

Responses to Survey Questions:

For survey questions posted through January 19, 2016

How would the switch to MCE affect customers with solar panels using Net Energy Metering?

If you opt-out and stay with Pacific Gas and Electric (PG&E), there will be no changes to your current Net Energy Metering (NEM) rates/rules.

If you take no action or opt up and join MCE Clean Energy, you will be enrolled in MCE NEM rates/rules. MCE has different rates/rules than PG&E and MCE never zeroes out your credits. If you have surplus generation at the end of the April billing cycle each year, you have the option of letting the credits roll over or if your credit balance is over \$100 you can cash out (and [MCE credits surplus generation](#) at retail rates plus 1 penny per kWh for net negative usage). [Here](#) is a net metering rate comparison table between PG&E and MCE, [here](#) are frequently asked questions on PG&E's website about Community Choice programs and how they affect service, and [here](#) is a link to MCE's net metering page which has answers to many net metering questions and goes into more detail. PG&E also posted the following:

"A customer transitioning to CCA service will remain grandfathered on the original NEM design if they were on it as a bundled PG&E customer. From the perspective of the NEM grandfathering eligibility, PG&E will treat a CCA customer no differently than bundled customers. The CCA customer on NEM will get their generation credits from the CCA rather than PG&E, but their eligibility for grandfathering is unchanged by a move to or from CCA service."

Has the City considered installing solar panels on City property or creating a community solar project?

The City has not considered community solar or installation of solar panels on City property at this time. If any individual or group of individuals (including the City) were to choose to install rooftop solar or to build a solar farm, than MCE's NEM rates/rules will apply if they are enrolled in MCE and PG&E rates/rules will apply if they are enrolled in PG&E.

If MCE's prices increase, can everyone opt-out? Can we change our selection of opting in or out in the future?

Yes, all customers can change their options at any point in the future. At any time, customers can choose to opt-out of MCE back into PG&E or opt-up to MCE's Deep Green Option (or back down to MCE's Light Green Option). MCE generally processes opt-out and opt-up requests by the next billing cycle (following the request).

If a customer opts-out of MCE and re-joins PG&E, PG&E requires that the customer make a one-year commitment to PG&E (i.e., that customer has a one-year waiting period until they can go back to MCE). After that one-year waiting period, the customer can then go back to MCE if they so choose or stay with PG&E. There is no limit to the amount of times a customer can switch between MCE and PG&E.

How much will it cost the city to join MCE?

The cost for the City of Lafayette to join MCE at this time is \$0 as MCE has waived the membership analysis cost given the high level of interest from multiple cities. However, there will be a resource impact on staff time initially to set-up the program. MCE is dedicated to doing the necessary outreach to the community, but there will need to be a point person at the City to communicate with MCE staff and help with the success of the launch.

Is a Community Choice program meant for those individuals with older homes? I want to go green but I also want to keep expenses down.

MCE is for all buildings and homes – not just older homes- that use electricity. PG&E is currently reporting that its power comes from 27-percent renewable sources and MCE is reporting between 56-percent and 100-percent (depending on the plan). Therefore, even if your home is only using a small amount of electricity, joining MCE can help make that small amount come from more renewable sources. Additionally, if Lafayette joins MCE all homes in Lafayette would become eligible for MCE's energy efficiency and renewable energy programs (in addition to PG&E's existing programs) regardless of whether the household has signed up for MCE.

Fiscally, the City recommends that all individuals and businesses review their rate schedule and compare the current cost of electricity at PG&E and the current cost of electricity at MCE before making a decision between the two. Financial implications will vary for each customer.

Are there fiscal risks for the City?

With the model that is currently used, MCE is able to provide energy at a cost lower than that of PG&E, despite the fact that PG&E will continue to distribute the energy. Procurement costs for power and customer costs for electricity will vary over time. As a customer, risks include the exit fee increasing and the continued ability of MCE to provide power at a lower cost than PG&E. If Lafayette joins MCE and the City becomes a customer of MCE (instead of opting out and staying with PG&E), the City will bear the risks like any other customer purchasing power with MCE. Aside from general customer risks, there is no fiscal risk to the City's general fund. There is a firewall protected by state law that indicates the debts and liabilities of the Joint Powers Authority do not extend to the member cities.

Are any tax dollars used?

No tax dollars are used to fund MCE. MCE is funded by revenues of the CCE.

What is the difference in cost between MCE & PG&E? Does MCE support the same range of usage plans as PG&E?

MCE supports the range of usage plans that are available at PG&E. Electricity cost differences change over time based on procurement costs, exit fees, and delivery costs. These costs are also variable

dependent on each rate schedule. The City encourages residents and businesses to review cost comparison documents: [PG&E – MCE Joint Rate Comparison document and NEM rate comparison](#).

Will PG&E charge people for switching to MCE?

There is a PCIA (Power Charge Indifference Adjustment) “exit fee” for customers who decide to use MCE. This will appear itemized on the customer’s bill. The cost of electricity for customers is based on the PCIA (MCE customers only), rates for electricity (applies to both MCE and PG&E customers, and each has different rates) and a PG&E delivery charge (applies to both MCE and PG&E customers, for the same amount). In order for the electricity cost with MCE to remain competitive with PG&E, it has to aim to procure power at better rates than PG&E. An example bill for a MCE customer can be reviewed [here](#) and a comparison of the cost of electricity between MCE and PG&E can be reviewed [here](#).

What happens if the cost of clean energy drops?

MCE adjusts its rates once per year and PG&E adjusts its rates around 3-5 times a year. These rates are adjusted based on a number of factors including the procurement cost for power. Both MCE and PG&E aim to execute contracts with power sources that benefit their customers. Some of these contracts are long term multi-year contracts, and others are more short term. Both MCE and PG&E try to execute contracts, dependent on power needs, when the cost of energy is low. They both adjust their rates accordingly.

Is the possibility of power outages increased when going with a company like MCE?

The possibility of power outages will remain the same with PG&E and MCE. In all cases, PG&E will remain to be the company operating the local power lines and will be the entity that comes out to fix the power in the event that there is an outage. This is the case no matter which company you buy your power from. MCE and PG&E work together to provide power to their customers. If you were to join MCE, MCE will be responsible for the electric generation (where the power is procured from or developed), while PG&E continues to own the grid, distribute power, maintain power lines, and issue customers’ monthly bills.

Where does MCE get its power from and how does it plan to get additional power as it adds customers?

MCE procures power from renewable and non-renewable sources currently reporting 56-percent renewable sources for its Light Green Option and 100-percent renewable for its Deep Green Option. Examples of sources include solar, wind, bioenergy, geothermal, and small hydroelectric. Power is sourced throughout California, Oregon, and Washington. MCE conducts membership analyses for interested cities to determine the amount of power it will need to procure.

The City encourages customers to review MCE’s [webpage](#) on its current and developing energy sources. MCE is looking to increase the supply of green energy. There are currently over 195 megawatts of new

California renewable energy sources under development for its customers and \$516 million committed to the development of local renewable energy projects.

What are the potential risks of joining MCE?

Potential risks can be reviewed in the Risk Assessment of Participation report prepared on behalf of the City of Richmond, attached to the staff report. In summary the risks include procurement risks (the ability to procure power at reasonable costs), regulatory risks (decision of the California Public Utilities Commission such as increasing exit fees), policy risks (while JPA members have a seat on the board, no single vote can control a policy), and customer cost risks (uncertainty of exit fees, cost of procurement etc). Many of these risks can be mitigated. For example, if MCE's rates increase and surpass those of PG&E, MCE customers will face increased costs. However, customers can choose to opt-out of MCE at any given time. All of these risks largely exist with PG&E. With PG&E, the City does not have any control of policy decisions, regulatory decisions, procurement rate, and customer costs of PG&E. By offering an alternative to PG&E, it may incentivize PG&E to procure power at lower rates and stabilize customer costs.

Another potential risk is that if the City of Lafayette joins MCE, it will not have the option of joining a different Joint Powers Authority at a later date. So if the County creates a CCE in five years, for example, the City will be committed to staying with MCE.

Is there documentation demonstrating holistic evaluation of MCE's environmental impacts?

MCE has more than 177 MW of new in-state renewable energy under development and has reduced approximately 131 million lbs of greenhouse gases since the company began providing service in 2010. The City recommends customers review MCE's environmental impacts in the [2013 GHG Emissions Factors](#) summary and at the [2015 Integrated Resource Plan](#).

Does MCE have customer programs similar to those at PG&E?

In addition to the programs that PG&E already offers, MCE offers financing options, rebates, discounts and other incentives for customers to become more energy efficient. MCE also offers a feed-in-tariff for customers wishing to sell the power they output and net energy metering for customers wishing to power their own homes and businesses from renewable generating systems they have installed. MCE has an online tool which can help customers determine which energy improvements will meet money and energy saving goals. All of the customer programs at PG&E will still be available to customers with MCE, because customers of MCE remain customers of PG&E as well.

Other Public Comments from the Survey:

- Thank you so much for looking into this - I am very excited to be part of this important movement.
- Please join!
- Love it! Way for Lafayette to lead the "green" movement!

- I am so glad Lafayette is considering providing an alternative to PG&E.
- I think this is so important.
- Please strongly consider joining MCE Clean Energy, it's the right choice for the environment and thus the right choice for future generations.
- Let's join MCE Clean Energy. The sooner the better!!
- I believe the CCE is misleading. This seems like a way to expand Lafayette's government and spending. I do not support.
- The city of Palo Alto operates its own utilities. It might be helpful to look into the rates they offer to customers and how that system operates as well. I believe they are the last city to own and operate their own utilities in the state. That said, this looks like a great option. Thank you!
- Please do this and lead Lafayette to cleaner future.
- This is a terrific idea and should be done ASAP. The environment cannot wait.
- The state just passed a law to mandate increasing energy generation from renewables from 33% in 2020 to 50% in 2030. PG&E is bound by this law as well and will be sourcing energy accordingly.
- We'd love to see this and fully support it. It would be great for people who don't own their home - or those without a good roof/location for solar - to have more freedom in their energy choices.
- Thank you for researching this option.
- Great idea to improve conservation. Thanks for making it possible.
- I think this is a great program and I am thrilled the city is moving in this direction. I'm proud to be from Lafayette!
- Would like more info on MCE, but this looks like a win-win. We should do it!
- Let's get our community on 100% renewable energy!
- It is time to get away from PG&E.
- I would be glad to have an alternative to PG&E.
- Thank you for your wonderful work on this.
- I would consider switching from automatic enrollment to "opt-up" if given an opportunity down the line.
- Do it!
- As you can see, I'm very concerned about the details of the MCE proposal and how much investigation has been done on key terms and conditions. This information is not clear from the documentation provided in this e-mail. I'm all for renewable energy. I just don't want to see Lafayette stuck with more expensive power when alternatives are likely to present themselves in the future.
- I think this is an important option for Lafayette to support and have available to its citizens, and urge you to make this available.
- I'd like to choose 100% renewables and am willing to pay extra for it.
- I am SO EXCITED to hear we are going for this!! It makes so much sense, and helps us all do our part to decrease GHG generation. And, it's painless!! Please join the MCE Clean Energy CCE now. Thank you for helping us with more choices for how we consume energy. We have lived in Lafayette for nearly 13 years.

- Please join MCE it is the responsible thing to do
- We have solar at our house but still connect to PG&E for gas and electricity storage, so presumably we would benefit (and give benefits) from enrolling in this program.
- Would welcome MCE as an option even if it is more expensive than PG&E. Competition will make all our options better in the long run.
- I support joining MCE as long as my home solar power generation is still reimbursed.
- Please take this step to provide the residents of Lafayette the choice to adopt clean energy.
- Still need more comparable numbers.
- Choices / Options are important for my family. Thank you.
- Yay!!!!
- Great idea!
- It's time we start doing something, so happy to see this!
- I strongly believe in free market and energy choices must be cost effective.
- We question whether or not the cost figures provided reflect the high public subsidies required to make green energy sources feasible. If these subsidies are included, it seems the total cost of providing energy (public and private) would increase significantly.
- Glad you are looking at this. Competition is good. Lower prices are good.
- Thank you for caring.
- If Marin can do it, so should we.
- Currently renting so we can't put solar on our roof, so this is would be a great and appreciated option. Also would provide a nice option when we purchase a home here in Lafayette if it does not have good solar gain.
- Let's do this!!
- Wonderful idea!
- Thank you for researching this option.
- Seems like a no-brainer, I fully support it!
- This is an exciting project!
- Already solar powered at my house. But we should keep the pressure on PG&E.
- Let's do this Lafayette!
- We're comfortable with PG&E!
- I have been waiting for this option to become available.
- Fabulous Idea!
- I support Lafayette being a leader in clean energy.
- Excellent idea! I appreciate our city's commitment to sustainability and care of our precious environment.
- Let's join MCE Clean Energy!