

May 7, 2020

California Public Utilities Commission  
Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue, 4th Floor  
San Francisco, CA 94102-3298



### **MCE Advice Letter 42-E**

#### **RE: Establish and Implement the Disadvantaged Communities Green Tariff Program Rate and the Community Solar Green Tariff Program Rate**

Pursuant to Ordering Paragraph (“OP”) 17 of Decision (“D.”)18-06-027 *Alternate Decision Adopting Alternatives to Promote Solar Distributed Generation in Disadvantaged Communities* and Resolution E-4999, MCE hereby submits this Advice Letter (“AL”) to establish and implement the Disadvantaged Community Green Tariff (“DAC-GT”) and the Community Solar Green Tariff (“CS-GT”) programs.

#### **TIER DESIGNATION**

This AL has a Tier 3 designation pursuant to OP 17 of D.18-06-027.

#### **EFFECTIVE DATE**

Pursuant to General Order 96-B, this Tier 3 AL will become effective when the Commission adopts a resolution approving the advice letter.

#### **BACKGROUND**

On June 21, 2018, the California Public Utilities Commission (“Commission” or “CPUC”) approved of D.18-06-027, adopting three new programs to promote the installation of renewable generation among residential customers in disadvantaged communities (“DAC”),<sup>1</sup> as directed by the California Legislature in Assembly Bill (AB) 327(Perea), Stats. 2013, ch 611. The three programs include the DAC Single Family Solar Homes (“DAC-SASH”) program, which provides up-front incentives for the installation of solar at low-income homes in DACs. The other two programs, the DAC-GT and the CS-GT programs are community solar programs which offer 100% solar energy to customers and provide a 20% discount on the electric portion of the bill.

Community Choice Aggregators (“CCAs”) may develop and implement their own DAC-GT and CS-GT programs. CCA programs and tariffs must abide by all program rules and requirements

---

<sup>1</sup> DACs are defined under D.18-06-027 as communities that are identified in the CalEnviroScreen 3.0 as among the top 25 percent of census tracts statewide, plus the census tracts in the highest five percent of CalEnviroScreen’s Pollution Burden that do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data.

adopted in D.18-06-027. This Decision also provides that CCAs must file a Tier 3 AL to implement the CCA DAC-GT and CS-GT programs;<sup>2</sup> Resolution E-4999 provides that such AL must be filed on or before January 1, 2021.<sup>3</sup>

## **PURPOSE**

MCE files this Tier 3 AL to create DAC-GT and CS-GT programs and tariffs consistent with all provisions in D.18-06-027, D.18-10-007,<sup>4</sup> Resolution E-4999, as well as guidance received from the Commission's Energy Division.

The following Appendices are attached to this Advice Letter:

1. Appendix A: Implementation Plan for the DAC-GT and CS-GT programs;
2. Appendix B: Schedule DAC-GT, *Disadvantaged Community Green Tariff Program* and Schedule CS-GT, *Community Solar Green Tariff Program*;
3. Appendix C: Program budgets for program years ("PYs") 2020 and 2021;
4. Appendix D: Marketing, education and outreach ("ME&O") plan for PYs 2020 and 2021;

MCE respectfully requests the Commission approve MCE's program implementation plan, tariff sheets, and ME&O plan for the DAC-GT and CS-GT programs as described in the attached documents. Furthermore, MCE requests that the Commission approve the proposed budgets for PYs 2020 and 2021 as detailed in Appendix C and direct PG&E to

- (1) modify its DAC-GT and CS-GT balancing accounts to include a sub-account to track the funding and costs of MCE's DAC-GT and CS-GT programs;
- (2) include the total forecasted budget request for PYs 2020 and 2021 for MCE's DAC-GT and CS-GT programs in its 2021 ERRA filings;
- (3) upon approval of the 2021 ERRA Forecast, transfer program funds for the 2021 PY to MCE in four quarterly installments (by January 1, April 1, July 1 and October 1 of each year) for the upcoming quarter. For 2020 program funds, PG&E must transfer all past due funds within thirty days of approval of the 2021 ERRA Forecast filing.

## **CONCLUSION**

MCE respectfully requests the Commission approve the implementation details and budgets proposed by MCE to establish and implement the DAC-GT and the CS-GT programs.

---

<sup>2</sup> D.18-06-027, at p.104 (OP 17).

<sup>3</sup> Resolution E-4999 at p.16.

<sup>4</sup> D.18-10-007, *Decision Correcting and Clarifying Decision 18-06-027*, from 10/18/2018.

## **NOTICE**

A copy of this AL is being served on the official Commission service lists for Rulemaking R.14-07-002.

For changes to this service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

## **PROTESTS**

Anyone wishing to protest this advice letter filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Copies should also be mailed to the attention of the Deputy Executive Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should be sent by letter or transmitted electronically to the attention of:

Jana Kopyciok-Lande  
Senior Policy Analyst  
Marin Clean Energy  
1125 Tamalpais Ave  
San Rafael, CA 94901  
Email: [jkopyciok-lande@mcecleanenergy.org](mailto:jkopyciok-lande@mcecleanenergy.org)

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

## **CORRESPONDENCE**

For questions, please contact Jana Kopyciok-Lande at (415) 464-6044 or by electronic mail at [jkopyciok-lande@mceCleanEnergy.org](mailto:jkopyciok-lande@mceCleanEnergy.org).

/s/ Jana Kopyciok-Lande

Jana Kopyciok-Lande  
Senior Policy Analyst  
MARIN CLEAN ENERGY

cc: Service List: R.14-07-002



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.:

Utility type:

ELC       GAS       WATER  
 PLC       HEAT

Contact Person:

Phone #:  
E-mail:  
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type:  Monthly    Quarterly    Annual    One-Time    Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested?    Yes    No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?    Yes    No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets:

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

Name:  
Title:  
Utility Name:  
Address:  
City:  
State: Zip:  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

## ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	

# **APPENDIX A**

# **Implementation Plan for the Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs**

*Proposed by Marin Clean Energy*



Alice Havenar-Daughton  
Director of Customer Programs  
Marin Clean Energy  
1125 Tamalpais Ave  
San Rafael, CA 94901  
E-mail: [ahavenar-daughton@mcecleanenergy.org](mailto:ahavenar-daughton@mcecleanenergy.org)

May 7, 2020



# TABLE OF CONTENTS

<b>1.</b>	<b>INTRODUCTION</b> .....	<b>1</b>
<b>2.</b>	<b>CUSTOMER ELIGIBILITY AND ENROLLMENT</b> .....	<b>2</b>
	<b>2.1. DAC-GT Program</b> .....	<b>2</b>
	<b>2.1.1. Customer Eligibility</b> .....	<b>2</b>
	<b>2.1.2. Customer Enrollment</b> .....	<b>3</b>
	<b>2.2. CS-GT Program</b> .....	<b>4</b>
	<b>2.2.1. Customer Eligibility</b> .....	<b>4</b>
	<b>2.2.2. Customer Enrollment</b> .....	<b>5</b>
	<b>2.2.3. Sponsor Eligibility</b> .....	<b>7</b>
	<b>2.2.4. Sponsor Enrollment</b> .....	<b>7</b>
<b>3.</b>	<b>RATE AND DISCOUNT DESIGN</b> .....	<b>8</b>
	<b>3.1. Customer Bill Discount</b> .....	<b>8</b>
	<b>3.2. Sponsor Bill Discount</b> .....	<b>9</b>
<b>4.</b>	<b>PROCUREMENT</b> .....	<b>10</b>
	<b>4.1. DAC-GT Program</b> .....	<b>11</b>
	<b>4.2. CS-GT Program</b> .....	<b>12</b>
<b>5.</b>	<b>BUDGET AND COST RECOVERY</b> .....	<b>13</b>
	<b>5.1. Budget</b> .....	<b>14</b>
	<b>5.2. Budget Forecasting and Reconciliation Procedures</b> .....	<b>17</b>
	<b>5.2.1. Budget Forecast</b> .....	<b>17</b>
	<b>5.2.2. Report Actual Expenditures</b> .....	<b>17</b>
	<b>5.2.3. Budget Reconciliation</b> .....	<b>17</b>
	<b>5.3. Cost Recovery Procedures</b> .....	<b>18</b>
<b>6.</b>	<b>MARKETING, EDUCATION AND OUTREACH</b> .....	<b>19</b>
<b>7.</b>	<b>REPORTING</b> .....	<b>19</b>
<b>8.</b>	<b>PROGRAM MEASUREMENT AND EVALUATION</b> .....	<b>20</b>

## 1. INTRODUCTION

In June 2018, the California Public Utilities Commission (CPUC or Commission) issued Decision (D.) 18-06-027, creating three new programs to promote the installation of renewable generation among residential customers in disadvantaged communities (DACs). The three programs include the DAC Single Family Solar Homes (DAC-SASH) program, which provides up-front incentives for the installation of solar at low-income homes in DACs. The other two programs, the DAC Green Tariff (DAC-GT) and the Community Solar Green Tariff (CS-GT) programs are community solar programs which offer 100% solar energy to customers and provide a 20% discount on the electric portion of the bill.

The DAC-GT program is available for residential customers who live in DACs and meet the income eligibility requirements for the California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs. The CS-GT program is structured similarly to the DAC-GT program but is intended to drive more local, community-developed solar projects. The CS-GT program requires community involvement with the solar project through a local sponsor and will result in a solar facility serving a nearby community. The CS-GT program is open to all residential customers located in a DAC, with at least 50% of the program's capacity reserved for CARE and FERA eligible customers.

Both programs are funded first through greenhouse gas (GHG) allowance proceeds. If such funds are exhausted, the programs will then be funded through public purpose program (PPP) funds.

Pursuant to D.18-06-027, Community Choice Aggregators (CCAs) may develop and implement their own DAC-GT and CS-GT programs in addition to the IOU's programs. Resolution E-4999 allocated a portion of the program capacity to CCAs and determined that any CCA interested in running the programs must file an Implementation Advice Letter (AL) with the CPUC by 1/1/2021.

MCE hereby submits the Implementation Plan for the Disadvantaged Communities Green Tariff and Community Solar Green Tariff Programs (Implementation Plan), detailing the rules and requirements for the two programs. More specifically, the Implementation Plan contains the following sections:

- Customer eligibility and enrollment
- Rate and discount design
- Procurement
- Budget and cost recovery
- Marketing, education, and outreach
- Reporting
- Program measurement and evaluation

## 2. CUSTOMER ELIGIBILITY AND ENROLLMENT

This section establishes customer and sponsor eligibility and enrollment terms. These terms can also be found in the DAC-GT and CS-GT tariff schedules.

### 2.1. DAC-GT Program

#### 2.1.1. Customer Eligibility

The DAC-GT program is available to residential customers who live in DACs, receive generation service from MCE, and meet the income eligibility requirements for the CARE program and/or the FERA program.<sup>1</sup>

DACs are defined under D.18-06-027 as communities that are identified in the CalEnviroScreen 3.0 tool as among the top 25 percent of census tracts statewide, plus the census tracts in the highest five percent of CalEnviroScreen's Pollution Burden that do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data.<sup>2</sup> In the event that the CalEnviroScreen tool is updated, and MCE has unsubscribed program capacity available, MCE will file a Tier 1 Advice Letter within 30 days of the release of the new version to update program eligibility rules. Customers who are already enrolled in DAC-GT will retain their eligibility even if their census tract is no longer considered a top 25 percent DAC under the revised CalEnviroScreen.

Eligibility of customers is verified at the level of the Service Agreement ID (SA ID). Service accounts enrolled under the following programs and services are ineligible to participate in the DAC-GT program:

- IOU bundled service;
- Direct access customers;
- Standby service;
- Net energy metering (NEM) rates;
- Non-metered service;
- Rates that are not CARE- or FERA-eligible;
- Non-residential rates;

---

<sup>1</sup> Customers must be eligible to participate in either the CARE or FERA programs; they are not required to be enrolled under those programs to be eligible to participate in DAC-GT. CARE/FERA eligibility is established as currently defined under those programs.

<sup>2</sup> D.18-06-027, *Alternate Decision Adopting Alternatives to Promote Solar Distributed Generation in Disadvantaged Communities*, at p.16 and p.53.

- Master-metered customers;<sup>3</sup>
- Schedule CS-GT, Community Solar Green Tariff.

### **2.1.2. Customer Enrollment**

Enrollment of customers under Schedule DAC-GT occurs at the level of the SA ID. Subscribing customers have their electricity met with 100% solar energy based on their actual usage each month and will receive a 20% discount on their otherwise applicable tariff for the enrolled SA IDs. Customer enrollment is capped at a maximum of 2 MW solar equivalent per SA ID.<sup>4</sup>

Customers interested in enrolling in the DAC-GT program can sign up with MCE online, by phone, or with a hardcopy application. MCE will verify customer eligibility based on service account address (to verify DAC census tract) and CARE/FERA enrollment status. If a customer is not currently enrolled in the CARE or FERA programs, they will be encouraged to enroll in the CARE/FERA programs through the existing IOU enrollment process. MCE will support the customer as needed in the CARE/FERA application process with the utility. Once a customer's CARE/FERA eligibility has been established, MCE will enroll the customer under the DAC-GT program.

Customer enrollment will be available immediately upon program launch. A participating customer can remain on the DAC-GT tariff for up to 20 years from the time of enrollment. There is no contract required when enrolling in the DAC-GT program. Customers may enroll for any number of months, and there is no enrollment or cancellation fee. Cancellation of a customer's participation will become effective on the next meter read date; cancellations made within five (5) business days of the next meter read date may not be changed for an additional billing cycle. Customers who, after enrollment into the DAC-GT Program, become ineligible for CARE or FERA will be un-enrolled from the DAC-GT program.

The customer will be placed on the DAC-GT rate on the first day of the next billing cycle where the billing cycle start date occurs at least five (5) business days after the date of the customer's request. A customer request that is received within five (5) business days of the customer's next billing cycle may result in the customer being placed on the DAC-GT rate in the following billing cycle.

Eligible customers may enroll in the program until customer subscriptions reach 4.31 MW (MCE's DAC-GT program cap). Once MCE reaches its program cap, a waitlist will be maintained for new

---

<sup>3</sup> MCE cannot ensure that all tenants under one master-meter are eligible for the CARE or FERA program, as the sub-metered tenants are not MCE direct customers. Hence, master-metered accounts are not eligible for the DAC-GT program.

<sup>4</sup> This limitation does not apply to a federal, state, or local government, school or school district, county office of education, the California Community Colleges, the California State University, or the University of California.

subscriptions. When program capacity becomes available, MCE will enroll new eligible customers on a first-come, first-served basis up to the program cap.

A customer's service under this schedule is portable within MCE electric service area as long as the customer continues to live in a DAC as defined under the program and continues to meet all other eligibility requirements. If the customer is found to still be eligible, MCE retains their status as a program participant and does not require the customer to go on a waitlist, as long as the customer's turn-on date at the new location is within 90 days of their final billing date at their original location.

## **2.2. CS-GT Program**

### **2.2.1. Customer Eligibility**

The CS-GT program is available to residential customers who live in DACs (as defined above)<sup>5</sup> and receive generation service from MCE. Non-residential customers are not eligible to participate, except for the project sponsor (see more information on sponsor eligibility rules below). A solar generation project supporting the program must be located within five miles of the participating customers' census tract.<sup>6</sup> At least fifty percent of a project's capacity must be reserved for low-income customers, defined as those meeting the income qualifications for either the CARE or FERA programs.<sup>7</sup>

Eligibility of customers is verified at the level of the SA ID. Service accounts enrolled under the following programs and services are ineligible to participate in the CS-GT program:

- IOU bundled service;
- Direct access customers;
- Standby service;
- Net energy metering (NEM) rate;

---

<sup>5</sup> Customers who live in the San Joaquin Valley (SJV) pilot program communities (as defined in R.15-03-010) are also eligible for the program even if their community is not among the top 25% DACs as defined by CalEnviroScreen. Currently, there are no CCAs in existence in the SJV pilot communities. However, if the SJV pilot communities expand, an existing CCA expands or a new CCA is created, those customers would also be eligible for the CCA CS-GT program.

<sup>6</sup> Per D.18-12-015, *Decision Approving San Joaquin Valley Disadvantaged Communities Pilot Projects*, CS-GT projects in SJV pilot communities can be located within a 40-mile radius of the pilot communities they serve. As discussed above, there are currently no CCAs in existence in SJV pilot communities. However, if this changes, these locational requirements would also apply to CCA CS-GT programs.

<sup>7</sup> As under the DAC-GT program, customers do not need to be currently enrolled under CARE/FERA to be eligible for the CS-GT program. However, they will be encouraged to enroll under the CARE or FERA program through the existing IOU enrollment process when enrolling under the CS-GT program.

- Non-metered service;
- Schedule DAC-GT, Disadvantaged Communities Green Tariff.

Master-metered customers may participate in the CS-GT program so long as they enroll all of their usage under the master-metered account in the program. Individual tenants of a master-meter customer are not eligible to participate on an individual basis. Master-metered customers must also meet all other eligibility requirements.

In the event that CalEnviroScreen is updated, MCE will file a Tier 1 AL within 30 days of the release of the new version to update program eligibility rules. As with the DAC-GT program, all customers in an eligible DAC at the time of a project's initial energy delivery date will remain eligible to subscribe to that CS-GT project, even if their DAC designation changes in subsequent iterations of CalEnviroScreen. This grandfathered eligibility will apply to both existing subscribers and customers not previously subscribed to the project in that same DAC, to ensure that the project's output can be fully subscribed by customers whose census tract is within 5-miles of the project.

### **2.2.2. Customer Enrollment**

As with DAC-GT, enrollment of customers occurs at the level of the SA ID. Customer enrollment is capped at a maximum of 2 MW solar equivalent per SA ID.<sup>8</sup>

The CS-GT program allows eligible customers to purchase renewable electricity produced by a local community solar project for up to 100% of their electric usage. More specifically, customers subscribe to a percentage of the solar system's project capacity based on their previous 12-month average monthly usage.<sup>9</sup> As described below, participating customers will receive a 20% discount on their otherwise applicable tariff for enrolled SA IDs. Customers cannot be subscribed to more than one CS facility at any time.

The following example describes the calculation of the customer's subscription allocation in more detail: We assume for this example that a residential customer has an average historical usage based on the previous 12-months of 500 kWh per month. The customer subscribes to a 100 kW community solar project with an estimated average monthly output of 21,900 kWh.<sup>10</sup> The customer's subscription allocation is then calculated as a percentage of the average monthly output

---

<sup>8</sup> This limitation does not apply to a federal, state, or local government, school or school district, county office of education, the California Community Colleges, the California State University, or the University of California.

<sup>9</sup> If previous 12-month historical usage is not available, the average monthly usage will be derived from as many months as available. For customers establishing new service, the class average monthly usage will be used.

<sup>10</sup> Based on a capacity factor of 30%.

of the solar system (500 kWh/ 21,900 kWh = 2.3% of monthly output). In this example, the customer will subscribe to 2.3% of the project's capacity (or 2.3kW of the 100kW system). This percentage allocation is set at the time of customer subscription but may be revisited periodically to ensure accurate allocations of project capacity.

Customers interested in enrolling in the CS-GT program can sign up with MCE online, by phone, or with a hardcopy application. MCE will verify customer eligibility based on service account address to verify DAC census tract and 5-mile locational requirement. CARE/FERA enrollment status will also be identified to track subscription of low-income customers. Enrollment of new customers is available until 100% of project capacity is subscribed. Enrollment attrition will be reviewed on a monthly basis, and the program will be available for new enrollments until the project is fully subscribed.

Low-income customers will be enrolled on a first-come, first-served basis. Once 50 percent of project capacity is subscribed by low-income customers, non-low-income qualified customers located in DACs will become eligible for enrollment. These customers can be recruited before the 50 percent subscription requirement for low-income customers is met. However, they will be placed on a waitlist until 50 percent of the project capacity is subscribed by low-income customers.

MCE will assess the subscription rate of low-income customers on a monthly basis after the Power Purchase Agreement (PPA) is awarded. If the low-income subscription rate drops below 50 percent over the life of the project, existing non-low-income customers are not required to go back on a waitlist. However, new enrollments of non-low-income program participants will be barred until the 50 percent low-income threshold is met again. During this time, new enrollments of non-low-income participants will be put on a waitlist. MCE will inform the Commission's Energy Division Director in writing if the low-income enrollment rate drops below 35 percent of project capacity.

The customer will be placed on the CS-GT rate on the first day of the next billing cycle where the billing cycle start date occurs at least five (5) business days after the date of the customer's request. A customer request that is received within five (5) business days of the customer's next billing cycle may result in the customer being placed on the CS-GT rate in the following billing cycle.

Customer enrollment will be available immediately upon program launch. There is no contract required when enrolling for the CS-GT program. Customers may enroll for any number of months, and there is no enrollment or cancellation fee. Cancellation of a customer's participation will become effective on the next meter read date; cancellations made within five (5) business days of the next meter read date may not be changed for an additional billing cycle. A participating customer can remain on the CS-GT tariff for the duration of the project's contract term, or up to 20 years, whichever is less. Customer participation in the program automatically terminates should the PPA between MCE and the developer for the CS-GT facility to which the customer is subscribed be terminated or the delivery term ends.

A customer's service under this schedule is portable within MCE electric service area as long as the customer continues to live in a DAC as defined under the program and continues to meet all other eligibility requirements (including the locational requirement). If the customer is found to

still be eligible, MCE will retain their status as a program participant and will not require the customer to go on a waitlist, as long as the customer's turn-on date at the new location is within 90 days of their final billing date at their original location.

### **2.2.3. Sponsor Eligibility**

Under the CS-GT program, community involvement must be demonstrated by a non-profit community-based organization (CBO) or a local government entity "sponsoring" a community solar project on behalf of residents. Local government entities include schools. The sponsor's role is to work with the project developer to encourage program participation in the community. Sponsors are also required to include job training and workforce development in their efforts to benefit the local communities which would benefit from their projects. Additional sponsor requirements are described in the Procurement section below.

To receive the 20% discount on eligible as described below, the sponsor must fulfill the following requirements:

1. The sponsor must be an MCE electric customer;
2. The sponsor must take service on the Community Solar Green Tariff;
3. The sponsor must be located in the same geographic areas as any other customer, i.e., within a disadvantaged community with the solar project being located 5 miles from the sponsor's census tract;
4. Fifty percent of the project's capacity must be subscribed by low-income customers; and
5. The sponsor must meet all other eligibility requirements of any participating customer as described in the section on CS-GT customer eligibility above.

CBOs or local government entities that do not fulfill all or any of these requirements may still become project sponsors; however, they are not eligible to receive the 20 percent discount.

There may be more than one sponsoring entity supporting a single community solar project. Multiple sponsors may share the 20 percent discount as long as all sponsors meet the eligibility requirements outlined above.

A sponsor may also be (although is not required to be) a site host.<sup>11</sup>

### **2.2.4. Sponsor Enrollment**

Sponsors of a CS-GT project are subject to the same enrollment rules and requirements as

---

<sup>11</sup> For the purposes of this program, the concept of a "host" only refers to a customer site where the project is located. The community solar project must be located in-front-of-the meter, even if located at a customer host site. Accordingly, all concepts and rules of an in-front-of-the-meter program continue to apply.



described above for residential customers participating in the program. For example, enrollment occurs at the level of the SA ID and is capped at a maximum of 2MW of solar equivalent per SA ID.<sup>12</sup>

The sponsor's subscription allocation is also calculated the same way as for any other participating customer with one modification. A sponsor's subscription allocation is limited to a maximum of 25 percent of the project's energy output (not to exceed the sponsor's energy needs).

To illustrate this in more detail, we use the same example as before (100kW solar project with a monthly output of 21,900 kWh). We assume now that the total monthly usage among all the sponsor's eligible SA IDs is 10,000 kWh, which is larger than 25% of monthly project output (5,475 kWh). In this example, the sponsor's subscription allocation is limited to 25% of project output per month, and the sponsor will receive the discount on only 5,475 kWh.

If two or more sponsors are designated, the sponsors will need to inform MCE in writing of how the "discountable usage" (in this example, 5,475 kWh/monthly) are to be allocated between them.

### **3. RATE AND DISCOUNT DESIGN**

This section describes the rules and requirements for providing the 20 percent bill discount to participating customers.

#### **3.1. Customer Bill Discount**

Participants in both the DAC-GT and CS-GT programs will receive a 20% discount on the electric portion of the bill compared to their otherwise applicable rates (OAR).<sup>13</sup> The discount applies as long as customers are enrolled under the programs and they comply with all the eligibility and enrollment terms described in MCE's DAC-GT and CS-GT tariff sheets.

For low-income customers enrolled in the CARE or FERA programs, the OAR is the customer's existing CARE or FERA rate.<sup>14</sup> Accordingly, the 20% discount for these customers will be applied to low-income customer bills after the CARE/FERA discount has been applied.

For customers who are not enrolled in CARE or FERA programs, the OAR is the customer's

---

<sup>12</sup> This limitation does not apply to a federal, state, or local government, school or school district, county office of education, the California Community Colleges, the California State University, or the University of California.

<sup>13</sup> D.18-06-027 at p.53 and p.74.

<sup>14</sup> Resolution E-4999, Conclusion 28 at p.55.

existing rate schedule before program enrollment. Residential customer SA IDs that are already enrolled in MCE's 100% renewable energy generation service option (i.e., MCE's "Deep Green" rate) when enrolling under the programs, will be defaulted to MCE's base rate (i.e., MCE's "Light Green" rate) for the purposes of calculating the 20% discount. In other words, MCE's Light Green rate becomes the de-facto OAR for residential customers who are not on the CARE or FERA rate.

A customer's electric portion of the bill consists of two main parts: (1) generation portion, and (2) delivery portion. CCAs, as the generation service provider, only have timely access to customers' generation charges, and therefore will only calculate the 20% discount for the generation portion of the electric bill. The respective utility (in MCE's case PG&E) will be responsible for calculating the 20% discount of the delivery portion of the bill for CCA program participants.

More specifically, MCE proposes the following monthly discount calculation and billing procedures for MCE program participants:

1. PG&E sends MCE customer usage information;
2. MCE calculates the 20% discount of the generation portion of the electric bill;
3. PG&E applies the CARE/ FERA discount and then calculates the 20% discount of the delivery portion of the electric bill;
4. MCE sends PG&E generation charges (reduced by 20% bill discount) for inclusion on the bill;
5. PG&E compiles the bill, sends it to customer, and gets paid by the customer;
6. PG&E pays MCE the generation charges (reduced by 20% bill discount) per established processes;
7. MCE recovers the revenue shortfall for providing the discount on the generation portion of the bill through the program's cost recovery mechanisms (see details below);
8. PG&E recovers the revenue shortfall for providing the discount on the delivery portion of the bill through the program's cost recovery mechanisms.

In regards to bill presentment, the 20% bill discount on the generation portion of the bill will be shown on the MCE portion of the bill; the 20% discount on the delivery portion of the bill is displayed on the PG&E portion of the bill.

### **3.2. Sponsor Bill Discount**

CS-GT project sponsors who meet all of the eligibility requirements outlined above receive a 20% bill discount on enrolled SA IDs. The sponsor bill discount will be calculated based on the same methodology as described above for residential program participants with one modification. The sponsor bill discount is only applied to a sponsor's subscription allocation, i.e., limited to a maximum of 25% of the project's energy output (not to exceed the sponsor's energy needs under the enrolled SA IDs). The discount applies as long as sponsors are enrolled under the programs and they comply with all the sponsor eligibility and enrollment terms described above. If two or more sponsors are designated, both sponsors must inform MCE in writing of how the "discountable usage", capped at 25% of the project's energy output, are to be allocated among them. MCE will then calculate the applicable discount to each sponsor accordingly.

The sponsor's discount is available to sponsors only after the community solar project has reached its required minimum 50% low-income subscription rate. If the subscription rate of low-income customers drops under 50% of project capacity at any time throughout the life of the project, the sponsor bill credit will not be revoked.

#### 4. PROCUREMENT

Per Resolution E-4999, MCE has been allocated 4.31 MW for its DAC-GT program and 1.11 MW for its CS-GT program based on the proportional share of residential customers in DACs that MCE serves.<sup>15</sup>

Resolution E-4999 also allows CCAs that serve customers in the same IOU service territory to share and/or trade program capacity.<sup>16</sup> MCE is not trading/ sharing capacity under either program at this point in time but reserves the right to do so before 1/1/2021 through a supplemental Advice Letter filing.

All renewable energy resources procured on behalf of customers participating in the DAC-GT and CS-GT programs, as well as interim resources, will comply with the California Air Resources Board's (CARB) Voluntary Renewable Electricity Program. California-eligible GHG allowances associated with these purchases will be retired on behalf of participating customers as part of CARB's Voluntary Renewable Electricity Program.

It is MCE's understanding that Green-e certification is not be feasible for the DAC-GT program under current program rules. Per D.18-06-027, 100% of a customer's annual usage is covered with solar energy under the program. Subscription to the program is based on a customer's historical usage quantities and once subscribed, no annual true-up mechanism between the sum of participating customer's total annual usage and total annual generation of all resources under the DAC-GT program will occur. It could be the case that in any given year, total customer load under the program exceeds total generation of all resources under the program. In MCE's understanding, the Green-e Energy Code of Conduct does not allow for this to happen. Hence, MCE proposes that Green-e certification is not required as a program element.

---

<sup>15</sup> Resolution E-4999, Table 1 at p.14. Due to the continued growth and expansion of CCAs, MCE recommends that the Commission review CCA capacity allocations biennially and adjust the allocation of remaining program capacity in each IOU's distribution service territory proportional to the then current share of residential customers in DACs. The first capacity allocation adjustment should occur by January 1, 2022 and every two years thereafter.

<sup>16</sup> Resolution E-4999 at p.54, Findings and Conclusions ¶ 17.

#### 4.1. DAC-GT Program

DAC-GT projects must be located in a DAC within the same IOU service territory as the customers being served. DAC-GT projects located in census tracts that were previously considered a DAC under the program, but are no longer scored as such due to updates to the CalEnviroScreen tool, will continue to be eligible to serve customers under the DAC-GT program.<sup>17</sup>

MCE was assigned a capacity allocation of 4.31 MW for the DAC-GT program. Eligible projects must be sized between 500 kW and 20 MW (4.31 MW in MCE service area due to the program cap). MCE will consider both full deliverability and energy-only projects in the solicitations.

MCE will issue DAC-GT solicitations once a year until the program cap is reached. The solicitation process will follow these guiding principles:

1. The project is selected through a competitive solicitation;
2. MCE executes a Power Purchase Agreement (PPA) with a developer for a solar project;
3. There is no direct relationship between the customer and the project developer;
4. Subscribing customers receive 100% renewable energy; and
5. Subscribing customers receive a defined bill credit.

Eligibility for procurement under the DAC-GT program requires that bid pricing must be at or below the statewide CCA cost cap provided to CCAs by the CPUC's Energy Division Staff via email on September 5, 2019.<sup>18</sup>

MCE will serve DAC-GT customers on an interim basis until the new DAC-GT resources come online utilizing existing resources that meet all of the requirements of the DAC-GT program. MCE proposes to use the following solar resource under MCE's portfolio as interim resources for the DAC-GT program:<sup>19</sup>

- Cottonwood Solar Project (Goose Lake facility)
- Address: 15004 Corocan Rd., Lost Hills, CA 93249

---

<sup>17</sup> In the event that the CalEnviroScreen tool is updated, MCE will file a Tier 1 Advice Letter within 30 days of the release of the new version to update program eligibility rules.

<sup>18</sup> Energy Division staff explains in the email from September 5, 2019 that CCAs are expected to compare the unadjusted project bids to the price cap. In other words, CCAs should use the price cap to screen the submitted bid prices before making adjustments to those prices such as time of delivery adjustments. Energy Division staff also clarified in a workshop that the value of the CCA cost cap will change when all three IOUs procure new resources under the Green Tariff Shared Renewables (GTSR) program or under the Renewable Auction Mechanism (RAM) as-available-peaking category. Energy Division will notify the CCAs when this occurs.

<sup>19</sup> The solar resource is located in a DAC within PG&E's distribution service territory and is currently under contract with MCE.

- Nameplate capacity: 12 MW
- Commercial Online Date: 2015

Once the new DAC-GT solar resources come online, MCE DAC-GT customers will be transferred to these projects.

#### **4.2. CS-GT Program**

CS-GT projects must be sited in a DAC within the same IOU service territory as the customers being served and must also be located within 5 miles of the benefitting customers' DAC census tract. CS-GT projects located in census tracts that were previously considered a DAC under the program, but are no longer scored as such due to updates to the CalEnviroScreen tool, will continue to be eligible to serve customers under the CS-GT program.<sup>20</sup>

MCE was assigned a capacity allocation of 1.11 MW in Resolution E-4999 for the CS-GT program.<sup>21</sup> Eligible projects have no minimum size and a maximum size of 3 MW (1.11 MW in MCE service area due to the program cap). MCE will consider both full deliverability and energy-only projects in the solicitations.

MCE will issue CS-GT solicitations once a year until the program cap is reached. Solicitations will be run in conjunction with the DAC-GT program's solicitations. However, the DAC-GT and CS-GT program will each have separate capacity allocations and bid requirements under the same solicitation. The solicitation process will follow the same guiding principles as for the DAC-GT program:

- The project is selected through a competitive solicitation;
- MCE executes a Power Purchase Agreement ("PPA") with a developer for a solar project;
- There is no direct relationship between the customer and the project developer;
- Subscribing customers receive up to 100% renewable energy; and
- Subscribing customers receive a defined bill credit.

Eligibility for procurement under the DAC-GT program requires that bid pricing must be at or below the statewide CCA cost cap provided to CCAs by the CPUC's Energy Division Staff via email on September 5, 2019.<sup>22</sup>

Twenty-five percent of each project's capacity must be subscribed by eligible low-income

---

<sup>20</sup> In the event that the CalEnviroScreen tool is updated, MCE will file a Tier 1 Advice Letter within 30 days of the release of the new version to update program eligibility rules.

<sup>21</sup> Resolution E-4999, Table 2 at p.14

<sup>22</sup> Energy Division staff clarifies in its September 5, 2019, email that CCAs are expected to compare the unadjusted CS-GT project bids to the price cap. In other words, CCAs should use the price cap to screen the submitted bid prices before making adjustments to those prices such as time of delivery adjustments.

customers prior to permission to operate (PTO). If this requirement is not met, the project will not be able to begin delivery under the contract.<sup>23</sup>

Community sponsorship of the project by a CBO or local government is required to be eligible to bid for the CS-GT program. Developers will be required to obtain and provide a letter of commitment from a sponsor as part of the solicitation process. A letter of commitment from a sponsor must include:

1. Demonstration of substantial interest of community members in subscribing to the project;
2. Estimated number of subscribers, with justification to ensure project is sized to likely demand;
3. A preliminary plan to conduct outreach and recruit subscribers (which may be conducted in conjunction with the developer and/or MCE); and
4. Siting preferences, including community-suggested host sites, and verification that the site chosen for the bid is consistent with community preference.

In addition to these solicitation requirements, D.18-06-07 also established several metrics for prioritization of CS-GT project bids.<sup>24</sup> First, MCE will prioritize projects located in the top 5% census tracts of disadvantaged communities per CalEnviroScreen 3.0 (if applicable). Second, MCE will grant priority for projects that leverage other government funding such as a state Community Services Department (CSD) grants, or projects that provide evidence of support or endorsements from programs such as Transformative Climate Communities or other local climate initiatives. Third, MCE will also prioritize job training and workforce development factors and will require workforce development for all projects, including local hiring and targeted hiring, to enable creation of job opportunities for low-income communities.

To encourage the development of CS-GT projects, MCE will provide support to local CBOs and project developers to identify potential community solar sites within its service territory as needed. As a local government agency, MCE has existing relationships within its communities that can be leveraged to enhance the success of the CS-GT program.

## **5. BUDGET AND COST RECOVERY**

This section describes the rules and requirements regarding program costs and budget, funding and cost recovery mechanisms, and the process of reviewing program costs.

---

<sup>23</sup> No interconnection or other project development processes will be influenced. The project can be finalized but payment on the delivery will not be started until 25% low-income customer subscription is achieved.

<sup>24</sup> D. 18-06-027 at p. 82ff

## 5.1. Budget

Program Administrators must submit annual program budget forecasts via a Tier 1 Advice Letter by February 1<sup>st</sup> of every year for the following program year. Each Advice Letter must include separate program budget forecasts for the DAC-GT and CS-GT programs and must clearly identify any costs that are shared between the programs.

Annual budget submissions will include, at a minimum, the following budget line items:

1. Generation cost delta, if any;<sup>25</sup>
2. 20 percent bill discount for participating customers;
3. Program administration costs;
4. Marketing, education and outreach (ME&O) costs; and
5. Program evaluation costs.

### Generation Cost Delta

For subscribed energy, the generation cost delta is the net value of renewable resource costs and other generation-related costs used to support the program that are more or less than the resource and other generation-related costs for the typical residential rate.

MCE will calculate the generation cost delta by comparing the sum of energy contract prices, incremental Resource Adequacy (RA), and incremental shaping costs for DAC-GT and CS-GT resources with the rate for MCE's Light Green Basic Residential<sup>26</sup> service. The cost components are defined as follows:

- The **energy generation cost** for the DAC-GT program will be the weighted average of the energy contract prices of all solar projects under the program;
- The **energy generation cost** for the CS-GT program will be the weighted average of the specific solar project that the customer subscribes to;
- The incremental **RA value or cost** of DAC-GT and CS-GT resources are determined by CAISO Net Qualifying Capacity multiplied by 2020 RA value benchmarks, compared against the RA cost as determined by PG&E residential load profile multiplied by the 2020 RA value benchmarks;

---

<sup>25</sup> Resolution E-4999 establishes that *above market* generation costs should include net renewable resource costs in excess of the otherwise applicable class average generation rate that will be used to calculate the customers' bills. In conversations with the CPUC's Energy Division after the release of the Resolution, it was clarified that this budget line item is intended to cover both a potential higher, as well as lower, cost of the DAC-GT/ CS-GT resources than the otherwise applicable class average generation rate. Hence, the term is updated to state the "*Delta of generation costs* between the DAC-GT/ CS-GT resources and the otherwise applicable class average generation rate".

<sup>26</sup> Equivalent to PG&E's tiered E-1 rate. This rate currently serves approximately 90% of MCE residential accounts.

- The incremental **shaping value or cost** of DAC-GT and CS-GT resources as determined by the applicable resources' production profile multiplied by 2019 (updated annually) CAISO Day-Ahead LMP for PG&E DLAP, compared against the PG&E residential load profile multiplied by the 2019 CAISO Day-Ahead LMP for PG&E DLAP.

The delta between the base rate and the total generation cost of the DAC-GT or CS-GT resource will then be multiplied by the volume served each month by each program to arrive at the total above-market generation cost or below-market generation savings from the program.

The above/below market generation costs, if any, will not be charged to participating customers and thus will not appear on the customers' bills. Instead, the cost delta, if any, will be tracked in the background and will be charged as program costs (or credits) and recovered through GHG allowance revenue and PPP funds as outlined below.

Because new DAC-GT/ CS-GT facilities will be contracted to MCE to provide all of their output, any potential above-market costs associated with unsubscribed output will also be covered by program funds.<sup>27</sup> MCE will seek to sell excess energy not used by program participants to the market and any revenue received will be applied as a credit towards program funds. In preparation of the annual budget advice letter, MCE will true up the full costs for unsubscribed generation under the programs against any revenue received and will charge the remainder to the programs as a separate budget line item.

### **Participant Bill Discount**

As described above, program participants will receive a 20-percent discount on the otherwise applicable rate of eligible SA IDs. MCE's annual program budget will include the estimated total amount of revenue loss to be experienced by providing the 20% discount on the generation portion of the bill. More specifically, this calculation will be based on forecasted monthly enrollment in each program and average monthly bills by customer class.

### **Program Administration and ME&O Costs**

Under the DAC-GT and CS-GT programs, program administrators (PAs) can recover all program administration and ME&O costs from program funds. MCE will track program costs for the DAC-GT and CS-GT programs in separate accounts.

Administrative budget must be broken out into:

1. Program management;
2. Information technology (IT);
3. Billing operations;
4. Regulatory compliance; and

---

<sup>27</sup> D.18-06-027 at p. 83.



5. Procurement.

Marketing, education and outreach (ME&O) costs must be broken out in:

1. Labor costs;
2. Outreach and material costs;
3. Local CBO/ sponsor costs (for CS-GT only).

Resolution E-4999 establishes a budget cap of 10% of the total budget for program administration costs and a budget cap of 4% of the total budget for ME&O costs.<sup>28</sup> However, administrative and ME&O costs may be higher than these budget allocations in the first two years of program implementation, acknowledging that program start-up costs may be higher.

**Program Evaluation Costs**

The DAC-GT and CS-GT programs must be reviewed by an independent evaluator every three years. The first independent evaluator review of the utilities' DAC-GT and CS-GT programs is scheduled for January 1, 2021.

As CCA programs will launch after the utilities' programs, MCE proposes that the first evaluation of the CCAs' programs not occur before January 1, 2022. MCE will work with Energy Division to determine the appropriate scope, funding level and budget allocations for CCAs to include the program evaluation in their budgets for program year (PY) 2022 and subsequent PYs.

In addition to budget forecasts, annual program budget submissions must also include details on program capacity and customer enrollment numbers for both programs:

1. Existing capacity at previous PY close;
2. Forecasted capacity for procurement in the upcoming PY;
3. Customers served at previous PY's close; and
4. Forecasted customer enrollment for the upcoming PY.

Finally, MCE will submit the following workpapers to Energy Division staff directly:

1. Workpaper for the calculation of the generation cost delta;
2. Workpaper for the calculation of the 20% bill discount to participating customers.

Supporting worksheets used in substantiating cost estimates, including direct labor, management and/or supervisor costs, and any vendor costs, along with a breakdown of staff or contractor position descriptions, loaded hourly rates, and total hours anticipated for each task, will be provided if available.

---

<sup>28</sup> Resolution E-4999 at p.27. The Resolutions determines that Program Administrators can submit a Tier 3 Advice Letter requesting an adjustment to the budget allocations if the need arises.

Program costs will not be charged to participating customers and will thus not appear on customers' bills. Instead, the cost categories described above will be tracked and charged as program costs to the DAC-GT and CS-GT programs.

MCE submits a budget estimate for PYs 2020 and 2021 in Attachment C to the Implementation Advice Letter.

## **5.2. Budget Forecasting and Reconciliation Procedures**

MCE will file, by February 1 of each program year, a Tier 1 Budget Advice Letter.<sup>29</sup> In this Annual Budget Advice Letter filing, MCE will, for each program separately:

1. Request approval of its **forecasted budget** for the upcoming program year (e.g.; by February 1, 2021 for the 2022 PY);
2. Report its **actual expenditures** during the prior program year (e.g.; by February 1, 2021 for the 2020 PY); and
3. **Reconcile** the prior year's budget forecast with actual expenditures.

### **5.2.1. Budget Forecast**

MCE will forecast estimated program cost for the upcoming PY for all budget categories described above. For the projected revenue loss associated with providing the 20% discount to customers, MCE will estimate the total expected revenue loss for the generation portion of the electric bill. PG&E will estimate the total expected revenue loss for the delivery portion of the electric bill.

### **5.2.2. Report Actual Expenditures**

MCE will report on actual expenditures for the previous PY for all budget categories described above. For the actual revenue loss associated with providing the 20% discount to customers, MCE will report on the actual total revenue loss for the generation portion of the electric bill. PG&E will report on the total actual revenue loss for the delivery portion of the electric bill.

The Annual Budget Advice Letter will be the mechanism for the Commission and stakeholders to review MCE actual program costs and performance. Based on the information provided in MCE's Annual Budget Advice Letter, PG&E can include a summary of actual program expenditures for the previous PY in the ERRA Compliance Review.

### **5.2.3. Budget Reconciliation**

In the Annual Budget Advice Letter, MCE will true up forecasted program costs against actual expenditures by budget category for the prior PY. Any unspent funds from the prior PY will be used to offset the forecasted budget for the upcoming PY. If actual expenditures exceeded the

---

<sup>29</sup> The budgets for PY 2020 and 2021 are included as an attachment to this filing, hence no additional Tier 1 Advice Letter was required by February 1, 2020 for the 2021 PY.

forecast in the previous PY, MCE will add the shortfall to the forecasted budget for the upcoming PY.

### **5.3. Cost Recovery Procedures**

Pursuant to D.18-06-027, the DAC-GT and CS-GT programs are funded first through available GHG allowance proceeds. If such funds are exhausted, the programs will be funded through public purpose program (PPP) funds. More specifically, if total forecasted annual program costs for the programs for all PAs in an IOU's service territory (i.e., IOU and CCAs) are less than the estimated GHG allowance revenues available for the programs in that IOU's service territory, all estimated program costs will be set aside from GHG allowance revenues. If total forecasted annual program costs for all PAs in an IOU service territory are greater than the GHG allowance revenues available for the programs, all available GHG allowance revenues will be set aside for the programs, and the shortfall in funds will be allocated to PPP funds.

D.18-06-027 authorizes CCAs to access GHG allowance revenues and/or PPP funds to run the DAC-GT and CS-GT programs.<sup>30</sup> The IOUs administer the GHG allowance revenues and collect PPP funds, and have established balancing accounts for the DAC-GT and CS-GT programs. CCAs are not in the position to either access those funds directly or establish balancing accounts to track program costs. Therefore, MCE requests that the Commission direct PG&E to modify its DAC-GT and CS-GT balancing accounts to include a sub-account to track the funding and costs of MCE's DAC-GT and CS-GT programs. Additionally, PG&E will be responsible for determining and tracking whether and how much of the funding for MCE's DAC-GT and CS-GT programs comes from GHG-allowance revenues versus PPP funds.

Once the Commission approves MCE's Annual Budget Advice Letter, PG&E will include the total budget estimate for the upcoming PY for MCE's DAC-GT and CS-GT programs in the ERRA Forecast filing due in early June of each year. Once PG&E receives approval of its ERRA Forecast from the Commission, PG&E will set aside the requested MCE budget in a sub-account of its DAC-GT and CS-GT balancing accounts. PG&E will then transfer program funds to MCE in four quarterly installments (by January 1, April 1, July 1 and October 1 of each year) for the upcoming quarter.<sup>31</sup>

If the ERRA Forecast is not approved by January 1 of a given PY, PG&E will transfer all past due funds to MCE within thirty days of issuance of such approval.

---

<sup>30</sup> D.18-06-027, Ordering Paragraph 17, at p. 104.

<sup>31</sup> In 2020, depending on the timing of the Commission's approval of this Advice Letter, PG&E will include both the PY 2020 and PY 2021 budget estimates in its 2021 ERRA Forecast filing in early June or in its 2021 ERRA November update. Once the 2021 ERRA Forecast is approved, PG&E will transfer all past due PY 2020 funds within thirty days of issuance of such approval.

## 6. MARKETING, EDUCATION AND OUTREACH

MCE will establish a ME&O program to promote customer participation in the DAC-GT and CS-GT programs. MCE plans to directly implement the ME&O program and execute outreach.

MCE is submitting a ME&O plan for PYs 2020-2021 in Attachment D to the Implementation Advice Letter.<sup>32</sup> The ME&O plan discusses specific methods for customer outreach, including any coordination with local CBO sponsors and associated funding. The plan addresses how MCE will work to identify residential customers in DACs who are likely eligible for the CARE and FERA programs, but who are not yet enrolled. Finally, the plan discusses how to leverage existing customer programs to market the DAC-GT and CS-GT programs.

MCE will file annual ME&O plans and detailed budgets by February 1 of each year for the upcoming PY, starting in 2021.

## 7. REPORTING

Within 30 calendar days after the end of each calendar quarter, MCE will file a quarterly report for both programs, distinguishing between the DAC-GT and CS-GT program data. The quarterly report will detail:

- Procured capacity;
- Online capacity;
- DACs in which projects are located;
- Number of participating customers in each DAC within MCE's service territory;
- Number of customers who have successfully enrolled in CARE and FERA in the process of signing up for the DAC-GT or CS-GT programs.

The quarterly report will be filed in R.14-07-002 and served onto the same service list.

Semi-annually, within 30 calendar days after the end of each six-month period of the year, MCE will report the following information for CS-GT projects to the Commission's Energy Division Central Files:

- Number of income-qualified customers subscribed to each project and the capacity those customers are receiving;
- Whether a waitlist of non-income-qualified customers exist and the size of that list;
- If project sponsors are receiving bill credits under CS-GT projects and the size of each sponsor's subscription; and

---

<sup>32</sup> The ME&O plan and budget for PY 2020 are subject to change depending on the date of approval of the Implementation Advice Letter.

- The number of master-metered properties served on the CS-GT tariff and the total capacity those properties are subscribed to receive.

MCE's first quarterly or semi-annual report will be filed on the first scheduled due date after customer enrollment begins.

## **8. PROGRAM MEASUREMENT AND EVALUATION**

An independent evaluator will review the utilities' DAC-GT and the CS-GT programs every three years beginning in 2021.<sup>33</sup> The CS-GT program must also be assessed by the same independent evaluator one year after program launch.<sup>34</sup>

MCE proposes commencing independent evaluation for CCA DAC-GT and CS-GT programs at the beginning of the upcoming PY after customers have been enrolled under the program for a minimum of one full year (e.g. if the DAC-GT program were to launch with interim resources by the fall of 2020, the first program evaluation would occur on January 1, 2022). MCE will work with Energy Division to determine the appropriate scope, funding level and budget allocations for CCAs to include the program evaluation in their program budgets for PY 2022 and subsequent PYs.

---

<sup>33</sup> The CPUC's Energy Division will select the independent evaluator through a Request for Proposal (RFP) process managed by San Diego Gas & Electric Company on behalf of the Commission. The RFP process will be led by staff from the Commission's Energy Division, and Energy Division staff will make the final decision on the winning bidder.

<sup>34</sup> Resolution E-4999 clarified that it is appropriate to interpret the first year of the CS-GT program as the first-year customers are able to subscribe to projects. Thus, if no customers have subscribed to CS-GT projects by 2021, the initial independent evaluator review in 2021 will replace the evaluation of the CS-GT program after the first year.

# **APPENDIX B**



**ELECTRIC SCHEDULE CS-GT**  
**COMMUNITY SOLAR GREEN TARIFF PROGRAM**

*Effective Date: [TBD upon Commission approval]*

**APPLICABILITY**

The Community Solar Green Tariff (CS-GT) is a voluntary rate supplement to the customer's otherwise applicable rate schedule (OAS) under which eligible customers have their electricity usage met with up to 100% solar energy produced by a local community solar project while also receiving a 20% discount on their OAS.

**1. Residential Customer Eligibility**

To enroll under the rate, a customer must meet the following eligibility requirements:

- Customers must receive electric generation service from MCE;
- Customer must be on a residential rate, except for the project sponsor;
- At least fifty percent of a project's capacity must be reserved by low-income customers, defined as those meeting the income qualifications for either the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs;
- The customer's service address must be located in a disadvantaged community (DAC). DACs are defined as communities that are identified in the CalEnviroScreen 3.0 tool as among the top 25 percent of census tracts statewide, plus the census tracts in the highest five percent of CalEnviroScreen's Pollution Burden that do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data. In the event that the CalEnviroScreen tool is updated, enrolled customers will retain their eligibility even if their census tract is no longer considered an eligible DAC as defined above. This grandfathered eligibility will apply to both existing subscribers and customers not previously subscribed to the project in that same DAC, to ensure that the project's output can be fully subscribed by customers whose census tract is within 5-miles of the project.

- The solar generation project customers subscribe to must be located within five miles of the participating customers' census tract.

Service accounts enrolled under the following programs and services are ineligible to enroll under the CS-GT rate:

- Standby service
- Net energy metering (NEM) rates;
- Non-metered service;
- Customers enrolled in Disadvantaged Communities Green Tariff (DAC-GT) rate schedule.

Master-metered customers may participate in the CS-GT program so long as they enroll all of their usage under the master-metered account in the program. Individual tenants of a master-meter customer are not eligible to participate on an individual basis. Master-metered customers must also meet all other eligibility requirements.

Eligibility of customers is verified at the level of the Service Agreement ID (SA ID).

## **2. Sponsor Eligibility**

Under the CS-GT rate, community involvement must be demonstrated by a non-profit community-based organization (CBO), a local government entity, or a school "sponsoring" a community solar project on behalf of residents. The sponsor's role is to work with the project developer to encourage program participation in the community.

To receive the 20% discount on eligible SA IDs as described below, the sponsor must fulfill the following requirements:

1. The sponsor must be an MCE electric customer;
2. The sponsor must take service on the Community Solar Green Tariff;
3. The sponsor must be located in the same geographic areas as any other customer, i.e., within a disadvantaged community with the solar project being located 5 miles from the sponsor's census tract;
4. Fifty percent of the project's capacity must be subscribed by low-income customers; and
5. The sponsor must meet all other eligibility requirements of any participating customer as described in the section on CS-GT customer eligibility above (including ineligible rate schedules).

Sponsors that do not fulfill all or any of these requirements may still become project sponsors; however, they are not eligible to receive the 20 percent discount.

There may be more than one sponsoring entity supporting a single community solar project. Multiple sponsors may share the 20% discount as long as all sponsors meet the eligibility requirements outlined above.



A sponsor may also be (although is not required to be) a site host.<sup>1</sup>

## **ENROLLMENT TERMS**

### **1. Residential Customer Enrollment**

Enrollment of customers under Schedule CS-GT occurs at the level of the SA ID. Customer enrollment is capped at a maximum of 2 MW solar equivalent per SA ID. This limitation does not apply to a federal, state, or local government, school or school district, county office of education, the California Community Colleges, the California State University, or the University of California.

Customers subscribe to a percentage of the solar system's project capacity based on their previous 12-month average monthly usage.<sup>2</sup> This percentage allocation is set at the time of customer subscription but may be revisited periodically to ensure accurate allocations of project capacity. Customers cannot be subscribed to more than one CS facility at any time.

Eligible customers may enroll under the rate on a first-come, first-served basis until customer subscriptions reach MCE's CS-GT program cap. Once MCE reaches its program cap, a wait list will be maintained for new subscriptions. When program capacity becomes available, MCE will continue enrolling eligible customers either from the waitlist (if applicable), or on a first-come, first-served basis up to the program cap.

Low-income customers will be enrolled on a first-come, first-served basis. Once 50 percent of project capacity is subscribed by low-income customers, non-low-income qualified customers located in DACs will become eligible for enrollment. These customers can be recruited before the 50 percent subscription requirement for low-income customers is met. However, they will be placed on a waitlist until 50 percent of the project capacity is subscribed by low-income customers. If the low-income subscription rate drops below 50 percent over the life of the project, existing non-low-income customers are not required to go back on a waitlist. However, new enrollments of non-low-income program participants will be barred until the 50 percent low-income threshold is met again. During this time, new enrollments of non-low-income participants will be put on a waitlist.

The customer will be placed on the CS-GT rate on the first day of the next billing cycle where the billing cycle start date occurs at least five (5) business days after the date of the customer's request. A customer request that is received within five (5) business days of the customer's next billing cycle may result in the customer being placed on the CS-GT rate in the following billing cycle.

---

<sup>1</sup> For the purposes of this program, the concept of a "host" only refers to a customer site where the project is located. The community solar project must be located in-front-of-the-meter, even if located at a customer host site. Accordingly, all concepts and rules of an in-front-of-the-meter program continue to apply.

<sup>2</sup> If previous 12-month historical usage is not available, the average monthly usage will be derived from as many months as available. For customers establishing new service, the class average monthly usage will be used.

A participating customer can remain on the CS-GT rate for the duration of the solar project's contract term, or up to 20 years, whichever is less. There is no contract required when enrolling in the DAC-GT program. Customers may enroll for any number of months, and there is no enrollment or cancellation fee. Cancellation of a customer's participation will become effective on the next meter read date; cancellations made within five (5) business days of the next meter read date may not be changed for an additional billing cycle. Customer participation in the program automatically terminates should the PPA between MCE and the developer for the CS-GT facility to which the customer is subscribed be terminated or the delivery term ends.

A customer's service under this schedule is portable within MCE electric service area as long as the customer continues to live in a DAC as defined under the program and continues to meet all other eligibility requirements. If the customer is found to still be eligible, MCE retains their status as a program participant and does not require the customer to go on a waitlist, as long as the customer's turn-on date at the new location is within 90 days of their final billing date at their original location.

## **2. Sponsor Enrollment**

Sponsors of a CS-GT project are subject to the same enrollment rules and requirements as described above for residential customers with one modification. A sponsor's subscription allocation is limited to a maximum of 25 percent of the project's energy output (not to exceed the sponsor's energy needs).

The same principle applies if multiple sponsors share the 20% discount. If two or more sponsors are designated, the sponsors will need to inform MCE in writing of how the "discountable usage" are to be allocated between them.

## **RATES**

### **1. Residential Customer Rates**

Customers taking service on this rate schedule will receive a twenty (20) percent discount on the electric portion of the bill compared to their OAS. The discount applies as long as customers are enrolled under the programs and they comply with all the eligibility and enrollment terms.

For low-income customers enrolled in the CARE or FERA programs, the OAS is the customer's existing CARE or FERA rate. Accordingly, the 20% discount for these customers will be applied to low-income customer bills after the CARE/FERA discount has been applied.

For customers who are not enrolled in CARE or FERA programs, the OAS is the customer's existing rate schedule before program enrollment. Residential customer SA IDs that are already enrolled in MCE's 100% renewable energy generation service option (i.e., MCE's "Deep Green" rate) when enrolling under the programs, will be defaulted to MCE's base rate (i.e., MCE's "Light Green" rate) for the purposes of calculating the 20 percent discount.

### **2. Sponsor Rates**

CS-GT project sponsors who meet all of the eligibility requirements outlined above receive a twenty (20) percent bill discount on enrolled SA IDs. The sponsor bill discount will be calculated based on

the same methodology as described above for residential program participants with one modification. The sponsor bill discount is only applied to a sponsor's subscription allocation, i.e. limited to a maximum of 25% of the project's energy output (not to exceed the sponsor's energy needs under the enrolled SA IDs). The discount applies as long as sponsors are enrolled under the programs and they comply with all the sponsor eligibility and enrollment terms described above.

If two or more sponsors are designated, both sponsors must inform MCE in writing of how the "discountable usage", capped at 25% of the project's energy output, are to be allocated among them. MCE will then calculate the applicable discount to each sponsor accordingly.

The sponsor's discount is available to sponsors only after the community solar project has reached its required minimum 50% low-income subscription rate. If the subscription rate of low-income customers drops under 50% of project capacity at any time throughout the life of the project, the sponsor bill credit will not be revoked.

## **BILLING**

Monthly bills are calculated in accordance with the customer's OAS and the provisions contained herein. The amount credited under Schedule CS-GT is provided by both PG&E and MCE: MCE calculates the twenty (20) percent discount for the generation portion of the electric bill and PG&E calculates the twenty (20) percent discount for the delivery portion of the electric bill.

Both entities display the discount on their respective portion of the customer's utility bill.

## **METERING**

All customers must be metered according to the requirements of their OAS.



## **ELECTRIC SCHEDULE DAC-GT**

### **DISADVANTAGED COMMUNITIES GREEN TARIFF PROGRAM**

*Effective Date: [TBD upon Commission approval]*

#### **APPLICABILITY**

The Disadvantaged Communities Green Tariff (DAC-GT) is a voluntary rate supplement to the customer's otherwise applicable rate schedule (OAS) under which eligible customers have their electricity usage met with 100% solar energy based on their actual usage each month while also receiving a 20% discount on their OAS.

To enroll under the rate, a customer must meet the following eligibility requirements:

- Customers must receive electric generation service from MCE;
- Customer must be on a residential rate;
- Customer must meet the income eligibility requirements for the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs;
- The customer's service address must be located in a disadvantaged community (DAC). DACs are defined as communities that are identified in the CalEnviroScreen 3.0 tool as among the top 25 percent of census tracts statewide, plus the census tracts in the highest five percent of CalEnviroScreen's Pollution Burden that do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data. In the event that the CalEnviroScreen tool is updated, enrolled customers will retain their eligibility even if their census tract is no longer considered an eligible DAC as defined above.

Service accounts enrolled under the following programs and services are ineligible to enroll under the DAC-GT rate:

- Standby service
- Net energy metering (NEM) rates;
- Non-metered service;
- Rates that are not CARE- or FERA-eligible;
- Non-residential rates;

- Master-metered customers;
- Customers enrolled in Community Solar Green Tariff (CS-GT) rate schedule.

Eligibility of customers is verified at the level of the Service Agreement ID (SA ID).

## **ENROLLMENT TERMS**

Enrollment of customers under Schedule DAC-GT occurs at the level of the SA ID. Customer enrollment is capped at a maximum of 2 MW solar equivalent per SA ID. This limitation does not apply to a federal, state, or local government, school or school district, county office of education, the California Community Colleges, the California State University, or the University of California.

Eligible customers may enroll under the rate on a first-come, first-served basis until customer subscriptions reach MCE's DAC-GT program cap. Once MCE reaches its program cap, a wait list will be maintained for new subscriptions. When program capacity becomes available, MCE will continue enrolling eligible customers either from the waitlist (if applicable), or on a first-come, first-served basis up to the program cap.

The customer will be placed on the DAC-GT rate on the first day of the next billing cycle where the billing cycle start date occurs at least five (5) business days after the date of the customer's request. A customer request that is received within five (5) business days of the customer's next billing cycle may result in the customer being placed on the DAC-GT rate in the following billing cycle.

A participating customer can remain on the DAC-GT tariff for up to 20 years from the time of enrollment. There is no contract required when enrolling in the DAC-GT program. Customers may enroll for any number of months, and there is no enrollment or cancellation fee. Cancellation of a customer's participation will become effective on the next meter read date; cancellations made within five (5) business days of the next meter read date may not be changed for an additional billing cycle.

A customer's service under this schedule is portable within MCE electric service area as long as the customer continues to live in a DAC as defined under the program and continues to meet all other eligibility requirements. If the customer is found to still be eligible, MCE retains their status as a program participant and does not require the customer to go on a waitlist, as long as the customer's turn-on date at the new location is within 90 days of their final billing date at their original location.

Customers who, after enrollment into the DAC-GT Program, become ineligible for CARE or FERA will be de-enrolled from the DAC-GT program.

## **RATES**

Customers taking service on this rate schedule will receive a twenty (20) percent discount on the electric portion of the bill compared to their OAS. The discount applies as long as customers are enrolled under the programs and they comply with all the eligibility and enrollment terms.

For low-income customers enrolled in the CARE or FERA programs, the OAS is the customer's existing CARE or FERA rate. Accordingly, the 20% discount for these customers will be applied to low-income customer bills after the CARE/FERA discount has been applied.

For customers who are not enrolled in CARE or FERA programs, the OAR is the customer's existing rate schedule before program enrollment. Residential customer SA IDs that are already enrolled in MCE's 100% renewable energy generation service option (i.e., MCE's "Deep Green" rate) when enrolling under the programs, will be defaulted to MCE's base rate (i.e., MCE's "Light Green" rate) for the purposes of calculating the 20 percent discount.

## **BILLING**

Monthly bills are calculated in accordance with the customer's OAS and the provisions contained herein. The amount credited under Schedule DAC-GT is provided by both PG&E and MCE: MCE calculates the twenty (20) percent discount for the generation portion of the electric bill and PG&E calculates the twenty (20) percent discount for the delivery portion of the electric bill.

Both entities display the discount on their respective portion of the customer's utility bill.

## **METERING**

All customers must be metered according to the requirements of their OAS.

# **APPENDIX C**

**Budget Forecast for the Disadvantaged Communities Green  
Tariff and Community Solar Green Tariff Programs for the  
Program Years 2020 and 2021**

*Proposed by Marin Clean Energy*



Alice Havenar-Daughton  
Director of Customer Programs  
Marin Clean Energy  
1125 Tamalpais Ave  
San Rafael, CA 94901  
E-mail: [ahavenar-daughton@mcecleanenergy.org](mailto:ahavenar-daughton@mcecleanenergy.org)

May 7, 2020



## Table of Contents

<b>1. PURPOSE.....</b>	<b>3</b>
<b>2. BACKGROUND.....</b>	<b>3</b>
<b>3. BUDGET FORECAST FOR PY 2020 AND 2021 .....</b>	<b>4</b>
<b>4. BUDGET CAPS.....</b>	<b>6</b>
<b>5. PROGRAM CAPACITY AND ENROLLMENT NUMBERS .....</b>	<b>7</b>
<b>6. COST RECOVERY AND FUND TRANSFER PROCEDURES.....</b>	<b>7</b>
<b>7. CONCLUSION .....</b>	<b>7</b>

## Table of Figures

Table 1: MCE Budget Forecast for PYs 2020 and 2021 .....	5
Table 2: Program Capacity and Enrollment Count for DAC-GT .....	7

## 1. PURPOSE

Pursuant to Ordering Paragraph (OP) 17 of Decision (D.)18-06-027 *Alternate Decision Adopting Alternatives to Promote Solar Distributed Generation in Disadvantaged Communities* and guidance provided in Resolution E-4999, MCE hereby submits this budget forecast for the Disadvantaged Communities Green Tariff (DAC-GT) and the Community Solar Green Tariff (CS-GT) programs for Program Years (PY) 2020 and 2021.<sup>1</sup>

MCE requests that the budgets proposed herein be approved by the Commission and that the Commission direct PG&E to transfer funds sufficient to meet MCE's approved annual budgets per the funding mechanisms discussed below.

## 2. BACKGROUND

Per Resolution E-4999, estimated budget forecasts must be presented by program and include the following budget line items:<sup>2</sup>

1. Generation cost delta, if any;<sup>3</sup>
2. 20 percent bill discount for participating customers (generation portion);
3. Program administration costs:
  - a. Program management;
  - b. Information technology (IT);
  - c. Billing operations;
  - d. Regulatory compliance; and
  - e. Procurement.
4. Marketing, education and outreach (ME&O) costs:
  - a. Labor costs;
  - b. Outreach and material costs;
  - c. Local CBO/ sponsor costs (for CS-GT only);
5. Program evaluation costs.

In addition to budget forecasts, annual program budget submissions also include details on program capacity and customer enrollment numbers for both programs. More specifically, MCE reports on

1. Existing capacity at previous PY's close;

---

<sup>1</sup> In future program years, this annual program budget will also include actual program costs from the previous PY, as well as a reconciliation of forecasted versus actual costs.

<sup>2</sup> A detailed description of each budget line item can be found in MCE's Implementation Plan, submitted in Appendix A to the Implementation Advice Letter.

<sup>3</sup> Resolution E-4999 establishes that *above market* generation costs should include net renewable resource costs in excess of the otherwise applicable class average generation rate that will be used to calculate the customers' bills. In conversations with the CPUC's Energy Division after the release of the Resolution, it was clarified that this budget line item is intended to cover both a potential higher, as well as lower, cost of the DAC-GT/ CS-GT resources than the otherwise applicable class average generation rate. Hence, the term is updated to state the "*Delta of generation costs between the DAC-GT/ CS-GT resources and the otherwise applicable class average generation rate*".

2. Forecasted capacity for procurement in the upcoming PY;
3. Customers served at previous PY's close; and
4. Forecasted customer enrollment for the upcoming PY.

Finally, MCE will submit the following workpapers to the California Public Utilities Commission (CPUC or Commission) Energy Division staff directly:

1. Workpaper for the calculation of the generation cost delta;
2. Workpaper for the calculation of the 20% bill discount to participating customers.

Supporting worksheets used in substantiating cost estimates, including direct labor, management and/or supervisor costs, and any vendor costs, along with a breakdown of staff or contractor position descriptions, loaded hourly rates, and total hours anticipated for each task, will be provided if requested and available.

### **3. BUDGET FORECAST FOR PY 2020 AND 2021**

For PYs 2020-2021, MCE requests a total budget of \$ \$1,992,897 for the DAC-GT and CS-GT programs. A detailed budget forecast for each program and PY by budget line item can be found in the table below.

Table 1: MCE Budget Forecast for PYs 2020 and 2021

Tab	Category	DAC-GT			CS-GT			
		2020	2021	Total	2020	2021	Total	
1	Generation Cost Delta	\$ 36,199	\$ 796,342	\$ 832,541	\$ -	\$ -	\$ -	
2	20% Bill Discount	\$ 7,564	\$ 162,571	\$ 170,135	\$ -	\$ -	\$ -	
	<b>Program Administration</b>							
3a	Program Management	\$ 118,820	\$ 93,000	\$ 211,820	\$ 89,420	\$ 125,400	\$ 214,820	
3b	Information Technology	\$ 24,814	\$ 5,940	\$ 30,754	\$ 24,814	\$ 9,090	\$ 33,904	
3c	Billing Operations	\$ 23,180	\$ 34,830	\$ 58,010	\$ 5,970	\$ 8,970	\$ 14,940	
3d	Regulatory Compliance	\$ 11,760	\$ 6,480	\$ 18,240	\$ 11,760	\$ 6,480	\$ 18,240	
3e	Procurement	\$ 20,295	\$ 16,045	\$ 36,340	\$ 34,995	\$ 21,445	\$ 56,440	
	<b>Subtotal Program Administration</b>	<b>\$ 198,869</b>	<b>\$ 156,295</b>	<b>\$ 355,164</b>	<b>\$ 166,959</b>	<b>\$ 171,385</b>	<b>\$ 338,344</b>	
	<b>Marketing, Education &amp; Outreach</b>							
41	Labor Costs	\$ 47,040	\$ 63,720	\$ 110,760	\$ 5,390	\$ 14,364	\$ 19,754	
4b	Outreach and Material Costs	\$ 72,400	\$ 34,250	\$ 106,650	\$ 3,000	\$ 21,550	\$ 24,550	
4c	Local CBO/ Sponsor Costs	\$ -	\$ -	\$ -	\$ 15,000	\$ 20,000	\$ 35,000	
	<b>Subtotal ME&amp;O</b>	<b>\$ 119,440</b>	<b>\$ 97,970</b>	<b>\$ 217,410</b>	<b>\$ 23,390</b>	<b>\$ 55,914</b>	<b>\$ 79,304</b>	
5	EM&V	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total</b>		<b>\$ 362,071</b>	<b>\$ 1,213,178</b>	<b>\$ 1,575,249</b>	<b>\$ 190,349</b>	<b>\$ 227,299</b>	<b>\$ 417,648</b>	<b>\$ 1,992,897</b>

MCE provides the following clarifying notes regarding the budget summary.

### **Generation Cost Delta**

MCE does not anticipate having *new* DAC-GT or CS-GT projects come online in 2020 or 2021 due to the need for soliciting such projects. However, for the DAC-GT program, MCE will use an interim project while new projects are being solicited and built. Hence, the generation cost delta budget forecast for the DAC-GT program is based on the cost of the interim resource selected. More detail is provided in the Implementation Plan in Appendix A to the Implementation Advice Letter.

### **20 Percent Bill Discount**

As described in more detail in MCE's Implementation Plan, MCE proposes to only calculate the 20% discount for the generation portion of the electric bill. The respective utility (in MCE's case PG&E) will be responsible for calculating the 20% discount on the delivery portion of the bill for CCA program participants. Hence, the budget forecasted for providing the bill discount to customers for the DAC-GT program is based on the revenue loss experienced by providing a 20% discount on the generation portion of the electric bill, not the full electric bill.

As mentioned above, MCE does not expect to enroll customers in the CS-GT program in PYs 2020 or 2021 as new solar resources must be procured for this program.

### **Program Administration Costs**

Program management includes program development and management, budgeting, and reporting. IT costs include the costs to develop program tools and updating existing systems to accommodate program enrollment and billing. Billing operations covers costs for ongoing billing operations and customer support once all systems are developed. Regulatory covers costs for regulatory compliance and related program filings with the Commission. Procurement covers the costs to develop and manage the solicitations for solar resources under the program, as well as annual renewable energy credit (REC) retirement and compliance functions.

### **Marketing, Education and Outreach (ME&O)**

ME&O budgets are split in three categories – (1) MCE labor costs; (2) MCE direct costs for outreach and material; and (3) funds provided to the local CBOs who function as the sponsor for the CS-GT program.

### **Evaluation, Measurement and Verification (EM&V)**

MCE proposes commencing independent evaluation for CCA DAC-GT and CS-GT programs at the beginning of the upcoming PY after customers have been enrolled under the program for a minimum of one full year (e.g., if the DAC-GT program were to launch with interim resources by the fall of 2020, the first program evaluation would occur on January 1, 2022). Hence, MCE does not include any budget forecast for EM&V in the budget for PYs 2020 and 2021.

## **4. BUDGET CAPS**

Resolution E-4999 establishes a budget cap of 10% of the total budget for program administration

costs and a budget cap of 4% of the total budget for ME&O costs.<sup>4</sup> However, administrative and ME&O costs may be higher than these budget allocations in the first two years of program implementation (i.e., PYs 2020 and 2021 for MCE), acknowledging that program start-up costs may be higher. Hence, MCE will only include information on budget caps in subsequent submissions of the Annual Budget Advice Letter.

## 5. PROGRAM CAPACITY AND ENROLLMENT NUMBERS

MCE reports forecasted program capacity and customer enrollment numbers for PYs 2020 and 2021 in the table below. MCE is unable to report on existing program capacity and customer enrollment numbers to date as the programs have not launched yet.

MCE is only reporting estimated program capacity and enrollment numbers for the DAC-GT program, as this program is expected to be served by an interim solar resource in MCE’s portfolio while new resources are being procured specifically for the program. For the CS-GT program, MCE will procure new solar resources that are only expected to come online in 2022.

*Table 2: Program Capacity and Enrollment Count for DAC-GT*

Category	DAC-GT		
	2020	2021	Total
Estimated capacity to be procured (MW)	4.31	0	<b>4.31</b>
Estimated customer enrollment (#)	450	1686	<b>2136</b>

## 6. COST RECOVERY AND FUND TRANSFER PROCEDURES

Once the Commission approves MCE’s budget request, PG&E will be responsible for including the total budget request for MCE’s DAC-GT and CS-GT programs in the ERRA Forecast filing due in early June of each year (or in the ERRA Update in early November, as available). Once PG&E receives approval of its ERRA Forecast from the Commission, PG&E will set aside the requested MCE budget in a sub-account of its DAC-GT and CS-GT balancing accounts. PG&E will then transfer program funds to MCE in four quarterly installments (by January 1, April 1, July 1 and October 1 of each year) for the upcoming quarter.

For 2020 program funds, PG&E must transfer all past due funds within thirty days of approval of the 2021 ERRA Forecast filing.

## 7. CONCLUSION

MCE respectfully requests the Commission approve the budgets proposed herein and direct PG&E to transfer funds sufficient to meet MCE’s approved annual budgets per the funding mechanisms

---

<sup>4</sup> Resolution E-4999 determined that Program Administrators can submit a Tier 3 Advice Letter requesting an adjustment to the budget allocations if the need arises. See Resolution E-4999 at p.27.

discussed above.

# **APPENDIX D**



**Marketing, Education and Outreach Plan for the Disadvantaged  
Communities Green Tariff and Community Solar Green Tariff  
Programs for Program Years 2020 and 2021**

*Proposed by Marin Clean Energy*



Alice Havenar-Daughton  
Director of Customer Programs  
Marin Clean Energy  
1125 Tamalpais Ave  
San Rafael, CA 94901  
E-mail: [ahavenar-daughton@mcecleanenergy.org](mailto:ahavenar-daughton@mcecleanenergy.org)

May 7, 2020

**TABLE OF CONTENTS**

**1. PURPOSE AND GOALS..... 1**

**2. GUIDING PRINCIPLES..... 1**

**3. TARGET AUDIENCE ..... 2**

**4. ME&O TACTICS AND STRATEGIES ..... 3**

**4.1. Communications and Media Content..... 3**

**4.2. Community Outreach ..... 4**

**4.2.1. Grassroots Outreach..... 4**

**4.2.2. Partnerships with Community Based Organizations ..... 4**

**4.3. Program Leveraging ..... 4**

**5. METRICS TRACKING ..... 6**

**TABLE OF FIGURES**

Figure 1. Qualifying Neighborhoods in MCE Service Territory ..... 3

Figure 2. MCE ME&O Tactics and Strategies ..... 5

## **1. PURPOSE AND GOALS**

MCE will develop and implement a targeted customer marketing, education, and outreach (ME&O) campaign under the Disadvantaged Communities Green Tariff (DAC-GT) and Community Solar Green Tariff (CS-GT) programs to ensure potential customers in disadvantaged communities (DACs) are aware of the opportunity to benefit from the programs. MCE's ME&O strategy has four main goals:

1. Enroll eligible customers in the DAC-GT and CS-GT programs;
2. Increase awareness of, and enrollment in, California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs;
3. Increase customer awareness of energy use, savings opportunities, other customer incentives, rate options (i.e. TOU), discounts, or programs;
4. Address barriers to program participation and leverage best practices to participation and ensure that outreach to DAC and hard-to-reach customers is accessible and equitable.

Throughout this process, MCE aims to achieve meaningful and diverse customer engagement through a culturally-competent, multilingual approach. To achieve these goals, MCE will develop a targeted customer engagement campaign that leverages community-based marketing best practices such as:

- A mix of multilingual and culturally-competent communications including community advertising (e.g., banners, newsprint), geo-targeted digital ads, and direct mail, and
- Direct customer outreach and partnerships with community-based organizations (CBOs) and local government agencies.

Ultimately, MCE will measure ME&O program success by the number of customers enrolled in the DAC-GT and CS-GT programs. We will also measure program success by the overall number of customers reached, and the diversity of customers reached.

The following subsections provide additional details about MCE's ME&O approach for the DAC-GT and CS-GT programs.

## **2. GUIDING PRINCIPLES**

MCE is committed to developing diverse and culturally appropriate communication strategies to ensure that stakeholders can participate in decisions and actions that impact their communities. As such, MCE commits to the following guiding principles throughout the ME&O engagement process for the DAC-GT and CS-GT programs. MCE aims to:

- Achieve diverse and meaningful engagement that reflects the demographics of DAC communities to ensure equitable outreach across race, income and age barriers;
- Maintain transparency and accessibility of information by bringing the information directly to customers in their neighborhood, their community, or interest space to better engage them in the process;
- Build a collaborative process with community partners to ensure barriers and benefits to participation are considered in the ME&O activities to the maximum extent possible.

### **3. TARGET AUDIENCE**

Given enrollment specifications around the programs, the primary target audience for the ME&O strategy are existing and eligible CARE/FERA customers living in DAC communities per CalEnviroScreen. In MCE's service area, DAC communities include customers in the following neighborhoods:

Figure 1. Qualifying Neighborhoods in MCE Service Territory

Census Tract	Nearby City (to help approximate location only)	ZIP	California County
6013305000	Antioch	94509	Contra Costa
6013320001	Martinez	94553	Contra Costa
6013302005	Oakley	94561	Contra Costa
6013312000	Pittsburg	94565	Contra Costa
6013310000	Pittsburg	94565	Contra Costa
6013311000	Pittsburg	94565	Contra Costa
6013314103	Pittsburg	94565	Contra Costa
6013314104	Pittsburg	94565	Contra Costa
6013313102	Pittsburg	94565	Contra Costa
6013309000	Pittsburg	94565	Contra Costa
6013313101	Pittsburg	94565	Contra Costa
6013379000	Richmond	94804	Contra Costa
6013365002	Richmond	94801	Contra Costa
6013377000	Richmond	94801	Contra Costa
6013382000	Richmond	94804	Contra Costa
6013376000	Richmond	94801	Contra Costa
6013380000	Richmond	94804	Contra Costa
6013375000	Richmond	94801	Contra Costa
6013381000	Richmond	94804	Contra Costa
6013358000	Rodeo	94572	Contra Costa
6013368002	San Pablo	94806	Contra Costa
6013366002	San Pablo	94806	Contra Costa
6013368001	San Pablo	94806	Contra Costa
6013364002	San Pablo	94806	Contra Costa
6013392200	San Pablo	94806	Contra Costa
6095250701	Vallejo	94590	Solano
6095250801	Vallejo	94592	Solano
6095250900	Vallejo	94590	Solano
6095251802	Vallejo	94589	Solano
6095251901	Vallejo	94589	Solano

#### 4. ME&O TACTICS AND STRATEGIES

##### 4.1. Communications and Media Content

A variety of communications and media content will be developed to promote the programs, including flyers and fact sheets, as well as content on MCE’s website. This material will be translated and improved throughout the ME&O strategy via message testing to ensure it is culturally competent and effective. Additionally, MCE will run social media campaigns, as well as print and digital advertisements, in multiple languages to encourage program enrollment. Direct mailing and email blasts will also be utilized to target customers.

## **4.2. Community Outreach**

To meet our ME&O goals, MCE will develop an outreach and engagement strategy leveraging the key community outreach tactics summarized below. The community outreach strategy will include a multilingual and culturally competent approach to engagement and consider the specific needs of DAC communities in MCE's service area. Outreach will be informed by data (census tracts, 4013, etc.) in order to identify customers who are most likely to enroll in the programs.

### **4.2.1. Grassroots Outreach**

MCE will conduct grassroots outreach to engage directly with community members at community events. MCE already regularly attends and sponsors many community events throughout its service area, including neighborhood festivals, farmers markets, holiday celebrations, and special events. Under the community outreach strategy for the DAC-GT and CS-GT programs, MCE will focus on expanding the breadth of events attended in DAC neighborhoods.

MCE will utilize the expertise of community leaders to identify impactful events and will offer workshops and webinars as appropriate. As community events and workshops are held, we will closely track the diversity in race, age and income of participants, to ensure that participation reflects census distribution demographics of the DAC communities. Additionally, we will maximize convenience of meetings and events to public transportation, and ensure events are ADA accessible.

### **4.2.2. Partnerships with Community Based Organizations**

Partnering with Community Based Organizations (CBOs) is a critical facet of MCE's ME&O plan. CBOs have intimate knowledge of the local communities they serve and will serve as valuable resources for how best to conduct outreach that makes sense for members of their communities. As MCE engages with CBO partners, we seek to establish open dialogue, build awareness and understanding among community members, identify community-specific issues, and develop methods for disseminating relevant information. For example, CBOs will help coordinate program-specific workshops to disseminate program information to their constituencies. MCE will provide funding for CBOs to conduct outreach around the DAC-GT and CS-GT programs.

Additionally, many other local City departments already conduct outreach in the same communities in which we will conduct program outreach. MCE will investigate and pursue opportunities to collaborate as appropriate.

## **4.3. Program Leveraging**

California offers a plethora of clean energy, energy efficiency, and energy storage programs, with several of them targeting income-qualified customers or customers in DACs. Complementing the state's programs, MCE also has developed a wide range of in-house program offerings with many of them focusing on vulnerable customers. MCE's Single Point of Contact (SPOC) model provides "behind-the-scene" coordination with various programs and funding sources in order to provide MCE's customers with the comprehensive, streamlined "one-stop-shop" guidance they need to

navigate and enroll in these different offerings, maximizing the benefit to the customers while interweaving the value of all leveraged programs.

Under the DAC-GT/CS-GT ME&O plan, MCE will leverage its relationships and interactions with customers through existing programs to inform, educate and encourage program participation through its SPOC model. For example, MCE will leverage the following programs for joint outreach efforts: MCE’s newly developed Battery Energy Storage Programs, MCE’s low-income solar program for homeowners, MCE’s Low-Income Families and Tenants (LIFT) pilot that offers energy efficiency upgrades to low-income multifamily properties, and the MCEv program, an electric vehicle rebate program for low-income customers.

Additionally, MCE will pursue program leveraging with relevant programs run by partners and other local CBOs and government entities.

*Figure 2. MCE ME&O Tactics and Strategies*

### Communications and Media Content

- Social Media
- MCE Website
- Flyers/ fact sheets
- Print and digital advertisement
  - Direct mailings
  - Email blasts

### Grassroots Outreach

- Community Events
  - Workshops and Webinars
- Collaboration with Community Leaders

### CBO Partnerships

- Joint outreach
- Funding support

### Program Leveraging

- MCE Energy Storage Program(s)
- MCE low-income solar program
  - MCE LIFT pilot
  - MCEv program
- Other CA and local programs

## 5. METRICS TRACKING

Because MCE is using multiple tactics for ME&O, a variety of metrics will be used to evaluate the effectiveness of each effort. Our primary measure of effectiveness is the number of customers reached, which can be measured by:

- Total number of enrollees in both the DAC-GT and CS-GT programs;
- Total CARE and FERA enrollment achieved through DAC-GT/ CS-GT outreach;
- Total number of customers reached;
- Diversity in race, age and income of event participants, with participation that reflects census distribution demographics of the DAC communities;
- Direct mail and email - email click-through and open rates;
- Indirect website visits and page views, social media engagement and impressions;
- Total number of events and distribution of events by neighborhood.

By regularly monitoring these measures, MCE will be able to make changes in its approach or shift the mix of ME&O channels to improve the effectiveness of outreach, if necessary. Additionally, feedback from CBO partners, surveys, on-the-ground interactions, and message testing could alter the strategy pursued.