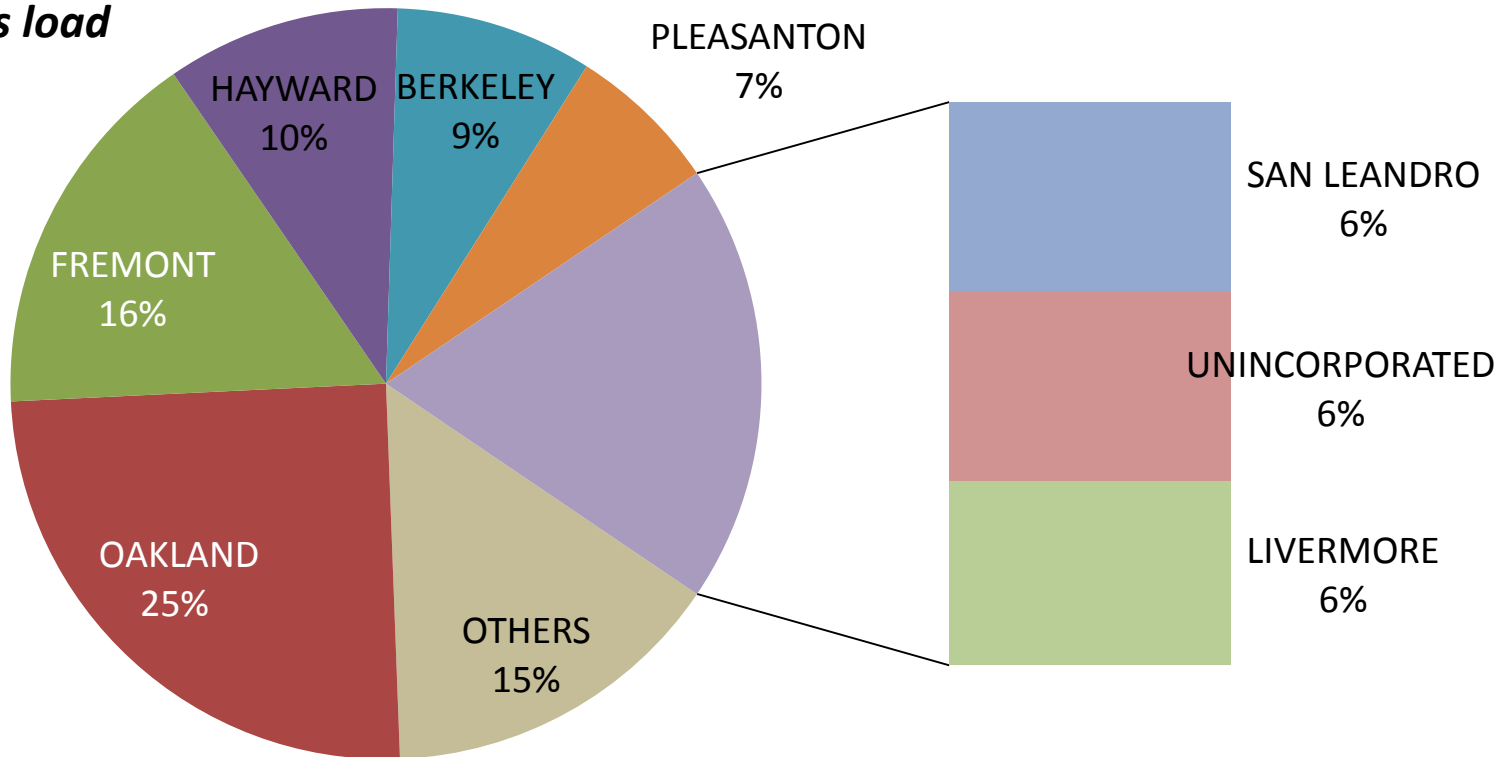
Part 1: Technical Study

Overall load for the program, assuming all cities join and with customer phasing

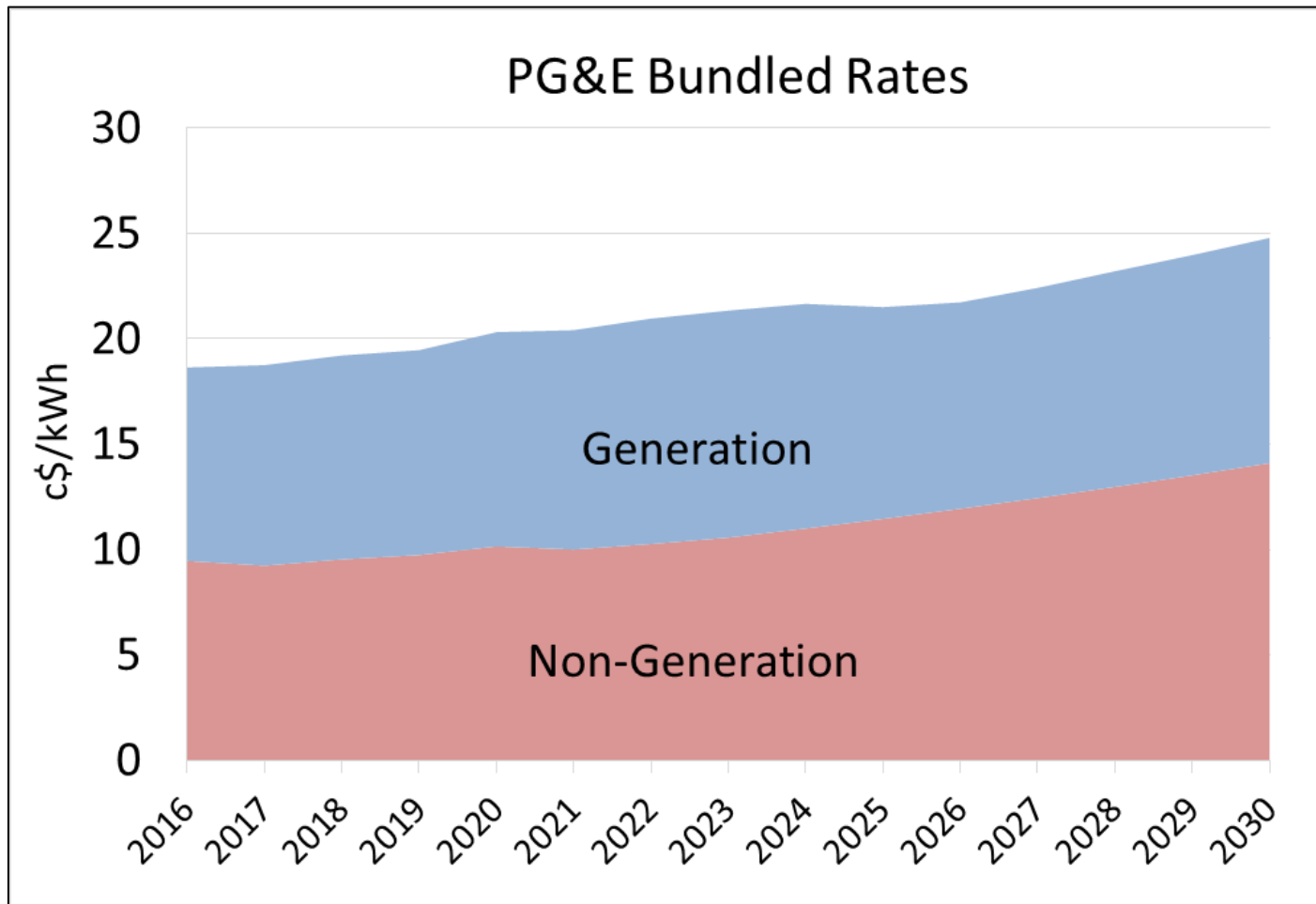


Load by Jurisdiction

Three cities have more than half of County's load



PG&E Rate Forecast



The Three Scenarios

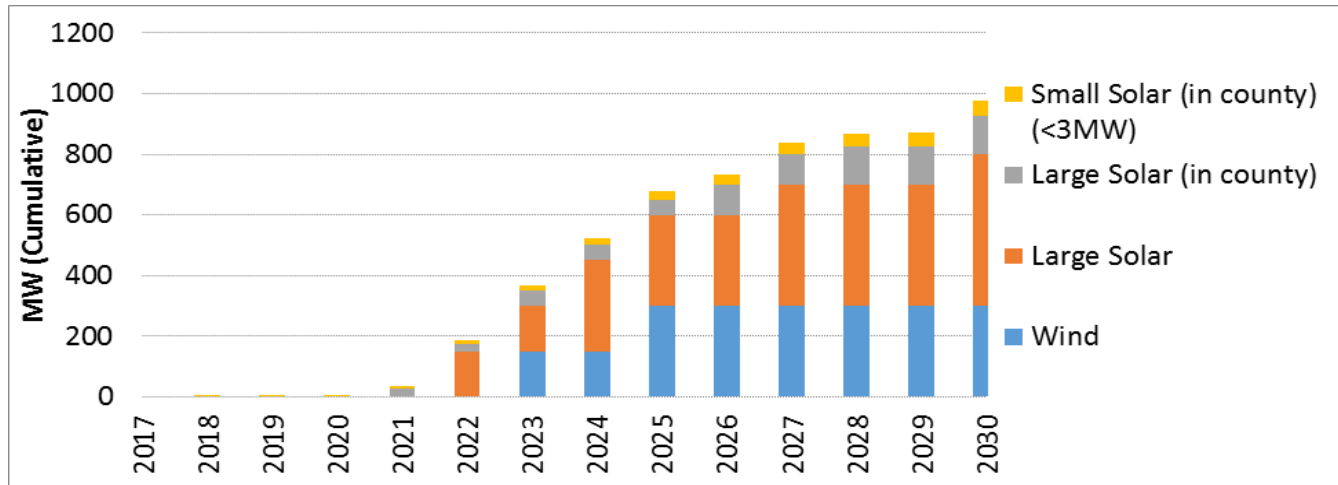


- 1. Minimum RPS Compliance: 33%⇒50% qualifying renewables**
- 2. More Aggressive: Initially 50% with lower GHG emissions**
- 3. Ultra-Low GHG: 50%⇒80% by year 5**

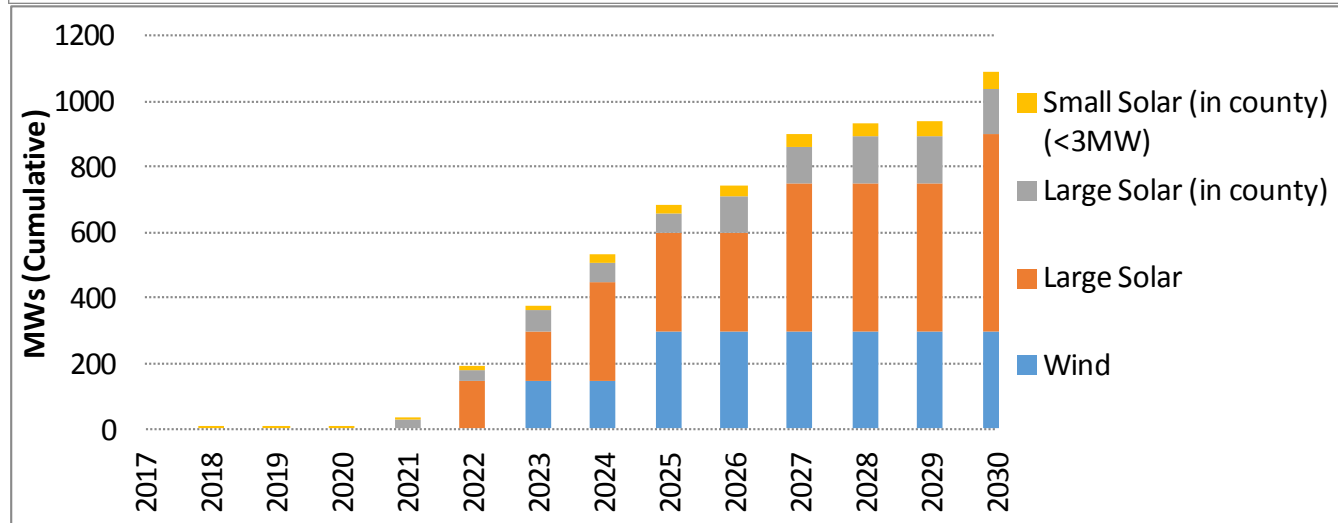
Potential for Renewable Projects



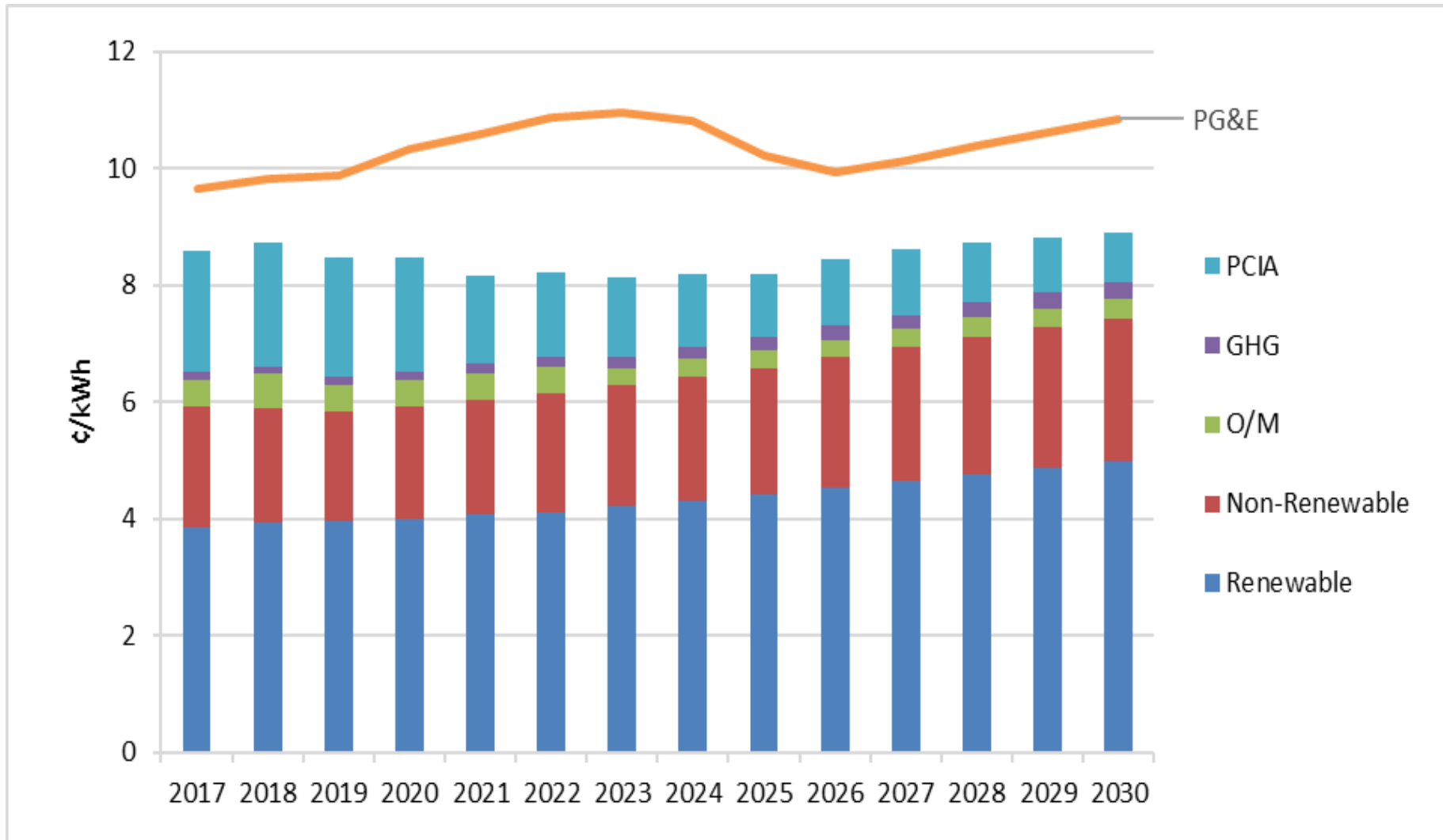
SCENARIO 2



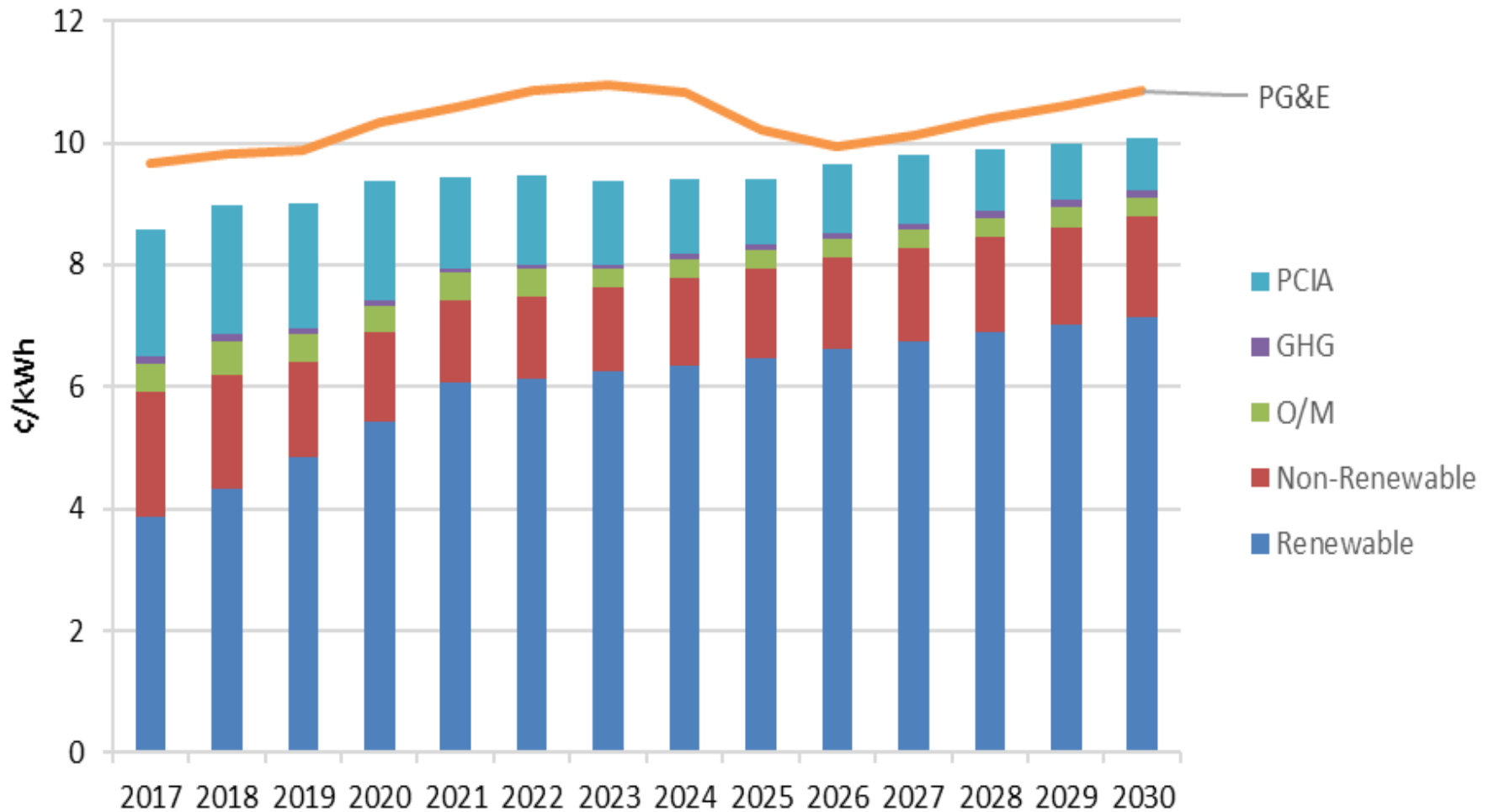
SCENARIO 3



Rate Comparison: Scenario 2



Rate Comparison: Scenario 3



Rate Savings for Customer



SCENARIO 2

| Residential | Monthly Consumption (kWh) | Bill with PG&E (\$) | Bill with Alameda CCA (\$) | Savings (\$) | Savings (%) |
|-------------|---------------------------|---------------------|----------------------------|--------------|-------------|
| 2017 | 650 | 147 | 146 | 1 | 1% |
| 2020 | 650 | 160 | 147 | 13 | 8% |
| 2030 | 650 | 201 | 188 | 13 | 6% |

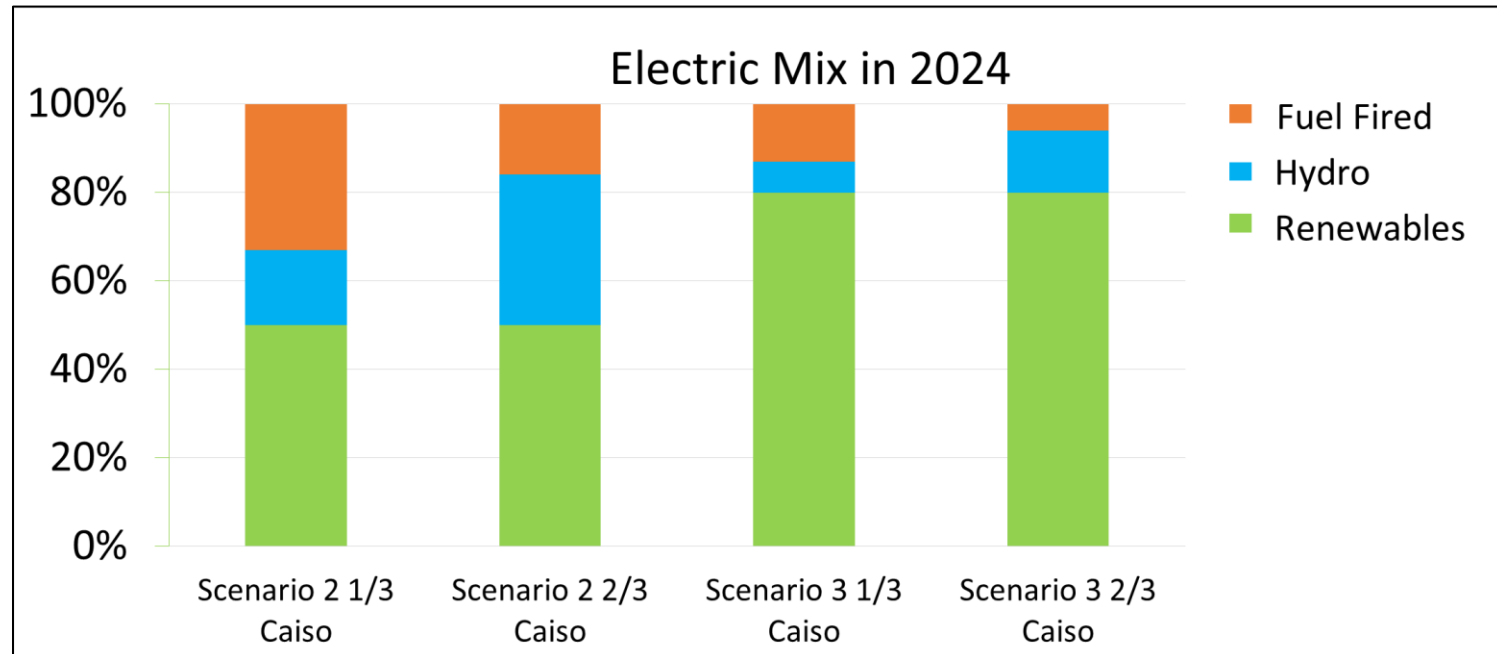
SCENARIO 3

| Residential | Monthly Consumption (kWh) | Bill with PG&E (\$) | Bill with Alameda CCA (\$) | Savings (\$) | Savings (%) |
|-------------|---------------------------|---------------------|----------------------------|--------------|-------------|
| 2017 | 650 | 147 | 146 | 1 | 1% |
| 2020 | 650 | 160 | 154 | 6 | 4% |
| 2030 | 650 | 201 | 196 | 5 | 2% |

GHG Results for Scenarios 2&3



| Total GHG savings (MMTonnes) | Scenario 2 1/3 Hydro | Scenario 2 2/3 Hydro | Scenario 3 1/3 Hydro | Scenario 3 2/3 Hydro |
|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 2017-2030 | 1.8 | 4.6 | 11.2 | 13.2 |

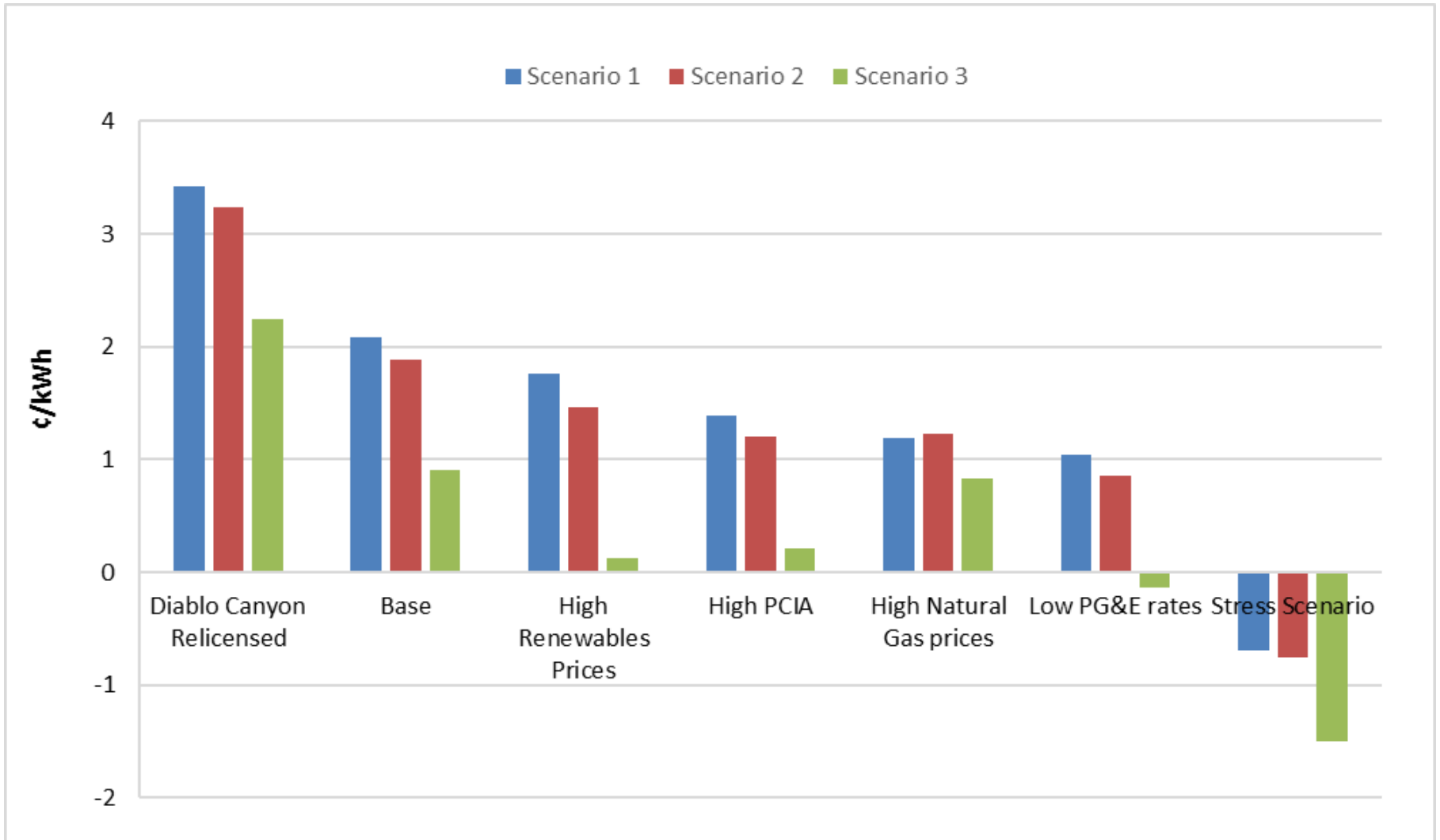


Sensitivity Analysis



| Risk | Description |
|-------------------------------------|---------------------------------------|
| Diablo Canyon relicensed | + 25% PG&E generation rates 2024-2030 |
| Low PG&E portfolio costs | - 10% PG&E generation rates 2017-2030 |
| High renewable prices | + 20 % RPS prices 2017-2030 |
| High PCIA | + 60% PCIA fee 2017-2030 |
| High natural gas price | + 60% Natural Gas prices 2017-2030 |

Sensitivity Analysis (con't)



Macroeconomic Impacts



- Scenario 1 creates more jobs (due to the higher customer bill savings under and subsequent cash flow back into the local economy).
- Scenario 3 creates a few more direct (energy construction) jobs, but fewer total jobs, due to decreased bill savings. Total job impact is 55 percent of the Scenario 1 total job impact.
- 50% local renewable scenario being developed

| Scenario | Jobs in All Sectors | | Jobs in Construction Sector | | Jobs Associated with CBA | |
|----------|---------------------|-------|-----------------------------|-------|--------------------------|-------|
| | Direct | Total | Direct | Total | Direct | Total |
| 1 | 165 | 1322 | 80 | 235 | 16 | 47 |
| 2 | 166 | 1286 | 81 | 231 | 16 | 46 |
| 3 | 174 | 731 | 86 | 160 | 17 | 32 |

Technical Study Conclusions



- Competitive with PG&E's retail rates
- Increasing RPS purchases can be cost-effective
- Carbon reduction needs more than just increased RPS purchasing
- Can be a positive factor in economic development

Part 2: Essential Elements of JPA Agreement



| Element | Result of Discussion |
|-----------------------|--|
| JPA Formation | <ul style="list-style-type: none">• The Parties to the JPA Agreement <u>are not</u> liable for the debts or obligations of the Authority.• The Authority carries out all provisions of the JPA Agreement in its own name--including its power to enter into contracts, employ agents, acquire property, incur debts and litigate claims. |
| JPA Governance | <ul style="list-style-type: none">• The Authority shall be governed by a Board of Directors.• The Board of Directors shall consist of one director from each Party (city) to the JPA Agreement.• The Directors must be from city council/board of supervisors. Alternate members, appointed by each member city/county, can be councilmembers/board members or members of the public.• Directors shall serve at the pleasure of the governing body of the Party that the Director represents. |

JPA Agreement



| Element | Result of Discussion |
|-------------------------------------|---|
| Voting | <ul style="list-style-type: none">• Authority action requires a majority vote of the Board of Directors.• When requested by at least two Directors, an affirmative vote of the “voting shares” of the Parties based on respective electricity usage may also be required to approve an action.• Amendment to the terms of the JPA Agreement itself requires a supermajority vote. |
| Community Advisory Committee | <ul style="list-style-type: none">• The Board shall establish a Community Advisory Committee.• The Committee shall consist of nine members of the community with a diverse cross-section of skill sets and an interest in serving.• Members of the Advisory Committee shall serve staggered four-year terms. |

JPA Agreement (cont)



| Element | Result of Discussion |
|--------------------------|--|
| Funding and Costs | <ul style="list-style-type: none">• The County shall fund the Initial Costs of establishing and implementing the CCA Program.• The Board of Directors shall prepare a budget for the Authority in accordance with its Operating Rules and Regulations.• All funds of the Authority shall be held in a separate accounts in the name of the Authority and shall be strictly and separately accounted for. |

Issues for Discussion (cont)



| Element | Result of Discussion |
|--------------------------------|--|
| CEO and General Counsel | <ul style="list-style-type: none">• The Board of Directors will appoint a Chief Executive Officer for the Authority, who shall be responsible for day-to-day operation and management of the Authority and CCE Program.• The CEO may exercise all powers of the Authority not specifically reserved to the Board, including the power to hire and fire employees and approve agreements within the Authority's budget.• The Board will provide procedures and guidelines for the CEO in its Operating Rules and Regulations.• The Board shall also appoint a General Counsel for the Authority, who shall be responsible for providing legal advice to the Board and overseeing all legal work for the Authority. |

Project Timeline



Phase 1a: Initial

- ✓ BOS funds allocated
- ✓ Load data request into PG&E
- ✓ Steering Committee (SC) formed
- ✓ Webpage and Stakeholder database developed

Phase 1b: Tech Study

- ✓ Final scope reviewed by SC
- RFP issued and Study completed
- Targeted stakeholder mtgs; plan for Phase 2 community outreach
- Expand website
- Go/No-Go decision

Phase 2: Program Dev't

- Enabling Ordinances (CCE/JPA)
- Expanded outreach
- Energy Svcs RFP/ Negotiations
- Implementation Plan to CPUC
- Utility Service Agrmt
- Bridge financing to revenue

Phase 3: CCE Launch

- JPA Org. Devt (e.g. working cap, staffing)
- Data Mgmt and other Svc. Contracts
- Marketing campaign
- Call Center; opt-out notifications
- Conservation & Renewables programming

