

MARIN CLEAN ENERGY

ADDENDUM NO. 1 TO THE REVISED COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT

**TO ADDRESS MCE EXPANSION TO THE
CITY OF SAN PABLO**



September 16, 2014

Table of Contents

CHAPTER 1 – Introduction.....	2
CHAPTER 2 – Changes to Address MCE Expansion to the City of San Pablo.....	4
Aggregation Process.....	5
Program Phase-In	5
Sales Forecast.....	6
Financial Plan	9
Expansion Addendum Appendices	10

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 to the City of San Pablo. Marin Clean Energy (“MCE”), a public agency, 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 successfully 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 MCE membership expansion, which entails CCA service delivery to residential and business customers within the County of Napa, is scheduled to commence in February 2015. To address the anticipated effects of this expansion, MCE filed with the Commission a revision to its Implementation Plan on July 18, 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 an amendment to highlight key impacts and consequences related to the addition of the new community/communities.

The MCE program now provides electric generation service to approximately 120,000 customers, including a cross section of residential and commercial accounts. During its 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 San Pablo, which is located in Contra Costa County (and is geographically surrounded by one of MCE's existing Members, the City of Richmond), has requested MCE membership, consistent with MCE Policy 007, and adopted the requisite ordinances for joining MCE. MCE's Board of Directors approved the City of San Pablo's membership request at a duly noticed public meeting on July 3, 2014 (through the approval of Resolution No. 2014-04) and the City of San Pablo's Council completed its final reading of the requisite CCA ordinance (Ordinance No. 2014-0430) on September 15, 2014.

This Addendum No. 1 to the Marin Clean Energy Community Choice Aggregation Implementation Plan and Statement of Intent ("Addendum No. 1") describes MCE's expansion plans to include the City of San Pablo. 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, and has identified certain information that requires updating to reflect the changes and consequences of adding the City of San Pablo. This Addendum No. 1 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 8, 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 San Pablo

This Addendum No. 1 addresses the anticipated impacts of MCE's planned expansion to the City of San Pablo. 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. 1, MCE represents that such information shall remain unchanged relative to the July 18, 2014 Implementation Plan revision, which was recently certified by the Commission on September 8, 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
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

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 January 25, 2010 Implementation Plan. At this point in time, MCE plans to expand agency membership to include the City of San Pablo. This community has requested MCE membership, and MCE's Board of Directors subsequently approved the membership request at a duly noticed public meeting on July 3, 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.

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

MCE Phase No.	Status & Description of Phase	Implementation Date
Phase 6	May 2015: Residential, commercial, agricultural, and street lighting accounts within the City of San Pablo, 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 148,000 accounts, following service commencement to customers within the unincorporated areas of the County of Napa and the City of San Pablo. 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 retail sales will increase to approximately 1,700 GWh following full roll-out, which includes planned expansion to the City of San Pablo. The following tables have also been updated to reflect the impacts of planned expansion to the City of San Pablo.

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	-1,592	-1,658	-1,658	-1,658	-1,658
Distributed Generation	0	1	1	5	12	16	22	24	26	26
Energy Efficiency	0	0	0	6	6	4	8	11	15	15
Losses and UFE	-5	-11	-34	-66	-77	-94	-98	-97	-97	-97
Total Demand	-96	-196	-603	-1,166	-1,353	-1,666	-1,726	-1,721	-1,714	-1,714
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	828	879	892	905	918
Total Renewable Resources	23	50	291	566	673	828	879	895	912	929
<u>Conventional Resources</u>										
Generation	0	0	0	0	0	0	0	0	0	0
Power Purchase Contracts	73	146	312	599	680	838	847	825	802	786
Total Conventional Resources	73	146	312	599	680	838	847	825	802	786
Total Supply	96	196	603	1,166	1,353	1,666	1,726	1,721	1,714	1,714
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	128,180
Commercial & Industrial	579	1,114	9,913	13,098	15,316	15,939
Street Lighting & Traffic	138	141	443	748	1,014	1,066
Ag & Pump.	-	<15	113	109	1,467	1,467
Total	8,071	13,759	87,814	120,465	138,001	146,652

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	128,180	128,180	128,180	128,180	128,180
Commercial & Industrial	579	1,114	9,913	13,098	13,098	15,939	15,939	15,939	15,939	15,939
Street Lighting & Traffic	138	141	443	748	748	1,066	1,066	1,066	1,066	1,066
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	146,652	146,652	146,652	146,652	146,652

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	1,592	1,658	1,658	1,658	1,658
Distributed Generation	0	-1	-1	-5	-12	-16	-22	-24	-26	-26
Energy Efficiency	0	0	0	-6	-6	-4	-8	-11	-15	-15
Losses and UFE	5	11	34	66	77	94	98	97	97	97
Total Load Requirement	96	196	603	1,166	1,353	1,666	1,726	1,721	1,714	1,714

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	292	292	292	292	292
Distributed Generation	(0)	(1)	(4)	(8)	(11)	(15)	(16)	(17)	(17)	(17)
Energy Efficiency	-	-	-	(1)	(1)	(1)	(2)	(2)	(3)	(3)
Losses and UFE	2	3	11	13	13	17	16	16	16	16
Total Net Peak Demand	30	47	189	237	235	293	291	288	288	288
Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	4	7	28	36	35	44	44	43	43	43
Capacity Requirement Including Reserve	34	55	218	273	270	337	335	332	331	331

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	1,591,766	1,658,261	1,658,261	1,658,261	1,658,261
Baseline	-	18,244	37,099	114,029	222,097	280,729	370,881	414,565	447,730	480,896
Incremental Procurement Target	18,244	18,855	76,930	108,069	58,631	90,153	43,684	33,165	33,165	33,165
Annual Procurement Target	18,244	37,099	114,029	222,097	280,729	370,881	414,565	447,730	480,896	514,061
% 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	1,591,766	1,658,261	1,658,261	1,658,261	1,658,261
Annual RPS Target (Minimum MWh)	18,244	37,099	114,029	222,097	280,729	370,881	414,565	447,730	480,896	514,061
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	827,718	878,878	895,461	912,044	928,626
Surplus In Excess of RPS (MWh)	4,561	12,984	176,745	344,251	391,985	456,837	464,313	447,730	431,148	414,565
Annual Increase (MWh)	22,805	27,278	240,690	275,575	106,366	155,004	51,160	16,583	16,583	16,583

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	1,545	1,582	1,582	1,582	1,582
MCE Energy Efficiency Goal	0	0	0	-6	-6	-4	-8	-12	-16	-16

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	273	270	337	335	332	331	331
Demand Response Target	-	-	-	-	-	4	13	17	17	17
Percentage of Local Capacity Requirement	0%	0%	0%	0%	0%	8%	24%	32%	32%	32%

Chapter 6, Distributed Generation

California Solar Initiative Deployment										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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%	2.2%	2.3%	2.3%	2.3%	2.3%
MCE Solar Deployment (MW)	0	1	4	8	11	15	16	17	17	17

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 to the City of San Pablo. The following table reflects updated operating projections in consideration of this expansion.

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	100,075,912	128,617,779	134,185,719	134,185,719	134,185,719	134,185,719	134,185,719	134,185,719
LESS UNCOLLECTIBLE ACCOUNTS	(395,489)	(500,380)	(643,089)	(670,929)	(670,929)	(670,929)	(670,929)	(670,929)	(670,929)
TOTAL REVENUES	78,702,259	99,575,532	127,974,690	133,514,790	133,514,790	133,514,790	133,514,790	133,514,790	133,514,790
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	5,020,551	5,161,916	5,205,681	5,250,760	5,297,190	5,345,014	5,394,272
IOU FEES (INCLUDING BILLING)	584,729	660,114	790,328	815,506	839,971	865,170	891,125	917,859	945,394
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	8,202,838	8,440,500	8,581,984	8,727,713	8,877,813	9,032,416	9,191,658
(B) COST OF ENERGY	69,284,393	85,644,745	114,772,479	120,618,621	120,116,426	113,197,511	115,189,890	117,238,282	119,307,184
(C) DEBT SERVICE	1,195,162	1,195,162	1,151,494	671,149	447,432	-	-	-	-
TOTAL COST OF OPERATION	77,211,357	94,309,566	124,126,812	129,730,270	129,145,842	121,925,224	124,067,703	126,270,698	128,498,842
CCA PROGRAM SURPLUS/(DEFICIT)	1,490,902	5,265,966	3,847,878	3,784,520	4,368,948	11,589,566	9,447,087	7,244,092	5,015,948

Expansion Addendum Appendices

Appendix A: Marin Clean Energy Resolution 2014-04

Appendix B: City of San Pablo, Resolution 2014-0356

Appendix C: Joint Powers Agreement

Appendix D: City of San Pablo, CCA Ordinance – Ordinance No. 2014-0430

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

JUL 03 2014

RESOLUTION NO. 2014-04

MARIN CLEAN ENERGY

**A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY
APPROVING THE CITY OF SAN PABLO AS A MEMBER OF
MARIN CLEAN ENERGY SUBJECT TO (1) THE ADOPTION BY THE CITY OF SAN
PABLO 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 SAN
PABLO.**

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 City of Novato, the City of Richmond, the Town of Ross, the Town of San Anselmo, the City of San Rafael, the City of Sausalito and the Town of Tiburon; and

WHEREAS, the City of San Pablo requested membership in Marin Clean Energy on March 24, 2014; and,

WHEREAS, the MCE Board of Directors approved the membership request of the City of San Pablo on April 3, 2014 subject to a membership analysis yielding a positive result; and

WHEREAS, the membership analysis for the City of San Pablo was completed on June 12, 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 San Pablo is approved as a member of

the Marin Clean Energy subject to (1) the adoption by the City of San Pablo 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 San Pablo.

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

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


 CHAIR, MARIN CLEAN ENERGY

ATTEST:


 SECRETARY, MARIN CLEAN ENERGY BOARD

APPROVED

JUL 03 2014

MARIN CLEAN ENERGY

RESOLUTION 2014-057

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO APPROPRIATING UP TO \$18,000 FOR FY 2013/2014 FOR ENVIRONMENTAL PROGRAMS PROFESSIONAL SERVICES FOR THE PURPOSES OF CONDUCTING A FEASIBILITY ANALYSIS FOR COMMUNITY CHOICE AGGREGATION WITH MARIN CLEAN ENERGY AND AUTHORIZING THE CITY MANAGER TO EXECUTE DOCUMENTS NECESSARY TO PROCEED WITH THE FEASIBILITY ANALYSIS

WHEREAS, the City of San Pablo adopted its *Climate Action Plan* in 2012 with a greenhouse reduction goal of 18% below 2005 levels by the year 2020;

WHEREAS, Assembly Bill 32 requires the state to reduce greenhouse gas emissions to 1990 levels by the year 2020 (approximately 25% reduction) and reduce emissions by 80 percent by 2050;

WHEREAS, membership in a Community Choice Aggregation energy service program such as MCE would immediately achieve the City's goal of increasing renewable energy use by 15% by 2020, as outlined in the *Climate Action Plan*;

WHEREAS, membership in a Community Choice Aggregation energy service program such as Marin Clean Energy (MCE) would immediately achieve the City's goal of reducing greenhouse gas emissions associated with electricity usage in San Pablo by 17%, or 2% above the reduction goal in the *Climate Action Plan*;

WHEREAS, membership in Community Choice Aggregation energy service would provide the City and San Pablo residents and businesses with greater consumer choice, including the option to continue to receive PG&E electricity service;

WHEREAS, MCE offers competitive rates comparable to current PG&E rates, as well as low-income (CARE) and disabled programs;

WHEREAS, membership in MCE would offer the City and San Pablo residents and businesses additional renewable incentive programs, such as solar rebates and energy efficiency programs;

NOW, THEREFORE, BE IT RESOLVED that the foregoing recitations are true and correct, and are included herein by reference as findings;

BE IT FURTHER RESOLVED that the City Council hereby authorizes an appropriation of up to \$18,000 from the Fund 100-1310-44444 to Fund 207-1740-43600 for the purposes of a feasibility analysis; and

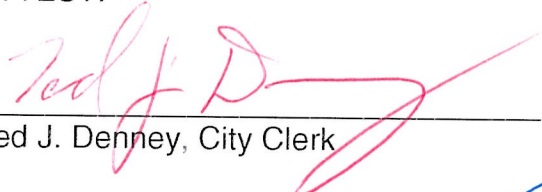
BE IT FURTHER RESOLVED that the City Council hereby authorizes the City Manager to execute any other documents necessary to proceed with the feasibility analysis.

Adopted this 21st day of April, 2014, by the following vote to wit:

AYES:	COUNCILMEMBERS:	Valdez, Kinney, Chao Rothberg and Morris
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

ATTEST:

APPROVED:



Ted J. Denney, City Clerk



Paul V. Morris, 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**

Among The Following Parties:

**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 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.

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: 

Name: Thomas Cromwell

Title: Mayor

Date: December 8, 2008

Party: City of Belvedere

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: 

Name: Alexandra Cock

Title: Mayor

Date: December 6, 2011

Party: Town of Corte Madera

ATTEST


Christine Green, Town Clerk

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: David Weinsoff

Name: David Weinsoff

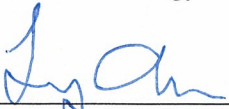
Title: Mayor

Date: 2.12.09

Party: Town of Fairfax

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: 

Name: Larry Chu

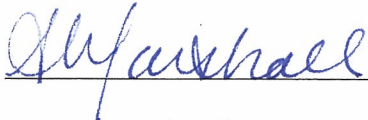
Title: Mayor, Larkspur

Date: November 16, 2011

Party: CITY OF LARKSPUR

ARTICLE 9
SIGNATURE

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: 

Name: Shawn E. Marshall

Title: Mayor

Date: December 2, 2008

Party: City of Mill Valley

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Madeline R. Kellner

Name: Madeline R. Kellner

Title: Mayor

Date: October 7, 2011

Party: City of Novato

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority

By: *Deane McLaughlin*
Name: *Deane McLaughlin*
Title: *Mayor*
Date: *7/5/12*
Party: *City of Richmond*

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

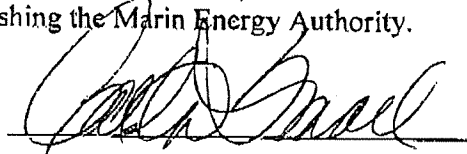
By: _____

Name: _____

Title: _____

Date: _____

Party: _____



Carla Small

Mayor

11/16/11

Town of Ross

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By:  _____

Name: Peter Breen

Title: Mayor

Date: January 9, 2009

Party: Town of San Anselmo

ARTICLE 9

SIGNATURE

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 

Name: Paul V. Morris

Title: Mayor, City of San Pablo

Date: SEPT. 16, 2014

Party: City of San Pablo

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Cyr N. Miller

Name: Cyr N. Miller

Title: Vice Mayor

Date: DECEMBER 1, 2008

Party: CITY OF SAN RAFAEL

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Amy Belser

Name: Amy Belser

Title: Mayor

Date: November 18, 2008

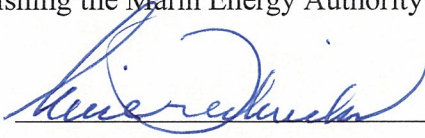
Party: City of Sausalito

Attest:

Debbie Cardenas
Deputy City Clerk

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: 

Name: ALICE FREDERICKS

Title: MAYOR

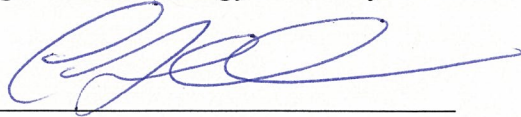
Date: 2/10/09

Party: TOWN OF TIBURON

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: _____



Name: _____

CHARLES F. McGRATH

Title: _____

PRESIDENT, Bd of SUPERVISORS

Date: _____

November 18 2008

Party: _____

COUNTY OF MARIN

ARTICLE 9

Marin Clean Energy JPA Agreement

SIGNATURE

Amendment No. 8

IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing Marin Clean Energy (formerly, Marin Energy Authority)

By: 

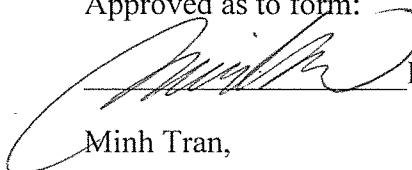
Name: Mark Luce,

Title: Chairman, Napa County Board of Supervisors

Date: 7/22/14

Party: Napa County

Approved as to form:

 Date 7/21/14

Minh Tran,

County Counsel

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

This Exhibit C is effective as of September 5, 2014.

Party	kWh (2012/2013*)
City of Belvedere	9,973,170
Town of Corte Madera	62,093,107
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	2,368,744,329

*Data Provided by PG&E

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

This Exhibit D is effective as of September 5, 2014.

Party	kWh (2012/2013*)	Section 4.9.2.1	Section 4.9.2.2	Voting Share
City of Belvedere	9,973,170	3.33%	0.21%	3.54%
Town of Corte Madera	62,093,107	3.33%	1.31%	4.64%
Town of Fairfax	24,700,647	3.33%	0.52%	3.85%
City of Larkspur	63,174,199	3.33%	1.33%	4.67%
City of Mill Valley	69,176,164	3.33%	1.46%	4.79%
City of Novato	286,565,119	3.33%	6.05%	9.38%
City of Richmond	581,012,267	3.33%	12.26%	15.60%
Town of Ross	13,529,793	3.33%	0.29%	3.62%
Town of San Anselmo	46,642,417	3.33%	0.98%	4.32%
City of San Pablo	97,383,170	3.33%	2.06%	5.39%
City of San Rafael	347,362,327	3.33%	7.33%	10.67%
City of Sausalito	48,099,763	3.33%	1.02%	4.35%
Town of Tiburon	40,913,144	3.33%	0.86%	4.20%
County of Marin	330,023,521	3.33%	6.97%	10.30%
County of Napa	348,095,521	3.33%	7.35%	10.68%
	2,368,744,329	50.00%	50.00%	100.00%

*Data Provided by PG&E

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
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 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 September 5, 2014.

Party	kWh (2012/2013*)
City of Belvedere	9,973,170
Town of Corte Madera	62,093,107
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	2,368,744,329

*Data Provided by PG&E

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

This Exhibit D is effective as of September 5, 2014.

Party	kWh (2012/2013*)	Section 4.9.2.1	Section 4.9.2.2	Voting Share
City of Belvedere	9,973,170	3.33%	0.21%	3.54%
Town of Corte Madera	62,093,107	3.33%	1.31%	4.64%
Town of Fairfax	24,700,647	3.33%	0.52%	3.85%
City of Larkspur	63,174,199	3.33%	1.33%	4.67%
City of Mill Valley	69,176,164	3.33%	1.46%	4.79%
City of Novato	286,565,119	3.33%	6.05%	9.38%
City of Richmond	581,012,267	3.33%	12.26%	15.60%
Town of Ross	13,529,793	3.33%	0.29%	3.62%
Town of San Anselmo	46,642,417	3.33%	0.98%	4.32%
City of San Pablo	97,383,170	3.33%	2.06%	5.39%
City of San Rafael	347,362,327	3.33%	7.33%	10.67%
City of Sausalito	48,099,763	3.33%	1.02%	4.35%
Town of Tiburon	40,913,144	3.33%	0.86%	4.20%
County of Marin	330,023,521	3.33%	6.97%	10.30%
County of Napa	348,095,521	3.33%	7.35%	10.68%
	2,368,744,329	50.00%	50.00%	100.00%

*Data Provided by PG&E

ORDINANCE 2014-010

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN PABLO APPROVING THE MARIN CLEAN ENERGY JOINT POWERS AGREEMENT AND AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM

The City Council of the City of San Pablo ordains as follows:

SECTION 1. The City of San Pablo has been actively investigating options to provide electric services to constituents within its service area with the intent of achieving greater local involvement over the provision of electric services and promoting competitive and renewable energy.

SECTION 2. 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).

SECTION 3. 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 the Marin Energy Authority, was established as a joint power authority pursuant to a Joint Powers Agreement, as amended from time to time.

SECTION 4. 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.

SECTION 5. 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.

SECTION 6. Based upon all of the above, the Council elects to implement a Community Choice Aggregation program within the City's jurisdiction by and through the City's participation in Marin Clean Energy. The Mayor is hereby authorized to execute the MCE Joint Powers Agreement at such time as the City Manager and City Attorney advise is optimal.

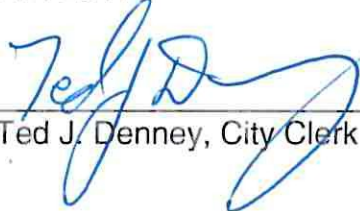
SECTION 7. This ordinance shall become effective thirty (30) days following its adoption and shall be published once within fifteen (15) days after adoption in the *West County Times*, a newspaper of general circulation in the City of San Pablo, or, in the alternative, the City Clerk may cause to be published a summary or display advertisement prepared by the City Attorney's office of this ordinance and a certified copy of the text of this ordinance shall be posted in the office of the City Clerk five (5) days prior to the date of adoption of this ordinance. Within fifteen (15) days after adoption, a certified copy of

this ordinance together with the vote for and against, shall be posted in the office of the City Clerk.

First read and introduced at a regular meeting of the City Council of the City of San Pablo on August 4, 2014, and finally passed and adopted at a regular meeting of said City Council held on September 15, 2014, by the following vote:


AYES:	COUNCILMEMBERS:	Calloway, Valdez, Kinney, Chao Rothberg and Morris
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	None
ABSTAIN:	COUNCILMEMBERS:	None

ATTEST:



Ted J. Denney, City Clerk

APPROVED:



Paul V. Morris, Mayor

MARIN CLEAN ENERGY

REVISED COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT



July 18, 2014

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

Table of Contents

CHAPTER 1 – Introduction	3
Organization of this Implementation Plan.....	6
CHAPTER 2 – Aggregation Process	8
Introduction.....	8
Process of Aggregation	8
Consequences of Aggregation	9
Rate Impacts.....	9
Renewable Energy Impacts.....	9
Energy Efficiency Impacts.....	10
CHAPTER 3 – Organizational Structure	11
Organizational Overview	11
Governance.....	12
Officers.....	12
Committees.....	12
Addition/Termination of Participation.....	12
Agreements Overview	13
Joint Powers Agreement.....	13
Program Agreement No. 1	13
Agency Operations.....	14
Resource Planning	14
Portfolio Operations.....	14
Operations & Local Energy Programs	15
Rate Setting.....	16
Financial Management/Accounting	16
Customer Services	16
Legal and Regulatory Representation	17
Roles and Functions	17
Staffing	18
CHAPTER 4 – CCA Startup	20
Staffing Requirements.....	20
CHAPTER 5 – Program Phase-In	22
CHAPTER 6 - Load Forecast and Resource Plan	23
Introduction.....	23
Resource Plan Overview	24
Supply Requirements.....	25
Customer Participation Rates	25
Customer Forecast.....	26
Sales Forecast	27
Capacity Requirements.....	27
Renewable Portfolio Standards Energy Requirements	28
Basic RPS Requirements.....	28
MCE's Renewable Portfolio Standards Requirement	29
Resources	29
Purchased Power	30
Renewable Resources.....	30

Medium and Long-Term Renewable Potential	31
Energy Efficiency	31
Baseline Energy Efficiency Potential Estimates	32
CCA Program Energy Efficiency Goals	32
Demand Response.....	33
Distributed Generation	34
CHAPTER 7 – Financial Plan.....	36
Description of Cash Flow Analysis.....	36
Cost of CCA Program Operations.....	36
Revenues from CCA Program Operations.....	36
Cash Flow Analysis Results	37
CCA Program Implementation Feasibility Analysis	37
Marin Clean Energy Financings	38
CCA Program Start-up and Working Capital (Phases 1 and 2)	38
CCA Program Working Capital (Phase 3)	38
CCA Program Working Capital (Phase 4)	39
Renewable Resource Project Financing	39
CHAPTER 8 - Ratesetting and Program Terms and Conditions	40
Introduction.....	40
Rate Policies.....	40
Rate Competitiveness.....	40
Rate Stability	41
Equity among Customer Classes.....	41
Customer Understanding.....	41
Revenue Sufficiency	41
Rate Design.....	42
Net Energy Metering.....	42
Disclosure and Due Process in Setting Rates and Allocating Costs among Participants	42
CHAPTER 9 – Customer Rights and Responsibilities.....	44
Customer Notices	44
Termination Fee.....	45
Customer Confidentiality.....	46
Responsibility for Payment	46
Customer Deposits	46
CHAPTER 10 - Procurement Process	48
Introduction.....	48
Procurement Methods	48
Key Contracts	48
Electric Supply Contract.....	48
Data Management Contract.....	49
Electric Supply Procurement Process	50
Shell Energy North America.....	50
CHAPTER 11 – Contingency Plan for Program Termination	51
Introduction.....	51
Termination by Marin Clean Energy	51
Termination by Members	52
CHAPTER 12 – Appendices.....	53

CHAPTER 1 – Introduction

Marin Clean Energy (“MCE”; MCE was formerly known as the “Marin Energy Authority” or “MEA”), a public agency, 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 successfully 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.

Since its expansion to the City of Richmond, numerous communities have contacted 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 an amendment to highlight key impacts and consequences related to the addition of the new community/communities.

Also, consistent with MCE's mission statement, MCE launched its first energy efficiency portfolio in late 2012, initially providing multi-family energy efficiency services to MCE customers only. In early 2013, MCE launched a portfolio of energy efficiency programs available to all ratepayers in its service territory, not just MCE customers. Energy efficiency and other local programs continue to be a robust and growing portion of MCE's operating activities.

MCE gives electric customers of the Member Agencies an opportunity to procure electricity from competitive suppliers, with such electricity being delivered over PG&E's transmission and distribution system. To date, the electricity delivered to MCE customers has included over 27 percent Renewables Portfolio Standard ("RPS") qualifying renewable energy, an amount which has surpassed all reporting entities, including the incumbent utility. Over the course of MCE's phased implementation schedule, all current PG&E customers within MCE's service area will receive information describing the Program and will have multiple opportunities to express their desire to remain bundled customers of PG&E, in which case they will not be enrolled in the Program. Thus, participation in the CCA Program is completely voluntary; however, customers, as provided by law, will be automatically enrolled unless they affirmatively elect to opt-out of the CCA Program.

The MCE program has received considerable interest from other communities in response to its innovative, environmentally-focused energy service alternative, which now provides electric generation service to approximately 120,000 customers, including a cross section of residential and commercial accounts. During its 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 County of Napa has requested MCE membership, consistent with MCE Policy 007, and adopted the requisite ordinances for joining MCE. MCE's Board of Directors approved the County of Napa's membership request at a duly noticed public meeting on June 5, 2014 (through the approval of Resolution No. 2014-03) and the County of Napa's Board of Supervisors completed its final reading of the requisite CCA ordinance (Ordinance No. 1391) on July 15, 2014.

This revision of the Marin Clean Energy Community Choice Aggregation Implementation Plan and Statement of Intent ("Revised Implementation Plan") describes MCE's expansion plans to include the County of Napa. 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 November 6, 2012, and has identified certain information that requires updating to reflect the changes and consequences of adding the new member and to address MCE's name change (from MEA to MCE), which occurred via Resolution No. 2013-11 of MCE's Governing Board on December 5, 2013. This Revised Implementation Plan reflects such changes and includes related projections that account for MCE's planned expansion.

Implementation of MCE has enabled customers within MCEs service area to take advantage of the opportunities granted by Assembly Bill 117 ("AB 117"), the Community Choice Aggregation Law. MCE's primary objective in implementing this Program continues to focus on increased utilization of renewable energy supplies for the purpose of promoting significant GHG emissions reductions. To date, MCE has achieved this objective by offering customers two energy supply options: 1) a minimum 50 percent renewable content, which will be the default service option for participating customers¹; or 2) 100 percent renewable content. The prospective benefits to consumers include a substantial increase in renewable energy supply, stable and competitive electric rates, public participation in determining which technologies are utilized to meet local electricity needs, and local/regional economic benefits.

To ensure successful operation of the MCE program, MCE has received assistance from experienced energy suppliers and contractors in providing energy services to Program customers. As a result of a competitive solicitation process and subsequent contract negotiations, a highly qualified firm, Shell Energy North America ("SENA") was selected as MCE's initial energy services provider and scheduling coordinator. Since this initial solicitation, MCE has completed numerous procurement activities in an effort to accommodate the increasing electric energy requirements of a growing customer base, including the execution of various power purchase agreements with new and existing renewable energy projects. Such purchases have served to diversify MCE's energy supply portfolio, reflecting the use of multiple fuel sources, contract term lengths and resource locations, among other considerations. To serve the increasing energy requirements resulting from expanded membership MCE anticipates that its existing supply agreement with SENA may be amended and/or supplemented with additional purchases from other qualified suppliers of requisite energy products to reflect the Program's increased future needs. Information regarding SENA is contained in Chapter 10.

MCE's Implementation Plan reflects a collaborative effort among MCE, its Members, and the private sector to bring the benefits of competition and choice to Member residents and businesses. By exercising its legal right to form a CCA Program, MCE has enabled its Members' constituents to access the competitive market for energy services and obtain access to increased renewable energy supplies and resultant reductions in GHG emissions. Absent action by MCE or its individual Members, most customers would have no ability to choose an electric supplier and would remain captive customers of their incumbent utility.

The California Public Utilities Code provides the relevant legal authority for MCE to become a Community Choice Aggregator and invests the California Public Utilities Commission ("CPUC" or "Commission") with the responsibility for establishing the cost recovery mechanism that must be in place before customers can begin receiving electrical service through MCE's CCA Program. The CPUC has also registered MCE as a Community Choice Aggregator and continues to ensure compliance with basic consumer protection rules. The Public Utilities Code requires that an Implementation Plan be adopted at a duly noticed public hearing and

¹ MCE customers received nearly 29 percent RPS-qualifying renewable energy in 2013. The default renewable energy content, which includes RPS-qualifying renewable energy and supplemental renewable energy credit purchases, was voluntarily increased from 25% to 50% beginning in January, 2012.

that it be filed with the Commission in order for the Commission to determine the cost recovery mechanism to be paid by customers of the Program in order to prevent shifting of costs. Each of these milestones has been accomplished. The Commission has established the methodology that will be used to determine the cost recovery mechanism, and PG&E now has approved tariffs for imposition of the cost recovery mechanism. Finally, each of MCE's Members has adopted an ordinance to implement a CCA program through its participation in MCE (copies of the ordinance adopted by MCE's newest member, the County of Napa, is included as Appendix D). Following the CPUC's certification of its receipt of this Revised Implementation Plan and resolution of any outstanding issues, MCE will take the final steps needed to expand CCA service to MCE's new member, including customer notification and enrollment.

Organization of this Implementation Plan

The content of this Revised Implementation Plan complies with the statutory requirements of AB 117. Because MCE has already successfully implemented its CCA program, this Revised Implementation Plan includes narrative discussion, updates and projections focused on on-going operation and expansion of the MCE program rather than previously completed implementation efforts. As a result, certain sections of this document are now substantially abbreviated. Consistent with requirements identified in PU Code Section 366.2(c)(4), this Revised Implementation Plan addresses:

- Universal access;
- Reliability;
- Equitable treatment of all customer classes; and
- Any requirements established by state law or by the CPUC concerning aggregated service.

To promote consistency with MCE's original January 25, 2010 Implementation Plan, the remainder of this Revised Implementation Plan is organized as follows:

- Chapter 2: Aggregation Process
- Chapter 3: Organizational Structure
- Chapter 4: CCA Startup
- Chapter 5: Program Phase-In
- Chapter 6: Load Forecast and Resource Plan
- Chapter 7: Financial Plan
- Chapter 8: Ratesetting
- Chapter 9: Customer Rights and Responsibilities
- Chapter 10: Procurement Process
- Chapter 11: Contingency Plan for Program Termination
- Appendix A: Marin Clean Energy Resolution 2014-03
- Appendix B: County of Napa, Resolution 2014-59
- Appendix C: Joint Powers Agreement
- Appendix D: County of Napa, CCA Ordinance – Ordinance No. 1391

The requirements of AB 117 are cross-referenced to Chapters of this Implementation Plan in the following table.

AB 117 Cross References

AB 117 REQUIREMENT	IMPLEMENTATION PLAN CHAPTER
Process and consequences of aggregation	Chapter 2: Aggregation Process
Organizational structure of the program, its operations and funding	Chapter 3: Organizational Structure Chapter 4: Startup Plan and Funding Chapter 7: Financial Plan
Ratesetting and other costs to participants	Chapter 8: Ratesetting Chapter 9: Customer Rights and Responsibilities
Disclosure and due process in setting rates and allocating costs among participants	Chapter 8: Ratesetting
Methods for entering and terminating agreements with other entities	Chapter 10: Procurement Process
Participant rights and responsibilities	Chapter 9: Customer Rights and Responsibilities
Termination of the program	Chapter 11: Contingency Plan for Program Termination
Description of third parties that will be supplying electricity under the program, including information about financial, technical and operational capabilities	Chapter 10: Procurement Process
Statement of Intent	Chapter 1: Introduction

CHAPTER 2 – Aggregation Process

Introduction

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 January 25, 2010 Implementation Plan. At this point in time, MCE plans to expand agency membership to include the County of Napa. This community has requested MCE membership, and MCE's Board of Directors subsequently approved the membership request at a duly noticed public meeting.

As planned, the residents and businesses within MCE's expanded service territory will be offered electric generation service from MCE's currently operating CCA program, MCE, which represents a culmination of planning efforts that are responsive to the expressed needs and priorities of the citizenry and business community within the region. Through the MCE program eligible customers have received expanded energy choices, including the creation of a 100% renewable energy product and 100% local solar product. In effect, MCE provides Marin residents and businesses with four electric service options, which include: 1) the default 50% (minimum) renewable energy service option – Light Green; 2) a 100% renewable energy service option – Deep Green – which can be chosen on a voluntary basis; 3) a 100% local solar energy service option – Sol Shares – in which customers can enroll on a voluntary basis²; or 4) bundled energy service from the incumbent utility. It remains MCE's long-term goal to supply its customers entirely with clean, renewable energy, subject to economic and operational constraints.

Each of the Member Agencies has adopted an ordinance to implement a CCA program through its participation in MCE. A Revised Implementation Plan was adopted at a duly noticed public hearing of MCE on June 5, 2014.

Process of Aggregation

All customers currently enrolled in the MCE program were appropriately noticed. Before additional phases of customers are enrolled in the Program, MCE will mail at least two written notices to customers, beginning at least two calendar months, or sixty days, in advance of the date of commencing automatic enrollment, that will provide information needed to understand the Program's terms and conditions of service and explain how these customers can opt-out of the Program, if desired. All customers that do not follow the opt-out process specified in the customer notices will be automatically enrolled, and service will begin at their next regularly scheduled meter read date at least one calendar month, or thirty days following the date of automatic enrollment, subject to the service phase-in plan described in Chapter 5. At least two follow-up opt-out notices will be mailed to these customers within the first two calendar months, or sixty days, of service.

² The Sol Shares program is currently accepting customer enrollments but will not begin delivering electric power to participating customers until the 2015 calendar year. In the meantime, Sol Shares enrollees may continue taking MCE service under the Light Green or Deep Green service options.

Customers enrolled in the Program will continue to have their electric meters read and be billed for electric service by the distribution utility (PG&E). The electric bill for Program customers will show separate charges for generation procured by the Program and all other charges related to delivery of the electricity and other utility charges that will continue to be assessed by PG&E.

After service cutover, customers will be given two additional opportunities to opt-out of the Program and return to the distribution utility (PG&E) following receipt of their first and second bills. Customers that opt-out between the initial cutover date and the close of the post enrollment opt-out period will be responsible for program charges for the time they were served by MCE but will not otherwise be subject to any penalty for leaving the program. Customers that have not opted-out within thirty days of the fourth opt-out notice will be deemed to have elected to become a participant in the Program and to have agreed to the Program's terms and conditions, including those pertaining to requests for termination of service, as further described in Chapter 8.

Consequences of Aggregation

Rate Impacts

Customers will pay the generation charges set by MCE and no longer pay the costs of PG&E generation. Customers enrolled in the Program will be subject to the Program's terms and conditions, including responsibility for payment of all Program charges as described in Chapter 9. MCE's rate setting policies are described in Chapter 7. MCE will establish rates sufficient to recover all costs related to operation of the Program, and actual rates will be adopted by MCE's governing board.

Information regarding current Program rates will be disclosed along with other terms and conditions of service in the pre-enrollment opt-out notices sent to potential customers.

Program customers are not expected to be responsible in any way for costs associated with the utilities' future electricity procurement contracts or power plant investments that are made on behalf of utility bundled service customers. Certain pre-existing generation costs will continue to be charged by PG&E to CCA customers through a separate rate component, called the Cost Responsibility Surcharge or CRS. This charge is shown in PG&E's tariff, which can be accessed from the utility's website.

Renewable Energy Impacts

The MCE program has substantially increased the proportion of energy generated and supplied to its customers by renewable resources. The resource plan includes procurement of renewable energy sufficient to meet a minimum of 50 percent of the Program's electricity needs. Customers of MCE may voluntarily participate in a 100 percent renewable supply option. To the extent that customers choose to participate in this voluntary program, the renewable content of MCE's power supply would increase. The renewable energy requirements of MCE customers are being supplied through contractual arrangements, but may be delivered, at an indeterminate point in the future, by new renewable generation resources developed by or for

MCE subject to then-current considerations (such as development costs, regulatory requirements and other concerns).

Energy Efficiency Impacts

Energy efficiency is an important component of the MCE mission statement. MCE currently administers over \$4 million in ratepayer funded energy efficiency programs under the purview of the California Public Utilities Commission. MCE launched energy efficiency programs in late 2012 under the authority of Public Utilities Code section 381.1 (e-f). This 2012 plan focused specifically on providing multi-family energy efficiency services to MCE customers only. In early 2013, MCE launched a full portfolio of energy efficiency services, available to all ratepayers in MCE service territory, under the authority in PUC 381.1 (a-d). Energy efficiency is included in the MCE Integrated Resources Plan, and both local energy efficiency potential and energy efficiency accomplishments are utilized to inform future estimates of procurement needs. This relationship is described further in Chapter 6.

CHAPTER 3 – Organizational Structure

This section provides an overview of the organizational structure of MCE

Organizational Overview

The MCE program is governed by MCE's Board of Directors ("Board"), appointed by the Members. MCE is a joint powers agency created in December 2008 and formed under California law. Originally, the County of Marin and eight municipalities within the geographic boundaries of the County became Members of MCE and elected to offer the Program to their constituents. Since that time, the remaining four municipalities within Marin, which include the cities of Novato and Larkspur and the towns of Ross and Corte Madera, have requested and received approval for MCE membership as has the City of Richmond and, most recently, the County of Napa. MCE (formerly known as "The Marin Energy Authority") is the CCA entity that has registered with the CPUC and has been responsible for implementing and managing the program pursuant to MCE's Joint Powers Agreement ("JPA Agreement" or "Agreement"). The Program is operated under the direction of an Executive Officer, who has been appointed by the Board. The Executive Officer reports to the Board comprised of one representative from each participating Member of MCE. Those who are eligible to serve as representatives on the Board include elected officials from the then-current County Board of Supervisors representing Marin County as well as the County of Napa (one Board representative has been selected from the Marin County Board of Supervisors; another Board representative, who will soon begin serving on MCE's governing board, has been selected by the County of Napa's Board of Supervisors) and the City and Town Councils (one representative has been selected from each of the City and Town Councils) of the Members.

The Board's primary duties are to establish program policies, set rates and provide policy direction to the Executive Officer, who has general responsibility for program operations, consistent with the policies established by the Board. The Board has also determined necessary staffing levels, individual titles and related compensation ranges for the organization. The Board may also adjust staffing levels and compensation over time in response to varying workloads, specific programs and/or general responsibilities of MCE.

The Executive Officer is an employee of MCE, and the Board is responsible for evaluating the Executive Officer's performance.

The Board has established a Chairman and other officers from among its membership and has established an Executive Committee and Technical Committee and may establish other committees and sub-committees as needed to address issues that require greater expertise in particular areas (e.g., finance or contracts). MCE may also establish an "Energy Commission" formed of Board-selected designees. The Energy Commission would have responsibility for evaluating various issues that may affect MCE and its customers, including rate setting, and would provide analytical support and recommendations to the Board in these regards.

The Executive Officer has responsibilities over the functional areas of Finance, Regulatory Affairs, and Operations. In performing these responsibilities, the Executive Officer utilizes a combination of internal staff and contractors. Certain specialized functions needed for program operations, namely the electric supply and customer account management functions described below, are performed by experienced third-party contractors.

Governance

MCE has a Board of Directors consisting of one representative from each Member. Following satisfaction of certain administrative conditions, the Board will soon add an additional representative from the County of Napa. The Board meets at regular intervals to provide the overall management and guidance for MCE. All Board meetings are public and held in accordance with the Ralph M. Brown Act.

Decisions by MCE are under voting procedures defined in the JPA Agreement, attached hereto as Appendix C. All votes on a particular matter are subject to the two-tiered approval process described in the JPA Agreement.

Officers

MCE has a Chair and Vice-Chair elected to one-year terms by the Board of Directors. Both the Chair and Vice-Chair must be members of the Board. In addition, MCE has a Board Clerk and Auditor; neither of which will be members of the Board of Directors. The JPA Agreement provides further detail with respect to each of these positions.

Committees

MCE may form various committees comprised of Board designees from the Member communities. Appointments would be made based on various skill sets and expertise that will be useful in evaluating matters affecting MCE and its customers, specifically issues related to rate setting, procurement of energy products and other technical matters. These committees would provide the Board with recommendations and related analysis to support policy-level decisions of the Board. MCE may elect to have additional committees or working groups to address various topics. Any additional committees and their functions will be determined by the Board of Directors at the time each committee is created. At present, MCE has formed the following standing committees: 1) the Executive Committee; and 2) the Technical Committee. MCE also utilizes Ad Hoc Committees from time to time on an as-needed basis.

Addition/Termination of Participation

The JPA Agreement provides for the addition of new participants subject to the affirmative vote of MCE's Board of Directors pursuant to the voting structure described in the Agreement. The Board has determined the specific terms and conditions under which new Members can be admitted and has recently approved the membership request received from the County of Napa. Following the satisfaction of certain administrative requirements determined by the

Board, a representative from the new Member will be added to the Board and will begin participating in governance activities.

A JPA Member can withdraw itself from the JPA subject to the specific terms and conditions contained in the JPA Agreement.

Agreements Overview

There are two principal agreements that govern MCE and the initial operation of its CCA Program: the JPA Agreement and Program Agreement No. 1 (PA-1). Each of these agreements and its functions are discussed below.

Joint Powers Agreement

The JPA Agreement created MCE and delineates a broad set of powers related to the study, promotion, development, and conduct of electricity-related projects and programs. The JPA Agreement describes MCE as having broad powers, but a very limited role without implementing agreements ("program agreements") to carry out specific programs. This structure is intended to provide flexibility for MCE to undertake other programs in the future that may be unrelated to CCA on behalf of all or a subset of MCE's Members. The Board has limited decision making authority regarding land use within the Member communities. Any issues involving land use within Member communities will be raised with the potentially affected Member. The land use and building regulations of each Member shall apply to any JPA facilities located within the jurisdiction of that Member. Any amendments to the JPA Agreement will be subject to prior approval by the Board.

The first program agreement or PA-1, discussed in greater detail below, provides for electric generation service to customers of the CCA Program. At MCE's Members' discretion, future program agreements could provide for other energy related programs or subsequent energy transactions.

Program Agreement No. 1

PA-1 consists of three components: 1) the Edison Electric Institute ("EEI") Master Power Purchase & Sale Agreement ("Master EEI Agreement"), which is a standard industry contract used by public and private utilities across the United States; 2) the EEI Master Power Purchase & Sale Agreement Cover Sheet, which provides additional detail related to MCE's specific transaction, identifying exceptions, clarifications and areas of applicability that modify the standard terms and conditions of the Master EEI Agreement; and 3) one or more Confirmations, inclusive of any amendments thereto, which is referenced in the Master EEI Agreement and defines the commercial terms of MCE's transaction. PA-1 is the agreement under which MCE currently procures a significant portion of the electric supply services for MCE customers. PA-1 specifies a five year delivery period, which commenced on May 7, 2010 and ends on May 6, 2015. PA-1 specifies a full requirements energy product, including electric energy, renewable energy, capacity, ancillary services and scheduling coordination services. Based on contract negotiations, PA-1 specifies fixed annual prices for each year of the delivery period and

insulates municipal funds/budgets of the Member Agencies before, during and after the delivery period. PA-1 was executed by MCE and its energy supplier, SENA, on February 5, 2010 and has since incorporated a series of amendments to accommodate Program expansion. It is MCE's intent to provide for the additional energy requirements of future MCE customers by negotiating other contracts for requisite energy products and/or subsequent amendments to PA-1, which will be completed prior to commencement of service to CCA customers located within the unincorporated areas of the County of Napa. MCE anticipates that SENA will continue in its role as MCE's primary energy supplier and scheduling coordinator over the near-term (through December 31, 2016) but will also pursue supply arrangements with renewable energy generators to supplement planned renewable energy deliveries from SENA.

Agency Operations

MCE conducts program operations through its own internal staff and through contracts for services with third parties. MCE has its own General Counsel to manage its legal affairs. MCE's Executive Officer will have responsibility for day-to-day operations of the Program. To assist the Executive Officer, MCE has hired a full-time Administrative Assistant and a Clerk. Other staff positions may be added as necessary to include positions in finance, customer services, energy efficiency and other local energy programs, and operations.

Major MCE functions that are performed and managed by the Executive Officer are summarized below.

Resource Planning

MCE is charged with developing both short (one and two-year) and long-term resource plans for the program. The Executive Officer manages staff and contractors to develop the resource plan under the guidance provided by the Board and in compliance with California Law, and other requirements of California regulatory bodies (CPUC and CEC).

Long-term resource planning includes load forecasting and supply planning on a ten- to twenty-year time horizon. MCE's technical team develops integrated resource plans that meet program supply objectives and balance cost, risk and environmental considerations. Integrated resource planning considers demand side energy efficiency and demand response programs as well as traditional supply options. The CCA Program requires an independent planning function despite day-to-day supply operations being contracted to a third party energy supplier. Plans are updated and adopted by the Board on an annual basis.

Portfolio Operations

Portfolio operations encompass the activities necessary for wholesale procurement of electricity to serve end use customers. These highly specialized activities include the following:

- *Electricity Procurement* – assemble a portfolio of electricity resources to supply the electric needs of program customers.

- *Risk Management* – standard industry techniques are employed to reduce exposure to the volatility of energy markets and insulate customer rates from sudden changes in wholesale market prices.
- *Load Forecasting* – develop accurate load forecasts, both long-term for resource planning and short-term for the electricity purchases and sales needed to maintain a balance between hourly resources and loads.
- *Scheduling Coordination* – scheduling and settling electric supply transactions with the CAISO.

MCE has initially contracted with an experienced and financially sound third party, SENA, to perform most of the portfolio operation requirements for the CCA Program. These requirements include the procurement of energy and ancillary services, scheduling coordinator services, and day-ahead and real-time trading. PA-1 is the contractual instrument that has been developed for this purpose; additional detail related to PA-1 is provided in the preceding discussion.

MCE will approve and adopt a set of *Program Controls* that will serve as the risk management tools for the Executive Officer and any third party involved in the program's portfolio operations. Program Controls will define risk management policies and procedures and a process for ensuring compliance throughout the organization. During initial operations, SENA will bear the majority of program operational risks, pursuant to the terms and conditions of PA-1.

Operations & Local Energy Programs

A key focus of the CCA Program will be the development and implementation of local energy programs for its Members, including energy efficiency programs, net energy metering, distributed generation programs and other energy programs responsive to Member interests. The Executive Officer is responsible for further development of these Programs. To assist the Executive Officer in this regard, MCE has hired additional staff to oversee program operations and local energy program administration as well as develop energy efficiency marketing strategies, perform customer outreach and conduct related analyses to support chosen courses of action. As experience is gained from the retail energy side of the CCA Program, MCE will continue enhancing its local energy programs to achieve MCE's desired goals and objectives.

MCE is currently administering energy efficiency and distributed (solar) generation programs that can be used as alternatives to procurement of supply-side resources. MCE may also implement demand response programs in the future. For the time being, MCE has launched various small-scale pilot projects to explore demand response opportunities within its service territory. MCE will attempt to consolidate existing demand side programs into this organization and leverage the structure to expand energy efficiency offerings to customers throughout its service territory.

Rate Setting

The Board of Directors has the ultimate responsibility for setting the electric generation rates for the Program's customers. The Executive Officer in cooperation with technical staff and appropriate advisors, consultants and committees of the Board is responsible for developing proposed rates and options for the Board to consider before finalization. The final approved rates must, at a minimum, meet the annual revenue requirement developed by the Executive Officer, including any reserves or coverage requirements set forth in electric supply agreements and/or bond covenants. The Board has the flexibility to consider rate adjustments within certain ranges, provided that the overall revenue requirement is achieved; this provides an opportunity for economic development rates or other rate incentives.

Financial Management/Accounting

The Executive Officer in cooperation with technical staff, advisors and consultants is responsible for managing the financial affairs of MCE, including the development of an annual budget and revenue requirement; managing and maintaining cash flow requirements; potential bridge loans and other financial tools; and a large volume of billing settlements. The Executive Officer uses contractors and/or staff in support of these activities, as appropriate.

The Finance function arranges financing for capital projects, prepares financial reports, and ensures sufficient cash flow for the Program. This function also plays an important role in risk management by monitoring the credit of suppliers so that credit risk is properly understood and mitigated by the Program. In the event that changes in a supplier's financial condition and/or credit rating are identified, the Program will be able to take appropriate action, as would be provided for in the electric supply agreement. The Finance function establishes credit policies that the program must follow.

The retail settlements (customer billing) is contracted out to an organization with the necessary infrastructure and capability to handle in excess of 138,000 accounts during full Program phase-in and near-term expansion (to the County of Napa), which is scheduled to occur in February 2015. This function is described under Customer Services, below.

Customer Services

In addition to general program communications and marketing, a significant focus on customer service, particularly representation for key accounts, is necessary. This includes both a call center designed to field customer inquiries and routine interaction with customer accounts. The Executive Officer is responsible for the Customer Services function and uses staff and/or contractors in support of these activities as appropriate.

The Customer Account Services function performs retail settlements-related duties and manages customer account data. It processes customer service requests and administers customer enrollments and departures from the Program, maintaining a current database of customers enrolled in the Program. This function coordinates the issuance of monthly bills through the distribution utility's billing process and tracks customer payments. Activities

include the electronic exchange of usage, billing, and payments data with the distribution utility and MCE, tracking of customer payments and accounts receivable, issuance of late payment and/or service termination notices, and administration of customer deposits in accordance with MCE credit policies.

The Customer Account Services function also manages billing related communications with customers, customer call centers, and routine customer notices. MCE has initially contracted with a third party, Noble Americas Energy Solutions ("Noble"), which has demonstrated the necessary experience and administers appropriate computer systems (customer information system), to perform the customer account and billing services functions.

MCE conducts Program marketing and key customer account management functions. These responsibilities will include the assignment of account representatives to key accounts, which will ensure high levels of customer service to these businesses, and implementation of a marketing strategy to promote customer satisfaction with the CCA Program. Effectively administering communications, marketing messages, and delivering information regarding the CCA Program to all customers is critical for the overall success of the CCA Program.

Legal and Regulatory Representation

The CCA Program requires ongoing regulatory representation to file resource plans, resource adequacy, compliance with California RPS, and overall representation on issues that will impact MCE, its Members and MCE customers. MCE maintains an active role at the CPUC, CEC, and, as necessary, FERC and the California legislature. Day-to-day analysis and reporting of pertinent legal and regulatory issues is completed by the Program's in-house legal and regulatory staff and/or qualified contractors.

MCE also retains legal services, as necessary, to administer MCE, review contracts, and provide overall legal support to the activities of MCE.

Roles and Functions

The Board performs the functions inherent in its policy-making, management and planning roles. MCE is the public face of the Program and has a direct role in marketing, communications and customer service. Other highly specialized functions, such as energy supply and data management, are contracted out to third parties with sufficient experience, technical and financial capabilities. The functions that are currently being performed by MCE's Board of Directors, the Executive Officer and third parties are specified below:

Organization	Roles/Functions/Activities
MCE Board of Directors	<i>Executive/Policy/Legal</i>
Executive Officer	<i>Finance</i>
	<i>Legal and Regulatory</i> <ul style="list-style-type: none"> - Legal support - Participation in regulatory proceedings - Regulatory reporting
	<i>Marketing/Communications</i>
	<i>Rates & Support</i> <ul style="list-style-type: none"> - Rate policy - Rate design - Cost-of-service planning
	<i>Resource Planning</i> <ul style="list-style-type: none"> - Load research - Load forecasting - Supply-side/Demand side portfolio planning
	<i>Supply Operations</i> <ul style="list-style-type: none"> - Procurement - Contract Negotiation - Invoice Reconciliation
	<i>Contract Management</i> <ul style="list-style-type: none"> - RFP/RFQ Administration - Invoice Reconciliation & Issue Resolution - Project Development Status Monitoring
	<i>Customer Service</i> <ul style="list-style-type: none"> - Account representatives - Energy efficiency/DG program management
Energy Suppliers	<i>Supply Operations</i> <ul style="list-style-type: none"> - Procurement - Scheduling coordination - Settlements (ISO/Wholesale) - Short-term load forecasting
Customer Account Services Provider/Data Manager (Noble)	<i>Account Management (Customer Information System)</i> <ul style="list-style-type: none"> - Customer switching - New customer processing - Data exchange (EDI) - Payment processing (AR/AP) - Billing and retail settlements - Call center

Staffing

Staffing requirements for the above MCE functions will be approximately ten full time equivalent positions, once the customer phase-in is complete and the program is fully operational. These staffing requirements are in addition to the services provided by the third party energy suppliers and the data manager. The Executive Officer will have discretion whether to internally staff these required functions or to contract for these services.

The following table shows the staffing plan for Marin Clean Energy at initial full-scale operational levels, following full phase-in. Customer service for the mass market residential and small commercial customers will be provided by the Program's third party customer account services provider.

**Current Staffing for the Marin Clean Energy
Community Choice Aggregation Program**

Position	Staff (Full Time Equivalents)
Executive Officer	1
<i>Internal Operations</i>	
Director of Internal Operations	1
Business Analyst	1
Clerk	1
Human Resources Coordinator	0.5
Administrative Associate	1
<i>Public Affairs</i>	
Communications Director	1
Manager of Account Services	1
Account Manager 1	2
Community Affairs Coordinator	1
Communications Associate	1
<i>Energy Efficiency</i>	
Energy Efficiency Director	1
Energy Efficiency Specialist	2
<i>Legal & Regulatory</i>	
Legal Director	1
Regulatory Counsel	1
Regulatory Analyst	1
Regulatory Assistant	1
<i>Electric Supply</i>	
Director of Power Resources	1
Program Specialist	1
Special Assignment Intern	0.5
Total Staffing	21

Longer-term staffing needs will include additional energy efficiency and distributed generation activities and potentially the creation of an internal organization to perform the portfolio operations and account services functions that are currently performed under contract arrangements.

CHAPTER 4 – CCA Startup

As previously noted, MCE successfully launched the MCE program on May 7, 2010. To ensure successful operation during the implementation and start-up period, MCE utilized a mix of staff and contractors in its CCA Program implementation. The following table illustrates start-up responsibilities as well as expectations for near-term (two to five years), and long-term staffing roles.

Expectations for Staffing Roles

Function	Start-Up	Near-Term (2 to 5 Years)	Long-Term
Program Governance	MCE Board	MCE Board	MCE Board
Program Management	MCE EO	MCE EO	MCE EO
Outreach	MCE EO	MCE EO	MCE EO
Customer Service	MCE EO	MCE EO	MCE EO
Key Account Management	MCE EO	MCE EO	MCE EO
Regulatory	Third Party (MCE EO support)	MCE EO (Regulatory Analyst support)	MCE EO (Regulatory Analyst support)
Legal	MCE EO	MCE EO	MCE EO
Finance	MCE EO	MCE EO	MCE EO
Rates: Develop & Approve	MCE EO (third Party support) MCE Board	MCE EO (third Party support) MCE Board	MCE EO (third party support) MCE Board
Resource Planning	Third Party (MCE EO support)	MCE EO (third party support)	MCE EO (third party support)
Energy Efficiency	MCE EM (third Party Support)	MCE EO (Program Energy Efficiency Staff)	MCE EO (Program Energy Efficiency Staff)
Resource Development	MCE EO (third party support)	MCE EO (third party support)	MCE EO (third party support)
Portfolio Operations	Third Party	Third Party (MCE EO support)	MCE EO (third party support)
Scheduling Coordinator	Third Party	Third Party	Third Party (potentially MCE EO)
Data Management	Third Party	Third Party	Third Party (potentially MCE EO)

Staffing Requirements

Staff will be added incrementally to match workloads involved in forming the new organization, managing contracts, and initiating customer outreach/marketing during the pre-operations period. Actual staff will be dependent upon several factors, including the ability to

recruit and hire qualified staff and personnel policies ultimately established by the Executive Officer and the Board of Directors.

CHAPTER 5 – Program Phase-In

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, and a fifth phase will commence in February 2015.

- Phase 1. Complete: MCE Member (municipal) accounts & a subset of residential, commercial and/or industrial accounts, comprising approximately 20 percent of total customer load.
- Phase 2. Complete: Additional commercial and residential accounts, comprising an approximately 20 percent of total customer load (incremental addition to Phase 1).
- Phase 3. Complete: Remaining accounts within Marin County.
- Phase 4. Complete: Residential, commercial, agricultural, and street lighting accounts within the City of Richmond.
- Phase 5. February 2015: Residential, commercial, agricultural, and street lighting accounts within the unincorporated areas of Napa County, subject to economic and operational constraints.

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 138,000 accounts, following service commencement to customers within the unincorporated areas of the County of Napa. 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”.

MCE will offer service to all customers on a phased basis expected to be completed within twenty four to thirty six months of initial service to Phase 1 customers, which occurred on May 7, 2010. Phase 2 was implemented in August, 2011. Phase 3 of the Program began in July, 2012. Phase 4 was implemented in July, 2013 and included all residential, commercial, agricultural, and street lighting customers within the City of Richmond. Phase 5 is planned to begin in February 2015 and will include all residential, commercial, agricultural, and street lighting customers within the unincorporated areas of Napa County. 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.

CHAPTER 6 - Load Forecast and Resource Plan

Introduction

This Chapter describes MCE's proposed ten-year integrated resource plan, which will create a highly renewable, diversified portfolio of electricity supplies capable of meeting the electric demands of MCE's retail customers, plus sufficient reliability reserves.

This integrated resource plan reflects a progression towards MCE's long-term, programmatic goal of 100 percent renewable energy supply. Within five years of program commencement (2015), this significant commitment to renewable resources is projected to result in MCE meeting approximately 52 percent of its total electric needs through renewable resources. As the Program moves forward, incremental renewable supply additions will be made based on resource availability as well as economic goals of the Program. MCE's aggressive commitment to renewable generation adoption may involve both direct investment in new renewable generating resources through partnerships with experienced public power developers/operators, significant purchases of renewable energy from third party suppliers and the purchase of Renewable Energy Certificates ("RECs") from the market. The resource plan also sets forth ambitious targets for improving customer side energy efficiency as well as for potential deployment of approximately 14 MW of new distributed solar capacity within the jurisdictional boundaries of MCE by 2019 (year ten of Program operations).

The plan described in this section would accomplish the following by 2019:

- Procure energy needed to offer two generation rate tariffs: 100 percent Deep Green and 50 percent (minimum) Light Green.
- Increase the aggregate RPS-eligible renewable energy supply of the Program to a minimum 33 percent by 2020.
- Continue increasing renewable energy supplies of the Program to approximately 52 percent by 2015 based on resource availability and economic goals of the program.
- Develop partnership(s) with experienced public power developer(s) to responsibly evaluate development opportunities for Program-owned/controlled renewable generating capacity.
- Achieve significant reductions in greenhouse gas emissions within the Member Agencies.

MCE is responsible for complying with regulatory rules applicable to California load serving entities. MCE has arranged for the scheduling of sufficient electric supplies to meet the hour-by-hour demands of its customers. MCE has adhered to capacity reserve requirements established by the CPUC and the CAISO designed to address uncertainty in load forecasts and potential supply disruptions caused by generator outages and/or transmission contingencies. These rules also ensure that physical generation capacity is in place to serve the Program's customers, even if there were to be a need for the Program to cease operations and return customers to PG&E. In addition, MCE is responsible for ensuring that its resource mix contains sufficient production from renewable energy resources needed to comply with the statewide

renewable portfolio standards. The resource plan will meet or exceed all of the applicable regulatory requirements related to resource adequacy and the renewable portfolio standard.

Resource Plan Overview

The criteria used to guide development of the proposed resource plan included the following:

- Environmental responsibility and commitment to renewable resources;
- Price/rate stability;
- Reliability and maintenance of adequate reserves; and
- Cost effectiveness.

To meet these objectives and the applicable regulatory requirements, MCE's resource plan includes a diverse mix of power purchases, renewable energy, new energy efficiency programs, demand response, and distributed generation. A diversified resource plan minimizes risk and volatility that can occur from over-reliance on a single resource type or fuel source. The ultimate goal of MCE's resource plan is to maximize use of renewable resources subject to economic and operational constraints. The result is a resource plan that will source approximately 52 percent of MCE's resource mix from renewable resources by 2015. The planned resource mix is initially comprised of power and renewable energy credit purchases from third party electric suppliers and, in the longer-term, may also include renewable generation assets owned and/or controlled by MCE.

Eventually, MCE may begin evaluating opportunities for investment in renewable generating assets, subject to then-current market conditions, statutory requirements and regulatory considerations. Any renewable generation owned by MCE or controlled under long-term power purchase agreement with a proven public power developer, could provide a portion of MCE's electricity requirements on a cost-of-service basis. Electricity purchased under a cost-of-service arrangement should be more cost-effective than purchasing renewable energy from third party developers, which will allow the Program to pass on cost savings to its customers through competitive generation rates. Any investment decisions will be made following thorough environmental reviews and in consultation with the Marin Communities' financial advisors, investment bankers, attorneys, and potentially with customer input.

As an alternative to direct investment, MCE may consider partnering with an experienced public power developer and enter into a long-term (20-to-30 year) power purchase agreement that would support the development of new renewable generating capacity. Such an arrangement could be structured to greatly reduce the Program's operational risk associated with capacity ownership while providing Program customers with all renewable energy generated by the facility under contract. This option may be preferable to MCE as it works to achieve increasing levels of renewable energy supply to its customers.

MCE's resource plan will integrate supply-side resources with programs that will help customers reduce their energy costs through improved energy efficiency and other demand-side measures. As part of its integrated resource plan, MCE will actively pursue, promote and ultimately administer a variety of customer energy efficiency programs that can cost-effectively

displace supply-side resources. Included in this plan is a targeted deployment of over 14 MW of distributed solar by 2019.

MCE's proposed resource plan for the years 2010 through 2019 is summarized in the following table:

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	-1,545	-1,582	-1,582	-1,582	-1,582
Distributed Generation	0	1	1	5	12	16	22	23	25	25
Energy Efficiency	0	0	0	6	6	4	8	12	16	16
Losses and UFE	-5	-11	-34	-66	-77	-91	-93	-93	-92	-92
Total Demand	-96	-196	-603	-1,166	-1,353	-1,616	-1,646	-1,640	-1,634	-1,634
MCE Supply (GWh)										
<u>Renewable Resources</u>										
Generation	0	0	0	0	0	0	0	219	219	219
Power Purchase Contracts	23	50	291	566	673	803	838	635	651	667
Total Renewable Resources	23	50	291	566	673	803	838	854	870	886
<u>Conventional Resources</u>										
Generation	0	0	0	0	0	0	0	0	0	0
Power Purchase Contracts	73	146	312	599	680	813	807	786	764	748
Total Conventional Resources	73	146	312	599	680	813	807	786	764	748
Total Supply	96	196	603	1,166	1,353	1,616	1,646	1,640	1,634	1,634
Energy Open Position (GWh)	0	0	0	0	0	0	0	0	0	0

Supply Requirements

The starting point for MCE's resource plan is a projection of participating customers and associated electric consumption. Projected electric consumption is evaluated on an hourly basis, and matched with resources best suited to serving the aggregate of hourly demands or the program's "load profile". The electric sales forecast and load profile will be affected by MCE's plan to introduce the Program to customers in phases and the degree to which customers choose to remain with PG&E during the customer enrollment and opt-out periods. It is anticipated that MCE's contracted energy supplier will bear a portion of the financial risks associated with deviations from the electric sales forecast during the initial operating period. It will be the obligation of this energy supplier to appropriately reflect these risks in the full requirements energy price. MCE's phased roll-out plan and assumptions regarding customer participation rates are discussed below.

Customer Participation Rates

Customers will be automatically enrolled in MCE's electricity program unless they opt-out during the customer notification process conducted during the 60-day period prior to enrollment and continuing through the 60-day period following commencement of service. MCE anticipated an overall customer participation rate of approximately 80 percent during Phase 1, when service is being offered to the service accounts that are affiliated with MCE's participating members (municipal accounts) and a subset of residential, commercial and/or industrial customers, totaling approximately 20 percent of total customer load. The actual participation rate for Phase 1 was very similar to MCE's projection. Participation rates for

Phase 2 were approximately 80 percent of bundled service customers and 0 percent of direct access customers. Participation rates for Phases 3 and 4 are projected to range from 70 percent to 80 percent, with the lower figure used as the basis for load projections contained in this plan. The participation rate is not expected to vary significantly among customer classes, in part due to the fact that MCE will offer two distinct rate tariffs that will address the needs of cost-sensitive customers within the Marin Communities as well as the needs of both residential and business customers that prefer a highly renewable energy product. The assumed participation rates will be refined as MCE's public outreach and market research efforts continue to develop.

Customer Forecast

Once customers enroll in each phase, they will be switched over to service by MCE on their regularly scheduled meter read date over an approximately thirty day period. The number of accounts served by MCE at the end of each phase is shown in the table below.

Marin Clean Energy Enrolled Retail Service Accounts Phase-In Period (End of Month)					
	May-10	Aug-11	Jul-12	Jul-13	Feb-15
MCE Customers					
Residential	7,354	12,503	77,345	106,510	120,204
Small Commercial	522	605	8,934	11,829	13,761
Medium Commercial	52	498	749	903	1,120
Large Commercial	2	8	220	351	416
Industrial	3	3	10	15	19
Street Lighting & Traffic	138	141	443	748	1,014
Ag & Pump.	-	1	113	109	1,467
Total	8,071	13,759	87,814	120,465	138,001

MCE assumes that MCE customer growth will generally offset customer attrition (opt-outs) over time, resulting in a relatively stable customer base over the noted planning horizon. Because MCE is the first program of its kind within California, it is very difficult to anticipate with any precision the actual levels of customer participation within this CCA program. MCE believes that its assumptions regarding the offsetting effects of growth and attrition are reasonable in consideration of the limited build-out potential within a significant portion of MCE's service territory and the observed rate of customer opt-outs following mandatory customer notification periods. The forecast of service accounts (customers) served by MCE for each of the referenced ten-year planning periods is shown in the following table:

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	120,204	120,204	120,204	120,204	120,204
Small Commercial	522	605	8,934	11,829	11,829	13,761	13,761	13,761	13,761	13,761
Medium Commercial	52	498	749	903	903	1,120	1,120	1,120	1,120	1,120
Large Commercial	2	8	220	351	351	416	416	416	416	416
Industrial	3	3	10	15	15	19	19	19	19	19
Street Lighting & Traffic	138	141	443	748	748	1,014	1,014	1,014	1,014	1,014
Ag & Pump.		1	113	109	109	1,467	1,467	1,467	1,467	1,467
Total	8,071	13,759	87,814	120,465	120,465	138,001	138,001	138,001	138,001	138,001

Sales Forecast

MCE's forecast of kWh sales reflects the roll-out and customer enrollment schedule shown above. The annual electricity needed to serve MCE's retail customers increases from approximately 200 GWh in 2011 to approximately 1,600 GWh at full roll-out, which includes planned expansion to the County of Napa. Annual energy requirements are shown below.

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	1,545	1,582	1,582	1,582	1,582
Distributed Generation	0	-1	-1	-5	-12	-16	-22	-23	-25	-25
Energy Efficiency	0	0	0	-6	-6	-4	-8	-12	-16	-16
Losses and UFE	5	11	34	66	77	91	93	93	92	92
Total Load Requirement	96	196	603	1,166	1,353	1,616	1,646	1,640	1,634	1,634

Capacity Requirements

The CPUC's resource adequacy standards applicable to MCE require a demonstration one year in advance that MCE has secured physical capacity for 90 percent of its projected peak loads for each of the five months May through September, plus a minimum 15 percent reserve margin. On a month-ahead basis, MCE must demonstrate 100 percent of the peak load plus a minimum 15 percent reserve margin.

A portion of MCE's capacity requirements must be procured locally, from the Greater Bay area as defined by the CAISO and another portion must be procured from local reliability areas outside the Greater Bay Area. MCE must also meet requirements for flexible capacity such that a portion of MCE's resource adequacy requirements are met from qualifying flexible resources. MCE is required to demonstrate its local and flexible capacity requirements for each month of the following calendar year. MCE must demonstrate compliance or request a waiver from the CPUC requirement as provided for in cases where local capacity is not available. MCE complies with the forward and monthly resource adequacy requirements administered by the state regulatory agencies.

MCE's plan ensures sufficient reserves are procured to meet its peak load at all times. MCE's annual peak capacity requirements are shown in the following table:

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	286	286	286	286	286
Distributed Generation	(0)	(1)	(4)	(8)	(11)	(15)	(15)	(17)	(17)	(17)
Energy Efficiency				(1)	(1)	(1)	(2)	(3)	(3)	(3)
Losses and UFE	2	3	11	13	13	16	16	16	16	16
Total Net Peak Demand	30	47	189	237	235	287	285	283	282	282
 Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
 Capacity Reserve Requirement	4	7	28	36	35	43	43	42	42	42
 Capacity Requirement Including Reserve	34	55	218	273	270	330	328	325	324	324

MCE will continue to coordinate with PG&E and appropriate state agencies to manage the transition of responsibility for resource adequacy from PG&E to MCE following load migration to CCA service. For system resource adequacy requirements, MCE will make month-ahead showings for each month that MCE plans to serve load, and any load migration issues will be addressed through the CPUC's approved procedures. MCE will work with the California Energy Commission and CPUC prior to commencing service to additional customers to ensure it meets its local, system and flexible resource adequacy obligations through its agreements with its chosen electric suppliers.

Renewable Portfolio Standards Energy Requirements

Basic RPS Requirements

As a CCA, MCE is required by law and ensuing CPUC regulations to procure a certain minimum percentage of its retail electricity sales from qualified renewable energy resources. For purposes of determining MCE's renewable energy requirements, the same standards for RPS compliance that are applicable to the distribution utilities are assumed to apply to MCE.

California's RPS program is currently undergoing reform. On April 12, 2011, Governor Jerry Brown signed SB x1 2, requiring public and private utilities as well as community choice aggregators to obtain 33 percent of their electricity from renewable energy sources by December 31, 2020. MCE is familiar with California's new RPS, including certain procurement quantity requirements identified in D.11-12-020 (December 1, 2011). To date, MCE has significantly exceeded California's RPS, providing MCE customers with over 29 percent RPS-eligible renewable energy delivered to MCE customers in 2012. A similar renewable energy percentage, approximating 28.7 percent, was supplied to MCE customers in 2013.

MCE's Renewable Portfolio Standards Requirement

MCE's annual RPS requirements are shown in the table below. When reviewing this table, it is important to note that MCE projects increases in energy efficiency savings as well as increases in locally situated distributed generation capacity (an additional 14 MW by 2019), resulting in a slight downward trend in projected retail electricity sales.

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	1,544,971	1,581,999	1,581,999	1,581,999	1,581,999
Baseline	-	18,244	37,099	114,029	222,097	280,729	359,978	395,500	427,140	458,780
Incremental Procurement Target	18,244	18,855	76,930	108,069	58,631	79,249	35,522	31,640	31,640	31,640
Annual Procurement Target	18,244	37,099	114,029	222,097	280,729	359,978	395,500	427,140	458,780	490,420
% of Current Year Retail Sales	20%	20%	20%	20%	22%	23%	25%	27%	29%	31%

Based on planned renewable energy procurement objectives, MCE anticipates that it will significantly exceed the minimum RPS requirements as shown below.

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	1,544,971	1,581,999	1,581,999	1,581,999	1,581,999
Annual RPS Target (Minimum MWh)	18,244	37,099	114,029	222,097	280,729	359,978	395,500	427,140	458,780	490,420
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	803,385	838,459	854,279	870,099	885,919
Surplus In Excess of RPS (MWh)	4,561	12,984	176,745	344,251	391,985	443,407	442,960	427,140	411,320	395,500
Annual Increase (MWh)	22,805	27,278	240,690	275,575	106,366	130,671	35,075	15,820	15,820	15,820

Resources

MCE has begun evaluating opportunities for future investment in renewable generating assets. Such opportunities will be evaluated on a case by case basis in consideration of resource location, market conditions, statutory requirements and regulatory considerations. Any renewable generation owned by MCE or controlled under long-term power purchase agreement with a proven public power developer, could provide a portion of MCE's electricity requirements on a cost-of-service basis. Electricity purchased under a cost-of-service arrangement should be more cost-effective than purchasing renewable energy from third party developers, which will allow the Program to pass on cost savings to its customers through competitive generation rates. Any investment decisions will be made following thorough

environmental reviews and in consultation with MCE's financial advisors, investment bankers, attorneys, and potentially with customer input.

As an alternative to direct investment, MCE may consider partnering with an experienced public power developer and enter into a long-term (20-to-30 year) power purchase agreement that would support the development of new renewable generating capacity. Such an arrangement could be structured to greatly reduce the Program's operational risk associated with capacity ownership while providing Program customers with all renewable energy generated by the facility under contract. This option may be preferable to MCE as it works to achieve increasing levels of renewable energy supply to its customers.

Purchased Power

Power purchased from utilities, power marketers, public agencies, and/or generators will likely be the predominant source of supply from 2010 to 2015 (MCE may consider the development of certain renewable energy projects, subject to Board approval, which may supply electric generation to MCE customers as soon as January 2016) and may still remain a significant source of power in the event that MCE considers the development of its own renewable generation assets. During the period from 2010 – 2016, MCE plans to contract with SENA for a substantial portion of its electricity needs under a full requirements power supply agreement, and SENA will be responsible for procuring a mix of power purchase contracts, including specified renewable energy targets, to provide a stable and cost-effective resource portfolio for the Program. Deliveries under this agreement have been supplemented with purchases of other energy products from qualified renewable project developers, asset owners and power marketers. Based on terms established in this third-party contract, MCE will continue to substitute electric energy generated by MCE-owned/controlled renewable resources for contract quantities in the event that such resources become operational during the delivery period.

Renewable Resources

MCE will initially secure necessary renewable power supply from SENA. MCE has supplemented the renewable energy provided under the initial full requirements contract with direct purchases of renewable energy from renewable energy facilities.

For planning purposes, MCE should anticipate procurement from the following types of large scale renewable resources in the near to midterm, which would require little or no transmission expansion to ensure deliverability:

- Local resources (solar, wind, biogas, biomass);
- Wind resources in Solano County;
- Existing Qualifying Facilities with expiring PG&E contracts;
- Expansion and re-powering of wind resources in Alameda County;
- Geothermal in Lake and Sonoma Counties;
- Local biomass projects; and
- Renewable Energy Certificates.

Medium and Long-Term Renewable Potential

For mid and long term planning purposes, MCE should anticipate procurement from the following types of large scale renewable resources³:

- Wind imports from the Tehachapi Area;
- Wind imports from the Pacific Northwest;
- Geothermal imports from Nevada;
- Geothermal imports from the Imperial Valley;
- Photovoltaic solar imports from California's Central Valley; and
- Solar CSP imports from Southern California (Riverside and San Bernardino Counties).

Although this resource plan identifies likely resource types and locations, it is not possible to predict what projects might be proposed in response to MCE's future solicitations for renewable energy or that may stem from discussions with other public agencies. Renewable projects that are located virtually anywhere in the Western Interconnection can be considered as long as the electricity is deliverable to the CAISO control area, as required to meet the Commission's RPS rules and any additional guidelines ultimately adopted by MCE's Board of Directors. The costs of transmission access and the risk of transmission congestion costs would need to be considered in the bid evaluation process if the delivery point is outside of MCE's load zone, as defined by the CAISO.

Energy Efficiency

This section addresses the treatment of energy efficiency as a component of MCE's integrated resource plan. As described below there are opportunities for significant cost effective energy efficiency programs within the region, and MCE will seek to maximize end-use customer energy efficiency to the greatest extent practical. MCE first received funding to implement energy efficiency programs through the 'elect to administer' portion of the Public Utilities Code (section 381.1 e-f), wherein MCE has the authority to collect funds which have already been collected from MCE customers to support an energy efficiency plan that complies with the legislative intent. MCE submitted a plan for the use of 2012 program funding, focusing exclusively on multi-family customers; this plan was certified by the Commission in August, 2012.⁴

On a parallel track, MCE submitted an application to administer funds as an independent program administrator, an option which was clarified by SB 790 (2011) and reinforced in a recent CPUC Decision on CCA and Energy Efficiency⁵. This suite of programs offers energy efficiency services for multi-family, small commercial and single family sectors with financing programs available to support all programs. MCE plans to grow the energy efficiency and local program department over time.

³ In the long term, new technologies such as wave or tidal energy may become economically feasible as well.

⁴ Resolution E-4815 California Public Utilities Commission. August 23, 2012.

⁵ Decision 14-01-033. Decision Enabling Community Choice Aggregators to Administer Energy Efficiency Programs. January 16, 2014.

Baseline Energy Efficiency Potential Estimates

The National Action Plan for Energy Efficiency states among its key findings “consistently funded, well-designed efficiency programs are cutting annual savings for a given program year of 0.15 to 1 percent of energy sales.”⁶ The American Council for an Energy-Efficient Economy (ACEEE) reports for states already operating substantial energy efficiency programs energy efficiency goals of one percent, as a percentage of energy sales, is a reasonable level to target.⁷ Forecast achievable energy efficiency equal to one percent of the CCA’s forecast energy sales, as indicated in the table below, appears to be a reasonable and conservative baseline for the demand-side portion of CCA’s resource plan. Targeted program savings would be in addition to the savings achieved by PG&E administered programs.

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	1,545	1,582	1,582	1,582	1,582
MCE Energy Efficiency Goal	0	0	0	-6	-6	-4	-8	-12	-16	-16

CCA Program Energy Efficiency Goals

The Program’s energy efficiency goals reflect a strong commitment to increasing energy efficiency within the County and expanding beyond the savings achieved by PG&E’s programs. MCE’s goal is to increase annual savings through energy efficiency programs to two percent (combined MCE and PG&E programs) of annualized electric sales, as has been adopted by the State of New York, by the end of 2018. Achieving this goal would mean at least a doubling of energy savings relative to the status quo situation without the CCA program. MCE programs will focus on closing the gap between the vast economic potential of energy efficiency within MCE’s service territory and what is actually achieved, while designing programs based on community input that align with MCE’s mission statement.

The following table summarizes the estimated energy efficiency potential for each type of energy efficiency initiative:⁸

⁶ National Action Plan for Energy Efficiency, July 2006, Section 6: Energy Efficiency Program Best Practices (pages 5-6)

⁷ Energy Efficiency Resource Standards: Experience and Recommendations, Steve Nadel, March 2006, ACEEE Report E063 (pages 28 - 30).

⁸ California Energy Efficiency Potential Study Volume 1, California Measurement Advisory Council (CALMAC) Study ID: PGE0211.01, May 24, 2006, Figure 12-2: Distribution of Electric Energy Market Potential, Existing Incentive Levels through 2016.

California Energy Efficiency Market Potential

EXISTING RESIDENTIAL	53.0%
Existing Commercial	18.0%
Existing Industrial	14.0%
Residential New Construction	1.0%
Commercial New Construction	6.0%
Industrial New Construction	1.0%
Emerging Technologies	7.0%

The retrofit of existing buildings represents 85 percent of the total forecast energy efficiency market potential. Studies show that the residential customer sector presents the largest untapped efficiency gains.

MCE has ramped up the Energy Efficiency department since the first funding authorization in late 2012. MCE's energy efficiency department continues to refine energy savings estimates and develop portfolios in line with customer expectations and local patterns of energy use. Additional details of MCE's energy efficiency plans are set forth in a separate planning document.⁹

Demand Response

Demand response programs provide incentives to customers to reduce demand upon request by the load serving entity (i.e., MCE), reducing the amount of generation capacity that must be maintained as infrequently used reserves. Demand response programs can be cost effective alternatives to capacity otherwise needed to comply with the resource adequacy requirements. The programs also provide rate benefits to customers who have the flexibility to reduce or shift consumption for relatively short periods of time when generation capacity is most scarce. Like energy efficiency, demand response can be a win/win proposition, providing economic benefits to the electric supplier and customer service benefits to the customer.

In its ruling on local resource adequacy, the CPUC found that dispatchable demand response resources as well as distributed generation resources should be allowed to count for local capacity requirements. MCE has launched several small scale pilots to explore the possibilities for local DR programs. This resource plan anticipates that MCE's demand response programs would partially offset its local capacity requirements beginning in 2016.

PG&E offers several demand response programs to its customers, and MCE intends to recruit those customers that have shown a willingness to participate in utility programs into MCE's demand response programs.¹⁰ The goal for this resource plan is to meet 5 percent of the Program's total capacity requirements (by 2018) through dispatchable demand response

⁹ Marin Energy Authority's Proposal to Administer Energy Efficiency Programs Pursuant to Public Utilities Code 381.1(e) and (f) for 2012, June 22, 2012.

¹⁰ These utility programs include the Base Interruptible Program (E-BIP), the Demand Bidding Program (E-DBP), Critical Peak Pricing (E-CPP), Optional Binding Mandatory Curtailment Plan (E-OBMC), the Scheduled Load Reduction Program (E-SLRP), and the Capacity Bidding Program (E-CBP). MCE has started to develop and implement its own demand response programs on a pilot basis.

programs that qualify to meet local resource adequacy requirements. This goal translates into approximately 13 MW of peak demand enrolled in MCE's demand response programs. Achievement of this goal would displace approximately 32 percent of MCE's local capacity requirement within the Greater Bay Area.

**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	273	270	330	328	325	324	324
Demand Response Target	-	-	-	-	-	-	4	12	16	16
Percentage of Local Capacity Requirement	0%	0%	0%	0%	0%	0%	8%	24%	32%	32%

MCE's initial DR pilots offer the opportunity to explore DR programs and develop administrative capabilities related to this component of the MCE service offering. MCE plans to leverage experiences and lessons learned from these initial pilots to develop a demand response program that enables it to request customer demand reductions during times when capacity is in short supply or spot market energy costs are exceptionally high. The level of customer payments should be related to the cost of local capacity that can be avoided as a result of the customer's willingness to curtail usage upon request.

Appropriate limits on customer curtailments, both in terms of the length of individual curtailments and the total number of curtailment hours that can be called should be included in MCE's demand response program design. It will also be important to establish a reasonable measurement protocol for customer performance of its curtailment obligations. Performance measurement should include establishing a customer specific baseline of usage prior to the curtailment request from which demand reductions can be measured. MCE will likely utilize experienced third party contractors to design, implement and administer its demand response programs.

Distributed Generation

Consistent with MCE's environmental policies and the state's Energy Action Plan, clean distributed generation is a significant component of the integrated resource plan. MCE will work with state agencies and PG&E to promote deployment of photovoltaic (PV) systems within MCE's jurisdiction, with the goal of maximizing use of the available incentives that are funded through current utility distribution rates and public goods surcharges. MCE has also implemented an aggressive net energy metering program to promote local investment in distributed generation.

There are significant associated environmental benefits and strong customer interest in distributed PV systems. The economics of PV should improve over time as utility rates continue to increase and the costs of the systems decline with technological improvements and added manufacturing capacity. MCE can also promote distributed PV without providing direct financial assistance by being a source of unbiased consumer information and by facilitating customer purchases of PV systems through established networks of pre-qualified vendors. It may also provide direct financial incentives from revenues funded by customer rates to further support use of solar power within the Marin Communities. As previously noted, MCE has

provided direct incentives for PV by offering an aggressive net metering rate to customers who install PV systems so that customers are able to sell excess energy to MCE.

MCE's CCA customers will contribute funds to the California Solar Initiative (CSI) through the public goods charge collected by PG&E, and will be eligible for the incentives provided under that program for installation of PV systems. The California Solar Initiative provides \$2.2 billion of funding to target installation of 1,940 MW of solar systems within the investor owned utility service areas by 2017. All electric customers of PG&E, SCE, and SDG&E are eligible to apply for incentives. Approximately 44 percent of program funding is allocated to the PG&E service territory. Assuming solar deployment would be proportionate to funding, the program is intended to yield approximately 775 MW of solar within the PG&E service area. A minimum of 17 MW should be deployed within the service territory of MCE.

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%	2.1%	2.1%	2.1%	2.1%	2.1%
MCE Solar Deployment (MW)	0	1	4	8	11	15	15	17	17	17

MCE will work to ensure that customers within its jurisdiction take full advantage of this solar incentive and will develop programs of its own with the goal of doubling the CSI deployment targets shown above.

CHAPTER 7 – Financial Plan

This Chapter examines the monthly cash flows expected during the phase-in period of the CCA Program and identifies the anticipated financing requirements for the overall CCA Program by MCE. It also describes the requirements for working capital and long-term financing for the potential investment in renewable generation, consistent with the resource plan contained in Chapter 6.

Description of Cash Flow Analysis

This cash flow analysis estimates the level of working capital that will be required during the phase-in period. In general, the components of the cash flow analysis can be summarized into two distinct categories: (1) Cost of CCA Program Operations, and (2) Revenues from CCA Program Operations. The cash flow analysis identifies and provides monthly estimates for each of these two categories. A key aspect of the cash flow analysis is to focus primarily on the monthly costs and revenues associated with the CCA Program phase-in period, and specifically account for the transition or “Phase-In” of CCA Customers from PG&E’s service territory described in Chapter 5.

Cost of CCA Program Operations

The first category of the cash flow analysis is the Cost of CCA Program Operations. To estimate the overall costs associated with CCA Program Operations, the following components were taken into consideration:

- Electricity Procurement;
- Ancillary Service Requirements;
- Exit Fees;
- Staffing Requirements;
- Contractor Costs;
- Infrastructure Requirements;
- Billing Costs;
- Scheduling Coordination;
- Grid Management Charges;
- CCA Bond Premiums;
- Interest Expense; and
- Franchise Fees.

The focus of this cash flow analysis is during the phase-in period.

Revenues from CCA Program Operations

The cash flow analysis also provides estimates for revenues generated from CCA operations or from electricity sales to customers. In determining the level of revenues, the cash flow analysis assumes the customer phase-in schedule noted above, and assumes that MCE’s CCA Program provides a Light Green Tariff at comparable generation rates to those of the existing distribution utility for each customer class and a 100 percent Green Tariff at a premium reflective of

incremental renewable power costs. A third service option, which is planned to begin serving customers during the 2015 calendar year, is Sol Shares. The voluntary Sol Shares service option will supply participating customers with 100 percent locally generated solar electricity – MCE is currently accepting enrollments in the Sol Shares program.

Over time, MCE's preference for renewable energy will significantly reduce its exposure to volatile input costs (fuel – natural gas) associated with natural gas-fired generation, which are expected to increase steadily, and potentially significantly, for the foreseeable future. Because a significant portion of MCE's power supply will be from renewable energy sources, upward price pressures on its power supply should be significantly reduced over long-term operations.

Projected long-term cost savings can be passed on to Program customers in the form of lower generation rates or can be applied to the procurement of additional renewable energy supplies (moving the program's renewable energy supply closer to its 100 percent goal), energy efficiency programs or other energy/climate initiatives within the scope of broad-based powers established for MCE. Ultimately, MCE will have flexibility when making these decisions and can respond to the evolving needs of local residents and businesses when developing rate tariffs and energy/climate-focused programs.

Cash Flow Analysis Results

The results of the cash flow analysis provide an estimate of the level of working capital required for MCE to move through the CCA phase-in period. This estimated level of working capital is determined by examining the monthly cumulative net cash flows (revenues from CCA operations minus cost of CCA operations) based on assumptions for payment of costs by MCE, along with an assumption for when customer payments will be received. This identifies, on a monthly basis, what level of cash flow is available in terms of a surplus or deficit.

With the assumptions regarding payment streams, the cash flow analysis identifies funding requirements while recognizing the potential lag between payments received and payments made during the phase-in period. The estimated financing requirements for the phase-in period, including working capital, based on the phase-in of customers as described above is approximately \$3 million. Working capital requirements reach this peak immediately after enrollment of the Phase 3 customers.

CCA Program Implementation Feasibility Analysis

In addition to developing a cash flow analysis which estimates the level of working capital required to get MCE through full CCA phase-in, a summary analysis that evaluates the feasibility of the CCA program during the phase-in period has been prepared. The difference between the cash flow analysis and the CCA feasibility analysis is that the feasibility analysis does not include a lag associated with payment streams. In essence, costs and revenues are reflected in the month in which service is provided. All other items, such as costs associated with CCA Program operations and rates charged to customers remain the same.

The results of the feasibility analysis are shown in the following table. Under these assumptions, over the entire phase-in period the CCA program is projected to accrue a reserve account balance of approximately \$17 million.

Marin Clean Energy
Summary of CCA Program Phase-In
(January 2010 through December 2015)

CATEGORY	2010	2011	2012	2013	2014	2015
I. REVENUES FROM OPERATIONS (\$)						
ELECTRIC SALES REVENUE	10,610,804	16,454,790	44,052,111	79,097,747	100,075,912	125,116,985
LESS UNCOLLECTIBLE ACCOUNTS	(21,453)	(102,807)	(220,261)	(395,489)	(500,380)	(625,585)
TOTAL REVENUES	10,589,351	16,351,983	43,831,851	78,702,259	99,575,532	124,491,400
II. COST OF OPERATIONS (\$)						
(A) ADMINISTRATIVE AND GENERAL (A&G)						
STAFFING	321,117	430,659	1,077,759	1,386,303	1,825,000	1,993,875
CONTRACT SERVICES	1,035,333	848,063	3,131,840	4,457,964	4,611,420	4,898,007
IOU FEES (INCLUDING BILLING)	19,548	60,794	287,618	584,729	660,114	745,569
OTHER A&G	191,261	189,204	249,729	302,806	373,125	398,084
SUBTOTAL A&G	1,567,259	1,528,720	4,746,946	6,731,802	7,469,659	8,035,535
(B) COST OF ENERGY	7,418,662	11,881,494	35,566,066	69,037,682	85,826,553	111,605,979
(C) DEBT SERVICE	654,595	394,777	747,729	1,195,162	1,195,162	1,151,494
TOTAL COST OF OPERATION	9,640,516	13,804,991	41,060,742	76,964,646	94,491,374	120,793,009
CCA PROGRAM SURPLUS/(DEFICIT)	948,835	2,546,992	2,771,109	1,737,613	5,084,158	3,698,392

The surpluses achieved during the phase-in period serve as operating reserves for MCE in the event that operating costs (such as power purchase costs) exceed collected revenues for short periods of time.

Marin Clean Energy Financings

It is anticipated that three financings may be necessary in support of the CCA Program. The anticipated financings are listed below and discussed in greater detail.

CCA Program Start-up and Working Capital (Phases 1 and 2)

As previously discussed, the start-up and working capital requirements for the CCA Program were approximately \$2 million. These costs are currently being recovered from retail customers through retail rates.

CCA Program Working Capital (Phase 3)

Working capital for Phase 3 was \$3 million financed through a short term credit agreement from a commercial bank.

CCA Program Working Capital (Phase 4)

MCE utilized existing internally generated funds to cover costs associated with the Phase 4 customer expansion.

CCA Program Working Capital (Phase 5)

MCE anticipates it will have sufficient internally generated funds to fund the Phase 5 customer expansion. If additional funds are required, a short term credit agreement would be used to support the expansion.

Renewable Resource Project Financing

MCE's CCA Program may consider large project financings for renewable resources (likely wind, solar, biomass or geothermal), which may total as much as \$375 million (combined). These financings would only occur after a sustained period of successful Program operation and after appropriate project opportunities are identified and subjected to appropriate environmental review. Such financing would likely occur after several successful years of operating history have been observed and following MCE's receipt of an institutional credit rating. In the event that such financing becomes necessary, funds would include any short-term financing for the renewable resource project development costs, and would extend over a 20- to 30-year term.

The security for such bonds would likely be a hybrid of the revenue from sales to the retail customers of MCE, including a Termination Fee as described in Chapter 9, and the renewable resource project itself.

The following table summarizes the potential financings in support of the CCA Program:

Proposed Financing	Estimated Total Amount	Estimated Term	Estimated Issuance
Start-Up and Working Capital	\$2 million	No longer than 7 years	Early 2010
Working Capital Phase 3	\$3 million	No longer than 5 years	Mid 2012
Potential Renewable Resource Project Financings	\$375 million (aggregate)	20 to 30 years	Undetermined

CHAPTER 8 - Ratesetting and Program Terms and Conditions

Introduction

This Chapter describes MCE's rate setting policies for electric aggregation services. These include policies regarding rate design, objectives, and provision for due process in setting Program rates. Program rates are ultimately approved by the Board. The Board would retain authority to modify program policies from time to time at its discretion.

Rate Policies

MCE has established rates sufficient to recover all costs related to operation of the program, including any reserves that may be required as a condition of financing and other discretionary reserve funds that may be approved by the Board of Directors. As a general policy, rates will be uniform for all similarly situated customers enrolled in the Program throughout the service area of MCE, comprised of the jurisdictional boundaries of its members.

The primary objectives of the ratesetting plan are to set rates that achieve the following:

- 100 percent renewable energy supply option – Deep Green Tariff;
- 100 percent local solar energy supply option – Sol Shares Tariff
- Rate competitive tariff option – Light Green Tariff (at 50 percent renewable energy);
- Rate stability;
- Equity among customers in each tariff;
- Customer understanding; and
- Revenue sufficiency.

Each of these objectives is described below.

Rate Competitiveness

The goal is to offer competitive rates for the electric services MCE provides to participating customers. For Deep Green participants, the goal is to offer the lowest possible customer rates with an incremental monthly cost premium of approximately 10 percent. For Sol Shares customers, the goal is to offer rates that are generally reflective of local, small utility scale solar development costs, which will initially relate to prices paid under MCE's Feed-In Tariff.

Competitive rates will be critical to attracting and retaining key customers. As discussed above, the principal long-term Program goal is to achieve 100 percent renewable energy supply subject to economic and operating constraints. As previously discussed, the Program will significantly increase renewable energy supply to Program customers, relative to the incumbent utility, by offering two distinct rate tariffs. The default tariff for Program customers will be the Light Green service option, which will maximize renewable energy supply (minimum 50 percent) while maintaining competitive generation rates to those currently offered by PG&E. MCE will also offer its customers a voluntary Deep Green Tariff, which will supply participating

customers with 100 percent renewable energy supply at rates that reflect the Program's cost for procuring necessary energy supplies. As previously noted, MCE will be offering a third service option, Sol Shares, which is planned to begin serving customers during the 2015 calendar year. The voluntary Sol Shares service option will supply participating customers with 100 percent locally generated solar electricity – MCE is currently accepting enrollments in the Sol Shares program.

As previously suggested, the default tariff for Program customers will be the Light Green Tariff. Consistent with this MCE policy, participating qualified low- or fixed-income households, such as those currently enrolled in the California Alternate Rates for Energy (CARE) program, will be automatically enrolled in the Light Green Tariff and will continue to receive related discounts on monthly electricity bills. Based on projected participation in each tariff, the amount of renewable energy supplied to Program customers as a percentage of the Program's total energy requirements is projected to approximate 52 percent in 2015.

Rate Stability

MCE will offer stable rates by hedging its supply costs over multiple time horizons. Rate stability considerations may mean that program rates relative to PG&E's may differ at any point in time from the general rate targets set for the Program. Although MCE's rates will be stabilized through execution of appropriate price hedging strategies, the distribution utility's rates can fluctuate significantly from year-to-year based on energy market conditions such as natural gas prices, the utilities' hedging strategies, and hydro-electric conditions; and from rate impacts caused by periodic additions of generation to utility rate base. MCE will have more flexibility in procurement and ratesetting than PG&E to stabilize electricity costs for customers.

Equity among Customer Classes

MCE's policy will be to provide rate benefits to all customer classes relative to the rates that would otherwise be paid to the local distribution utility. Rate differences among customer classes will reflect the rates charged by the local distribution utility as well as differences in the costs of providing service to each class. Rate benefits may also vary among customers within the major customer class categories, depending upon the specific rate designs adopted by the Board of Directors.

Customer Understanding

The goal of customer understanding involves rate designs that are relatively straightforward so that customers can readily understand how their bills are calculated. This not only minimizes customer confusion and dissatisfaction but will also result in fewer billing inquiries to MCE's customer service call center. Customer understanding also requires rate structures to make sense (i.e., there should not be differences in rates that are not justified by costs or by other policies such as providing incentives for conservation).

Revenue Sufficiency

MCE's rates must collect sufficient revenue from participating customers to fully fund MCE's annual budget. Rates will be set to collect the adopted budget based on a forecast of electric

sales for the budget year. Rates will be adjusted as necessary to maintain the ability to fully recover all of MCE's costs, subject to the disclosure and due process policies described later in this chapter.

Rate Design

MCE will generally match the rate structures from the utilities' standard rates to avoid the possibility that customers would see significantly different bill impacts as a result of changes in rate structures when beginning service in MCE's program. MCE may also introduce new rate options for customers, such as rates designed to encourage economic expansion or business retention within MCE's service area.

Net Energy Metering

Customers with on-site generation eligible for net metering from PG&E will be offered a net energy metering rate from MCE. Net energy metering allows for customers with certain qualified solar or wind distributed generation to be billed on the basis of their net energy consumption. The PG&E net metering tariff (E-NEM) requires the CCA to offer a net energy metering tariff in order for the customer to continue to be eligible for service on Schedule E-NEM. The objective is that MCE's net energy metering tariff will apply to the generation component of the bill, and the PG&E net energy metering tariff will apply to the utility's portion of the bill. MCE will pay customers for excess power produced from net energy metered generation systems in accordance with the rate designs adopted by the MCE Board.

Disclosure and Due Process in Setting Rates and Allocating Costs among Participants

The Executive Officer, with support of appropriate staff, advisors and committees, will prepare an annual budget and corresponding customer rates and submit these as an application for a change in rates to the Board of Directors. The rates will be approved at a public meeting of the Board of Directors no sooner than thirty one (31) days following public posting of the proposed rates (which shall occur on MCE's website) - during this thirty one-day review period, affected customers will be able to provide comment on the proposed rate changes.

MCE will initially adopt customer noticing requirements similar to those the CPUC requires of PG&E. These notice requirements are described as follows:

Notice of rate changes will be published at least once in a newspaper of general circulation within the respective jurisdictions of MCE's Member Agencies. This notice will be published within ten days of MCE's public posting of the subject rate change. Such notice will state that a copy of said application and related exhibits may be examined at the offices of MCE and shall include the locations of such offices

MCE will furnish notice of its application to its customers affected by the proposed increase, either by including such notice as an on-bill message with the regular bill for charges transmitted to such customers or by mailing such notice postage prepaid to such customers.

The notice will state the amount of the proposed increase expressed in percentage terms, a brief statement of the reasons the increase is required or sought, and the mailing address of MCE to which any customer inquiries relative to the proposed increase, including a request by the customer to receive notice of the date, time, and place of any hearing on the application, may be directed.

CHAPTER 9 – Customer Rights and Responsibilities

This chapter discusses customer rights, including the right to opt-out of the CCA Program and the right to privacy of customer energy usage information, as well as obligations customers undertake upon agreement to enroll in the CCA Program. All customers that do not opt out within 30 days of the fourth opt-out notice will have agreed to become full status program participants and must adhere to the obligations set forth below, as may be modified and expanded by the MCE Board from time to time.

By adopting this Implementation Plan, the MCE Board approved the customer rights and responsibilities policies contained herein to be effective at Program initiation. The Board retains authority to modify program policies from time to time at its discretion.

Customer Notices

As part of the customer enrollment process, at least four notices will be provided to customers describing the Program, informing them of their opt-out rights to remain with utility bundled generation service, and containing a simple mechanism for exercising their opt-out rights. MCE will mail at least two written notices to customers, beginning at least two calendar months, or sixty days, in advance of the date of commencing automatic enrollment. MCE will likely use its own mailing service for requisite opt-out notices rather than including the notices in PG&E's monthly bills. This is intended to increase the likelihood that customers will read the opt-out notices, which may otherwise be ignored if included as a bill insert. Customers may opt out by notifying MCE using MCE's designated, telephone-based opt out processing service. Should customers choose to initiate an opt-out request by contacting PG&E, they will be transferred to MCE's call center to complete the opt-out request. Consistent with CPUC regulations, notices returned as undelivered mail would be treated as a failure to opt out, and the customer would be automatically enrolled.

Following automatic enrollment, at least two notices will be mailed to customers within the first two calendar months, or sixty days, of service. Opt-out requests made on or before the sixtieth day following start of MCE service would result in customer transfer to bundled utility service with no penalty. Such customers will be obligated to pay MCE's charges for electric services provided during the time the customer took service from the Program, but will otherwise not be subject to any penalty or transfer fee from MCE.

New customers who establish service within the Program service area will be automatically enrolled in the Program. Such customers will be mailed two opt-out notices within two calendar months, or sixty-days, of enrollment. MCE's Board of Directors will have the authority to implement entry fees for customers that initially opt out of the Program, but later decide to participate. Entry fees, if deemed necessary, would help prevent potential gaming, particularly by large customers, and aid in resource planning by providing additional control over the Program's customer base. Entry fees would not be practical to administer, nor would they be necessary, for residential and other small customers.

Termination Fee

Customers that are automatically enrolled in the Program can elect to transfer back to the incumbent utility without penalty within the first two months of service. After this free opt-out period, customers will be allowed to terminate their participation subject to payment of a Termination Fee. The Termination Fee may apply to all Program customers that elect to return to bundled utility service or elect to take "direct access" service from an energy services provider. Program customers that relocate within the Program's service territory would have their CCA service continued at the new address. If a customer relocating to an address within the Program service territory elected to cancel CCA service, the Termination Fee may apply. Program customers that move out of the Program's service territory would not be subject to the Program's Termination Fee.

The Termination Fee will consist of two parts: an Administrative Fee set to recover the costs of processing the customer transfer and other administrative or termination costs and a Cost Recovery Charge ("CRC") that would apply in the event MCE is unable to recover the costs of supply commitments attributable to the customer that is terminating service. PG&E will collect the Administrative Fee from returning customers as part of the final bill to the customer from the CCA Program and will collect the CRC as a lump sum or on a monthly basis pursuant to a negotiated servicing agreement between MCE and PG&E.

The Administrative Fee would vary by customer class as set forth in the table below.

Administrative Fee for Service Termination

Customer Class	Fee
Residential	\$5
Non-Residential	\$25

The customer CRC will be equal to a pro rata share of any above market costs of MCE's actual or planned supply portfolio at the time the customer terminates service. The proposed CRC is similar in concept to the Cost Responsibility Surcharge charged by PG&E, and it is designed to prevent shifting of costs to remaining Program customers. The CRC will be set on an annual basis by MCE's Governing Board as part of the annual ratemaking process. At this time, MCE's CRC is set to zero.

If customers terminate service, MCE anticipates it will re-market the excess supply and recover all or the majority of its costs. Depending upon market conditions, the CRC may not be needed for recovery of stranded costs. However, MCE's ability to assess a Cost Recovery Charge, if necessary, can be an important condition for obtaining financing for MCE's power supply. The low cost financing will, in turn, enable MCE to charge rates that are competitive with PG&E's.

The Termination Fee will be clearly disclosed in the four opt-out notices sent to customers during the sixty-day period before automatic enrollment and following commencement of

service. The fee could be changed prospectively by MCE's Board of Directors, subject to MCE's customer noticing requirements. As previously noted, customers that opt-out during the statutorily mandated notification period will not pay the Termination Fee that may be imposed by MCE.

Customers electing to terminate service after the initial notification period that provided them with at least four opt-out notices would be transferred to PG&E on their next regularly scheduled meter read date if the termination notice is received a minimum of fifteen days prior to that date. Customers who voluntarily transfer back to PG&E after the initial notification period that provided them with at least four opt-out notices would also be liable for the nominal reentry fees imposed by PG&E as set forth in the applicable utility CCA tariffs. Such customers would also be required to remain on bundled utility service for a period of one year, as described in the utility tariffs.

Customer Confidentiality

MCE has established policies covering confidentiality of customer data. These policies are fully compliant with the California Public Utility Commission's required privacy protection rules for CCA customer energy usage information detailed within Decision D.12-08-045. MCE's policies will maintain confidentiality of individual customer data. Confidential data includes individual customers' name, service address, billing address, telephone number, account number and electricity consumption. Aggregate data may be released at MCE's discretion or as required by law or regulation.

Responsibility for Payment

Customers will be obligated to pay MCE charges for service provided through the date of transfer including any applicable Termination Fees. Pursuant to current CPUC regulations, MCE will not be able to direct that electricity service be shut off for failure to pay MCE's bill. However, PG&E has the right to shut off electricity to customers for failure to pay electricity bills, and Rule 23 mandates that partial payments are to be allocated pro rata between PG&E and the CCA. In most circumstances, customers would be returned to utility service for failure to pay bills in full and customer deposits would be withheld in the case of unpaid bills. PG&E would attempt to collect any outstanding balance from customers in accordance with Rule 23 and the related CCA Service Agreement. The proposed process is for two late payment notices to be provided to the customer within 30 days of the original bill due date. If payment is not received within 45 days from the original due date, service would be transferred to the utility on the next regular meter read date, unless alternative payment arrangements have been made. Consistent with the CCA tariffs, Rule 23, service cannot be discontinued to a residential customer for a disputed amount if that customer has filed a complaint with the CPUC, and that customer has paid the disputed amount into an escrow account.

Customer Deposits

Customers may be required to post a deposit equal to two months' estimated bills for MCE's charges to obtain service from the Program. MCE has adopted a related policy, Rule No. 002, which specifies the circumstances under which a customer deposit will be required. This policy

specifies that “An applicant who previously has been a customer of PG&E or MCE and whose electric service has been discontinued by PG&E or MCE during the last twelve months of that prior service because of nonpayment of bills, may be required to reestablish credit by depositing the amount prescribed in Rule 003 (Deposits) for that purpose.” Rule No. 002 also states that, “A customer who fails to pay bills before they become past due as defined in PG&E Electric Rule 11 (Discontinuance and Restoration of Service), and who further fails to pay such bills within five days after presentation of a discontinuance of service notice for nonpayment of bills, may be required to pay said bills and reestablish credit by depositing the amount prescribed in Rule 003 (Deposits). This rule will apply regardless of whether or not service has been discontinued for such nonpayment¹¹.” Rule 003 specifies that the amount of deposit for such a customer shall be equal to two months’ estimated charges for MCE service. Failure to post deposit as required would cause the account service transfer request to be rejected, and the account would remain with PG&E. To date, MCE has not collected any customer deposits.

¹¹ A customer whose service is discontinued by MCE is returned to PG&E generation service.

CHAPTER 10 - Procurement Process

Introduction

This Chapter describes MCE's initial procurement policies and the key third party service agreements by which MCE has obtained operational services for the CCA Program. By adopting the original Implementation Plan, MCE's Board of Directors approved general procurement policies to be effective at Program initiation. The Board retains authority to modify Program policies from time to time at its discretion.

Procurement Methods

MCE has entered into agreements for a variety of services needed to support program development, operation and management. It is anticipated MCE will utilize Competitive Procurement, Direct Procurement or Sole Source Procurement, depending on the nature of the services to be procured. Direct Procurement is the purchase of goods or services without competition when multiple sources of supply are available. Sole Source Procurement is generally to be performed only in the case of emergency or when a competitive process would be an idle act.

MCE utilized a competitive solicitation process to enter into agreements with SENA, which provides electrical services for the program. Agreements with entities that provide professional legal or consulting services, and agreements pertaining to unique or time sensitive opportunities, may be entered into on a direct procurement or sole source basis at the discretion of MCE's Executive Officer or Board of Directors.

The Executive Officer periodically reports (e.g., quarterly) to the Board a summary of the actions taken with respect to the delegated procurement authority.

Authority for terminating agreements will generally mirror the authority for entering into the agreements.

Key Contracts

Electric Supply Contract

MCE successfully negotiated an electricity supply contract with SENA (through December 31, 2016). For the initial years of program operations (, SENA will supply a significant portion of the electricity delivered to MCE customers. For the post-2016 period, MCE will be obligated to complete additional solicitations to secure its resource requirements. In anticipation of this future obligation, MCE has initiated procurement efforts, focusing on necessary renewable energy supply and resource adequacy capacity, to facilitate the transition from full requirements service to a managed portfolio of contracts/resources. This proactive, ongoing approach will avoid dependence on market conditions existing at any single point in time. Under the initial full requirements contract, SENA has committed to serving the composite electrical loads of customers in the Program. SENA also serves as MCE's certified Scheduling

Coordinator and will schedule the loads of all customers in the Program, providing necessary electric energy, capacity/resource adequacy requirements, renewable energy and ancillary services. SENA is wholly responsible for the Program's portfolio operations functions and managing the predominant supply risks for the term of the contract. SENA must also meet the Program's renewable energy goals and comply with all applicable resource adequacy and regulatory requirements imposed by the CPUC or FERC.

Certain financial risks related to changes in Program loads during the term of the agreement are borne by SENA, within the ranges specified in the electric supply agreement. The supplier has also committed to deliver a specific quantity of RPS-eligible renewable energy, as determined by MCE, during each year of the agreement term. The supplier is also required to procure sufficient renewable energy to meet the requirements of serving customers enrolled in the Deep Green MCE service option.

Data Management Contract

Noble Americas Energy Solutions will provide the retail customer services of billing and other customer account services (electronic data interchange or EDI with PG&E, billing, remittance processing, and account management). Recognizing that some qualified wholesale energy suppliers do not typically conduct retail customer services whereas others (i.e., direct access providers) do, the data management contract is separate from the electric supply contract...¹²

The data manager is responsible for the following services:

- Data exchange with PG&E;
- Technical testing;
- Customer information system;
- Customer call center;
- Billing administration/retail settlements; and
- Reporting and audits of utility billing.

Utilizing a third party for account services eliminates a significant expense associated with implementing a customer information system. Such systems can cost from five to ten million dollars to implement and take significant time to deploy. A longer term contract is appropriate for this service because of the time and expense that would be required to migrate data to a new system. Separation of the data management contract from the energy supply contract gives MCE greater flexibility to change energy suppliers, if desired, without facing an expensive data migration issue.

¹² The contractor performing account services may be the same entity as the contractor supplying electricity for the program.

Electric Supply Procurement Process

As previously noted, MCE selected SENA as its energy supplier through a competitive solicitation process, which was administered in mid-2009. Additional information regarding SENA is provided below.

Shell Energy North America

Shell Energy North America (US), L.P. (SENA) is a leading supplier of energy and associated services in North America. SENA provides natural gas, electrical energy and capacity, scheduling and asset optimization, risk management, and renewable energy and environmental products to a wide variety of customers. SENA is 100% owned by Royal Dutch Shell Company and its subsidiaries. SENA owns and manages a variety of energy assets in the West, including generation, a portfolio of renewable energy, transmission capacity, natural gas production, liquefied natural gas capacity, natural gas storage capacity, and natural gas pipeline capacity. SENA's West Region operation includes regional offices in San Diego, Portland, Spokane, Berkeley, Salt Lake City, Denver and Mexico City, with 7 X 24 power and gas operations in San Diego and Spokane.

SENA has an extensive list of public and privately owned customers in the West, including all WECC region investor-owned utilities, twenty-five publicly owned (municipal) electric utilities/other public agencies in California, and publicly owned utilities/public agencies in neighboring states. SENA's West Region full requirements power experience includes provision of retail electric service, including provision of resource adequacy, for direct access customers in California.

Renewable energy products offered by SENA include renewable energy, bundled renewable energy, landfill gas, biogas and renewable energy credits. SENA states it is actively developing renewable portfolios and provides related services such as scheduling and shaping of intermittent energy. SENA's affiliate, Shell WindEnergy, develops and owns wind generation in California and other parts of North America. SENA also offers a variety of environmental products including emission offsets and other carbon reducing products.

SENA is rated A- by S&P and A2 by Moody's.

CHAPTER 11 – Contingency Plan for Program Termination

Introduction

This Chapter describes the process to be followed in the case of Program termination. By adopting the original Implementation Plan, MCE's Board of Directors approved the general termination process contained herein to be effective at Program initiation. In the unexpected event that MCE would terminate the Program and return its customers to PG&E service, the proposed process is designed to minimize the impacts on its customers and on PG&E. The proposed termination plan follows the requirements set forth in PG&E's tariff Rule 23 governing service to CCAs. The Board retains authority to modify program policies from time to time at its discretion.

Termination by Marin Clean Energy

MCE will offer services for the long term with no planned Program termination date. In the unanticipated event that the majority of the Member's governing bodies (County Board of Supervisors and/or City/Town Councils) decide to terminate the Program, each governing body would be required to adopt a termination ordinance or resolution and provide adequate notice to MCE consistent with the terms set forth in the JPA Agreement. Following such notice, MCE would vote on Program termination subject to a two-tiered vote, as described in the JPA Agreement. In the event that the Board affirmatively votes to proceed with JPA termination, the Board would disband under the provisions identified in its JPA Agreement.

After any applicable restrictions on such termination have been satisfied, notice would be provided to customers six months in advance that they will be transferred back to PG&E. A second notice would be provided during the final sixty-days in advance of the transfer. The notice would describe the applicable distribution utility bundled service requirements for returning customers then in effect, such as any transitional or bundled portfolio service rules.

At least one year advance notice would be provided to PG&E and the CPUC before transferring customers, and MCE would coordinate the customer transfer process to minimize impacts on customers and ensure no disruption in service. Once the customer notice period is complete, customers would be transferred *en masse* on the date of their regularly scheduled meter read date.

MCE will post a bond or maintain funds held in reserve to pay for potential transaction fees charged to the Program for switching customers back to distribution utility service. Reserves would be maintained against the fees imposed for processing customer transfers (CCASRs). The Public Utilities Code requires demonstration of insurance or posting of a bond sufficient to cover reentry fees imposed on customers that are involuntarily returned to distribution utility service under certain circumstances. The cost of reentry fees are the responsibility of the energy services provider or the community choice aggregator, except in the case of a customer returned for default or because its contract has expired. MCE will post financial security in the

appropriate amount as part of its registration materials and will maintain the financial security in the required amount, as necessary.

Termination by Members

The JPA Agreement defines the terms and conditions under which Members may terminate their participation in the program.

CHAPTER 12 – Appendices

Appendix A: MCE Resolution 2014-03

Appendix B: County of Napa, Resolution 2014-59

Appendix C: Marin Clean Energy Joint Powers Agreement

Appendix D: County of Napa, CCA Ordinance – Ordinance No. 1391

APPROVED**JUN 05 2014****RESOLUTION NO. 2014-03****MARIN CLEAN ENERGY**

A RESOLUTION OF THE BOARD OF DIRECTORS OF MARIN CLEAN ENERGY APPROVING THE COUNTY OF NAPA AS A MEMBER OF MARIN CLEAN ENERGY SUBJECT TO (1) THE ADOPTION BY THE COUNTY OF NAPA 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 COUNTY OF NAPA.

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 City of Novato, the City of Richmond, the Town of Ross, the Town of San Anselmo, the City of San Rafael, the City of Sausalito and the Town of Tiburon; and

WHEREAS, the County of Napa adopted a Resolution requesting membership in the Marin Clean Energy on June 3, 2014; and,

WHEREAS, the County of Napa approved the first reading of the required Ordinance on June 3, 2014, electing to implement a Community Choice Aggregation program within its jurisdiction through Marin Clean Energy.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, by the Board of Directors of Marin Clean Energy that the County of Napa is approved as a member of the Marin Clean Energy subject to (1) the adoption by the County of Napa 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 County of Napa.

YOUNG & RUBICAM

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

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


 CHAIR, MARIN CLEAN ENERGY BOARD

ATTEST:


 SECRETARY, MARIN CLEAN ENERGY BOARD

APPROVED

JUN 05 2014

MARIN CLEAN ENERGY

RESOLUTION NO. 2014-59

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF NAPA
COUNTY REQUESTING MEMBERSHIP IN MARIN CLEAN ENERGY**

WHEREAS, Napa County has been actively investigating options to provide electric services to constituents within its service area with the intent of achieving greater local involvement over the provision of electric services and promoting competitive and renewable energy.

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").

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").

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

WHEREAS, the Board of Supervisors supports the mission of MCE, which states that 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. It is the intent of MCE 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 at competitive rates for customers.

WHEREAS, the Board of Supervisors fully supports MCE's current electricity procurement plan, which increases the amount of renewable energy available to customers.

WHEREAS, in order to become a member of MCE, the MCE Joint Powers Agreement requires Napa County 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.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Napa as follows:

1. Based upon all of the above, the Board of Supervisors requests that the Board of Directors of Marin Clean Energy approve Napa County as a member of Marin Clean Energy.
2. The Clerk of the Board is hereby directed to forward a copy of this resolution to Marin Clean Energy.
3. The Chair of the Board is authorized to sign other documents as needed to implement this process.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Board of Supervisors of the County of Napa, State of California, at a regular meeting of the Board held on the 3rd day of June, 2014, by the following vote:

AYES: SUPERVISORS WAGENKNECHT, CALDWELL and LUCE

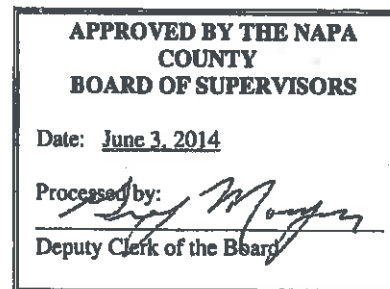
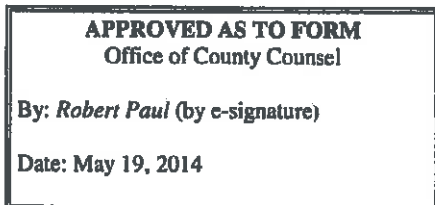
NOES: SUPERVISORS DILLON and DODD

ABSENT: SUPERVISORS NONE


MARK LUCE, Chairman
Napa County Board of Supervisors

ATTEST: GLADYS I. COIL
Clerk of the Board of Supervisors

By: 



**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

Among The Following Parties:

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 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 depositary 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.

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: 

Name: Thomas Cromwell

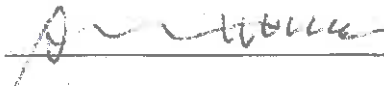
Title: Mayor

Date: December 8, 2008

Party: City of Belvedere

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: 

Name: Alexandra Cock

Title: Mayor

Date: December 6, 2011

Party: Town of Corte Madera

ATTEST


Christine Green, Town Clerk

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: _____



Name: _____

CHARLES F. McGRATH

Title: _____

PRESIDENT, Bd of SUPERVISORS

Date: _____

November 18 2008

Party: _____

COUNTY OF MARIN

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: David Weinsoff

Name: David Weinsoff

Title: Mayor

Date: 2.12.09

Party: Town of Fairfax

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: 

Name: Larry Chu

Title: Mayor, Larkspur

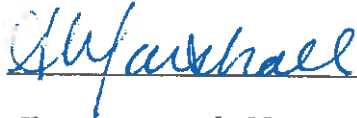
Date: November 16, 2011

Party: CITY OF LARKSPUR

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By:



Name: Shawn E. Marshall

Title: Mayor

Date: December 2, 2008

Party: City of Mill Valley

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Madeline R. Kellner

Name: Madeline R. Kellner

Title: Mayor

Date: October 7, 2011

Party: City of Novato

ARTICLE 9

SIGNATURE

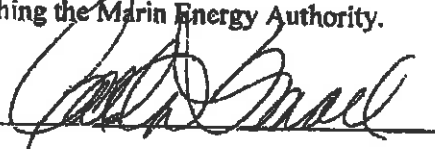
IN WITNESS WHEREOF, the parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority

By: *Gayle McLaughlin*
Name: *Gayle McLaughlin*
Title: *Mayor*
Date: *7/5/12*
Party: *City of Richmond*

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By:



Name:

Carla Small

Title:

Mayor

Date:

11/16/11

Party:

Town of Ross

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: _____

Name: Peter Breen

Title: Mayor

Date: January 9, 2009

Party: Town of San Anselmo

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Cyr N. Miller

Name: Cyr N. Miller

Title: Vice Mayor

Date: DECEMBER 1, 2008

Party: CITY OF SAN RAFAEL

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By: Amy Belser

Name: Amy Belser

Title: Mayor

Date: November 18, 2008

Party: City of Sausalito

Attest:

Debbie Cardenas
Deputy City Clerk

**ARTICLE 9
SIGNATURE**

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Powers Agreement establishing the Marin Energy Authority.

By:



Name: ALICE FREDERICKS

Title: MAYOR

Date:

2/10/09

Party:

TOWN OF TIBURON

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,

“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 Clean Energy

-List of the Parties-

City of Belvedere
Town of Corte Madera
Town of Fairfax
City of Larkspur
City of Mill Valley
City of Novato
Town of Ross
City of Richmond
Town of San Anselmo
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 September 5, 2014.

Party	kWh (2012/2013*)
City of Belvedere	9,994,582
Town of Corte Madera	62,434,038
Town of Fairfax	25,243,755
City of Larkspur	64,305,616
City of Mill Valley	69,799,730
City of Novato	287,916,733
City of Richmond	592,422,483
Town of Ross	13,130,391
Town of San Anselmo	47,399,387
City of San Rafael	343,628,078
City of Sausalito	48,773,652
Town of Tiburon	41,631,066
County of Marin	330,875,250
County of Napa	348,095,521
Authority Total Energy Use	2,285,650,282

*Data Provided by PG&E

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

This Exhibit D is effective as of September 5, 2014.

Party	kWh (2012/2013*)	Section 4.9.2.1	Section 4.9.2.2	Voting Share
City of Belvedere	9,994,582	3.57%	0.22%	3.79%
Town of Corte Madera	62,434,038	3.57%	1.37%	4.94%
Town of Fairfax	25,243,755	3.57%	0.55%	4.12%
City of Larkspur	64,305,616	3.57%	1.41%	4.98%
City of Mill Valley	69,799,730	3.57%	1.53%	5.10%
City of Novato	287,916,733	3.57%	6.30%	9.87%
City of Richmond	592,422,483	3.57%	12.96%	16.53%
Town of Ross	13,130,391	3.57%	0.29%	3.86%
Town of San Anselmo	47,399,387	3.57%	1.04%	4.61%
City of San Rafael	343,628,078	3.57%	7.52%	11.09%
City of Sausalito	48,773,652	3.57%	1.07%	4.64%
Town of Tiburon	41,631,066	3.57%	0.91%	4.48%
County of Marin	330,875,250	3.57%	7.24%	10.81%
County of Napa	348,095,521	3.57%	7.61%	11.19%
	2,285,650,282	50.00%	50.00%	100.00%

*Data Provided by PG&E

ORDINANCE NO. 1391

**AN ORDINANCE OF THE BOARD OF SUPERVISORS OF NAPA COUNTY,
STATE OF CALIFORNIA, APPROVING THE MARIN CLEAN ENERGY
JOINT POWERS AGREEMENT AND AUTHORIZING THE
IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION
PROGRAM**

The Board of Supervisors of the County of Napa, State of California, ordains as follows:

SECTION 1. Napa County has been actively investigating options to provide electric services to constituents within its service area with the intent of achieving greater local involvement over the provision of electric services and promoting competitive and renewable energy.

SECTION 2. 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").

SECTION 3. 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 the Marin Energy Authority, was established as a joint powers authority pursuant to a Joint Powers Agreement, as amended from time to time.

SECTION 4. 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.

SECTION 5. In order to become a member of MCE, the Act requires Napa County 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.

SECTION 6. Based upon all of the above, the Board elects to implement a Community Choice Aggregation program within the Unincorporated County's jurisdiction by and through the County's participation in Marin Clean Energy. The Chairman of the Board of Supervisors is hereby authorized to execute the MCE Joint Powers Agreement and any other related documents for program implementation.

SECTION 7. If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors of the County of Napa hereby declares it would have passed and adopted this Ordinance and each and all provisions hereof irrespective of the fact that any one or more of said provisions be declared invalid.

SECTION 8. This Ordinance shall be effective thirty (30) days from and after the date of its passage.

SECTION 9. A summary of this Ordinance shall be published at least once 5 days before adoption and at least once before the expiration of 15 days after its passage in the Napa Valley Register, a newspaper of general circulation published in the County of Napa, together with the names of members voting for and against the same.

The foregoing Ordinance was introduced and read at a regular meeting of the Board of Supervisors of the County of Napa, State of California, held on the 3rd day of June, 2014, and passed at a regular meeting of the Board of Supervisors of the

County of Napa, State of California, held on the 15th day of July, 2014, by the following vote:

AYES: SUPERVISORS WAGENKNECHT, CALDWELL, DILLON,
DODD AND LUCE

NOES: SUPERVISORS NONE


ABSTAIN: SUPERVISORS NONE

ABSENT: SUPERVISORS NONE


MARK LUCE, Chairman
Napa County Board of Supervisors

ATTEST: GLADYS I. COIL
Clerk of the Board of Supervisors

By: 

<p>APPROVED AS TO FORM Office of County Counsel</p> <p>By: <u>Robert W. Paul (by e-signature)</u> Deputy County Counsel</p> <p>By: <u>Sue Ingalls (by e-signature)</u> County Code Services</p> <p>Date: <u>May 19, 2014</u></p>	<p>Approved by the Napa County Board of Supervisors</p> <p>Date: <u>7/15/14</u></p> <p>Processed by:  Deputy Clerk of the Board</p>
--	---

I HEREBY CERTIFY THAT THE ORDINANCE ABOVE WAS POSTED IN THE OFFICE
OF THE CLERK OF THE BOARD IN THE ADMINISTRATIVE BUILDING, 1195 THIRD
STREET ROOM 310, NAPA, CALIFORNIA ON May 22, 2014


for GLADYS I. COIL, CLERK OF THE BOARD