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Agenda Item: ID#19-0182 (10:30 A.M.)

Material Distributed during the Council Meeting

Date: 2/14/19

FRESNO CITY COUNCIL



Supplemental Information Packet

Agenda Related Item(s) – ID#19-0182 (10:30 A.M.)

Contents of Supplement: Material Distributed during the Council Meeting
Item(s)

File ID19-0182 (10:30 A.M.) – WORKSHOP regarding Community Choice energy
– Councilmember Chavez

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk's Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk's website.

Americans with Disabilities Act (ADA):

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk's Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.

Community Choice ENERGY

What leaders have to say about it...

"CCAs have already invested over \$2.5 billion to build new renewable energy here in California, supporting over 3,000 'green collar' jobs, and our programs directly support social equity and fair rates. Together, we're leading California towards achievement of its ambitious climate goals through a framework of choice, transparency and equity."

- Dawn Weisz, CEO, MCE



"There is a great opportunity to use the examples that other CCAs have established to help our elected officials and community members understand that this is real, and that there are some great opportunities and benefits of Community Choice."

- Katie Barrows, Director of Environmental Resources, Coachella Valley Association of Governments



"One of the benefits will be that we will have much greater local control over the source of our energy. With that comes the ability to better align our energy sources with our local policies and the expectations of our constituents."

- Mike Webb, City of Davis Assistant City Manager



"With all 20 cities and the county signed on to participating in Peninsula Clean Energy, we are well on our way to providing cleaner power to county residents and businesses at favorable rates. The enthusiasm and

excitement around this new energy model has exceeded all expectations."

- Dave Pine, San Mateo County Supervisor

"Through this innovative new program, we have succeeded in not only increasing the renewable energy content consumed by the citizens of Lancaster, but also lowering their energy rates. This places money squarely in the pockets of Lancaster residents and businesses, giving them more purchasing power while also keeping more money right here in our local economy."

- Rex Parris, Mayor of Lancaster



"We saved [Sonoma County] homeowners and businesses \$6 million last year, and that's all being pumped back into the local economy, so to me, this is an environmental and economic investment."

- Mark Landman, Sonoma Clean Power Chairman and City of Cotati Councilmember





Flip the Switch

for Clean Air and Local Jobs

Community Choice Energy efforts are underway in over half of California's counties and 300+ cities

How It Works:

Community Choice is a local program that buys and generates electricity for business and residents. It introduces competition and choice into the electricity market with a focus on local, renewable energy to stimulate rapid innovations in clean energy systems. As not-for-profit public agencies, Community Choice energy providers are not obligated to increase shareholder returns, but rather are committed to stable, competitive pricing for consumers and increasingly resilient, clean, and local energy systems.



Spring 2018



COMMUNITY CHOICE RESULTS:

\$33 MILLION

in customer savings resulting from Community Choice Energy in 2016

8-FOLD INCREASE

in money invested locally using clean energy funds generated through Sonoma Clean Power

> 1,000 MEGAWATTS

of new renewable energy now online as a result of Community Choice Energy

Learn more

Please contact us to learn more about Community Choice and how you can build a successful program in your community:

Woody Hastings

707-525-1665 x117

woody@cleanpowerexchange.org



Clean Power Exchange is a program of the Center for Climate Protection, which works statewide to help communities considering Community Choice.
www.cleanpowerexchange.org



Central Valley

COMMUNITY CHOICE ENERGY



CLEAN ENERGY MADE LOCAL

How It Works:

Community Choice is a local program that buys and generates electricity for business and residents. It introduces competition and choice into the electricity market with a focus on local, renewable energy to stimulate rapid innovations in clean energy systems. As not-for-profit public agencies, Community Choice energy providers are not beholden to increasing shareholder returns, but rather to stable, competitive pricing for consumers and increasingly resilient, clean, and local energy systems.

COMMUNITY CHOICE RESULTS:

CUSTOMER SAVINGS

\$90 million saved by customers switching to Community Choice in 2018

LOCAL REINVESTMENT

8-fold increase in money invested locally using clean energy funds generated by Sonoma Clean Power

NEW CLEAN POWER

1,300 megawatts of new renewable energy now online as a result of Community Choice

JOBS

4,200+ supporter by Community Choice Energy

With Community Choice Energy, the community purchases clean electrical power, increasing stability through local control of electric rates, and developing energy projects that create jobs.



cleanpowerexchange.org/central-valley

A program of the Center for Climate Protection
707-525-1665 x 117

Flip the Switch for Choice and Local Jobs

With Community Choice Energy, communities reap the benefits of locally-produced clean electricity with local control for clean air and local jobs.



How can Community Choice Energy benefit the Central Valley?

Consumer Choice and Competition

Community Choice introduces consumer choice and competition into electricity sector, which has been dominated by a few monopolies for the last century in California.

Business and Agriculture

Businesses and farms can benefit from collaborating on innovative programs with Community Choice agencies for energy and cost savings.

Energy Democracy

Community Choice agencies have been called "Energy Democracy" agencies because everyone in the community gets a voice.

*"Through this innovative new program, we have succeeded in not only increasing the renewable energy content consumed by the citizens of Lancaster, but also lowering their energy rates. This places money squarely in the pockets of Lancaster residents and businesses, giving them more purchasing power while also **keeping more money right here in our local economy.**"*
– Rex Parris, Mayor of Lancaster

Community Choice Energy efforts are underway in over half of California's counties and 300+ cities



cleanpowerexchange.org/central-valley

707-525-1665 x 117

Clean Power Exchange
is a program of:



Community Choice efforts are underway in more than half of California's communities

As of early 2018, Community Choice Agencies (CCAs) in California have contracted for more than 1,000 megawatts of clean generation capacity, and supported more than 2,800 jobs.

An interactive map (pictured below), covering all 58 counties and 482 cities in the state of California, is available at www.cleanpowerexchange.org.

As of early 2018, CCAs have been responsible for:

- 710 MW of new solar power
- 312 MW of new wind power
- 12 MW of new bioenergy
- Over 940,000 metric tons of GHGs avoided per year
- Over \$33 million in rate savings in 2016 alone*

*most recent year of audited results

www.cleanpowerexchange.org



How to get started:

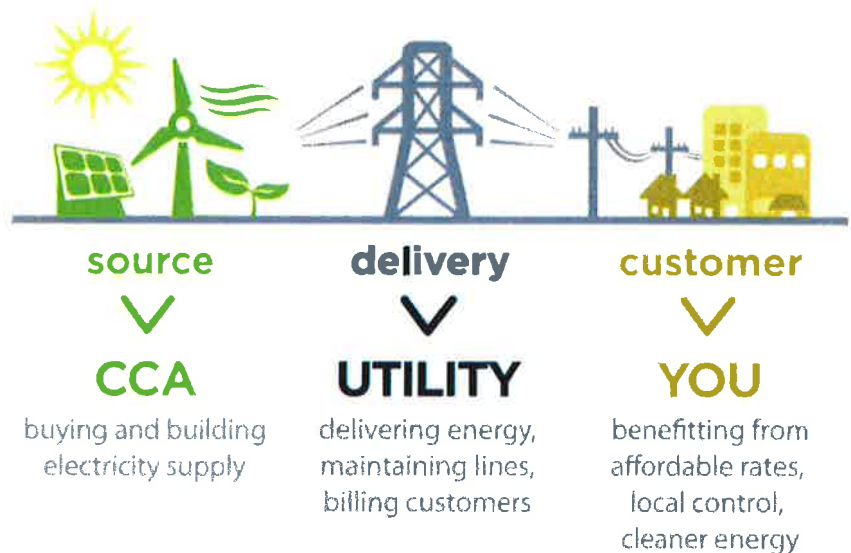
Contact Woody Hastings at the Center for Climate Protection at 707-525-1665 x117, woody@climateprotection.org



Community Choice Energy

What is it?

Community Choice Energy is a local program that buys and generates energy for businesses and residents. It is a means by which local governments, i.e., cities and counties, take on decision-making control regarding the sources of energy for the electricity used by businesses and residents, as well as for their own municipal accounts.



Why do it?

Local Economic Benefits

Community Choice takes an existing revenue stream that currently leaves the local economy, typically in the tens or hundreds of millions of dollars, and redirects it from distant utility decision-making control to local decision-making.

Local Control

Community Choice Agencies are not-for-profit public entities whose mission is to serve the local community. Decision-making is in the hands of local leaders, and all decision-making meetings are subject to California's open meeting laws. So public participation – energy democracy – is greatly improved compared to the current system.

Choice and Competition

For more than one hundred years, customers have had little or no choice or competition in electricity service. Community Choice introduces choice and competition – good for rates, service, local priorities, and innovation.

How to get started:

Contact Woody Hastings at the
Center for Climate Protection at 707-525-1665 x117,
woody@climateprotection.org



COMMUNITY CHOICE AGGREGATION

MODELS TO DELIVER POWER FOR LESS

A PROPOSAL

- Staff received a communication from PFA Energy requesting a meeting to discuss the development of a Community Choice Aggregation Model. The model outlines multiple renewable energy projects to be developed by PFA on privately owned property in Southern Hanford.
- These projects would be scaled to provide enough renewable power to support new development proposals in the Hanford Industrial Park and potentially all other residential, commercial, and public agency demand at a price below that charged by SCE or PG&E.
- An old idea in Kings and Fresno County (2005) is new again.

WHY WOULD WE CONSIDER THIS?

- Speed the delivery of an ever-increasing energy demand in our Industrial Park.
- Put savings in the pockets of residents of business owners (that go back in the local economy).
- Provide funding for programs to assist in energy efficiency or economic development.
- Provide local rate control.
- Promote local private investment in renewable energy projects.

THE MOVEMENT

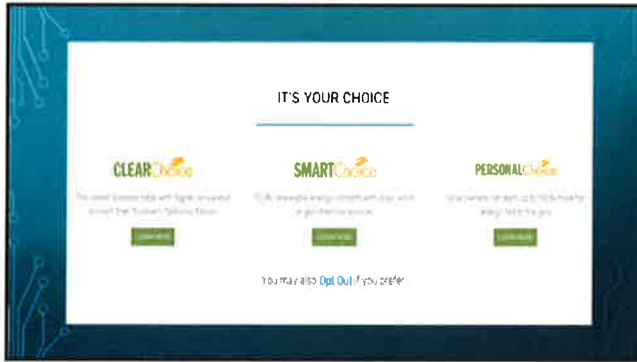
- CalCCA, the California Community Choice Association provides educational material on the subject. This is an association of agencies that have developed and are delivering power through one of two models currently operating in California.
- The first is a JPA Model. This model includes MCE, Peninsula Clean Energy, Silicon Valley Clean Energy, and Sonoma Clean Power.
- The second is a Single Jurisdiction Model. This model includes Lancaster Choice Energy and Clean Power SF.

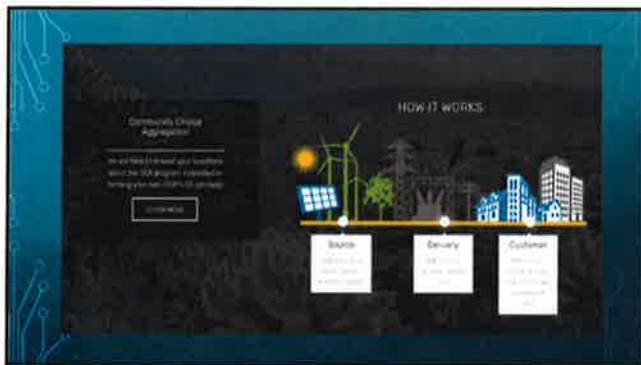
BEST PRACTICES ACCORDING TO CALCCA

- Provides competitive electric rates and choice in service providers.
- Transparent Rate Setting allows for local input.
- Maintains a firewall between the assets and liabilities of the CCA program and the City's General Fund.
- Local programs that serve community interests including energy efficiency, demand response, net energy metering, Feed-In Tariffs, local work force development, and EV charging stations and battery storage.

A LITTLE HELP FROM OUR FRIENDS

- The City of Lancaster established its Single Jurisdiction CCA, known as Lancaster Choice Energy. (from my Rolodex)
- Lancaster and the City of San Jacinto formed CCEA, which is a JPA designed to assist cities that join JPA through the process of establishing and operating CCAs.
 - Formation services include the development of the "Joint Declaration to Pursue" to notify SCE, PG&E, and PUC of intentions to develop the CCA.
 - Development of local ordinances or resolutions making membership official and to pursue the formation of this new Legal Entity.
 - Establishment of the new Legal Entity which is a CCA.
 - Assist in feasibility studies to set rates and develop the Implementation Plan required by the PUC.









San Mateo County | Atherton | Belmont | Brisbane | Burlingame | Colma | Daly City | East Palo Alto | Foster City
Half Moon Bay | Hillsborough | Millbrae | Menlo Park | Pacifica | Portola Valley | Redwood City | San Bruno | San
Carlos San Mateo | South San Francisco | Woodside

February 14, 2019

To the Honorable Fresno Council President Steve Brandau and Fellow Councilmembers:

It has come to our attention that you are holding an informational item on your February 14 Regular City Council Agenda. We applaud this and want to encourage you to seriously evaluate a Community Choice Aggregation (CCA) program for Fresno.

Peninsula Clean Energy, covering all 20 cities and the unincorporated county of San Mateo County, started evaluating Community Choice energy in 2014, formed a joint powers agency in February of 2016, and launched service in October 2016. We are writing to share the benefits Community Choice has brought to our community and a brief summary of our experience in launching and operating a CCA.

For us, we were very focused on providing value to our residents and businesses by being a part of a CCA. We agreed from the outset that we would offer a superior product and offer it at 5% below PG&E's rates. Our default product is cleaner and greener than what people previously received, plus they are saving money. In fact, in 2018, our residents and businesses saved \$17 million in reduced electricity costs because of Peninsula Clean Energy, savings that can be reinvested in the local community. We were able to do this by exercising our statutory authority under California's Community Choice law, AB 117, to take local control of decision-making about our communities' energy sources for electricity. You can learn more at our website www.peninsulacleanenergy.com about our many programs, products, and services. In addition, we would be happy to meet directly with you to share our experience more deeply and to answer any specific questions that you may have.

During the evaluation period, in order to have adequate information to make an informed decision about whether CCA was right for us, and would be a financially viable undertaking, we hired a consultant to produce a technical study specifically about our prospective service area, San Mateo County. This is a typical due diligence step that all of the nineteen operational CCAs have taken. We suggest Fresno do the same. These studies define things like the electricity load, the amount of money in the existing revenue stream that will be directed into local control, estimates for power mixes and rates that you can offer your constituents, etc. More about our formation process and the technical study itself can be found on our website, here: <https://www.peninsulacleanenergy.com/resources/technical-study/>

We are very interested in bringing the benefits of community choice to the central valley. In fact, we have signed long-term contracts for new solar facilities, one of which is a 200 megawatt project currently under construction in Merced County. More than 450 good local jobs are being generated

from the construction of this project. Since we are actively building generation facilities in the central valley, our Board has formally committed to help central valley communities with any CCA assessment that they seek to undertake.

It would be our pleasure to meet with you personally to share more of our experience and remain ready and willing to help you.

Sincerely,

A handwritten signature in black ink that reads "jeff d aalfs". The signature is written in a cursive, lowercase style.

Jeff Aalfs
Chair of the Board, Peninsula Clean Energy
Council Member, Town of Portola Valley

A handwritten signature in blue ink that reads "Rick DeGolia". The signature is written in a cursive, uppercase style.

Rick DeGolia
Vice Chair of the Board, Peninsula Clean Energy
Vice Mayor, City of Atherton



COUNTY OF SAN MATEO PENINSULA CLEAN ENERGY AT A GLANCE

February 2019



Annual San Mateo County Community Benefits

Resulting from Peninsula Clean Energy electricity service include:



\$17 million savings
annually to customers
compared to PG&E rates



515 million pounds of
GHG emissions avoided in
2017 compared to PG&E



\$32 million projected investment into local
program development over the next 5 years

Your County. Your Power. Your Results.

Peninsula Clean Energy provides electricity customers
with cleaner energy at lower rates.



50% Renewable, 90% GHG Free
5% lower rates than PG&E



100% renewable and Green-e certified



Where we are headed:

100% Greenhouse Gas Free by 2021

100% Renewable Energy by 2025

LEARN MORE AT
PENINSULACLEANENERGY.COM

*<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>



Peninsula Clean Energy Impacts

New Power Facilities

- Building 300 MW of new solar projects in Disadvantaged Communities (DACs)
- Adhere to sustainable workforce policy that supports local businesses and union labor
- Roughly **750** jobs created through new PCE project developments

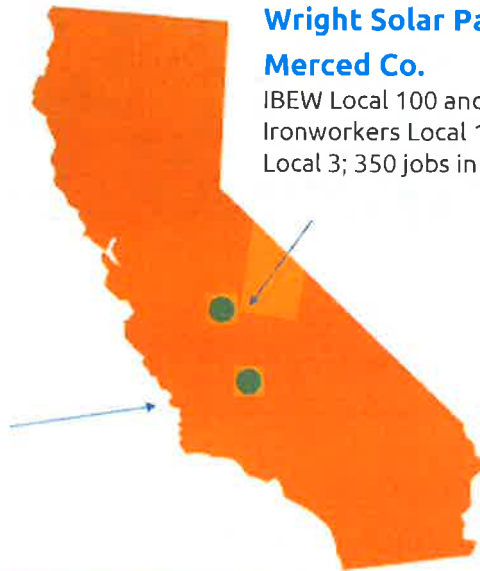


New development: 100 MW Mustang II Whirlaway LLC Kings Co.

IBEW Local 100; Carpenters Local 294; Ironworkers Local 155; Engineers Local 3; 450 jobs during peak

New development: 200 MW Wright Solar Park, Merced Co.

IBEW Local 100 and 684, Ironworkers Local 155, Engineers Local 3; 350 jobs in 2018 & 2019



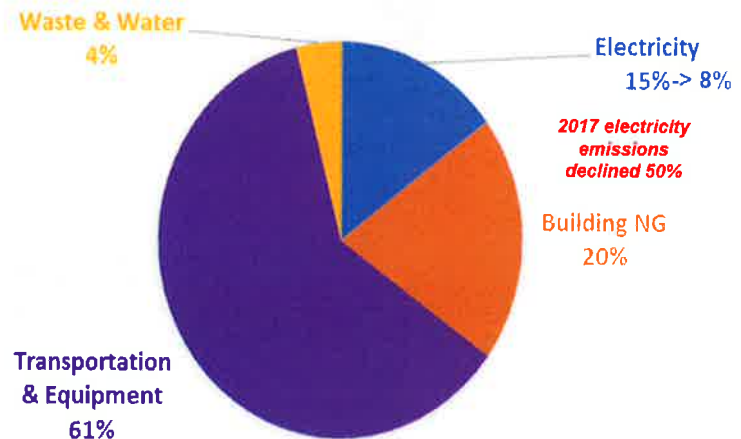
Local Programs | Local Impacts

San Mateo County GHG Emissions

In order to spearhead innovation and decarbonization beyond the electricity sector and meet our strategic goals of:

- Reducing GHG emissions
- Delivering local community benefits
- Advancing innovation
- Aligning energy supply and load

PCE is developing county-wide programs that address decarbonizing transportation and buildings.



GO ELECTRIC

Electric Vehicles For All

- Free technical assistance to owners of apartment buildings for EV charger installation.
- Community and corporate electric vehicle ride and drives.
- Point-of-sales EV promotion program to accelerate adoption.
- \$16 million program to accelerate electric vehicle charging infrastructure deployment
- PHEV incentive to increase EV adoption in low-income community.



Community Pilots

Peninsula Clean Energy is initiating a small-scale grant program to accelerate our strategic objectives via early experimentation and learning in partnership with local community organizations.

Steps in forming a Community Choice agency (CCA)

No two CCAs have formed in exactly the same way. There are steps a local government can take, such as technical studies, that are not required by law. Then there are elements such as the Implementation Plan (underlined below), that are required under statute. Samples from the real world for many of these items can be found at <https://cleanpowerexchange.org/formation-documents/>

- **Informational Hearing.** Agendize an introductory informational item on a regularly scheduled city council or board of supervisors meeting, or hold an informational study session or workshop;
- **Filing a “Declaration to Pursue.”** This is a formal written declaration sent to the incumbent utility (the utility in which the CCA will be located) and the California Public Utilities Commission (CPUC);
- **Load Data Request.** Sometimes sent concurrently with the Declaration to Pursue, the load data request is required in order to carry out a technical study and/or Implementation Plan;
- **Technical Study.** Sometimes referred to as feasibility studies, technical studies are not required by law but are a good due diligence step that help answer many of the frequently asked questions about power mix, rates, energy sources, etc. Much of the information obtained in the technical study can be used in the Implementation Plan;
- **Ordinance/Resolution.** Each city and/or county to be a member of the CCA must pass a local ordinance and/or resolution to make membership official and to pursue the formation of the legal entity;
- **Establish a governance structure.** In a single jurisdiction this means establishing a division within the local city or county government; when two or more jurisdictions are joining together it means forming a joint powers agency;
- **Hire Staff.** Some staff may be on board early in the process, now is the time to begin hiring enough staff to plan on launching the program.
- **Implementation Plan** — An Implementation Plan must be filed with and certified by the CPUC prior to launching service
- **Service Agreement.** Enter into a service agreement with the incumbent delivery utility
- **Electricity Supply.** Secure energy supply, data management, and electricity scheduling services
- **Enrollment Notices.** Prospective customers must be notified at a minimum in compliance with the statutory noticing requirements. It is important to understand that each member jurisdiction has an obligation to their constituents to alert them in the many no-and-low-cost means at their disposal – city/county websites, constituent letters, newsletters, community meetings, etc.
- **Celebrate!** Hold a Community Choice launch celebration on the “cutover” day and take a photo. It is a joyful and significant accomplishment!

Survey: Majority of Valley residents want choice in how their electricity is made

Published on 08/26/2016 - 12:37 pm
Written by Business Journal staff



A new survey finds that a majority of Central Valley residents want a choice in how their electricity is generated, and would be supportive of providing electricity produced locally if the revenues were reinvested back into the local economy.

The survey was commissioned by the Clean Power Exchange (CPX) and was conducted by Delphi Communications of Santa Rosa. CPX is a project for the Santa Rosa-based advocacy group Center for Climate Protection.

The survey was conducted via telephone in March and April of registered voters in San Joaquin, Fresno and Tulare counties.

In the City of Fresno, about 350 residents completed the survey. Some of the results:

- 68% of the voters want a choice in how their electricity is generated.
- 66% of the voters are supportive of providing electricity produced locally if they were assured the revenues would be reinvested back into the local economy.
- 71% of the voters are supportive of having a local clean and renewable electricity source owned by the community.
- 58% are satisfied with the cost of their monthly electric bill.
- 35% are dissatisfied with the cost of their monthly electric bill

The results were similar in **Fresno County**, where 766 surveys were completed, as well as **Visalia**(223 surveys) and Tulare County (717).

CPX serves as an information center for Community Choice Energy, also known as Community Choice Aggregation, which allows local governments or special districts to pool their electricity load with the goal of purchasing or developing their own power, but still using infrastructure owned by a utility such as Pacific Gas & Electric Co. to deliver the electricity.

"Energy is a lot like water in that it is a resource upon which our lives and economies are built," said Mike Dozier, executive director of the Office of Community and Economic Development at Fresno State, in a statement. "People in the San Joaquin Valley understand that we need to make some real changes to ensure a sustainable future- both economically and environmentally. There's no better time to explore that here than now."

Programs are currently operational in Marin County, Sonoma County, the City of Lancaster, and the City of San Francisco.

Another program in San Mateo County is launching later this year, with several others set to launch in 2017.

The Kings River Conservation District and 13 municipalities including Fresno, Clovis and Kings County, began an effort in 2006 to bring Community Choice Aggregation to the Central Valley, even becoming the first authority to receive approval and certification from the California Public Utilities Commission of a required Community Choice Implementation Plan.

The group suspended its efforts in 2009, however, due to tightness in the credit market and volatility in energy prices and other concerns about the state's regulatory climate. The group also pointed at strong opposition from PG&E as a factor

Community Choice Aggregation

CCAs: Empowering Communities

California's Community Choice Aggregators (CCAs) are committed to providing clean, renewable energy choices at competitive rates and creating innovative programs that benefit people, the environment and the economy in communities they serve.

How do CCAs Benefit Local Communities?

Local Control

CCAs are formed locally and are overseen by publicly-elected officials, providing much higher levels of transparency, accountability and accessibility than investor-owned utilities (IOUs). Decisions about electricity choices, such as power content and rates, are made by a community for that community. In order to ensure a broad range of community voices are heard, a number of CCAs also have community advisory committees that act as a liaison between key stakeholder groups and CCA boards. These committees include representatives from environmental justice, organized labor and education advocacy groups.

People, not Profits

Unlike IOUs, CCAs are not-for-profit energy providers. As a result, excess revenue is reinvested back into the local economy, through on-bill savings and community programs. This ensures net revenues remain in the local community and continue to benefit local customers. CCA customers in California will collectively save an estimated \$90 million on their energy bills in 2018 when compared to their IOU counterparts.

Cleaner Environment

Energy production is one of the largest contributors to harmful greenhouse gas emissions. CCAs are paving the way for California to achieve its ambitious climate goals by providing customers with the same reliability and affordability as traditional energy sources but with clean, renewable and carbon-free power sources. As the customer base of CCAs grows, the advancement of renewable clean energy in California is accelerated by the ambitious goals set by aggregators. CCAs have to date contracted with new renewable energy projects totaling more than 1,000 megawatts.

Local Power, Local Jobs

CCAs are also driving the construction of local clean power resources in the communities they serve. Marin Clean Energy, for example, has contracted with local renewable energy projects totalling 19 megawatts, including the 10.5 megawatt "MCE Solar One" project, constructed on an industrial brownfield site in Richmond. The project supported 341 jobs and maximized local economic benefits by requiring that at least half the workforce be comprised of local residents.

Competition

Fair competition and choice drive clean technology innovations that lead to better service, cost savings and a more sustainable energy economy through new renewable energy and clean technology innovations. Competition from CCAs has created a competitive dynamic in the market that didn't exist before, one that is pushing the IOUs to offer their customers greener energy options as well. In many cases, CCAs and IOUs are working in partnership to drive technological advancements so grid infrastructure can accommodate the ever increasing demand for clean energy in California.

CCA Power Purchasing

Lockbox Structure

Some CCAs utilize a “lockbox” financial structure to give confidence and reduce risk to partners that are concerned about the creditworthiness of a new CCA. Revenues from the sale of electricity are directly deposited into a separate trust account. A CCA’s energy supplier is paid directly out of that account each month. It is not until the CCA pays those invoices that customer revenue gets swept over to the CCA to pay for operating expenses. It is a way for a developer or other counterparty to feel more secure that it will be paid ahead of the CCA putting aside funds into their reserves or spending it in other ways.

Local Governance and No Shareholders

As public agencies, CCAs are governed by a board of directors made up of elected officials from the CCA’s service area. This responsibility results in conservative and long-term objectives that benefit customers, not decision-making oriented around quarterly earnings. As not-for-profit agencies, CCAs do not have shareholders. All surpluses are reinvested in the CCA’s programs and products.

Ratemaking Authority

CCAs have the ability to change electricity rates to address financial needs. CCAs tend to keep rates slightly below those of the incumbent utility, while apportioning any residual revenue into local energy programs that benefit the community.

Transparent Public Agencies

CCAs are public agencies and as such are subject to the Brown Act and the Public Records Act. Board meetings are open to the public. CCAs produce financial reports on an annual basis with a third-party audit.

“State and local policymakers remain supportive of the CCA model as a tool to advance the use of renewable resources throughout the state. A key aspect of the value proposition offered by MCE and other California CCAs is the requirement that renewable and clean energy be a major component of the customers’ power supply mix. This value is one of the most significant factors that provides strength to the long-term business model.”

- Moody’s Investors Services



CleanPowerSF has signed two agreements to purchase power from a new 100-megawatt solar project to be built in Lancaster, California and a new 47-megawatt wind project in Mohave, California. The contract terms are between 10 and 22 years.



Monterey Bay Community Power and Silicon Valley Clean Energy have jointly-procured 200 megawatts of wind power from the Duran Mesa Wind project in New Mexico under 15-year PPAs.

CCA Power Purchasing

There are 19 operational Community Choice Aggregator (CCA) programs serving approximately 8 million customers in California. These CCAs have transacted to purchase power from established counterparties, providing customers with power that is cost-competitive with the rates of incumbent utilities, and in many cases greener. How do CCAs procure low cost, clean power?

Expertise and Mission

Like California's investor-owned utilities (IOUs), CCAs rely on staff and consulting experts in renewable energy procurement. Unlike IOUs, for whom generation service is a cost passed-through to customers, CCAs' procurement function is their lifeblood.

Long-Term Procurement Planning

CCAs build reliability and rate stability through long-term planning and procurement of energy resources under short (0-5 years), medium (6-10 years), and long-term (10+ years) power purchase agreements. Since much of the power California CCAs buy is from renewable resources that have no fuel cost, they hedge against fossil fuel price volatility.

Stable & Diversified Customer Base

CCAs have a dependable rate base because they are the default generation provider within the communities they serve. CCAs have a mix of residential, commercial, industrial, and public-sector accounts. CCA participation rates are stable—most California CCAs serve more than 90% of the market in their service area.

Prudent Risk Management

CCAs carefully manage cash to ensure they meet their financial obligations. In many cases, CCAs have bank lines of credit to supplement available cash. CCAs have an excellent track record of paying off loans early, and amply funding reserve accounts. CCAs manage their energy supply portfolios to ensure the right amount of energy is available when it is needed. CCAs ensure that energy purchased is diversified by supplier, location, duration, and technology type to provide stable rates for customers and stable revenues and costs for CCAs.



MCE, serving Marin and Napa Counties, along with parts of Solano and Contra Costa Counties, currently has \$2 billion invested in energy supply contracts. Of that, \$1.8 billion is for 924 megawatts of new, California renewables projects, with PPAs ranging in terms from 10 to 25 years. In 2018, MCE earned an investment-grade credit rating from Moody's.



Sonoma Clean Power serves Sonoma and Mendocino Counties. SCP and MCE have long-term PPAs with the 100 MW Mustang solar project in Kings County. Recurrent Energy developed the project for SCP and MCE by leveraging a tax equity investment by U.S. Bancorp. SCP also has PPAs for 70 megawatts of new California solar, and 80 megawatts of wind.



Peninsula Clean Energy, serving San Mateo County, has contracted for 300 megawatts of new California solar to be built in Merced and Kings Counties for contract terms of 25 and 15 years.