

Local Government Commission/Marin Community Choice Aggregation Renewable Energy Generation Workshop Summary of Key Issues 10-11-07

The Marin Local Government CCA Task Force and the Local Government Commission held a workshop on October 11th, 2007 at the Marin County Civic Center to learn more about renewable energy generation resources and the independent power industry. The workshop panel included experts from the independent power industry, renewable generation technologies, renewable generation companies, renewable policy advisors and the leading certification organization for renewable power. Biographies of the panelists are attached.

The purpose of the workshop was to provide an introduction and overview to the commercial availability and potential for renewable power, and answer key questions that our policymakers have raised in relation to the goal of a Marin CCA, namely, “to meet all of the electricity needs of Marin’s homes, businesses and institutions with as much renewable energy resources as is technically and economically feasible.” The draft business plan for the Marin CCA sets the initial bar to deliver as much renewable power as possible while staying at parity or below average PG&E rates, the point where Marin consumers should be indifferent, at least to price¹.

Key questions that the workshop was intended to answer include:

1. *Can Marin obtain (through purchased power and ownership) renewable generation to serve 50% (120 MW) or more of Marin’s electricity load within 5 years?*
2. *What amount of Marin’s electric load could be expected to come from renewable generation under the status quo (current state policies and utility compliance?)*
3. *How will a CCA’s increased investment in renewable energy reduce greenhouse gases beyond the status quo?*

The following summarizes the views of the renewable power industry experts participating in the workshop.

1. *Can Marin obtain (through purchased power and ownership) renewable generation to serve 50% (120 MW) or more of Marin’s electricity load within 5 years?*

Yes. Within the next five years, there will be sufficient renewable generation projects to meet Marin’s goals for purchase and ownership of renewable energy-based generation. Many projects, both existing and to be developed, will be available to CCAs that (for multiple reasons described by the panelists) would not be offered to or picked up by PG&E and other investor-owned utilities. The state is also planning and developing transmission lines to key regions of abundant renewable resources within California and

¹ We may find as a recent County survey suggests that consumers may very well be willing to pay a premium for 100% renewable power. However, the draft business plan does not make this assumption.

outside the state opening up significant opportunities for new renewable generation in the mid and long term. For example, a new transmission line to the Tehachapi wind resource area is expected to be completed by 2013 making available potentially 1500 Megawatts of additional wind resource.

While prices for wind (and all other generation projects) have gone up recently and the demand for renewable generation is increasing, manufacturing capacity is expected to expand and additional resource areas for wind, geothermal, central solar thermal and other technologies are being opened up as transmission capacity is developed. The panelists also pointed out that general cost trends don't reflect significant variation in costs for individual projects, which are very specific to each project, the timing of projects, and other terms and conditions of contracts.

2. What amount of Marin's electric load could be expected to come from renewable generation under the status quo (current state policies and utility compliance?)

The Marin CCA draft business plan projects the CCA will procure 25% of its power from renewable resources at startup in 2009 and increase to 51% renewable power by 2013. The CCA Task Force is also considering a 100% renewable power default tariff (at a small premium to average PG&E rates) with optional tariffs (at less than 100% renewable power) that would provide price parity with PG&E.

Under the status quo, PG&E is not expected to have more than 20% renewable generation in their portfolio producing power by 2013. They are required by state regulation to have 20% under contract but through "flexible compliance" rules projects don't have to be delivering power until 2013. While the governor has set a goal of 33% renewable generation by 2020, that is not yet law. PG&E has been reactive, rather than proactive about renewable generation, has shown no intention to purchase renewable power beyond what is required by law, and has made no investment in renewable projects that would protect ratepayers from future price hikes once the contracts now being signed run out.

3. How will a CCA's increased investment in renewable energy reduce greenhouse gases beyond the status quo?

Any new renewable generation that the CCA uses will result in a reduction of natural gas-fired generation and the GHG emissions from that generation. If and when Marin forms a CCA and provides its own generation, PG&E would scale back procurement of natural gas-fired generation rather than its base load and lowest cost resources - nuclear and large hydroelectric plants. Marin's plan to start at 25% renewable generation and ramp up to 50% renewable generation within the same timeframe that PG&E would reach 20% would offset about 2.5 times the GHG than under the status quo. If the CCA implemented some of the innovative tariffs under discussion, such as a 100% renewable default tariff, the GHG reduction would be even greater.

PowerPoint Presentations and Other Documents

The presentations given by the panelists at the workshop are available for downloading at the following website:

www.co.marin.ca.us/depts/CD/main/comdev/advance/Sustainability/Energy/cca/CCA_lgc_workshop.cfm

Also available on the website is the CPUC study “Achieving a 33% Renewable Energy Target,” November 1, 2005. This study provides excellent background information on renewable power resource availability, constraints and solutions for achieving a Statewide 33% renewable portfolio standard by 2020. Many of the recommendations in this study are now being implemented by the State to ensure we will have adequate access to renewable resources to meet the State’s needs in the near term and into the future.