

MARIN CLEAN ENERGY

ADDENDUM NO. 3 TO THE REVISED COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT

TO ADDRESS MCE EXPANSION TO THE
CITY OF EL CERRITO



January 7, 2015

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CHAPTER 1 – Introduction

The purpose of this document is to make certain revisions to the Marin Clean Energy Implementation Plan and Statement of Intent in order to address the expansion of Marin Clean Energy (“MCE”) to the City of El Cerrito. MCE is a public agency that was formed in December 2008 for purposes of implementing a community choice aggregation (“CCA”) program and other energy-related programs targeting significant greenhouse gas emissions (“GHG”) reductions. At that time, the Member Agencies of MCE included eight of the twelve municipalities located within the geographic boundaries of Marin County: the cities/towns of Belvedere, Fairfax, Mill Valley, San Anselmo, San Rafael, Sausalito and Tiburon and the County of Marin (together the “Members” or “Member Agencies”). In anticipation of CCA program implementation and in compliance with state law, MCE submitted the Marin Energy Authority Community Choice Aggregation Implementation Plan and Statement of Intent (“Implementation Plan”) to the California Public Utilities Commission (“CPUC” or “Commission”) on December 9, 2009. Consistent with its expressed intent, MCE successfully launched its CCA program, Marin Clean Energy (“MCE” or “Program”), on May 7, 2010 and has been serving customers since that time.

During the second half of 2011, four additional municipalities within Marin County, the cities of Novato and Larkspur and the towns of Ross and Corte Madera, joined MCE, and a revised Implementation Plan reflecting updates related to said expansion was filed with the CPUC on December 3, 2011.

Subsequently, the City of Richmond, located in Contra Costa County, joined MCE, and a revised Implementation Plan reflecting updates related to this expansion was filed with the CPUC on July 6, 2012.

A revision to MCE’s Implementation Plan was then filed with the Commission on November 6, 2012 to ensure compliance with Commission Decision 12-08-045, which was issued on August 31, 2012. In Decision 12-08-045, the Commission directed existing CCA programs to file revised Implementation Plans to conform to the privacy rules in Attachment B of this Decision.

The most recent planned MCE membership expansions, which entail CCA service delivery to residential and business customers within the County of Napa and the cities of San Pablo and Benicia, are scheduled to commence in February (County of Napa) and May 2015 (cities of San Pablo and Benicia), respectively. To address the anticipated effects of these expansions, MCE filed with the Commission a revision to its Implementation Plan on July 18, 2014 to address expansion to the County of Napa (the Commission subsequently certified this revision on September 15, 2014); following this revision, MCE submitted Addendum #1 to the Revised Community Choice Aggregation Implementation Plan and Statement of Intent to Address MCE Expansion to the City of San Pablo (Addendum #1) on September 25, 2014 (the Commission subsequently certified Addendum #1 on October 29, 2014); and after filing Addendum #1, MCE submitted Addendum #2 to the Revised Community Choice Aggregation Implementation Plan and Statement of Intent to Address MCE Expansion to the City of Benicia (Addendum #2) on

November 21, 2014 (the Commission subsequently certified Addendum #2 on December 1, 2014).

Numerous communities continue to contact MCE regarding membership opportunities, including specific requests to join MCE and initiate related CCA service within these various jurisdictions. In response to these inquiries, MCE's governing board adopted Policy 007, which establishes a formal process and specific criteria for new member additions. In particular, this policy identifies several threshold requirements, including the specification that any prospective member evaluation demonstrate rate-related savings (based on prevailing market prices for requisite energy products at the time of each analysis) as well as environmental benefits (as measured by anticipated reductions in greenhouse gas emissions and increased renewable energy sales to CCA customers) before proceeding with expansion activities, including the filing of related revisions/addenda to this Implementation Plan. As MCE receives new membership requests, staff will follow the prescribed evaluative process of Policy 007 and will present related results at future public meetings. To the extent that membership evaluations demonstrate favorable results and any new community completes the process of joining MCE, this Implementation Plan will be revised through a related addendum, highlighting key impacts and consequences associated with the addition of such new community/communities.

The MCE program now provides electric generation service to approximately 125,000 customers, including a cross section of residential and commercial accounts. During its more than four-year operating history, non-member municipalities have monitored MCE progress, evaluating the potential opportunity for membership, which would enable customer choice with respect to electric generation service. In response to public interest and MCE's successful operational track record, the City of El Cerrito, which is located in Contra Costa County, requested MCE membership, consistent with MCE Policy 007, and adopted the requisite ordinance for joining MCE. MCE's Board of Directors approved the City of El Cerrito's membership request at a duly noticed public meeting on December 4, 2014 (through the approval of Resolution No. 2014-08) and the City of El Cerrito's Council completed its final reading of the requisite CCA ordinance (Ordinance No. 2015-02) on January 6, 2015.

This Addendum No. 3 to the Marin Clean Energy Community Choice Aggregation Implementation Plan and Statement of Intent ("Addendum No. 3") describes MCE's expansion plans to include the City of El Cerrito. According to the Commission, the Energy Division is required to receive and review a revised MCE implementation plan reflecting changes/consequences of additional members. With this in mind, MCE has reviewed its revised Implementation Plan, which was filed with the Commission on July 18, 2014, as well as Addendum #1 and Addendum #2, which were filed with the Commission on September 25, 2014 and November 21, 2014, respectively, and has identified certain information that requires updating to reflect the changes and consequences of adding the City of El Cerrito as well as other forecast modifications reflecting the most recent historical electric energy use within MCE's existing service territory. This Addendum No. 3 reflects pertinent changes related to the

new member addition(s) as well as projections that account for MCE's planned expansion and recent operations. This document format, including references to MCE's most recent Implementation Plan revision (filed with the Commission on July 18, 2014 and certified by the Commission on September 15, 2014), which is incorporated by reference and attached hereto as Appendix E, addresses all requirements identified in PU Code Section 366.2(c)(4), including universal access, reliability, equitable treatment of all customer classes and any requirements established by state law or by the CPUC concerning aggregated service, while streamlining public review of pertinent changes related to MCE expansion.

CHAPTER 2 – Changes to Address MCE Expansion to the City of El Cerrito

This Addendum No. 3 addresses the anticipated impacts of MCE's planned expansion to the City of El Cerrito as well as other forecast modifications reflecting the most recent historical electric energy use within MCE's existing service territory. As a result of this Member addition, certain assumptions regarding MCE's future operations have changed, including customer energy requirements, peak demand, renewable energy purchases, revenues and expenses as well as various other items. The following section highlights pertinent changes related to this planned expansion. To the extent that certain details related to membership expansion are not specifically discussed within this Addendum No. 3, MCE represents that such information shall remain unchanged relative to the July 18, 2014 Implementation Plan revision, which was certified by the Commission on September 15, 2014.

With regard to the defined terms Members and Member Agencies, the following communities are now signatories to the MCE Joint Powers Agreement and represent MCE's current membership:

Member Agencies
City of Belvedere
City of Benicia
Town of Corte Madera
City of El Cerrito
Town of Fairfax
City of Larkspur
City of Mill Valley
County of Marin
County of Napa
City of Novato
City of Richmond
Town of Ross
Town of San Anselmo
City of San Pablo
City of San Rafael
City of Sausalito
Town of Tiburon

Throughout this document, use of the terms Members and Member Agencies shall now include the aforementioned communities. To the extent that discussion addresses the process of aggregation and MCE organization, each of these communities is now an MCE Member and its electric customers will be offered CCA service consistent with the noted phase-in schedule.

Aggregation Process

MCE's aggregation process was discussed in Chapter 2 of MCE's July 18, 2014 Revised Implementation Plan. This first paragraph of Chapter 2 is replaced in its entirety with the following verbiage:

As previously noted, MCE successfully launched its CCA Program, MCE, on May 7, 2010 after meeting applicable statutory requirements and in consideration of planning elements described in its initial Implementation Plan. At this point in time, MCE plans to expand agency membership to include the City of El Cerrito. This community has requested MCE membership, and MCE's Board of Directors subsequently approved the membership request at a duly noticed public meeting on December 4, 2014.

Program Phase-In

Program phase-in was discussed in Chapter 5 of MCE's July 18, 2014 Revised Implementation Plan. Chapter 5 is replaced in its entirety with the following verbiage:

MCE will continue to phase-in the customers of its CCA Program as communicated in this Implementation Plan. To date, four phases have been successfully implemented; a fifth phase

will commence in February 2015; and a sixth phase will commence in May 2015 – the sixth phase will now include service commencement to customers located within the City of El Cerrito, as reflected in the following table.

MCE Phase No.	Status & Description of Phase	Implementation Date
Phase 1	Complete: MCE Member (municipal) accounts & a subset of residential, commercial and/or industrial accounts, comprising approximately 20 percent of total customer load within MCE's original Member Agencies.	May 7, 2010
Phase 2	Complete: Additional commercial and residential accounts, comprising approximately 20 percent of total customer load within MCE's original Member Agencies (incremental addition to Phase 1).	August, 2011
Phase 3	Complete: Remaining accounts within Marin County.	July, 2012
Phase 4	Complete: Residential, commercial, agricultural, and street lighting accounts within the City of Richmond.	July, 2013
Phase 5	February 2015: Residential, commercial, agricultural, and street lighting accounts within the unincorporated areas of Napa County, subject to economic and operational constraints.	February 2015
Phase 6	May 2015: Residential, commercial, agricultural, and street lighting accounts within the City of San Pablo, the City of Benicia and the City of El Cerrito, subject to economic and operational constraints.	May 2015

This approach has provided MCE with the ability to start slow, addressing any problems or unforeseen challenges on a small manageable program before gradually building to full program integration for an expected customer base of approximately 166,000 accounts, following completion of Phase 6 customer enrollments. This approach has also allowed MCE and its energy supplier(s) to address all system requirements (billing, collections, payments) under a phase-in approach to minimize potential exposure to uncertainty and financial risk by “walking” prior to ultimately “running”. The Board may evaluate other phase-in options based on then-current market conditions, statutory requirements and regulatory considerations as well as other factors potentially affecting the integration of additional customer accounts.

Sales Forecast

With regard to MCE's sales forecast, which is addressed in Chapter 6, Load Forecast and Resource Plan, MCE assumes that total annual retail sales will increase to approximately 1,800 GWh following Phase 6 expansion. The following tables have also been updated to reflect the impacts of planned expansion to MCE's new membership.

Chapter 6, Resource Plan Overview

Marin Clean Energy Proposed Resource Plan (GWH) 2010 to 2019										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
MCE Demand (GWh)										
Retail Demand	-91	-185	-570	-1,110	-1,252	-1,672	-1,816	-1,816	-1,816	-1,816
Distributed Generation	0	1	1	5	12	16	23	26	28	28
Energy Efficiency	0	0	0	0	1	1	2	3	5	7
Losses and UFE	-5	-11	-34	-66	-74	-99	-107	-107	-107	-107
Total Demand	-96	-196	-603	-1,171	-1,313	-1,755	-1,898	-1,894	-1,890	-1,887
MCE Supply (GWh)										
<u>Renewable Resources</u>										
Generation	0	0	0	0	0	0	0	4	7	11
Power Purchase Contracts	23	50	291	566	651	870	962	977	992	1,006
Total Renewable Resources	23	50	291	566	651	870	962	981	999	1,017
<u>Conventional Resources</u>										
Generation	0	0	0	0	0	0	0	0	0	0
Power Purchase Contracts	73	146	312	605	662	885	935	914	891	870
Total Conventional Resources	73	146	312	605	662	885	935	914	891	870
Total Supply	96	196	603	1,171	1,313	1,755	1,898	1,894	1,890	1,887
Energy Open Position (GWh)	0	0	0	0	0	0	0	0	0	0

Chapter 6, Customer Forecast

Marin Clean Energy Enrolled Retail Service Accounts Phase-In Period (End of Month)						
	May-10	Aug-11	Jul-12	Jul-13	Feb-15	May-15
MCE Customers						
Residential	7,354	12,503	77,345	106,510	120,204	145,874
Commercial & Industrial	579	1,114	9,913	13,098	15,316	17,884
Street Lighting & Traffic	138	141	443	748	1,014	1,156
Ag & Pumping	-	<15	113	109	1,467	1,467
Total	8,071	13,759	87,814	120,465	138,001	166,381

Marin Clean Energy
Retail Service Accounts (End of Year)
2010 to 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
MCE Customers										
Residential	7,354	12,503	77,345	106,510	106,510	145,874	145,874	145,874	145,874	145,874
Commercial & Industrial	579	1,114	9,913	13,098	13,098	17,884	17,884	17,884	17,884	17,884
Street Lighting & Traffic	138	141	443	748	748	1,156	1,156	1,156	1,156	1,156
Ag & Pumping	-	<15	113	109	109	1,467	1,467	1,467	1,467	1,467
Total	8,071	13,759	87,814	120,465	120,465	166,381	166,381	166,381	166,381	166,381

Chapter 6, Sales Forecast

Marin Clean Energy
Energy Requirements
(GWh)
2010 to 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
MCE Energy Requirements (GWh)										
Retail Demand	91	185	570	1,110	1,252	1,672	1,816	1,816	1,816	1,816
Distributed Generation	0	-1	-1	-5	-12	-16	-23	-26	-28	-28
Energy Efficiency	0	0	0	0	-1	-1	-2	-3	-5	-7
Losses and UFE	5	11	34	66	74	99	107	107	107	107
Total Load Requirement	96	196	603	1,171	1,313	1,755	1,898	1,894	1,890	1,887

Chapter 6, Capacity Requirements

Marin Clean Energy
Capacity Requirements
(MW)
2010 to 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Demand (MW)										
Retail Demand	28	46	182	233	233	291	291	291	291	291
Distributed Generation	(0)	(1)	(4)	(8)	(10)	(16)	(17)	(19)	(19)	(19)
Energy Efficiency	-	-	-	(0)	(0)	(0)	(0)	(1)	(1)	(1)
Losses and UFE	2	3	11	14	13	16	16	16	16	16
Total Net Peak Demand	30	47	189	239	236	291	290	287	287	287
Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	4	7	28	36	35	44	43	43	43	43
Capacity Requirement Including Reserve	34	55	218	274	271	335	333	331	330	330

Chapter 6, Renewable Portfolio Standards Energy Requirements

Marin Clean Energy RPS Requirements (MWh) 2010 to 2019										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Retail Sales	91,219	185,493	570,144	1,110,487	1,251,586	1,672,436	1,815,982	1,815,982	1,815,982	1,815,982
Baseline	-	18,244	37,099	114,029	222,097	271,594	389,678	453,996	490,315	526,635
Incremental Procurement Target	18,244	18,855	76,930	108,069	49,497	118,083	64,318	36,320	36,320	36,320
Annual Procurement Target	18,244	37,099	114,029	222,097	271,594	389,678	453,996	490,315	526,635	562,954
% of Current Year Retail Sales	20%	20%	20%	20%	22%	23%	25%	27%	29%	31%

Marin Clean Energy RPS Requirements and Program Renewable Energy Targets (MWh) 2010 to 2019										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Retail Sales (MWh)	91,219	185,493	570,144	1,110,487	1,251,586	1,672,436	1,815,982	1,815,982	1,815,982	1,815,982
Annual RPS Target (Minimum MWh)	18,244	37,099	114,029	222,097	271,594	389,678	453,996	490,315	526,635	562,954
Program Target (% of Retail Sales)	25%	27%	51%	51%	52%	52%	53%	54%	55%	56%
Program Renewable Target (MWh)	22,805	50,083	290,773	566,348	650,825	869,667	962,470	980,630	998,790	1,016,950
Surplus In Excess of RPS (MWh)	4,561	12,984	176,745	344,251	379,231	479,989	508,475	490,315	472,155	453,996
Annual Increase (MWh)	22,805	27,278	240,690	275,575	84,477	218,842	92,804	18,160	18,160	18,160

Chapter 6, Energy Efficiency

Marin Clean Energy Energy Efficiency Savings Goals (GWh) 2010 to 2019										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
MCE Retail Demand	91	185	570	1,110	1,252	1,672	1,816	1,816	1,816	1,816
MCE Energy Efficiency Goal	0	0	0	0	-1	-1	-2	-3	-5	-7

Chapter 6, Demand Response

Marin Clean Energy Demand Response Goals (MW) 2010 to 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Capacity Requirement (MW)	34	55	218	274	271	335	333	331	330	330
Demand Response Target	-	-	-	-	-	4	12	17	17	16
Percentage of Local Capacity Requirement	0%	0%	0%	0%	0%	8%	24%	32%	32%	32%

Chapter 6, Distributed Generation

California Solar Initiative Deployment

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
IOU Territory Target (MW)	705	882	1,058	1,235	1,411	1,587	1,764	1,940	1,940	1,940
Total Funding (\$Millions)	240	240	240	160	160	160	5	0	0	0
PG&E Funding (\$Millions)	105	105	105	70	70	70	2	0	0	0
PG&E Incentives Share	44%	44%	44%	44%	44%	44%	40%	40%	40%	40%
PG&E Area Deployment (MW)	309	386	463	540	617	694	705	776	776	776
MCE Share of PG&E Load	0.1%	0.3%	0.8%	1.5%	1.7%	2.3%	2.5%	2.5%	2.5%	2.5%
MCE Solar Deployment (MW)	0	1	4	8	10	16	17	19	19	19

Financial Plan

With regard to MCE's financial plan, which is addressed in Chapter 7, Financial Plan, MCE has updated its expected operating results, which now include projected impacts related to service expansion within MCE's new member communities. The following table reflects updated operating projections in consideration of these planned expansions.

Chapter 7, CCA Program Implementation Feasibility Analysis

Marin Clean Energy
Summary of CCA Program Phase-In
(January 2013 through December 2021)

CATEGORY	2013	2014	2015	2016	2017	2018	2019	2020	2021
I. REVENUES FROM OPERATIONS (\$)									
ELECTRIC SALES REVENUE	79,097,747	96,838,446	134,482,797	146,476,404	146,800,767	146,800,767	146,800,767	150,221,969	151,204,790
LESS UNCOLLECTIBLE ACCOUNTS	(395,489)	(484,192)	(672,414)	(732,382)	(734,004)	(734,004)	(734,004)	(751,110)	(756,024)
TOTAL REVENUES	78,702,259	96,354,253	133,810,383	145,744,022	146,066,763	146,066,763	146,066,763	149,470,860	150,448,766
II. COST OF OPERATIONS (\$)									
(A) ADMINISTRATIVE AND GENERAL (A&G)									
STAFFING	1,386,303	1,825,000	1,993,875	2,053,691	2,115,302	2,178,761	2,244,124	2,311,448	2,380,791
CONTRACT SERVICES	4,457,964	4,279,232	4,762,185	5,020,964	5,064,729	5,109,807	5,156,238	5,204,062	5,253,320
IOU FEES (INCLUDING BILLING)	584,729	660,114	868,549	925,208	952,965	981,553	1,011,000	1,041,330	1,072,570
OTHER A&G	302,806	373,125	398,084	409,388	421,030	433,022	445,374	458,096	471,200
SUBTOTAL A&G	6,731,802	7,137,471	8,022,692	8,409,251	8,554,026	8,703,144	8,856,736	9,014,936	9,177,881
(B) COST OF ENERGY	69,072,812	83,338,695	120,308,124	131,858,050	131,512,682	129,950,182	132,370,189	134,860,804	137,438,637
(C) DEBT SERVICE	1,195,162	1,195,162	1,151,494	671,149	447,432	-	-	-	-
TOTAL COST OF OPERATION	76,999,775	91,671,329	129,482,311	140,938,450	140,514,141	138,653,326	141,226,925	143,875,739	146,616,518
CCA PROGRAM SURPLUS/(DEFICIT)	1,702,483	4,682,925	4,328,073	4,805,572	5,552,622	7,413,436	4,839,838	5,595,120	3,832,248

Expansion Addendum Appendices

Appendix A: Marin Clean Energy Resolution 2014-08

Appendix B: City of El Cerrito, Request for MCE Membership – Resolution 2014-79

Appendix C: Joint Powers Agreement

Appendix D: City of El Cerrito, CCA Ordinance – Ordinance No. 2015-02

Appendix E: Marin Clean Energy Revised Implementation Plan and Statement of Intent
(November 21, 2014)

APPROVED

DEC 04 2014

RESOLUTION NO. 2014-08

MARIN CLEAN ENERGY

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY APPROVING THE CITY OF EL CERRITO AS A MEMBER OF MARIN CLEAN ENERGY SUBJECT TO (1) THE ADOPTION BY THE CITY OF EL CERRITO OF THE ORDINANCE REQUIRED BY PUBLIC UTILITIES CODE SECTION 366.2(C)(10) AND SUCH ORDINANCE BECOMING EFFECTIVE AND (2) THE EXECUTION OF THE MARIN CLEAN ENERGY (FORMERLY MARIN ENERGY AUTHORITY) JOINT POWERS AGREEMENT BY THE CITY OF EL CERRITO.

WHEREAS, on September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat. 2002, Ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "Act"), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation ("CCA"); and,

WHEREAS, the Act expressly authorizes participation in a CCA program through a joint powers agency, and on December 19, 2008, Marin Clean Energy ("MCE"), (formerly the Marin Energy Authority) was established as a joint power authority pursuant to a Joint Powers Agreement, as amended from time to time ("MCE Joint Powers Agreement"); and,

WHEREAS, on February 2, 2010, the California Public Utilities Commission certified the "Implementation Plan" of MCE, confirming MCE's compliance with the requirements of the Act; and,

WHEREAS, MCE members include the following communities: the County of Marin, the City of Belvedere, the Town of Corte Madera, the Town of Fairfax, the City of Larkspur, the City of Mill Valley, the County of Napa, the City of Novato, the City of Richmond, the Town of Ross, the Town of San Anselmo, the City of San Pablo, the City of San Rafael, the City of Sausalito and the Town of Tiburon; and

WHEREAS, the City of El Cerrito requested membership in Marin Clean Energy on July 23, 2014; and,

WHEREAS, the MCE Board of Directors approved the membership request of the City of El Cerrito on September 4, 2014 subject to a membership analysis yielding a positive result; and


WHEREAS, the membership analysis for the City of El Cerrito was completed on October 7, 2014, and yielded a positive result,

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, by the Board of Directors of Marin Clean Energy that the City of El Cerrito is approved as a member of

the Marin Clean Energy subject to (1) the adoption by the City of El Cerrito of the Ordinance required by Public Utilities Code Section 366.2(c)(10) and such ordinance becoming effective and (2) the execution of the Marin Clean Energy Joint Powers Agreement by the City of El Cerrito.

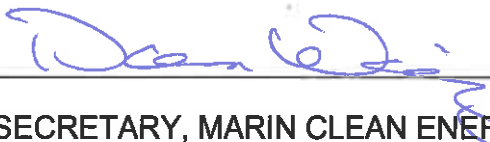
PASSED AND ADOPTED at a regular meeting of the Marin Clean Energy Board of Directors on this Fourth day of December, 2014 by the following vote:

	AYES	NOES	ABSTAIN	ABSENT
City of Belvedere	✓			
Town of Corte Madera	✓			
Town of Fairfax			✓	
City of Larkspur	✓			
City of Mill Valley			✓	
City of Novato				✓
City of Richmond	✓			
Town of Ross	✓			
Town of San Anselmo	✓			
City of San Pablo	✓			
City of San Rafael				✓
City of Sausalito				✓
Town of Tiburon	✓			
County Marin	✓			
County of Napa	✓			



CHAIR, MARIN CLEAN ENERGY

ATTEST:



SECRETARY, MARIN CLEAN ENERGY BOARD

APPROVED

DEC 04 2014

MARIN CLEAN ENERGY

RESOLUTION 2014-79

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO
REQUESTING MEMBERSHIP IN THE MARIN CLEAN ENERGY (MCE) JOINT POWERS
AGENCY AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE JOINT
POWERS AUTHORITY AGREEMENT WITH MCE

WHEREAS, the City of El Cerrito has adopted resolutions supporting state and local actions to reduce greenhouse gas emissions, including Resolution 2006-61 endorsing the U.S. Mayors Climate Protection Agreement and Resolution 2006-93 endorsing the reduction targets of the California Global Warming Solutions Act (AB 32); and

WHEREAS, the City of El Cerrito adopted its Climate Action Plan on May 21, 2013 with the goal of reducing greenhouse gas emissions from the El Cerrito community and its own city operations by 15% below 2005 emissions levels by 2020 and 30% below 2005 levels by 2035; and

WHEREAS, on September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat. 2002, Ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "Act"), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (CCA); and

WHEREAS, the Act expressly authorizes participation in a CCA program through a joint powers agency, and on December 19, 2008, Marin Clean Energy (MCE), formerly known as Marin Energy Authority, was established as a joint powers authority pursuant to a Joint Powers Agreement, as amended from time to time ("MCE Joint Powers Agreement"); and

WHEREAS, the purpose of MCE is to address climate change by reducing energy related greenhouse gas emissions and securing energy supply, price stability, energy efficiencies and local economic and workforce benefits; and

WHEREAS, the El Cerrito Climate Action Plan has identified membership in a CCA that procures from renewable energy sources to be one of the most cost-effective greenhouse gas emissions reductions strategies; and

WHEREAS, the City Council adopted Resolution 2014-28 on July 15, 2014 authorizing the Mayor to submit a letter to Marin Clean Energy requesting it conduct a membership analysis for El Cerrito; and the subsequent membership analysis demonstrated that the City of El Cerrito joining MCE would provide positive rate-payer and environmental benefits in existing and prospective MCE-member communities; and

WHEREAS, the City Council supports the mission of MCE and its intent to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including solar and wind energy production at competitive rates for customers; and

WHEREAS, in order to become a member of MCE, the MCE Joint Powers Agreement requires the City of El Cerrito to individually adopt a resolution requesting membership in Marin Clean Energy and an ordinance electing to implement a Community Choice Aggregation program within its jurisdiction; and

WHEREAS, this administrative action is exempt from CEQA, per State CEQA Guidelines Section 15378, which states there cannot be a project unless the proposed action will result in "either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment." State CEQA Guidelines Section 15378(b)(5) states that "Organization or administrative activities of governments that will not result in direct or indirect physical changes in the environments" are not projects. Joining a CCA presents no foreseeable significant adverse impact to the environment because California State regulations such as the Renewable Portfolio Standard and the Resource Adequacy requirements apply equally to CCAs as they do the City's current electricity supplier, PG&E.

NOW THEREFORE, BE IT RESOLVED, that the City Council hereby requests that the Board of Directors of MCE approve the City of El Cerrito as a member of MCE, and authorizes the City Manager to execute the Joint Powers Authority Agreement with MCE; and

BE IT FURTHER RESOLVED the City Council of the City of El Cerrito does hereby find that this action is exempt from CEQA and directs City Staff to file a notice of exemption with the County Clerk.

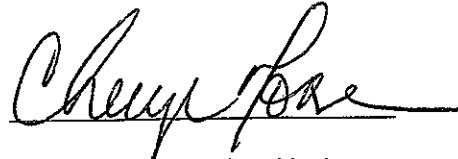
BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon passage and adoption.

I CERTIFY that at a regular meeting on December 16, 2014 the City Council of the City of El Cerrito passed this Resolution by the following vote:

AYES:	Councilmembers Abelson, Bridges, Lyman, Quinto and Mayor Friedman
NOES:	None
ABSENT:	None

* * * * *

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on December 16, 2014.

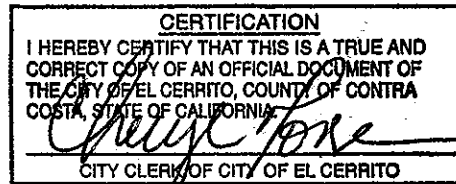


Cheryl Morse, City Clerk

APPROVED:



Mark Friedman, Mayor



**Marin Energy Authority
- Joint Powers Agreement -**

Effective December 19, 2008

**As amended by Amendment No. 1 dated December 3, 2009
As further amended by Amendment No. 2 dated March 4, 2010
As further amended by Amendment No. 3 dated May 6, 2010
As further amended by Amendment No. 4 dated December 1, 2011
As further amended by Amendment No. 5 dated July 5, 2012
As further amended by Amendment No. 6 dated September 5, 2013
As further amended by Amendment No. 7 dated December 5, 2013
As further amended by Amendment No. 8 dated September 4, 2014
As further amended by Amendment No. 9 dated December 4, 2014**

Among The Following Parties:

**City of Belvedere
City of Benicia
Town of Corte Madera
City of El Cerrito
Town of Fairfax
City of Larkspur
City of Mill Valley
City of Novato
City of Richmond
Town of Ross
Town of San Anselmo
City of San Pablo
City of San Rafael
City of Sausalito
Town of Tiburon
County of Marin
County of Napa**

MARIN ENERGY AUTHORITY JOINT POWERS AGREEMENT

This **Joint Powers Agreement** (“Agreement”), effective as of December 19, 2008, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the parties set forth in Exhibit B (“Parties”). The term “Parties” shall also include an incorporated municipality or county added to this Agreement in accordance with Section 3.1.

RECITALS

1. The Parties are either incorporated municipalities or counties sharing various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and their inhabitants.
2. 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 government to develop programs to reduce greenhouse emissions.
3. The purposes for the Initial Participants (as such term is defined in Section 2.2 below) entering into this Agreement include addressing climate change by reducing energy related greenhouse gas emissions and securing energy supply and price stability, energy efficiencies and local economic benefits. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar and wind energy production.
4. The Parties desire to establish a separate public agency, known as the Marin Energy Authority (“Authority”), 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.
5. The Initial Participants have each adopted an ordinance electing to implement through the Authority Community Choice Aggregation, an electric service enterprise agency available to cities and counties pursuant to California Public Utilities Code Section 366.2 (“CCA Program”). The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program. Regardless of whether or not Program Agreement 1 is approved and the CCA Program becomes operational, the parties intend for the Authority to continue to study, promote, develop, conduct, operate and manage other energy programs.

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 CONTRACT DOCUMENTS

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:	Annual Energy Use
Exhibit D:	Voting Shares

1.3 Revision of Exhibits. The Parties agree that Exhibits B, C and D to this Agreement describe certain administrative matters that may be revised upon the approval of the Board, without such revision constituting an amendment to this Agreement, as described in Section 8.4. The Authority shall provide written notice to the Parties of the revision of any such exhibit.

ARTICLE 2 FORMATION OF MARIN ENERGY AUTHORITY

2.1 Effective Date and Term. This Agreement shall become effective and Marin Energy Authority shall exist as a separate public agency on the date this Agreement is executed by at least two Initial Participants after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(10). 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 7.4, subject to the rights of the Parties to withdraw from the Authority.

2.2 Initial Participants. During the first 180 days after the Effective Date, all other Initial Participants may become a Party by executing this Agreement and delivering an executed copy of this Agreement and a copy of the adopted ordinance required by Public Utilities Code Section 366.2(c)(10) to the Authority. Additional conditions, described in Section 3.1, may apply (i) to either an incorporated municipality or county desiring to become a Party and is not an Initial Participant and (ii) to Initial Participants that have not executed and delivered this Agreement within the time period described above.

- 2.3 Formation.** There is formed as of the Effective Date a public agency named the Marin Energy Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. 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 8.4 of this Agreement, this Section 2.3 may not be amended unless such amendment is approved by the governing board of each Party.
- 2.4 Purpose.** The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy and energy-related climate change 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 as a group in the CCA Program, as further described in Section 5.1. The Parties intend that subsequent agreements shall define the terms and conditions associated with the actual implementation of the CCA Program and any other energy programs approved by the Authority.
- 2.5 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:
- 2.5.1** make and enter into contracts;
 - 2.5.2** employ agents and employees, including but not limited to an Executive Director;
 - 2.5.3** acquire, contract, manage, maintain, and operate any buildings, works or improvements;
 - 2.5.4** acquire by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property;
 - 2.5.5** lease any property;
 - 2.5.6** sue and be sued in its own name;
 - 2.5.7** 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 Section 53850 et seq. and authority under the Act;
 - 2.5.8** issue revenue bonds and other forms of indebtedness;
 - 2.5.9** apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state or local public agency;

- 2.5.10 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;
 - 2.5.11 adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority (“Operating Rules and Regulations”); and
 - 2.5.12 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.
- 2.6 **Limitation on Powers.** 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 County of Marin.
- 2.7 **Compliance with Local Zoning and Building Laws.** Notwithstanding any other provisions of this Agreement or state law, 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.

ARTICLE 3 AUTHORITY PARTICIPATION

- 3.1 **Addition of Parties.** Subject to Section 2.2, relating to certain rights of Initial Participants, 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 Board satisfying the requirements described in Section 4.9.1, 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 this Agreement and other necessary program agreements by the incorporated municipality or county, (d) payment of the membership payment, if any, and (e) satisfaction of any conditions established by the Board. Notwithstanding the foregoing, in the event the Authority decides to not implement a CCA Program, the requirement that an additional party adopt the ordinance required by Public Utilities Code Section 366.2(c)(10) shall not apply. Under such circumstance, the Board resolution authorizing membership of an additional incorporated municipality or county shall be adopted in accordance with the voting requirements of Section 4.10.

- 3.2 Continuing Participation.** The Parties acknowledge that membership in the Authority may change by the addition and/or withdrawal or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 3.1. The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

ARTICLE 4

GOVERNANCE AND INTERNAL ORGANIZATION

- 4.1 Board of Directors.** The governing body of the Authority shall be a Board of Directors ("Board") consisting of one director for each Party appointed in accordance with Section 4.2.
- 4.2 Appointment and Removal of Directors.** The Directors shall be appointed and may be removed as follows:
- 4.2.1** The governing body of each Party shall appoint and designate in writing one regular Director who shall be authorized to act for and on behalf of the Party on matters within the powers of the Authority. The governing body of each Party also shall appoint and designate in writing one alternate Director who may vote on matters when the regular Director is absent from a Board meeting. The person appointed and designated as the Director or the alternate Director shall be a member of the governing body of the Party.
 - 4.2.2** The Operating Rules and Regulations, to be developed and approved by the Board in accordance with Section 2.5.11, shall specify the reasons for and process associated with the removal of an individual Director for cause. Notwithstanding the foregoing, no Party shall be deprived of its right to seat a Director on the Board and any such Party for which its Director and/or alternate Director has been removed may appoint a replacement.
- 4.3 Terms of Office.** Each Director shall serve at the pleasure of the governing body of the Party that the Director represents, and may be removed as Director by such governing body 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 in accordance with the provisions of Section 4.2 within 90 days of the date that such position becomes vacant.
- 4.4 Quorum.** A majority of the Directors shall constitute a quorum, except that less than a quorum may adjourn from time to time in accordance with law.

- 4.5 Powers and Function of the Board.** The Board shall conduct or authorize to be conducted all business and activities of the Authority, consistent with this Agreement, the Authority Documents, the Operating Rules and Regulations, and applicable law.
- 4.6 Executive Committee.** The Board may establish an executive committee consisting of a smaller number of Directors. The Board may delegate to the executive committee such authority as the Board might otherwise exercise, subject to limitations placed on the Board's authority to delegate certain essential functions, as described in the Operating Rules and Regulations. The Board may not delegate to the Executive Committee or any other committee its authority under Section 2.5.11 to adopt and amend the Operating Rules and Regulations.
- 4.7 Commissions, Boards and Committees.** The Board may establish any advisory commissions, boards and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement.
- 4.8 Director Compensation.** Compensation for work performed by Directors on behalf of the Authority shall be borne by the Party that appointed the Director. The Board, however, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors.
- 4.9 Board Voting Related to the CCA Program.**
- 4.9.1.** To be effective, on all matters specifically related to the CCA Program, a vote of the Board shall consist of the following: (1) a majority of all Directors shall vote in the affirmative or such higher voting percentage expressly set forth in Sections 7.2 and 8.4 (the "percentage vote") and (2) the corresponding voting shares (as described in Section 4.9.2 and Exhibit D) of all such Directors voting in the affirmative shall exceed 50%, or such other higher voting shares percentage expressly set forth in Sections 7.2 and 8.4 (the "percentage voting shares"), provided that, in instances in which such other higher voting share percentage would result in any one Director having a voting share that equals or exceeds that which is necessary to disapprove the matter being voted on by the Board, at least one other Director shall be required to vote in the negative in order to disapprove such matter.
- 4.9.2.** Unless otherwise stated herein, voting shares of the Directors shall be determined by combining the following: (1) an equal voting share for each Director determined in accordance with the formula detailed in Section 4.9.2.1, below; and (2) an additional voting share determined in accordance with the formula detailed in Section 4.9.2.2, below.
- 4.9.2.1 Pro Rata Voting Share.** Each Director shall have an equal voting share as determined by the following formula: (1/total number of

Directors) multiplied by 50, and

4.9.2.2 Annual Energy Use Voting Share. Each Director shall have an additional voting share as determined by the following formula: (Annual Energy Use/Total Annual Energy) multiplied by 50, where (a) “Annual Energy Use” means, (i) with respect to the first 5 years following the Effective Date, the annual electricity usage, expressed in kilowatt hours (“kWhs”), within the Party’s respective jurisdiction and (ii) with respect to the period after the fifth anniversary of the Effective Date, the annual electricity usage, expressed in kWhs, of accounts within a Party’s respective jurisdiction that are served by the Authority and (b) “Total Annual Energy” means the sum of all Parties’ Annual Energy Use. The initial values for Annual Energy use are designated in Exhibit C, and shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year

4.9.2.3 The voting shares are set forth in Exhibit D. Exhibit D may be updated to reflect revised annual energy use amounts and any changes in the parties to the Agreement without amending the Agreement provided that the Board is provided a copy of the updated Exhibit D.

4.10 Board Voting on General Administrative Matters and Programs Not Involving CCA. Except as otherwise provided by this Agreement or the Operating Rules and Regulations, each member shall have one vote on general administrative matters, including but not limited to the adoption and amendment of the Operating Rules and Regulations, and energy programs not involving CCA. Action on these items shall be determined by a majority vote of the quorum present and voting on the item or such higher voting percentage expressly set forth in Sections 7.2 and 8.4.

4.11 Board Voting on CCA Programs Not Involving CCA That Require Financial Contributions. The approval of any program or other activity not involving CCA that requires financial contributions by individual Parties shall be approved only by a majority vote of the full membership of the Board subject to the right of any Party who votes against the program or activity to opt-out of such program or activity pursuant to this section. The Board shall provide at least 45 days prior written notice to each Party before it considers the program or activity for adoption at a Board meeting. Such notice shall be provided to the governing body and the chief administrative officer, city manager or town manager of each Party. The 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 a program or other activity of the Authority requiring financial contributions by individual Parties may elect to opt-out of participation in such 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.

4.12 Meetings and Special Meetings of the Board. The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. 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 meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Section 54950 et seq.).

4.13 Selection of Board Officers.

4.13.1 Chair and Vice Chair. The Directors shall select, from among themselves, a Chair, who shall be the presiding officer of all 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 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.

4.13.2 Secretary. The 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 the Board and all other official records of the Authority.

4.13.3 Treasurer and Auditor. The 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 act as the depository of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The Board may require the Treasurer and/or Auditor to

file with the Authority an official bond in an amount to be fixed by the Board, and if so requested the Authority shall pay the cost of premiums associated with the bond. The Treasurer shall report directly to the 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 6.

- 4.14 Administrative Services Provider.** The Board 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 a written agreement between the Authority and the appointed administrative services provider or providers that will be known as an Administrative Services Agreement. The 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.

ARTICLE 5

IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

5.1 Preliminary Implementation of the CCA Program.

- 5.1.1 Enabling Ordinance.** Except as otherwise provided by Section 3.1, prior to the execution of this Agreement, each Party shall adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(10) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.
- 5.1.2 Implementation Plan.** The Authority 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 Board in the manner provided by Section 4.9.

5.1.3 Effect of Vote On Required Implementation Action. In the event that two or more Parties vote to approve Program Agreement 1 or any earlier action required for the implementation of the CCA Program (“Required Implementation Action”), but such vote is insufficient to approve the Required Implementation Action under Section 4.9, the following will occur:

5.1.3.1 The Parties voting against the Required Implementation Action shall no longer be a Party to this Agreement and this Agreement shall be terminated, without further notice, with respect to each of the Parties voting against the Required Implementation Action at the time this vote is final. The Board may take a provisional vote on a Required Implementation Action in order to initially determine the position of the Parties on the Required Implementation Action. A vote, specifically stated in the record of the Board meeting to be a provisional vote, shall not be considered a final vote with the consequences stated above. A Party who is terminated from this Agreement pursuant to this section shall be considered the same as a Party that voluntarily withdrew from the Agreement under Section 7.1.1.1.

5.1.3.2 After the termination of any Parties pursuant to Section 5.1.3.1, the remaining Parties to this Agreement shall be only the Parties who voted in favor of the Required Implementation Action.

5.1.4 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.

5.2 Authority Documents. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution, including but not necessarily limited to the Operating Rules and Regulations, the annual budget, and specified plans and policies defined as the Authority Documents by this Agreement. The Parties agree to abide by and comply with the terms and conditions of all such Authority Documents that may be adopted by the Board, subject to the Parties’ right to withdraw from the Authority as described in Article 7.

ARTICLE 6 FINANCIAL PROVISIONS

- 6.1 Fiscal Year.** The Authority's fiscal year shall be 12 months commencing July 1 and ending June 30. The fiscal year may be changed by Board resolution.
- 6.2 Depository.**
- 6.2.1** 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 any other person or entity.
- 6.2.2** 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 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.
- 6.2.3** All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board 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.
- 6.3 Budget and Recovery Costs.**
- 6.3.1 Budget.** The initial budget shall be approved by the Board. The Board may revise the budget from time to time through an Authority Document as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be prepared and approved by the Board in accordance with the Operating Rules and Regulations.
- 6.3.2 County Funding of Initial Costs.** The County of Marin shall fund the Initial Costs of the Authority in implementing the CCA Program in an amount not to exceed \$500,000 unless a larger amount of funding is approved by the Board of Supervisors of the County. This funding shall be paid by the County at the times and in the amounts required by the Authority. In the event that the CCA Program becomes operational, these Initial Costs paid by the County of Marin shall be included in the customer charges for electric services as provided by Section 6.3.4 to the extent permitted by law, and the County of Marin shall be reimbursed from the

payment of such charges by customers of the Authority. 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 Marin shall not be entitled to any reimbursement of the Initial Costs it has paid from the Authority or any Party.

6.3.3 CCA Program Costs. The Parties desire that, to the extent reasonably practicable, all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric services under the CCA Program, including the establishment and maintenance of various reserve and performance funds, shall be recovered through charges to CCA customers receiving such electric services.

6.3.4 General Costs. Costs that are not directly or indirectly attributable to the provision of electric services under the CCA Program, as determined by the Board, shall be defined as general costs. General costs shall be shared among the Parties on such basis as the Board shall determine pursuant to an Authority Document.

6.3.5 Other Energy Program Costs. Costs that are directly or indirectly attributable to energy programs approved by the Authority other than the CCA Program shall be shared among the Parties on such basis as the Board shall determine pursuant to an Authority Document.

ARTICLE 7 WITHDRAWAL AND TERMINATION

7.1 Withdrawal.

7.1.1 General.

7.1.1.1 Prior to the Authority's execution of Program Agreement 1, any Party may withdraw its membership in the Authority by giving no less than 30 days advance written notice of its election to do so, which notice shall be given to the Authority and each Party. To permit consideration by the governing body of each Party, the Authority shall provide a copy of the proposed Program Agreement 1 to each Party at least 90 days prior to the consideration of such agreement by the Board.

7.1.1.2 Subsequent to the Authority's execution of Program Agreement 1, a Party may withdraw its membership in the Authority, 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, and upon such other conditions as may be prescribed in Program Agreement 1.

7.1.2 Amendment. Notwithstanding Section 7.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement in the manner provided by Section 8.4.

7.1.3 Continuing Liability; Further Assurances. A Party that withdraws its membership in the Authority may be subject to certain continuing liabilities, as described in Section 7.3. The 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 membership in the Authority. The Operating Rules and Regulations shall prescribe the rights if any of a withdrawn Party to continue to participate in those Board discussions and decisions affecting customers of the CCA Program that reside or do business within the jurisdiction of the Party.

7.2 Involuntary Termination of a Party. This Agreement may be terminated with respect to a Party for material non-compliance with provisions of this Agreement or the Authority Documents upon an affirmative vote of the Board in which the minimum percentage vote and percentage voting shares, as described in Section 4.9.1, shall be no less than 67%, excluding the vote and voting shares of the Party subject to possible termination. Prior to any vote to terminate this Agreement 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 the Authority Documents 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 membership in the Authority terminated may be subject to certain continuing liabilities, as described in Section 7.3. In the event that the Authority decides to not implement the CCA Program, the minimum percentage vote of 67% shall be conducted in accordance with Section 4.10 rather than Section 4.9.1.

7.3 Continuing Liability; Refund. Upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or liabilities arising from the Party's membership in the Authority through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any claims, demands, damages, or liabilities arising after the date of the Party's withdrawal or involuntary termination. In addition, such

Party also shall 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, to cover the Party's liability 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 liabilities or obligations shall be returned to the Party.

- 7.4 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 membership in the Authority, and thus terminate this Agreement with respect to such withdrawing Party, as described in Section 7.1.
- 7.5 Disposition of Property upon Termination of Authority.** Upon termination of this Agreement as to all Parties, 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 8 MISCELLANEOUS PROVISIONS

- 8.1 Dispute Resolution.** The Parties and the Authority shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement. Should such efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be settled by binding arbitration in accordance with policies and procedures established by the Board.
- 8.2 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 Section 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.

- 8.3 Indemnification of Parties.** The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority, the Parties and the public. The Authority shall defend, indemnify and hold harmless the Parties and each of their respective Board or Council members, 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.
- 8.4 Amendment of this Agreement.** This Agreement may be amended by an affirmative vote of the Board in which the minimum percentage vote and percentage voting shares, as described in Section 4.9.1, shall be no less than 67%. The Authority shall provide written notice to all Parties of amendments to this Agreement, including the effective date of such amendments. A Party shall be deemed to have withdrawn its membership in the Authority effective immediately upon the vote of the Board approving an amendment to this Agreement if the Director representing such Party has provided notice to the other Directors immediately preceding the Board's vote of the Party's intention to withdraw its membership in the Authority should the amendment be approved by the Board. As described in Section 7.3, a Party that withdraws its membership in the Authority in accordance with the above-described procedure may be subject to continuing liabilities incurred prior to the Party's withdrawal. In the event that the Authority decides to not implement the CCA Program, the minimum percentage vote of 67% shall be conducted in accordance with Section 4.10 rather than Section 4.9.1.
- 8.5 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 8.5 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 8.5 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.
- 8.6 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.

- 8.7 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.
- 8.8 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.
- 8.9 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

**To the
Joint Powers Agreement
Marin Energy Authority**

-Definitions-

“AB 117” means Assembly Bill 117 (Stat. 2002, ch. 838, codified at Public Utilities Code Section 366.2), which created CCA.

“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 4.9.2.2.

“Authority” means the Marin Energy Authority.

“Authority Document(s)” means document(s) duly adopted by the Board 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 Board of Directors of the Authority.

“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 Sections 2.4 and 5.1.

“Director” means a member of the Board of Directors representing a Party.

“Effective Date” means the date on which this Agreement shall become effective and the Marin Energy Authority shall exist as a separate public agency, as further described in Section 2.1.

“Implementation Plan” means the plan generally described in Section 5.1.2 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 Authority relating to the establishment and initial operation of the Authority, such as the hiring of an Executive Director and any administrative staff, any required accounting, administrative, technical and 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 Provider Agreements and Program Agreement 1. Administrative and operational costs incurred after the approval of Program Agreement 1 shall not be considered Initial Costs.

“Initial Participants” means, for the purpose of this Agreement, the signatories to this JPA as of May 5, 2010 including City of Belvedere, Town of Fairfax, City of Mill Valley, Town of San Anselmo, City of San Rafael, City of Sausalito, Town of Tiburon and County of Marin.

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

“Parties” means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.2 or 3.2 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 2.2 or 3.2 such that it is considered a member of the Authority.

“Program Agreement 1” means the agreement that the Authority will enter into with an energy service provider that will provide the electricity to be distributed to customers participating in the CCA Program.

“Total Annual Energy” has the meaning given in Section 4.9.2.2.

Exhibit B

**To the
Joint Powers Agreement
Marin Energy Authority**

-List of the Parties-

City of Belvedere
City of Benicia
Town of Corte Madera
City of El Cerrito
Town of Fairfax
City of Larkspur
City of Mill Valley
City of Novato
City of Richmond
Town of Ross
Town of San Anselmo
City of San Pablo
City of San Rafael
City of Sausalito
Town of Tiburon
County of Marin
County of Napa

Exhibit C
To the
Joint Powers Agreement
Marin Clean Energy
- Annual Energy Use -

This Exhibit C is effective as of December 4, 2014.

Party	kWh (2012/2013*)
City of Belvedere	9,973,170
City of Benicia	272,731,094
Town of Corte Madera	62,093,107
City of El Cerrito	109,836,169
Town of Fairfax	24,700,647
City of Larkspur	63,174,199
City of Mill Valley	69,176,164
City of Novato	286,565,119
City of Richmond	581,012,267
Town of Ross	13,529,793
Town of San Anselmo	46,642,417
City of San Pablo	97,383,170
City of San Rafael	347,362,327
City of Sausalito	48,099,763
Town of Tiburon	40,913,144
County of Marin	330,023,521
County of Napa	348,095,521
Authority Total Energy Use	2,751,311,592
*Data Provided by PG&E	

Exhibit D
To the
Joint Powers Agreement
Marin Clean Energy
- Voting Shares -

This Exhibit D is effective as of December 4, 2014.

Party	kWh (2012/2013*)	Section 4.9.2.1	Section 4.9.2.2	Voting Share
City of Belvedere	9,973,170	2.94%	0.18%	3.12%
City of Benicia	272,731,094	2.94%	4.96%	7.90%
Town of Corte Madera	62,093,107	2.94%	1.13%	4.07%
City of El Cerrito	109,836,169	2.94%	2.00%	4.94%
Town of Fairfax	24,700,647	2.94%	0.45%	3.39%
City of Larkspur	63,174,199	2.94%	1.15%	4.09%
City of Mill Valley	69,176,164	2.94%	1.26%	4.20%
City of Novato	286,565,119	2.94%	5.21%	8.15%
City of Richmond	581,012,267	2.94%	10.56%	13.50%
Town of Ross	13,529,793	2.94%	0.25%	3.19%
Town of San Anselmo	46,642,417	2.94%	0.85%	3.79%
City of San Pablo	97,383,170	2.94%	1.77%	4.71%
City of San Rafael	347,362,327	2.94%	6.31%	9.25%
City of Sausalito	48,099,763	2.94%	0.87%	3.82%
Town of Tiburon	40,913,144	2.94%	0.74%	3.68%
County of Marin	330,023,521	2.94%	6.00%	8.94%
County of Napa	348,095,521	2.94%	6.33%	9.27%
*Data Provided by PG&E	2,751,311,592	50.00%	50.00%	100.00%

ORDINANCE NO. 2015-02

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL CERRITO AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM, APPROVING THE MARIN CLEAN ENERGY JOINT POWERS AGREEMENT, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE JOINT POWERS AGREEMENT WITH MARIN CLEAN ENERGY

THE CITY COUNCIL OF THE CITY OF EL CERRITO DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. FINDINGS

On September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat. 2002, Ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "CCA Act"), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation (CCA); and

The CCA Act expressly authorizes participation in a CCA program through a joint powers agency, and on December 19, 2008, Marin Clean Energy (MCE), formerly known as Marin Energy Authority, was established as a joint powers authority pursuant to a Joint Powers Agreement, as amended from time to time ("MCE Joint Powers Agreement"); and

The purpose of MCE is to address climate change by reducing energy related greenhouse gas emissions and securing energy supply, price stability, energy efficiencies and local economic and workforce benefits; and

On February 2, 2010, the California Public Utilities Commission certified the "Implementation Plan" of MCE, confirming MCE's compliance with the requirements of the Act; and

The City of El Cerrito adopted a Climate Action Plan on May 21, 2013 with the goal of reducing greenhouse gas emissions from the El Cerrito community and its own city operations by 15% below 2005 emissions levels by 2020 and 30% below 2005 levels by 2035; and

The El Cerrito Climate Action Plan contains goals and objectives to reduce reliance on fossil fuel based energy by increasing renewable energy throughout El Cerrito, including membership in a CCA, which it identified to be one of the most cost-effective greenhouse gas emissions reductions strategies available to the City; and

The City Council supports the mission of MCE and its intent to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including solar and wind energy production at competitive rates for customers; and

In order to become a member of MCE, the Act requires the City to individually adopt an ordinance electing to implement a Community Choice Aggregation program within its jurisdiction by and through its participation in Marin Clean Energy; and

This administrative action is exempt from CEQA, pursuant to State CEQA Guidelines Section 15378, which states there cannot be a project unless the proposed action will result in "either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment." State CEQA Guidelines Section 15378(b)(5) states that "Organization or administrative activities of governments that will not result in direct or indirect physical changes in the environments" are not projects. Joining a CCA presents no foreseeable significant adverse impact to the environment because California State regulations such as the Renewable Portfolio Standard and the Resource Adequacy requirements apply equally to CCAs as they do the City's current electricity supplier, PG&E.

SECTION 2. COMPLIANCE WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Pursuant to Title 14 of the California Administrative Code, the City Council finds that this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) for the following reasons: (1) Pursuant to State CEQA Guidelines Section 15378, there cannot be a project unless the proposed action will result in "either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment;" and (2) State CEQA Guidelines Section 15378(b)(5) states that "organization or administrative activities of governments that will not result in direct or indirect physical changes in the environments" are not projects.

SECTION 3. APPROVAL

The City Council of the City of El Cerrito elects to implement a Community Choice Aggregation program within the City's jurisdiction by and through the City's participation in MCE. The City Manager is hereby authorized to execute the MCE Joint Powers Agreement.

SECTION 4. NOTICING, POSTING, AND PUBLICATION

This ordinance is adopted pursuant to the procedures established by state law, and all required notices have been given, and the public hearing has been properly held and conducted.

SECTION 5. EFFECTIVE DATE

This ordinance shall not take effect until thirty days after the second reading, January 6, 2015.

THE FOREGOING ORDINANCE was introduced at a regular meeting of the City Council on December 16, 2014 and passed by the following vote:


AYES:	Councilmembers Abelson, Bridges, Lyman, Quinto and Mayor Friedman
NOES:	None

ABSTAIN: None
ABSENT: None

ADOPTED AND ORDERED published at a regular meeting of the City Council held on January 6, 2015 and passed by the following vote:

AYES: Councilmembers Abelson, Bridges, Lyman, Quinto and Mayor Friedman
NOES: None
ABSTAIN: None
ABSENT: None

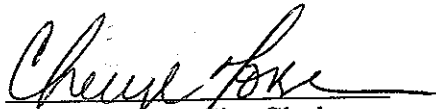
APPROVED:


Mark Friedman, Mayor

ATTEST:


Cheryl Morse, City Clerk

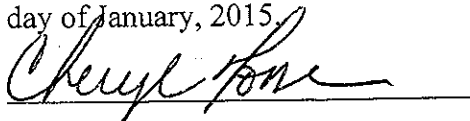
IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on January 6, 2015.


Cheryl Morse, City Clerk

ORDINANCE CERTIFICATION

I, Cheryl Morse, City Clerk of the City of El Cerrito, do hereby certify that this Ordinance is the true and correct original Ordinance No. 2014-02 of the City of El Cerrito; that said Ordinance was duly enacted and adopted by the City Council of the City of El Cerrito at a meeting of the City Council held on the 6th day of January, 2015; and that said Ordinance has been published and/or posted in the manner required by law.

WITNESS my hand and the Official Seal of the City of El Cerrito, California, this 6th day of January, 2015.


Cheryl Morse, City Clerk

MARIN CLEAN ENERGY

ADDENDUM NO. 2 TO THE REVISED COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT

**TO ADDRESS MCE EXPANSION TO THE
CITY OF BENICIA**



November 21, 2014

APPENDIX E

For copies of this document contact Marin Clean Energy in San Rafael, California or visit www.mceccleanenergy.org

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CHAPTER 1 – Introduction

The purpose of this document is to make certain revisions to the Marin Clean Energy Implementation Plan and Statement of Intent in order to address the expansion of Marin Clean Energy (“MCE”) to the City of Benicia. MCE is a public agency that was formed in December 2008 for the purposes of implementing a community choice aggregation (“CCA”) program and other energy-related programs targeting significant greenhouse gas emissions (“GHG”) reductions. At that time, the Member Agencies of MCE included eight of the twelve municipalities located within the geographic boundaries of Marin County: the cities/towns of Belvedere, Fairfax, Mill Valley, San Anselmo, San Rafael, Sausalito and Tiburon and the County of Marin (together the “Members” or “Member Agencies”). In anticipation of CCA program implementation and in compliance with state law, MCE submitted the Marin Energy Authority Community Choice Aggregation Implementation Plan and Statement of Intent (“Implementation Plan”) to the California Public Utilities Commission (“CPUC” or “Commission”) on December 9, 2009. Consistent with its expressed intent, MCE successfully launched its CCA program, Marin Clean Energy (“MCE” or “Program”), on May 7, 2010 and has been serving customers since that time.

During the second half of 2011, four additional municipalities within Marin County, the cities of Novato and Larkspur and the towns of Ross and Corte Madera, joined MCE, and a revised Implementation Plan reflecting updates related to said expansion was filed with the CPUC on December 3, 2011.

Subsequently, the City of Richmond, located in Contra Costa County, joined MCE, and a revised Implementation Plan reflecting updates related to this expansion was filed with the CPUC on July 6, 2012.

A revision to MCE’s Implementation Plan was then filed with the Commission on November 6, 2012 to ensure compliance with Commission Decision 12-08-045, which was issued on August 31, 2012. In Decision 12-08-045, the Commission directed existing CCA programs to file revised Implementation Plans to conform to the privacy rules in Attachment B of this Decision.

The most recent planned MCE membership expansions, which entail CCA service delivery to residential and business customers within the County of Napa and the City of San Pablo, are scheduled to commence in February and May 2015, respectively. To address the anticipated effects of these respective expansions, MCE filed with the Commission a revision to its Implementation Plan on July 18, 2014 to address expansion to the County of Napa (the Commission subsequently certified this revision on September 15, 2014); following this revision, MCE submitted Addendum #1 to the Revised Community Choice Aggregation Implementation Plan and Statement of Intent to Address MCE Expansion to the City of San Pablo (Addendum #1) on September 25, 2014 (the Commission subsequently certified this revision on October 29, 2014).

Numerous communities continue to contact MCE regarding membership opportunities, including specific requests to join MCE and initiate related CCA service within these respective jurisdictions. In response to these inquiries, MCE's governing board adopted Policy 007, which establishes a formal process and specific criteria for new member additions. In particular, this policy identifies several threshold requirements, including the specification that any prospective member evaluation demonstrate rate-related savings (based on prevailing market prices for requisite energy products at the time of each analysis) as well as environmental benefits (as measured by anticipated reductions in greenhouse gas emissions and increased renewable energy sales to CCA customers) before proceeding with expansion activities, including the filing of related revisions to this Implementation Plan. As MCE receives new membership requests, staff will follow the prescribed evaluative process of Policy 007 and will present related results at future public meetings. To the extent that membership evaluations demonstrate favorable results and any new community completes the process of joining MCE, this Implementation Plan will be revised through a related addendum, highlighting key impacts and consequences associated with the addition of such new community/communities.

The MCE program now provides electric generation service to approximately 125,000 customers, including a cross section of residential and commercial accounts. During its more than four-year operating history, non-member municipalities have monitored MCE progress, evaluating the potential opportunity for membership, which would enable customer choice with respect to electric generation service. In response to public interest and MCE's successful operational track record, the City of Benicia, which is located in Solano County, requested MCE membership, consistent with MCE Policy 007, and adopted the requisite ordinance for joining MCE. MCE's Board of Directors approved the City of Benicia's membership request at a duly noticed public meeting on October 2, 2014 (through the approval of Resolution No. 2014-06) and the City of Benicia's Council completed its final reading of the requisite CCA ordinance (Ordinance No. 14-9) on November 18, 2014.

This Addendum No. 2 to the Marin Clean Energy Community Choice Aggregation Implementation Plan and Statement of Intent ("Addendum No. 2") describes MCE's expansion plans to include the City of Benicia. According to the Commission, the Energy Division is required to receive and review a revised MCE implementation plan reflecting changes/consequences of additional members. With this in mind, MCE has reviewed its revised Implementation Plan, which was filed with the Commission on July 18, 2014, as well as Addendum #1, which was filed with the Commission on September 25, 2014, and has identified certain information that requires updating to reflect the changes and consequences of adding the City of Benicia. This Addendum No. 2 reflects pertinent changes related to the new member addition(s) and includes related projections that account for MCE's planned expansion. This document format, including references to MCE's most recent Implementation Plan revision (filed with the Commission on July 18, 2014 and certified by the Commission on September 15, 2014), which is incorporated by reference and attached hereto as Appendix E, addresses all requirements identified in PU Code Section 366.2(c)(4), including universal access, reliability, equitable treatment of all customer classes and any requirements established by state law or by

the CPUC concerning aggregated service, while streamlining public review of pertinent changes related to MCE expansion.

CHAPTER 2 – Changes to Address MCE Expansion to the City of Benicia

This Addendum No. 2 addresses the anticipated impacts of MCE's planned expansion to the City of Benicia. As a result of this Member addition, certain assumptions regarding MCE's future operations have changed, including customer energy requirements, peak demand, renewable energy purchases, revenues and expenses as well as various other items. The following section highlights pertinent changes related to this planned expansion. To the extent that certain details related to membership expansion are not specifically discussed within this Addendum No. 2, MCE represents that such information shall remain unchanged relative to the July 18, 2014 Implementation Plan revision, which was certified by the Commission on September 15, 2014.

With regard to the defined terms Members and Member Agencies, the following communities are now signatories to the MCE Joint Powers Agreement and represent MCE's current membership:

Member Agencies
City of Belvedere
City of Benicia
Town of Corte Madera
Town of Fairfax
City of Larkspur
City of Mill Valley
County of Marin
County of Napa
City of Novato
City of Richmond
Town of Ross
Town of San Anselmo
City of San Pablo
City of San Rafael
City of Sausalito
Town of Tiburon

Throughout this document, use of the terms Members and Member Agencies shall now include the aforementioned communities. To the extent that discussion addresses the process of aggregation and MCE organization, each of these communities is now an MCE Member and its electric customers will be offered CCA service consistent with the noted phase-in schedule.

Aggregation Process

MCE's aggregation process was discussed in Chapter 2 of MCE's July 18, 2014 Revised Implementation Plan. This first paragraph of Chapter 2 is replaced in its entirety with the following verbiage:

As previously noted, MCE successfully launched its CCA Program, MCE, on May 7, 2010 after meeting applicable statutory requirements and in consideration of planning elements described in its initial Implementation Plan. At this point in time, MCE plans to expand agency membership to include the City of Benicia. This community has requested MCE membership, and MCE's Board of Directors subsequently approved the membership request at a duly noticed public meeting on October 2, 2014.

Program Phase-In

Program phase-in was discussed in Chapter 5 of MCE's July 18, 2014 Revised Implementation Plan. Chapter 5 is replaced in its entirety with the following verbiage:

MCE will continue to phase-in the customers of its CCA Program as communicated in this Implementation Plan. To date, four phases have been successfully implemented; a fifth phase will commence in February 2015; and a sixth phase will commence in May 2015 – the sixth phase will now include service commencement to customers located within the City of Benicia, as reflected in the following table.

MCE Phase No.	Status & Description of Phase	Implementation Date
Phase 1	Complete: MCE Member (municipal) accounts & a subset of residential, commercial and/or industrial accounts, comprising approximately 20 percent of total customer load within MCE's original Member Agencies.	May 7, 2010
Phase 2	Complete: Additional commercial and residential accounts, comprising approximately 20 percent of total customer load within MCE's original Member Agencies (incremental addition to Phase 1).	August, 2011
Phase 3	Complete: Remaining accounts within Marin County.	July, 2012
Phase 4	Complete: Residential, commercial, agricultural, and street lighting accounts within the City of Richmond.	July, 2013

MCE Phase No.	Status & Description of Phase	Implementation Date
Phase 5	February 2015: Residential, commercial, agricultural, and street lighting accounts within the unincorporated areas of Napa County, subject to economic and operational constraints.	February 2015
Phase 6	May 2015: Residential, commercial, agricultural, and street lighting accounts within the City of San Pablo and the City of Benicia, subject to economic and operational constraints.	May 2015

This approach has provided MCE with the ability to start slow, addressing any problems or unforeseen challenges on a small manageable program before gradually building to full program integration for an expected customer base of approximately 157,000 accounts, following completion of Phase 6 customer enrollments. This approach has also allowed MCE and its energy supplier(s) to address all system requirements (billing, collections, payments) under a phase-in approach to minimize potential exposure to uncertainty and financial risk by “walking” prior to ultimately “running”. The Board may evaluate other phase-in options based on then-current market conditions, statutory requirements and regulatory considerations as well as other factors potentially affecting the integration of additional customer accounts.

Sales Forecast

With regard to MCE’s sales forecast, which is addressed in Chapter 6, Load Forecast and Resource Plan, MCE assumes that total annual retail sales will increase to approximately 1,950 GWh following Phase 6 expansion. The following tables have also been updated to reflect the impacts of planned expansion to MCE’s new membership.

Chapter 6, Resource Plan Overview

Marin Clean Energy Proposed Resource Plan (GWh) 2010 to 2019										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
MCE Demand (GWh)										
Retail Demand	-91	-185	-570	-1,110	-1,294	-1,729	-1,876	-1,876	-1,876	-1,876
Distributed Generation	0	1	1	5	12	16	24	27	29	29
Energy Efficiency	0	0	0	0	1	1	2	3	5	7
Losses and UFE	-5	-11	-34	-66	-77	-103	-111	-111	-110	-110
Total Demand	-96	-196	-603	-1,171	-1,357	-1,814	-1,960	-1,956	-1,952	-1,950
MCE Supply (GWh)										
<u>Renewable Resources</u>										
Generation	0	0	0	0	0	0	0	4	7	11
Power Purchase Contracts	23	50	291	566	673	899	994	1,009	1,025	1,040
Total Renewable Resources	23	50	291	566	673	899	994	1,013	1,032	1,050
<u>Conventional Resources</u>										
Generation	0	0	0	0	0	0	0	0	0	0
Power Purchase Contracts	73	146	312	605	685	915	966	944	920	899
Total Conventional Resources	73	146	312	605	685	915	966	944	920	899
Total Supply	96	196	603	1,171	1,357	1,814	1,960	1,956	1,952	1,950
Energy Open Position (GWh)	0	0	0	0	0	0	0	0	0	0

Chapter 6, Customer Forecast

Marin Clean Energy Enrolled Retail Service Accounts Phase-In Period (End of Month)						
	May-10	Aug-11	Jul-12	Jul-13	Feb-15	May-15
MCE Customers						
Residential	7,354	12,503	77,345	106,510	120,204	137,252
Commercial & Industrial	579	1,114	9,913	13,098	15,316	17,290
Street Lighting & Traffic	138	141	443	748	1,014	1,107
Ag & Pump.	-	<15	113	109	1,467	1,467
Total	8,071	13,759	87,814	120,465	138,001	157,116

Marin Clean Energy Retail Service Accounts (End of Year) 2010 to 2019										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
MCE Customers										
Residential	7,354	12,503	77,345	106,510	106,510	137,252	137,252	137,252	137,252	137,252
Commercial & Industrial	579	1,114	9,913	13,098	13,098	17,290	17,290	17,290	17,290	17,290
Street Lighting & Traffic	138	141	443	748	748	1,107	1,107	1,107	1,107	1,107
Ag & Pump.	-	<15	113	109	109	1,467	1,467	1,467	1,467	1,467
Total	8,071	13,759	87,814	120,465	120,465	157,116	157,116	157,116	157,116	157,116

Chapter 6, Sales Forecast

Marin Clean Energy Energy Requirements (GWH) 2010 to 2019										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
MCE Energy Requirements (GWh)										
Retail Demand	91	185	570	1,110	1,294	1,729	1,876	1,876	1,876	1,876
Distributed Generation	0	-1	-1	-5	-12	-16	-24	-27	-29	-29
Energy Efficiency	0	0	0	0	-1	-1	-2	-3	-5	-7
Losses and UFE	5	11	34	66	77	103	111	111	110	110
Total Load Requirement	96	196	603	1,171	1,357	1,814	1,960	1,956	1,952	1,950

Chapter 6, Capacity Requirements

Marin Clean Energy Capacity Requirements (MW) 2010 to 2019										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Demand (MW)										
Retail Demand	28	46	182	233	233	331	331	331	331	331
Distributed Generation	(0)	(1)	(4)	(8)	(11)	(16)	(18)	(20)	(20)	(20)
Energy Efficiency	-	-	-	(0)	(0)	(0)	(0)	(1)	(1)	(1)
Losses and UFE	2	3	11	14	13	19	19	19	19	19
Total Net Peak Demand	30	47	189	239	236	333	331	329	329	328
Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	4	7	28	36	35	50	50	49	49	49
Capacity Requirement Including Reserve	34	55	218	274	271	383	381	379	378	378

Chapter 6, Renewable Portfolio Standards Energy Requirements

Marin Clean Energy RPS Requirements (MWH) 2010 to 2019										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Retail Sales	91,219	185,493	570,144	1,110,487	1,293,681	1,729,103	1,875,566	1,875,566	1,875,566	1,875,566
Baseline	-	18,244	37,099	114,029	222,097	280,729	402,881	468,892	506,403	543,914
Incremental Procurement Target	18,244	18,855	76,930	108,069	58,631	122,152	66,011	37,511	37,511	37,511
Annual Procurement Target	18,244	37,099	114,029	222,097	280,729	402,881	468,892	506,403	543,914	581,425
% of Current Year Retail Sales	20%	20%	20%	20%	22%	23%	25%	27%	29%	31%

Marin Clean Energy
RPS Requirements and Program Renewable Energy Targets
(MWh)
2010 to 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Retail Sales (MWh)	91,219	185,493	570,144	1,110,487	1,293,681	1,729,103	1,875,566	1,875,566	1,875,566	1,875,566
Annual RPS Target (Minimum MWh)	18,244	37,099	114,029	222,097	280,729	402,881	468,892	506,403	543,914	581,425
Program Target (% of Retail Sales)	25%	27%	51%	51%	52%	52%	53%	54%	55%	56%
Program Renewable Target (MWh)	22,805	50,083	290,773	566,348	672,714	899,134	994,050	1,012,806	1,031,561	1,050,317
Surplus In Excess of RPS (MWh)	4,561	12,984	176,745	344,251	391,985	496,253	525,158	506,403	487,647	468,892
Annual Increase (MWh)	22,805	27,278	240,690	275,575	106,366	226,419	94,916	18,756	18,756	18,756

Chapter 6, Energy Efficiency

Marin Clean Energy
Energy Efficiency Savings Goals
(GWh)
2010 to 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
MCE Retail Demand	91	185	570	1,110	1,294	1,729	1,876	1,876	1,876	1,876
MCE Energy Efficiency Goal	0	0	0	0	-1	-1	-2	-3	-5	-7

Chapter 6, Demand Response

Marin Clean Energy
Demand Response Goals
(MW)
2010 to 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Capacity Requirement (MW)	34	55	218	274	271	383	381	379	378	378
Demand Response Target	-	-	-	-	-	5	14	19	19	19
Percentage of Local Capacity Requirement	0%	0%	0%	0%	0%	8%	24%	32%	32%	32%

Chapter 6, Distributed Generation

California Solar Initiative Deployment

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
IOU Territory Target (MW)	705	882	1,058	1,235	1,411	1,587	1,764	1,940	1,940	1,940
Total Funding (\$Millions)	240	240	240	160	160	160	5	0	0	0
PG&E Funding (\$Millions)	105	105	105	70	70	70	2	0	0	0
PG&E Incentives Share	44%	44%	44%	44%	44%	44%	40%	40%	40%	40%
PG&E Area Deployment (MW)	309	386	463	540	617	694	705	776	776	776
MCE Share of PG&E Load	0.1%	0.3%	0.8%	1.5%	1.8%	2.3%	2.5%	2.5%	2.5%	2.5%
MCE Solar Deployment (MW)	0	1	4	8	11	16	18	20	20	20

Financial Plan

With regard to MCE's financial plan, which is addressed in Chapter 7, Financial Plan, MCE has updated its expected operating results, which now include projected impacts related to service expansion within MCE's new member communities. The following table reflects updated operating projections in consideration of these planned expansions.

Chapter 7, CCA Program Implementation Feasibility Analysis

Marin Clean Energy Summary of CCA Program Phase-In (January 2010 through December 2021)

CATEGORY	2013	2014	2015	2016	2017	2018	2019	2020	2021
I. REVENUES FROM OPERATIONS (\$)									
ELECTRIC SALES REVENUE	79,097,747	99,874,244	138,426,441	149,028,438	149,028,438	149,028,438	149,028,438	149,028,438	149,028,438
LESS UNCOLLECTIBLE ACCOUNTS	(395,489)	(499,371)	(692,132)	(745,142)	(745,142)	(745,142)	(745,142)	(745,142)	(745,142)
TOTAL REVENUES	78,702,259	99,374,873	137,734,309	148,283,296	148,283,296	148,283,296	148,283,296	148,283,296	148,283,296
II. COST OF OPERATIONS (\$)									
(A) ADMINISTRATIVE AND GENERAL (A&G)									
STAFFING	1,386,303	1,825,000	1,993,875	2,053,691	2,115,302	2,178,761	2,244,124	2,311,448	2,380,791
CONTRACT SERVICES	4,457,964	4,611,420	5,201,044	5,437,175	5,480,941	5,526,019	5,572,450	5,620,274	5,669,532
IOU FEES (INCLUDING BILLING)	584,729	660,114	828,263	873,689	899,900	926,897	954,703	983,345	1,012,845
OTHER A&G	302,806	373,125	398,084	409,388	421,030	433,022	445,374	458,096	471,200
SUBTOTAL A&G	6,731,802	7,469,659	8,421,267	8,773,943	8,917,173	9,064,699	9,216,651	9,373,162	9,534,368
(B) COST OF ENERGY	69,284,393	85,810,595	122,870,723	133,444,822	132,932,269	126,411,187	128,690,020	131,035,025	133,463,153
(C) DEBT SERVICE	1,195,162	1,195,162	1,151,494	671,149	447,432	-	-	-	-
TOTAL COST OF OPERATION	77,211,357	94,475,416	132,443,484	142,889,914	142,296,874	135,475,886	137,906,672	140,408,187	142,997,520
CCA PROGRAM SURPLUS/(DEFICIT)	1,490,902	4,899,458	5,290,825	5,393,382	5,986,422	12,807,410	10,376,624	7,875,108	5,285,775

Expansion Addendum Appendices

Appendix A: Marin Clean Energy Resolution 2014-06

Appendix B: City of Benicia, Request for MCE Membership – Resolution No. 14-129

Appendix C: Joint Powers Agreement

Appendix D: City of Benicia, CCA Ordinance – Ordinance No. 14-9

Appendix E: Marin Clean Energy Revised Implementation Plan and Statement of Intent (July 18, 2014)