

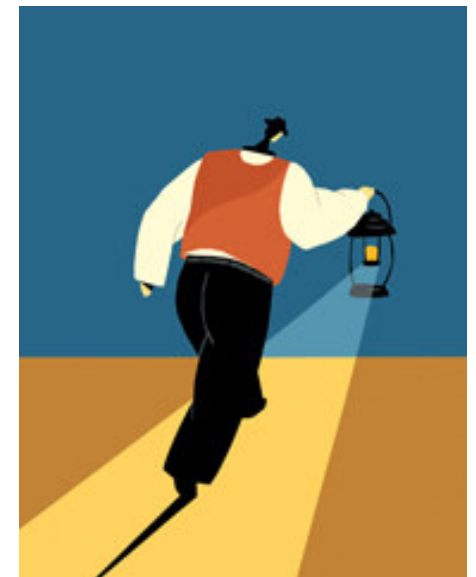
*Marin Community
Choice Aggregation
Project – Local
Government Task
Force Update*

September 27, 2007

Draft Business Plan Highlights

Questions

NAVIGANT
CONSULTING



Draft Business Plan Highlights

Draft Business Plan Highlights

- **Organization and Governance:**

- The County of Marin and eleven participating cities would form a new Joint Powers Agency during early 2008, named the Marin Power Authority (“Authority”), for purposes of offering CCA services to customers beginning in 2009.
- The program would form an appointed Energy Commission, which will be comprised of Board designees from the Member communities, to evaluate policy matters affecting the Authority and its customers (such as rate setting).
- The Authority would hire/contract for services from an Executive Director, who would have general responsibility for day-to-day operations of the program.

Draft Business Plan Highlights (Continued)

- **Resource Supply:**

- The Authority would negotiate contracts with third party electric suppliers to provide electricity to customers and provide other technical services required for the program (for an initial 3-5 year period).
- During the first year of full program implementation (2010), total annual energy supply for Marin's CCA is projected to be 1,290 GWh; total peak demand is 239 MW.
- The Authority would increase its renewable energy procurement until it supplies more than one half of its electric requirements from renewable resources, such as wind, solar, geothermal and biomass by 2013.
- The Authority would continue to increase its renewable energy procurement/deliveries with the long-term goal of 100% renewable energy supply to Authority customers subject to economic and operational constraints.
- The Authority would develop or otherwise obtain entitlements to up to 125 MW of new renewable generation (proposed to be wind technology) by 2013, financed with tax-exempt revenue bonds.

Draft Business Plan Highlights (Continued)

- **Ratesetting:**

- The Authority's ratesetting policy would be to maintain electric rates that are less than or equal to generation rates charged by PG&E.

- **Energy Efficiency:**

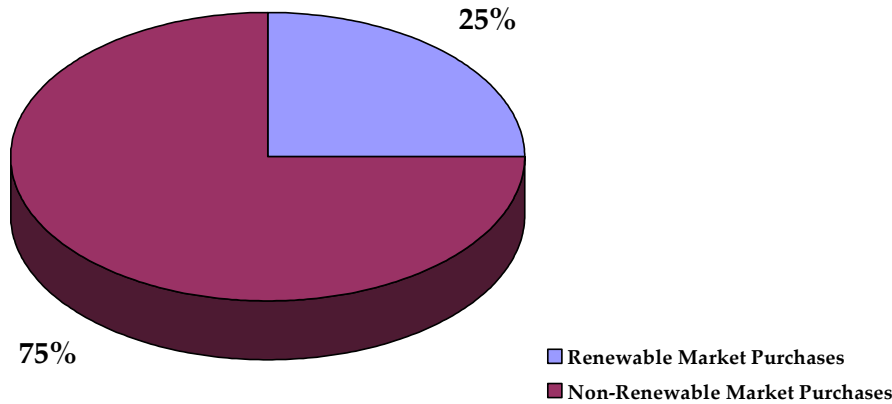
- The Authority would leverage existing state and federal incentives to achieve a targeted deployment of at least 14 MW of distributed solar (photovoltaic) systems within its boundaries by 2017.
- The Authority would promote additional energy efficiency efforts and ultimately seek to administer all energy efficiency programs within its jurisdiction.

- **Environmental Impacts:**

- Through implementation of the proposed CCA Program, the Cities would cause a reduction in greenhouse gas emissions of between 174,000 and 308,000 metric tons per year by 2017, as the renewable resources procured and developed by the Authority would displace incremental production from natural gas fueled power plants.
- The projected range of greenhouse gas emissions reductions represents between 5.6% and 10% of the Marin Communities' current total greenhouse gas emissions.

Proposed Resource Mix (2010 and 2017)

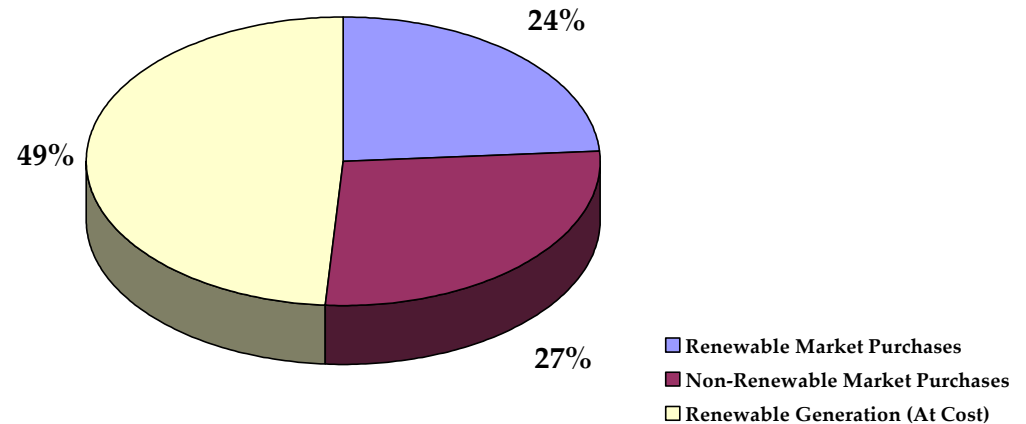
Marin Power Authority 2010 Resource Mix



- In 2010, the Marin Power Authority would procure 25% of its renewable energy supply through a contract with an experienced, financially sound energy supplier (similar to the SJVPA).
- Remaining energy needs would be supplied through highly efficient, conventional generating resources.

- In 2017, the Marin Power Authority would supply 24% of its energy requirements from a new renewable generating asset financed with tax-exempt bonds.
- An additional 27% of the Authority's energy needs would be supplied through renewable energy purchases from incremental contracts with local suppliers or market purchases.

Marin Power Authority 2017 Resource Mix



A Phased Implementation Approach Is Recommended

- The Marin Power Authority would utilize a phased implementation approach to allow for any potential billing, settlement or cash flow problems to be addressed while the actual number of accounts and revenue requirements are small relative to full scale operations.
- At full implementation, the Program is projected to serve approximately 116,000 retail customers.
- The proposed phasing approach is as follows:

PHASE	START	ELIGIBILITY	CUSTOMER ACCOUNTS	PROJECTED OPT OUT RATE	TOTAL ENERGY SUPPLY (GWH)
Phase 1	January 2009	Municipal Accounts	585	0%	7 (Jan-Apr 2009)
Phase 2	May 2009	Commercial and Industrial Accounts	1,236	10%	271 (May-Dec 2009)
Phase 3	January 2010	All Others	114,300	10%	1,290 (2010 CY)

Proposed Timeline for Program Implementation

ACTIVITY	TIMELINE
Complete Business Plan	December 2007
Complete JPA Agreement, Program Agreement and Implementation Plan	February-March 2008
Commencement of the Authority	April 2008
File Implementation Plan with CPUC	Early May 2008
Issue Supplier Request for Bids and Select Supplier	May-June 2008
Final Go/No Go Decision & CPUC Registration	June-July 2008
Go live Phase 1	January 2009

Questions, Comments & Discussion

Questions?

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