In accordance with City Council Resolution No. 2022-001 and the requirements of AB 361, the City Council Meeting will not be physically open to the public and City Council Members will be teleconferencing into the meeting.

HOW TO OBSERVE THE MEETING:

To maximize public safety while still maintaining transparency and public access, the meeting will be live-streamed on SLO-SPAN.org, on Spectrum cable Channel 20 in Atascadero, and on KPRL Radio 1230AM and 99.3FM. The video recording of the meeting will repeat daily on Channel 20 at 1:00 am, 9:00 am, and 6:00 pm and will be available through the City's website or by visiting **https://us02web.zoom.us/webinar/register/WN_ZwJ7a031S3KXauEym9ehaA.**

HOW TO SUBMIT PUBLIC COMMENT:

Members of the public are highly encouraged to participate in live public comment through the Zoom platform using the link above or by calling **805-538-2888** to listen and provide public comment via phone.

If you wish to comment but not via a live platform, please email public comments to cityclerk@atascadero.org by 12:00 pm on the day of the meeting. Such email **comments must identify the Agenda Item Number in the subject line of the email**. The comments will be forwarded to the City Council and made a part of the administrative record. If a comment is received after the deadline for submission but before the close of the meeting, the comment will still be included as a part of the administrative record of the meeting but will be forwarded to the City Council the next business day. ***Please note, email comments will not be read into the record.***

AMERICAN DISABILITY ACT ACCOMMODATIONS:

Any member of the public who needs accommodations should contact the City Clerk's Office at cityclerk@atascadero.org or by calling 805-470-3400 at least 48 hours prior to the meeting or time when services are needed. The City will use their best efforts to provide reasonable accommodations to afford as much accessibility as possible while also maintaining public safety in accordance with the City procedure for resolving reasonable accommodation requests.

City Council agendas and minutes may be viewed on the City's website: www.atascadero.org.

Copies of the staff reports or other documentation relating to each item of business referred to on the Agenda are on file in the office of the City Clerk and are available for public inspection on our website, www.atascadero.org. Contracts, Resolutions and Ordinances will be allocated a number once they are approved by the City Council. The Minutes of this meeting will reflect these numbers. All documents submitted by the public during Council meetings that are made a part of the record or referred to in their statement will be noted in the Minutes and available for review by contacting the City Clerk's office. All documents will be available for public inspection by appointment during City Hall business hours.

CITY OF ATASCADERO
CITY COUNCIL

AGENDA

Tuesday, February 8, 2022

City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California

City Council Regular Session:	**6:00 P.M.**
City Council Closed Session:	**Immediately following Regular Session**

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

PLEDGE OF ALLEGIANCE: Mayor Moreno

ROLL CALL:
Mayor Moreno
Mayor Pro Tem Newsom
Council Member Bourbeau
Council Member Dariz
Council Member Funk

APPROVAL OF AGENDA: Roll Call

Recommendation: Council:
1. Approve this agenda; and
2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.

CLOSED SESSION – REPORT (IF ANY)

a. January 25, 2022

PRESENTATIONS: None.

A. CONSENT CALENDAR: (All items on the consent calendar are considered to be routine and non-controversial by City staff and will be approved by one motion if no member of the Council or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the Consent Calendar and will be considered in the listed sequence with an opportunity for any member of the public to address the Council concerning the item before action is taken.)

1. **City Council Draft Action Minutes – January 25, 2022**
   - Recommendation: Council approve the January 25, 2022 Draft City Council Regular Meeting Minutes. [City Clerk]

2. **Virtual Meetings – AB 361 Requirements**
   - Fiscal Impact: None.
   - Recommendation: Council adopt Draft Resolution making findings consistent with the requirements of AB 361 to continue to allow for the conduct of virtual meetings. [City Manager]

3. **City Website Redesign**
   - Fiscal Impact: $108,250.00
   - Recommendation: Council authorize the City Manager to execute a contract with Planeteria Media in the amount of $108,250 for design, implementation, training, hosting and support for a new website for www.atascadero.org for a five-year initial contract. [Information Technology]

UPDATES FROM THE CITY MANAGER: (The City Manager will give an oral report on any current issues of concern to the City Council.)

COMMUNITY FORUM: (This portion of the meeting is reserved for persons wanting to address the Council on any matter not on this agenda and over which the Council has jurisdiction. Speakers are limited to three minutes. Please state your name for the record before making your presentation. Comments made during Community Forum will not be a subject of discussion. A maximum of 30 minutes will be allowed for Community Forum, unless changed by the Council. Comments will be allowed for the entire 30-minute period so if the final speaker has finished before the 30 minute period has ended and a member of the public wishes to make a comment after the Council has commenced another item, the member should alert the Clerk within the 30 minute period of their desire to make a comment and the Council will take up that comment upon completion of the item which was commenced. Any members of the public who have questions or need information may contact the City Clerk's Office, between the hours of 8:30 a.m. and 5:00 p.m. at (805) 470-3400, or cityclerk@atascadero.org.)

B. PUBLIC HEARINGS:

1. Community Choice Aggregation

- Fiscal Impact: There is a $6,000 fee for the administrative filing. Any potential rate savings provided by 3CE would apply to the City as well as residential and commercial customers. Actual cost savings are unknown at this time.
- Recommendation: Council hold a public hearing, take public input, and determine whether or not to begin the process of joining the Central Coast Community Energy's (3CE) community choice aggregation program by:
  1. Introducing for first reading, by title only, a Draft Ordinance authorizing the implementation of a community choice aggregation program in the City of Atascadero through participation in 3CE's community choice aggregation program.
  2. Adopting a Draft Resolution requesting membership in 3CE's Joint Powers Authority and authorizing the City Manager to execute the Joint Powers Authority Agreement as amended with 3CE. [City Manager]

C. MANAGEMENT REPORTS: None.

D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS: (On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. The following represent standing committees. Informative status reports will be given, as felt necessary):

Mayor Moreno

1. City Selection Committee
2. County Mayors Round Table
3. Regional Economic Action Coalition (REACH)
4. SLO Council of Governments (SLOCOG)
5. SLO Regional Transit Authority (RTA)

Mayor Pro Tem Newsom

1. City / Schools Committee
2. Design Review Committee
3. League of California Cities – Council Liaison
4. Visit SLO CAL Advisory Committee

Council Member Bourbeau

1. City of Atascadero Finance Committee
2. City / Schools Committee
3. Integrated Waste Management Authority (IWMA)
4. SLO County Water Resources Advisory Committee (WRAC)

Council Member Dariz

1. Air Pollution Control District
2. California Joint Powers Insurance Authority (CJPIA) Board
3. City of Atascadero Finance Committee

Council Member Funk

1. Atascadero Basin Ground Water Sustainability Agency (GSA)
2. Design Review Committee
3. Homeless Services Oversight Council

E. INDIVIDUAL DETERMINATION AND / OR ACTION: (Council Members may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda. The Council may take action on items listed on the Agenda.)

1. City Council
2. City Clerk
3. City Treasurer
4. City Attorney
5. City Manager

F. RECESS REGULAR MEETING TO CLOSED SESSION

COUNCIL CLOSED SESSION:

1. **CLOSED SESSION -- PUBLIC COMMENT**

2. **COUNCIL LEAVES TO BEGIN CLOSED SESSION**

3. **CLOSED SESSION -- CALL TO ORDER**

   a. **Conference with Real Property Negotiators** (Govt. Code 54956.8)
   Real Property: 6009 Del Rio Road (APN 049141038 – City Property), 2000 Ramona Road (APN 049141039 – City Property), 2455 El Camino Real (APN 049151056 – People Self Help Housing Property), 6105 Olmeda Avenue (APN 029091001 – State of California Property), Atascadero, California, 93422
   Agency Negotiator: Rachelle Rickard, City Manager
   Negotiating Parties: People Self Help Housing and State of California
   Subject of Negotiations: Purchase price and/or terms of payment

4. **CLOSED SESSION – ADJOURNMENT**

Please note: Should anyone challenge any proposed development entitlement listed on this Agenda in court, that person may be limited to raising those issues addressed at the public hearing described in this notice, or in written correspondence delivered to the City Council at or prior to this public hearing. Correspondence submitted at this public hearing will be distributed to the Council and available for review in the City Clerk's office.

CITY OF ATASCADERO CITY COUNCIL

DRAFT MINUTES

Tuesday, January 25, 2022

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California**

<u>City Council Regular Session</u>:	**6:00 P.M.**
<u>City Council Closed Session</u>:	**Immediately following Regular Session**

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

Mayor Moreno called the meeting to order at 6:01 p.m. and Mayor Pro Tem Newsom led the Pledge of Allegiance.

ROLL CALL:

Present: **By Teleconference** - Council Members Bourbeau, Dariz, and Funk, Mayor Pro Tem Newsom, and Mayor Moreno

Absent: None

Others Present: **By Teleconference** - Treasurer Gere Sibbach

Staff Present: **By Teleconference** – City Manager Rachelle Rickard, Administrative Services Director Jeri Rangel, Community Development Director Phil Dunsmore, Fire Chief Casey Bryson, Police Chief Bob Masterson, Public Works Director Nick DeBar, City Attorney Brian Pierik, Deputy City Manager/City Clerk Lara Christensen, and IT Manager Luke Knight

APPROVAL OF AGENDA:

MOTION: By Council Member Funk and seconded by Council Member Bourbeau to:
1. Approve this agenda; and,

2. **Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.**

Motion passed 5:0 by a roll-call vote.

CLOSED SESSION – REPORT (IF ANY)

a. January 11, 2022

City Attorney Pierik reported there was no reportable action.

PRESENTATIONS: None.

A. CONSENT CALENDAR:

1. **City Council Draft Action Minutes – January 11, 2022**
   - Recommendation: Council approve the January 11, 2022 Draft City Council Regular Meeting Minutes. [City Clerk]

2. **December 2021 Accounts Payable and Payroll**
   - Fiscal Impact: $3,783,926.36
   - Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for December 2021. [Administrative Services]

3. **September 2021 Investment Report**
   - Fiscal Impact: None.
   - Recommendation: Council receive and file the City Treasurer's report for quarter ending September 30, 2021. [City Treasurer]

MOTION: By Council Member Bourbeau and seconded by Council Member Funk to approve the Consent Calendar.
Motion passed 5:0 by a roll-call vote.

UPDATES FROM THE CITY MANAGER:

City Manager Rickard gave an update on projects and events within the City.

COMMUNITY FORUM:

The following citizens spoke by telephone or through the webinar on this item: None.

Mayor Moreno closed the COMMUNITY FORUM period.

B. PUBLIC HEARINGS:

1. Ratification of Approval of Hazardous Tree Removal

- Fiscal Impact: None.
- Recommendation: Council adopt Draft Resolution ratifying staff's approval of the removal of one, 55-inch DBH, hazardous Heritage Coast Live Oak previously located at 5955 East Mall, subject to conditions of approval and mitigation, including replanting on site. [Community Development]

Mayor Moreno noted that staff received a request from the property owner to continue to item to February 22, 2022.

PUBLIC COMMENT:

The following citizens spoke by telephone or through the webinar on this item: None.

MOTION: By Council Member Bourbeau and seconded by Mayor Pro Tem Newsom to continue the item to February 22, 2022.
Motion passed 5:0 by a roll-call vote.

C. MANAGEMENT REPORTS:

1. Fiscal Year 2020-2021 Audit

- Fiscal Impact: None.
- Recommendation: Council review and accept the financial audit for the period ended June 30, 2021. [Administrative Services]

Administrative Services Director Rangel gave the staff report and answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke by telephone or through the webinar on this item: Adam Guise, Moss, Levy & Hartzheim (City auditor)

Mayor Moreno closed the Public Comment period.

MOTION: By Council Member Bourbeau and seconded by Council Member Funk to accept the financial audit for the period ended June 30, 2021.
Motion passed 5:0 by a roll-call vote.

2. Staffing for Adequate Fire and Emergency Response (SAFER) Grant

- Fiscal Impact: There is no fiscal impact in applying for the SAFER grant. If awarded the City would receive funding for three firefighters for three years at an estimated $1.5 million.
- Recommendation: Council authorize the Fire Chief to apply for and City Manager to execute a grant contract for a SAFER grant that would reimburse the City for the cost of three additional firefighters for three years. [Fire Department]

Fire Chief Bryson gave the staff report and answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke by telephone or through the webinar on this item: None.

Mayor Moreno closed the Public Comment period.

MOTION: By Council Member Bourbeau and seconded by Mayor Pro Tem Newsom to authorize the Fire Chief to apply for and City Manager to execute a grant contract for a SAFER grant that would reimburse the City for the cost of three additional firefighters for three years.
Motion passed 5:0 by a roll-call vote.

D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:

The following Council Members gave brief update reports on their committees since their last Council meeting:

Mayor Moreno
1. City Selection Committee
2. SLO Council of Governments (SLOCOG)
3. SLO Regional Transit Authority (RTA)

Mayor Pro Tem Newsom
1. Design Review Committee

Council Member Bourbeau
1. Integrated Waste Management Authority (IWMA)
2. SLO County Water Resources Advisory Committee (WRAC)

Council Member Dariz
1. Air Pollution Control District

Council Member Funk
1. Atascadero Basin Ground Water Sustainability Agency (GSA)
2. Design Review Committee
3. Homeless Services Oversight Council

E. INDIVIDUAL DETERMINATION AND / OR ACTION: None.

F. RECESS REGULAR MEETING TO CLOSED SESSION

Mayor Moreno recessed the Regular Meeting at 7:18 p.m. and called the Closed Session Meeting to order at 7:19 p.m.

COUNCIL CLOSED SESSION:

1. **CLOSED SESSION -- PUBLIC COMMENT – None.**

2. **COUNCIL LEAVES TO BEGIN CLOSED SESSION**

3. **CLOSED SESSION -- CALL TO ORDER**

   a. **Conference with Legal Counsel – Anticipated Litigation**
   Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): 1 potential case – Bill White sick leave

   b. **Conference with Legal – Anticipated Litigation**
   Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): 1 potential case – California Voting Rights Act

4. **CLOSED SESSION – ADJOURNMENT**

G. ADJOURN

Following Closed Session, the meeting was adjourned at 9:08 pm; no reportable action.

MINUTES PREPARED BY:

____
Lara K. Christensen
City Clerk

APPROVED:

ITEM NUMBER: A-2
DATE: 02/08/22

Atascadero City Council

Staff Report - City Manager

Virtual Meetings – AB 361 Requirements

RECOMMENDATION:

Council adopt Draft Resolution making findings consistent with the requirements of AB 361 to continue to allow for the conduct of virtual meetings.

DISCUSSION:

On March 4, 2020, Governor Newsom declared a state of emergency due to the novel coronavirus COVID-19. That declaration is still in effect. Since March 12, 2020, Executive Orders from the Governor relaxed various Brown Act meeting requirements relating to teleconferencing rules, temporarily suspending the Brown Act provisions requiring the physical presence of council, board and commission members at public meetings. The most recent extension of those Orders expired on September 30, 2021.

On Friday, September 17, 2021, the Governor signed AB 361. AB 361 amends Government Code section 54953 to provide more clarity on the Brown Act's rules and restrictions surrounding the use of teleconferencing to conduct meetings. The newly enacted Government Code Section 54953(e) creates alternate measures to protect the ability of the public to appear before local legislative bodies.

With the passage of AB 361, local agencies are allowed to continue to conduct virtual meetings during a declared state of emergency, provided local agencies comply with specified requirements. The City Council previously adopted Resolution No. 2021-066 on September 28, 2021, finding that the requisite conditions exist for the legislative bodies of the City of Atascadero to conduct remote teleconference meetings in compliance with AB 361. (Government Code Section 54953(e).) AB 361 requires the City Council to reconsider the circumstances of the state of emergency not later than 30 days after teleconferencing for the first time pursuant to AB 361 and every 30 days thereafter in order to continue to conduct remote teleconference meetings. The City Council previously adopted Resolution No. 2021-069 on October 26, 2021, Resolution No. 2021-073 on November 23, 2021, Resolution No. 2021-074 on December 14, 2021, and Resolution No. 2022-001 on January 11, 2022, making the requisite findings to continue remote teleconferencing.

In order to continue remote teleconferencing, the City Council must make the following findings (Gov. Code § 52953(e)(3)):

- The City Council has reconsidered the circumstances of the state of emergency.
- Any of the following circumstances exist:
    - The state of emergency continues to directly impact the ability of the members to meet safely in person.
    - State or local officials continue to impose or recommend measures to promote social distancing.

On August 31, 2021, County Health Officer issued Order No. 6 requiring face coverings in all public indoor settings and this order continues to remain in effect. On December 13, 2021, California Department of Public Health (CDPH) added a requirement for universal masking indoors statewide December 15, 20201, through February 15, 2022. Additionally, the City remains subject to the State Occupational Safety and Health Administration (CalOSHA) regulations which, among other requirements, obligate an employer to provide training to employees on COVID-19 transmission and risk reduction, including “The fact that particles containing the virus can travel more than six feet, especially indoors, so physical distancing, face coverings, increased ventilation indoors, and respiratory protection decrease the spread of COVID-19, but are most effective when used in combination.” (CCR Section 3205(c)5(D).)

Adoption of the Draft Resolution reaffirms the Health Officer Order, CDPH requirement, and CalOSHA requirements as the basis for continuing to meet virtually. Additionally, adoption of the Draft Resolution does not prohibit the conduct of a traditional or hybrid meeting if the circumstances of the declared health emergency change.

FISCAL IMPACT:

None.

ATTACHMENT:

Draft Resolution

DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, PROCLAIMING THE CONTINUING NEED TO MEET BY TELECONFERENCE PURSUANT TO GOVERNMENT CODE SECTION 54953(e)

WHEREAS, all meetings of the City of Atascadero legislative bodies are open and public as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963); and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, Government Code section 54953(e) was added by AB 361, signed by Governor Newsom on September 17, 2021; and

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency as a result of the COVID-19 pandemic; and

WHEREAS, on March 17, 2020, the City of Atascadero declared a State of Emergency as a result of the COVID-19 pandemic; and

WHEREAS, such State of Emergency remains in effect; and

WHEREAS, COVID-19 continues to threaten the health and lives of City of Atascadero residents; and

WHEREAS, the Delta variant is highly transmissible in indoor settings and breakthrough cases are becoming more common; and

WHEREAS, local officials have imposed or recommended measures to promote social distancing to include the wearing of masks indoors, regardless of vaccination status; and

WHEREAS, the City Council previously adopted Resolution No. 2021-066 on September 28, 2021, Resolution No. 2021-069 on October 26, 2021, Resolution No. 2021-073 on November 23, 2021, Resolution No. 2021-074 on December 14, 2021, and Resolution No. 2022-001 on January 11, 2022, finding that the requisite conditions exist and continue to exist for the legislative bodies of the City of Atascadero to conduct remote teleconference meetings in compliance with Government Code Section 54953(e); and

WHEREAS, Government Code Section 54953(e) requires that the City Council must reconsider the circumstances of the state of emergency every 30 days in order to continue to conduct remote teleconference meetings in compliance with AB 361.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Atascadero:

SECTION 1. Recitals. The above recitals are true and correct and are incorporated into this Resolution by this reference.

SECTION 2. Findings. The City Council does hereby find that:

1. The City Council has reconsidered the circumstances of the state of emergency declared as a result of the COVID-19 pandemic.
2. The COVID-19 pandemic continues to directly impact the ability of the members to meet safely in person whereby holding legislative body meetings in person will present imminent risk to the health and safety of attendees.
3. State or local officials continue to impose or recommend measures to promote social distancing.

SECTION 3. Compliance with Government Code Section 54953(e). The City Council and other legislative bodies will continue to meet by teleconference in accordance with Government Code section 54953(e).

SECTION 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) 30 days from the date of adoption of this Resolution, or (ii) such time the City Council adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the City of Atascadero may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ______ day of ________________, 2022.

On motion by Council Member ____ and seconded by Council Member ____, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

____
Heather Moreno, Mayor

ATTEST:

____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

____
Brian A. Pierik, City Attorney

Atascadero City Council

Staff Report – Information Technology Division

City Website Redesign

RECOMMENDATION:

Council authorize the City Manager to execute a contract with Planeteria Media in the amount of $108,250 for design, implementation, training, hosting and support for a new website for www.atascadero.org for a five-year initial contract.

DISCUSSION:

The City's primary government website is hosted at www.atascadero.org. The current website design has been in place since 2011 and is showing its age. In alignment with City Council's goals and priorities to provide transparency and accessibility to better meet the needs and expectations of the City's residents and businesses, staff is recommending redesigning the www.atascadero.org website.

The City maintains several websites:; www.visitatascadero.com, focused on tourism to Atascadero, www.charlespaddockzoo.org, the home of the Charles Paddock Zoo and www.pavilionnthelake.com, providing information about the Pavilion on the Lake.

Information relating to life in Atascadero is hosted on www.atascadero.org. The site is the primary information dissemination tool of the City and contains a wealth of information for residents, property owners, businesses, business owners, developers, job seekers, recreation users and information seekers. The website currently hosts about 350 pages and over 4,000 documents and receives about 7,000 unique visitors each month.

In accordance with Section III (Proprietary Equipment and Goods) of the Purchasing Policy, a selection committee was formed to research desired traits of a new website. The committee (Project Team) was comprised of staff from each department and division that oversaw content on the website for their department in some capacity.

The Project Team set about to determine the goals and objectives of the new website redesign. The Team began by reviewing what worked well on the current site and what aspects need to be either improved upon or completely redone. The resulting goals for the new website are:

1. The site will be inclusive
2. The site will be easy to navigate

3. The site will be mobile friendly
4. The site will have a personality that fits the City of Atascadero
5. The site will be responsive
6. The site will highlight Atascadero
7. The site will be built to enable growth
8. The site should be easy to update
9. The site should be easy to search
10. The site should be consistent

Once the goals and objectives were identified, staff published a request for quote and reached out to several agencies directly to solicit a response. Fourteen vendors were contacted directly, including four local vendors, and 15 vendors inquired about the request for quote from the posting on the City's website. Of the 29 potential vendors, 17 submitted responses last summer. The team evaluated all responses and held the first of three evaluations in August. Eleven vendors were removed from further consideration and six were moved to phase 2 of the evaluation process. These six vendors were invited to provide a 50-minute presentation showing how they would meet the goals and objectives outlined in the request for quote. The six vendors included: 360Civic, CivicPlus, JesseJames Creative, Municode, Planeteria Media and Revize. The Project Team deliberated and moved 360Civic, Planeteria Media and Revize to phase 3 of the evaluation process. After another round of deliberation, staff determined that Planeteria Media would best accomplish the goals and objectives of the new website.

Planeteria Media is based in Santa Rosa, CA and has been creating municipal websites for 22 years. Staff contacted provided references and each reference commented favorably toward Planeteria's ability to guide a project along while also taking the time to understand how each organization works.

The proposed timeline for the new website to be launched is about six months. Project phases include:

1. Discover – identifying the needs of all the stakeholders
2. Information Architecture – streamlining navigation and content
3. Visual Design – establishing the overall design
4. Content Strategy & Migration – strategizing for the migration and creation of content
5. Beta Development – development of the site
6. Quality Assurance & Launch – final checks and launching the site

Conclusion

Staff is excited to start working on this project alongside Planeteria Media. Staff will work closely with Planeteria throughout the project phases and staff is confident that Planeteria will be a good partner in meeting the goals and objectives of this project.

FISCAL IMPACT:

Adoption of staff recommendations will result in the expenditure of $108,250 over a period of five years for a redesigned website that will be hosted and supported by Planeteria Media. Annual maintenance fees will be budgeted accordingly in future fiscal years.

PROPOSED FUNDING USES				
Web Site Redesign	$	69,550		
Annual Maintenance for 5 years ($5,880 annually)		29,400		
Annual Hosting for 5 years ($1,860 annually)		9,300		
Total Contracted Expenditures				**108,250**
Project Contingency (~10%)		6,750		
Total Estimated Costs			**$**	**115,000**

ESTIMATED FUNDING SOURCES				
2021/2022 Budgeted Technology Funds	$	115,000		
Total Funding Sources			**$**	**115,000**

PROJECT FUNDING SURPLUS/(SHORTFALL)	**$**	**-**

ATTACHMENTS:

None.

ITEM NUMBER: B-1
DATE: 02/08/22

Atascadero City Council

Staff Report – City Manager's Office

Community Choice Aggregation

RECOMMENDATION:

Council hold a public hearing, take public input, and determine whether or not to begin the process of joining the Central Coast Community Energy's (3CE) community choice aggregation program by:

1. Introducing for first reading, by title only, a Draft Ordinance authorizing the implementation of a community choice aggregation program in the City of Atascadero through participation in 3CE's community choice aggregation program.

2. Adopting a Draft Resolution requesting membership in 3CE's Joint Powers Authority and authorizing the City Manager to execute the Joint Powers Authority Agreement as amended with 3CE.

REPORT-IN-BRIEF:

Community Choice Aggregation (CCA) is a program that enables city and county governments to pool (or aggregate) the electricity demand of their communities together for the purpose of supplying electricity. While CCAs are locally operated, they work in partnership with the region's existing investor owned utility (IOU). A CCA determines the source of and buys electricity on behalf of residential, commercial, agricultural, and municipal electricity users in its jurisdiction. The existing IOUs continue delivering the energy, maintaining the grid, and providing billing services.

At the March 9, 2021 Council Meeting, there was Council consensus to direct the City Manager to bring an ordinance and resolution to join 3CE to Council in February 2022 for full discussion and consideration.

3CE was founded in 2017 and serves 33 communities throughout the Central Coast sourcing clean and renewable electricity for Monterey, San Benito, Santa Cruz, San Luis Obispo, and Santa Barbara counties. If Atascadero chooses to join 3CE, customers will not be enrolled in 3CE's program until January 2024. Currently, there is a $6,000 fee for the administrative filing required for the City to join 3CE.

Should Atascadero join 3CE, customers will receive a total of four mailers beginning in November 2023. Two mailers are sent before service begins in January 2024 and two mailers are received after the start of service. Customers are automatically enrolled in 3CE's program and can opt-out during the enrollment period (60 days before enrollment and 60 days after enrollment) at no cost. Service opt-out after the enrollment period may have costs associated.

If Council chooses to join 3CE, the attached Draft Ordinance will need to be introduced and the attached Draft Resolution of intention adopted in order to begin the process. Following adoption of the Ordinance, documents must be forwarded to 3CE for presentation to their Policy Board in September 2022. Should the Policy Board approve the addition of Atascadero to the 3CE JPA, a Revised Implementation Plan will be reviewed and approved and submitted to the CPUC before the end of 2022. Program implementation and operations preparation would take place from mid-to-late 2023 and service would begin in early 2024.

DISCUSSION:

Community Choice Aggregation

California Assembly Bill 117, passed in 2002, gives cities and counties the ability to purchase and sell electricity by aggregating customer loads. Through the establishment of a Community Choice Aggregation (CCA) program sometimes referred to as Community Choice Energy (CCE), communities can join together to pool (or aggregate) their electricity load in order to purchase clean energy and develop local projects and programs on behalf of their residents and businesses. Aggregators work in partnership with the region's existing Investor Owned Utility, which continues to deliver power and maintain the grid. In Atascadero PG&E is the Investor Owned Utility. A CCA in Atascadero would not eliminate the role of PG&E in delivering power and ensuring reliability and safety shutoffs and unscheduled utility outages will remain the same.

CCAs are established by local communities, either through the creation of a joint powers authority or enterprise fund. CCAs are public, non-profit agencies and once operational, are completely ratepayer funded and are not generally subsidized by taxpayer dollars. Any surplus funds generated by the CCA can be reinvested into the community in the form of energy projects and programs or lower rates. Surplus funding does not go into the general funds of the member agencies. CCAs are governed by a board or council of local elected officials who oversee decisions regarding power purchasing, programs, and rate setting, and are directly accountable to the people who elected them.

Some of the advantages associated with CCA, according to the U.S. Environmental Protection Agency's Green Power Partnership, are a potential reduction in retail electric rates; the capacity to rapidly shift to greener power resources; local control of electricity generation; expanded consumer choices; and the potential to spur local jobs and renewable energy development.

Currently, there are 24 CCA programs in operation throughout California, serving over 200 towns, cities and counties with over eleven million customers. Average CCE customer participation in the State of California is 93% and the average customer participation in 3CE is 93% representing 94% of all energy load. Currently, enrollment in the 6 communities (Arroyo Grande, Grover Beach, Morro Bay, Paso Robles, Pismo Beach and San Luis Obispo) in San Luis Obispo County is around 94%.

The longest-standing CCA program is Marin Clean Energy, which began operations in Marin County in 2010 and has since grown to also include parts of Napa and Contra Costa Counties. All the operational and in-development CCA programs conducted feasibility studies that suggested CCA was financially viable for the communities where CCA programs operate and, in 2020, all operational CCAs have reached or were on track to reach their operating reserve targets and pay back their start-up loans, many within the first year or two of operation. Some of the longer-standing CCAs have built up sufficient reserves to begin reinvesting in their communities in the form of new local renewable energy projects, energy efficiency programs, and electric vehicle incentives.

By legislative design, a CCA program is an opt-out model so local households and businesses will be signed up for the CCA unless they actively choose not to be. Therefore, if the City voted to participate in a CCA, all eligible Pacific Gas & Electric (PG&E) customers who do not act to opt-out would automatically be enrolled to receive the CCA's service upon the stated date in the implementation plan. CCAs are required by law to send out notices 60 days prior to enrollment, 30 days prior to enrollment, 30 days post enrollment, and 60 days post enrollment in an effort to inform each customer about the service change. Customers may opt-out at no cost during the enrollment period. After the first 60 days of CCA service, customers can still opt-out of a CCA service; however, there may be charges or conditions from PG&E or the CCA associated with the request to opt-out.

Ideally, CCA's are designed to save community members on their energy costs–they're typically negotiated at a lower rate than the utility's rates from the previous year. But that does not mean costs will not change over time, resulting in higher rates than what would have been paid to the IOU. In other words, community choice aggregation cannot guarantee savings. Additionally, green programs from an energy supply company usually cost more. The discount from buying in bulk might or might not offset these extra costs. Many CCA's will give residents and businesses the option to choose between a green program and a basic savings-oriented program.

Two CCA's have discontinued service and returned customers to the IOUs. One in Riverside County and one in the City of Baldwin Park. The underlying premise of these CCAs was to provide cleaner energy at more competitive rates and these CCA's could not continue purchasing energy in the wholesale market without causing a significant rate increase to the customers above the IOUs. State mandates related to COVID-19 and increasing power costs due to state renewable energy requirements caused Western Community Energy (WCE) to declare a fiscal emergency and file a Chapter 9 Bankruptcy petition in May 2021. WCE's program was implemented in April 2020 and that August, California experienced an unprecedented heat event resulting in higher power needs and a spike in the cost of energy. While 90% of WCE's energy had been secured for summer 2020, the heat event prematurely exhausted the projected supplied. The additional energy costs incurred that summer, coupled with a state mandate that no customers would be disconnected due to non-payment of utility bills, cost WCE millions of dollars during the organization's infancy. Unable to recover from the substantial cost burden, WCE filed for bankruptcy and returned customers to the IOU. Similarly, BProud (Baldwin Park's resident owned utility district) was launched by the City of Baldwin Park and began providing power to customers in late 2020. The unpredictable and volatile costs associated with purchasing electricity in the wholesale market prompted BProud to decertify the program and transition customers back to the IOU this month.

At this time, no other CCA in California has filed for bankruptcy protection and there is no information indicating that any of the other 24 CCA programs are in financial distress or facing bankruptcy. The impacts of the increased cost and volatility of electricity, the fact that the electricity sector has become more complicated and regulated as it requires more reliance on renewables like wind and solar, and the competitive disadvantage smaller CCAs may be at (in securing best priced electricity) compared to large IOUs remains to be seen.

Central Coast Community Energy (3CE)

3CE is a public agency that sources competitively priced electricity from clean and renewable energy resources. 3CE's goal is to source 100% of its customer demand from new clean and renewable resources by 2030, 15 years ahead of the state's clean energy goal. 3CE serves more than 500,000 customers throughout the Central Coast, including agricultural, commercial and residential customers in communities located within Monterey, San Benito, San Luis Obispo, Santa Barbara and Santa Cruz counties. To better serve customers, 3CE maintains offices in both Monterey and San Luis Obispo and has 38 full-time employees.

3CE was established in May 2017, as Monterey Bay Community Power, with the goal of reducing greenhouse gas emissions, providing electric power and other forms of energy to customers at affordable rates, stimulating and sustaining the local economy by lowering electric generation charges and creating local jobs, and promoting long-term electric rate stability, energy security and reliability through the local control of generation resources.

3CE formed as an aggregation of the counties of Santa Cruz, San Benito and Monterey along with 16 local incorporated cities. 3CE was the first tri-county community choice energy program to form in California with over 274,000 residential and commercial customers. Commercial service began in March 2018 and residential service enrollment began in July 2018. In September of 2018, the cities of San Luis Obispo and Morro Bay joined 3CE and customer service began in January 2020.

In 2019, 3CE expanded its territory with the inclusion of 12 jurisdictions including the cities of Arroyo Grande, Carpinteria, Del Rey Oaks, Grover Beach, Goleta, Guadalupe, Paso Robles, Pismo Beach, Santa Maria, Solvang, and the County of Santa Barbara. These jurisdictions encompass two investor owned utility territories (PG&E and SCE). Customers in these jurisdictions were enrolled in 2021. This expansion increased 3CE's customer base to over 500,000 residential and commercial accounts across 8,000 square miles and an estimated 5,400 GWh of annual electricity usage supporting 32 jurisdictions.

In 2020, the City of Buellton joined 3CE and customer service will begin in early 2022.

3CE in San Luis Obispo County
In San Luis Obispo County, only the City of Atascadero and the County are not members of 3CE.

The Board of Supervisors (BOS) has considered CCA on a number of occasions and at this time has chosen not to pursue participation in a CCA. Between 2015 – 2017, along with both the Counties of Santa Barbara and Ventura, the County of San Luis Obispo participated in a feasibility study of CCA for the Central Coast. An additional study was completed in 2017 by Pilot Power and in 2019, Alison Turner & Associates prepared an accounting-based study of joining the Monterey Bay Community Power (MBCP) CCA. At the Board's direction, County staff contracted an independent feasibility study with MRW & Associates (MRW) in early 2020. The MRW study was done to respond to 29 specific questions and concerns approved by the BOS regarding having power procured and provided by 3CE. The study looked at issues such as the long-term financial health of 3CE; financial health and future of PG&E; cost and availability of future power supplies; energy rates and customer bills; and the availability and benefits of customer energy program. The study was presented to the BOS in June 2020 and they concluded that 3CE is in a good financial position, power procurement will meet all State mandated goals, 3CE's operations will not be impacted by PG&E's reorganization, 3CE customers can still participate in PG&E programs, and 3CE programs emphasize electrification and GHG reduction. MRW also reported that 3CE's JPA insulates each JPA member's finances from that of 3CE. MRW's study is included in this report as Attachment No. 7.

CCA has been presented to and/or discussed by the City Council on several occasions. 3CE, as MBCP, presented to the City Council on June 25, 2019. Follow-up discussion was held by the City Council on July 9, 2019 at which time the Council decided not to further pursue membership in 3CE. Community choice aggregation came up during the Council's 2021-2023 Goal Setting Workshop and the City Manager requested direction regarding CCA at the March 9, 2021 City Council Meeting. The Council directed the City Manager to bring back an ordinance for review and discussion regarding participation in 3CE's community choice aggregation program. City staff has met and coordinated with representatives from 3CE to provide information for and to attend tonight's meeting. At the request of businesses and residents in the City, 3CE has also met with and made presentations to residents and businesses in the City.

Rate Structure
3CE currently provides customers with two electric generation service offerings. 3Cchoice is the default service comprised of 34% eligible renewable energy from geothermal, solar, wind, biomass & biowaste sources. 3Cprime is a 100% renewable energy service offering composed of 50% solar and 50% wind generation from California and costs $0.08 cents more per KWh.

Over the past four years, 3CE has promised rate reductions from PG&E ranging from 2 to 6 percent. This cost savings model was flawed, requiring 3CE to adjust rates in order to align with the fluctuating rates of PG&E. The unpredictability of PG&E rate setting jeopardized 3CE's ability to recover costs for FY2020-21, causing a year-end deficit for the 2020-21 fiscal year. 3CE's paradigm shift from PG&E minus model to cost-of-service rate design starting March 2022 will enable 3CE to set rates to recover its cost to serve customers.

3CE's initial rate structure was based upon matching PG&E's retail generation rates on a monthly basis, adding the Power Charge Indifference Adjustment (PCIA) and Franchise Fee and then providing customers with a rebate as a bill credit. In 2018 and 2019 bill credits were delivered to residential customers in December or January; non-residential customer rebates were delivered biannually or quarterly depending on energy usage. In 2020, savings was realized monthly through a lower electric rate than PG&E.

In 2021, 3CE was set to implement its own rate structure based on the combined costs of energy procurement, operations and program delivery. This cost-based model would allow 3CE to simplify its rate structure and provide competitiveness, fairness and predictability to all enrolled customers across the Central Coast. Due to the COVID-19 pandemic and the uncertainty of the increasing Power Charge Indifference Adjustment (PCIA), implementation of the initial cost-based rates were postponed and 3CE continued to conduct public outreach to gather customer input on the proposed rate structure.

In September 2021, the 3CE Policy Board approved and adopted the adjusted three-year electric generation rates for customers in the PG&E service area for implementation beginning January 1, 2022, through December 31, 2024. In order to offset increased power supply costs and provide more financial stability while still charging competitive rates, an increase was approved to 3CE's electric generation rates for all customer classes in PG&E service areas in December 2021 at 2¢/kWh in Calendar Year 2022 and then reducing the increase to 1¢/kWh for Calendar Years 2023 and 2024. This additional rate increase is expected to cover all anticipated rate fluctuations and prevent the need for any additional rate adjustments prior to December 31, 2024.

If Atascadero were to join 3CE, customers would not be enrolled until 2024. Given the constant fluctuation in power supply costs, and the expectation that power providers across California fill the carbon-free energy void left by the closure of Diablo Canyon Power Plant, 3CE is unable to provide cost comparison for Atascadero residents at this time. A rate comparison, based on 2021 rates, is available on PG&E's website and has been included as Attachment No. 5. Additionally, 3CE has provided projected cost savings for Atascadero, which is included as part of Attachment No. 6.

The switch to the cost-of-service model allows 3CE to continue to offer rates competitive with PG&E and, since its inception, 3CE has reported that year over year their rates have remained competitive with PG&E. During the months leading up to enrollment, 3CE customer service agents will be available to provide rate comparison based on a customer's actual bill and a comparison tool will be available through the 3CE website prior to the go-live date.

Net Energy Metering (Solar)
Solar customers – better known as Net Energy Metered (NEM) enrolled customers – will require a true-up of their account with PGE at the time they are enrolled in 3CE. There are various times throughout the year that enrollment may happen for NEM enrolled customers based on the true-up schedules with PG&E (April, July and October). NEM enrolled customers are not a separate customer class. Instead, they are residential, commercial, agricultural, and industrial customers who happen to be enrolled in the NEM program. As such, these customers incur the same rates as other customers in their respective customer classes.

3CE reports offering a competitive net surplus compensation rate if the customer's system produces more than is consumed on an annual basis and states that every customer will continue to earn NEM generation credits and offset a portion of or all of the charges for electricity (same as was the case before transitioning to 3CE). 3CE only takes over the NEM electric generation charges and/or credits so the customer will continue to receive PG&E's minimum monthly fee since PG&E will continue to handle the NEM transmission and distribution costs.

Billing and Customer Service
From a customer perspective, all billing and payments to PG&E remain the same. 3CE now assumes the role of electric generation supplier and replaces the electricity supply charges from PG&E. Customers will see a new line item on the front page of their bill for "*3CE Electric Generation Charges*." Customers will also see a "*Generation Credit*" on PG&E's electric delivery page which credits customers back for the cost of electricity from PG&E. There will be a new page for *3CE Electric Generation Charges* which are replacement charges, not duplicative or additional charges. Customers can contact 3CE's call center to discuss all aspects of their bill as well as learn about electrification programs. Customers may also call PG&E to discuss their bill.

Governance and Representation
3CE's governance structure is comprised of a Policy Board, Operations Board and Community Advisory Council.

The Policy Board is seated by elected officials from participating local member agencies and provides guidance/approval in the areas of strategic planning and goal setting, passage of the Authority's budget, customer rates and large capital expenditures outside the typical power procurement required to provide electrical generation service. The Policy Board meets four times a year inclusive of the annual joint board/council meeting.

The Operations Board is seated with senior executive/County Administrative Officers and senior executive/City Managers. The Operations Board provides oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region and other routine operational matters of the Authority. The Operations Board meeting eight times a year plus the annual joint board/council meeting.

The Community Advisory Council (CAC) is appointed at large by the Policy Board and is comprised of up to 15 members appointed from each constituent county (Santa Cruz, San Benito, Monterey, San Luis Obispo, and Santa Barbara), and is representative of the board diversity of stakeholder interests and customer classes in 3CE's service area. The CAC is formed to ensure that all parties, including private citizens, organizations, government agencies and industry have a local community group to provide in-depth review and feedback on 3CE proposals and policies and provide recommendations to the Boards. The CAC assists with legislative advocacy and is tasked to assist with community engagement to ensure that 3CE's programs and outreach align with 3CE's core mission. The CAC meets 7 times a year including the annual meeting.

Of the 34 jurisdictions in 3CE's service area, all participating county jurisdictions receive a full seat on both the Policy Board and Operations Board. City jurisdictions with populations over 50,000 also receive a full seat on both boards. Cities with populations under 50,000 are allocated shared seats by groupings of multiple jurisdictions based on geography. The current board seating is comprised of eight full seats and nine shared seats. Shared seats rotate every two years within the representatives of those shared communities. Jurisdictions who share a seat have a Memorandum of Understanding (MOU) that outlines their roles, responsibilities, and common interests in JPA participation.

Based on initial discussions with 3CE management, should the City wish to join, the City would share a Board seat on both the Policy Board and Operations Board with the City of Paso Robles. Upon execution of the JPA, staff would work with representatives from Paso Robles to discuss how to fairly share these seats in order to adequately represent the interests of both communities.

Energy Programs and Local Economic Benefits

3CE evaluates and deploys a suite of energy programs each year with input from business and agricultural stakeholders, community members and 3CE's two boards and the Community Advisory Council. In fiscal year 2021/2022, 3CE plans to reinvest 4% of its gross revenue (estimated at $14.1MM) into local energy programs focused on transportation electrification, building electrification and distributed energy resources. 3CE has also allocated an additional 2% of annual revenue for Member Agency Services. Customers become eligible for current energy programs on their October statement date when service officially begins.

In 2018, 3CE allocated over $12 million dollars to support EV incentives, EV infrastructure, agricultural electrification, new construction electrification grants, wildfire rebuild electrification grants, zero emissions school buses, and residential in-home EV charging. An additional $25MM in funding was allocated to financing mechanisms to develop backup power supply for customers at critical facilities in response to PG&E's Public Safety Power Shut-offs (PSPS). 3CE also allocated $100,000 to assist 3CE member agencies who are exploring or in the process of creating reach codes as part of Title 24 2020-2033 code cycle, and $100,000 to contract with AMBAG to conduct annual community-level GHG emission inventories for all 3CE member agencies.

In 2019, 3CE finalized a comprehensive five-year Energy Programs road map to prioritize aggressive emission reductions while driving local economic development and stable, low electricity rates. In addition, as the region's transportation and building stock switches from fuel to electricity, the program map aims to address community emergency preparedness and resiliency during times of power outages.

There are 11 energy programs which are already or will be going live during Fiscal Year 2021/2022. These include Electrify Your Ride, CALeVIP EV Charging Infrastructure, School Bus Electrification, Agricultural Electrification, Residential Electrification, New Construction Electrification, Reach Code, Battery Energy Storage Pilot, Summer Readiness, Energy Education, Workforce Development and Innovation Grants, and Greenhouse Gas Inventory.

Joint Powers Agreement & Future City Withdrawal from the JPA

The purpose of the JPA (Attachment No. 3) is to establish an independent public Authority in order to exercise powers common to each member jurisdiction to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. By design, the JPA isolates the finances and liabilities of 3CE from those of the member jurisdictions. In the event of bankruptcy, default, or failure of 3CE to uphold it's financial and/or contractual obligations member jurisdictions are not liable for these debts, liabilities, or obligations (see Section 2.2).

While the risk to the City for being a customer/rate payer of 3CE is very low, there are risks and costs inherent to the City becoming a member of the 3CE Joint Powers agreement.

Section 3.7 establishes a special voting requirement, 75% of all Directors and approval of the City Council, for the JPA to require that the City make contributions or pledge assets as a condition of continued participation in the CCA Program. (Board approval is not required for the contributions required at withdrawal, which is covered under Section 6.3 of the Agreement and discussed below.) While it does require a 75% vote to impose City contributions or the pledge of City assets, which is a high bar, it does provide for a scenario where the City may be forced to choose between contributing funds to the JPA of withdrawing from the JPA as outlined below. Staff has reached out to 3CE for additional information on parameters for this imposition and/or under what circumstances such an imposition would be warranted.

The City of Atascadero could at some point in the future determine that it is not in the best interest of the community to remain a member of the 3CE JPA (higher rates than PG&E, a better CCA, required City contributions, etc.) Article 6 of the JPA covers Withdrawal. Section 6.1 states:

> *6.1.1. <u>Right to Withdraw</u>. A Party may withdraw its participation in the CCA Program, effective as of the beginning of the Authority's fiscal year, by giving no less than 6 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's governing board.*

This does provide a method for the City of Atascadero to withdraw at any time from 3CE with proper notice and 3CE Board approval. Article 6.1.2 also provides other termination provisions for withdrawal after an amendment to the Joint Powers Agreement.

While members have the right to withdraw, there are continuing financial obligations and possible further assurances that will be required of any withdrawing member. Even where a membership is involuntarily terminated, that member may still be subject to continuing liabilities. Section 6.3 of the Joint Powers Agreement states:

> *6.3. <u>Continuing Financial Obligations:</u> Refund. Except as provided by Section 6.1.3, upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or other financial obligations arising from the Party membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any financial obligations arising after the date of the Party's withdrawal or involuntary termination. Claims, demands, damages, or*

other financial obligations for which a withdrawing or terminated Party may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Party's load. With respect to such financial obligations, upon notice by a Party that it wishes to withdraw from the CCA Program, the Authority shall notify the Party of the minimum waiting period under which the Party would have no costs for withdrawal if the Party agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Party elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers and may not include punitive charges that exceed actual costs. In addition, such Party shall also be responsible for any costs or obligations associated with the Party's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Policy Board, to cover the Party's financial obligations for the costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any financial obligations shall be returned to the Party. The liability of any Party under this section 6.3 is subject and subordinate to the provisions of Section 2.2, and nothing in this section 6.3 shall reduce, impair, or eliminate any immunity from liability provided by Section 2.2

According to Section 6.3 of the JPA, a withdrawing or terminated member remains responsible for any claims, demands, damages, or other financial obligations arising from membership or participation in the CCA Program through the date of its withdrawal or involuntary termination. Essentially, amongst other obligations, a member remains responsible for any losses incurred by 3CE from the resale of contracted power to serve the member's load.

As a matter of business, 3CE enters into long-term contracts to buy enough power to supply their customer base. If the City withdraws from 3CE, 3CE is still obligated to buy the amount of power agreed to in the energy purchase contract for the remainder of the contract life, regardless of whether 3CE still has the demand for that energy due to the loss of Atascadero's customers. 3CE could however sell the now surplus energy that they purchase to another energy provider that may need that energy. In the event of City withdrawal from the JPA, amongst other obligations, the City of Atascadero would be financially responsible for any potential loss from 3CE's purchase of energy expected to be needed for the community of Atascadero until such time as the existing energy purchase contracts have expired.

A withdrawing member can withdraw at no cost if they agree to stay in the CCA program for the minimum duration whereby there are no costs transferred to remaining ratepayers as determined by 3CE. This would allow 3CE to keep its Atascadero customers until such date as the energy purchase contracts needed to serve Atascadero expire so no loss is incurred by 3CE on the withdrawal of Atascadero. Upon withdrawal, 3CE may require the member to deposit sufficient funds with 3CE to cover the member's financial obligations.

Risk to the City also exists in the event that 3CE encounters financial difficulties and the City is obligated to remain a member of 3CE based on the inability to withdraw due to financial obligations as outlined in Section 6.3.

Financial Health

3CE reports that due to good fiscal and operational management, efficient staffing, and sound energy procurement it has fully paid off over $6.2MM of debt incurred prior to and during the launch and has accumulated over $140MM in rate stabilization reserves. 3CE was the first to receive Stand & Poor's 'A' investment grade credit rating among California CCEs and expects the rating will ultimately boost the number of counterparties competing for its wholesale contracts, lower its transaction costs, and provide it with access to "innovative financing structures" needed for developing energy solutions.

Customer Opt-out

Customers may opt out of the 3CE program starting at least 60 days before their account is scheduled to switch to 3CE and any time thereafter. After 60 days of 3CE service, a one-time administrative fee, historically $5.00 for residential accounts or $25.00 for commercial accounts, has applied. To opt out, 3CE will require customers to take some type of action, such as calling a toll-free number, sending a self-addressed return postcard or letter, or completing an opt-out form online.

PG&E offers the following options for returning to bundled service after 60 days of 3CE service:

1. A customer can notify 3CE at least six months before the date that they wish to return to PG&E bundled service. When the customer returns to bundled service six months later, they will pay the then-existing bundled electric generation rate, which will be identical to similarly situated PG&E customers in the same customer class.

2. If the customer does not provide PG&E with a full six-months' notice, they can return to PG&E bundled service at any time, but will pay the then-existing Transitional Bundled Commodity Cost (TBCC) – which may be higher or lower than the then-existing bundled electric generation rate – until six months after PG&E receives notice from 3CE. Thereafter, the customer will pay the bundled electric generation rate (identical to similarly situated PG&E customers in the same customer class).

A customer who opts out of the 3CE program can join the program at a later date. However, if a customer opts out of the 3CE program after the first 60 days of service with 3CE, the customer will be required to remain with PG&E's bundled service for one year. In order for a customer to join the 3CE program after opting out, the customer must contact 3CE directly.

<u>Next Steps</u>

If the City Council would like to begin the process of joining the 3CE community choice aggregation program, the attached draft ordinance will need to be introduced and the attached draft resolution adopted. The draft ordinance will then be brought back for adoption at the March 8, 2022 Meeting. A copy of the adopted ordinance and resolution will be forwarded to 3CE who will present it to their Policy Board for consideration in September 2022. Upon approval of Atascadero's membership in 3CE, staff will work with representatives from Paso Robles on a Memorandum of Understanding for the shared board seat. A Revised Implementation Plan will be reviewed and approved by 3CE's Policy Board in November 2022 and submitted to the CPUC no later than December 31, 2022. Service preparation is expected to occur between August and October 2023, with pre-enrollment beginning November 2023, and service starting in January 2024.

ALTERNATIVES:

Council may take no action or provide alternative direction to staff.

FISCAL IMPACT:

There is a $6,000 fee for the administrative filing. Any potential rate savings provided by 3CE would apply to the City as well as residential and commercial customers. Actual cost savings are unknown at this time.

ATTACHMENTS:

1. Draft Ordinance
2. Draft Resolution
3. 3CE Joint Powers Authority Agreement
4. 3CE Operating Rules & Regulations
5. PGE Rate comparison as of March 1, 2021 and Generation Mix comparison
6. 3CE Presentation Slides for Atascadero organizations
7. Third-Party Review of Community Choice Aggregation for the County of SLO

DRAFT ORDINANCE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN CENTRAL COAST COMMUNITY ENERGY'S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City Council has previously directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) program under the provisions of the Public Utilities Code section 366.2 in order to provide electric service to customers within the City of Atascadero with the intent of achieving reduced greenhouse gas emissions, local renewable power development, competitive electric rates and the implementation of energy conservation and other energy programs; and

WHEREAS, Central Coast Community Energy (3CE) is an established CCA program capable of providing the desired financial and environmental benefits; and

WHEREAS, 3CE will enter into agreements with electric power suppliers and other service providers and, based upon those agreements, 3CE will be able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility ("PG&E"). Once the California Public Utilities Commission certifies the amended Implementation Plan adopted by 3CE, 3CE will be able to provide service to customers within the City; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt- out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so; and

WHEREAS, on June 25, 2019, July 9, 2019, March 9, 2021, and February 22, 2022, the City Council held public meetings on the manner in which the City will participate in a CCA program at which time interested persons had an opportunity to testify either in support of or opposition to the implementation of a CCA program serving the City through 3CE; and

WHEREAS, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs.§ 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308).

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF ATASCADERO HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Recitals. The above recitals are true and correct and material to this Ordinance.

SECTION 2. Authorization. Based upon the forgoing, and in order to provide businesses and residents within the City with a choice of power providers and with the benefits described above, the City Council hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating as a group in the Community Choice Aggregation Program of 3CE, as generally described in its Joint Powers Agreement.

SECTION 3. CEQA. The action is exempt from the California Environmental Quality Act (CEQA), because it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (CEQA Guidelines §15378(a)). Further, it can be seen with certainty that there is no possibility that the enactment of this Ordinance would have a significant effect on the environment (Pub. Resources Code §21065; CEQA Guidelines §§5378(b)(4), 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (CEQA Guidelines §15308).

SECTION 4. Severability. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

SECTION 5. Notice. The City Clerk is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Atascadero's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within fifteen (15) days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

SECTION 6. Effective Date. This Ordinance will take effect on the 30th day following its final passage and adoption.

INTRODUCED at a regular meeting of the City Council held on ____________, 2022, and **PASSED, APPROVED** and **ADOPTED** by the City Council of the City of Atascadero, State of California, on **_____________**, 2022.

CITY OF ATASCADERO

____
Heather Moreno, Mayor

ATTEST:

____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

____
Brian A. Pierik, City Attorney

DRAFT RESOLUTION

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATASCADERO, CALIFORNIA, REQUESTING MEMBERSHIP IN CENTRAL COAST COMMUNITY ENERGY (3CE) AND AUTHORIZING THE MAYOR OR CITY MANAGER TO EXECUTE THE JOINT POWERS AUTHORITY AGREEMENT AS AMENDED WITH 3CE

WHEREAS, AB 117, adopted as California state law in 2002, permits cities, counties, or Joint Power Authorities comprised of cities and counties to aggregate residential, commercial, industrial, municipal and institutional electric loads through Community Choice Aggregation (CCA); and

WHEREAS, pursuant to Section 366.2 of the Public Utilities Code, two or more entities authorized to be a community choice aggregator may participate as a group in a community choice aggregation program through a joint powers agency established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity adopts the aforementioned ordinance; and

WHEREAS, in March 2017, 3CE was established as a joint powers agency pursuant to a joint powers agreement; and

WHEREAS, the purpose of 3CE is to address climate change by providing locally controlled carbon-free electricity at affordable rates; and

WHEREAS, in order for the City of Atascadero (City) to become a member of 3CE, the 3CE Joint Powers Agreement (JPA) must be amended to permit the City join as a party; and

WHEREAS, 3CE also has requested the City adopt a resolution requesting membership in 3CE and authorizing its Mayor or City Manager to execute the JPA as amended, as well as an ordinance authorizing Community Choice Aggregation (CCA) within its jurisdiction; and

WHEREAS, the City wishes to be a community choice aggregator pursuant to the JPA and has introduced the Ordinance required by Public Utilities Code Section 366.2 in order to do so; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt- out of the CCE program and continue to receive service from the incumbent utility.

NOW, THEREFORE BE IT RESOLVED, by the Council of the City of Atascadero:

SECTION 1. The City Council requests the Board of Directors of 3CE approve the City of Atascadero as a member of 3CE.

SECTION 2. The Mayor or City Manager is hereby authorized and directed to execute the JPA on behalf of the City after the JPA is amended, which will establish the City's membership in 3CE.

SECTION 3. This Resolution and the subsequent joining of 3CE is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a "project" since this action involves organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. (CEQA Regulations §15378(b)(5).) Further, the action is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (CEQA Regulations. § 15061(b)(3)). A Notice of Exemption shall be filed as authorized by CEQA and the State CEQA guidelines.

SECTION 4. This resolution shall be effective immediately upon passage and adoption.

PASSED AND ADOPTED at a regular meeting of the City Council held on the ____th day of __________, 2022.

On motion by Council Member ___________ and seconded by Council Member _____________, the foregoing Resolution is hereby adopted in its entirety on the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

CITY OF ATASCADERO

____
Heather Moreno, Mayor

ATTEST:

____
Lara K. Christensen, City Clerk

APPROVED AS TO FORM:

____
Brian Pierik, City Attorney

JOINT EXERCISE OF POWERS AGREEMENT RELATING TO AND CREATING

CENTRAL COAST COMMUNITY ENERGY

OF

Monterey, Santa Cruz, San Benito, and Santa Barbara Counties and Certain Cities in San Luis Obispo County

This Joint Exercise of Powers Agreement, effective on the date determined by Section 2.1, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the Parties set forth in Exhibit B, establishes Central Coast Community Energy ("Authority"), and is by and among the Counties of Monterey, Santa Cruz, San Benito, and Santa Barbara who become signatories to this Agreement ("Counties") and those cities and towns within the Counties of Monterey, Santa Cruz, San Benito, Santa Barbara, and San Luis Obispo who become signatories to this Agreement and relates to the joint exercise of powers among the signatories hereto.

RECITALS

A. The Parties share various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions.

B. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB

32 which will require local governments to develop programs to reduce greenhouse gas emissions.

C. The purposes for entering into this Agreement include:

a. Reducing greenhouse gas emissions related to the use of power in Monterey, Santa Cruz, San Benito, Santa Barbara, and San Luis Obispo Counties and neighboring regions;

b. Providing electric power and other forms of energy to customers at affordable rates that are competitive with the incumbent utility;

c. Carrying out programs to facilitate electrifying the transportation, public infrastructure, and the building sectors to reduce reliance on fossil fuels and thus reduce greenhouse gas emissions;

d. Stimulating and sustaining the local economy by lowering electric generation charges and creating local jobs as a result of Central Coast Community Energy's CCE program; and

e. Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources.

D. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy programs, including but not limited to solar, wind, and geothermal energy production. The purchase of renewable power sources will be the desired approach to decrease regional greenhouse gas emissions and accelerate the State's transition to clean power resources to the extent feasible.

a. It is further desired to establish a long-term energy portfolio that prioritizes the use and development of State, local and regional renewable resources and carbon free resources.

b. In compliance with State law and in alignment with the Authority's desire to stimulate the development of renewable power, the Authority shall draft an Integrated Resource Plan that includes a range of regional renewable development potential in the California Central Coast Region and plans to incorporate local power into its energy portfolio as technically and economically feasible.

E. The Parties desire to establish a separate public Authority, known as Central Coast Community Energy, under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act") in order to collectively study, promote, develop, conduct, operate, and manage energy programs.

F. The Parties anticipate adopting an ordinance electing to implement through the Authority a common Community Choice Aggregation (CCA) program, an electric service enterprise available to cities and counties pursuant to California Public Utilities Code Sections 331.1(c) and 366.2. The priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1: DEFINITIONS AND EXHIBITS

1.1. Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A unless the context requires otherwise.

1.2. Documents Included. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

Exhibit A: Definitions

Exhibit B: List of the Parties

Exhibit C: Regional Allocations

ARTICLE 2: FORMATION OF CENTRAL COAST COMMUNITY ENERGY

2.1. Effective Date and Term. This Agreement shall become effective and "Central Coast Community Energy" shall exist as a separate public Authority on the date that this Agreement is executed by at least three Initial Participants from the Counties of Monterey, Santa Cruz, and San Benito and the municipalities within those counties, after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 6.4, subject to the rights of the Parties to withdraw from the Authority.

2.2. Formation. There is formed as of the Effective Date a public Authority named Central Coast Community Energy. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public Authority separate from the Parties. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 7.4 of this Agreement, this Section 2.2 may not be amended unless such amendment is approved by the governing board of each Party.

2.3. Purpose. The purpose of this Agreement is to establish an independent public Authority in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties intend for this Agreement to be used as a contractual mechanism by which the Parties are authorized to participate in the CCA Program, as further described in Section 4.1. The Parties intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program and any other energy programs approved by the Authority.

2.4. Powers. The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 3.7 through 3.7.1:

2.4.1. to make and enter into contracts;

2.4.2. to employ agents and employees, including but not limited to a Chief Executive Officer;

2.4.3. to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;

2.4.4. to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property; however, the Authority shall not exercise the power of eminent domain within the jurisdiction of a Party without approval of the affected Party's governing board;

2.4.5. to lease any property;

2.4.6. to sue and be sued in its own name;

2.4.7. to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et seq. and authority under the Act;

2.4.8. to form subsidiary or independent corporations or entities if necessary, to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;

2.4.9. to issue revenue bonds and other forms of indebtedness;

2.4.10. to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;

2.4.11. to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;

2.4.12. to adopt Operating Rules and Regulations;

2.4.13. to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services; and

2.4.14. to permit additional Parties to enter into this Agreement after the Effective Date and to permit another entity authorized to be a community choice aggregator to designate the Authority to act as the community choice aggregator on its behalf.

2.5. <u>Limitation on Powers</u>. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the City of Santa Cruz and any other restrictions on exercising the powers of the authority that may be adopted by the board.

2.6. Compliance with Local Zoning and Building Laws and CEQA. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act ("CEQA").

ARTICLE 3: GOVERNANCE AND INTERNAL ORGANIZATION

3.1. Boards of Directors. The governing bodies of the Authority shall consist of a Policy Board of Directors ("Policy Board") and an Operations Board of Directors ("Operations Board").

3.1.1. Both Boards shall consist of Directors representing any of the four Counties of Monterey, Santa Cruz, San Benito, or Santa Barbara that become a signatory to the Agreement, and Directors representing any of the Cities or Towns, which are members of the Authority, within the five Counties of Monterey, Santa Cruz, San Benito, Santa Barbara, or San Luis Obispo ("Directors"). Each Director shall serve at the pleasure of the governing board of the Party who appointed such Director and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant.

3.1.2. Policy Board Directors must be elected members of the Board of Supervisors or elected members of the City or Town Council of the municipality that is the signatory to this Agreement. Jurisdictions may appoint an alternate to serve in the absence of its Director on the Policy Board. Alternates for the Policy Board must be members of the Board of Supervisors or members of the governing board of the municipality that is the signatory to this Agreement.

3.1.3. Operations Board Directors must be the senior executive/County Administrative Officer of any County that is the signatory to this Agreement, or senior executive/City Manager from any municipality that is the signatory to this Agreement. Jurisdictions may appoint an alternate to serve in the absence of its Director on the Operations Board. Alternates for the Operations Board must be administrative managers of the County or administrative managers of the governing board of the municipality that is the signatory to this Agreement.

3.1.4. Board seats will be allocated under the following formulas. Policy and Operations Board seats for those jurisdictions that pass a CCA ordinance by February 28, 2017 ("Initial Participants") will be allocated on a one jurisdiction, one seat basis until such time as the number of member jurisdictions exceeds eleven. Once the JPA reaches more than eleven-member agencies, the Policy and Operations Boards' composition shall shift to a regional allocation based on population size. This allocation shall be one seat for each jurisdiction with a population of 50,000 and above, and shared seats for jurisdictions with populations below 50,000 allocated on a sub-regional basis, as set forth in Exhibit C. Notwithstanding the above, the County of San Benito shall be allotted one seat.

3.1.5. Shared board seats, as set forth in Exhibit C, Regional Allocation shall have a term of two years and will be determined either by agreement among the parties sharing the seat or through the City Selection Committee in the respective County. Following appointment, either by agreement or by the City Selection Committee, Directors may be reappointed and serve multiple terms. In the event the addition of new parties requires that an established board seat transition to a shared seat or that a shared seat expand to include new parties, the sitting Director will automatically be the first representative for that shared seat to ensure continuity and maintain experience.

3.2. Quorum. A majority of the appointed Directors shall constitute a quorum, except that less than a quorum may adjourn in accordance with law.

3.3. Powers and Functions of the Boards. The Boards shall exercise general governance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. The Boards shall provide general policy guidance to the CCA Program.

3.3.1. The Policy Board will provide guidance/approval in the areas of strategic planning and goal setting, passage of Authority budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service.

3.3.2. The Operations Board will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority.

3.3.3. Policy Board approval shall be required for any of the following actions, including but not limited to:

(a) The issuance of bonds, major capital expenditures, or any other financing even if program revenues are expected to pay for such financing;

(b) The appointment or removal of officers described in Section 3.9, subject to Section 3.9.3;

(c) The appointment and termination of the Chief Executive Officer;

(d) The adoption of the Annual Budget;

(e) The adoption of an ordinance;

(f) The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority;

(g) The adoption of the Implementation Plan;

(h) The selection of General Counsel, Treasurer and Auditor;

(i) The amending of this Joint Exercise of Powers Agreement; and

(j) Termination of the CCA Program.

3.3.4. Operations Board approval shall be required for the following actions, including but not limited to:

(a) The approval of Authority contracts and agreements, except as provided by Section 3.4; and

(b) Approval of Authority operating policies and other matters necessary to ensure successful program operations.

3.3.5. Joint approval of the Policy and Operations Boards shall be required for the initiation or resolution of claims and litigation where the Authority will be the defendant, plaintiff, petitioner, respondent, cross complainant or cross petitioner, or intervenor; provided, however, that the Chief Executive Officer or General Counsel, on behalf of the Authority, may intervene in, become a party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative authority, without approval of the Boards as long as such action is consistent with any adopted Board policies.

3.4. Chief Executive Officer. The Authority shall have a Chief Executive Officer ("CEO"). The Operations Board shall present nomination(s) of qualified candidates to the Policy Board. The Policy Board shall make the selection and appointment of the CEO who will be an employee of the Authority and serve at will and at the pleasure of the Policy Board.

The CEO shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The CEO may exercise all powers of the Authority, including the power to hire, discipline and terminate employees as well as the power to approve any agreement if the total amount payable under the agreement falls within the Authority's fiscal policies to be set by the Policy Board, except the powers specifically set forth in Section 3.3 or those powers which by law must be exercised by the Board(s) of Directors. The CEO shall report to the Policy Board on matters related to strategic planning and goal setting, passage of Authority budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service. The CEO shall report to the Operations Board on matters related to Authority policy and the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority. It shall be the responsibility of the CEO to keep both Board(s) appropriately informed and engaged in the discussions and actions of each to ensure cooperation and unity within the Authority.

3.5. Commissions, Boards, and Committees. The Boards may establish any advisory committees they deem appropriate to assist in carrying out the CCA Program, other energy programs, and the provisions of this Agreement which shall comply with the requirements of the Ralph M. Brown Act. The Boards may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees if the Board(s) deem it appropriate to appoint such commissions, boards or committees, and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

3.6. Director Compensation. Directors shall serve without compensation from the Authority. However, Directors may be compensated by their respective appointing authorities. The Boards, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by their respective Directors.

3.7. Voting. Except as provided in Section 3.7.1 below, actions of the Boards shall require the affirmative vote of a majority of Directors present at the meeting.

3.7.1. Special Voting Requirements for Certain Matters.

(a) Two-Thirds Voting Approval Requirements Relating to Sections 6.2 and 7.4. Action of the Board on the matters set forth in Section 6.2 (involuntary termination of a Party), or Section 7.4 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of Directors present.

(b) Seventy-Five Percent Special Voting Requirements for Eminent Domain and Contributions or Pledge of Assets.

i. A decision to exercise the power of eminent domain on behalf of the Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least 75% of all Directors present.

ii. The imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program shall require a vote of at least

75% of all Directors and the approval of the governing boards of the Parties who are being asked to make such contribution or pledge.

iii. For purposes of this section, "imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program" does not include any obligations of a withdrawing or terminated party imposed under Section 6.3.

3.8. Meetings and Special Meetings of the Board. The Policy Board shall hold up to three regular meetings per year, with the option for additional or special meetings as determined by the Chief Executive Officer or Chair of the Policy Board after consultation with the Chief Executive Officer. The Operations Board shall hold at least eight meetings per year, with the option for additional or special meetings. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special and Emergency Meetings of the Boards may be called in accordance with the provisions of California Government Code Sections 54956 and 54956.5. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 et seq.).

3.9. Selection of Board Officers.

3.9.1. Policy Board Chair and Vice Chair. The Policy Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Policy Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The Policy Board Chair and Vice Chair shall act as the overall Chair and Vice Chair for Central Coast Community Energy. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, is no longer holding a qualifying public office, or the Party that the person represents removes the person as its representative on the Board; or

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

3.9.2. Operations Board Chair and Vice Chair. The Operations Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Operations Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, or is no longer the senior executive of the Party that the person represents or;

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

3.9.3. Secretary. Each Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of each Board and all other official records of the Authority. If the Secretary appointed is an employee of the Authority, that employee may serve as Secretary to both Boards.

3.9.4. The Policy Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be a member of the Board. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may hold both the office of Treasurer and the office of Auditor of the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall report directly to the Policy Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 5.

3.10. Administrative Services Provider. The Board(s) may appoint one or more administrative services providers to serve as the Authority's agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of an Administrative Services Agreement. The appointed administrative services provider may be one of the Parties. An Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program. The Administrative Services Provider shall be either an employee or a contractor of the Authority unless a member agency is providing the service.

ARTICLE 4: IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

4.1. Preliminary Implementation of the CCA Program.

4.1.1. Enabling Ordinance. To be eligible to participate in the CCA Program, each Party must adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

4.1.2. Implementation Plan. The Policy Board shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Policy Board in the manner provided by Section 3.7.

4.1.3. Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

4.2. Authority Documents. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by theBoard(s) through resolution, including but not limited to the CCCE Implementation Plan and Operating Policies. The Parties agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board(s), subject to the Parties' right to withdraw from the Authority as described in Article 6.

ARTICLE 5: FINANCIAL PROVISIONS

5.1. Fiscal Year. The Authority's fiscal year shall be 12 months commencing April1 or the date selected by the Authority. The fiscal year may be changed by Policy Board resolution.

5.2. Depository.

5.2.1. All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or anyother person or entity.

5.2.2. All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times. The Board(s) shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

5.2.3. All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board(s) in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board(s).

5.3. Budget and Recovery of Costs.

5.3.1. Budget. The initial budget shall be approved by the Policy Board. The Board may revise the budget from time-to-time as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be approved by the Policy Board in accordance with the Operating Rules and Regulations.

5.3.2. Funding of Initial Costs. The County of Santa Cruz has funded certain activities necessary to implement the CCA Program. If the CCA Program becomes operational, these Initial Costs paid by the County of Santa Cruz shall be included in the customer charges for electric services as provided by Section 5.3.3 to the extent permitted by law, and the County of Santa Cruz shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the County of Santa Cruz shall provide such documentation of costs paid as the Board may request. The Authority may establish a reasonable time-period over which such costs are recovered. In the event, that the CCA Program does not become operational, the County of Santa Cruz shall not be entitled to any reimbursement of the Initial Costs it has paid from the Authority or any Party.

5.3.3. CCA Program Costs. The Parties desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but not limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

ARTICLE 6: WITHDRAWAL

6.1. Withdrawal.

6.1.1. Right to Withdraw. A Party may withdraw its participation in the CCA

Program, effective as of the beginning of the Authority's fiscal year, by giving no less than 6 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's governing board.

6.1.2. Right to Withdraw After Amendment. Notwithstanding Section 6.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Policy Board which the Party's Director voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Party shall require an affirmative vote of the Party's governing board and shall not be subject to the six-month advanced notice provided in Section 6.1.1. In the event of such withdrawal, the Party shall be subject to the provisions of Section 6.3.

6.1.3. The Right to Withdraw Prior to Program Launch. After receiving bids from power suppliers, the Authority must provide to the Parties the report from the electrical utility consultant retained by the Authority that compares the total estimated electrical rates that the Authority will be charging to customers as well as the estimated greenhouse gas emissions rate and the amount of estimated renewable energy used with that of the incumbent utility. If the report provides that the Authority is unable to provide total electrical rates, as part of its baseline offering, to the customers that are equal to or lower than the incumbent utility or to provide power in a manner that has a lower greenhouse gas emissions rate or uses more renewable energy than the incumbent utility, a Party may, immediately after an affirmative vote of the Party's governing board, withdraw its membership in the Authority without any financial obligation, except those financial obligations incurred through the Party's share of the credit guarantee described in 5.3.4, as long as the Party provides written notice of its intent to withdraw to the Authority Board no more than fifteen business days after receiving the report. Costs incurred prior to withdrawal will be calculated as a pro-rata share of start-up costs expended to the date of the Party's withdrawal, and it shall be the responsibility of the withdrawing Party to pay its share of said costs if they have a material/adverse impact on remaining Authority members or ratepayers.

6.1.4. Continuing Financial Obligation; Further Assurances. Except as provided by Section 6.1.3, a Party that withdraws its participation in the CCA Program may be subject to certain continuing financial obligations, as described in Section 6.3. Each withdrawing Party and the Authority shall execute and deliver all further instruments and documents and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from participation in the CCA Program.

6.2. Involuntary Termination of a Party. Participation of a Party in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Party's participation in the CCA Program upon a vote of the Policy Board as provided in Section 3.7.1. Prior to any vote to terminate participation with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 6.3.

6.3. Continuing Financial Obligations: Refund. Except as provided by Section 6.1.3, upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or other financial obligations arising from the Party membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any financial obligations arising after the date of the Party's withdrawal or involuntary termination. Claims, demands, damages, or other financial obligations for which a withdrawing or terminated Party may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Party's load. With respect to such financial obligations, upon notice by a Party that it wishes to withdraw from the CCA Program, the Authority shall notify the Party of the minimum waiting period under which the Party would have no costs for withdrawal if the Party agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Party elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers and may not include punitive charges that exceed actual costs. In addition, such Party shall also be responsible for any costs or obligations associated with the Party's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Policy Board, to cover the Party's financial obligations for the costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any financial obligations shall be returned to the Party. The liability of any Party under this section 6.3 is subject and subordinate to the provisions of Section 2.2, and nothing in this section 6.3 shall reduce, impair, or eliminate any immunity from liability provided by Section 2.2.

6.4. Mutual Termination. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its participation in the CCA Program, as described in Section 6.1.

6.5. Disposition of Property upon Termination of Authority. Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

ARTICLE 7: MISCELLANEOUS PROVISIONS

7.1. Dispute Resolution. The Parties and the Authority shall make reasonable efforts to informally settle all disputes arising out of or in connection with this Agreement. Should such informal efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be mediated in accordance with policies and procedures established by the Authority. The costs of any such mediation shall be shared equally among the Parties participating in the mediation.

7.2. Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Sections 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

7.3. Indemnification of Parties. The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority and the Parties. The Authority shall defend, indemnify, and hold harmless the Parties and each of their respective Boards of Supervisors or City Councils, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

7.4. Amendment of this Agreement. This Agreement may not be amended except by a written amendment approved by a vote of Policy Board members as provided in Section 3.7.1. The Authority shall provide written notice to all Parties of proposed amendments to this Agreement, including the effective date of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments.

7.5. Assignment. Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 7.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 7.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

7.6. Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

7.7. Further Assurances. Each Party agrees to execute and deliver all further instruments and documents and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

7.8. Execution by Counterparts. This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

7.9. Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.

Exhibit A

Definitions

"Act" means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.)

"Administrative Services Agreement" means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

"Agreement" means this Joint Powers Agreement.

"Annual Energy Use" has the meaning given in Section 3.7.1.

"Authority" means Central Coast Community Energy.

"Authority Document(s)" means document(s) duly adopted by one or both Boards by resolution or motion implementing the powers, functions, and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

"Board" means the Policy Board of Directors of the Authority and/or the Operations Board of Directors of the Authority unless one or the other is specified in this Agreement.

"CCA" or ***"Community Choice Aggregation"*** means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.

"CCA Program" means the Authority's program relating to CCA that is principally described in this Agreement.

"Director" means a member of the Policy Board of Directors or Operations Board of Directors representing a Party.

"Effective Date" means the date that this Agreement is executed by at least three Initial Participants from the Counties of Monterey, Santa Cruz, and San Benito and the municipalities within those counties, as further described in Section 2.1.

"Implementation Plan" means the plan generally described in Section 4.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.

"Initial Costs" means all costs incurred by the County of Santa Cruz and/or Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, and any required accounting, administrative, technical, or legal services in support of the Authority's initial activities or in support of the negotiation, preparation, and approval of one or more Administrative Services Agreements.

"Initial Participants" means those initial founding JPA members whose jurisdictions pass a CCA ordinance, whose Board seats will be allocated on a one jurisdiction, one seat basis (in addition to one seat for San Benito County) until such time as the number of member jurisdictions exceeds eleven, as described in Section 3.1.4.

"Operating Rules and Regulations" means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

"Operations Board" means the board composed of City Managers and CAOs representing their respective jurisdictions as provided in section 3.1.4 who will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority, as further set forth in section 3.3.

"Parties" means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.1 or 4.1.1 such that it is considered a member of the Authority.

"Party" means singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.1 or 4.1.1 such that it is considered a member of the Authority.

"Policy Board" means the board composed of elected officials representing their respective jurisdictions as provided in section 3.1.4 who will provide guidance/approval in the areas of strategic planning and goal setting, passage of Authority budget and customer rates, large capital expenditures outside the typical power procurement required to provide electrical service, and such other functions as set forth in section 3.3.

Exhibit B

Central Coast Community Energy of Monterey, Santa Cruz, San Benito, and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

List of Parties

County of Santa Cruz

City of Santa Cruz

City of Watsonville

City of Capitola

City of Scotts Valley

County of Monterey

City of Salinas

City of Monterey

City of Pacific Grove

City of Carmel

City of Seaside

City of Marina

City of Sand City

City of Soledad

City of Greenfield

City of Gonzales

City of Del Rey Oaks

County of San Benito

City of Hollister

City of San Juan Bautista

City of Morro Bay

City of San Luis Obispo

City of Paso Robles

City of Pismo Beach

City of Grover Beach

City of Arroyo Grande

County of Santa Barbara

City of Santa Maria

City of Solvang

City of Guadalupe

City of Goleta

City of Carpinteria

City of Buellton

Exhibit C

Regional Allocation

Board seats in Central Coast Community Energy will be allocated as follows:

i. One seat for Santa Cruz County;

ii. One seat for Monterey County;

iii. One seat for San Benito County;

iv. One Seat for Santa Barbara County;

v. One seat for the City of Santa Cruz;

vi. One seat for the City of Salinas;

vii. One seat for the City of Watsonville;

viii. One seat for the City of Santa Maria;

ix. One shared seat for remaining Santa Cruz cities including Capitola and Scotts Valley selected by the City Selection Committee;

x. One shared seat for Monterey Peninsula cities including Monterey, Pacific Grove, and Carmel selected by the City Selection Committee;

xi. One shared seat for Monterey Coastal cities including Marina, Seaside, Sand City, and Del Rey Oaks selected by the City Selection Committee;

xii. One shared seat for Salinas Valley cities including Greenfield, Soledad, Gonzales selected by the City Selection Committee;

xiii. One shared seat for San Benito County cities including Hollister and San Juan Bautista selected by the City Selection Committee; and

xiv. One shared seat for the Cities of San Luis Obispo, Morro Bay, and Paso Robles selected by agreement or the City Selection Committee; and

xv. One shared seat for the Cities of Pismo Beach, Grover Beach, and Arroyo Grande selected by agreement or the City Selection Committee.

xvi. One shared seat for the Cities of Guadalupe, Solvang, and Buellton selected by agreement or the City Selection Committee.

xvii. One shared seat for the Cities of Goleta, and Carpinteria selected by agreement or the City Selection Committee.

Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz and San Benito Counties

Signature Page

COUNTY OF SANTA CRUZ

Chairperson of the Board of Supervisors

Date

APPROVED AS TO FORM:

Office of the County Counsel

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Santa Cruz

Mayor Cynthia Chase

4-25-17

Date

APPROVED AS TO FORM:

City Attorney Tony Condotti

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of ___Watsonville__________

____________________ 5/2/17
Mayor Date

____________________ 5/2/17
City Manager Date

APPROVED AS TO FORM:

____
Office of the City Attorney

ATTEST:

BY ____________________
Beatriz Vázquez Flores, City Clerk
Irwin Ortiz, Assistant City Clerk

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of/City of Capitola

Stephanie Harlan
Chairperson of the Board of Supervisors/Mayor

2/23/17
Date

APPROVED AS TO FORM:

City Attorney

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Scotts Valley

2-15-2017

Randy Johnson, Mayor

Date

APPROVED AS TO FORM:

Kirsten Powell, City Attorney

Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz and San Benito Counties

Signature Page

COUNTY OF MONTEREY

Mary L. Adams

Mary Adams, Chair,
Monterey County Board of Supervisors

3-21-2017

Date

APPROVED AS TO FORM:

Wendy S. Strimling
Wendy S. Strimling
Senior Deputy County Counsel

Office of the County Counsel

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Salinas

3·24·17

Joe Gunter, Mayor

Date

APPROVED AS TO FORM:

May 30, 2017

Christopher A. Callihan, City Attorney

Date

ITEM NUMBER: B-1
DATE: 02/08/22
ATTACHMENT: 3

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Monterey, CA

______________________________ 5-24-17

Chairperson of the Board of Supervisors/Mayor Date

APPROVED AS TO FORM:

Christine Davi

Office of the City Attorney

ITEM NUMBER: B-1
DATE: 02/08/22
ATTACHMENT: 3

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Pacific Grove

Bill Kampe — 4/20/17

Mayor — Date

APPROVED AS TO FORM:

City Attorney

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of /City of Carmel by the Sea

5-5-17

Chairperson of the Board of Supervisors/Mayor

Date

APPROVED AS TO FORM:

Office of the County Counsel/City Attorney

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Seaside, California.

Ralph Rubio 6/1/17

Mayor Ralph Rubio Date

APPROVED AS TO FORM:

Donald R. Freeman

Don Freeman, City Attorney

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Marina

Bruce C. Delgado, Mayor

3/3/17
Date

APPROVED AS TO FORM:

for the City Attorney

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Sand City

March 8, 2017

Mayor David K. Pendergrass

Date

APPROVED AS TO FORM:

City Attorney Jim Heisinger

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Soledad

Mayor Fred J. Ledesma

3/06/17
Date

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of /City of Soledad

______________________________ ______________

Chairperson of the Board of Supervisors/Mayor Date

APPROVED AS TO FORM:

____

Office of the County Counsel/City Attorney
Michael Rodriquez, City Attorney

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of /City of Greenfield

Chairperson of the Board of Supervisors/Mayor

6/02/17
Date

APPROVED AS TO FORM:

Office of the County Counsel/City Attorney

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Gonzales

Maria Orozco

Maria Orozco, Mayor

5-1-17

Date

APPROVED AS TO FORM:

Michael F. Rodriquez, City Attorney

5-1-2017

Date

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of San Benito

2/7/17

Jaime De La Cruz, Chair

Date

APPROVED AS TO LEGAL FORM:

San Benito County Counsel's Office

Shirley L. Murphy

Feb. 3, 2017

Shirley L. Murphy, Deputy County Counsel

Date

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

City of Hollister

Signature Page

City of Hollister

6-1-17

Ignacio Velazquez, Mayor

Date

APPROVED AS TO FORM:

L+G, LLC, Attorneys at Law

May 30, 2017

E. Soren Diaz, City Attorney

Date

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of San Juan Bautista

May 30, 2017

Chris Martorana, Mayor

Date

APPROVED AS TO FORM:

Deborah Mall, City Attorney

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties and Certain Cities in San Luis Obispo County

Signature Page

CITY OF SAN LUIS OBISPO

Signature Heidi Harmon

12/5/18
Date

Its Mayor
Mayor/City Manager

APPROVED AS TO FORM:

Office of the City Attorney

Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties and Certain Cities in San Luis Obispo County

Signature Page

CITY OF MORRO BAY

Signature________________________ 12/5/18

Date

Its Scott Collins, City Manager

Mayor/City Manager

APPROVED AS TO FORM:

____

Office of the City Attorney

Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,

and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

IN WITNESS WHEREOF, the Parties hereto have caused this agreement to be executed by their duly authorized representatives as of December 4, 2019.

ATTEST:
MONA MIYASATO
CLERK OF THE BOARD

By: Sheila de la Guerra
Deputy Clerk

COUNTY OF SANTA BARBARA:

By: ______________________
STEVE LAVAGNINO
Chair, Board of Supervisors

APPROVED AS TO ACCOUNTING FORM:
BETSY M. SCHAFFER, CPA
AUDITOR-CONTROLLER

By: ______________________
Deputy Auditor- Controller

BY: ______________________
GEORGE CHAPJIAN
Director, Community Services Department

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

By: ______________________
Deputy County Counsel

APPROVED AS TO FORM:
RAY AROMATORIO, ARM, AIC
RISK MANAGEMENT

By: ______________________
Risk Manager

1/20/17 as amended 12/5/18 and 12/4/19

Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF SANTA MARIA

______________________________ 12/4/19
Date

Its: ______________________________
Mayor / City Manager

APPROVED AS TO FORM:

____
Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19

Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF DEL REY OAKS

______________________________ December 5, 2019
Date

Its: City Manager
Mayor / City Manager

APPROVED AS TO FORM:

____
Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19

Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF PASO ROBLES

Steven W. Martin

12-6-19
Date

Its: Mayor
Mayor / City Manager

APPROVED AS TO FORM:

Office of the City Attorney

Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF PISMO BEACH

DocuSigned by:
561A55223494438

11/21/2019
Date

Its: James R. Lewis
Mayor / City Manager

APPROVED AS TO FORM:

DocuSigned by:
04DEBB6DE4784DA
Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19

Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF GROVER BEACH

______________________________ 12/6/2019
Date

Its: MAYOR
Mayor / City Manager

APPROVED AS TO FORM:

____
Office of the City Attorney

Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF ARROYO GRANDE

12/9/19
Date

Its: Mayor, Caren Ray Bussom
Mayor / City Manager

APPROVED AS TO FORM:

Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19

**Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County**

Signature Page

CITY OF GUADALUPE

_______________________ 12/5/19
Date

Its: City Administrator
Mayor / City Manager

APPROVED AS TO FORM:

____
Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19

Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF SOLVANG

______________________________ 12/9/19
Date

Its: ______________________________
Mayor / City Manager

APPROVED AS TO FORM:

____
Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19

Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF GOLETA

______________________ 11/22/19
Date

Its: City Manager
Mayor / City Manager

APPROVED AS TO FORM:

____
Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19

**Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County**

Signature Page

CITY OF CARPINTERIA

Dave Durflinger

12/5/19
Date

Its: City Manager

APPROVED AS TO FORM:

for

Peter Brown, on behalf of Brownstein
Hyatt Farber Schreck, LLP acting as
City Attorney of the City of Carpinteria

Central Coast Community Energy
(formerly Monterey Bay Community Power Authority)

Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF BUELLTON

Holly Sierra
______________________________ 9-10-2020
Date

Its: Mayor
Mayor / City Manager

APPROVED AS TO FORM:

____
Office of the City Attorney

CENTRAL COAST COMMUNITY ENERGY
OPERATING RULES AND REGULATIONS

ARTICLE I
FORMATION

Central Coast Community Energy (the "Authority") was established on February 21, 2017 pursuant to the execution of the Joint Exercise of Powers Agreement (the "JPA") by the Counties of Monterey, Santa Cruz, and San Benito, and those cities and towns within the Counties of Monterey, Santa Cruz, and San Benito who become signatories to the JPA. The Initial Participants in the Authority who executed the JPA within 180 days of the establishment of the Authority are, as follows: County of Santa Cruz, County of Monterey, County of San Benito, and the Cities of Santa Cruz, Marina, Sand City, Seaside, Carmel, Monterey, Pacific Grove, Greenfield, Gonzales, Soledad, Hollister, San Juan Bautista, Capitola, Watsonville, Salinas and Scotts Valley.

The Authority's membership was subsequently expanded in December 2019 and December 2020 to include the County of Santa Barbara and the cities of Arroyo Grande, Carpinteria, Del Rey Oaks, Goleta, Grover Beach, Guadalupe, Morro Bay, Paso Robles, Pismo Beach, San Luis Obispo, Santa Maria, and Solvang.

The Initial Participants and all subsequent members of the Authority are referred to as Party or Parties in these Operating Rules and Regulations ("Rules"). As defined by the JPA, these Rules consist of rules, regulations, policies, bylaws and procedures governing the operation of the Authority. The definition of terms used in these Rules shall be the same as contained in the JPA, unless otherwise expressly provided herein. If any provision of these Rules conflicts with the JPA, the JPA shall govern.

ARTICLE II
PURPOSES

The Parties entered into the JPA for the purposes of reducing greenhouse gases, providing electric power to customers at affordable rates, carrying out programs to reduce fossil fuel energy consumption, stimulating and sustaining the local economy by lowering electric rates and creating local jobs and promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources. Pursuant to the JPA, the Authority was formed to study, promote, develop, conduct, operate, and manage energy programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. These programs include but are not limited to the establishment of a Community Choice Aggregation ("CCA") Program, which is an electric service enterprise available to cities and counties pursuant to California Public Utilities Code Sections 331.1(c) and 366.2, in accordance with the terms of the JPA.

ARTICLE III
OFFICES

Section 1. <u>Principal Office.</u> The principal office for the transaction of the business of the Authority shall be located at 70 Garden Court Suite 300 Monterey, CA 93940 or at such other future location that may be selected by the Chief Executive Officer ("CEO") within the area where the Authority is qualified to do business subject to the approval of the Policy Board of Directors ("Policy Board") of the Authority.

Section 2. <u>Other Offices and Notice.</u> The CEO may also establish one (1) or more subordinate offices at any place or places within the area where the Authority is qualified to do business subject to the approval of the Policy Board. Written notification shall be given within seven (7) days by the Secretary of the Authority to each Party of any change in the location of the principal office or any subordinate office.

ARTICLE IV
BOARD OF DIRECTORS

Section 1. Powers of Directors. Subject to the powers and limitations as provided by law, the JPA, or these Rules, all powers of the Authority shall be exercised, its property controlled and its affairs conducted by two governing bodies consisting of a Policy Board and an Operations Board of Directors of the Authority (individually referred to herein as a "Board," and collectively, the "Boards") as is further specified in the JPA.

Section 2. Board Authority. For the purpose of governing the Authority, and consistent with Article 3 of the JPA, the Policy Board shall have the authority to make all high-level decisions of the Authority and the Operations Board shall be empowered to manage the details of implementing all of those high-level decisions. The hierarchical organization chart of the Authority's organizational structure including its lines of authority begins with the Policy Board at the top layer of governance and the Operations Board at the next level of governance. The Policy Board shall have the full authority to determine the scope, manner and means of all governing functions of the Authority, including but not limited to, the manner in which the Operations Board holds its meetings and performs its duties. The Policy Board shall govern the scope of the Authority's activities and actions described in Sections 3.3.1 and 3.3.3 of the JPA and in all other sections of the JPA that require Policy Board approval. The Operations Board shall govern, subject to the Policy Board's direction, the scope of the Authority's activities and actions described in Sections 3.3.2 and 3.3.4 of the JPA. The Operations Board shall perform its duties according to the parameters set forth by the Policy Board. Joint approval of the Boards shall be required solely for the scope of activities and actions that require joint approval in Section 3.3.5 of the JPA, which relates to litigation related matters of the Authority. The Policy Board shall be empowered to modify any action taken by the Operations Board in the furtherance of the Policy Board's over-sight and decision-making role as the top level of governance of the Authority. The Boards shall be entitled to rely upon the opinion of the Authority's General Counsel to determine whether their actions comply with the guidelines, rules and intent of the JPA and these Rules.

Section 3. Board Liaisons and Coordination. Each Board shall designate a representative ("Board Liaison") to attend the other Board's meetings to clarify any recommendations and decisions already executed by the other Board. Each Board Liaison shall present a report on its Board's most recent prior activities to the other Board as a regular standing agenda item. In all matters, the Board Liaisons, Chairs, CEO and General Counsel shall ensure the Boards are well-aligned around their respective roles and responsibilities.

Section 4. Appointments. The governing body of each Party shall appoint and designate in writing to the Authority one regular Director for the Policy Board and one regular Director for the Operations Board who shall be authorized to act for and on behalf of the Party on all matters within the power of the Authority. The governing body of each Party also shall appoint and designate in writing to the Authority one alternate Director for the Policy Board and one alternate Director for the Operations Board who may vote on all matters when the regular Director is absent for its applicable Board meeting. The Authority shall be listed by each governing body in its Rules of Procedure for appointing regular and alternate members of local agencies, and such rules shall comply with the requirements of the JPA. All regular Directors and alternate Directors of the Boards shall be appointed according to the formula required by Article 3 of the JPA. The Parties shall notify the Secretary of the Authority, in writing, of all such appointments within thirty days thereof. On an annual basis in February, the governing body of each Party shall, in writing, confirm the appointment of their Director and alternate Director.

Section 5. Terms. Under Section 3.1.4 of the JPA, the Policy and Operations Boards' seats include one each for the member Counties, with the remaining seats based on a regional allocation by each Party's population size so long as the JPA maintains more than eleven member agencies. Subject to this membership threshold minimum, each Party with a population of 50,000 and above shall be allocated one seat with no term limits. Each Party with a population below 50,000, shall be allocated a shared board seat on a sub-regional basis, as set forth in Exhibit C of the JPA, as determined by agreement among the Parties sharing the seat or through the City Selection Committee in the respective County. Any agreements among the Parties sharing a seat must comply with the terms and intent of the JPA and these Rules. Directors in shared Board seats shall serve two-year terms of office, but may be reappointed by their appointing Party and serve multiple terms. When a shared Board seat is vacant on the Board due to an expired term, the termed out Board member can continue to serve until a new appointment is made.

Section 6. Resignation. Any Director may resign at any time by giving written notice of such resignation to the Secretary of the Authority. Such resignation shall be effective at the time specified, and acceptance of such resignation shall not be necessary to make it effective.

Section 7. Removal. Under Section 3.1.1 of the JPA, each Director shall serve at the pleasure of the governing body of their Party, and may be removed or replaced, with or without cause, by the respective governing body of the Party at any time.

Section 8. Withdrawal/Expulsion. Directors who represent Parties which withdraw or are expelled as Parties to the JPA shall be removed as members of the Board and all committees.

Section 9. Removal of Board Members for Cause. A Director may be removed by their respective Board for cause. Cause shall be defined for the purposes of this section as follows:

a. For the Operations Board, absence from three Board meetings in any year or two consecutive Board meetings.
b. For the Policy Board, absence from two Board meetings in any year.
c. Unauthorized disclosure of confidential information or documents from a closed session or the unauthorized disclosure of customer confidential information in violation of the Authority's Customer Confidential Information Policy or information or documents provided to the Director on a confidential basis and whose public disclosure would violate California law, California Public Utility Commission regulations, or may be harmful to the interests of the Authority.

Written notice shall be provided to the Director proposed for removal and the governing body that appointed such Director at least thirty days prior to the meeting at which the proposed removal will be considered by the Board. The notice shall state the grounds for removal, a brief summary of the supporting facts, and the date of the scheduled hearing on the removal. The Director proposed for removal shall be given an opportunity to be heard at the removal hearing and to submit any supporting oral or written evidence. A Director shall not be removed for cause from the Board unless two-thirds of all Directors of their respective Board (excluding the Director subject to removal) vote in favor of the removal.

Section 10. Vacancies and Process for Non-Compliance. If at any time a vacancy occurs on the Board, for whatever reason, the respective Party shall appoint a replacement to fill the position of the previous Director within ninety (90) days of the date that such position becomes vacant. In the event a Party fails to seat a Director as required by the JPA and these Rules, the Authority shall notify the representative for the Party. If a shared-seat Party continues to be in non-compliance for more than thirty (30) days after this notification, the Authority shall either notify: (i.) the Parties sharing the seat to require they take action appoint a new Director and alternate Director pursuant to their agreement, or; (ii.) the City Selection Committee for the shared seat as allocated in Exhibit C of the JPA and the City Selection Committee shall appoint a new Director and alternate Director to serve on the Board. If a non-shared seat Party continues to be in non- compliance for more than thirty (30) days after the notification, the Authority shall notify the governing body of the Party at the governing body's next regular or special meeting, and such governing body shall fix the non-compliance by its subsequent meeting.

Section 11. Participation by Non-Seated Shared-Seat Parties. A Non-Seated Party is a Party that shares a seat pursuant to the regional allocation set forth in Exhibit C of the JPA, but is not currently seated as a Director pursuant to either the agreement among the parties sharing the seat or through the City Selection Committee. A Non-Seated Party's governing board may, but is not required to, appoint a Limited Member to the Policy and Operations Boards. The Non-Seated Parties shall notify the Secretary of the Authority, in writing, of all such Limited Member appointments within thirty days thereof.

The Limited Member may participate in the discussion of any item on the Boards' open session agenda. The Limited Member may not: (i.) count toward a quorum for Brown Act or voting purposes; (ii.) serve as an Officer of the Boards or the Authority; (iii.) make or second a motion on an item before the Board; (iv.) vote on any item before the Board; (v.) attend or participate in closed session agenda items; (vi.) serve on the CEO's Energy Risk Management Committee, or; (vii.) participate or take action in any manner not expressly authorized in these rules.

Limited Members are not intended to evolve into full Director positions except as may occur the appointment procedure in Article 3 of the JPA. Limited membership is not intended to, and shall not, extend beyond Non-Seated Parties.

ARTICLE V
AUTHORITY PARTICIPATION

Section 1. Addition of Parties. Under Section 2.4.14 of the JPA, the Authority is authorized to permit additional Parties to join the JPA after the Effective Date. Approval of the Policy Board shall be required prior to accepting a new Party to the JPA. Subject to a two-thirds vote of the Policy Board, as required by Sections 3.7.1 and 7.4 of the JPA to amend the JPA, including the requirement to provide prior notice to all Parties before such vote occurs, other incorporated municipalities and counties may become Parties upon (a) the adoption of a resolution by the governing body of such incorporated municipality or such county requesting that the incorporated municipality or county, as the case may be, become a member of the Authority, (b) the adoption, by an affirmative vote of the Policy Board of a resolution authorizing membership of the additional incorporated municipality or county, specifying the membership payment, if any, to be made by the additional incorporated municipality or county to reflect its pro rata share of organizational, planning and other pre-existing expenditures, and describing additional conditions, if any, associated with membership, (c) the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(10) and execution of the JPA and other necessary program agreements by the incorporated municipality or county, (d) payment of the membership dues, if any, and (e) satisfaction of any conditions established by the Policy Board.

Section 2. Board Seats. New Board seats for an additional Party or Parties shall be allocated as set forth in Section 3.1.4 of the JPA.

ARTICLE VI
DUTIES OF OFFICERS AND TERMS OF OFFICE

Section 1. Chair. The duties of each Board Chair shall be to preside over its Board's meetings, sign all resolutions, contracts and correspondence adopted or authorized by the Board that they represent, act as a liaison between the Board and the CEO to help ensure the Board's directives and resolutions are carried out, lead the Board to carry out its governance functions and ensure the Board has approved policies to help ensure sound and compliant governance and management of the Authority.

Section 2. Vice-Chair. The duties of each Board Vice-Chair shall be to perform the duties of Chair in the absence of such officer.

Section 3. Terms. Under Section 3.9 of the JPA, the Chair and Vice-Chair shall serve one year term, but there shall be no limit on the number of terms held by either the Chair or Vice-Chair.

Section 4. Initial Terms of Office. Notwithstanding the one-year term generally established for the Chair and Vice-Chair above, the terms of the initial Chair and Vice-Chair elected by the Boards shall not expire until the annual meeting of each Board pursuant to Sections 2 and 3 of Article VIII of these Rules, respectively.

Section 5. Treasurer. The Treasurer shall act as the depositary of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all the duties and responsibilities specified in Cal. Gov. Code Section 6505.5 governing Joint Powers Authorities. The Policy Board may require the Treasurer and/or Auditor to file with the Authority an official bond in an amount to be fixed by the Policy Board, and if so requested, the Authority shall pay the cost of premiums associated with the bond. The Treasurer shall report directly to the Policy Board and shall comply with the requirements of treasurers of incorporated municipalities. The positions of Treasurer and Auditor may be combined into one position known as the Treasurer/Auditor of the Authority. Neither the Treasurer nor the Auditor needs to be a Director. There shall be no term limits for the Treasurer or Auditor. The Policy Board may transfer the responsibilities of the Treasurer and Auditor to any person or entity permitted by law.

Section 6. Secretary. Each Board shall have a Secretary who will be responsible for keeping the minutes of all meetings of its Board and all other official records of the Authority. The Secretary does not need to be a Director. If the Secretary appointed is an employee of the Authority, that employee may serve as Secretary of both Boards. There shall be no term limits for the Secretary. As used herein, the term "Secretary" shall be synonymous with the term "Board Clerk."

Section 7. Removal. An officer of the Board shall be subject to removal with or without cause at any time by a majority vote of the entire Board that he or she represents or, in the case of the Operations Board, by a majority vote of the Policy Board.

Section 8. Ethics Training Legal Compliance. Pursuant to Cal. Gov. Code Section 53235, all Board members that desire to seek reimbursement for Authority related travels expenses in accordance with the Authority's reimbursement policy shall complete at least two hours of training in general ethics principles and ethics laws ("AB 1234 ethics training") relevant to his or her public service every two years. Board members may satisfy this requirement by completing the Fair Political Practices Commission ("FPPC") online 1234 Local Ethics Training program and submitting the Certification of Completion to the Board Clerk.

Section 9. Statements of Economic Interest. Each Director shall comply with the Authority's Conflict of Interest Code, fully respond to all requests from Authority staff in regard to conflict of interest issues that may arise and timely submit all applicable forms, including Statements of Economic Interest (Form 700), Assuming, Annual, and Leaving Office Statements with the Board Clerk. The Board Clerk shall make and retain copies of these forms in compliance with applicable law and the Authority's Conflict of Interest Code.

ARTICLE VII
COMMITTEES

Section 1. Committees. Committees shall be standing or special ("ad hoc") and may be appointed by either a majority vote of either Board or the Board's Chair ("appointing committee"). Each committee shall exercise such power and carry out such functions as are delegated to it at the time of appointment. Except as otherwise provided by the JPA, these Rules, or the appointing committee, such committees shall be advisory only and are subject to the control and direction of the appointing committee. Except as may otherwise be provided for in the JPA or these Rules, any expenditure of funds by a committee shall require prior approval from the appointing committee. All committees shall meet on an "as needed" basis, either in person or by teleconference, and shall report the outcome of such meetings during the next regular meeting of the Board.

Section 2. Community Advisory Council. The Community Advisory Council ("CAC") shall be a standing committee comprised of fifteen members, representing customers and stakeholders from within the area where the Authority is qualified to do business, formed to advise the Policy and Operations Boards. The term of service of each CAC member will be three years and CAC members can serve only two terms; regardless of the foregoing, the initial terms of the CAC members shall vary from one to three years based on a random selection process in order to allow for staggered appointments. On an ongoing basis, the Authority's staff shall accept and solicit nominations from citizens that reside or work within the Authority's territory to become a member of the CAC. A list of all CAC member applicants by geography, skills and association, along with copies of all completed applications, shall be provided to an ad hoc subcommittee of the Policy Board comprised of the Policy Board's members that represent each county within the area where the Authority is qualified to do business. At the Policy Board's annual meeting in September of each year, the CAC members shall be selected by a majority of the persons entitled to vote at a meeting at which a quorum is present of the Policy Board. The CAC Chair, or designee, will be the liaison between the Policy Board, Operations Board and the CAC and to the extent requested by each Board subject to the limits of the JPA and applicable law. The CAC shall provide feedback to the Authority on proposals and recommendations and policies as directed by the Boards and the CAC's by-laws. The bylaws of the CAC shall be drafted by the seated CAC members. Prior to becoming effective, the scope and bylaws of the CAC, including any amendments thereto, must be approved by a majority of the persons entitled to vote at a meeting at which a quorum is present by both Boards during their respective meetings.

Section 3. Audit and Finance Committee. The Boards' Audit and Finance Committee ("AF Committee") shall be a permanent standing committee. The AF Committee shall consist of up to five voting members made up of Directors from the Boards. All members of the AF Committee shall be: (1) generally knowledgeable about governmental accounting and finance issues and (2) selected by the Chair of the Policy Board. The purpose of the AF Committee is primarily to provide financial oversight for the Authority. The AF Committee shall meet quarterly, and as needed. AF Committee members shall serve two, three-year terms. The AF Committee shall have the following duties:

a. Advise and work with the Authority's staff on budgeting, audits, financial planning/reporting, internal controls, accountability policies and investments.
b. Review the proposed annual budget of the Authority prior to presentation to the Policy Board.
c. Provide oversight of the preparation of the annual audit of the Authority's financial statements and review the completed audit reports for clarity, soundness and potential issues prior to the Policy Board's review.
d. Recommend policies and procedures on financial matters to the Policy Board.
e. Be available to review the proposed budget or any financial transactions that might require an in-depth review prior to the Policy Board's approval.
f. Perform other duties as assigned by the Policy Board.
g. Delegate any of these duties and responsibilities as it deems appropriate.

Section 4. Executive Committee. The Boards' Executive Committee shall be a permanent standing committee. The Executive Committee shall consist of up to seven voting members made up of Directors from the Boards. All members of the Executive Committee shall be selected by the Chair of the Policy Board. The purpose of the Executive Committee is primarily to provide general oversight for the Authority. The Executive Committee shall meet quarterly, and as needed. Executive Committee members shall serve two, three-year terms. The Executive Committee shall have the following duties:

a. Advise and work with the Authority's staff to review significant or urgent organizational issues and make initial recommendations for action to the full Policy or Operations Board as may be appropriate.
b. Perform other duties as assigned by the Policy Board.

ARTICLE VIII
MEETINGS

Section 1. Regular Meetings. Regular meetings of the Boards shall be held at such day, time, and place as the Boards may determine subject to any general directives set by the Policy Board.

Section 2. Annual Meeting of Policy Board. The Policy Board shall hold an annual organizational meeting in September of each year beginning in 2020. The meeting will qualify as a "regular" meeting pursuant to the JPA, but will include annual organizational matters. This annual meeting shall include on its agenda the election of Board Officers, the installation of new Directors (if any), appointment of a Board Liaison, appointment of new CAC members, establishment of the Policy Board's next year's meeting schedule and the transaction of other business.

Section 3. Annual Meetings of Operations Board. The Operations Board shall hold an annual organizational meeting in September of each year beginning in 2020. The meeting will qualify as a "regular" meeting pursuant to the JPA, but will include annual organizational matters. This annual meeting shall include on its agenda the election of Board Officers, the installation of new Directors (if any), the appointment of its Board Liaison, establishment of the Operations Board's next year's meeting schedule and the transaction of other business.

Section 4. Annual Joint Meeting of Policy and Operations Boards and CAC. The Policy and Operations Boards, along with the CAC shall hold an annual joint meeting in September of each year beginning in 2020. This annual joint meeting shall include on its agenda speakers and presentations providing an overview of CCCE's programs, operations, accomplishments, goals, and a detailed budget presentation. No action shall be taken at the at the annual Joint Meeting.

Section 5. Special Meetings. Per Section 54956 of Cal. Gov. Code and the JPA, special meetings may be called by the Chair of the respective Board or by a majority of the members of the respective Board by delivering notice personally, or by any other means, to each member of its Board and to each local newspaper of general circulation, radio or television station who has requested such notice in writing. The notice shall be received at least twenty-four (24) hours before the time of the meeting as specified in the notice, except for emergency meetings held in compliance with Section 54956.5 of Cal. Gov. Code. The notice for special meetings shall specify the time and place of the special meeting and the business to be transacted or discussed, and no other business shall be considered at such meetings. A Board member may, at or prior to the time of the special meeting, file a written waiver of notice with the Secretary of the Authority. The Board Clerk will ensure that a December date is reserved for a potential Special Meeting pursuant to this section in order to facilitate a quorum if such a special meeting becomes necessary.

Section 6. Notices of Meetings. Notices of the time and place of any regular meeting for which notice is required by law or these Rules shall be delivered personally, or by any other means, to each Director utilizing the contact information as shown on the records of the Authority.

Section 7. Adjournment of Meetings. The Board may adjourn any regular, special or adjourned special meeting to a time and place specified in the order of adjournment, provided that the provisions of Section 54955 of Cal. Gov. Code are complied with by the Board.

Section 8. Posting of Agendas. In accordance with The Ralph M. Brown Act ("Brown Act"), the Board shall post agendas of all regular meetings, containing a brief general description of each item of business to be transacted or discussed at the meeting, at least seventy-two (72) hours before such regular meeting. The Board shall post agendas of all special meetings at least twenty-four (24) hours in advance of such special meeting. The agenda shall specify the time and location of the meeting and shall be posted in a location that is freely accessible to members of the public for the twenty-four (24) hours or seventy-two (72) hours prior to the meeting, as applicable. No action shall be taken on any item not appearing on such posted agendas, except as provided by Cal. Gov. Code Sections 54954.2 and 54954.3.

Section 9. Opportunity for Public to Address the Board. Per Cal. Gov. Code Section 54954.3, each agenda for a regular meeting shall provide an opportunity for members of the public to address the Board directly on matters of interest to the public, provided that such matters are within the subject matter jurisdiction of the Board, and provided that no action shall be taken by the Board on any item arising out of such speeches unless the matter already appears on the agenda. The Chair or majority vote of the Board may adopt reasonable regulations which limit the total amount of time allotted for public speakers and for each individual speaker.

Section 10. Additional Guidance. Except as provided in (i) the JPA, (ii) these Rules, and (iii) the Brown Act, as amended, meetings of the Board shall be conducted pursuant to the Robert's Rules of Order, as amended.

ARTICLE IX
REIMBURSEMENT FOR TRAVEL EXPENSES

In accordance with Section 3.6 of the JPA, the Board has adopted a policy that allows reimbursement by the Authority of expenses incurred by their respective Directors outside of regular or special meetings of their Board duties. Members of the Boards shall be reimbursed for all reasonable and necessary travel expenses when required or incurred by those persons in attending events and conferences on behalf of the Authority. Reimbursable expenses shall include all charges for meals, lodging, air fare and costs of travel by automobile at the rate per mile allowed as a business expense by the Internal Revenue Service. The Treasurer-Auditor, upon approval of the CEO, shall be authorized to pay all such expenses deemed reasonable and necessary so long as sufficient funds have been budgeted therefor. Payments for amounts in excess of that budgeted must be approved by the Policy Board. The Authority shall reimburse a Board Member any reasonable and necessary travel expenses incurred for the member to attend a non-Authority Board meeting, and *only if* that member's sole purpose is to attend on behalf of the Authority. *As used in this Article IX, the term "reasonable and necessary" is defined as those expenses which the Board member would not have incurred in performing the normal business of its Party's governing body.*

ARTICLE X
VOTING

Section 1. Voting. Voting on Board matters shall be held in accordance with the requirements of Section 3.7 of the JPA and these Rules.

Section 2. Notice for Contributions. A Board shall provide at least 45 days prior written notice to each Party before considering a program or activity for adoption at a Board meeting that requires financial contributions by individual Parties. Such notice shall be provided to the governing body and the chief administrative officer, city manager or town manager of each Party. A Board also shall provide written notice of such program or activity adoption to the above-described officials of each Party within 5 days after the Board adopts the program or activity. Any Party voting against the approval of such program or activity may elect to opt-out of participation in the program or activity by providing written notice of this election to the Board within 30 days after the program or activity is approved by the Board. Upon timely exercising its opt-out election, a Party shall not have any financial obligation or any liability whatsoever for the conduct or operation of such program or activity.

ARTICLE XI
DELEGATION OF AUTHORITY TO IMPLEMENT SUPPORT POLICY

Section 1. Delegation of Authority to Chief Executive Officer. The Chief Executive Officer of the Authority shall have the authority to take actionto support or oppose legislation or other initiatives and to take necessary action to provide that support or opposition consistent with the Authority's mission when all of the following conditions are met:

a. The legislation or other initiative is directly related to, and consistent with Authority's mission.
b. Due to time constraints, bringing the matter to the Policy Board at its next scheduled meeting is not practical
c. Calling a special meeting to address the matter is neither practical nor appropriate under the circumstances.
d. The Chief Executive Officer has investigated the positions of other California CCAs and understands the range of opinions on the legislation or initiative and has considered those opinions in determining whether and how to take a position.
e. The Chief Executive Officer has conferred with the Chair of the Policy Board and both the Chief Executive Officer and the Chair agree that: (a) the position that the Chief Executive Officer intends to take is consistent with the mission of the Authority; (b) bringing the matter to the Policy Board at its next scheduled meeting or at a special meeting is not practical or appropriate under the circumstances; and (c) taking the position without a vote of the Policy Board is appropriate under the circumstances.
f. The Chief Executive Officer reports any position taken at the next regularly scheduled Policy Board meeting as part of the Chief Executive Officer Report.

ARTICLE XII

ACCOUNTS AND RECORDS

Section 1. Fiscal Year. According to the power provided under Section 5.1 of the JPA, the Authority selected as its fiscal year the 12 months commencing on October 1.

Section 2. Budget. The Authority staff shall prepare an annual budget in August of each year that shall delineate revenues, expenses, and capital expenditures of the Authority. Under Section 5.3.1 of the JPA and these Rules, the Policy Board shall adopt an operating budget for the Authority prior to the start of each fiscal year. The Policy Board shall annually, on or before the first day of the Authority's fiscal year, adopt a budget showing each of the purposes for which the Authority will need money and the estimated amount of money that will be needed for each such purpose for the ensuing fiscal year. The Policy Board shall ensure that a complete and accurate system of accounting of the Authority's funds shall be maintained at all times consistent with established accounting procedures and practices. The Policy Board has the authority to delegate certain duties as it deems appropriate.

Section 3. Funds and Accounts. The Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice or by the Policy Board.

Section 4. Treasurer's Report. The Treasurer, 120 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Policy Board.

Section 5. Annual Audit. The Policy Board shall provide for a certified, annual audit of the accounts and records of the Authority which audit shall conform to generally accepted auditing standards. When such an audit of the accounts and records is made by a certified public accountant, such report shall be reviewed and approved by the Policy Board.

ARTICLE XIII

LIMITATION OF AUTHORITY'S LIABILITY

No Director, Party or Officer shall make or incur any debt or liability in the name of the Authority or on its behalf unless such debt or liability is authorized by the Chair or Vice Chair of the Policy Board and is not inconsistent with the JPA and these Rules.

ARTICLE XIV
DEBTS, LIABILITIES AND OBLIGATIONS

As provided by Section 2.2 of the JPA, the debts, liabilities and obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority.

ARTICLE XV
INVESTMENTS

The Treasurer may invest money not required for the immediate necessities of the Authority, as directed by the Policy Board, as provided by Cal. Gov. Code Section 53601.

ARTICLE XVI
EXPULSION

Member Entities may be expelled from the Authority as provided in the JPA.

ARTICLE XVII
MISCELLANEOUS

Section 1. Agents and Representatives. The Boards may appoint such agents and representatives of the Authority, with such power and to perform such acts or duties on behalf of the Authority, as the Boards may see fit, so far as may be consistent with the JPA, these Rules and applicable laws.

Section 2. Contracts. Except as otherwise provided in these Rules, the Boards may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to a specific instance. Unless so authorized by the Boards, no officer, agent or employee shall have any power or authority to bind the Authority by any contract or engagement, nor to pledge its credit, nor to render it liable for any purpose or to any amount.

ARTICLE XVIII
AMENDMENTS

These Rules may be amended by a majority vote of the full membership of the Policy Board but only after such amendment has been proposed at a regular meeting and acted upon at the next or later regular meeting of the Policy Board for final adoption. The proposed amendment shall not be finally acted upon unless all members of the Policy Board have received written notice of the amendment at least 10 days prior to the date of the meeting at which final action on the amendment is to be taken. The notice shall include the full text of the proposed amendment.

PG&E – CCCE
Joint Rate Comparisons

ıs a part of our mutual commitment to support your energy choice, Central Coast Community Energy (CCCE) and PG&E have partnered to create comparison of our typical electric rates, average monthly charges and generation portfolio contents. Below you will find a representative omparison of our rates, average monthly bills and power generation portfolio content based on customer class. To find your specific electric ate, please scroll down to your rate plan to view the rate and bill comparisons.

Residential	• Tiered Rate Plan E-1 • Tiered Rate Plan E-1L (CARE) • E-6 • Time-of-Use (Peak Pricing 4-9 p.m. Weekdays) ○ ETOUB ○ ETOUBL (CARE) • Time-of-Use (Peak Pricing 4-9 p.m. Everyday) ○ ETOUC ○ ETOUCL (CARE) • Electric Vehicle Rate Plan EV2-A • Electric Vehicle Rate Plan EV2-AL (CARE)
Small and Medium Business	• A-1 • A-1X • A-6 • A-10S • A–10SX • B1 • B6 • B10S
Large Commercial and Industrial	• B19SV • E-19S • E-19SV • E-20P
Agriculture	• AG-1A • AG-1B • AG-4A • AG-4B • AG-4C • AG-5A • AG-5B • AG-5C
Streetlight and Outdoor Lighting	• LS-3 • TC-1

Definitions

Generation Rate is the cost of creating electricity to power your home or business. The generation rate varies based on your energy provider and the resources included in your energy provider's generation supply.

PG&E Delivery Rate is a charge assessed by PG&E to deliver electricity to your home or business. The PG&E delivery rate depends on your electricity usage, but is charged equally to both MBCP and PG&E customers.

PG&E PCIA/FF represents the Power Charge Indifference Adjustment (PCIA) and the Franchise Fee surcharge (FF). The PCIA is a charge to recover PG&E's costs for generation resources that are currently above the market rate. These resources were committed to prior to a customer's switch to a third-party electric generation provider. PG&E acts as a collection agent for the Franchise Fee surcharge, which is levied by the California Public Utilities Commission on behalf of cities and counties in PG&E's service territory for all customers. The costs for resources included in the PCIA and FF surcharges are included in the generation rate for PG&E bundled service customers

Where Do I Find My Electric Rate Schedule?

Need some help finding your electric rate? Go to the "Electric Delivery Charges" section of your energy statement - you'll find your electric rate in the upper left.

ENERGY STATEMENT
www.pge.com/MyEnergy

Account No: 0000000000-0
Statement Date: 03/17/2019
Due Date: 04/08/2019

Details of PG&E Electric Delivery Charges
02/14/2019 - 03/15/2019 (30 billing days)
Service For: 123 Main St
Service Agreement ID: 1234567890
Rate Schedule: E1 T Residential Service

02/14/2019 – 02/28/2019	Your Tier Usage 1 **2**			
Tier 1 Allowance	126.00	kWh	(15 days x 8.4 kWh/day)	
Tier 1 Usage	126.000000	kWh	@ $0.21183	$26.69
Tier 2 Usage	231.500000	kWh	@ $0.28011	64.85
Generation Credit				-38.54
Power Charge Indifference Adjustment				11.96
Franchise Fee Surcharge				0.20

03/01/2019 – 03/15/2019	Your Tier Usage 1 **2**			
Tier 1 Allowance	126.00	kWh	(15 days x 8.4 kWh/day)	
Tier 1 Usage	126.000000	kWh	@ $0.21775	$27.44
Tier 2 Usage	231.500000	kWh	@ $0.27402	63.44
Generation Credit				-40.02
Power Charge Indifference Adjustment				11.96
Franchise Fee Surcharge				0.21

Total PG&E Electric Delivery Charges **$128.19**

2018 Vintaged Power Charge Indifference Adjustment

Service Information

Meter #	1234567890
Current Meter Reading	61,793
Prior Meter Reading	61,078
Total Usage	715.000000 kWh
Baseline Territory	T
Heat Source	B - Not Electric
Serial	S
Rotating Outage Block	3M

ENERGY STATEMENT
www.pge.com/MyEnergy

Account No: 0000000000-0
Statement Date: 03/17/2019
Due Date: 04/08/2019

Details of Monterey Bay Community Power Electric Generation Charges
02/14/2019 - 03/15/2019 (30 billing days)
Service For: 123 Main St
Service Agreement ID: 1234567890 ESP Customer Number: 1234567890
Rate Schedule: MBRETCH1 MBchoice E1

02/14/2019 – 03/15/2019				
Generation - Total	715.000000	kWh	@ $0.07379	$52.76
Energy Commission Tax				0.21

Total Monterey Bay Community Power Electric Generation Charges **$52.97**

Service Information

Meter #	1234567890
Current Meter Reading	61,793
Prior Meter Reading	61,078
Total Usage	715.000000 kWh
Serial	S

For questions regarding charges on this page, please contact:
MONTEREY BAY COMMUNITY POWER
1-888-909-6227
www.mbcommunitypower.org

Additional Messages
Monterey Bay Community Power provides electricity to the counties of Monterey, Santa Cruz, and San Benito entirely from renewable and hydroelectric resources.

MBCP is a not-for-profit public agency and sets its rates to be competitive with PG&E. MBCP also provides all customers with periodic rebates for their energy costs. Visit **mbcommunitypower.org** or call **(888) 909-6227** (MBCP) to learn more.

PG&E continues to provide all electric delivery, billing, and gas services for MBCP territory. Please contact PG&E for related issues.

Look here to identify your electric rate schedule. Once you have that, you can find your rate comparison below.

Residential *

Tiered Rate Plan E-1*

Residential: E-1	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.11418	$0.06636
PG&E Delivery Rate ($/kWh)	$0.17127	$0.17127
PG&E PCIA/FF ($/kWh)	N/A	$0.04753
Total Electricity Cost ($/kWh)	$0.28545	$0.28516
Average Monthly Bill ($)	**$126.77**	**$126.64**

Monthly usage: 444 kWh

Tiered Rate Plan E-1L (CARE)*

Residential: E-1L	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.11418	$0.06636
PG&E Delivery Rate ($/kWh)	$0.06877	$0.06877
PG&E PCIA/FF ($/kWh)	N/A	$0.04753
Total Electricity Cost ($/kWh)	$0.18295	$0.18266
Average Monthly Bill ($)	**$73.41**	**$73.30**

Monthly usage: 401 kWh

E-6*

Residential: E-6	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.11341	$0.06576
PG&E Delivery Rate ($/kWh)	$0.17499	$0.17499
PG&E PCIA/FF ($/kWh)	N/A	$0.04753
Total Electricity Cost ($/kWh)	$0.28840	$0.28828
Average Monthly Bill ($)	**$163.50**	**$163.43**

Monthly usage: 567 kWh

Rates are current as of March 1, 2021

E-TOU B* Time-of-Use (Peak Pricing 4-9 p.m. Weekdays)

Residential: E-TOU B	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10793	$0.06023
PG&E Delivery Rate ($/kWh)	$0.17349	$0.17349
PG&E PCIA/FF ($/kWh)	N/A	$0.04753
Total Electricity Cost ($/kWh)	$0.28142	$0.28125
Average Monthly Bill ($)	**$282.16**	**$281.99**

Monthly usage: 1,003 kWh

E-TOU BL (CARE)* Time-of-Use (Peak Pricing 4-9 p.m. Weekdays)

Residential: E-TOU BL	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10791	$0.06021
PG&E Delivery Rate ($/kWh)	$0.07540	$0.07540
PG&E PCIA/FF ($/kWh)	N/A	$0.04753
Total Electricity Cost ($/kWh)	$0.18331	$0.18314
Average Monthly Bill ($)	**$139.20**	**$139.07**

Monthly usage: 759 kWh

E-TOU C* Time-of-Use (Peak Pricing 4-9 p.m. Everyday)

Residential: E-TOU C	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.11101	$0.06325
PG&E Delivery Rate ($/kWh)	$0.17607	$0.17607
PG&E PCIA/FF ($/kWh)	N/A	$0.04753
Total Electricity Cost ($/kWh)	$0.28708	$0.28685
Average Monthly Bill ($)	**$122.60**	**$122.50**

Monthly usage: 427 kWh

E-TOU CL (CARE)* Time-of-Use (Peak Pricing 4-9 p.m. Everyday)

Residential: E-TOU CL	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.11079	$0.06304
PG&E Delivery Rate ($/kWh)	$0.07240	$0.07240
PG&E PCIA/FF ($/kWh)	N/A	$0.04753
Total Electricity Cost ($/kWh)	$0.18319	$0.18297
Average Monthly Bill ($)	**$67.41**	**$67.33**

Monthly usage: 368 kWh

Rates are current as of March 1, 2021

EV-2A*

Residential: EV-2A	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10667	$0.05900
PG&E Delivery Rate ($/kWh)	$0.15454	$0.15454
PG&E PCIA/FF ($/kWh)	N/A	$0.04753
Total Electricity Cost ($/kWh)	$0.26121	$0.26107
Average Monthly Bill ($)	**$204.59**	**$204.48**

Monthly usage: 783 kWh

EV-2AL (CARE)*

Residential: EV-2AL	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10695	$0.05927
PG&E Delivery Rate ($/kWh)	$0.06445	$0.06445
PG&E PCIA/FF ($/kWh)	N/A	$0.04753
Total Electricity Cost ($/kWh)	$0.17140	$0.17125
Average Monthly Bill ($)	**$124.31**	**$124.20**

Monthly usage: 725 kWh

*** Please note this rate comparison excludes the California Climate Credit from the State of California which is issued twice a year to residential customers. For more information visit www.energyupgradeCA.org/credit**

Rates are current as of March 1, 2021

Small and Medium Business **

A-1**

Commercial/Industrial: A-1	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10916	$0.06282
PG&E Delivery Rate ($/kWh)	$0.16076	$0.16076
PG&E PCIA/FF ($/kWh)	N/A	$0.04610
Total Electricity Cost ($/kWh)	$0.26992	$0.26968
Average Monthly Bill ($)	**$319.28**	**$319.00**

Monthly usage: 1,183 kWh

A-1X TOU**

Commercial/Industrial: A-1 TOU (A-1X)	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10960	$0.06326
PG&E Delivery Rate ($/kWh)	$0.16512	$0.16512
PG&E PCIA/FF ($/kWh)	N/A	$0.04610
Total Electricity Cost ($/kWh)	$0.27472	$0.27448
Average Monthly Bill ($)	**$267.78**	**$267.54**

Monthly usage: 975 kWh

A-6**

Commercial/Industrial: A-6	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.11901	$0.07248
PG&E Delivery Rate ($/kWh)	$0.15701	$0.15701
PG&E PCIA/FF ($/kWh)	N/A	$0.04610
Total Electricity Cost ($/kWh)	$0.27602	$0.27559
Average Monthly Bill ($)	**$822.30**	**$821.02**

Monthly usage: 2,979 kWh

A-10S Non Time-of-Use**

Commercial/Industrial: A-10S	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.11749	$0.06768
PG&E Delivery Rate ($/kWh)	$0.11899	$0.11899
PG&E PCIA/FF ($/kWh)	N/A	$0.04945
Total Electricity Cost ($/kWh)	$0.23648	$0.23612
Average Monthly Bill ($)	**$3,056.76**	**$3,052.10**

Monthly usage: 12,926 kWh, monthly demand: 41 kW

Rates are current as of March 1, 2021

A-10SX Time of Use**

Commercial/Industrial: A-10SX	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.11721	$0.06740
PG&E Delivery Rate ($/kWh)	$0.12435	$0.12435
PG&E PCIA/FF ($/kWh)	N/A	$0.04945
Total Electricity Cost ($/kWh)	$0.24156	$0.24120
Average Monthly Bill ($)	**$2,830.13**	**$2,825.91**

Monthly usage: 11,716 kWh, monthly demand: 40 kW

B1 - Time of Use**

Commercial/Industrial: B-1	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10983	$0.06349
PG&E Delivery Rate ($/kWh)	$0.16667	$0.16667
PG&E PCIA/FF ($/kWh)	N/A	$0.04610
Total Electricity Cost ($/kWh)	$0.27650	$0.27626
Average Monthly Bill ($)	**$256.65**	**$256.42**

Monthly usage: 928 kWh

B-6 Time of Use**

Commercial/Industrial: B-6	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10364	$0.05742
PG&E Delivery Rate ($/kWh)	$0.15950	$0.15950
PG&E PCIA/FF ($/kWh)	N/A	$0.04610
Total Electricity Cost ($/kWh)	$0.26314	$0.26302
Average Monthly Bill ($)	**$348.82**	**$348.66**

Monthly usage: 1,326 kWh

B-10S Time of Use**

Commercial/Industrial:B-10S	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.11513	$0.06537
PG&E Delivery Rate ($/kWh)	$0.12952	$0.12952
PG&E PCIA/FF ($/kWh)	N/A	$0.04945
Total Electricity Cost ($/kWh)	$0.24465	$0.24434
Average Monthly Bill ($)	**$3,316.60**	**$3,312.40**

Monthly usage: 13,557 kWh, monthly demand: 53 kW

**** Please note this rate comparison excludes volumetric California Climate Credits issued to eligible business customers that impact PG&E Delivery Rates only. For more information visit www.energyupgradeCA.org/credit**

Rates are current as of March 1, 2021

Large Commercial and Industrial

B-19 SV

Commercial/Industrial: B-19 SV	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10621	$0.06047
PG&E Delivery Rate ($/kWh)	$0.09317	$0.09317
PG&E PCIA/FF ($/kWh)	N/A	$0.04533
Total Electricity Cost ($/kWh)	$0.19938	$0.19897
Average Monthly Bill ($)	**$4,004.72**	**$3,996.49**

Monthly usage: 20,086 kWh, monthly demand: 46 kW

E-19 S

Commercial/Industrial: E-19 S	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.11390	$0.06785
PG&E Delivery Rate ($/kWh)	$0.10723	$0.10723
PG&E PCIA/FF ($/kWh)	N/A	$0.04533
Total Electricity Cost ($/kWh)	$0.22113	$0.22041
Average Monthly Bill ($)	**$41,067.62**	**$40,933.91**

Monthly usage: 185,717 kWh, monthly demand: 531 kW

E-19 SV

Commercial/Industrial: E-19 SV	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10706	$0.06114
PG&E Delivery Rate ($/kWh)	$0.09835	$0.09835
PG&E PCIA/FF ($/kWh)	N/A	$0.04533
Total Electricity Cost ($/kWh)	$0.20541	$0.20482
Average Monthly Bill ($)	**$3,844.39**	**$3,833.35**

Monthly usage: 18,716 kWh, monthly demand: 45 kW

E-20 P

Commercial/Industrial: E-20 P	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.09644	$0.05324
PG&E Delivery Rate ($/kWh)	$0.07407	$0.07407
PG&E PCIA/FF ($/kWh)	N/A	$0.04158
Total Electricity Cost ($/kWh)	$0.17051	$0.16889
Average Monthly Bill ($)	**$142,010.80**	**$140,661.57**

Monthly usage: 832,859 kWh, monthly demand: 1,716 kW

Rates are current as of March 1, 2021

Agricultural

AG-1A

Agricultural: AG-1A	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10312	$0.05856
PG&E Delivery Rate ($/kWh)	$0.27899	$0.27899
PG&E PCIA/FF ($/kWh)	N/A	$0.04290
Total Electricity Cost ($/kWh)	$0.38211	$0.38045
Average Monthly Bill ($)	**$196.16**	**$195.31**

Monthly usage: 513 kWh, monthly demand: 9 kW

AG-1B

Agricultural: AG-1B	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.11040	$0.06569
PG&E Delivery Rate ($/kWh)	$0.17409	$0.17409
PG&E PCIA/FF ($/kWh)	N/A	$0.04290
Total Electricity Cost ($/kWh)	$0.28449	$0.28268
Average Monthly Bill ($)	**$1,023.19**	**$1,016.68**

Monthly usage: 3,597 kWh, monthly demand: 35 kW

AG-4A

Agricultural: AG-4A	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10048	$0.05596
PG&E Delivery Rate ($/kWh)	$0.27877	$0.27877
PG&E PCIA/FF ($/kWh)	N/A	$0.04290
Total Electricity Cost ($/kWh)	$0.37925	$0.37763
Average Monthly Bill ($)	**$284.10**	**$282.88**

Monthly usage: 749 kWh, monthly demand: 12 kW

AG-4B

Agricultural: AG-4B	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.11190	$0.06716
PG&E Delivery Rate ($/kWh)	$0.19972	$0.19972
PG&E PCIA/FF ($/kWh)	N/A	$0.04290
Total Electricity Cost ($/kWh)	$0.31162	$0.30978
Average Monthly Bill ($)	**$1,737.90**	**$1,727.64**

Monthly usage: 5,577 kWh, monthly demand: 52 kW

Rates are current as of March 1, 2021

AG-4C

Agricultural: AG-4C	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10463	$0.06004
PG&E Delivery Rate ($/kWh)	$0.19027	$0.19027
PG&E PCIA/FF ($/kWh)	N/A	$0.04290
Total Electricity Cost ($/kWh)	$0.29490	$0.29321
Average Monthly Bill ($)	**$1,973.22**	**$1,961.91**

Monthly usage: 6,691 kWh, monthly demand: 71 kW

AG-5A

Agricultural: AG-5A	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10410	$0.05952
PG&E Delivery Rate ($/kWh)	$0.15695	$0.15695
PG&E PCIA/FF ($/kWh)	N/A	$0.04290
Total Electricity Cost ($/kWh)	$0.26105	$0.25937
Average Monthly Bill ($)	**$590.65**	**$586.85**

Monthly usage: 2,263 kWh, monthly demand: 14 kW

AG-5B

Agricultural: AG-5B	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10382	$0.05924
PG&E Delivery Rate ($/kWh)	$0.13265	$0.13265
PG&E PCIA/FF ($/kWh)	N/A	$0.04290
Total Electricity Cost ($/kWh)	$0.23647	$0.23479
Average Monthly Bill ($)	**$3,397.46**	**$3,373.32**

Monthly usage: 14,367 kWh, monthly demand: 75 kW

AG-5C

Agricultural: AG-5C	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.09579	$0.05138
PG&E Delivery Rate ($/kWh)	$0.08872	$0.08872
PG&E PCIA/FF ($/kWh)	N/A	$0.04290
Total Electricity Cost ($/kWh)	$0.18451	$0.18300
Average Monthly Bill ($)	**$19,722.08**	**$19,560.68**

Monthly usage: 106,889 kWh, monthly demand: 338 kW

Rates are current as of March 1, 2021

Streetlight and Outdoor Lighting

LS-3

Streetlights: LS3	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.09091	$0.05226
PG&E Delivery Rate ($/kWh)	$0.12040	$0.12040
PG&E PCIA/FF ($/kWh)	N/A	$0.03787
Total Electricity Cost ($/kWh)	$0.21131	$0.21053
Average Monthly Bill ($)	**$66.71**	**$66.46**

Monthly usage: 316 kWh

TC-1

Streetlights: TC1	PG&E	3Cchoice
Generation Rate ($/kWh)	$0.10150	$0.05532
PG&E Delivery Rate ($/kWh)	$0.16279	$0.16279
PG&E PCIA/FF ($/kWh)	N/A	$0.04610
Total Electricity Cost ($/kWh)	$0.26429	$0.26421
Average Monthly Bill ($)	**$65.91**	**$65.89**

Monthly usage: 249 kWh

Rates are current as of March 1, 2021

PG&E & CCCE Comparison

Electric Power Generation Mix*

	Percent of Total Retail Sales (kWh)			
			CCCE	
Specific Purchases	PG&E	PG&E Solar Choice	3Cchoice	3Cprime
Renewable	**31%**	**100%**	**31%**	**100%**
• Biomass & Biowaste	3%	0%	2%	0%
• Geothermal	3%	0%	9%	0%
• Eligible hydroelectric	1%	0%	3%	0%
• Solar electric	16%	100%	15%	50%
• Wind	8%	0%	2%	50%
Coal	**0%**	**0%**	**0%**	**0%**
Large Hydroelectric	**10%**	**0%**	**56%**	**0%**
Natural Gas	**16%**	**0%**	**0%**	**0%**
Nuclear	**43%**	**0%**	**0%**	**0%**
Other	**0%**	**0%**	**0%**	**0%**
Unspecified Sources of Power **	**0%**	**0%**	**13%**	**0%**
Total	**100%**	**100%**	**100%**	**100%**

* As reported to the California Energy Commission's Power Source Disclosure Program. CCCE and PG&E data is subject to an independent audit and verification that will not be completed until October 1, 2021. The figures above may not sum up to 100 percent due to rounding.

**Unspecified sources of power refers to electricity that is not traceable to a specific generating facility, such as electricity traded through open market transactions. Unspecified sources of power are typically a mix of all resource types, and may include renewables.

City of Atascadero Chamber of Commerce

January 14, 2022

Central Coast Community Energy

How Does CCA Work?

"A Partnership to support shared customers"

Central Coast Community Energy

WHO WE ARE?


Central Coast Community Energy
Santa Cruz County
San Benito County
Monterey County
Paso Robles
Morro Bay
San Luis Obispo
Grover Beach
Pismo Beach
Arroyo Grande
Santa Barbara County

CCCE GOVERNANCE

ITEM NUMBER: B-1
DATE: 02/08/22
ATTACHMENT: 6

Policy Board:	Meets 4 Times Annually including Annual Meeting
Operations Board:	Meets 10 Times Annually including Annual Meeting
Community Advisory Council:	Meets 7 Times Annually including Annual Meeting

- **County of Santa Cruz**
- **City of Santa Cruz**
- **City of Watsonville**
- **County of Monterey**
- **City of Salinas**
- **County of San Benito**
- **County of Santa Barbara**
- **City of Santa Maria**

Coastal Cities
- Marina*
- Sand City
- Seaside
- Del Rey Oaks

Peninsula Cities
- Carmel
- Monterey*
- Pacific Grove

Salinas Cities
- Greenfield
- Gonzales*
- Soledad

San Benito Cities
- Hollister
- San Juan Bautista*

Santa Cruz Cities
- Capitola
- Scotts Valley*

San Luis Obispo Cities
- San Luis Obispo*
- Morro Bay
- Paso Robles

South County Cities
- Arroyo Grande
- Grover Beach*
- Pismo Beach

SB County Cities
- Guadalupe*
- Solvang
- Buellton

SB County Cities
- Goleta*
- Carpinteria

*City representative currently serving in a shared seat.

Central Coast Community Energy

CCCE ACCOMPLISHMENTS

Local Choice

- 3Cchoice – clean & renewable offering
- 3Cprime – 100% renewable offering
- 94% enrollment

Economic Vitality

- $12 million – Energy programs
- $50+ million – Customer benefits
- $25 million – Resiliency Fund

Local Support

- Contracts with Local Vendors Over $1,000,000
- 38 full time employees
- 2 offices – Monterey & San Luis Obispo

Financial Stability

- Received an A rating with S&P
- Over $140 Million in Rate Stabilization Fund
- Service and Loans Paid Off

Clean Energy

- 889 MWs of Renewables – solar, wind, geothermal
- 261 MWs of battery storage
- Pathway to 100% clean & renewable

Central Coast Community Energy

3CE Service Offerings

3Cchoice

COMPETITIVE RATES

ENERGY MIX | 31% eligible renewables

3Cprime

3Cchoice Rate + 0.8¢/kWh

ENERGY MIX | 100% renewable from solar & wind

Central Coast Community Energy

CCCE's Pathway to 100% Clean and Renewable by 2030

Supporting Affordable Rates, Increasing Renewable Resources, and Accelerating Greenhouse Gas Reduction

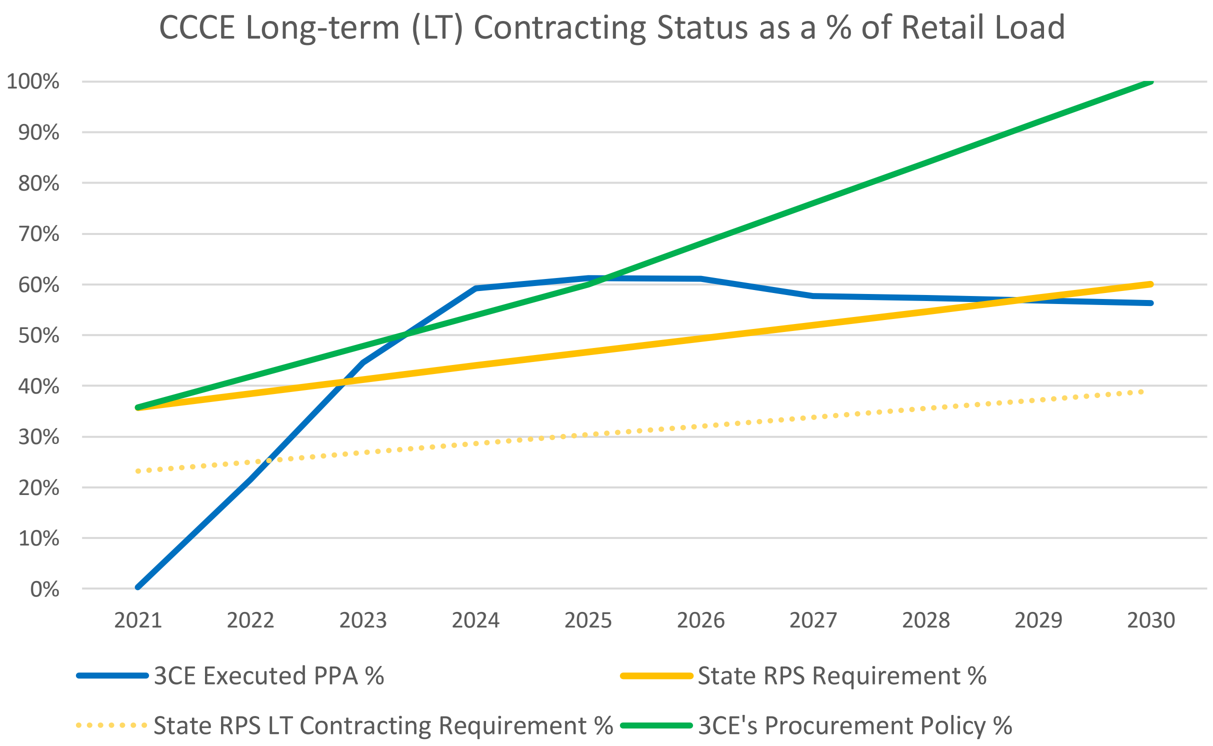
CCCE's new energy-supply strategy will provide the folllowing benefits:

- CCCE's goal is to reach 60% clean and renewable energy by 2025 (**5 years ahead** of CA's goal) and 100% by 2030 (**15 years ahead** of CA's goal)
- Financially beneficial to customers and CCCE through reduced operating costs of **$8-15 million/year** allowing for more affordable and stable rates while supporting economic development

Learn more at 3cenergy.org/understanding-clean-energy/

FAST TRACKING NEW ENERGY DEVELOPMENT

ITEM NUMBER: B-1
DATE: 02/08/22
ATTACHMENT: 6



CCCE's Executed Contract Summary

Project Type	Count	Gen Capacity (MW)	Storage Capacity (MW)
Solar + Storage PPAs	9	633	201
Solar Only PPAs	1	150	
Wind PPAs	1	33	
Geothermal PPAs	2	73	
RA Only Agreement	1		60
	14	889	261

These projects will serve about 61% of CCCE's retail load when all are online, expected in 2025.

CCCE Commitment to Renewable Procurement

- Contracted for approximately $1 billion in long term solar plus storage contracts since 2018
- Shortlisted 7 local projects through its local renewables RFP
- Joined other CCAs to advance long duration storage RFP to Support grid reliability through existing and new technologies
- Issued an RFQ for up to 100MW of front of the meter battery storage, with the potential to island projects for increased resiliency

Central Coast Community Energy

CCCE Energy Programs

Overview:

- 4% of operating revenue in FY 21/22
- $1.3 million in FY 18/19
- $5.4 million in FY 19/20
- $6.2 million in FY 20/21
- Estimated $14.1 million in FY 21/22

FY 21/22 Energy Programs

- Electrify Your Ride
- CALeVIP EV Charging Infrastructure
- School Bus Electrification
- Agriculture Electrification
- Residential Electrification
- New Construction Electrification
- Reach Code
- Battery Energy Storage Pilot
- Summer Readiness
- Energy Education, Workforce Development and Innovation Grants
- Greenhouse Gas Inventory

Central Coast Community Energy

Electrification and Innovation Grant Program

Planning and Implementation

- Funding for planning and implementation projects related to electrification
- Intended for member agencies to electrify their vehicle fleets, municipal properties, and the community infrastructure that serves households and businesses.

Innovation

- Funding to deploy new and innovative electrification or other clean energy-related technology for municipal or community buildings and/or fleets.
- Intended to foster market transformation, demonstrate scalable and replicable solutions, and identify potential future CCCE energy program concepts.

TO APPLY: Please submit completed applications through CCCE's on-line application by February 7, 2022.

For questions, please email programs@3ce.org.

Central Coast Community Energy

Medium and Heavy-Duty Vehicle Electrification Program

- Intended to support the electrification of Member Agency medium and heavy-duty fleet vehicles
- Potential applications include street sweepers, refuse trucks, dump trucks, and first response vehicles
- CCCE will reserve funds for qualifying projects and funds will be dispersed once purchases and/or projects are completed
- Intended to work in coordination with city/county purchasing schedules and policies
- Incentives likely to be tied to increased cost of electric models from standard internal combustion options

Central Coast Community Energy

Electrification Education Grant Awardees

- **Green Light Labs** – *Electric Cars at Work*
- **Ecology Action*** - *EVs Para Todos, Salinas/EVs for Everyone*
- **Lumina Decision Systems** - *Online Heat Pump Education, Training, and Evaluation Tool*
- **Regeneración*** - *EVs Para Todos/EVs for Everyone – Watsonville*
- **Rancho Cielo Youth Campus** – *Ag Mechanics and Electrical*
- **Community Environmental Council*** - *Electric Vehicles for Everyone - Santa Barbara and San Luis Obispo Counties/ EVs Para Todos - Condados de Santa Barbara y San Luis Obispo*

Central Coast Community Energy

Central Coast Community Energy

CLEAN ENERGY. LOCAL CONTROL.

ELECTRIFY YOUR RIDE

on Electric Vehicles and Chargers

REDUCE EMISSIONS

Reducing emissions, getting more electric vehicles (EVs) on the road and building more charging stations will increase local and regional adoption rates to meet state and regional climate action goals

EQUITABLE ACCESS

Providing extra funding for disadvantaged communities and low-income customers will tighten up gaps in equitable access to clean-energy resources

ELECTRIC VEHICLE REBATES

$2,000 - $4,000 in rebates available for purchase or lease of new or used electric vehicles, including motorcycles and e-bikes. Additional stackable funds available, including up to $15,000 for income-qualified customers

EV CHARGER REBATES

$2,400 - $10,000 available for Level 2 electric vehicle chargers at home or workplace. Includes the labor and material costs for installation, including electrical panel upgrades or replacments

Learn more and apply at 3cenergy.org/electrify-your-ride-program

COST SAVINGS FOR ATASCADERO

ITEM NUMBER: B-1
DATE: 02/08/22
ATTACHMENT: 6

ATASCADERO (2020) [kWh]			
RES			
RES		68,000,000	55%
NonRES		56,000,000	45%
COM/IND		55,125,105	**98%**
	Small	16,228,091	*29%*
	Med	11,597,127	*21%*
	Lg	27,299,887	*50%*
AGR		447,713	**1%**
SL		427,183	**1%**

Cust Class	CCCE Annual Cost	PG&E Annual Cost
Residential	$ 7,887,727.56	$ 8,408,626.35
SmComm	$ 1,747,461.45	$ 1,917,437.84
Med Comm	$ 1,278,192.14	$ 1,477,883.30
Lg Comm	$ 2,748,499.30	$ 3,011,044.67
Ag	$ 46,900.63	$ 50,116.43
SL	$ 40,267.33	$ 42,058.89
Total	**$ 13,749,048.41**	**$ 14,907,167.49**
SAVINGS	***$ 1,158,119.08***	*8%*

Customer Class		CCCE ****		PG&E***	
Cent/kWh	% of Consumption**	Proposed 2022 Avg Gen Rate	Proposed 2022 9 -mo Avg Gen Rate + PCIA/FF	Proposed 2022 Bundled Gen Rate	Proposed 2022 PCIA/FF ('21 Vintage)
Residential	32.5%	0.0818	0.1154	0.1230	0.0336
SmComm	14.4%	0.0750	0.1071	0.1176	0.0321
Med Comm	10.3%	0.0750	0.1097	0.1268	0.0347
Lg Comm	24.3%	0.0702	0.1002	0.1097	0.0300
Ag	17.8%	0.0738	0.1042	0.1114	0.0305
SL	0.6%	0.0670	0.0938	0.0980	0.0268

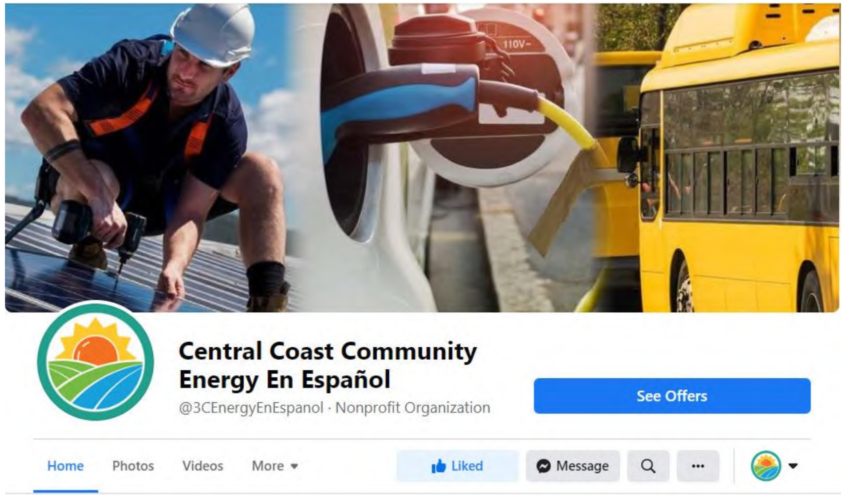
Central Coast Community Energy

PROJECTED TIMELINE TO JOIN CCCE

ACTION ITEM	DATE
Council meeting to present CCCE JPA participation to City Council	February 8, 2022
Council Meeting to introduce and pass resolution to join CCCE and conduct first reading of the ordinance	March/April 2022
Public Hearing to conduct second reading of the CCCE JPA ordinance	April/May/June 2022
Submit Required documents to CCCE	Preference of July 15, 2022
CCCE Policy Board Meeting to accept the new member jurisdiction	September 2022
MOU for shared board seat	Sept-Oct 2022
CCCE Policy Board Meeting to approve and submit the Implementation Plan to the CPUC	Nov-Dec 2022
Program Implementation and Operations Preparation	Mid 2023-Late 2023
Begin CCCE Service	Early 2024

Central Coast Community Energy

LOCAL OUTREACH & ENGAGEMENT



Recent Virtual or In-person Events

Farmworker Outreach Program in Santa Maria
Enrollment Presentation to Carpinteria Rotary
South County Ambassador of CEC
Vision y Compromiso Wellness Fair in Santa Maria
SLO Rotary Electrify and Charge Your Ride Presentation
Enrollment Meeting with Casa de la Raza
Enrollment Meeting with Montecito Association
Paso Rotary Electrify and Charge Your Ride Presentation
National Drive Electric Week Event

Central Coast Community Energy

FIELD PROMOTION 2021

Provided lunch & PPE to almost 500 workers and counting

Salinas & San Luis Obispo

Central Coast Community Energy

ITEM NUMBER: B-1
DATE: 02/08/22
ATTACHMENT: 6

A Unified Central Coast CCA

Key Updates:

- Adopted Cost of Service rate structure to achieve agency goals
- Working with CCCE member agencies on regulatory and legislative matters that ensure customer fairness and equal access to resources
- Pathway to achieve 100% clean and renewable energy by 2030
- Leveraging Community Advisory Council for outreach and non-voting seat participation on Operations & Policy Boards
- Engaging with the community around development of future programs
- Enrollment of over 140k customers in 2021 & 2022 across 12 communities

Central Coast Community Energy

Stay Connected with CCCE

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Follow us online, join our newsletter and board agenda notification list, and check our extensive FAQ section on the website.

Central Coast Community Energy

Attachment 1

Third-Party Review: Community Choice Aggregation for the County of San Luis Obispo

Prepared by:

MRW & Associates, LLC
1736 Franklin Street, Suite 700
Oakland, CA 94612

May 27, 2020

About MRW

This report was prepared by MRW & Associates LLC, led by Principal Mark Fulmer. MRW has provided energy consulting services to California and other Western state agencies, cities, counties, businesses, trade organizations and consumer advocates since 1986. MRW has been working on Community Choice Aggregation (CCA) issues since they were authorized by the California State Legislature in 2002. MRW has prepared CCA Feasibility Studies for a coalition of Southern California Cities (2008), Alameda County (2015), Contra Costa County (2016), the City of Corona (2018) and the City of Long Beach (2019). MRW also prepared the Business Plan (2018) and Implementation Plan (2019) for what has become San Diego Community Power. MRW has also prepared peer reviews, of CCA Feasibility Studies (such as this one) and Risk Assessments for over a dozen jurisdictions considering forming or joining a CCA.

MRW staff, including Mr. Fulmer, were key witnesses at the California Public Utilities Commission in the proceeding that set the rules of conduct that govern the relationships between CCAs and their host utility. In addition, Mr. Fulmer has served as an expert witness before the Public Utilities Commission in every processing that has addressed the Power Charge Indifference Adjustment (PCIA) rate as well those that set the CCA financial security requirement and the fees that Southern California Edison can charge to CCAs for metering and billing services.

Table of Contents

List of Acronyms

3C-REN	Tri-County Regional Energy Network
AB	Assembly Bill
CAISO	California Independent System Operator
CalCCA	California Community Choice Association
CALeVIP	California Electric Vehicle Infrastructure Project
CAPSLO	Community Action Partnership of San Luis Obispo
CCA	Community Choice Aggregator/Aggregation
CCEA	California Choice Energy Authority
CEC	California Energy Commission
CEO	Chief Executive Officer
COS	Cost of Service
CPUC	California Public Utilities Commission
EE	Energy Efficiency
ESP	Energy Service Provider
EV	Electric Vehicle
GHG	Greenhouse Gas
GWh	Gigawatt Hour
HVAC	Heating, Ventilation, and Air Conditioning
IOU	Investor Owned Utility
IRP	Integrated Resource Plan
JPA	Joint Powers Authority
kWh	Kilowatt Hour
LSE	Load Serving Entity
MBCP	Monterey Bay Community Power
MCE	Marin Clean Energy
MTCO2	Metric Tons of Carbon Dioxide
MW	Megawatt
MWh	Megawatt Hour
NEM	Net Energy Metering
NSCR	Net Surplus Compensation Rate
PCIA	Power Charge Indifference Adjustment
PG&E	Pacific Gas & Electric
PSPS	Public Safety Power Shutoffs
RA	Resource Adequacy
RFO	Request for Offers
RPS	Renewable Portfolio Standard
SCE	Southern California Edison
SDG&E	San Diego Gas & Electric
TOU	Time of Use

Executive Summary

Community Choice Aggregation (CCA) is not a new topic to the County of San Luis Obispo (County). Between 2015 - 2017, along with the Counties of Santa Barbara and Ventura, it participated in a feasibility study of CCA for the Central Coast. An additional study was completed in 2017 by Pilot Power and in 2019, Alison Turner + Associates prepared an accounting-based study of joining the Monterey Bay Community Power CCA.

This study does not repeat the prior efforts. Instead, MRW responds to 29 specific questions and concerns regarding having power procured and provided by Monterey Bay Community Power (MBCP). These questions and concerns address a range of issues including but not limited to: long term financial risk exposure of the County, the financial health and future of PG&E, the cost and availability of future power supplies, the energy rates and bills paid by customers, and the availability and benefits of customer energy programs.

MRW's general conclusions of this review are as follows:

1. MBCP has achieved a good financial position relative to other CCAs in California and has prudent policies in place to maintain this position. It has reached its financial reserve target, currently has no debt, and has energy risk management measures in place. It is well-positioned to maintain its Rate Stabilization Reserve at its target level of 50% of its operating revenues, which is a target higher than most CCAs.
2. MBCP is pursuing a credit rating, which is expected to be finalized in August 2020. Obtaining a credit rating will allow MBCP to access better credit terms and negotiate lower prices for energy, which would bolster its financial position even further.
3. MBCP is in a transition in rate setting policy. Initially, MBCP set its rates equal to that offered by Pacific Gas & Electric (PG&E) and provided periodic "rebates" to its customers. This allowed the CCA to effectively offer retroactive rate savings, but also ensured that it had sufficient funds for operations before giving money back to customers. Starting in 2020, MBCP is following the more conventional CCA rate setting practice of setting its rates such that each customer receives a modest and equal discount relative to what their rates would have been under PG&E service. In 2021, MBCP anticipates setting rates at its "cost-of-service." That is, looking at the costs it incurs to provide power to each rate class and set rates equal to that cost.
4. The current MBCP rate options allow for modest electric bill savings compared to PG&E service on analogous PG&E rates. Although MBCP anticipates that it will still be able to offer lower costs than PG&E across all rate classes once it shifts to cost-of-service based rates, some rate classes will receive higher discounts than others. Currently, it is impossible to know which classes will benefit the most from cost of service ratemaking until MBCP's studies are complete.

5. MBCP procurement strategy is to acquire lower cost renewables up to the point of meeting the state's renewable requirements while meeting the rest of its energy needs with carbon-free hydroelectric power through contracts with public water agencies in Oregon and Washington. It is in exploratory negotiations for a solar plus battery storage facility in unincorporated San Luis Obispo county and an offshore wind project off the coast of Morro Bay. Through its current and future power contracts and procurement strategy, MBCP is well-positioned to achieve resource adequacy targets, as well as long-term GHG- and renewable power targets mandated by California.
6. The energy programs offered by MBCP focus on GHG reduction and expanding transportation and building electrification. Compared to PG&E's programs, MBCP offers more incentives for transportation electrification, while PG&E offers more program options for customers interested in energy efficiency and solar. MBCP customers may still participate in most of PG&E's programs, allowing them to access a large variety of energy programs through both MBCP and PG&E. Likewise, MBCP customers can also participate in energy efficiency programs available from the Tri-County Regional Energy Network (3C-REN) and the Community Action Partnership of San Luis Obispo (CAPSLO).
7. MBCP governing bodies consist of a Policy Board of Directors and an Operations Board of Directors. The Policy Board manages strategic planning and goal settings, approves budgets, customer rates, and larger capital expenditures. The Operations Board focuses on oversight and the routine, day-to-day operations of the CCA. If the County of San Luis Obispo decides to join MBCP, the county will have seats on both the Policy and Operations boards, as well as MBCP's commitment to inclusivity for the County's residents and businesses.
8. MBCP operations will not be impacted by PG&E's bankruptcy and reorganization. Furthermore, the current PG&E reorganization plan includes explicit provisions to protect ratepayers from incurring any negative rate impacts.
9. MBCP's Joint Powers Agreement (JPA) insulates each JPA member's finances from that of MBCP. As such, joining MBCP would not place any financial liabilities or obligation on the County, nor would it impact the County's books, ability to borrow, or credit rating. The primary financial risk to the County would be if it joined the JPA but subsequently left it after the JPA had entered into power contracts to serve the County's load. In that circumstance, the JPA agreement allows the JPA to impose fees to compensate it for any excess costs caused by the County's departure.
10. The County's unincorporated areas can maintain current service with PG&E, and by doing so it would keep the generation portion of its residents and businesses rates under State regulatory oversight and control.

CCA Background

What is a CCA?

California Assembly Bill 117, passed in 2002, established Community Choice Aggregation in California, for the purpose of providing the opportunity for local governments or special jurisdictions to procure or provide electric power for their residents and businesses.

Under existing rules administered by the California Public Utilities Commission (CPUC), an investor-owned utility (IOU) must use its transmission and distribution system to deliver the electricity supplied by a CCA in a non-discriminatory manner. That is, it must provide these delivery services at the same price and at the same level of reliability to customers taking their power from a CCA as it does for its own full-service customers. By state law, an IOU also must provide all metering and billing services, its customers receiving a single electric bill each month from the IOU, which would differentiate the charges for generation services provided by the CCA as well as charges for IOU delivery services. Money collected by the IOU on behalf of the CCA is remitted in a timely fashion (e.g., within 3 business days).

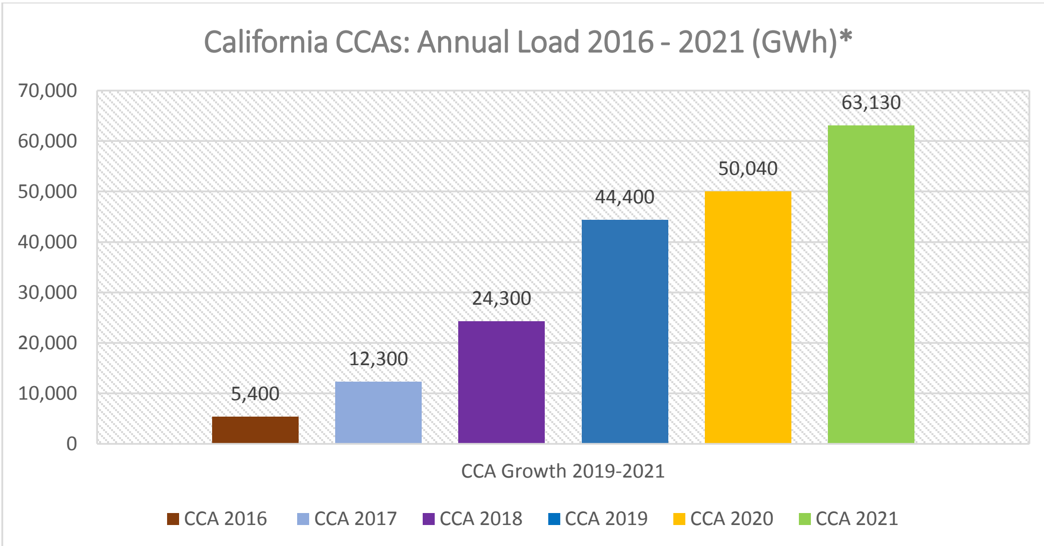
As a power provider, the CCA must abide by the rules and regulations placed on it by the state and its regulating agencies, such as maintaining demonstrably reliable supplies and fully cooperating with the State's power grid operator. However, the State has no rate-setting authority over the CCA; the CCA may set rates as it sees fit so as to best serve its constituent customers.

Per California law, when a CCA is formed, all of the electric customers within its boundaries will be placed, by default, onto CCA service. However, customers retain the right to return to PG&E service at will, subject to whatever administrative fees the CCA may choose to impose.

Status of CCAs in California

Even though the enabling legislation was enacted in 2002, the first CCA to provide power, Marin Clean Energy (MCE), didn't enroll customers until 2010. For the next five years, others investigated CCA formation, with a few early adopters stepping up in 2014 through 2016. As shown in Figure 1, once these early adopters showed that CCAs could work, the flood gates opened in 2017. As shown in the table below, by the end of 2021, CCAs are expected to serve over 63 GWhs, with some projecting that by the mid-2020s between 50 to 80 percent of the load in the three main IOU service territories will be served by non-utility entities (CCAs and Direct Access providers).

Figure 1. California CCA Load Growth[1]



*Figures for 2020/2021 are projections based on expected launches

Table 1 lists the active CCAs in California, including those which have announced intended launches in 2020 and 2021, along with their location and governance structure. As the table shows, most of the current CCAs are located in PG&E's service area, but the growth in 2020 will come from new CCAs in Southern California Edison's (SCE) territory. Currently there is only one small CCA in San Diego Gas & Electric's (SDG&E) territory, Solana Energy Alliance, but two large JPAs in the San Diego region are intending to begin service in 2021.

The table also shows that the majority of CCAs are organized as JPAs. There are also many smaller cities in SCE's area that use the "JPA Light" model, in which the CCA is technically a city enterprise that relies upon the California Choice Energy Authority (CCEA) to provide the technical operations. There are also two stand-alone city CCA enterprises, San Francisco and San Jose.

Table 1. CCAs in California

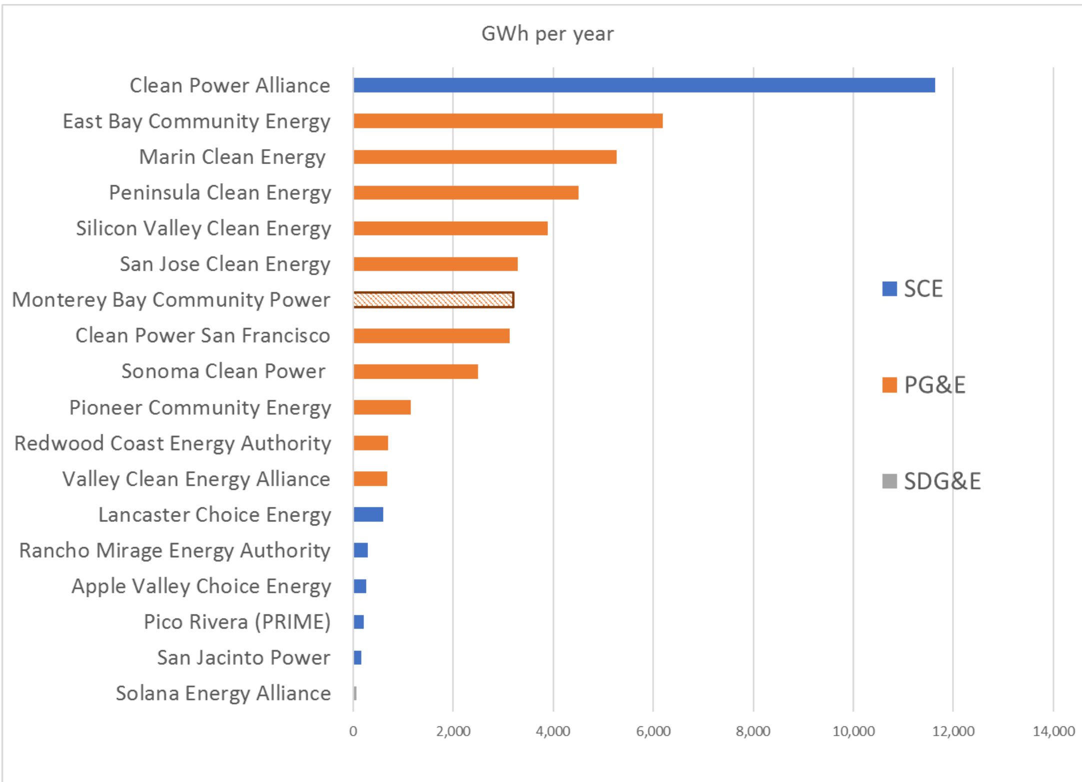
CCA	IOU	Type	Formed	Load, GWh[2]
CCAs delivering power in California				
Clean Power San Francisco	PG&E	City	May 2016	3,135
East Bay Community Energy	PG&E	JPA	Jan.2018	6,200
Marin Clean Energy	PG&E	JPA	May 2010	5,275

[1] Figure courtesy of CalCCA.
[2] 2019 Load (GWh) reported by CalCCA: https://cal-cca.org/cca-impact/

CCA	IOU	Type	Formed	Load, GWh[2]
Monterey Bay Community Power	**PG&E**	**JPA**	**March 2018**	**3,202**
Peninsula Clean Energy	PG&E	JPA	Oct. 2016	3,600
Pioneer Community Energy	PG&E	JPA	2018	NA
Redwood Coast Energy Authority	PG&E	JPA	May 2017	699
San Jose Clean Energy	PG&E	City	Sept. 2018	3,286
Silicon Valley Clean Energy	PG&E	JPA	April 2017	3,898
Sonoma Clean Power	PG&E	JPA	May 2014	2,502
Valley Clean Energy Alliance	PG&E	JPA	Dec. 2016	682
King City Community Power	PG&E	City	July 2018	35
Clean Power Alliance	SCE	JPA	Feb. 2018	10,295
Apple Valley Choice Energy	SCE	City; CCEA	April 2017	260
Lancaster Choice Energy	SCE	City; CCEA	May 2015	600
Pico Rivera Innovative Muni'l Energy	SCE	City; CCEA	Sept. 2017	220
Rancho Mirage Energy Authority	SCE	City; CCEA	May 2018	300
San Jacinto Power	SCE	City; CCEA	April 2018	170
Solana Energy Alliance	SDG&E	City	June 2018	37
Desert Community Energy	SCE	JPA	April 2020	1,668
Western Community Energy	SCE	JPA	2020	1,575
Planned Launch				
Baldwin Park	SCE	City; CCEA	2020	255
Pomona	SCE	City; CCEA	2020	655
Palmdale	SCE	City; CCEA	2020	655
Hanford	SCE	City; CCEA	TBD	285
Commerce	SCE	City; CCEA	2021	460
San Diego Regional CCA Authority	SDG&E	JPA	2021	6,800
Butte County	PG&E	JPA	2021	1,080
Expansions of Existing CCAs				
Westlake Village	SCE	JPA (CPA)	2020	
Santa Barbara (City)	SCE	City; CCEA	2021	
Del Rey Oaks	PG&E	JPA **(MBCP)**	2021	
Arroyo Grande	PG&E	JPA **(MBCP)**	2021	
Grover Beach	PG&E	JPA **(MBCP)**	2021	
Paso Robles	PG&E	JPA **(MBCP)**	2021	
Pismo Beach	PG&E	JPA **(MBCP)**	2021	
Carpinteria	SCE	JPA **(MBCP)**	2021	
Goleta	SCE	JPA **(MBCP)**	2021	

CCA	IOU	Type	Formed	Load, GWh[2]
Guadalupe	PG&E	JPA **(MBCP)**	2021	
Santa Maria	PG&E	JPA **(MBCP)**	2021	
County of Santa Barbara	PG&E, SCE	JPA **(MBCP)**	2021	
San Luis Obispo (City)	PG&E	JPA **(MBCP)**	2021	
Morro Bay	PG&E	JPA **(MBCP)**	2021	
Drafted ordinances for implementation as soon as 2022				
North San Diego County CCA	SDG&E	JPA	2022	2,750

Figure 2. California Active CCA Loads (GWhs) in 2019



CCA Evolution

Over the first years of operation, many California CCAs have been evolving from a simple commodity procurement entity—providing power, albeit greener, at a competitive rate. After a year or two (or more), many CCAs have expanded into providing targeted and specialized customer programs that while customized for their communities, are variations of services provided by their host IOU or are generally proven in the industry. Examples of this include offering rooftop solar programs and feed-in-tariffs for local renewable generation projects that connect "in front of" the customer meter or installing additional electric vehicle (EV) charging stations and encouraging EV purchasing and leasing.

The third phase in evolution observed with California CCAs is moving into innovative and less common power-related programs and services. These are programs that are not common in California or elsewhere and may be more in the "demonstration" part of the program/technology lifecycle. Many of these programs emphasize community economic development, local renewable generation, or grid resiliency. Examples of these programs include Sonoma Clean Power's efforts to electrify the areas that were destroyed in wildfires (i.e., work with PG&E to perhaps not provide gas service to these areas) or the microgrid programs being pursued by Redwood Coast Energy Authority.

Table 2, below, shows a range of the programs being pursued by some California CCAs. These non-commodity program offerings are becoming the focus of CCAs in the state. At the Business of Local Energy Symposium, a large CCA-oriented conference held in June 2019 in Irvine, California, the speakers, panels and presentations overwhelmingly focused on innovation that CCAs can do and are doing.[3] None addressed power procurement or cost competitiveness.

Table 2. Sample California CCA Program Offerings

Range of CCA Customer Programs

	CleanPowerSF	Lancaster Choice Energy	Peninsula Clean Energy	MCE	Sonoma Clean Power	Apple Valley	East Bay Community Energy	Silicon Valley Clean Energy	Pioneer	PRIME	RCEA	Solana Energy Alliance	MBCP	Clean Power Alliance	San Jose Community Energy
Budget Billing	In dev.				In dev.						In dev.				
Battery Storage Rate															
Customer Load Shifting															
Demand Response			In dev.	In dev.			In dev.								
EV Rate															2019
EV Bus Program															
EV Incentives		In dev.	In dev.										In dev.		2019-20
EV Load Shifting															
Energy Efficiency		In dev.								In dev.					
Low-Income & Multifamily EE															
Feed-In Tariff	In dev.										In dev.		In dev.		
Fuel Switching								In dev.					In dev.		2019-20
Low Income Solar Incentives			In dev.				2019								
Net Energy Metering							2019								2019
On Bill Repayment	In dev.				In dev.										
Community Outreach Grants															
Community Energy Grants			In dev.												
PACE Program															

CalCCA California Community Choice Association

[3] https://theclimatecenter.org/the-business-of-local-energy-symposium-2019-presentations/

Questions on Legislative and Regulatory Landscape

This section summarizes the current legislative and regulatory landscape in the California as it affects CCAs like MBCP. This section also details what types of legislation MBCP is focusing on and how pending legislation could affect the future operations of MBCP.

What legislation and regulation governs MBCP and its operations today?

California Assembly Bill 117, passed in 2002, established Community Choice Aggregation in California, for the purpose of providing the opportunity for local governments or special jurisdictions to procure or provide electric power for their residents and businesses. Under existing rules administered by the CPUC, an investor-owned utility such as Pacific Gas & Electric must use its transmission and distribution system to deliver the electricity supplied by a CCA in a non-discriminatory manner. That is, it must provide these delivery services at the same price and at the same level of reliability to customers taking their power from a CCA as it does for its own full-service customers.

The State has granted the CPUC limited but specific jurisdiction over CCAs. First, CCAs are subject to the same requirements with respect to purchasing minimum amounts of renewable energy, known as the Renewable Portfolio Standard (RPS). Currently, MBCP must purchase or generate 34% of their total annual power from qualifying renewable resources.[4] Second, each CCAs must contribute its fair share to ensure safe and reliable power grid operation, These "Resource Adequacy" (RA) requirements state that all "Load Serving Entities" (LSE)—utilities, CCAs, or any other entity that uses the California power grid—must have under contract or ownership sufficient generating resources available to ensure stable and reliable grid operation. Third, each CCA must submit every other year an "integrated resource plan" (IRP) to the CPUC for its approval. The IRP lays out the CCA's plan for procuring and maintaining generation resources that both meet the grid's reliability needs and contributes its pro rata share towards meeting the State's greenhouse gas (GHG) emission reduction goals.

Beyond the programs listed above, the state does not control the CCA procurement, nor can the CPUC regulate the CCA's rates or rate setting process. Unlike PG&E, MBCP and the other CCAs do not need CPUC approval to enter into power purchase contracts or build generation resources. These powers rest with the CCA's board.

What pending legislation and regulation may affect MBCP and its future operations?

MBCP is a participating member of the California Community Choice Association (CalCCA), which is a regulatory and legislative advocacy group that supports the development and viability of CCAs in California. MBCP is one of the 20 members of CalCCA and files jointly with the organization in state legislative proceedings.

[4] Qualifying renewable resources include geothermal electric, solar thermal electric, solar photovoltaics, wind, biomass, municipal solid waste, landfill gas, tidal, wave, hydroelectric (<30 MW), anaerobic digestion, and fuel cells using renewable fuels.

Currently, MBCP is concerned with legislative proceedings that affect the Power Charge Indifference Adjustment (PCIA), which is a fee ($/kWh) charged by IOUs to cover the generation costs incurred before a customer changed to a new service provider, such as a CCA. The fee fluctuates per year based on the difference between an IOU's actual generation cost and the current market value of its generation portfolio. The PCIA charge also varies per customer based on the date or "vintage" they enrolled with an alternative provider. Like all CCAs, MBCP is concerned with changes in the PCIA since significant increases in the PCIA can affect the rate competitiveness of CCAs with IOUs.

MBCP is also concerned with legislation that affects RA since all CCAs, like IOUs and Energy Service Providers (ESPs), have RA obligations. These obligations require LSEs to procure a specific amount of capacity so that this capacity is available to the California Independent System Operator (CAISO) in order to ensure electric service reliability. Drastic changes in RA requirements, particularly increases in obligation, would concern any LSE, especially since recently there was a decrease in available resource adequacy capacity in 2019.

Due to the rise in wildfire risks over the past several years, MBCP is also following legislation that addresses wildfire mitigation and public safety power shutoffs (PSPS). MBCP is focused on insulating their customers from potential wildfire risks and subsequent power shutoffs. It is a facilitator for member agencies to evaluate if wildfire risks should be included in the agencies' internal planning reviews and development. MBCP is also following any legislation that addresses wildfire risk mitigation and power strategy, such as microgrids. Microgrids could potentially prevent large numbers of customers from having their power shut off entirely during PSPS situations by allowing parts of the electric grid to be temporarily disconnected as self-powering load areas or "islands."

If adopted, how will pending legislation and regulation affect the future operations of MBCP and how is MBCP addressing and/or mitigating any pending legislation or regulatory changes?

Currently, CalCCA is supporting two bills in the state legislature. One bill, Assembly Bill (AB) 2689, is considered a transparency bill that allows for a broader range of experts to participate in IOU cost recovery proceedings and bolsters CPUC oversight over customer protection from unjust or unreasonable IOU rates. The other bill, AB 3014, seeks to create a central structure for residual resource adequacy with the goal of ensuring the reliability of the state's energy supply. More specifically, AB 3014 will allow for the purchasing of residual RA by a central authority to help achieve state requirements, conferring more procurement independence to CCAs and other LSEs. As a member of CalCCA, MBCP supports the passage of these bills. Like CalCCA, MBCP has a lobbyist in the state capital to help advocate for its position on any piece of legislation that affects the CCA.

Although MBCP is concerned with wildfire risk and PSPS, it has not encountered significant service disruptions in its service territory due to wildfires to date. The wildfire of 2019 saw only 20% of its customers experience power shut offs. In particular, MBCP's customers in the County of San Luis Obispo were not affected by power shutoffs as the County did not have any PSPS events. Despite the small number of shutoffs experience in its service territory in 2019, MBCP is focused on preparing for future shutoffs by coordinating with PG&E for back-up power. MBCP is committed to following any state legislative mandates regarding wildfire mitigation.

Regarding PG&E's bankruptcy, MBCP still has concerns over the company's health and its infrastructure coming out of bankruptcy. It is supportive of PG&E exiting the generation space eventually. However, MBCP has no plans to take over PG&E's transmission system in its service territory.

Questions on Finances and Rates

This section reviews the current financial health of MBCP and how this will be affected by its transition to a new business model. Additionally, this section discusses how MBCP approaches ratemaking and how its rates compare to PG&E's rates.

What is MBCP's current and forecasted operational budget, debt, reserves, and existing non-cancellable commitments?

Overall, MBCP achieved a good financial position quickly and has reasonable policies in place to maintain it. By the end of the fiscal year (June 2020), MBCP projects to have over $140 million set aside in a "Rate Stabilization Reserve." It is well positioned to maintain this reserve at its target level of 50% of its operating revenues. We note that while all CCAs aim to have a reserve, the 50% target is higher than most, let alone reaching that level after only two years of operation.

Table 3 shows the current and forecasted budgets, program balances, and rate stabilization reserve balances for MBCP for each fiscal year up through 2024/25. As the table shows, about 95% of the expenses are for energy, with 5% for other operating costs. Beyond operating expenses, MBCP has line items for "Rebates,"[5] contributions to the Rate Stabilization Reserve, and funds for discretionary programs.

MBCP expects that its finances will be stable over the next five years based on its positive pro forma forecast. MBCP's expenditures are expected to stabilize at a little over $340 million through to the fiscal year 2024/25, with expenditure levels strongly tied to changes in energy costs. Revenues are expected to increase to over $350 million over the next couple of years, while both the program balance and Rate Stabilization Reserve balance are projected to increase annual to approximately $33 million and $173 million, respectively, in the fiscal year 2024/25. Currently, MBCP has reached its financial reserve target, has no debt, and has energy risk management measures in place. Additionally, MBCP is pursuing a credit rating and has contracted a third-party firm to help with the process. The credit rating is expected to be finalized in August 2020.

[5] "Rebates" here mean amounts that are refunded directly to MBCP ratepayers as a dividend in lieu of explicit rate reductions. As discussed later, MBCP is moving towards more direct rate savings (i.e., lower rates) rather than charging higher rates and providing the Rebate. Thus, this line item appears only in the budgeted FY and not in the projections.

Table 3. MBCP Financial Plan for Fiscal Year 2019/20 through 2024/25[6]

($ in thousands)	Budget	Projected, Fiscal Year				
	FY2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
REVENUE						
Net Revenue - Electricity	273,944	322,584	386,601	354,728	357,920	361,501
Misc. Income	1,285	1,285	1,285	1,285	1,285	1,285
Total	275,229	323,869	387,886	356,013	359,205	362,786
CURRENT EXPENDITURES						
Cost of Energy	176,488	285,513	330,052	327,157	324,667	325,683
Other Costs[7]	13,558	16,123	17,075	17,088	17,569	18,125
Total Expenditures	190,046	301,636	347,127	344,245	342,236	343,808
OTHER USES						
Capital Outlay	4,092	2,451	2,390	82	4	4
Total Other Uses	4,092	2,451	2,390	82	4	4
DEBT SERVICE						
Principal and interest	0					
TOTAL EXPENSES	194,138	304,087	349,517	344,327	342,240	343,812
Fund balance surplus BEFORE Rebate, Program, and Reserve	81,091	19,782	38,369	11,686	16,965	18,974
Rebate Expenditures	19,176	0	0	0	0	0
Transfer to Rate Stabilization Reserve	50,958	6,799	22,816	(2,592)	(1,401)	789
Transfer to Program Funds	10,958	12,983	15,552	14,277	18,007	18,186
Fund balance surplus AFTER Rebate, Program, and Reserve	0	0	0	0	0	0

Table 4 shows Rate Stabilization Reserve balances for MBCP for each fiscal year up through 2024/25. The table shows MBCP's intent to maintain the Rate Stabilization Reserve at 50% of expenses, while also increasing the budgets for discretionary programs. We note that in the event that MBCP cannot meet its rate targets relative to PG&E, it could either draw upon the Rate Stabilization Reserve—which is its purpose—or reduce spending on discretionary programs. In either case, there appears to be sufficient finds to address any rate shortfalls.

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[6] Monterey Bay Community Power: Proposed Operating Budget Fiscal Year 2019-20, p. 6.
[7] The "Other Costs" category includes costs for data manager, PG&E service fees, staffing, professional services, legal services, marketing and customer enrollment, and general and administration.

Table 4. MBCP Program Balance and Rate Stabilization Reserve Balance for Fiscal Year 2019/20 through 2024/25[8]

($ in thousands)	Budget	Projected, Fiscal Year				
	FY2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
PROGRAM BALANCE						
Carryover balance	5,955	12,637	19,120	26,273	29,630	33,357
Net Increase	10,958	12,983	15,552	14,277	18,007	18,186
Propose to spend	(4,276)	(6,500)	(8,400)	(10,920)	(14,280)	(18,782)
Ending balance	12,637	19,120	26,272	29,630	33,357	32,761
RATE STABILIZATION RESERVE BALANCE						
Carryover balance	95,276	146,234	153,032	175,849	173,257	172,215
Net Increase	50,958	6,799	22,816	(2,592)	(1,041)	789
Ending balance	146,234	153,033	175,848	173,257	172,216	173,004
% of operating expenses	75%	50%	50%	50%	50%	50%

MBCP's current revenues and expenditures compare favorably to other CCAs. Table 5 below provides a $/kWh served comparison of budget items for several prominent CCAs with MBCP for the fiscal year 2019/20.

Table 5. Fiscal Year 2019/20 Budget Comparison of CCAs[9]

(in $/kWh)	MBCP	Marin Clean Energy	East Bay Community Energy	Peninsula Clean Energy	Silicon Valley Clean Energy
Cost of Energy	$0.056	$0.064	$0.064	$0.060	$0.062
Power Supply Services	$0.001	$0.002	$0.002	$0.001	$0.001
Other Expenditures	$0.003	$0.004	$0.002	$0.003	$0.003
Capital Outlay	$0.001	$0.005		$0.0003	$0.0001
Rebate	$0.006				
Programs	$0.003	$0.000	$0.001	$0.001	$0.002
Reserve	$0.016	$0.003	$0.009	$0.009	$0.013

Additionally, MBCP's programs and reserves are the highest $/kWh value out of all the CCAs. Based on this comparison. MBCP is competitive regarding its energy services, energy programs, and reserves compared to other CCAs.

[8] Monterey Bay Community Power: Proposed Operating Budget Fiscal Year 2019-20, p. 6.
[9] Monterey Bay Community Power: Proposed Operating Budget Fiscal Year 2019-20, p. 17.

What is MBCP's approach to rate setting?

From its formation through December 31, 2019, MBCP set its standard rate ("MB Choice") equal to PG&E's rate and offered periodic "rebates" to its customers, as its finances allowed. These typically amounted to 3 to 5 percent of operating expenditures. [10] This approach was unique, and was implemented so as to be fiscally conservative, effectively waiting to offer rate savings only after the CCA knows that it has the excess funds to do so without harming its finances. This approach allowed it to quickly build up its Rate Stabilization Reserve.

Starting in January 2020, MBCP began setting its MB Choice rate such that each rate plus the PCIA would be a fixed percent less than PG&E's generation rate. This is the most common rate setting practice among CCAs, although MBCP's discount is higher than most.

Starting in 2021, MBCP intends to unlink from PG&E's rates and go to "cost of service" (COS) rates. In cost of service rates, MBCP will calculate the actual cost to serve each rate class and charge rates that reflect that cost, regardless of what PG&E's analogous rate is. Based on PG&E's current rates, it is likely that MBCP will be able to offer COS rates lower than those of PG&E.

MBCP's current rate offerings include MB Choice and MB Prime, which contain the following power mixes:[11]

- MB Choice: 66% Hydroelectric, 12% Geothermal, 11% Solar, 11% Wind, <1% Biomass and Biowaste.
- MB Prime: 50% Wind, 50% Solar

MB Choice is MBCP's standard electricity offering and is the primary default for all customers. MB Prime is a 100% renewable option also available to customers at an added cost of $.008/kilowatt hour. This additional amount is set to reflect the additional costs that MBCP incurs serving the MB Prime customers. Around half a percent of total MBCP customers are enrolled in MB Prime. These particular customers include several hallmark businesses such as the Monterey Bay Aquarium.

Regarding agricultural customers, MBCP has 14% of its total demand coming from this customer class. It has maintained strong relationships with its key accounts, particularly agricultural customers. MBCP has been evaluating agricultural electrification programs to bring additional benefits to these customers. To date, MBCP has reached out to several key agricultural stakeholders in the County of San Luis Obispo such as the county farm bureau and wine growers. Once these relationships with key accounts are established, MBCP can provide beneficial services to these accounts such as cost comparisons and other analyses.

[10] Monterey Bay Community Power: Proposed Operating Budget Fiscal Year 2019-20, p. 5.
[11] https://www.mbcommunitypower.org/wp-content/uploads/2019/09/MBCP-2018-PCL_MBchoice-and-MBprime.pdf

What is MBCP's current opt-out rate for the service territory?

Overall, the participation rate of customers within MBCP service territory is aligned with those of other existing CCAs. Although this participation rate may change as MBCP expands into new regions, it is committed to anticipating these opt-out risks for each of the communities they may potentially incorporate into their service territory.

Currently, MBCP has seen about an 6% opt-out rate among customers. More specifically, MBCP has retained 97% of demand in the cities of San Luis Obispo and Morro Bay. MBCP does not have an opt-out fee for those who opt-out before or within the first 60 days of service. After this period, MBCP charges a one-time administrative fee of $5 for residential accounts or $25 for commercial accounts.[12]

A possible important risk to MBCP (and all CCAs) is the expansion of Direct Access (DA) eligibility.[13] The State currently limits the amount of load that may take this DA service. Currently, about 15% of the load in PG&E's territory is served through Direct Access, with an additional 3% likely to occur in late 2020 due to the limited expansion of the DA program provided for in Senate Bill 237. In addition to modestly expanding the availability of DA service, SB 237 also directed the CPUC to report to the Legislature by June 1 of 2020 on how to open DA completely for all non-residential customers. The CPUC's report on how to fully open DA service is still pending, but the legislation's direction is more <u>how</u> to fully open DA service, not <u>if</u> it should. A fully opened DA market would allow any commercial or industrial customer served by MBCP to switch its provider to a third-party, potentially reducing MBCP's revenue and creating a mismatch between its wholesale power portfolio and the CCA's load.

MBCP management is following this issue closely, and reports that it will take appropriate steps, such as altering its procurement mix and strategies, when the Legislature and CPUC act.

How will MBCP's consideration of a new business model affect customers in terms of rates, rebates, and energy programs and the organization's operations in terms of operations, debt, and reserves as compared to their current business model.

Based on MBCP's strategic outlook and its current financial position, it is unlikely that MBCP or its customers will face adverse impacts from the planned transition to a new rate design. The CCA is well-positioned to adapt to potential repercussions from this transition in order to protect its customers.

MBCP is confident that its new rate design will not have a detrimental effect on its operations, debt, or reserves. It will continue to set reserves at 50% of their operating expenses and use the reserves to adjust its rates. The reserve margin may change between a minimum and maximum of 25% to 75% of operating expenses. MBCP expect that its rates will remain competitive with PG&E's rates well after the transition to a COS model since PG&E rates are forecasted to grow

[12] https://www.mbcommunitypower.org/

[13] Direct Access (DA) service is retail electric service where non-residential customers purchase electricity from a competitive provider called an Electric Service Provider (ESP), instead of from a regulated electric utility or CCE provider.

over time. Additionally, MBCP doubts that its cost of service including the PCIA for any specific rate class would be above that of PG&E, but it will adjust rates if this unlikely scenario occurs.

Presently, MBCP's consultant for the cost of service model implementation, EES Consulting, is finalizing the cost allocation process, taking the total revenue requirement and allocating it to each customer class and time-of-use (TOU) class to design rates. This process is expected to be completed by April 2020 and rolled out in 2021 as previously mentioned. MBCP's goal is to have rates help accelerate electrification in the future so it is incorporating this approach into its rate structure. MBCP is set to introduce several different energy program offerings in the next couple of years as it transitions to the cost of service model.

What are the opportunity costs to county residents and businesses of this potential new model?

MBCP's intended move to cost of service rates has a few practical implications for the CCA and its customers, including those in San Luis Obispo County. Fundamentally, the rates MBCP changes will be independent of the analogous generation rate that PG&E would charge for the same energy. This means that the percent savings for each rate class will not be the same. For some classes, the average cost of service might be 7% less than PG&E's rate, while for others the average cost of service might be 2% less than PG&E's rate. While this may appear odd or unfair, it would actually be more equitable, as each customer would only be paying for the power costs incurred on their behalf.

In theory, MBCP's cost of service model could result in a rate for a particular customer class that would be higher than that offered by PG&E. This is, in fact, the case for the Clean Power Alliance (CPA), a large CCA serving Los Angeles and Ventura Counties. CPA chose to set their rate for the largest industrial customers on a cost of service basis, which in 2019 and 2020 happened to be higher than the rate offered by SCE.[14] This had the practical effect of causing many of the large industrial customers to opt-out of CPA service and remain with SCE for their power. In making this decision, the CPA Board and its management weighted the benefits and costs of forcing small customers to effectively subsidize the large industrial customers so as to offer them competitive rates versus allowing the CPA industrial rates to float above SCE and cause significant opt-outs.

Until MBCP completes its cost of service study, one cannot say what the new relationships between the cost of service rates and PG&E rates will be. MBCP is confident that there will be no classes that have cost of service rates higher than PG&E. Based on the MBCP's financial projections, PG&E's likely rates, and wholesale power market conditions, MBCP's confidence is not misplaced. I.e., MRW does not believe MBCP will find itself in a position where a cost of service rate is higher than that offered by PG&E.

[14] After the PCIA is accounted for.

Questions on Power Procurement and Service

This section describes MBCP's approach to power procurement and its current and forecasted power portfolio.

What is MBCP's current and forecasted power portfolio?

Figure 4 featured below is the most recent Power Content Label from MBCP. It reflects MBCP's procurement philosophy: for its default product, MB Choice, it meets the minimum requirement from qualifying or "eligible" renewables[15] and fills in the remaining using carbon-free[16] resources that are not qualifying renewables, namely large hydroelectric power. As time progresses, MBCP will increase its renewable power content, such that by 2030, 60 percent of its power will come from eligible renewables. Its optional 100% green product, MB Prime provides all power from eligible renewable sources.

Figure 3. MBCP 2018 Power Content Label

2018 POWER CONTENT LABEL

Monterey Bay Community Power

https://www.mbcommunitypower.org/understanding-clean-energy/

ENERGY RESOURCES	MBchoice	MBprime	2018 CA Power Mix**
Eligible Renewable	**34%**	**100%**	**31%**
Biomass & Biowaste	<1%	0%	2%
Geothermal	12%	0%	5%
Eligible Hydroelectric		0%	2%
Solar	11%	50%	11%
Wind	11%	50%	11%
Coal	**0%**	**0%**	**3%**
Large Hydroelectric	**66%**	**0%**	**11%**
Natural Gas	**0%**	**0%**	**35%**
Nuclear	**0%**	**0%**	**9%**
Other	**0%**	**0%**	**<1%**
Unspecified sources of power*	**0%**	**0%**	**11%**
TOTAL	**100%**	**100%**	**100%**

* "Unspecified sources of power" means electricity from transactions that are not traceable to specific generation sources.

** Percentages are estimated annually by the California Energy Commission based on the electricity generated in California and net imports as reported to the Quarterly Fuel and Energy Report database and the Power Source Disclosure program.

[15] See Footnote 4 for a list of qualifying renewable technologies.

[16] In this report, "Carbon-free" generation means power that comes from sources that do not emit CO_2 but are not a qualifying renewable technology. Carbon-free resources are large hydroelectric and nuclear generators.

Currently, MBCP has renewable power procurement contracts with two combined solar plus battery storage facilities, one wind farm, and one geothermal power plant. They are currently negotiating five additional power contracts: one contract for geothermal power and another for solar plus storage will be submitted to MBCP's board shortly. The remaining three contracts under negotiation are all solar plus battery facilities. One of the projects MBCP is currently exploring is located in the county of San Luis Obispo. This project is a solar plus storage facility and MBCP currently has a memorandum of understanding (MOU) with the developer, Photosol, of this potential project. Additionally, MBCP has an MOU with the developer Castle Wind for a potential utility-scale off-shore wind project off the coast of Morro Bay. This project is currently waiting for the launch of a lease auction by the US Department of Defense and the Bureau of Ocean Energy Management. All of the renewable projects MBCP has contracts with are based in California except for the wind project, which is located in New Mexico. MBCP's hydroelectric power is derived from water districts located in Oregon and Washington. The majority of MBCP's long-term contracts will be sourced from California.

The projected cost of energy for MBCP over the next five years is detailed in Table 6 below.[17] The proposed cost of energy for the 2019/20 proposed budget is approximately $176 million. This cost is projected to increase in the next few years, peaking at a little over $237 million in 2023/24. The average cost of energy across the 5-year projection is an estimated $280 million.

Table 6. MBCP 5-Year Projected Cost of Energy, $thousands

	Budget	Projected, Fiscal Year					
	2019/20	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**Average**
Cost of Energy	$176,488	$285,513	$330,052	$237,157	$324,667	$325,683	$279,927

What is MBCP's strategy for power procurement?

MBCP places a high priority on acquiring lower cost renewables up to the point of meeting the state's renewable requirements while meeting the rest of its energy needs with carbon-free conventional power. This contrasts with other CCAs, which invest more in greater amounts of renewables, in more costly projects that are located within the CCA's footprint, and in local small-scale distributed energy projects (e.g., standardized contracts for small solar producers). As noted above, this does not mean that MBCP does not invest in Central Coast renewable projects, nor does it reject solar roofs; only that it makes fiscally conservative power purchasing within the greater framework of low carbon emissions a priority.

[17] Monterey Bay Community Power: Proposed Operating Budget Fiscal Year 2019-20, p. 6.

What are the risks and benefits to MBCP and its customers of a changing energy market in terms of future supply, pricing, etc.?

Power procurement has inherent risks: market price volatility, product availability/shortages, contract counterparty credit and performance, technology change and obsolescence, and natural or man-made disasters to name a few. Commodity risk management within a competitive market is a complex practice. Supplying power to any aggregation of customers requires a diverse portfolio of energy products of various types and term lengths to be contracted for and actively managed as market conditions change over time. A "diversified portfolio" of energy products includes not just physical electricity products (energy, capacity, renewable certificates, emission reduction credits, ancillary services), but also physical fuel products (primarily natural gas, transportation and storage) as well as financial or insurance products (transmission congestion revenue rights, call/put options, etc.). To mitigate these risks, the CCA must establish a sound risk management program that forms the structure for measuring, monitoring, and managing risk.

In September 2018, MBCP created an Energy Risk Management Policy document that establishes MBCP's Energy Risk Management Program ("Program") including risk management functions and procedures to manage the risks associated with power procurement activities. MRW reviewed this document and found it to be thorough and an appropriate guide to MBCP in its procurement practices.

If MBCP implements its Energy Risk Management Policy, its customers should be protected from the negative financial impacts of changing energy markets. If MBCP fails in managing its procurement risks, then the MBCP power customer always retains the option of returning to PG&E bundled service.

How do MBCP's current and forecasted rates compare to PG&E's and how much money will residents and businesses save by being MBCP customers?

The Table 7 and Table 8 below compare the MBCP's rate options to the rates of those who choose to opt-out and stay with the incumbent utility, PG&E. Overall, those customers taking service under MBCP's default option, MB Choice, will pay less for service on average than customers who remain under PG&E. For residential customers, MBCP's MB Choice customers can expect to save an average of $3.15 a month compared to PG&E customers, while MB Prime customers will pay an average of $0.85 a month more compared to utility customers. MBCP's small commercial customers under MB Choice will save an average of $5.40 a month while MB Prime customers will pay an average of $2.60 a month more compared to PG&E customers.

Table 7. Residential Average Bill Cost Comparison

	MB Choice	MB Prime	PG&E
Energy Mix	66% Carbon Free 34% Renewable	100% Renewable	47% Carbon Free 39% Renewable
PG&E Deliver Fee	$74.49	$74.49	$74.49
Electric Generation	$41.85	$45.85	$58.89
PG&E Added Fees	$13.89	$13.89	$0.00
Average Total Monthly Cost	$130.23	$134.23	$133.38

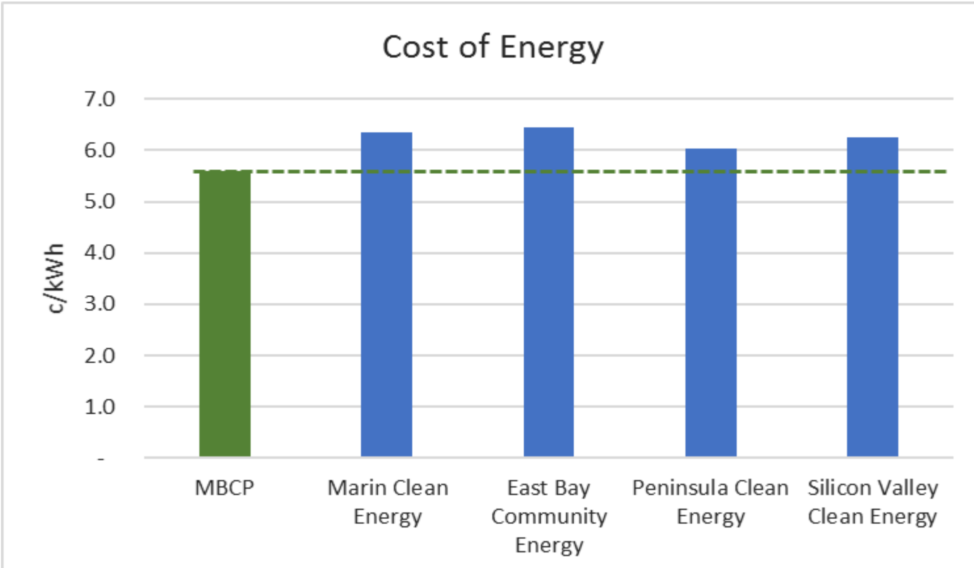
Table 8. Small Commercial Average Bill Cost Comparison

	MB Choice	MB Prime	PG&E
Energy Mix	66% Carbon Free 34% Renewable	100% Renewable	47% Carbon Free 39% Renewable
PG&E Deliver Fee	$120.88	$120.88	$120.88
Electric Generation	$71.78	$79.78	104.83
PG&E Added Fees	$27.65	$27.65	$0.00
Average Total Monthly Cost	$220.31	$228.31	$225.71

When it shifts to the cost of service rate setting, MBCP anticipates that it will still be able to offer rates lower than PG&E's across all rate classes. However, because its ratemaking will no longer be tied directly to PG&E's, some rate classes will receive higher discounts than others. MBCP cannot know which classes will benefit the most from cost of service ratemaking until its studies are complete.

In addition, MBCP has the lowest average cost power among the large CCAs in PG&E's territory. See Figure 3 for a comparison of the average cost of power between MBCP and other CCA's located in PG&E's service territory for the 2019/20 fiscal year.

Figure 4. CCA Cost of Energy for 2019/20 Fiscal Year



How has MBCP planned for or contracted for sufficient renewable power during the afternoon ramp period when solar power declines and wind power may not be available?

MBCP, like all the CCAs and utilities in the state, contribute to grid reliability by collectively ensuring that there is enough resource to meet the afternoon ramps period caused by declining solar output plus increased residential load. Meeting this reliability criterion is independent of the type of resource used to do it. Thus, MBCP does not explicitly plan to meet the declining output of its solar resources with wind power or any other specific resource. Instead, the grid managers choose which resources are available to meet the needs at the lowest costs. This reliability function is independent of the CCA's requirements (or goals) to have a certain amount of renewable content in its power portfolio.

How a CCA can rely on large amounts of renewable power in its portfolio is not transparent. When a CCA is sourced fully by renewable power, it does not mean that for each hour of the day, 100% of the power provided by the CCA will be renewable. There will be hours of the day where the CCA's solar resources will be generating more electricity than the CCA's customers are consuming. This power is sold into the CAISO's wholesale market. There will also be hours of the day when the CCA's load is greater than their renewable resources' output, at which point they purchase power from the CAISO wholesale market. Currently, to be 100% renewable, the CCA's renewable resources generate as much power as the CCA's customers consume, albeit not necessarily at the same time. This is analogous to the "net-zero" energy home, where, over the course of a year, the solar panels on the house generate in total as much (or more) power than the house uses, but with some hours having the solar panels inject power into the grid while in others the house takes power from the grid.

In the longer run, in the late 2020s and beyond, the "balancing" function of the non-renewable generators in the wholesale market will likely be met in part with energy storage systems, such as pumped hydroelectric or batteries. At the point when fossil resources are not needed, one can say that the CCA—and the California Grid—is 100% renewable/carbon free.

How will MBCP's strategy for projected power procurement affect or contribute to the County's General Plan adopted greenhouse gas reduction goals?

MBCP's strategy is complementary to the County's General Plan for GHG reduction.[18] As noted, MBCP's procurement philosophy is to meet the state's renewable power content mandate and then fulfill the remaining power needs to the greatest extent possible using GHG-free hydroelectric power. This will provide the County with 100% GHG-free power, with an ever-increasing fraction coming from qualifying renewable sources.

How will MBCP address the reliability issues which are part of the draft CPUC Rulemaking 16-02-007?

CPUC Rulemaking 16-02-007 addresses utility, CCA, and ESP long-term planning, known as "integrated resource planning" or "IRP." In general, it is in place to ensure that all LSEs in the state are taking appropriate steps to ensure that the State's long-term GHG- and renewable power targets are met. MBCP complied with IRP requirements in 2018 and is working to do so again in 2020. In November 2019, the CPUC issued an order to all LSEs to acquire additional power resources in the 2021-2023 timeframe (CPUC Decision (D.)19-11-007). While not part of the normal IRP planning cycle, the CPUC believed that an additional 3,300 MW was needed by 2023 so as to maintain reliability, and thus ordered this extraordinary out-of-cycle procurement. Each LSE in the state must either demonstrate that they have self-procured their pro-rata share of this 3,300 MW or have their host IOU—PG&E in the case of MBCP—procure the megawatts on their behalf and charge the CCA for them.

MBCP has elected to self-procure all the capacity required by D.19-11-016 through three existing contracts that resulted from Request for Offers (RFO) issued in 2017 and 2019, both prior to the issuance of D.19-11-016. Both RFOs were issued in partnership with Silicon Valley Clean Energy (SVCE).[19]

How and to what extend has MBCP analyzed the future load when electric vehicles replace internal combustion engine vehicles and substantial charging will occur overnight?

The impact of EV charging on MBCP load profiles, and how the procurement would change, has not yet been investigated.

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[18] The *Conservation and Open Space Element of the County of San Luis Obispo General Plan* features an air quality goal of reducing GHG emissions from County operations and communitywide sources from the baseline year of 2006 by a minimum of 15% by 2020.
[19] MBCP February 15, 2020 filing,

How has MBCP analyzed the production offshore wind and whether it is a good fit for its projected load needs?

MBCP has not explicitly studied offshore wind but is in exploratory negotiations with an offshore wind developer, Castle Wind, for a potential utility-scale project off the coast of Morro Bay. It is too early to state to what extent offshore wind is a good fit, or not, for MBCP.

How has MBCP planned for or contracted for sufficient battery storage to meet needs when neither solar nor wind are available?

First, please see the discussion above (page 19) on how CCAs and others practically meet both renewable power requirement and maintain grid reliability. With respect to energy storage, MBCP has contracts with several solar facilities that have integrated storage technologies into their systems. However, these storage contracts will only meet a small part of MBCP's non-renewable needs. Fully meeting its needs using nothing but wind, solar and storage is currently technologically and financially infeasible. As storage technologies mature, we would expect MBCP and others to investigate how best to continue phasing out fossil-fueled power.

Questions on Energy Programs

This section outlines the various energy programs MBCP offers its customers and how these programs compare to those offered by PG&E.

What is MBCP's current and forecasted customer energy program portfolio?

MBCP contracted a third-party consultant to create a 5-Year Electrification Programs Roadmap that analyzed various metrics for its service area to help inform the types of programs MBCP plan to offer. This study focused on analyzing the number of vehicles by class, per capita expenditures on gasoline and diesel, and housing stock. Based on the findings of this analysis, MBCP will initiate several programs over the next couple of years, with four main program types being implemented in the 2019-2020 fiscal year. These program types include distributed energy resources programs, transportation electrification programs, built environment incentive programs, and agricultural electrification incentives. The programs that are currently live are the Monterey Bay Electric Vehicle Incentive Program, the Project Sunshine at Night program, and the Central Cost EV Infrastructure Project. MBCP has stated that its general objective is to focus on transportation electrification, building electrification expansion, and reducing GHG emissions through its programs. MBCP is supportive of solar expansion but it is not primarily focusing on incentivizing solar installation.

Distributed Energy Resources Programs

MBCP has two major programs to promote distributed energy resources: The Smart Connect Microgrid initiatives and the Load Management Program. The Smart Connect Microgrid initiatives help develop microgrid projects in the MBCP service region to reduce GHG emissions, promote economic development, increase grid reliability, and bolster community emergency preparedness. The Load Management Program provides advisory services to large customers for demand optimization. MBCP is also starting a program for energy resiliency and back-up power. This program relies upon a $25 million revolving fund to provide customers in good standing with low cost financing for back-up power.

Rooftop Solar

Similar to PG&E, MBCP offers a compensation rate program for those potential customers with solar PV systems who produce electricity surpassing what they consume within a 12-month period. The net surplus compensation rate (NSCR) MBCP offers is currently $0.06620 per kWh of surplus generation produced while PG&E's current NSCR is $0.02495 per kWh, making MBCP's NSC rate nearly three times higher than PG&E's rate. MBCP is hoping to set up a monthly true-up under their new COS mode to transition away from an annual true-up.

Transportation Electrification Programs

MBCP has several current and planned programs to support transportation electrification. The Passenger EV and Home Charger Incentive program provides support for residential home charging and panel upgrades. The Central Coast EV Infrastructure Project provides incentives to install charging stations via a $6 million grant given by the state of California. MBCP has allocated an additional $1 million towards this project. The Medium-Heavy Duty Transportation program provides enhanced transportation electrification for transit agencies, school districts, and other commercial enterprises.

Built Environment Incentive Programs

There are several programs MBCP is supporting that promote electrification, battery storage, and energy efficiency in customer homes. Among these programs includes the Building Electrification Incentives program, which encourages all-electric homes. The Project Sunshine at Night programs helps low income customers with bill payment issues and assist in battery storage implementation. The Building Electrification Reach Code Initiative supports the installation of essential electrical infrastructure and systems during new construction to achieve GHG mitigation and prevent costly retrofits.

Agricultural Electrification Incentives

MBCP will help subsidize existing programs that encourage well water pump testing, high-efficiency equipment adoption, infrastructure electrification and energy audits for agricultural customers. Additionally, initiatives to electrify various agricultural vehicles and implements will be created.[20]

Please see Appendix 2 for an expanded explanation of the energy programs offered by MBCP.

How much of MBCP's current and forecasted budget is dedicated to customer energy programs?

MBCP's 5-year projected budget shows that a significant portion of its annual fund balance (revenue minus total expenses) will be transferred to its fund for energy programs. Table 9 shows the percentage of the fund balance that will be transferred to the Energy Programs fund annually.

Table 9. MBCP Energy Program Fund Transfers

	Budget	Projected, Fiscal Year				
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Pct. of Fund Balance transferred to Energy Programs	14%	66%	41%	122%[21]	106%	96%

The estimated total program year costs of the various programs slated for FY 2019/20 are featured in Table 10 below.[22]

[20] MBCP 5-Year Electrification Programs Roadmap – September 2019, p. 1.
[21] Percentages over 100% signify that MBCP will remove funds from its Rate Stabilization Reserve to supplement funds for energy programs
[22] Executive Summary of MBCP 5-Year Electrification Programs Roadmap – September 2019

Table 10. MBCP Energy Program Costs, FY 2019/20

Program	Total Program Year Cost
Smart Connect Microgrid Program	$255,000
Passenger Vehicle EV Incentive Program	$192,000
Central Coast Electric Vehicle Infrastructure Project	$1,085,000
Medium-Heavy Duty Transportation Enhancement Programs	$1,114,000
Building Electrification Reach Code Initiative	$85,000
Housing Developer Electrification Grants Program	$1,235,000
Agricultural Program Enhancements	$120,000

What are the benefits of current and future energy programs to MBCP customers?

The goal of many of MBCP's programs is to replace fossil fuel use with electrical and renewable energy alternatives in order to reduce GHG emissions. Table 11 shows that MBCP electrification programs offer significant potential reductions in fossil fuel use, which are offset by increases in solar generation and electricity. Although there will be an associated increase in electricity usage by customers as a result of these programs, the increased electric load will be served using the carbon-free and renewable power provided by MBCP and thus reduce GHG emissions.

Table 11. MBCP Energy Program Impacts[23] (Cumulative over 5 years)

	Fuel Use Reduction (Gallons)	Natural Gas Use Reduction (Therms)	Propane Use Reduction (Therms)	Electricity Use Increase (kWh)	Solar Generation Increase (kWh)	Net GHG Reduction (MTCO2)
Distributed Energy Resource Programs	29,670	39,300		940,451	11,467,226	1,465
Transportation Electrification Programs	2,002,153			5,105,189		6,315
Built Environment Electrification Programs	163,116	8,228,008	1,742,235	72,409,765		61,846
Agricultural Electrification Program	494,459			6,962,102		5,533
Customer Engagement/Marketplace	81,558	603,800	91,697	5,567,937		4,971
Portfolio (total)	**2,770,956**	**8,871,107**	**1,833,931**	**90,985,444**	**11,467,226**	**80,131**

[23] Table 0-7, Executive Summary of MBCP 5-Year Electrification Programs Roadmap – September 2019

Transportation electrification programs will lead to a fuel use reduction of over 2 million gallons due to increased support of electric vehicles. The programs for build environment electrification will result in a decrease of over 8.2 million Therms of natural gas and over 1.7 million Therms of propane used by buildings. While built environment electrification programs will generate an increase in electricity use of approximately 72 million kWh, they will reduce GHG emissions by over 61,000 Metric Tons of Carbon Dioxide (MTCO2). Finally, distributed energy resource programs will help create an estimated 11 million kWh of solar generation.

How are MBCP's energy programs different than PG&E energy programs?

As mentioned above, MBCP programs are primarily focused on expanding transportation and building electrification, as well as GHG reduction. Based on the programs currently offered by PG&E, MBCP appears to offer much more incentives for transportation electrification compared to PG&E, while PG&E offers more program options for customers interested in efficiency and solar. Note, however, that MBCP customers may still participate in most of PG&E's programs, particularly those aimed at improving energy efficiency. Please see Appendix 3 for a list of current PG&E programs featured on their company website by customer class.

Governance Questions

What is MBCP's current governance structure?

MBCP governing bodies consist of a Policy Board of Directors and an Operations Board of Directors. Both boards consist of directors that represent any of the three counties of Monterey, Santa Cruz, or San Benito. A director may be removed by the governing board at any time. If a vacancy on the board exists, a replacement will be appointed within 90 days of the vacancy date.

Policy Board Directors must be either elected members of the Board of Supervisors or elected members of the city or town council of the municipality that is the signatory of the agreement. Operation Board Directors must be either the senior executive/County Administrative Officer of any signatory county or a senior executive/City Manager from any signatory municipality.

Policy and Operations Board seats are allocated on a one jurisdiction, one seat basis until the number of member jurisdictions exceed eleven. After the eleven-member threshold is passed, the seats will be based on the population size of the jurisdiction, with one seat for each jurisdiction with populations of 50,000 or above and shared seats for jurisdictions with populations below 50,000 allocated on a sub-regional basis. Given that unincorporated San Luis Obispo County's population exceeds 50,000, the Country would have its own seat on each board.

The **Policy Board** provides guidance/approval for strategic planning and goal settings, passage of Authority budget and customer rates, and larger capital expenditures outside the typical power procurement required for the provision of electrical service. This could include: issuance of bonds, major capital expenditures; the appointment or removal of officers; the adoption of the Annual Budget; setting of rates; the selection of major positions such as General Counsel, Treasurer, and Auditor; or any other major policy-oriented decisions.

The **Operations Board** provides oversight and support to the Chief Executive Officer (CEO) regarding the provision of electrical service in the region, and focusing on the routine, day-to-day operations of the Authority.

The Boards can create any advisory committees to assist with the CCA program or any other programs. The policies, rules, and regulations, and compensation for the committees or any other advisory bodies are dictated by the Boards.

Actions of the Boards require the affirmative vote of a majority of Directors present at the meeting. Special Voting requirements for particular matters including involuntary termination of a party or amendment to the JPA require the affirmative vote of a least two-thirds of Directors present. A vote of at least 75% of all Directors present is required for eminent domain on behalf of the Authority.

The Policy board holds up to three regular meetings per year with the option for additional meetings determined by the CEO or the Chair of the Policy Board after consultation with the CEO. The Operations Board will hold at least eight meetings per year, with the option for additional meetings.

Selection of Board officers

- Policy Board Chair and Vice Chair: The Policy Board selects from among themselves a Chair and a Vice Chair for a term of one year with no limit on the number of terms held.
- Operations Board Chair and Vice Chair: The Operations Board selects from among themselves a Chair and a Vice Chair for a term of one year with no limit on the number of terms held.
- Each Board will appoint a Secretary, who need not be a Board member and who is responsible for keeping meeting minutes and official records.
- A Treasurer and Auditor may be appointed by the Policy Board, with neither position requiring Board membership.

What is MBCP's approach to governance as it transitions a three-county organization to a five-county organization, and what does that mean for County of San Luis Obispo representation?

If the County of San Luis Obispo decides to join MBCP, the County will always have a seat on both the Policy and Operations boards. From a staffing standpoint, MBCP has two staffers who live in the County of San Luis Obispo and it has recently signed a lease for a new office in the City of San Luis Obispo. As MBCP expands southwards, it understands the importance of the central coast as a bonding identity among its members. Therefore, MBCP is also seeking to change its name to something more inclusive of the central coast.

In general, MBCP follows expansion criteria approved by their policy board when determining if a new member is suitable for inclusion in MBCP. This review process includes analyses of the finances and load characteristics of the prospective member. MBCP reviews load data through a load request through PG&E to determine if the load is heavily contingent on commercial customers. MBCP also evaluates the potential revenue stream and what the likely opt-out rate could be. It is also interested in the environmental stewardship (reducing GHG emissions) of potential members and the building climate zones the member resides in. MBCP is only open to potential members from the remaining jurisdictions in the counties of Santa Barbara and San Luis Obispo. MBCP is interested in adding jurisdictions within Santa Barbara County that are part of SCE's service territory. It has started conversations with SCE and is hoping to add these communities in 2021. Because SCE and PG&E have different rate structures, MBCP would have separate revenue requirements for customers within the service territories of these two IOUs and therefore separate rates for these customers.

Regarding the County of San Luis Obispo, MBCP has not done such an evaluation since they have yet to receive the data they require. However, if the County of San Luis Obispo were to join, MBCP only expects a 7-8% increase in demand, which would not generate a large shift in their overall demand.

How can residents influence decision making and participate in energy democracy given a large organization?

As MBCP expands southwards from its current service territory, it is trying to ensure that its operating rules and procedures give non-seated members the opportunity to participate in the governance of the CCA. It is also encouraging members to create MOUs. Because MBCP's expansion will incorporate members over an increasingly large geographic area, it is developing revised teleconference protocols to enable large conferences for its members. Additionally, MBCP has the goal of alternating policy board meetings between northern and southern locations in their service territory in order to make it easier for its geographically diverse members to participate.

Questions on PG&E's State of Affairs

How will PG&E's bankruptcy and potential re-organization affect customers in terms of power supply, rates, service, etc.?

PG&E's bankruptcy and reorganization will not impact MBCP's ability to supply power or otherwise conduct business. It is MRW's understanding that the current PG&E reorganization plan includes explicit provisions to protect ratepayers from incurring any negative rate impacts. In theory, PG&E's service should improve under new management which is supposed to be more focused on safety, reliability, and customer service.

What are the opportunity costs for maintaining the current relationship with PG&E for our residents and businesses?

Choosing to remain with PG&E service is a reasonable option. In doing so, the County would forgo for its residents and businesses the potential programmatic and rate benefits that MBCP offers—more rate options for the County residents and businesses, access to lower rates, and MBCP's EV, building, and agricultural electrification programs. It would also reduce the County's voice in energy-related policies in the Central Coast region, including potential economic development opportunities. Additionally, the County would lose a potential partner in helping it meet its GHG reduction and environmental goals. In exchange, the County would be shielded from any potential financial obligations that might, however remote, fall on the MBCP JPA members. It would also keep the generation portion of its residents and businesses rates under State regulatory oversight and control. If the MBCP makes poor power procurement decisions, then it has no choice but to pass the costs onto its customers. In theory, if PG&E makes poor choices its ratepayers can be shielded by the regulators from the consequences of PG&E's choices.

The importance of a relationship between the County and a community-focused entity like MBCP is highlighted in MBCP's response to the impacts of COVID-19 on its customers. On April 30th, 2020, the MBCP Boards voted unanimously to provide immediate financial relief to its all of customers. The relief package included 50% of MBCP Electric Generation Charges being deferred for May and June 2020 for all customers, totaling $22.4 million.[24] These deferred costs will be recouped over the next 18 months but customers will still see rate savings compared to PG&E rates. These savings will be ensured through a reduction in Energy Programs funding from 4% to 3% of revenue through 2021 and an adjustment of MBCP electric generation rates to 2% below PG&E's for July through December 2020.

One should also consider that simply because the County chooses to join the MBCP JPA does not obligate any of its residents or businesses to take power from MBCP. They may opt-out at no cost during the first months of MBCP service or at any time thereafter at a modest cost (e.g.,

[24] Deferred charges by customer class: $6.45 million for residential, $10.95 million for commercial, and $5.03 million for agricultural

$5 for a residential customer and $25 for a commercial customer to opt-out after the enrollment period).

One should also remember that joining MBCP is not likely a now-or-never proposition. If County decisionmakers choose not to move forward with JPA membership now, the opportunity to join later is probably not forgone. While it is possible that MBCP may close membership, given that its neighboring countries and its largest cities are MBCP members, MRW believes that it is unlikely that MBCP would bar San Luis Obispo County membership if it approached MBCP at some future date.

Questions on County of San Luis Obispo Risks

What are the long-term risks, probability and financial obligations are posed to the County by joining MBCP?

Like all other CCA JPA agreements that MRW has seen, the MBCP agreement explicitly isolates its finances and liabilities from those of its members. In the event of an MBCP failure or default, MRW understands that its member jurisdictions could not be held liable for the JPAs debts or obligations. Nor do any CCA obligations appear on the County's books or impact its credit rating.

If MBCP was having financial difficulties and had to charge rates that exceeded PG&E's, then the County, as a JPA member, might feel obligated to remain with MBCP service at a higher cost rather than revert back PG&E. While this is possible and might occur in an isolated year, MRW believes, given its track record and policies, that MBCP can, over the long run, meet or beat PG&E's rates.

The primary financial risk to the County would be if it joined the JPA but subsequently left it after the JPA had entered into power contracts to serve the County's load. In that circumstance, the JPA agreement allows the JPA to impose fees to compensate it for any excess costs caused by the County's departure.

The County will not lose any revenue associated with franchise fees.[25] PG&E's Electric Rule 23, Section B.16 explicitly states that "CCA customers shall continue to be responsible to pay all applicable fees, surcharges and taxes as authorized by law. PG&E shall bill customers for franchise fees as set forth in Public Utilities Code Sections 6350 to 6354." Since PG&E's retail sales to CCA customers does not include the generation component of rates, a special adjustment must be made to ensure that a city participating in a CCA receives its fully due franchise fees. For PG&E, this is accomplished through Electric Schedule E-FFS. This schedule adds 0.06-0.07¢/kWh, which is the equivalent franchise fee amount of the value of the power being provided by a CCA such as MBCP. Thus, the County will receive the same amount of franchise fees under MBCP service than it would under PG&E bundled service.

How can the County best manage these risks?

The best way for the County to manage the risks is to strongly advocate for the County on the two Boards.

[25] Franchise fees are payments that a public utility makes to a city or county government for the nonexclusive right to install and maintain equipment on the government's right of ways. Franchise fees are generally calculated as a fraction of retail sales, typically on the order of a few percent.

Conclusions

MRW's general conclusions of this review are as follows:

1. MBCP has achieved a good financial position relative to other CCAs in California and has prudent policies in place to maintain this position. It has reached its financial reserve target, currently has no debt, and has energy risk management measures in place. It is well-positioned to maintain its Rate Stabilization Reserve at its target level of 50% of its operating revenues, which is a target higher than most CCAs.
2. MBCP is pursuing a credit rating, which is expected to be finalized in August 2020. Obtaining a credit rating will allow MBCP to access better credit terms and negotiate lower prices for energy, which would bolster its financial position even further.
3. MBCP is in a transition in rate setting policy. Initially, MBCP set its rates equal to that offered by Pacific Gas & Electric (PG&E) and provided periodic "rebates" to its customers. This allowed the CCA to effectively offer retroactive rate savings, but also ensured that it had sufficient funds for operations before giving money back to customers. Starting in 2020, MBCP is following the more conventional CCA rate setting practice of setting its rates such that each customer receives a modest and equal discount relative to what their rates would have been under PG&E service. In 2021, MBCP anticipates setting rates at its "cost-of-service." That is, looking at the costs it incurs to provide power to each rate class and set rates equal to that cost.
4. The current MBCP rate options allow for modest electric bill savings compared to PG&E service on analogous PG&E rates. Although MBCP anticipates that it will still be able to offer lower costs than PG&E across all rate classes once it shifts to cost-of-service based rates, some rate classes will receive higher discounts than others. Currently, it is impossible to know which classes will benefit the most from cost of service ratemaking until MBCP's studies are complete.
5. MBCP procurement strategy is to acquire lower cost renewables up to the point of meeting the state's renewable requirements while meeting the rest of its energy needs with carbon-free hydroelectric power through contracts with public water agencies in Oregon and Washington. It is in exploratory negotiations for a solar plus battery storage facility in unincorporated San Luis Obispo county and an offshore wind project off the coast of Morro Bay. Through its current and future power contracts and procurement strategy, MBCP is well-positioned to achieve resource adequacy targets, as well as long-term GHG- and renewable power targets mandated by California.
6. The energy programs offered by MBCP focus on GHG reduction and expanding transportation and building electrification. Compared to PG&E's programs, MBCP offers more incentives for transportation electrification, while PG&E offers more program options for customers interested in energy efficiency and solar. MBCP customers may still participate in most of PG&E's programs, allowing them to access a large variety of energy programs through both MBCP and PG&E. Likewise, MBCP customers can also

participate in energy efficiency programs available from the Tri-County Regional Energy Network (3C-REN) and the Community Action Partnership of San Luis Obispo (CAPSLO).

7. MBCP governing bodies consist of a Policy Board of Directors and an Operations Board of Directors. The Policy Board manages strategic planning and goal settings, approves budgets, customer rates, and larger capital expenditures. The Operations Board focuses on oversight and the routine, day-to-day operations of the CCA. If the County of San Luis Obispo decides to join MBCP, the county will have seats on both the Policy and Operations boards, as well as MBCP's commitment to inclusivity for the County's residents and businesses.
8. MBCP operations will not be impacted by PG&E's bankruptcy and reorganization. Furthermore, the current PG&E reorganization plan includes explicit provisions to protect ratepayers from incurring any negative rate impacts.
9. MBCP's Joint Powers Agreement (JPA) insulates each JPA member's finances from that of MBCP. As such, joining MBCP would not place any financial liabilities or obligation on the County, nor would it impact the County's books, ability to borrow, or credit rating. The primary financial risk to the County would be if it joined the JPA but subsequently left it after the JPA had entered into power contracts to serve the County's load. In that circumstance, the JPA agreement allows the JPA to impose fees to compensate it for any excess costs caused by the County's departure.
10. The County's unincorporated areas can maintain current service with PG&E, by doing so it would keep the generation portion of its residents and businesses rates under State regulatory oversight and control.

Appendix 1. California CCA Program Summaries

CCA	IOU Service Territory	Date Formed	Type	County	Cities Served	Planned Additions	Rate Options
Clean Power Alliance	SCE	February 2018	JPA	Los Angeles Ventura	Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Camarillo, Carson, Claremont, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Moorpark, Ojai, Oxnard, Paramout, Redondo Beach, Rolling Hills Estates, Santa Monica, Sierra Madre, Simi Valley, South Pasadena, Temple City, Thousand Oaks, West Hollywood, Ventura, Whittier	Westlake Village (May 2020)	• 36% Renewable Rate • 50% Renewable Rate • 100% Renewable Rate
Apple Valley Choice Energy	SCE	April 2017	City; Member of CalChoice Energy Authority	San Bernardino	Apple Valley		• More Choice: an additional $2 per month
Clean Power San Francisco	PG&E	May 2016	JPA	San Francisco	San Fransico		• CleanPower SF Green (50% Renewable) • CleanPower SF Super Green (100% Renewable)
East Bay Community Energy	PG&E	2018	JPA	Alameda	City of Alameda, Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Oakland, Piedmont, San Leandro, Union City, Unincorporated Alameda County	Tracy, Pleasanton, Newark (2021)	• Bright Choice: 1.5% less than PG&E rates • Brilliant 100: same rate as PG&E • Renewable 100: additional $0.01/kWh
Lancaster Choice Energy	SCE	May 2015	City; Member of CalChoice Energy Authority	Los Angeles	Lancaster		• Clear Choice (35% Renewable) • Smart Choice (100% Renewable)
Marin Clean Energy	PG&E	May 2010	JPA	Marin, Napa, Contra Costa	Belvdere, Corte Madera, Fairfax, Larkspur, Mill Valley, Novato, Ross, San Anselmo, San Rafael, Sausalito, Tiburon, Unincorporated Marin County, Benincia, Concord, Danville, El Cerrito, Lafayette, Martinez, Moraga, Oakley, Pinele, Oakley, Pinole, Pittsburg, Richmond, San Pablo, Walnut Creek, American Canyon, Calistoga, Lafayette, Napa, Saint Helena, Yountville, San Ramon, Contra Costa County, Danville, Moraga	Solano County (unicorporated) (April 2020), Vallejo and Pleasant Hill (April 2021)	• Light Green (61% Renewable) • MCE Deep Green (100% Renewable)
Monterey Bay Community Power	PG&E	March 2018	JPA	Santa Cruz Monterey San Benito	Capitola, Carmel, Gonzales, Greenfield, Hollister, Marina, Monterey, Pacific Grove, Sand City, Salinas, San Juan Bautista, Santa Cruz, Scotts Valley, Seaside, Soledad, Watsonville, Monterey County (unicorporated), San Benito County, Santa Cruz County (unicorporated)	City of San Luis Obispo and City of Morro Bay (January 2020), Arroyo Grande, Carpinteria, Del Rey Oaks, Goleta, Grover Beach, Guadalupe, Paso Robles, Pismo Beach, Santa Maria, Solvang, and Santa Barbara County (unicorporated) (January 2021)	• MBChoice: 66% carbon free, 34% renewable • MBPrime: 100% renewable

CCA	IOU Service Territory	Date Formed	Type	County	Cities Served	Planned Additions	Rate Options
Peninsula Clean Energy	PG&E	October 2016	JPA	San Mateo	Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, East Palo Alto, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood City, San Bruno, San Carlos, City of San Mateo, South San Francisco, Woodside, Unincorporated San Mateo County		• ECOPlus costs less than standard PG&E Service
Pico Rivera Innovative Municipal Energy (PRIME)	SCE	September 2017	City; Member of CalChoice Energy Authority	Los Angeles	Pico Rivera		• PRIME Power: 50% renewable • PRIME Future: 100% renewable
Pioneer Community Energy	PG&E	2018	JPA	Placer	Auburn, Colfax, Lincoln, Loomis, Rocklin, Unincorporated Placer County		• Pioneer only offers a single generation rate
Rancho Mirage Energy Authority	SCE	May 2018	City; Member of CalChoice Energy Authority	Riverside	Rancho Mirage		• Base Choice: 50% carbon free • Premium Renewable Choice: 100% renewable
Redwood Coast Energy Authority	PG&E	May 2017	JPA	Humboldt	Arcata, Blue Lake, Eureka, Ferndale, Fortuna, Rio Dell, Trinidad, Unicorporated Humboldt County		• REPower: 42% renewable energy • REPower+: 100% renewable
San Jacinto Power	SCE	April 2018	City; Member of CalChoice Energy Authority	Riverside	San Jacinto		• Prime Power: 35% renewable • PureGreen: 100% renewable
San Jose Clean Energy	PG&E	September 2018	City	Santa Clara	San Jose		• GreenSource: 45% Renewable • TotalGreen: 100% Renewable
Silicon Valley Clean Energy	PG&E	April 2017	JPA	Santa Clara County	Campell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Saratoga, Sunnyvale, Unincorporated Santa		Green Prime adder of $0.008/kWh for net energy generation
Solana Energy Alliance	SDG&E	June 2018	City	San Diego	Solana Beach		• SEA Choice: 50% renewable and 75% GHG free sources • SEA Green: 100% renewable
Sonoma Clean Power	PG&E	Launched May 2014	JPA	Sonoma & Mendocino	Sonoma and Mendocino counties (except Healdsburg and Ukiah)		• CleanStart: 49% renewable and 91% carbon free • EverGreen: 100% local renewable
Valley Clean Energy Alliance	PG&E	December 2016	JPA	Yolo	Davis, Woodland, Unincorporated Yolo County	Winters (2021)	• Standard Service: 42% renewable and 75% carbon-free • UltraGreen: 100% renewable
King City Community Power	PG&E	July 2018	City	Monterey	King City		• KCCP: 34% renewable

CCA	IOU Service Territory	Date Formed	Type	County	Cities Served	Planned Additions	Rate Options
Western Community Energy	SCE	April 2020	JPA	Riverside	Norco, Perris, Wildomar, Jurupa Valley, Hemet, Eastvale, Canyon Lake		• Choice Plan: 37% renewable • Choice Plus Plan: 100% green energy
Desert Community Energy	SCE	April 2020	JPA	Riverside	Palm Springs, Cathedral City, Palm Desert		• Carbon Free: 50% renewable, 100% carbon • Desert Saver: 35% renewable

Appendix 2: MBCP Energy Program Descriptions

Distributed Energy Resources Programs

The Smart Connect Microgrid initiatives have the goal of supporting the development of microgrid projects in the MBCP service region to bolster GHG reduction, economic development, grid reliability, and community emergency preparedness. This process will entail open solicitation at customer host sites as Microgrid-as-a-service arrangement and joint projects with city and county agencies for critical infrastructure. Joint projects with private sector and community-based entities for community emergency preparedness will also be pursued.

The Load Management Program provides advisory services (Demand optimizer) for the largest customers to help them manage and shift their peak demand to help the agency's cost of service. Additionally, there will be programs to promote demand response (battery storage and load shifting). MBCP is currently engaging with the public sector regarding a program for energy resiliency and back-up power. This program relies upon a $25 million revolving fund to provide customers in good standing with low cost financing for back-up power.

Rooftop Solar

For individuals in California that produce excess electricity beyond their own usage, their local utility must compensate them for this generation. Such compensation is a rate paid to these "net-energy metering" (NEM) customers who produce more kilowatt hours than they consume in a 12-month period. This rate is known as the "net surplus compensation rate" or NSCR. Similar to PG&E, MBCP offers a compensation program for those potential customers with solar PV systems who produce excess electricity. The NSCR MBCP offers is currently $0.06620 per kWh of surplus generation produced while PG&E's current NSCR (as of April 2020) is $0.02495 per kWh, making MBCP 's NSCR over 100% of PG&E's rate. Furthermore, MBCP's generation rates are lower than PG&E's because of the discount offered by MBCP. However, if a customer has a generation credit, this credit offsets MBCP's charges yet cannot be applied to the delivery side of rates. Therefore, some customers are better off staying with PG&E. MBCP is hoping to set up a monthly true-up under their new COS mode to transition away from an annual true-up.

Transportation Electrification Programs

The Passenger EV and Home Charger Incentive programs allow MBCP to continue to partner with the Monterey Bay Air Resources District to provide residents with incentives to support residential home charging and panel upgrades (Monterey Bay Electric Vehicle Incentive program).

The Central Coast EV Infrastructure Project provides incentives to install Level 2 and DC fast chargers via $6 million in funding. The $6 million grant was given by the state of California through the California Energy Commission's California Electric Vehicle Infrastructure Project (CALeVIP) program for an EV infrastructure project for the Monterey Bay region. MBCP has allocated an additional $1 million towards this project. In the current calendar year, the CALeVIP project has already utilized 80% of the fund reserve.

The Medium-Heavy Duty Transportation program provides enhanced transportation electrification for transit agencies, school districts, and other commercial enterprises.

Built Environment Incentive Programs

The Project Sunshine at Night program provides financial relief to low income customers, addresses bill payment issues, assists in battery storage implementation for low income customer single-family and multifamily homes with solar.

Building Electrification Incentives focus on conversion of natural gas and propane water and space heating. Also encourages all-electric homes and commercial facilities through education and products.

The California Advanced Homes Program Enhancement is a statewide program that offers incentives for surpassing Title 24 Building Energy code requirements. These incentives include the addition of high-efficiency heat pump water heaters, heat pump/AC units, and smart technologies.

The Savings by Design Program Enhancement is a statewide program supporting high-efficiency non-residential new construction projects that surpass Title 24 requirements. Additional enhancements provided by MBCP will support the creation of new all-electric non-residential buildings.

The Building Electrification Reach Code Initiative supports the instillation of essential electrical infrastructure and systems during new construction to achieve GHG mitigation and prevent costly retrofits. The incentives are tied to the number of housing stock in each community, with $5,000 to $25,000 being allocated to each community.

MBCP will work with City and County agencies to provide incentives and technical support for the creation of high-efficiency, all electric affordable multi-housing developments through Affordable Housing/Multi-Unit Dwelling Developer Electrification Grants. These incentives include grants to mitigate the cost of going all-electric through high-efficiency appliances and smart technologies.

Agricultural Electrification Incentives

MBCP will help subsidize existing programs that encourage well water pump testing, high-efficiency equipment adoption, infrastructure electrification, and energy audits for agricultural customers. Additionally, initiatives to electrify various agricultural vehicles and implements will be created.[26]

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[26] MBCP 5-Year Electrification Programs Roadmap – September 2019, p. 1.

Appendix 3: PG&E Energy Programs

PG&E – Residential programs	
Energy Savings Assistance Program	Provides energy-saving improvements (new refrigerator, repairing or replacing furnace or water heater, new insulation, weatherproofing, energy-efficient light bulbs, caulking, low-flow showerheads, etc.) to customers who live in a dwelling that is at least five years old and who qualify for CARE.
Energy Savings Assistance Common Area Measures Program	Provides energy-saving improvements to deed-restricted, multifamily buildings.
Zero Net Energy Pilot Program	Provides complementary education, outreach, and information activities to promote energy efficiency and load reduction by leveraging advanced design, construction, and building operations.
Advanced LED lighting	PG&E marketplace provides LED bulb products for purchase.
GoGreen Financing	Provided through the State of California administered Residential Energy Efficiency Loan program.
Green Saver Program	Enables income-qualified residential customers in select communities to save on their electricity bill by subscribing to 100% solar energy
Smart AC	Provides $50 and a complimentary AC checkup
Smart Rate	Allows payment of a reduced rate in exchange for minimizing electricity usage up to 15 days a year.
Smart Thermostat Rebate	Provides up to $100 in rebates if a thermostat is an EnergyStar certified model and the customer joins or is a participant in an energy incentive program
Appliance rebates	Provides rebates to owners and managers of multifamily properties with two or more units who upgrade to qualified, energy-efficient products.

PG&E - Small and Medium Business programs	
Deemed Rebates	Provides money-back rebates for purchasing and installing qualified energy-saving products such as lighting, refrigeration, HVAC, boilers, water heaters, variable-frequency drives, and food service equipment.
Energy Smart Grocer	Energy audits, rebates and efficient technology, and operations and management services for grocery and food retailers
Ecology Action Hospitality program	Energy efficiency assessments, project oversight, and rebates for hotel, motel, and hospitality operations
Willdan Healthcare Energy Efficiency Program (HEEP)	Energy audits, engineering analysis, consulting, financial incentives, and retro-commissioning assistance for medical facilities including office buildings and hospitals.
Comprehensive Food Processing Audit and Resource Efficiency	Energy and water-saving solutions and demand reduction offerings for food and beverage manufacturers (excluding wineries and dairies)
Dairy and Winery Industry Efficiency Solutions Program	The program focuses on all areas of energy efficiency for dairies, wineries, and breweries, including water efficiency, Demand Response, and renewables as appropriate.
PG&E Commercial Heating, Ventilation, and Air Conditioning (HVAC) Optimization Program	Heating and air conditioning maintenance incentive program - requires 1 or 3-year service agreement and installation of optional unit retrofits
Customized incentives	Incentives for installation of high efficiency equipment or systems in medium to large scale projects that deliver energy savings and permanent peak demand reduction.
PG&E interest-free loan	PG&E offers 0% interest loans for replacing old and worn-out equipment with more energy-efficient models. Loans range between $5,000 and $4,000,000 per premises, with loan periods of up to 120 months.
Product rebates	Provides rebates for various types of business-related equipment and appliances
Self-Generation Incentive Program	Provides financial incentives for business and residential customers installing new, qualifying equipment for generating and storing energy.
Economic Development	Provide eligible businesses with a 12, 18, or 25 percent reduction in their electric rate.

PG&E - Large Businesses programs	
Peak Day Pricing	Provides discounted rates throughout the year, except during nine to 15 "events" (four-hour blocks) when the electric system is strained and rates are higher.
Base Interruptible Program	Provides a monthly incentive for reducing energy consumption to prescribed levels when called upon for customers with an average maximum demand of at least 100 kW.
Capacity Bidding Program	PG&E third party programs for Demand Response
Product rebates	Provides rebates for various types of business-related equipment and appliances
Zero Net Energy Pilot Program	Provides complementary education, outreach, and information activities to promote energy efficiency and load reduction by leveraging advanced design, construction, and building operations.
Retrocommissioning (RCx) program	RCx focuses on improving the efficiency of what is already in place. PG&E pays the customer directly, based on achieved annual energy savings at \$0.06/kWh, \$0.50/Therm and \$75/on-peak kW, subject to measure capping.
Commercial HVAC Optimization Program	Provides an industry standard quality maintenance program to increase the longevity and performance of a customer's HVAC systems along with incentives from PG&E, up to \$959 per unit.
Large integrated energy audit	Allows a customer to track energy use over the past year, month, or week. PG&E will suggest ways to save energy, use rebates, and use PG&E business solutions. Based on the customer's choices, the Business Energy Checkup creates a customized Energy Savings Plan.
Energy Efficiency programs	By installing high-efficiency equipment and systems to reduce peak demand, a customer can receive cash incentive payments.
PG&E interest-free loan	PG&E offers 0% interest loans for replacing old and worn-out equipment with more energy-efficient models. Loans range between \$5,000 and \$4,000,000 per premises, with loan periods of up to 120 months.