ADDENDUM NO. 2 TO THE COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT TO ADDRESS MBCP EXPANSION TO THE FOLLOWING COMMUNITIES: THE CITIES OF ARROYO GRANDE, CARPINTERIA, DEL REY OAKS, GOLETA, GROVER BEACH, GUADALUPE, PASO ROBLES, PISMO BEACH, SANTA MARIA, SOLVANG, AND THE UNINCORPORATED AREAS WITHIN SANTA BARBARA COUNTY

DECEMBER 4, 2019
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CHAPTER 1 – Introduction & Statement of Intent

The purpose of this document is to make certain revisions to the Monterey Bay Community Power Authority (“MBCP” or the “Authority”) Implementation Plan and Statement of Intent (“Implementation Plan”) in order to address the expansion of MBCP to the cities of Arroyo Grande, Carpinteria, Del Rey Oaks, Goleta, Grover Beach, Guadalupe, Paso Robles, Pismo Beach, Santa Maria and Solvang as well as the unincorporated areas of Santa Barbara County (the “Expansion Communities”, which are located throughout the region in certain portions of Monterey, San Luis Obispo and Santa Barbara counties). MBCP is a public agency currently serving the counties of Monterey, Santa Cruz and San Benito as well as portions of San Luis Obispo County. The Authority was formed to implement a Community Choice Aggregation (“CCA”) program (the “Program”), a business model that is also referred to by the Authority as Community Choice Energy (“CCE”). At the time of initial service commencement, the Member Agencies of MBCP included the counties of Monterey, Santa Cruz and San Benito as well as the cities of Santa Cruz, Watsonville, Salinas, Monterey, Pacific Grove, Carmel, Seaside, Marina, Sand City, Soledad, Greenfield, Gonzales, Hollister, San Juan Bautista, Scotts Valley, Capitola (together, the “Members” or “Member Agencies”). In anticipation of CCA program implementation and in compliance with state law, MBCP submitted its Implementation Plan to the California Public Utilities Commission (“CPUC” or “Commission”) on August 16, 2017, and it was subsequently certified by the CPUC on November 15, 2017. Consistent with its expressed intent, MBCP successfully launched the Program on March 1, 2018 and now serves approximately 272,000 accounts, including a combination of residential and commercial customers.

After successfully launching its CCE Program, MBCP’s Governing Boards subsequently approved the respective membership requests of the cities of Morro Bay and San Luis Obispo and on December 5, 2018, via Resolution No. PB-2018-08, adopted and authorized submittal of Addendum No. 1 to MBCP’s Community Choice Aggregation Implementation Plan and Statement of Intent (“Addendum No. 1”), which addressed prospective service delivery within the aforementioned cities of Morro Bay and San Luis Obispo. On December 7, 2018, MBCP staff submitted Addendum No. 1 to the CPUC (for certification). Addendum No. 1 was subsequently certified by the CPUC on March 7, 2019. As reflected in Addendum No. 1, service is expected to commence within the cities of Morro Bay and San Luis Obispo in January 2020.

Following certification of Addendum No. 1, MBCP has received membership inquiries from numerous communities and recently approved membership requests of the Expansion Communities. On December 4, 2019, via Resolution No. PB-2019-005, MBCP adopted and authorized submittal of Addendum No. 2 to MBCP’s Community Choice Aggregation Implementation Plan and Statement of Intent (“Addendum No. 2”), which addresses prospective service delivery within the Expansion Communities.
According to the Commission, the Energy Division is required to receive and review a revised MBCP implementation plan reflecting changes/consequences that are expected to result from the inclusion of additional members. With this in mind, MBCP has reviewed its Implementation Plan, which was filed with the Commission on August 16, 2017, as well as Addendum No. 1, which was filed with the Commission on December 7, 2018, and has identified certain information that requires updating to reflect the changes and consequences of adding the Expansion Communities. This Addendum No. 2 also reflects certain updated projections that are considerate of MBCP’s recent operating history. The contents of this document, including references to MBCP’s August 16, 2017 Implementation Plan and December 7, 2018 Addendum No. 1, which are incorporated by reference and attached hereto as Appendices D and E, respectively, address all requirements identified in Public Utilities Code Section 366.2(c)(4), including universal access, reliability, equitable treatment of all customer classes and any requirements established by state law or by the CPUC concerning aggregated service, while streamlining public review of pertinent changes related to MBCP’s anticipated expansion.

1 MBCP’s governance is conducted via two distinct governing bodies: The Policy Board, which retains responsibility for policy-related direction and decisions pertaining to MBCP’s organization; and the Operations Board, which provides guidance to management regarding operational matters as well as related recommendations to the Policy Board. With regard to approval of the noted membership requests, the Policy Board, consistent with its designated authorities, provided approval of such requests on the noted date.
CHAPTER 2 – Changes to Address MBCP Service Extension to the Expansion Communities

This Addendum No. 2 addresses the anticipated impacts of MBCP’s planned expansion to the Expansion Communities, as well as other forecast modifications reflecting MBCP’s recent operating history. As a result of these member additions, certain assumptions regarding MBCP’s future operations have changed, including customer energy requirements, peak demand, renewable energy purchases, revenues, expenses and various other items. In addition, Addendum No. 2 contemplates the commencement of CCE service within additional communities currently served by Pacific Gas & Electric (“PG&E”) as well as other communities taking bundled service from Southern California Edison (“SCE”). As such, prior references (in both MBCP’s Implementation Plan and Addendum No. 1) to the incumbent utility, distribution utility, investor-owned utility or other similar reference should be interpreted as meaning both PG&E and SCE for purposes of this Addendum No. 2, as MBCP intends to serve customers located within the service territories of both IOUs. The following section highlights pertinent changes related to MBCP’s planned expansion. To the extent that other details related to membership expansion are not specifically discussed within this Addendum No. 2, MBCP represents that such information has not substantively changed relative to the August 16, 2017 Implementation Plan and December 7, 2018 Addendum No. 1.

With regard to the defined terms Members and Member Agencies, the following communities are now signatories to the MBCP Joint Powers Agreement and represent MBCP’s current membership:
Throughout this document, use of the terms Members and Member Agencies make reference to the aforementioned Communities. To the extent that this narrative addresses the process of aggregation and MBCP organization, each of these communities is now an MBCP Member and the electric customers within such jurisdictions have been or will be offered CCA service consistent with the noted phase-in schedule.
**Aggregation Process**

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

Customers enrolled in the Program will continue to have their electric meters read by and receive billing statements for electric service from their respective distribution utility (PG&E or SCE, as appropriate, depending upon the geographic area in which such customer takes electric service). The electric bills for Program customers will show separate charges for generation procured on behalf of participating customers by the Program and all other charges related to the delivery of such electricity, as well as other utility charges, assessed by the distribution utility.

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

**Program Phase-In**

MBCP will continue to phase-in the customers of its CCA Program as communicated in this Implementation Plan. To date, two phases have been successfully implemented with a third phase of customer enrollments scheduled to commence in January 2020 and a fourth phase scheduled to commence in January 2021.

- **Phase 1. Complete, March 2018:** All commercial, industrial and agricultural customers, which comprised approximately 65 percent of total customer load.
- **Phase 2. Complete, July 2018:** Approximately 235,000 additional customers, comprised of residential accounts, which approximated 35 percent of total customer load.
Phase 3. Planned, January 2020: Approximately 30,000 residential, commercial, industrial, agricultural, and street lighting accounts within the cities of San Luis Obispo and Morro Bay, with exact timing subject to economic and operational constraints.

Phase 4. Planned, January 2021: Residential, commercial, industrial, agricultural, and street lighting accounts within the Expansion Communities, with exact timing subject to economic and operational constraints.

The multi-phase implementation approach has provided MBCP with the ability to start slow, addressing any problems and unforeseen challenges of a small manageable program before gradually building to full program implementation (with an expected customer base of approximately 437,000 accounts), following service commencement to customers within the cities of San Luis Obispo and Morro Bay as well as the Expansion Communities. This approach has also allowed MBCP and its energy suppliers to address all system requirements (billing, collections, payments, etc.) under a phase-in plan that was designed to minimize potential exposure to uncertainty and financial risk by systematically building operational experience with a subset of total accounts before enrolling the majority of MBCP’s prospective customers as well as subsequent phases related to MBCP’s expanded membership.

Sales Forecast
With regard to MBCP’s sales forecast, which is addressed in Chapter 6, Load Forecast and Resource Plan, MBCP assumes that total annual retail sales will increase to approximately 3,200 GWh following Phase 3 expansion and further increase to approximately 5,100 GWh following Phase 4 expansion. The following tables have been updated to reflect the impacts of planned expansion to MBCP’s new membership.
CHAPTER 6, Resource Plan Overview

Monterey Bay Community Power
Proposed Resource Plan
(GWH)
2018 to 2027

<table>
<thead>
<tr>
<th>MBCP Demand (GWh)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Demand</td>
<td>-2,320</td>
<td>-3,024</td>
<td>-3,228</td>
<td>-5,066</td>
<td>-5,152</td>
<td>-5,172</td>
<td>-5,192</td>
<td>-5,212</td>
<td>-5,232</td>
<td>-5,252</td>
</tr>
<tr>
<td>Distributed Generation</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>6</td>
<td>8</td>
<td>9</td>
<td>11</td>
<td>13</td>
<td>15</td>
<td>17</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>21</td>
<td>26</td>
<td>31</td>
<td>36</td>
</tr>
<tr>
<td>Losses and UFE</td>
<td>-139</td>
<td>-181</td>
<td>-193</td>
<td>-303</td>
<td>-308</td>
<td>-309</td>
<td>-310</td>
<td>-310</td>
<td>-311</td>
<td>-312</td>
</tr>
<tr>
<td>Total Demand</td>
<td>-2,459</td>
<td>-3,204</td>
<td>-3,417</td>
<td>-5,358</td>
<td>-5,443</td>
<td>-5,456</td>
<td>-5,470</td>
<td>-5,483</td>
<td>-5,497</td>
<td>-5,511</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MBCP Supply (GWh)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Renewable Resources</td>
<td>696</td>
<td>998</td>
<td>1,128</td>
<td>1,908</td>
<td>2,079</td>
<td>2,226</td>
<td>2,374</td>
<td>2,518</td>
<td>2,663</td>
<td>2,807</td>
</tr>
<tr>
<td>Total Carbon-Free Resources</td>
<td>1,763</td>
<td>2,207</td>
<td>2,289</td>
<td>3,450</td>
<td>3,363</td>
<td>3,230</td>
<td>3,096</td>
<td>2,966</td>
<td>2,835</td>
<td>2,703</td>
</tr>
<tr>
<td>Total Supply</td>
<td>2,459</td>
<td>3,204</td>
<td>3,417</td>
<td>5,358</td>
<td>5,443</td>
<td>5,456</td>
<td>5,470</td>
<td>5,483</td>
<td>5,497</td>
<td>5,511</td>
</tr>
<tr>
<td>Energy Open Position (GWh)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
</tbody>
</table>

CHAPTER 6, Customer Forecast

Monterey Bay Community Power
Enrolled Retail Service Accounts
Phase-In Period (End of Month)

<table>
<thead>
<tr>
<th>MBCP Customers</th>
<th>Mar-18</th>
<th>Jul-18</th>
<th>Jan-20</th>
<th>Jan-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>&lt;15</td>
<td>232,859</td>
<td>261,201</td>
<td>373,627</td>
</tr>
<tr>
<td>Commercial</td>
<td>31,685</td>
<td>31,685</td>
<td>35,371</td>
<td>52,414</td>
</tr>
<tr>
<td>Industrial</td>
<td>37</td>
<td>37</td>
<td>26</td>
<td>58</td>
</tr>
<tr>
<td>Street Lighting &amp; Traffic</td>
<td>2,211</td>
<td>2,211</td>
<td>2,393</td>
<td>3,443</td>
</tr>
<tr>
<td>Ag &amp; Pumping</td>
<td>4,819</td>
<td>4,819</td>
<td>4,566</td>
<td>6,991</td>
</tr>
<tr>
<td>Total</td>
<td>38,752</td>
<td>271,611</td>
<td>303,557</td>
<td>436,533</td>
</tr>
</tbody>
</table>
### CHAPTER 6, Sales Forecast

#### Monterey Bay Community Power

**Energy Requirements (GWh)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Retail Demand</th>
<th>Distributed Generation</th>
<th>Energy Efficiency</th>
<th>Losses and UFE</th>
<th>Total Load Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2,320</td>
<td>0</td>
<td>0</td>
<td>139</td>
<td>2,459</td>
</tr>
<tr>
<td>2019</td>
<td>3,024</td>
<td>-1</td>
<td>0</td>
<td>181</td>
<td>3,204</td>
</tr>
<tr>
<td>2020</td>
<td>3,228</td>
<td>-4</td>
<td>0</td>
<td>193</td>
<td>3,417</td>
</tr>
<tr>
<td>2021</td>
<td>5,066</td>
<td>-6</td>
<td>0</td>
<td>303</td>
<td>5,308</td>
</tr>
<tr>
<td>2022</td>
<td>5,152</td>
<td>-8</td>
<td>0</td>
<td>308</td>
<td>5,443</td>
</tr>
<tr>
<td>2023</td>
<td>5,172</td>
<td>-9</td>
<td>0</td>
<td>309</td>
<td>5,470</td>
</tr>
<tr>
<td>2024</td>
<td>5,192</td>
<td>-11</td>
<td>0</td>
<td>310</td>
<td>5,483</td>
</tr>
<tr>
<td>2025</td>
<td>5,212</td>
<td>-13</td>
<td>0</td>
<td>311</td>
<td>5,497</td>
</tr>
<tr>
<td>2026</td>
<td>5,232</td>
<td>-15</td>
<td>0</td>
<td>312</td>
<td>5,511</td>
</tr>
<tr>
<td>2027</td>
<td>5,252</td>
<td>-17</td>
<td>0</td>
<td>312</td>
<td></td>
</tr>
</tbody>
</table>

**RPS Requirements and Program Renewable Energy Targets (MWh)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Retail Sales</th>
<th>Annual RPS Target (Minimum MWh)</th>
<th>% of Current Year Retail Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2,320,000</td>
<td>672,800</td>
<td>29%</td>
</tr>
<tr>
<td>2019</td>
<td>3,023,018</td>
<td>937,136</td>
<td>31%</td>
</tr>
<tr>
<td>2020</td>
<td>3,223,949</td>
<td>1,063,903</td>
<td>33%</td>
</tr>
<tr>
<td>2021</td>
<td>5,054,761</td>
<td>1,809,604</td>
<td>36%</td>
</tr>
<tr>
<td>2022</td>
<td>5,134,487</td>
<td>1,976,778</td>
<td>39%</td>
</tr>
<tr>
<td>2023</td>
<td>5,147,324</td>
<td>2,125,645</td>
<td>41%</td>
</tr>
<tr>
<td>2024</td>
<td>5,160,192</td>
<td>2,270,494</td>
<td>43%</td>
</tr>
<tr>
<td>2025</td>
<td>5,173,092</td>
<td>2,415,834</td>
<td>45%</td>
</tr>
<tr>
<td>2026</td>
<td>5,186,025</td>
<td>2,556,710</td>
<td>47%</td>
</tr>
<tr>
<td>2027</td>
<td>5,198,990</td>
<td>2,703,475</td>
<td>49%</td>
</tr>
</tbody>
</table>

**Voluntary Margin of Overprocurement (MWh)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Voluntary Margin of Overprocurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>23,200</td>
</tr>
<tr>
<td>2019</td>
<td>60,460</td>
</tr>
<tr>
<td>2020</td>
<td>64,479</td>
</tr>
<tr>
<td>2021</td>
<td>98,568</td>
</tr>
<tr>
<td>2022</td>
<td>102,490</td>
</tr>
<tr>
<td>2023</td>
<td>105,373</td>
</tr>
<tr>
<td>2024</td>
<td>108,206</td>
</tr>
<tr>
<td>2025</td>
<td>110,930</td>
</tr>
<tr>
<td>2026</td>
<td>113,765</td>
</tr>
<tr>
<td>2027</td>
<td>116,500</td>
</tr>
</tbody>
</table>

*Net of Energy Efficiency and Distributed Generation

### CHAPTER 6, Renewables Portfolio Standards Energy Requirements

#### Monterey Bay Community Power

**RPS Requirements (MWh)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Retail Sales</th>
<th>Annual Procurement Target</th>
<th>% of Current Year Retail Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2,320,000</td>
<td>672,800</td>
<td>29%</td>
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<td>2027</td>
<td>5,198,990</td>
<td>2,703,475</td>
<td>49%</td>
</tr>
</tbody>
</table>

*Net of Energy Efficiency and Distributed Generation*
MBCP notes that its internally adopted renewable energy procurement targets reflect certain margins of over-procurement in excess of currently applicable RPS mandates. As such, MBCP should have some protection against compliance shortfalls if planned renewable energy deliveries do not occur as originally expected. MBCP management will continue to evaluate the sufficiency of such margins, relative to actual renewable energy deliveries, to ensure the adequacy of its renewable energy supply in meeting RPS mandates and will coordinate with its Governing Boards regarding related policy changes if adjustments to such margins are deemed necessary to ensure RPS compliance.

CHAPTER 6, Capacity Requirements

<table>
<thead>
<tr>
<th>Monterey Bay Community Power</th>
<th>Capacity Requirements (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Demand (MW)</td>
<td></td>
</tr>
<tr>
<td>Retail Demand</td>
<td>495</td>
</tr>
<tr>
<td>Distributed Generation</td>
<td>(1)</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>-</td>
</tr>
<tr>
<td>Losses and UFE</td>
<td>30</td>
</tr>
<tr>
<td>Total Net Peak Demand</td>
<td>525</td>
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<tr>
<td>Reserve Requirement (%)</td>
<td>15%</td>
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<tr>
<td>Capacity Reserve Requirement</td>
<td>79</td>
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<tr>
<td>Expansion Related Incremental Requirement</td>
<td>-</td>
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<tr>
<td>Capacity Requirement Including Reserve</td>
<td>603</td>
</tr>
</tbody>
</table>

Financial Plan

With regard to MBCP’s financial plan, which is addressed in Chapter 7, Financial Plan, MBCP has updated its expected operating results, which now include projected impacts related to service expansion within MBCP’s new member Communities. The following table reflects updated operating projections in consideration of these planned expansions.
# CHAPTER 7, CCA Program Operating Results

## Monterey Bay Community Power
Summary of CCA Program Startup and Phase-In
(FY 2018 through FY 2027)

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>I. REVENUES FROM OPERATIONS ($)</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>ELECTRIC SALES REVENUE</td>
<td>117,704,585</td>
<td>233,866,635</td>
<td>257,427,697</td>
<td>325,870,494</td>
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<td>387,885,544</td>
<td>356,013,151</td>
<td>359,204,647</td>
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<td>50,957,776</td>
<td>6,798,708</td>
<td>22,816,207</td>
<td>(2,592,001)</td>
<td>(1,041,402)</td>
<td>788,671</td>
<td>850,792</td>
<td>865,231</td>
<td>175,203,776</td>
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<td>TOTAL COST AND OPERATING RESERVE</td>
<td>117,097,905</td>
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## Monterey Bay Community Power
Reserves Summary
(FY 2018 through FY 2027)

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<th>2020</th>
<th>2021</th>
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### Expansion Addendum Appendices

- **Appendix 1:** Monterey Bay Community Power Authority Resolution PB-2019-04
- **Appendix 2:** Second Amendment to Monterey Bay Community Power Authority Joint Powers Agreement
- **Appendix 3:** Member Ordinances of the Expansion Communities
- **Appendix 4:** Member Resolutions of the Expansion Communities
- **Appendix 5:** Addendum No. 1 to MBCP’s Implementation Plan and Statement of Intent
- **Appendix 6:** Monterey Bay Community Power Authority Resolution PB-2019-05
Appendix 1
RESOLUTION NO. PB-2019-04

A RESOLUTION OF THE MONTERY BAY COMMUNITY POWER AUTHORITY POLICY BOARD OF DIRECTORS APPROVING SECOND AMENDMENT TO ITS JOINT POWERS AGREEMENT TO ADD THE COUNTY OF SANTA BARBARA AND THE CITIES OF DEL REY OAKS, PASO ROBLES, PISMO BEACH, GROVER BEACH, ARROYO GRANDE, SANTA MARIA, GUADALUPE, GOLETA, CARPINTERIA, AND SOLVANG AS PARTIES

WHEREAS, the Monterey Bay Community Power Authority ("Authority") was formed on February 21, 2017 pursuant to a Joint Exercise of Powers Agreement ("Agreement") to study, promote, develop, conduct, operate, and manage energy programs in the Tri-County region of Santa Cruz, Monterey and San Benito Counties; and

WHEREAS, on December 5, 2018, the Policy Board approved Resolution No. PB-2018-07 approving Amendment No. 1 to the Agreement to include the Cities of Morro Bay and San Luis Obispo; and

WHEREAS, the County of Santa Barbara and the Cities of Del Rey Oaks, Paso Robles, Pismo Beach, Grover Beach, Arroyo Grande, Santa Maria, Guadalupe, Goleta, Carpinteria, and Solvang have each adopted an ordinance to form a community choice aggregation program and adopted a resolution whereby their respective Boards or City Councils have requested to become parties to the Agreement and participate in the Authority's community choice aggregation program; and;

WHEREAS, the requests from the County of Santa Barbara and the Cities of Del Rey Oaks, Paso Robles, Pismo Beach, Grover Beach, Arroyo Grande, Santa Maria, Guadalupe, Goleta, Carpinteria, and Solvang each requires an amendment to the Agreement; and

WHEREAS, Section 7.4 of the Agreement authorizes the Policy Board by a two-thirds vote to amend the Agreement after providing notice to all parties to the Agreement of the amendment and its effective date, which notice has been duly given; and

WHEREAS, this resolution and amendment of the Agreement is exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines, as it is not a "project" because it involves only the organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal. Code Regs. §15378 (b)(5).) Further the resolution is exempt from CEQA, as there is no possibility that the resolution or its implementation would have a significant effect on the environment (14 Cal. Code Regs § 15061 (b)(3).) The resolution is also categorically exempt because it is an action taken by a regulatory agency to assure the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. §15308). The Authority will cause a Notice of Exemption to be filed as authorized by CEQA and the CEQA guidelines.

WHEREAS, the Authority wishes to amend the Agreement to add the County of Santa Barbara and the Cities of Del Rey Oaks, Paso Robles, Pismo Beach, Grover Beach, Arroyo Grande, Santa Maria, Guadalupe, Goleta, Carpinteria, and Solvang as parties.

NOW, THEREFORE, THE MONTERY BAY COMMUNITY POWER AUTHORITY POLICY BOARD OF DIRECTORS DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:
1. The requests by the County of Santa Barbara and the Cities of Del Rey Oaks, Paso Robles, Pismo Beach, Grover Beach, Arroyo Grande, Santa Maria, Guadalupe, Goleta, Carpinteria, and Solvang to become parties to the Joint Exercise of Powers Agreement and members of Monterey Bay Community Power Authority are hereby approved subject to these counties’ and cities’ execution of the Joint Exercise of Powers Agreement as amended.

2. The Second Amendment to the Monterey Bay Community Power Authority Joint Exercise of Powers Agreement; and is attached hereto as Attachment A is hereby approved.

3. This Resolution takes effect immediately upon adoption.

PASSED AND ADOPTED this fourth day of December 2019 by the following vote:

AYES: 9
NOES: 0
ABSENT: 3

Approved as to form:

Chair, Operations Board of MBCP

Board Clerk, Heather Vowell
SECOND AMENDMENT TO MONTEREY BAY COMMUNITY POWER AUTHORITY JOINT EXERCISE OF POWERS AGREEMENT

This Second Amendment amends the Monterey Bay Community Power Authority Joint Exercise of Powers Agreement ("Agreement") as follows:

1. The title to the Agreement is hereby amended to read:

   JOINT EXERCISE OF POWERS AGREEMENT RELATING TO AND CREATING THE

   Monterey Bay Community Power Authority OF
   Monterey, Santa Cruz, San Benito, and Santa Barbara Counties and Certain Cities in
   San Luis Obispo County

2. The introductory paragraph to the Agreement is hereby amended to read:

   This Joint Exercise of Powers Agreement, effective on the date determined by Section 2.1, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the Parties set forth in Exhibit B, establishes the Monterey Bay Community Power Authority ("Authority"), and is by and among the Counties of Monterey, Santa Cruz, San Benito, and Santa Barbara who become signatories to this Agreement ("Counties") and those cities and towns within the Counties of Monterey, Santa Cruz, San Benito, Santa Barbara, and San Luis Obispo who become signatories to this Agreement and relates to the joint exercise of powers among the signatories hereto.

3. Recital C (a) to the Agreement is hereby amended to read:

   a. Reducing greenhouse gas emissions related to the use of power in Monterey, Santa Cruz, San Benito, Santa Barbara, and San Luis Obispo Counties and neighboring regions;

4. Recital C (c) to the Agreement is hereby amended to read:

   (c) Carrying out programs to facilitate electrifying the transportation, public infrastructure, and building sectors to reduce reliance on fossil fuels and reduce greenhouse gas emissions;

5. Recital C (d) to the Agreement is hereby amended to read:

   (d) Stimulating and sustaining the local economy by lowering electric generation charges and creating local jobs as a result of MBCP’s CCE program; and

6. Recital D to the Agreement is hereby amended to read:

   It is the intent of this Agreement to promote the development and use of a wide range
of renewable energy sources an energy programs, including but not limited to solar, wind, and geothermal energy production. The purchase of renewable power sources will be the desired approach to decrease regional greenhouse gas emissions and accelerate the State’s transition to clean power resources to the extent feasible.

a. It is further desired to establish a long-term energy portfolio that prioritizes the use and development of State, local and regional renewable resources and carbon free resources.

b. In compliance with State law and in alignment with the Authority’s desire to stimulate the development of renewable power, the Authority shall draft an Integrated Resource Plan that includes a range of regional renewable development potential in the California Central Coast Region and plans to incorporate local power into its energy portfolio as technically and economically feasible.

7. Recital F to the Agreement is hereby amended to delete the word “first” from the second sentence.

8. Section 3.1.1 of the Agreement is hereby amended to read:

3.1.1 Both Boards shall consist of the four Counties of Monterey, Santa Cruz, San Benito, or Santa Barbara that become a signatory to the Agreement, and Directors representing any of the Cities or Towns, which are members of the Authority, within the five Counties of Monterey, Santa Cruz, San Benito, Santa Barbara, or San Luis Obispo (“Directors”). Each Director shall serve at the pleasure of the governing board of the Party who appointed such Director and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant.

9. Section 3.1.4 of the Agreement is hereby amended to read:

3.1.4 Board seats will be allocated under the following formulas. Policy and Operations Board seats for those jurisdictions that pass a CCA ordinance by February 28, 2017 (“Initial Participants”) will be allocated on a one jurisdiction, one seat basis until such time as the number of member jurisdictions exceeds eleven. Once the JPA reaches more than eleven member agencies, the Policy and Operations Boards’ composition shall shift to a regional allocation based on population size. This allocation shall be one seat for each jurisdiction with a population of 50,000 and above, and shared seats for jurisdictions with populations below 50,000 allocated on a sub-regional basis, as set forth in Exhibit C. Notwithstanding the above, the County of San Benito shall be allotted one seat.

10. Section 3.1.5 of the Agreement is hereby amended to read:

3.1.5 Shared board seats, as set forth in Exhibit C, Regional Allocation, shall have a term of two years and will be determined either by agreement among the parties sharing the seat or through the City Selection Committee in the respective County. Following appointment, either by agreement or by the City Selection Committee, Directors may be
reappointed and serve multiple terms. In the event the addition of new parties requires that an established board seat transition to a shared seat, or that a shared seat expand to include new parties, the sitting Director will automatically be the first representative for that shared seat to ensure continuity and maintain experience.

11. Section 3.5 of the Agreement is hereby amended at the last sentence to replace the word “remboursement” with “reimbursement.” Section 3.5 of the Agreement is hereby amended at the last sentence to replace the word “expanse” with “expenses.”

12. Section 5.3.4 of the Agreement is hereby deleted in its entirety.

13. Exhibit B, List of Parties, to the Agreement is hereby amended to add the County of Santa Barbara and the Cities of Del Rey Oaks, Paso Robles, Pismo Beach, Grover Beach, Arroyo Grande, Santa Maria, Solvang, Guadalupe, Goleta, and Carpinteria.

14. Exhibit C, Regional Allocation, to the Agreement is hereby amended at subsection iv to read:
   iv. One seat for Santa Barbara County

15. Exhibit C, Regional Allocation, to the Agreement is hereby amended to renumber previous subsections iv, v, and vi as subsections v, vi, and vii.

16. Exhibit C, Regional Allocation, to the Agreement is hereby amended at subsection vii to read:
   iv. One seat for the City of Santa Maria

17. Exhibit C, Regional Allocation, to the Agreement is hereby amended to renumber previous subsections vii, viii, ix, x, xi, and, xii as subsections ix, x, xi, xii, xiii, and xiv.

18. Exhibit C, Regional Allocation, to the Agreement is hereby amended at previous subsection ix, now new subsection xi to read:
   xi. One shared seat for Monterey Coastal cities, including Marina, Seaside, Sand City, and Del Rey Oaks selected by the City Selection Committee;

19. Exhibit C, Regional Allocation, to the Agreement is hereby amended at previous subsection xii, now new subsection xiv to read:
   xiv. One shared seat for the Cities of San Luis Obispo, Morro Bay, and Paso Robles selected by agreement or the City Selection Committee; and

20. Exhibit C, Regional Allocation, to the Agreement is hereby amended to add new subsections xv, xvi, and xvii to read:

   xv. One shared seat for the Cities of Pismo Beach, Grover Beach, and Arroyo Grande selected by agreement or the City Selection Committee.
   xvi. One shared seat for the Cities of Guadalupe and Solvang selected by agreement or
xvii. One shared seat for the Cities of Goleta and Carpinteria selected by agreement or the City Selection Committee.

This Second Amendment to the Monterey Bay Community Power Authority Joint Exercise of Powers Agreement was duly adopted by the Policy Board of Directors in accordance with Section 7.4 of this Agreement on December 4, 2019 through Resolution No. PB-2019-04.
Appendix 2
This Joint Exercise of Powers Agreement, effective on the date determined by Section 2.1, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the Parties set forth in Exhibit B, establishes the Monterey Bay Community Power Authority (“Authority”), and is by and among the Counties of Monterey, Santa Cruz, San Benito, and Santa Barbara who become signatories to this Agreement (“Counties”) and those cities and towns within the Counties of Monterey, Santa Cruz, San Benito, Santa Barbara, and San Luis Obispo who become signatories to this Agreement and relates to the joint exercise of powers among the signatories hereto.

RECITALS

A. The Parties share various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions.

B. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB
32 which will require local governments to develop programs to reduce greenhouse gas emissions.

C. The purposes for entering into this Agreement include:

a. Reducing greenhouse gas emissions related to the use of power in Monterey, Santa Cruz, San Benito, Santa Barbara, and San Luis Obispo Counties and neighboring regions;

b. Providing electric power and other forms of energy to customers at affordable rates that are competitive with the incumbent utility;

c. Carrying out programs to facilitate electrifying the transportation, public infrastructure, and the building sectors to reduce reliance on fossil fuels and thus reduce greenhouse gas emissions;

d. Stimulating and sustaining the local economy by lowering electric generation charges and creating local jobs as a result of MBCP’s CCE program; and

e. Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources.

D. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy programs, including but not limited to solar, wind, and geothermal energy production. The purchase of renewable power sources will be the desired approach to decrease regional greenhouse gas emissions and accelerate the State’s transition to clean power resources to the extent feasible.

a. It is further desired to establish a long-term energy portfolio that prioritizes the use and development of State, local and regional renewable resources and carbon free resources.

b. In compliance with State law and in alignment with the Authority’s desire
to stimulate the development of renewable power, the Authority shall draft an Integrated Resource Plan that includes a range of regional renewable development potential in the California Central Coast Region and plans to incorporate local power into its energy portfolio as technically and economically feasible.

E. The Parties desire to establish a separate public Authority, known as the Monterey Bay Community Power Authority, under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”) in order to collectively study, promote, develop, conduct, operate, and manage energy programs.

F. The Parties anticipate adopting an ordinance electing to implement through the Authority a common Community Choice Aggregation (CCA) program, an electric service enterprise available to cities and counties pursuant to California Public Utilities Code Sections 331.1(c) and 366.2. The priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1: DEFINITIONS AND EXHIBITS

1.1. Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A unless the context requires otherwise.

1.2. Documents Included. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

   Exhibit A: Definitions
   Exhibit B: List of the Parties
   Exhibit C: Regional Allocations
ARTICLE 2: FORMATION OF MONTEREY BAY COMMUNITY POWER AUTHORITY

2.1. **Effective Date and Term.** This Agreement shall become effective and “Monterey Bay Community Power Authority” shall exist as a separate public Authority on the date that this Agreement is executed by at least three Initial Participants from the Counties of Monterey, Santa Cruz, and San Benito and the municipalities within those counties, after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 6.4, subject to the rights of the Parties to withdraw from the Authority.

2.2. **Formation.** There is formed as of the Effective Date a public Authority named the Monterey Bay Community Power Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public Authority separate from the Parties. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 7.4 of this Agreement, this Section 2.2 may not be amended unless such amendment is approved by the governing board of each Party.

2.3. **Purpose.** The purpose of this Agreement is to establish an independent public Authority in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties
intend for this Agreement to be used as a contractual mechanism by which the Parties are authorized to participate in the CCA Program, as further described in Section 4.1. The Parties intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program and any other energy programs approved by the Authority.

2.4. **Powers.** The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 3.7 through 3.7.1:

2.4.1. to make and enter into contracts;

2.4.2. to employ agents and employees, including but not limited to a Chief Executive Officer;

2.4.3. to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;

2.4.4. to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property; however, the Authority shall not exercise the power of eminent domain within the jurisdiction of a Party without approval of the affected Party’s governing board;

2.4.5. to lease any property;

2.4.6. to sue and be sued in its own name;

2.4.7. to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing
powers such as Government Code Sections 53850 et seq. and authority under the Act;

2.4.8. to form subsidiary or independent corporations or entities if necessary, to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;

2.4.9. to issue revenue bonds and other forms of indebtedness;

2.4.10. to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;

2.4.11. to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;

2.4.12. to adopt Operating Rules and Regulations;

2.4.13. to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services; and

2.4.14. to permit additional Parties to enter into this Agreement after the Effective Date and to permit another entity authorized to be a community choice aggregator to designate the Authority to act as the community choice aggregator on its behalf.

2.5. Limitation on Powers. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the City of Santa Cruz and any other restrictions on exercising the powers of the authority that may be adopted by the board.
2.6. **Compliance with Local Zoning and Building Laws and CEQA.** Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act (“CEQA”).

**ARTICLE 3: GOVERNANCE AND INTERNAL ORGANIZATION**

3.1. **Boards of Directors.** The governing bodies of the Authority shall consist of a Policy Board of Directors (“Policy Board”) and an Operations Board of Directors (“Operations Board”).

3.1.1. Both Boards shall consist of Directors representing any of the four Counties of Monterey, Santa Cruz, San Benito, or Santa Barbara that become a signatory to the Agreement, and Directors representing any of the Cities or Towns, which are members of the Authority, within the five Counties of Monterey, Santa Cruz, San Benito, Santa Barbara, or San Luis Obispo (“Directors”). Each Director shall serve at the pleasure of the governing board of the Party who appointed such Director and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant.

3.1.2. Policy Board Directors must be elected members of the Board of Supervisors or elected members of the City or Town Council of the municipality that is the signatory to this Agreement. Jurisdictions may appoint an alternate to serve in the absence of its Director on the Policy Board. Alternates for the Policy Board must be members of the Board of Supervisors or members of the governing board of the municipality that is the signatory to this Agreement.
3.1.3. Operations Board Directors must be the senior executive/County Administrative Officer of any County that is the signatory to this Agreement, or senior executive/City Manager from any municipality that is the signatory to this Agreement. Jurisdictions may appoint an alternate to serve in the absence of its Director on the Operations Board. Alternates for the Operations Board must be administrative managers of the County or administrative managers of the governing board of the municipality that is the signatory to this Agreement.

3.1.4. Board seats will be allocated under the following formulas. Policy and Operations Board seats for those jurisdictions that pass a CCA ordinance by February 28, 2017 (“Initial Participants”) will be allocated on a one jurisdiction, one seat basis until such time as the number of member jurisdictions exceeds eleven. Once the JPA reaches more than eleven-member agencies, the Policy and Operations Boards’ composition shall shift to a regional allocation based on population size. This allocation shall be one seat for each jurisdiction with a population of 50,000 and above, and shared seats for jurisdictions with populations below 50,000 allocated on a sub-regional basis, as set forth in Exhibit C. Notwithstanding the above, the County of San Benito shall be allotted one seat.

3.1.5. Shared board seats, as set forth in Exhibit C, Regional Allocation shall have a term of two years and will be determined either by agreement among the parties sharing the seat or through the City Selection Committee in the respective County. Following appointment, either by agreement or by the City Selection Committee, Directors may be reappointed and serve multiple terms. In the event the addition of new parties requires that an established board seat transition to a shared seat or that a shared seat expand to include new parties, the sitting Director
will automatically be the first representative for that shared seat to ensure continuity and maintain experience.

3.2. **Quorum.** A majority of the appointed Directors shall constitute a quorum, except that less than a quorum may adjourn in accordance with law.

3.3. **Powers and Functions of the Boards.** The Boards shall exercise general governance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. The Boards shall provide general policy guidance to the CCA Program.

   3.3.1. The Policy Board will provide guidance/approval in the areas of strategic planning and goal setting, passage of Authority budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service.

   3.3.2. The Operations Board will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority.

   3.3.3. Policy Board approval shall be required for any of the following actions, including but not limited to:

   (a) The issuance of bonds, major capital expenditures, or any other financing even if program revenues are expected to pay for such financing;
(b) The appointment or removal of officers described in Section 3.9, subject to Section 3.9.3;

(c) The appointment and termination of the Chief Executive Officer;

(d) The adoption of the Annual Budget;

(e) The adoption of an ordinance;

(f) The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority;

(g) The adoption of the Implementation Plan;

(h) The selection of General Counsel, Treasurer and Auditor;

(i) The amending of this Joint Exercise of Powers Agreement; and

(j) Termination of the CCA Program.

3.3.4. Operations Board approval shall be required for the following actions, including but not limited to:

(a) The approval of Authority contracts and agreements, except as provided by Section 3.4; and

(b) Approval of Authority operating policies and other matters necessary to ensure successful program operations.

3.3.5. Joint approval of the Policy and Operations Boards shall be required for the initiation or resolution of claims and litigation where the Authority will be the defendant, plaintiff, petitioner, respondent, cross complainant or cross petitioner, or intervenor; provided, however, that the Chief Executive Officer or General Counsel, on behalf of the Authority, may
intervene in, become a party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative authority, without approval of the Boards as long as such action is consistent with any adopted Board policies.

3.4. **Chief Executive Officer.** The Authority shall have a Chief Executive Officer (“CEO”). The Operations Board shall present nomination(s) of qualified candidates to the Policy Board. The Policy Board shall make the selection and appointment of the CEO who will be an employee of the Authority and serve at will and at the pleasure of the Policy Board.

The CEO shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The CEO may exercise all powers of the Authority, including the power to hire, discipline and terminate employees as well as the power to approve any agreement if the total amount payable under the agreement falls within the Authority’s fiscal policies to be set by the Policy Board, except the powers specifically set forth in Section 3.3 or those powers which by law must be exercised by the Board(s) of Directors. The CEO shall report to the Policy Board on matters related to strategic planning and goal setting, passage of Authority budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service. The CEO shall report to the Operations Board on matters related to Authority policy and the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority. It shall be the responsibility of the CEO to keep both Board(s) appropriately informed and engaged in the discussions and actions of each to ensure cooperation and unity within the Authority.

3.5. **Commissions, Boards, and Committees.** The Boards may establish any advisory committees they deem appropriate to assist in carrying out the CCA Program, other energy programs, and the provisions of this Agreement which shall comply with the
requirements of the Ralph M. Brown Act. The Boards may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees if the Board(s) deem it appropriate to appoint such commissions, boards or committees, and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

3.6. **Director Compensation.** Directors shall serve without compensation from the Authority. However, Directors may be compensated by their respective appointing authorities. The Boards, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by their respective Directors.

3.7. **Voting.** Except as provided in Section 3.7.1 below, actions of the Boards shall require the affirmative vote of a majority of Directors present at the meeting.

3.7.1. **Special Voting Requirements for Certain Matters.**

(a) **Two-Thirds Voting Approval Requirements Relating to Sections 6.2 and 7.4.** Action of the Board on the matters set forth in Section 6.2 (involuntary termination of a Party), or Section 7.4 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of Directors present.

(b) **Seventy-Five Percent Special Voting Requirements for Eminent Domain and Contributions or Pledge of Assets.**

i. A decision to exercise the power of eminent domain on behalf of the Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least 75% of all Directors present.

ii. The imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program shall require a vote of at least
75% of all Directors and the approval of the governing boards of the Parties who are being asked to make such contribution or pledge.

iii. For purposes of this section, “imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program” does not include any obligations of a withdrawing or terminated party imposed under Section 6.3.

3.8. **Meetings and Special Meetings of the Board.** The Policy Board shall hold up to three regular meetings per year, with the option for additional or special meetings as determined by the Chief Executive Officer or Chair of the Policy Board after consultation with the Chief Executive Officer. The Operations Board shall hold at least eight meetings per year, with the option for additional or special meetings. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special and Emergency Meetings of the Boards may be called in accordance with the provisions of California Government Code Sections 54956 and 54956.5. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 et seq.).

3.9. **Selection of Board Officers.**

3.9.1. **Policy Board Chair and Vice Chair.** The Policy Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Policy Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The Policy Board Chair and Vice Chair shall act as the overall Chair and Vice Chair for Monterey Bay Community Power Authority. The term of office of the Chair and Vice Chair shall continue
for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, is no longer holding a qualifying public office, or the Party that the person represents removes the person as its representative on the Board; or

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

3.9.2. Operations Board Chair and Vice Chair. The Operations Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Operations Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, or is no longer the senior executive of the Party that the person represents or;

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

3.9.3. Secretary. Each Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of each Board and all other official records of the Authority. If the Secretary appointed is an employee of the Authority, that employee may serve as Secretary to both Boards.

3.9.4. The Policy Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be a
member of the Board. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may hold both the office of Treasurer and the office of Auditor of the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall report directly to the Policy Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 5.

3.10. Administrative Services Provider. The Board(s) may appoint one or more administrative services providers to serve as the Authority’s agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of an Administrative Services Agreement. The appointed administrative services provider may be one of the Parties. An Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program. The Administrative Services Provider shall be either an employee or a contractor of the Authority unless a member agency is providing the service.
ARTICLE 4: IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

4.1. Preliminary Implementation of the CCA Program.

4.1.1. Enabling Ordinance. To be eligible to participate in the CCA Program, each Party must adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

4.1.2. Implementation Plan. The Policy Board shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Policy Board in the manner provided by Section 3.7.

4.1.3. Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

4.2. Authority Documents. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board(s) through resolution, including but not limited to the MBCP Implementation Plan and Operating Policies. The Parties agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board(s), subject to the Parties’ right to withdraw from the Authority as described in Article 6.
ARTICLE 5: FINANCIAL PROVISIONS

5.1. Fiscal Year. The Authority’s fiscal year shall be 12 months commencing April 1 or the date selected by the Authority. The fiscal year may be changed by Policy Board resolution.

5.2. Depository.

5.2.1. All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

5.2.2. All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times. The Board(s) shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

5.2.3. All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board(s) in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board(s).

5.3. Budget and Recovery of Costs.

5.3.1. Budget. The initial budget shall be approved by the Policy Board. The Board may revise the budget from time-to-time as may be reasonably necessary to address contingencies and unexpected expenses. All
subsequent budgets of the Authority shall be approved by the Policy Board in accordance with the Operating Rules and Regulations.

5.3.2. Funding of Initial Costs. The County of Santa Cruz has funded certain activities necessary to implement the CCA Program. If the CCA Program becomes operational, these Initial Costs paid by the County of Santa Cruz shall be included in the customer charges for electric services as provided by Section 5.3.3 to the extent permitted by law, and the County of Santa Cruz shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the County of Santa Cruz shall provide such documentation of costs paid as the Board may request. The Authority may establish a reasonable time-period over which such costs are recovered. In the event, that the CCA Program does not become operational, the County of Santa Cruz shall not be entitled to any reimbursement of the Initial Costs it has paid from the Authority or any Party.

5.3.3. CCA Program Costs. The Parties desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but not limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

ARTICLE 6: WITHDRAWAL


6.1.1. Right to Withdraw. A Party may withdraw its participation in the CCA
Program, effective as of the beginning of the Authority’s fiscal year, by giving no less than 6 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party’s governing board.

6.1.2. Right to Withdraw After Amendment. Notwithstanding Section 6.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Policy Board which the Party’s Director voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Party shall require an affirmative vote of the Party’s governing board and shall not be subject to the six-month advanced notice provided in Section 6.1.1. In the event of such withdrawal, the Party shall be subject to the provisions of Section 6.3.

6.1.3. The Right to Withdraw Prior to Program Launch. After receiving bids from power suppliers, the Authority must provide to the Parties the report from the electrical utility consultant retained by the Authority that compares the total estimated electrical rates that the Authority will be charging to customers as well as the estimated greenhouse gas emissions rate and the amount of estimated renewable energy used with that of the incumbent utility. If the report provides that the Authority is unable to provide total electrical rates, as part of its baseline offering, to the customers that are equal to or lower than the incumbent utility or to provide power in a manner that has a lower greenhouse gas emissions rate or uses more renewable energy than the incumbent utility, a Party may, immediately after an affirmative vote of the Party’s governing board, withdraw its membership in the Authority without any financial obligation, except those financial obligations incurred through the Party’s share of the credit guarantee described in 5.3.4, as long as the Party
provides written notice of its intent to withdraw to the Authority Board no more than fifteen business days after receiving the report. Costs incurred prior to withdrawal will be calculated as a pro-rata share of start-up costs expended to the date of the Party’s withdrawal, and it shall be the responsibility of the withdrawing Party to pay its share of said costs if they have a material/adverse impact on remaining Authority members or ratepayers.

6.1.4. Continuing Financial Obligation; Further Assurances. Except as provided by Section 6.1.3, a Party that withdraws its participation in the CCA Program may be subject to certain continuing financial obligations, as described in Section 6.3. Each withdrawing Party and the Authority shall execute and deliver all further instruments and documents and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from participation in the CCA Program.

6.2. Involuntary Termination of a Party. Participation of a Party in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Party’s participation in the CCA Program upon a vote of the Policy Board as provided in Section 3.7.1. Prior to any vote to terminate participation with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 6.3.
6.3. Continuing Financial Obligations: Refund. Except as provided by Section 6.1.3, upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or other financial obligations arising from the Party membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any financial obligations arising after the date of the Party’s withdrawal or involuntary termination. Claims, demands, damages, or other financial obligations for which a withdrawing or terminated Party may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Party’s load. With respect to such financial obligations, upon notice by a Party that it wishes to withdraw from the CCA Program, the Authority shall notify the Party of the minimum waiting period under which the Party would have no costs for withdrawal if the Party agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Party elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers and may not include punitive charges that exceed actual costs. In addition, such Party shall also be responsible for any costs or obligations associated with the Party’s participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Policy Board, to cover the Party’s financial obligations for the costs described above. Any amount of the Party’s funds held on deposit with the Authority above that which is required to pay any financial obligations shall be returned to the Party. The liability of any Party under this section 6.3 is subject and subordinate to the provisions of Section 2.2, and nothing in this section 6.3 shall reduce, impair, or eliminate any immunity from liability provided by Section 2.2.
6.4. **Mutual Termination.** This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its participation in the CCA Program, as described in Section 6.1.

6.5. **Disposition of Property upon Termination of Authority.** Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

**ARTICLE 7: MISCELLANEOUS PROVISIONS**

7.1. **Dispute Resolution.** The Parties and the Authority shall make reasonable efforts to informally settle all disputes arising out of or in connection with this Agreement. Should such informal efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be mediated in accordance with policies and procedures established by the Authority. The costs of any such mediation shall be shared equally among the Parties participating in the mediation.

7.2. **Liability of Directors, Officers, and Employees.** The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Sections 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.
7.3. **Indemnification of Parties.** The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority and the Parties. The Authority shall defend, indemnify, and hold harmless the Parties and each of their respective Boards of Supervisors or City Councils, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

7.4. **Amendment of this Agreement.** This Agreement may not be amended except by a written amendment approved by a vote of Policy Board members as provided in Section 3.7.1. The Authority shall provide written notice to all Parties of proposed amendments to this Agreement, including the effective date of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments.

7.5. **Assignment.** Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 7.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 7.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party’s contributions to the Authority, or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

7.6. **Severability.** If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

7.7. **Further Assurances.** Each Party agrees to execute and deliver all further
instruments and documents and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

7.8. **Execution by Counterparts.** This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

7.9. **Parties to be Served Notice.** Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.
Exhibit A

Definitions

“Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.)

“Administrative Services Agreement” means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

“Agreement” means this Joint Powers Agreement.

“Annual Energy Use” has the meaning given in Section 3.7.1.

“Authority” means the Monterey Bay Community Power Authority.

“Authority Document(s)” means document(s) duly adopted by one or both Boards by resolution or motion implementing the powers, functions, and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

“Board” means the Policy Board of Directors of the Authority and/or the Operations Board of Directors of the Authority unless one or the other is specified in this Agreement.

“CCA” or “Community Choice Aggregation” means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.

“CCA Program” means the Authority’s program relating to CCA that is principally described in this Agreement.

“Director” means a member of the Policy Board of Directors or Operations Board of Directors representing a Party.
“Effective Date” means the date that this Agreement is executed by at least three Initial Participants from the Counties of Monterey, Santa Cruz, and San Benito and the municipalities within those counties, as further described in Section 2.1.

“Implementation Plan” means the plan generally described in Section 4.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.

“Initial Costs” means all costs incurred by the County of Santa Cruz and/or Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, and any required accounting, administrative, technical, or legal services in support of the Authority’s initial activities or in support of the negotiation, preparation, and approval of one or more Administrative Services Agreements.

“Initial Participants” means those initial founding JPA members whose jurisdictions pass a CCA ordinance, whose Board seats will be allocated on a one jurisdiction, one seat basis (in addition to one seat for San Benito County) until such time as the number of member jurisdictions exceeds eleven, as described in Section 3.1.4.

“Operating Rules and Regulations” means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

“Operations Board” means the board composed of City Managers and CAOs representing their respective jurisdictions as provided in section 3.1.4 who will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority, as further set forth in section 3.3.
“Parties” means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.1 or 4.1.1 such that it is considered a member of the Authority.

“Party” means singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.1 or 4.1.1 such that it is considered a member of the Authority.

“Policy Board” means the board composed of elected officials representing their respective jurisdictions as provided in section 3.1.4 who will provide guidance/approval in the areas of strategic planning and goal setting, passage of Authority budget and customer rates, large capital expenditures outside the typical power procurement required to provide electrical service, and such other functions as set forth in section 3.3.
Exhibit B

Monterey Bay Community Power Authority of Monterey, Santa Cruz, San Benito, and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

List of Parties

County of Santa Cruz
City of Santa Cruz
City of Watsonville
City of Capitola
City of Scotts Valley
County of Monterey
City of Salinas
City of Monterey
City of Pacific Grove
City of Carmel
City of Seaside
City of Marina
City of Sand City
City of Soledad
City of Greenfield
City of Gonzales

City of Del Rey Oaks
County of San Benito
City of Hollister
City of San Juan Bautista
City of Morro Bay
City of San Luis Obispo
City of Paso Robles
City of Pismo Beach
City of Grover Beach
City of Arroyo Grande
County of Santa Barbara
City of Santa Maria
City of Solvang
City of Guadalupe
City of Goleta
City of Carpinteria
Exhibit C

Regional Allocation

Board seats in the Monterey Bay Community Power Authority will be allocated as follows:

i. One seat for Santa Cruz County;

ii. One seat for Monterey County;

iii. One seat for San Benito County;

iv. One Seat for Santa Barbara County;

v. One seat for the City of Santa Cruz;

vi. One seat for the City of Salinas;

vii. One seat for the City of Watsonville;

viii. One seat for the City of Santa Maria;

ix. One shared seat for remaining Santa Cruz cities including Capitola and Scotts Valley selected by the City Selection Committee;

x. One shared seat for Monterey Peninsula cities including Monterey, Pacific Grove, and Carmel selected by the City Selection Committee;

xi. One shared seat for Monterey Coastal cities including Marina, Seaside, Sand City, and Del Rey Oaks selected by the City Selection Committee;

xii. One shared seat for Salinas Valley cities including Greenfield, Soledad, Gonzales selected by the City Selection Committee;

xiii. One shared seat for San Benito County cities including Hollister and San Juan Bautista selected by the City Selection Committee; and
xiv. One shared seat for the Cities of San Luis Obispo, Morro Bay, and Paso Robles selected by agreement or the City Selection Committee; and

xv. One shared seat for the Cities of Pismo Beach, Grover Beach, and Arroyo Grande selected by agreement or the City Selection Committee.

xvi. One shared seat for the Cities of Guadalupe and Solvang selected by agreement or the City Selection Committee.

xvii. One shared seat for the Cities of Goleta, and Carpinteria selected by agreement or the City Selection Committee.
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz and San Benito Counties

Signature Page

COUNTY OF SANTA CRUZ

Chairperson of the Board of Supervisors

Date

APPROVED AS TO FORM:

Office of the County Counsel
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Santa Cruz

Mayor Cynthia Chase

4-25-17

Date

APPROVED AS TO FORM:

City Attorney Tony Condotti
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Watsonville

Mayor

City Manager

5/2/17

Date

5/2/17

Date

APPROVED AS TO FORM:

Office of the City Attorney

ATTEST:

BY

Benedito Vázquez Flores, City Clerk

Irwin Ortiz, Assistant City Clerk
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of/City of ________________  

______________________________  ________________
Chairperson of the Board of Supervisors/Mayor     Date

APPROVED AS TO FORM:

______________________________
City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Scotts Valley

Randy Johnson, Mayor

2-15-2017

Date

APPROVED AS TO FORM:

Kirsten Powell, City Attorney
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz and San Benito Counties

Signature Page

COUNTY OF MONTEREY

Mary Adams, Chair,
Monterey County Board of Supervisors

3-21-2017
Date

APPROVED AS TO FORM:

Wendy J. Strimling
Senior Deputy County Counsel
Office of the County Counsel
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Salinas

Joe Gunter, Mayor

Date

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney

Date
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Monterey, CA

[Signature]

Chairperson of the Board of Supervisors/Mayor

5-24-17

Date

APPROVED AS TO FORM:

[Signature]

Office of the City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Monterey Grove

Bill Kampy
Mayor

4/20/17
Date

APPROVED AS TO FORM:

City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of /City of **Carmel by the Sea**

[Signature]  
5-5-17

Chairperson of the Board of Supervisors/Mayor  
Date

APPROVED AS TO FORM:

[Signature]  
Donald K. Freeman

Office of the County Counsel/City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Seaside, California.

Mayor Ralph Rubio

Date

6/1/17

APPROVED AS TO FORM:

Don Freeman, City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Marina

Bruce C. Delgado, Mayor

3/3/17

Date

APPROVED AS TO FORM:

City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Sand City

Mayor David K. Pendergrass

March 5, 2019

Date

APPROVED AS TO FORM:

City Attorney Jim Heisinger
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Soledad

Mayor Fred J. Ledesma

3/06/17

Date
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of / City of Soledad

____________________________________
Chairperson of the Board of Supervisors/ Mayor

Date

APPROVED AS TO FORM:

__________________________
Office of the County Counsel/ City Attorney
Michael Rodriguez, City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of /City of Greenfield

Chairperson of the Board of Supervisors/Mayor

Date

6/02/17

APPROVED AS TO FORM:

Office of the County Counsel/City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Gonzales

Maria Orozco, Mayor

5-1-17

Date

APPROVED AS TO FORM:

Michael F. Rodriguez, City Attorney

5-1-2017

Date
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of San Benito

Jaime De La Cruz, Chair

2/7/17

Date

APPROVED AS TO LEGAL FORM:

San Benito County Counsel's Office

Shirley L. Murphy

Shirley L. Murphy, Deputy County Counsel

Feb. 3, 2017

Date
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

City of Hollister

Signature Page

City of Hollister

[Signature]

Ignacio Velazquez, Mayor

Date

6-1-17

APPROVED AS TO FORM:

L+G, LLC, Attorneys at Law

[Signature]

E. Soren Diaz, City Attorney

Date

May 30, 2017
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of _San Juan Bautista_

Chris Martorana, Mayor

__________________________

May 30, 2017

Date

APPROVED AS TO FORM:

__________________________

Deborah Mall, City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties and Certain Cities in San Luis Obispo County

Signature Page

CITY OF SAN LUIS OBISPO

Signature [Signature]

Date 12/5/18

Its Mayor

Mayor/City Manager

APPROVED AS TO FORM:

[Signature]

Office of the City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties and Certain Cities in San Luis Obispo County

Signature Page

CITY OF MORRO BAY

[Signature]

12/5/18
Date

Its Scott Collins City Manager
Mayor/City Manager

APPROVED AS TO FORM:

[Signature]

Office of the City Attorney

1/20/17 as amended 12/5/18  Page 27
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

IN WITNESS WHEREOF, the Parties hereto have caused this agreement to be executed by their duly authorized representatives as of December 4, 2019.

ATTEST:
MONA MIYASATO
CLERK OF THE BOARD

By: [Signature]
Deputy Clerk

COUNTY OF SANTA BARBARA:

By: [Signature]
STEVE LAVAGNINO
Chair, Board of Supervisors

APPROVED AS TO ACCOUNTING FORM:
BETSY M. SCHAFFER, CPA
AUDITOR-CONTROLLER

By: [Signature]
Deputy Auditor-Controller

BY: [Signature]
GEORGE CHAPJIAN
Director, Community Services Department

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

By: [Signature]
Deputy County Counsel

APPROVED AS TO FORM:
RAY AROMATORIO, ARM, AIC
RISK MANAGEMENT

By: [Signature]
Risk Manager

1/20/17 as amended 12/5/18 and 12/4/19
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF SANTA MARIA

__________________________________________________________
Its:  
Mayor / City Manager

12/4/19
Date

APPROVED AS TO FORM:

__________________________________________________________
Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF DEL REY OAKS

[Signature]

December 5, 2018
Date

Its: [Signature]
Mayor / City Manager

APPROVED AS TO FORM:

[Signature]
Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF PASO ROBLES

[Signature]

12-6-19
Date

Its: [Signature]
Mayor/City Manager

APPROVED AS TO FORM:

[Signature]
Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF PISMO BEACH

[Signature]

11/21/2019
Date

Its: James R. Lewis
Mayor / City Manager

APPROVED AS TO FORM:

[Signature]

Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19
CITY OF GROVER BEACH

[Signature]

12/10/2019
Date

Its: MAYOR
Mayor / City Manager

APPROVED AS TO FORM:

[Signature]
Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF ARROYO GRANDE

[Signature]

12/9/19
Date

Its: Mayor Carren Bay Blossom
Mayor City Manager

APPROVED AS TO FORM:

[Signature]

Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF GUADALUPE

[Signature]

Date: 12/5/19

Its: City Administrator
Mayor / City Manager

APPROVED AS TO FORM:

[Signature]

Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19
Monterey Bay Community Power Authority
Of Monterey, Santa Cruz, San Benito, and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF SOLVANG

__________________________________________

______________________________

Date

Its:

Mayor / City Manager

APPROVED AS TO FORM:

______________________________

Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF GOLETA

[Signature]

11/22/19
Date

Its: [Signature]
Mayor / City Manager

APPROVED AS TO FORM:

[Signature]
Office of the City Attorney

1/20/17 as amended 12/5/18 and 12/4/19
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz, San Benito,
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County

Signature Page

CITY OF CARPINTERIA

[Signature]

Dave Durflinger

Date

12/5/19

Its: City Manager

APPROVED AS TO FORM:

[Signature]

Peter Brown, on behalf of Brownstein Hyatt Farber Schreck, L.L.P acting as City Attorney of the City of Carpinteria

1/20/17 as amended 12/5/18 and 12/4/19
Appendix 3
ORDINANCE NO. 700

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE, CALIFORNIA, AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN MONTEREY BAY COMMUNITY POWER'S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City Council has previously directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) program under the provisions of the Public Utilities Code section 366.2 in order to provide electric service to customers within the City of Arroyo Grande (City) with the intent of achieving reduced greenhouse gas emissions, local renewable power development, competitive electric rates, and the implementation of energy conservation and other energy programs; and

WHEREAS, Monterey Bay Community Power Authority (MBCPA) is an established CCA program capable of providing the desired financial and environmental benefits, and

WHEREAS, MBCPA will enter into agreements with electric power suppliers and other service providers and, based upon those agreements, MBCPA will be able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility ("PG&E"). Once the California Public Utilities Commission certifies the amended Implementation Plan adopted by MBCPA, MBCPA will be able to provide service to customers within the City; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so; and

WHEREAS, on April 9, 2019 the City Council received a presentation and on June 11, 2019 the City Council held a public meeting on the manner in which the City will participate in a CCA program at which time interested persons had an opportunity to testify either in support of or opposition to the implementation of a CCA program serving the City through MBCPA; and

WHEREAS, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308).
NOW, THEREFORE BE IT ORDAINED by the City Council of the City of Arroyo Grande as follows:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Based upon the forgoing, and in order to provide businesses and residents within the City with a choice of power providers and with the benefits described above, the City Council hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating as a group in the Community Choice Aggregation Program of MBCPA, as generally described in its Joint Powers Agreement.

SECTION 3. This Ordinance shall take effect thirty (30) days after its adoption.

On motion of Council Member Barneich, seconded by Mayor Ray Russom, and on the following roll call vote to wit:

AYES: Council Members Barneich, Paulding, and Mayor Ray Russom
NOES: None
ABSENT: Council Member Storton
ABSTAIN: Council Member George (recused due to conflict of interest)

The foregoing Ordinance was adopted this 25th day of June, 2019.
CAREN RAY RUSSOM, MAYOR

ATTEST:

JESSICA MATSON, DEPUTY CITY CLERK

APPROVED AS TO CONTENT:

JAMES A. BERGMAN, CITY MANAGER

APPROVED AS TO FORM:

HEATHER K. WHITHAM, CITY ATTORNEY
I, JESSICA MATSON, Deputy City Clerk of the City of Arroyo Grande, County of San Luis Obispo, State of California, do hereby certify under penalty of perjury, that the attached Ordinance No. 700 which was introduced at a regular meeting of the City Council on June 11, 2019; was passed and adopted at a regular meeting of the City Council on the 25th day of June 2019; and was duly published in accordance with State law (G.C. 40806).

WITNESS my hand and the Seal of the City of Arroyo Grande affixed this 27th day of June 2019.

JESSICA MATSON, DEPUTY CITY CLERK
ORDINANCE NO. 730

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARPINTERIA, CALIFORNIA, AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN MONTEREY BAY COMMUNITY POWER’S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City Council has previously directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) Program under the provisions of the Public Utilities Code Section 366.2 in order to provide electric service to customers within the City of Carpinteria (City) with the intent of achieving reduced greenhouse gas emissions, local renewable power development, competitive electric rates, and the implementation of energy conservation and other energy programs; and

WHEREAS, Monterey Bay Community Power Authority (MBCPA) is an established CCA Program capable of providing the desired financial and environmental benefits, and

WHEREAS, the City’s participation in MBCPA’s CCA Program requires that the City Council, among other things, adopt a resolution requesting that the City become a member of MBCPA; adopt an ordinance pursuant to Public Utilities Code Section 366.2(c)(12) electing to implement the CCA Program within its jurisdiction; and execute an amendment to the MBCPA's Joint Powers Agreement (JPA); and

WHEREAS, the City’s participation in MBCPA’s CCA Program requires that MBCPA, among other things, adopt a resolution authorizing the City’s membership in MBCPA’s CCA Program; execute an amendment to the MBCPA’s Joint Powers Agreement; and prepare and submit an amended Implementation Plan to the California Public Utilities Commission (CPUC) for certification; and

WHEREAS, upon completion of all necessary actions by the City and MBCPA, as well as certification of the amended Implementation Plan by the CPUC, and adoption by MBCPA, MBCPA will be able to enter into agreements with electric power suppliers and other service providers and, based upon those agreements, MBCPA will be able to provide power to residents and businesses at rates that are competitive with those of the City’s incumbent utilities, Southern California Edison; and

WHEREAS, the City of Carpinteria Council Utilities Committee met on July 23, 2019 to review the matter of joining MBCPA and recommended bringing this matter forward for consideration; and
WHEREAS, under Public Utilities Code Section 366.2, customers have the right to opt- out of a CCA Program and continue to receive service from the incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so; and

WHEREAS, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a).) Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308.)

THE CITY COUNCIL OF THE CITY OF CARPINTERIA DOES ORDAIN AS FOLLOWS:

SECTION 1. INCORPORATION OF RECITALS

The above recitals are true and correct and are incorporated herein, and are each relied upon independently by the City Council for its adoption of this Ordinance.

SECTION 2. Based upon the forgoing, pursuant to Public Utilities Code Section 366.2, the City Council hereby elects and specifies the intent to implement a community choice aggregation program within the City's jurisdiction by and through the City's participation in the Monterey Bay Community Power Authority's existing Community Choice Aggregation Program.

SECTION 3. The City's joining as a member of Monterey Bay Community Power Authority requires additional actions by both the City and Monterey Bay Community Power Authority, including mutual execution of an amendment to Monterey Bay Community Power Authority's Joint Powers Agreement and other necessary CCA Program agreements.

SECTION 4. This Ordinance shall take effect 30 days after its adoption. The City Clerk, or her duly appointed deputy, shall attest to the adoption of this Ordinance and shall cause this Ordinance to be published and posted in the manner required by law.

PASSED, APPROVED AND ADOPTED on 9th day of September, 2019, by the following vote:
AYES: COUNCILMEMBER(S): CARTY, LEE, SHAW, NOMURA
NOES: COUNCILMEMBER(S): NONE
ABSENT: COUNCILMEMBER(S): CLARK
ABSTAIN: COUNCILMEMBER(S): NONE

Mayor, City of Carpinteria

ATTEST:

City Clerk, City of Carpinteria

I hereby certify that the foregoing resolution was adopted at a regular meeting of the City Council of the City of Carpinteria held on September 9, 2019.

City Clerk, City of Carpinteria

APPROVED AS TO FORM:

Peter Brown, on behalf of Brownstein Hyatt Farber Schreck, LLP acting as City Attorney of the City of Carpinteria
ORDINANCE NO. 299

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DEL REY OAKS, CALIFORNIA, AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN THE MONTEREY BAY COMMUNITY POWERS AUTHORITY’S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City Council has previously directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) program under the provisions of the Public Utilities Code section 366.2 in order to provide electric service to customers within the City with the intent of reducing greenhouse gas emissions, promoting local renewable power development, achieving lower electric generation rates, limiting risk to the City;

WHEREAS, since the City Council’s direction to do so, the Monterey Bay Community Power Authority (MBCPA) has established a CCA program responsive to the City Council’s direction by providing a CCA program with the desired financial and environmental benefits requested.

WHEREAS, MBCPA has the authority to enter into agreements with electric power suppliers and other service providers and, based upon those agreements, MBCPA is able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility PG&E; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility; and

WHEREAS, liability to the City of Del Rey Oaks, should it depart MBCPA, would be assessed per capita based on the disposition of power purchase agreements procured by MBCPA to serve City customers; and

WHEREAS, the potential exists for MBCPA to build a power generation facility within the City limits of Del Rey Oaks to serve the development of the former Ft Ord property; and

WHEREAS, on June 27, 2018, the City held a Public Workshop and on July 24, 2019 the City Council held a public meeting on the manner in which the City will participate in a CCA program at which time interested persons had an opportunity to testify either in support of or opposition to the implementation of a CCA program serving the City through MBCPA; and

WHEREAS, this Ordinance is exempt from CEQA as there is no possibility it will have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). This Ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308)

NOW, THEREFORE, the City Council of the City of Del Rey Oaks does ordain as follows:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Based upon the forgoing, and in order to provide businesses and residents within the City with a choice of power providers with the benefits described above, the City Council hereby elects to implement a community choice aggregation program within its jurisdiction by participating in the Community Choice Aggregation Program of the MBCPA, as generally described in its Joint Powers Agreement.
SECTION 3. This Ordinance shall take effect 30 days after its adoption. The City Clerk, or her duly appointed deputy, shall attest to the adoption of this Ordinance and shall cause this Ordinance to be published and posted in the manner required by law.

INTRODUCED at a regular meeting of the City Council of Del Rey oaks, held on the 23rd day of April 2019.

PASSED AND ADOPTED on the 28th day of May 2019.

AYES: Councilmembers Gaglioti, Lintell, Goetzelt, Clark, Kerr
NAYS: None
ABSENT: None
ABSTAIN: None

ATTEST: ___________________________ SIGNED: ___________________________

Danial D. Pick, City Clerk Alison Kerr, Mayor
OFFICE OF THE CITY CLERK
CERTIFIED DOCUMENT

CITY COUNCIL

Paula Perotte
Mayor

Kyle Richards
Mayor Pro Tempore

Roger S. Aceves
Councilmember

Stuart Kasdin
Councilmember

James Kyriaco
Councilmember

CITY MANAGER
Michelle Greene

State of California )
County of Santa Barbara )
City of Goleta )

I, Deborah López, City Clerk of the City of Goleta, California, do hereby certify that the Ordinance No 19-13 attached hereto entitled “AN ORDINANCE OF THE CITY OF GOLETA, CALIFORNIA, SPECIFYING THE INTENT TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM BY AND THROUGH PARTICIPATION IN MONTEREY BAY COMMUNITY POWER AUTHORITY’S COMMUNITY CHOICE AGGREGATION PROGRAM” Approved by the Goleta City Council on September 3, 2019, is a full, true and correct copy of the original on file in the Office of the City Clerk, of which I am the legal custodian.

Dated this 9th day of September, 2019

Deborah S. López
City Clerk
ORDINANCE NO. 19-13

AN ORDINANCE OF THE CITY OF GOLETA, CALIFORNIA, SPECIFYING THE INTENT TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM BY AND THROUGH PARTICIPATION IN MONTEREY BAY COMMUNITY POWER AUTHORITY’S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS the City Council has previously directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) program under the provisions of the Public Utilities Code section 366.2 in order to provide electric service to customers within the City of Goleta (City) with the intent of achieving greater local control and involvement related to the provision of electric service in the City, and offering energy with lower greenhouse gas emissions at a comparable rate to the Investor-Owned Utility in the City; and

WHEREAS Monterey Bay Community Power Authority (MBCPA) is an established CCA program capable of providing the desired financial and environmental benefits, and

WHEREAS the City’s participation in MBCPA’s CCA Program requires that the City Council, among other things, adopt a resolution requesting that the City become a member of MBCPA; adopt an ordinance pursuant to Public Utilities Code section 366.2(c)(12) electing to implement the CCA Program within its jurisdiction; and execute an amendment to the MBCPA’s Joint Powers Agreement; and

WHEREAS the City’s participation in MBCPA’s CCA Program requires that MBCPA, among other things, adopt a resolution authorizing the City’s membership in MBCPA’s CCA Program; execute an amendment to the MBCPA’s Joint Powers Agreement; and prepare and submit an amended Implementation Plan to the California Public Utilities Commission (CPUC) for certification; and

WHEREAS, upon completion of all necessary actions by the City and MBCPA, as well as certification of the amended Implementation Plan by the CPUC, and adoption by MBCPA, MBCPA will be able to enter into agreements with electric power suppliers and other service providers and, based upon those agreements, MBCPA will be able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility, Southern California Edison ("SCE"); and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the
incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so; and

WHEREAS, on July 16 and August 20, the City Council held public meetings on the manner in which the City will participate in a CCA program at which time interested persons had an opportunity to testify either in support of or opposition to the implementation of a CCA program serving the City through MBCPA.

THE CITY COUNCIL OF THE CITY OF GOLETA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Based upon the above, and pursuant to Public Utilities Code section 366.2, the City Council of the City of Goleta hereby elects and specifies the intent to implement a community choice aggregation program within the City’s jurisdiction by and through the City’s participation in the Monterey Bay Community Power Authority’s existing Community Choice Aggregation Program.

SECTION 3. The City of Goleta’s joining as a member of Monterey Bay Community Power Authority requires additional actions by both the City of Goleta and Monterey Bay Community Power Authority, including mutual execution of an amendment to Monterey Bay Community Power Authority’s Joint Powers Agreement and other necessary CCA Program agreements.

SECTION 4. CEQA.
This ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment (14 Cal. Code Regs. § 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment (14 Cal. Code Regs. § 15308).

SECTION 5. Severability.
This ordinance is adopted under the authority of City Council of the City of Goleta and State law. If any section, subsection, clause or phrase is declared invalid or otherwise void by a court of competent jurisdiction, it shall not affect any remaining provision hereof. In this regard City Council finds and declares that it would have adopted this measure notwithstanding any partial invalidity hereof.
SECTION 6. Certification of City Clerk.
The City Clerk shall certify to the adoption of this ordinance and, within 15 days after its adoption, shall cause it to be published in accord with California Law.

SECTION 7. Effective Date.
This ordinance shall take effect on the 31st day following adoption by the City Council.

INTRODUCED ON the 20th day of August 2019.

PASSED, APPROVED, AND ADOPTED this 3rd day of September 2019.

PAULA PEROTTE,
MAYOR

DEBORAH S. LOPEZ
CITY CLERK

Winnie Cai
ASSISTANT CITY ATTORNEY
STATE OF CALIFORNIA  
COUNTY OF SANTA BARBARA  
CITY OF GOLETA  

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, do hereby certify that the foregoing Ordinance No. 19-13 was introduced on August 20, 2019 and adopted at a regular meeting of the City Council of the City of Goleta, California, held on the 3rd day of September by the following roll-call vote, to wit:

AYES: MAYOR PEROTTE, MAYOR PRO TEMPORE RICHARDS, COUNCILMEMBER ACEVES, KASDIN AND KYRIACO

NOES: NONE

ABSENT: NONE

ABSTENTIONS: NONE

(SEAL)

DEBORAH S. LOPEZ  
CITY CLERK

Ordinance No.19-13 Intent to Implement a Community Choice Aggregation Program by and through participation in Monterey Bay Community Power Authority’s Community Choice Aggregation Program
ORDINANCE NO. 19-03

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA, AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN MONTEREY BAY COMMUNITY POWER'S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City Council has previously directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) program under the provisions of the Public Utilities Code section 366.2 in order to provide electric service to customers within the City of Grover Beach (City) with the intent of achieving reduced greenhouse gas emissions, local renewable power development, competitive electric rates, and the implementation of energy conservation and other energy programs; and

WHEREAS, Monterey Bay Community Power Authority (MBCPA) is an established CCA program capable of providing the desired financial and environmental benefits; and

WHEREAS, MBCPA will enter into agreements with electric power suppliers and other service providers and, based upon those agreements, MBCPA will be able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility ("PG&E"). Once the California Public Utilities Commission certifies the amended Implementation Plan adopted by MBCPA, MBCPA will be able to provide service to customers within the City; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so; and

WHEREAS, on April 15, 2019, the City Council held public meetings on the manner in which the City will participate in a CCA program at which time interested persons had an opportunity to testify either in support of or opposition to the implementation of a CCA program serving the City through MBCPA; and

WHEREAS, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308).

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Grover Beach as follows:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Based upon the foregoing, and in order to provide businesses and residents within the City with a choice of power providers and with the benefits described above, the City Council hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating as a group in the Community Choice Aggregation Program of MBCPA, as generally described in its Joint Powers Agreement.
SECTION 3. This Ordinance shall take effect 30 days after its adoption. The City Clerk, or her duly appointed deputy, shall attest to the adoption of this Ordinance and shall cause this Ordinance to be published and posted in the manner required by law.

INTRODUCED at a regular meeting of the City Council held on May 20, 2019 and PASSED, APPROVED, and ADOPTED by the City Council on June 3, 2019, on the following roll call vote, to wit:

AYES: Council Members – Bright, Lance, Nicolls, Mayor Pro Tem Shah and Mayor Lee
NOES: Council Members – None
ABSENT: Council Members – None
ABSTAIN: Council Members – None

JEFF WEE, MAYOR

ATTEST:

WENDI B. SIMS, CITY CLERK

Approved as to form:

DAVID HALE, CITY ATTORNEY
ORDINANCE NO. 2019-479

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUADALUPE, CALIFORNIA, AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN MONTEREY BAY COMMUNITY POWER'S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City Council has previously directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) program under the provisions of the Public Utilities Code Section 366.2 in order to provide electric service to customers within the City of Santa Maria (City) with the intent of achieving reduced greenhouse gas emissions, local renewable power development, competitive electric rates, and the implementation of energy conservation and other energy programs; and

WHEREAS, Monterey Bay Community Power Authority (MBCPA) is an established CCA program capable of providing the desired financial and environmental benefits, and

WHEREAS, MBCPA will enter into agreements with electric power suppliers and other service providers and, based upon those agreements, MBCPA will be able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility ("PG&E"). Once the California Public Utilities Commission certifies the amended Implementation Plan adopted by MBCPA, MBCPA will be able to provide service to customers within the City; and

WHEREAS, under Public Utilities Code Section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so; and

WHEREAS, on July 9, 2019, the City Council held a public meeting on the manner in which the City will participate in a CCA program at which time interested persons had an opportunity to testify either in support of or opposition to the implementation of a CCA program serving the City through MBCPA; and

WHEREAS, this Ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs.§ 15378(a)). Further, the Ordinance is exempt from CEQA as there is no possibility that the Ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061 (b)(3)). The Ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308).

NOW, THEREFORE, the City Council of the City of Guadalupe, State of California, does ordain as follows:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Based upon the forgoing, and in order to provide businesses and residents within the City with a choice of power providers and with the benefits described above, the City Council hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating as a group in the Community Choice Aggregation Program of MBCPA, as generally described in its Joint Powers Agreement.
SECTION 3. The City Clerk is hereby authorized to make minor changes herein to address clerical errors, so long as substantial conformance of the intent of this document is maintained. In doing so, the City Clerk shall consult with the City Administrator and City Attorney concerning any changes deemed necessary.

SECTION 4. This Ordinance shall be in full force and effect thirty (30) days after its passage. Within fifteen days following its passage, the City Clerk shall cause this Ordinance to be published in a newspaper of general circulation in accordance with State Law; or when deemed necessary due to the length or complexity of the Ordinance, cause a summary of the Ordinance to be prepared and published at least five days prior to the City Council meeting at which the proposed Ordinance is to be adopted. If a summary is published at least five days prior to the City Council meeting at which the proposed Ordinance is to be adopted, then within 15 days after adoption of the Ordinance the City Clerk shall publish a summary of the Ordinance with the names of those City Council Members voting for and against the Ordinance and shall post a certified copy of the full text of such adopted Ordinance along with the names of those City Council Members voting for and against the Ordinance.

INTRODUCED at a regular meeting of the City Council held on the 23rd day of July 2019, on motion of Councilmember TONY RAMIREZ, seconded by Councilmember LILIANA CARDENAS, and on the following roll call vote, to wit:

AYES: 3  Councilmembers: Ramirez, Cardenas, Julian
NOES: 0
ABSENT: 0
ABSTAINED: 2  Councilmembers: Rubalcaba, Costa Jr.

PASSED AND ADOPTED at a regular meeting of the City Council held this 27th day of August 2019 on motion of Councilmember TONY RAMIREZ, seconded by Councilmember LILIANA CARDENAS, and on the following roll call vote, to wit:

AYES: 4  Councilmembers: Ramirez, Cardenas, Julian, Costa Jr.
NOES: 0
ABSENT: 1  Councilmembers: Rubalcaba
ABSTAIN:

ATTEST:

Joice Earleen Raguz, City Clerk

Aniston Julian, Mayor

APPROVED AS TO FORM:

Philip F. Sisco, City Attorney
ORDINANCE NO. 1074 N.S.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES,
CALIFORNIA, AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE
AGGREGATION PROGRAM BY PARTICIPATING IN THE MONTEREY BAY
COMMUNITY POWER (MBCPA) JOINT POWERS AUTHORITY

WHEREAS, the City Council has previously directed staff to investigate the feasibility and
formation of a Community Choice Aggregation (CCA) program under the provisions of the Public Utilities
Code section 366.2 in order to provide electric service to customers within the City of Paso Robles (City)
with the intent of achieving reduced greenhouse gas emissions, local renewable power development,
competitive electric rates, and the implementation of energy conservation and other energy programs; and

WHEREAS, Monterey Bay Community Power Authority (MBCPA) is an established CCA
program capable of providing the desired financial and environmental benefits, and

WHEREAS, MBCPA will enter into agreements with electric power suppliers and other service
providers and, based upon those agreements, MBCPA will be able to provide power to residents and
businesses at rates that are competitive with those of PG&E, the incumbent utility. Once the California
Public Utilities Commission certifies the amended Implementation Plan adopted by MBCPA, MBCPA will
be able to provide service to customers within the City; and

WHEREAS, the purpose of this Ordinance is to authorize the implementation of a community
choice aggregation program through MBCPA, as required by California Public Utilities Code section
366.2(g)(12); and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt out of a
CCA program and continue to receive service from the incumbent utility. Customers who wish to receive
service from the incumbent utility will be able to do so; and

WHEREAS, on May 7, 2019 and May 21, 2019, the City Council held public hearings on the manner
in which the City will participate in a CCA program at which time interested persons had an opportunity to
testify either in support of or opposition to the implementation of a CCA program serving the City through
MBCPA; and

WHEREAS, this ordinance is exempt from the requirements of the California Environmental
Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a "project" as it has no potential to
result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code
Regs.§ 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance
or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. §
15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency
to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code
Regs. § 15308).

NOW, THEREFORE, the City Council of the City of El Paso de Robles does ordain as follows:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Based upon the foregoing, and in order to provide businesses and residents within the City
with a choice of power providers and with the benefits described above, the City Council hereby elects to
implement a community choice aggregation program within the jurisdiction of the City by participating as a
member in the Community Choice Aggregation Program of MBCPA, as generally described in its Joint
Powers Agreement.

SECTION 3. This Ordinance shall take effect 30 days after its adoption. The Deputy City Clerk shall attest
to the adoption of this Ordinance and shall cause this Ordinance to be published and posted in the manner
required by law.

INTRODUCED at a regular meeting the of the City Council of El Paso de Robles for first reading, held
on the 21st day of May, 2019.

PASSED AND ADOPTED on the 4th day of June 2019, by the following vote:

AYES: Szong, Garcia, Gregory, Martin
NOES:
ABSENT: Hamon
ABSTAIN:

Steven W. Martin, Mayor

ATTEST:

Kathleen L. Buskemper, Deputy City Clerk
ORDINANCE NO. O-2019-005

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PISMO BEACH, CALIFORNIA ADDING CHAPTER 13.32 TO THE PISMO BEACH MUNICIPAL CODE, AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City Council has previously directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) program (commonly known as Community Choice Energy or CCE) under the provisions of the Public Utilities Code section 366.2 in order to provide electric service to customers within the City of Pismo Beach (City) with the intent of achieving reduced greenhouse gas emissions, local renewable power development, competitive electric rates, and the implementation of energy conservation and other energy programs; and

WHEREAS, CCAs enter into agreements with electric power suppliers and other service providers and, based upon those agreements, CCAs are able to provide power to residents and businesses at rates that are competitive with those of the incumbent investor-owned utility currently serving Pismo Beach, Pacific Gas & Electric. Once the California Public Utilities Commission certifies an Implementation Plan adopted by a CCA, the CCA will be able to provide service to customers within the City; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility, and customers who wish to receive service from the incumbent utility will be able to do so; and

WHEREAS, on June 4, 2019 and June 18, 2019, the City Council held public meetings on the manner in which the City will participate in a CCA program at which time interested persons had an opportunity to testify either in support of or opposition to the implementation of a CCA program serving the City; and

WHEREAS, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a "project," and because it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs.§ 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308).
NOW, THEREFORE, the City Council of the City of Pismo Beach does ordain as follows:

SECTION 1.

The above recitations are true and correct and material to this Ordinance.

SECTION 2.

A new Chapter 13.32 is hereby added to the Pismo Beach Municipal Code, as follows:

Chapter 13.32 COMMUNITY CHOICE ENERGY

13.32.010 Community Choice Energy.

Based upon the recitals set forth in City of Pismo Beach Ordinance No. O-2019-005, and in order to provide businesses and residents within the city with a choice of power providers and with the benefits described in the ordinance enacting this section, the City Council hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating as a group in such Community Choice Aggregation Programs as may be specified by resolution of the City Council.

SECTION 3.

This ordinance shall not be interpreted in any manner to conflict with controlling provisions of state or federal law, including, without limitation, the Constitution of the State of California. If any section, subsection, or clause of this ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections and clauses shall not be affected thereby. If this ordinance, or any section, subsection or clause of this ordinance shall be deemed unconstitutional or invalid as applied to a particular appeal, the validity of this ordinance and its sections, subsections, and clauses in regard to other contracts shall not be affected.

SECTION 4.

This ordinance shall become effective on the thirtieth (30th) day following passage and adoption hereof.

SECTION 5.

The City Clerk shall certify to the passage and adoption of this Ordinance, shall enter the same in the book of original ordinances of the City and shall make a minute of the passage and adoption thereof in the records of the meeting at which the same is passed and adopted.
Before the expiration of fifteen (15) days after the passage of this Ordinance, the City Clerk shall cause the same to be posted in three public places within the City of Pismo Beach, to wit: 1) City Hall, 760 Mattie Road, Pismo Beach, 2) U.S. Post Office, Shell Beach Road, Pismo Beach, 3) U.S. Post Office, Crest Drive, Pismo Beach.

INTRODUCED at a regular meeting of the City Council held this 4th day of June, 2019, on motion of Council Member Blake, seconded by Council Member Guthrie, and on the following roll call vote, to wit:

AYES: 3 Blake, Guthrie, Howell
NOES: 1 Waage
ABSENT: 1 Reiss
ABSTAIN: 0
RECUSED: 0

Approved: Ed Waage, Mayor

Attest: 

Ed Waage, Mayor

ADOPTED at a regular meeting of the City Council held this 18th day of June, 2019, on motion of Council Member Reiss, seconded by Council Member Guthrie, and on the following vote:

AYES: 4 Reiss, Guthrie, Blake, Howell
NOES: 1 Waage
ABSENT: 0
ABSTAIN: 0
RECUSED: 0

Approved: Ed Waage, Mayor

Attest: 

Ed Waage, Mayor

APPROVED AS TO FORM:

David M. Fleishman, City Attorney

PAGE 3 OF 4 O-2019-005
CERTIFICATION OF ORDINANCE POSTING
Government Code §40806

STATE OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO

I, Erica Inderlied, the City Clerk of the City of Pismo Beach, California, hereby certify in accordance with California Government Code Section 40806 that the foregoing document is a true and correct copy of Ordinance No. O-2019-005, titled AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PISMO BEACH, CALIFORNIA ADDING CHAPTER 13.32 TO THE PISMO BEACH MUNICIPAL CODE, AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM, and that I caused the same to be duly posted in three public places within the City within fifteen (15) days of adoption thereof, pursuant to the requirements of California Government Code Section 36933.

Dated this 20th day of June, 2019. Witness my hand and official seal.

Erica Inderlied, City Clerk

[City Seal]
ORDINANCE NO. 2019-06

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE
IMPLEMENTATION OF A COMMUNITY CHOICE
AGGREGATION PROGRAM BY PARTICIPATING IN
MONTEREY BAY COMMUNITY POWER AUTHORITY’S
COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City Council has previously directed staff to investigate the
feasibility and formation of a Community Choice Aggregation (CCA) program under the
provisions of the Public Utilities Code Section 366.2 in order to provide electric service to
customers within the City of Santa Maria (City) with the intent of achieving reduced
greenhouse gas emissions, local renewable power development, competitive electric
rates, and the implementation of energy conservation and other energy programs; and

WHEREAS, Monterey Bay Community Power Authority (MBCPA) is an
established CCA program capable of providing the desired financial and environmental
benefits; and

WHEREAS, MBCPA will enter into agreements with electric power suppliers and
other service providers and, based upon those agreements, MBCPA will be able to
provide power to residents and businesses at rates that are competitive with those of the
incumbent utility (“PG&E”). Once the California Public Utilities Commission certifies the
amended Implementation Plan adopted by MBCPA, MBCPA will be able to provide
service to customers within the City; and

WHEREAS, under Public Utilities Code Section 366.2, customers have the right
to opt-out of a CCA program and continue to receive service from the incumbent utility.
Customers who wish to receive service from the incumbent utility will be able to do so; and

WHEREAS, on August 20, 2019, and September 3, 2019, the City Council held
public meetings on the matter in which the City will participate in a CCA program at which
time interested persons had an opportunity to testify either in support of or opposition to
the implementation of a CCA program serving the City through MBCPA; and

WHEREAS, this Ordinance is exempt from the requirements of the California
Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a
"project" as it has no potential to result in a direct or reasonably foreseeable indirect
physical change to the environment. (14 Cal. Code Regs. § 15378(a)). Further, the
Ordinance is exempt from CEQA as there is no possibility that the Ordinance or its
implementation would have a significant effect on the environment. (14 Cal. Code Regs. §
15061(b)(3)). The Ordinance is also categorically exempt because it is an action taken
by a regulatory agency to assume the maintenance, restoration, enhancement or
NOW, THEREFORE, IT IS HEREBY ORDAINED by the City Council of the City of Santa Maria, State of California, as follows:

SECTION 1. The above recitations are true, correct, and material to this Ordinance; and

SECTION 2. Based upon the forgoing, and in order to provide businesses and residents within the City with a choice of power providers and with the benefits described above, the City Council hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating as a group in the Community Choice Aggregation Program of MBCPA, as generally described in its Joint Powers Agreement; and

SECTION 3. This Ordinance shall be in full force and effect 30 days after its passage. Within 15 days following its passage, the City Clerk shall cause this Ordinance to be published in a newspaper of general circulation in accordance with State Law; or when deemed necessary due to the length or complexity of the Ordinance, cause a summary of the Ordinance to be prepared and published at least 5 days prior to the City Council meeting at which the proposed Ordinance is to be adopted. If a summary is published at least 5 days prior to the City Council meeting at which the proposed Ordinance is to be adopted, then within 15 days after adoption of the Ordinance the City Clerk shall publish a summary of the Ordinance with the names of those City Council Members voting for and against the Ordinance and shall post a certified copy of the full text of such adopted Ordinance along with the names of those City Council Members voting for and against the Ordinance; and

SECTION 4. The Chief Deputy City Clerk is hereby authorized to make minor changes herein to address clerical errors, so long as substantial conformance of the intent of this document is maintained. In doing so, the Chief Deputy City Clerk shall consult with the City Manager and City Attorney concerning any changes deemed necessary.

INTRODUCED at a regular meeting the of the City Council held on the 20th day of August 2019, and PASSED AND ADOPTED at a regular meeting held the 3rd day of September 2019, by the following roll call vote:

AYES: Councilmembers Soto, Moats, Cordero.

NOES: Councilmember Waterfield and Mayor Patino.

ABSENT: None.

ABSTAINED: None.
STATE OF CALIFORNIA  
COUNTY OF SANTA BARBARA  ss.  
CITY OF SANTA MARIA  

I, M. BETH CLEARY, Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council, DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Ordinance No. 2019-06 which was duly and regularly introduced by said City Council at a regular meeting held August 20, 2019, on motion by Councilmember Soto, seconded by Councilmember Cordero, and carried on the following vote:

AYES:    Councilmembers Cordero, Moats, and Soto.

NOES:    Councilmember Waterfield and Mayor Patino.

ABSENT:  None.

ABSTAINED: None.

and which was duly and regularly adopted by said City Council at a regular meeting held September 3, 2019, on motion by Councilmember Moats, seconded by Councilmember Cordero, and carried on the following vote:

AYES:    Councilmembers Cordero, Moats, and Soto.

NOES:    Councilmember Waterfield and Mayor Patino.

ABSENT:  None.

ABSTAINED: None.

I further certify that said Ordinance No. 2019-06 was duly published in summary in accordance with the law and order of said City Council in the SANTA MARIA TIMES a newspaper printed and published in said City on August 27, 2019, and on September 10, 2019.

M. Beth Cleavey  
Deputy City Clerk of the City of Santa Maria and  
ex officio Clerk of the City Council
ORDINANCE NO. 19-0340

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOLVANG, CALIFORNIA, AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN MONTEREY BAY COMMUNITY POWER’S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City Council has previously directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) program under the provisions of the Public Utilities Code section 366.2 in order to provide electric service to customers within the City of Solvang (City) with the intent of achieving reduced greenhouse gas emissions, local renewable power development, competitive electric rates, and the implementation of energy conservation and other energy programs; and

WHEREAS, Monterey Bay Community Power Authority (MBCPA) is an established CCA program capable of providing the desired financial and environmental benefits, and

WHEREAS, MBCPA will enter into agreements with electric power suppliers and other service providers and, based upon those agreements, MBCPA will be able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility ("PG&E"). Once the California Public Utilities Commission certifies the amended Implementation Plan adopted by MBCPA, MBCPA will be able to provide service to customers within the City; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so; and

WHEREAS, on September 09 and September 23, 2019, the City Council held public meetings on the manner in which the City will participate in a CCA program at which time interested persons had an opportunity to testify either in support of or opposition to the implementation of a CCA program serving the City through MBCPA; and

WHEREAS, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308).

NOW, THEREFORE, be it ordained by the People of the Chartered City of Solvang that based on the foregoing, and in order to provide businesses and residents within the City a choice of power providers and with the benefits described above, the City Council hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating as a group in the Community Choice Aggregation Program of MBCPA, as generally described in its Joint Powers Agreement.

SECTION 1. The above recitations are true and correct and material to this Ordinance.
SECTION 2. This Ordinance shall take effect 30 days after its adoption. The City Clerk, or her duly appointed deputy, shall attest to the adoption of this Ordinance and shall cause this Ordinance to be published and posted in the manner required by law.

SECTION 3. Solvang is a Charter City and has adopted its own rules for summarizing and posting ordinances once they are adopted. A summary of this ordinance will be prepared by the City Attorney. The summary will be posted in three locations after adoption as directed in the Solvang Municipal Code. A true and correct copy of the full ordinance together with a record of the vote of each councilmember shall be kept by the City Clerk.

PASSED, APPROVED AND ADOPTED on the 23rd day of September, 2019.

By: Ryan Toussaint, Mayor

ATTEST:

Lisa S. Martin, City Clerk

STATE OF CALIFORNIA )
COUNTY OF SANTA BARBARA )
CITY OF SOLVANG )

I, Lisa S. Martin, City Clerk of the City of Solvang, do hereby certify that the foregoing Ordinance had its first reading on September 09, 2019 and was adopted on second reading on September 23, 2019 by the following roll call vote:

AYES: Mayor Toussaint, Council Members Djernaes, Johnson, and Waite
NOES: Council Member Clarke
ABSENT: 
ABSTAIN:

By: Lisa S. Martin, City Clerk
ORDINANCE NO. 5086

AN ORDINANCE OF THE BOARD OF SUPERVISORS, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, SPECIFYING THE INTENT TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM BY AND THROUGH PARTICIPATION IN MONTEREY BAY COMMUNITY POWER AUTHORITY’S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the Board of Supervisors of the County of Santa Barbara has previously directed staff to investigate the feasibility and formation of a community choice aggregation program under the provisions of California Public Utilities Code section 366.2 in order to provide electric service to customers within the County of Santa Barbara (County) with the intent of achieving greater local control and involvement related to the provision of electric service in the County, and offering energy with lower greenhouse gas emissions at a comparable rate to the Investor-Owned Utilities in the County; and

WHEREAS, Monterey Bay Community Power Authority (MBCPA) has established a Community Choice Aggregation (CCA) Program capable of providing the desired financial and environmental benefits; and

WHEREAS, the County’s participation in MBCPA’s CCA Program requires that the County Board of Supervisors, among other things, adopt a resolution requesting that the County become a member of MBCPA; adopt an ordinance pursuant to Public Utilities Code section 366.2(c)(12) electing to implement the CCA Program within its jurisdiction; and execute an amendment to the MBCPA’s Joint Powers Agreement; and

WHEREAS, the County’s participation in MBCPA’s CCA Program requires that MBCPA, among other things, adopt a resolution authorizing the County’s membership in MBCPA’s CCA Program; execute an amendment to the MBCPA’s Joint Powers Agreement; and prepare and submit an amended Implementation Plan to the California Public Utilities Commission (CPUC) for certification; and

WHEREAS, upon completion of all necessary actions by the County and MBCPA, as well as certification of the amended Implementation Plan by the CPUC, and adoption by MBCPA, MBCPA will be able to enter into agreements with electric power suppliers and other service providers and, based upon those agreements, MBCPA will be able to provide power to residents and businesses at rates that are competitive with those of the County’s incumbent utilities, Pacific Gas & Electric and Southern California Edison; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of the CCA Program and continue to receive service from the incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so.

NOW, THEREFORE, the Board of Supervisors of the County does ordain as follows:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Based upon the above, and pursuant to Public Utilities Code section 366.2, the Board of Supervisors of the County of Santa Barbara hereby elects and specifies the intent to implement a community choice aggregation program within the County’s jurisdiction by and through the County’s participation in the Monterey Bay Community Power Authority’s existing Community Choice Aggregation Program.
SECTION 3. The County of Santa Barbara's joining as a member of Monterey Bay Community Power Authority requires additional actions by both the County of Santa Barbara and Monterey Bay Community Power Authority, including mutual execution of an amendment to Monterey Bay Community Power Authority's Joint Powers Agreement and other necessary CCA Program agreements.

SECTION 4. This Ordinance shall take effect 30 days after its adoption. The County Clerk, or duly appointed deputy, shall attest to the adoption of this Ordinance and shall cause this Ordinance to be published and posted in the manner required by law.

INTRODUCED at a regular meeting of the Board of Supervisors of the County of Santa Barbara, held on the 16th day of July 2019,

PASSED AND ADOPTED on the 13th day of August 2019, by the following vote:

AYES: Supervisor Williams, Hart, Hartmann and Lavagnino
NOES: Supervisor Adam
ABSENT: NONE
ABSTAINED: NONE

COUNTY OF SANTA BARBARA

ATTEST:
MONA MIYASATO
CLERK OF THE BOARD

STEVE LAVAGNINO, CHAIR
BOARD OF SUPERVISORS

By: [Signature]
Deputy

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

By: [Signature]
Deputy County Counsel
RESOLUTION NO. 19-209

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SANTA BARBARA, CALIFORNIA, REQUESTING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY POWER JOINT POWERS AUTHORITY (MBCPA)

WHEREAS, AB 117, adopted as California state law in 2002, permits cities, counties, or Joint Power Authorities comprised of cities and counties to aggregate residential, commercial, industrial, municipal and institutional electric loads through community choice aggregation (CCA); and

WHEREAS, pursuant to Section 366.2, subdivision (c)(12)(B), of the Public Utilities Code, two or more entities authorized to be a community choice aggregator may participate as a group in a community choice aggregation program through a joint powers agency established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity adopts an ordinance pursuant to Section 366.2, subdivision (c)(12)(A), electing to implement a community choice aggregation program within its jurisdiction; and

WHEREAS, in March 2017, MBCPA was established as a joint powers agency pursuant to a joint powers agreement; and

WHEREAS, the purpose of MBCPA is to address climate change by providing locally controlled carbon-free electricity at affordable rates; and

WHEREAS, the Board of Supervisors of the County of Santa Barbara supports the mission of MBCPA and its intent to promote the development and use of a wide range of carbon free and renewable energy sources and energy efficiency programs, including solar and wind energy production at competitive rates for customers; and

WHEREAS, in order for the County of Santa Barbara (County) to become a member of MBCPA, among other things, the County and MBCPA must execute an amendment to MBCPA’s Joint Powers Agreement (JPA); and

WHEREAS, MBCPA’s Operating Rules and Regulations require the County to adopt a resolution requesting membership in MBCPA; and

WHEREAS, the County wishes to implement a community choice aggregation program within the County’s jurisdiction through participation in the Monterey Bay Community Power Authority’s existing Community Choice Aggregation Program, and the County has adopted the ordinance required by Public Utilities Code Section 366.2 in order to do so; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of the CCA Program and continue to receive service from the incumbent utility.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Barbara:

SECTION 1. The Board of Supervisors of the County of Santa Barbara requests that the Board of Directors of MBCPA approve the County as a member of MBCPA.
SECTION 2. The County of Santa Barbara's joining as a member of Monterey Bay Community Power Authority requires additional actions by both the County and MBCPA, including mutual execution of an amendment to MBCPA's Joint Powers Agreement and other necessary CCA Program agreements.

SECTION 3. This resolution shall be effective immediately upon passage and adoption.

PASSED AND ADOPTED, by the Board of Supervisors of the County of Santa Barbara, at a regular meeting thereof held on the 13th day of August 2019, by the following vote:

AYES: Supervisor Williams, Hart, Hartmann and Lavagnino
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

COUNTY OF SANTA BARBARA

ATTEST:
MONA MIYASATO
CLERK OF THE BOARD

STEVE LAVAGNINO, CHAIR
BOARD OF SUPERVISORS

By:         Deputy

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

By:         Deputy County Counsel
Appendix 4
RESOLUTION NO. 4940

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE, REQUESTING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY POWER JOINT POWERS AUTHORITY (MBCPA) AND AUTHORIZING THE MAYOR OR CITY MANAGER TO EXECUTE THE JOINT POWERS AUTHORITY AGREEMENT AS AMENDED WITH MBCPA

WHEREAS, AB 117, adopted as California state law in 2002, permits cities, counties, or Joint Power Authorities comprised of cities and counties to aggregate residential, commercial, industrial, municipal and institutional electric loads through Community Choice Aggregation (CCA); and

WHEREAS, pursuant to Section 366.2 of the Public Utilities Code, two or more entities authorized to be a community choice aggregator may participate as a group in a community choice aggregation program through a joint powers agency established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity adopts the aforementioned ordinance; and

WHEREAS, in March 2017, MBCPA was established as a joint powers agency pursuant to a joint powers agreement; and

WHEREAS, the purpose of MBCPA is to address climate change by providing locally controlled carbon-free electricity at affordable rates; and

WHEREAS, the City Council supports the mission of MBCPA and its intent to promote the development and use of a wide range of carbon free and renewable energy sources and energy efficiency programs, including solar and wind energy production at competitive rates for customers; and

WHEREAS, in order for the City to become a member of MBCPA, the MBCPA Joint Powers Agreement (JPA) must be amended to permit the City join as a party; and

WHEREAS, MBCPA also has requested the City adopt a resolution requesting membership in MBCPA and authorizing its Mayor or City Manager to execute the JPA as amended, as well as an ordinance authorizing CCA within its jurisdiction; and

WHEREAS, the City wishes to be a CCA pursuant to the JPA and has introduced the Ordinance required by Public Utilities Code Section 366.2 in order to do so; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of the CCA program and continue to receive service from the incumbent utility.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Arroyo Grande:

SECTION 1. The City Council of Arroyo Grande requests the Board of Directors of MBCPA approve the City of Arroyo Grande as a member of MBCPA.
SECTION 2. The Mayor or City Manager is hereby authorized and directed to execute the JPA on behalf of the City after the JPA is amended, which will establish the City's membership in MBCPA.

SECTION 3. The joining of MBCPA is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a "project" since this action involves organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal. Code Regs.§ 15378(b)(5).) Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs.§ 15061(b)(3)). A Notice of Exemption shall be filed as authorized by CEQA and the State CEQA guidelines.

SECTION 4. This Resolution shall be effective immediately upon passage and adoption.

On motion of Council Member Barneich, seconded by Council Member Paulding, and on the following roll call vote, to wit:

AYES: Council Members Barneich, Paulding, Storton, and Mayor Ray Russom
NOES: None
ABSENT: Council Member George

The foregoing Resolution was adopted this 13th day of August, 2019.
RESOLUTION NO. 4940

CAREN RAY RUSSOM, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

JAMES A. BERGMAN, CITY MANAGER

APPROVED AS TO FORM:

HEATHER K. WHITHAM, CITY ATTORNEY
OFFICIAL CERTIFICATION

I, KELLY WETMORE, City Clerk of the City of Arroyo Grande, County of San Luis Obispo, State of California, do hereby certify under penalty of perjury, that the attached Resolution No. 4940 was passed and adopted at a regular meeting of the City Council of the City of Arroyo Grande on the 13th day of August, 2019.

WITNESS my hand and the Seal of the City of Arroyo Grande affixed this 14th day of August, 2019.

KELLY WETMORE, CITY CLERK
WHEREAS, AB 117, adopted as California state law in 2002, permits cities, counties, or Joint Power Authorities comprised of cities and counties to aggregate residential, commercial, industrial, municipal and institutional electric loads through Community Choice Aggregation (CCA) Programs; and

WHEREAS, pursuant to Section 366.2 of the Public Utilities Code, two or more entities authorized to be a community choice aggregator may participate as a group in a community choice aggregation program through a joint powers agency established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity adopts the aforementioned ordinance; and

WHEREAS, in March 2017, the Monterey Bay Community Power Authority (MBCPA) was established as a joint powers agency pursuant to a joint powers agreement; and

WHEREAS, the purpose of MBCPA is to address climate change by providing locally controlled carbon-free electricity at affordable rates; and

WHEREAS, the City Council supports the mission of MBCPA and its intent to promote the development and use of a wide range of carbon free and renewable energy sources and energy efficiency programs, including solar and wind energy production at competitive rates for customers; and

WHEREAS, in order for the City of Carpinteria (City) to become a member of MBCPA, the MBCPA Joint Powers Agreement (JPA) must be amended to permit the City to join as a party; and

WHEREAS, the City of Carpinteria Council Utilities Committee met on July 23, 2019 to review the matter of joining MBCPA and recommended bringing this matter forward for consideration; and

WHEREAS, MBCPA's Operating Rules and Regulations require the City to adopt a resolution requesting membership in MBCPA; and

WHEREAS, the City wishes to implement a CCA Program within the City's jurisdiction through participation in the Monterey Bay Community Power Authority's
existing CCA Program; and the City has introduced the Ordinance required by Public Utilities Code Section 366.2 in order to do so; and

WHEREAS, under Public Utilities Code Section 366.2, customers have the right to opt- out of the CCA program and continue to receive service from the incumbent utility.

NOW, THEREFORE, BE IT RESOLVED as follows:

SECTION 1. The City Council of Carpinteria requests the Board of Directors of MBCPA approve the City as a member of MBCPA.

SECTION 2. The City Manager is hereby authorized and directed to execute the JPA on behalf of the City after the JPA is amended, which will establish the City's membership in MBCPA.

SECTION 3. This Resolution and the subsequent joining of MBCPA is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a "project" since this action involves organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal. Code Regs.§ 15378(b)(5).) Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs.§ 15061(b)(3).) A Notice of Exemption shall be filed as authorized by CEQA and the State CEQA guidelines.

SECTION 4. This resolution shall be effective immediately upon passage and adoption.

PASSED, APPROVED AND ADOPTED on 26th day of August, 2019, by the following vote:

AYES: COUNCILMEMBER(S): CARTY, LEE, SHAW, NOMURA
NOES: COUNCILMEMBER(S): NONE
ABSENT: COUNCILMEMBER(S): CLARK
ABSTAIN: COUNCILMEMBER(S): NONE

Mayor, City of Carpinteria
ATTEST:

\[Signature\]
City Clerk, City of Carpinteria

I hereby certify that the foregoing resolution was adopted at a regular meeting of the City Council of the City of Carpinteria held on [August 26, 2019].

\[Signature\]
City Clerk, City of Carpinteria

APPROVED AS TO FORM:

\[Signature\] for
Peter Brown, on behalf of Brownstein Hyatt Farber Schreck, LLP acting as City Attorney of the City of Carpinteria
RESOLUTION NO. 2019-09

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF DEL REY OAKS, CALIFORNIA,
REQUESTING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY
AUTHORITY (MBCPA) AND AUTHORIZING THE MAYOR OR CITY
MANAGER TO EXECUTE THE JOINT POWERS AUTHORITY
AGREEMENT, AS AMENDED WITH, MBCPA

WHEREAS, AB 117, adopted as California state law in 2002, permits cities, counties, or
Joint Power Authorities comprised of cities and counties to aggregate residential, commercial,
industrial, municipal and institutional electric loads through Community Choice Aggregation
(CCA); and

WHEREAS, pursuant to Section 366.2 of the Public Utilities Code, two or more entities
authorized to be a community choice aggregator may participate as a group in a community
choice aggregation program through a joint powers agency established pursuant to Chapter 5
(commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity
adopts the aforementioned ordinance; and

WHEREAS, in March 2017, MBCPA was established as a public agency pursuant to a
joint powers agreement; and

WHEREAS, the purpose of MBCPA is to address climate change by providing locally
controlled carbon-free electricity at affordable rates; and

WHEREAS, the City Council supports the mission of MBCPA and its intent to promote the
development and use of a wide range of carbon free and renewable energy sources and energy
efficiency programs, including solar and wind energy production at competitive rates for
customers; and

WHEREAS, in order for the City to become a member of MBCPA, the MBCPA Joint
Powers Agreement (JPA) must be amended to permit the City join as a party; and

WHEREAS, MBCPA also has requested the City adopt a resolution requesting
membership in MBCPA and authorizing its Mayor or City Manager to execute the JPA as
amended, as well as adopt an ordinance authorizing a Community Choice Aggregation (CCA)
program within its jurisdiction; and

WHEREAS, the City wishes to be a community choice aggregator pursuant to the JPA
and has introduced the Ordinance required by Public Utilities Code Section 366.2 in order to do
so; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-
out of the CCE program and continue to receive service from the incumbent utility.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Del Rey Oaks:

SECTION 1. The City Council of the City of Del Rey Oaks requests the Board of Directors
of MBCPA approve the City as a member of MBCPA.
SECTION 2. The Mayor or City Manager is hereby authorized and directed to execute the JPA on behalf of the City after the JPA is amended, which will establish the City's membership in MBCPA.

SECTION 3. This Resolution is exempt from CEQA as there is no possibility it will have a significant negative effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). This Resolution is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308)

SECTION 4. This resolution shall be effective immediately upon passage and adoption.

PASSED AND ADOPTED, by the City Council of the City of Del Rey Oaks, at a regular meeting thereof held on the 28th day of May 2019, by the following vote:

AYES: Councilmembers Gaglioti, Lintell, Goetzelt, Clark, Kerr
NAYS: None
ABSENT: None
ABSTAIN: None

ATTEST:

[Signature]  
Dania D. Pick, City Clerk

SIGNED:

[Signature]  
Alison Kerr, Mayor
I, Deborah S. López, City Clerk of the City of Goleta, California, do hereby certify that the document attached hereto entitled "Resolution No. 19-48, A Resolution of the City Council of the City of Goleta, California, Requesting Membership in the Monterey Bay Community Power Joint Powers Authority (MBCPA)" Dated August 20, 2019 is a full, true and correct copy of the original on file in the Office of the City Clerk, of which I am the legal custodian.

Dated this 27th day of August, 2019

Deborah S. López
City Clerk
RESOLUTION NO. 19-48

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, REQUESTING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY POWER JOINT POWERS AUTHORITY (MBCPA)

WHEREAS AB 117, adopted as California state law in 2002, permits cities, counties, or Joint Power Authorities comprised of cities and counties to aggregate residential, commercial, industrial, municipal and institutional electric loads through community choice aggregation (CCA); and

WHEREAS, pursuant to Section 366.2, subdivision (c)(12)(B), of the Public Utilities Code, two or more entities authorized to be a community choice aggregator may participate as a group in a community choice aggregation program through a joint powers agency established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity adopts an ordinance pursuant to Section 366.2, subdivision (c)(12)(A), electing to implement a community choice aggregation program within its jurisdiction; and

WHEREAS, in March 2017, MBCPA was established as a joint powers agency pursuant to a joint powers agreement; and

WHEREAS, the purpose of MBCPA is to address climate change by providing locally controlled carbon-free electricity at affordable rates; and

WHEREAS, the City Council of the City of Goleta supports the mission of MBCPA and its intent to promote the development and use of a wide range of carbon free and renewable energy sources and energy efficiency programs, including solar and wind energy production at competitive rates for customers; and

WHEREAS, in order for the City of Goleta (City) to become a member of MBCPA, among other things, the City and MBCPA must execute an amendment to MBCPA’s Joint Powers Agreement (JPA); and

WHEREAS, MBCPA’s Operating Rules and Regulations require the City to adopt a resolution requesting membership in MBCPA; and

WHEREAS on July 17, 2018, the City of Goleta adopted Resolution 18-41, entitled “A Resolution of the City Council of the City of Goleta, California, Affirming the City’s Intent to Participate in Governance and Financing Discussions for a Proposed Community Choice Energy Joint Powers Authority”, which authorized City staff to participate in discussions in anticipation of JPA formation for a Santa Barbara County CCE program and Resolution 18-41 should be repealed in light of the City’s current desire to join the MCBPA; and
WHEREAS, the City wishes to implement a community choice aggregation program within the City's jurisdiction though participation in the Monterey Bay Community Power Authority's existing Community Choice Aggregation Program, and the City has adopted the ordinance required by Public Utilities Code Section 366.2 in order to do so; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of the CCA Program and continue to receive service from the incumbent utility.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GOLETA, AS FOLLOWS:

SECTION 1.
The City Council of the City of Goleta requests the Board of Directors of MBCPA approve the City of Goleta as a member of MBCPA.

SECTION 2.
The City of Goleta's joining as a member of Monterey Bay Community Power Authority requires additional actions by both the City and MBCPA, including mutual execution of an amendment to MBCPA's Joint Powers Agreement and other necessary CCA Program agreements.

SECTION 3.
The Mayor or City Manager is hereby authorized and directed to execute the JPA on behalf of the City after the JPA is amended, which will establish the City's membership in MBCPA.

SECTION 4.
Resolution No. 18-41, entitled “A Resolution of the City Council of the City of Goleta, California, Affirming the City's Intent to Participate in Governance and Financing Discussions for a Proposed Community Choice Energy Joint Powers Authority” is repealed.

SECTION 5. CEQA.
This resolution is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment (14 Cal. Code Regs. § 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment (14 Cal. Code Regs. § 15308).
SECTION 6.
This Resolution will remain effective until superseded by a subsequent resolution.

SECTION 7.
The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 20th day of August 2019.

[Signature]
PAULA PEROTTE
MAYOR

ATTEST:

[Signature]
DEBORAH S. LOPEZ
CITY CLERK

APPROVED AS TO FORM:

[Signature]
MICHAEL JENKINS
CITY ATTORNEY

Resolution No. 19-48 Requesting Membership in the Monterey Bay Community Power Joint Powers Authority
STATE OF CALIFORNIA            )
COUNTY OF SANTA BARBARA    )    ss.
CITY OF GOLETA            )

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, DO HEREBY CERTIFY that the foregoing Resolution No. 19-48 was duly adopted by the City Council of the City of Goleta at a regular meeting held on the 20th day of August, 2019, by the following vote of the Council:

AYES: MAYOR PEROTTE, MAYOR PRO TEMPORE RICHARDS, COUNCILMEMBER ACEVES, KASDIN AND KYRIACO

NOES: NONE

ABSENT: NONE

ABSTENTIONS: NONE

(SEAL)

[Signature]

DEBORAH S. LOPEZ
CITY CLERK

Resolution No. 19-48 Requesting Membership in the Monterey Bay Community Power Joint Powers Authority
RESOLUTION NO. 19-15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA, REQUESTING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY POWER JOINT POWERS AUTHORITY (MBCPA) AND AUTHORIZING THE MAYOR OR CITY MANAGER TO EXECUTE THE JOINT POWERS AUTHORITY AGREEMENT AS AMENDED WITH MBCPA

WHEREAS, AB 117, adopted as California state law in 2002, permits cities, counties, or Joint Power Authorities comprised of cities and counties to aggregate residential, commercial, industrial, municipal and institutional electric loads through Community Choice Aggregation (CCA); and

WHEREAS, pursuant to Section 366.2 of the Public Utilities Code, two or more entities authorized to be a community choice aggregator may participate as a group in a Community Choice Aggregation program through a joint powers agency established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity adopts the aforementioned ordinance; and

WHEREAS, in March 2017, MBCPA was established as a joint powers agency pursuant to a joint powers agreement; and

WHEREAS, the purpose of MBCPA is to address climate change by providing locally controlled carbon-free electricity at affordable rates; and

WHEREAS, the City Council supports the mission of MBCPA and its intent to promote the development and use of a wide range of carbon free and renewable energy sources and energy efficiency programs, including solar and wind energy production at competitive rates for customers; and

WHEREAS, in order for the City of Grover Beach (City) to become a member of MBCPA, the MBCPA Joint Powers Agreement (JPA) must be amended to permit the City join as a party; and

WHEREAS, MBCPA also has requested the City adopt a resolution requesting membership in MBCPA and authorizing its Mayor or City Manager to execute the JPA as amended, as well as an ordinance authorizing Community Choice Aggregation (CCA) within its jurisdiction; and

WHEREAS, the City wishes to be a community choice aggregator pursuant to the JPA and has introduced the Ordinance required by Public Utilities Code Section 366.2 in order to do so; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of the CCE program and continue to receive service from the incumbent utility.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Grover Beach:

SECTION 1. The City Council of requests the Board of Directors of MBCPA approve the City as a member of MBCPA.
SECTION 2. The Mayor or City Manager is hereby authorized and directed to execute the JPA on behalf of the City after the JPA is amended, which will establish the City’s membership in MBCPA.

SECTION 3. This Resolution and the subsequent joining of MBCPA is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a "project" since this action involves organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal. Code Regs. § 15378(b)(5).) Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). A Notice of Exemption shall be filed as authorized by CEQA and the State CEQA guidelines.

SECTION 4. This resolution shall be effective immediately upon passage and adoption.

Upon motion by Mayor Pro Tem Shah, second by Council Member Bright, and on the following roll call vote:

AYES: Council Members – Bright, Lance, Nicolls, Mayor Pro Tem Shah and Mayor Lee
NOES: Council Members – None
ABSENT: Council Members – None
ABSTAIN: Council Members – None

The foregoing RESOLUTION NO. 19-15 was PASSED, APPROVED, and ADOPTED at a Meeting of the City Council of the City of Grover Beach, California this 20th day of May, 2019.

[Signature]
JEFF LEE, MAYOR

Attest:
WENDI B. SIMS, CITY CLERK
RESOLUTION NO. 2019-35

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUADALUPE, CALIFORNIA REQUESTING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY POWER JOINT POWERS AUTHORITY (MBCPA) AND AUTHORIZING THE MAYOR OR CITY ADMINISTRATOR TO EXECUTE THE JOINT POWERS AUTHORITY AGREEMENT AS AMENDED WITH MBCPA

WHEREAS, AB 117, adopted as California State law in 2002, permits cities, counties, or Joint Power Authorities comprised of cities and counties to aggregate residential, commercial, industrial, municipal, and institutional electric loads through Community Choice Aggregation (CCA); and

WHEREAS, pursuant to Section 366.2 of the Public Utilities Code, two or more entities authorized to be a community choice aggregator may participate as a group in a community choice aggregation program through a joint powers agency established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity adopts the aforementioned ordinance; and

WHEREAS, in March 2017, the Monterey Bay Community Power Authority (MBCPA) was established as a joint powers agency pursuant to a joint powers agreement; and

WHEREAS, the purpose of MBCPA is to address climate change by providing locally controlled carbon-free electricity at affordable rates; and

WHEREAS, the City Council supports the mission of MBCPA and its intent to promote the development and use of a wide range of carbon free and renewable energy sources and energy efficiency programs, including solar and wind energy production at competitive rates for customers; and

WHEREAS, in order for the City of Guadalupe (City) to become a member of MBCPA, the MBCPA Joint Powers Agreement (JPA) must be amended to permit the City join as a party; and

WHEREAS, MBCPA also has requested the City adopt a resolution requesting membership in MBCPA and authorizing its Mayor or City Administrator to execute the JPA as amended, as well as an ordinance authorizing Community Choice Aggregation (CCA) within its jurisdiction; and

WHEREAS, the City wishes to be a community choice aggregator pursuant to the JPA and has introduced the Ordinance required by Public Utilities Code Section 366.2 in order to do so; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of the CCE program and continue to receive service from the incumbent utility.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Guadalupe:
SECTION 1. The City Council of the City of Guadalupe requests the Board of Directors of MBCPA approve the City as a member of MBCPA.

SECTION 2. The City Administrator is hereby authorized and directed to execute the JPA on behalf of the City after the JPA is amended, which will establish the City's membership in MBCPA.

SECTION 3. This Resolution and the subsequent joining of MBCPA is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a "project" since this action involves organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal. Code Regs.§ 15378(b)(5).) Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs.§ 15061(b)(3)). A Notice of Exemption shall be filed as authorized by CEQA and the State CEQA guidelines.

SECTION 4. This resolution shall be effective immediately upon passage and adoption.

PASSED, APPROVED AND ADOPTED at a regular meeting held on the 23rd day of July 2019 by the following vote:

Motion: TONY RAMIREZ / LILIANA CARDENAS
AYES: 3 Councilmembers: Ramirez, Cardenas, Julian
NOES: 0
ABSENT: 0
ABSTAIN: 2 Councilmembers: Rubalcaba, Costa

I, Joice Earleen Raguz, City Clerk of the City of Guadalupe DO HEREBY CERTIFY that the foregoing Resolution, being Resolution No. 2019-35, has been duly signed by the Mayor and attested by the City Clerk, all at a regular meeting of the City Council, held July 23rd 2019, and that same was approved and adopted.

ATTEST:

Joice Earleen Raguz, City Clerk

Ariston Julian, Mayor

APPROVED AS TO FORM:

Philip F. Sinco, City Attorney
RESOLUTION NO. 19-053

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES, REQUESTING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY POWER JOINT POWERS AUTHORITY (MBCPA) AND AUTHORIZING THE MAYOR TO EXECUTE THE JOINT POWERS AUTHORITY AGREEMENT AS AMENDED WITH MBCPA

WHEREAS, AB 117, adopted as California state law in 2002 (effective January 1, 2003), permits cities, counties, and Joint Power Authorities comprised of cities and counties to aggregate residential, commercial, industrial, municipal, and institutional electric loads through Community Choice Aggregation (CCA); and

WHEREAS, pursuant to Section 366.2 of the Public Utilities Code, two or more entities authorized to be a community choice aggregator may participate as a group in a community choice aggregation program through a joint powers agency established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity adopts a resolution and an ordinance; and

WHEREAS, in March 2017, MBCPA was established as a joint powers agency pursuant to a joint powers agreement; and

WHEREAS, the purpose of MBCPA is to provide reliable power at cheaper rates, delivered through the PG&E transmission and distribution systems, and using power supplies that address renewable energy by providing locally controlled carbon-free electricity at affordable rates; and

WHEREAS, the City Council supports the mission of MBCPA and its intent to promote the development and use of a wide range of carbon free and renewable energy sources and energy efficiency programs, including solar and wind energy production at competitive rates for customers; and

WHEREAS, in order for City of El Paso de Robles (City) to become a member of MBCPA, the MBCPA Joint Powers Agreement (JPA) must be amended to permit the City to join as a party; and

WHEREAS, MBCPA also has requested the City adopt a resolution requesting membership in MBCPA and authorizing the Mayor to execute the JPA as amended, as well as an ordinance authorizing Community Choice Aggregation (CCA) within its jurisdiction; and

WHEREAS, the City wishes to be a community choice aggregator pursuant to the JPA and has introduced the Ordinance required by Public Utilities Code Section 366.2 in order to do so; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt out of the CCE program and continue to receive service solely from PG&E.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of El Paso de Robles:

SECTION 1. The City Council requests the Board of Directors of MBCPA approve the City as a member of MBCPA.
SECTION 2. The City Council hereby approves City membership in MBCPA and further approves the MBCPA JPA, as amended, and the MBCPA Operating Rules and Regulations. The Mayor is hereby authorized and directed to execute the JPA on behalf of the City after the JPA is amended, which will establish the City's membership in MBCPA.

SECTION 3. This Resolution and the subsequent joining of MBCPA is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a "project" since this action involves organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal. Code Regs. §15378(b)(5)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). A Notice of Exemption shall be filed as authorized by CEQA and the State CEQA guidelines.

SECTION 4. This resolution shall be effective immediately upon passage and approval.

APPROVED, by the City Council of the City of El Paso de Robles, at a regular meeting thereof held on the 21st day of May 2019, by the following vote:

AYES: Strong, Garcia, Gregory, Hamon, Martin
NOES: 
ABSENT: 
ABSTAIN: 

[Signature]
Steven W. Martin, Mayor

ATTEST:

[Signature]
Kristen L. Buxkemper, Deputy City Clerk
RESOLUTION NO. R-2019-044

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PISMO BEACH, CALIFORNIA REQUESTING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY POWER JOINT POWERS AUTHORITY (MBCP) AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE JOINT POWERS AUTHORITY AGREEMENT AS AMENDED WITH MBCP

WHEREAS, AB 117, adopted as California state law in 2002, permits cities, counties, or Joint Power Authorities comprised of cities and counties to aggregate residential, commercial, industrial, municipal and institutional electric loads through Community Choice Aggregation (CCA); and

WHEREAS, pursuant to Section 366.2 of the Public Utilities Code, two or more entities authorized to be a community choice aggregator may participate as a group in a community choice aggregation program through a joint powers agency established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity adopts the aforementioned ordinance; and

WHEREAS, in March 2017, MBCP was established as a joint powers agency pursuant to a joint powers agreement (Exhibit A); and

WHEREAS, the purpose of MBCP is to address climate change by providing locally controlled carbon-free electricity at affordable rates; and

WHEREAS, the City Council supports the mission of MBCP and its intent to promote the development and use of a wide range of carbon free and renewable energy sources and energy efficiency programs, including solar and wind energy production at competitive rates for customers; and

WHEREAS, in order for the City of Pismo Beach (City) to become a member of MBCP, the MBCP Joint Powers Agreement (JPA) must be amended to permit the City join as a party; and

WHEREAS, MBCP also has requested the City adopt a resolution requesting membership in MBCP and authorizing its Mayor or City Manager to execute the JPA as amended, as well as an ordinance authorizing Community Choice Aggregation (CCA) within its jurisdiction; and

WHEREAS, the City wishes to be a community choice aggregator pursuant to the JPA and has introduced the Ordinance required by Public Utilities Code Section 366.2 in order to do so; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of the CCE program and continue to receive service from the incumbent utility.
NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Pismo Beach.

SECTION 1. The City Council requests that the Board of Directors of MBCP approve the City as a member of MBCP.

SECTION 2. The City Manager is hereby authorized and directed to execute the JPA on behalf of the City after the JPA is amended, which will establish the City's membership in MBCP.

SECTION 3. This resolution shall be effective immediately upon passage and adoption.

UPON MOTION OF Mayor Pro Tem Howell, seconded by Council Member Blake, the foregoing resolution was adopted by the City Council of the City of Pismo Beach this 4th day of June 2019, by the following vote:

AYES: 3 Howell, Blake, Guthrie
NOES: 1 Waage
ABSENT: 1 Reiss
ABSTAIN: 0
RECUSED: 0

Approved:  

Ed Waage, Mayor

Attest:  

Erica Inderlied, City Clerk
AMENDMENT NO. 1 TO MONTEREY BAY COMMUNITY POWER AUTHORITY
JOINT EXERCISE OF POWERS AGREEMENT

This Amendment No. 1 amends the Monterey Bay Community Power Authority Joint Exercise of Powers Agreement ("Agreement") as follows:

1. The title to the Agreement is hereby amended to read:

   JOINT EXERCISE OF POWERS AGREEMENT RELATING TO AND CREATING THE
   Monterey Bay Community Power Authority
   OF
   Monterey, Santa Cruz, and San Benito Counties and Certain Cities in San Luis Obispo County

2. The introductory paragraph to the Agreement is hereby amended to read:

   This Joint Exercise of Powers Agreement, effective on the date determined by Section 2.1, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the Parties set forth in Exhibit B, establishes the Monterey Bay Community Power Authority ("Authority"), and is by and among the Counties of Monterey, Santa Cruz, and San Benito who become signatories to this Agreement ("Counties"), those cities and towns within the Counties of Monterey, Santa Cruz, and San Benito who become signatories to this Agreement and the Cities of San Luis Obispo and Morro Bay who become signatories to this Agreement, and relates to the joint exercise of powers among the signatories hereto.

3. Section 3.1.1 of the Agreement is hereby amended to read:

   3.1.1 Both Boards shall consist of Directors representing any of the three Counties of Monterey, Santa Cruz, or San Benito that become a signatory to the Agreement, Directors representing any of the Cities or Towns within those counties that becomes a signatory to the Agreement, and Directors representing the cities of San Luis Obispo and Morro Bay ("Directors"). Each Director shall serve at the pleasure of the governing board of the Party who appointed such Director, and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a
replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant.

4. Section 3.1.5 of the Agreement is hereby amended to read:

3.1.5 Shared Board seats will be determined through the Mayors and Councilmembers’ city selection process in their respective counties, with a term of two years except that the Cities of San Luis Obispo and Morro Bay shall determine the manner in which their shared seats shall be allocated. Directors may be reappointed, following the Mayors and Councilmembers’ city selection process in their respective counties, or as determined by the Cities of San Luis Obispo and Morro Bay for their shared seats and serve multiple terms. In the event of an established Board seat transitioning to a shared seat due to the addition of a new party, the sitting Director will automatically be the first representative for that shared seat to ensure continuity and maintain experience.

5. Exhibit B, List of Parties, to the Agreement is hereby amended to add the City of San Luis Obispo and the City of Morro Bay.

6. Exhibit C, Regional Allocation, to the Agreement is hereby amended to add a new subsection xii to read:

   xii. One shared seat for the Cities of San Luis Obispo and Morro Bay selected by the agreement of these two cities.

This Amendment No. 1 to the Monterey Bay Community Power Authority Joint Exercise of Powers Agreement was duly adopted by the Policy Board of Directors in accordance with Section 7.4 of this Agreement on December 5, 2018.
JOINT EXERCISE OF POWERS AGREEMENT RELATING TO AND CREATING THE

Monterey Bay Community Power Authority

OF

Monterey, Santa Cruz, and San Benito Counties and Certain
Cities in San Luis Obispo County

This Joint Exercise of Powers Agreement, effective on the date determined by Section 2.1, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the Parties set forth in Exhibit B, establishes the Monterey Bay Community Power Authority ("Authority"), and is by and among the Counties of Monterey, Santa Cruz, and San Benito who become signatories to this Agreement ("Counties") those cities and towns within the Counties of Monterey, Santa Cruz, and San Benito who become signatories to this Agreement and the Cities of San Luis Obispo and Morro Bay who become signatories to this Agreement, and relates to the joint exercise of powers among the signatories hereto.

RECITALS

A. The Parties share various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions.

B. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB
32 which will require local governments to develop programs to reduce greenhouse gas emissions.

C. The purposes for entering into this Agreement include:

a. Reducing greenhouse gas emissions related to the use of power in Monterey, Santa Cruz, and San Benito Counties and neighboring regions;

b. Providing electric power and other forms of energy to customers at affordable rates that are competitive with the incumbent utility;

c. Carrying out programs to reduce energy consumption;

d. Stimulating and sustaining the local economy by lowering electric rates and creating local jobs as a result of MBCP’s CCE program; and

e. Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources.

D. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar, wind, and geothermal energy production. The purchase of renewable power and greenhouse gas-free energy sources will be the desired approach to decrease regional greenhouse gas emissions and accelerate the State’s transition to clean power resources to the extent feasible.

a. It is further desired to establish a short-term and long-term energy portfolio that prioritizes the use and development of State, local and regional renewable resources and carbon free resources.

b. In compliance with State law and in alignment with the Authority’s desire to stimulate the development of local renewable power, the Authority shall draft an Integrated Resource Plan that includes a range of local renewable development potential in the Monterey Bay Region and plans to incorporate
local power into its energy portfolio as quickly as is possible and economically feasible.

E. The Parties desire to establish a separate public Authority, known as the Monterey Bay Community Power Authority, under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act") in order to collectively study, promote, develop, conduct, operate, and manage energy programs.

F. The Parties anticipate adopting an ordinance electing to implement through the Authority a common Community Choice Aggregation (CCA) program, an electric service enterprise available to cities and counties pursuant to California Public Utilities Code Sections 331.1(c) and 366.2. The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1: DEFINITIONS AND EXHIBITS

1.1. Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A unless the context requires otherwise.

1.2. Documents Included. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

Exhibit A: Definitions
Exhibit B: List of the Parties
Exhibit C: Regional Allocations
ARTICLE 2: FORMATION OF MONTEREY BAY COMMUNITY POWER AUTHORITY

2.1. Effective Date and Term. This Agreement shall become effective and “Monterey Bay Community Power Authority” shall exist as a separate public Authority on the date that this Agreement is executed by at least three Initial Participants from the Counties of Monterey, Santa Cruz, and San Benito and the municipalities within those counties, after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 6.4, subject to the rights of the Parties to withdraw from the Authority.

2.2. Formation. There is formed as of the Effective Date a public Authority named the Monterey Bay Community Power Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public Authority separate from the Parties. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 7.4 of this Agreement, this Section 2.2 may not be amended unless such amendment is approved by the governing board of each Party.

2.3. Purpose. The purpose of this Agreement is to establish an independent public Authority in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties
intend for this Agreement to be used as a contractual mechanism by which the Parties are authorized to participate in the CCA Program, as further described in Section 4.1. The Parties intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program and any other energy programs approved by the Authority.

2.4. **Powers.** The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 3.7 through 3.7.1:

2.4.1. to make and enter into contracts;

2.4.2. to employ agents and employees, including but not limited to a Chief Executive Officer;

2.4.3. to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;

2.4.4. to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property; however, the Authority shall not exercise the power of eminent domain within the jurisdiction of a Party without approval of the affected Party’s governing board;

2.4.5. to lease any property;

2.4.6. to sue and be sued in its own name;

2.4.7. to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing
powers such as Government Code Sections 53850 et seq. and authority under the Act;

2.4.8. to form subsidiary or independent corporations or entities if necessary, to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;

2.4.9. to issue revenue bonds and other forms of indebtedness;

2.4.10. to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;

2.4.11. to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;

2.4.12. to adopt Operating Rules and Regulations;

2.4.13. to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services; and

2.4.14. to permit additional Parties to enter into this Agreement after the Effective Date and to permit another entity authorized to be a community choice aggregator to designate the Authority to act as the community choice aggregator on its behalf.

2.5. Limitation on Powers. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the City of Santa Cruz and any other restrictions on exercising the powers of the authority that may be adopted by the board.

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2.6. Compliance with Local Zoning and Building Laws and CEQA. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act ("CEQA").

ARTICLE 3: GOVERNANCE AND INTERNAL ORGANIZATION

3.1. Boards of Directors. The governing bodies of the Authority shall consist of a Policy Board of Directors ("Policy Board") and an Operations Board of Directors ("Operations Board").

3.1.1. Both Boards shall consist of Directors representing any of the three Counties of Monterey, Santa Cruz, or San Benito that become a signatory to the Agreement, Directors representing any of the Cities or Towns within those counties that becomes a signatory to the Agreement, and Directors representing the Cities of San Luis Obispo and Morro Bay ("Directors"). Each Director shall serve at the pleasure of the governing board of the Party who appointed such Director and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant.

3.1.2. Policy Board Directors must be elected members of the Board of Supervisors or elected members of the City or Town Council of the municipality that is the signatory to this Agreement. Jurisdictions may appoint an alternate to serve in the absence of its Director on the Policy Board. Alternates for the Policy Board must be members of the Board of
Supervisors or members of the governing board of the municipality that is
the signatory to this Agreement.

3.1.3. Operations Board Directors must be the senior executive/County
Administrative Officer of any County that is the signatory to this
Agreement, or senior executive/City Manager from any municipality that
is the signatory to this Agreement. Jurisdictions may appoint an alternate
to serve in the absence of its Director on the Operations Board. Alternates
for the Operations Board must be administrative managers of the County
or administrative managers of the governing board of the municipality
that is the signatory to this Agreement.

3.1.4. Board seats will be allocated under the following formulas. Policy and
Operations Board seats for founding JPA members (i.e. those jurisdictions
that pass a CCA ordinance by February 28, 2017) will be allocated on a
one jurisdiction, one seat basis until such time as the number of member
jurisdictions exceeds eleven. Once the JPA reaches more than eleven-
member agencies, the Policy and Operations Boards’ composition shall
shift to a regional allocation based on population size. This allocation
shall be one seat for each jurisdiction with a population of 50,000 and
above, and shared seats for jurisdictions with populations below 50,000
allocated on a sub-regional basis, as set forth in Exhibit C.
Notwithstanding the above, the County of San Benito shall be allotted one
seat.

3.1.5. Shared board seats will be determined through the Mayors and
Councilmembers’ city selection process in their respective counties, with
a term of two years except that the Cities of San Luis Obispo and Morro
Bay shall determine the manner in which their shared seats shall be
allocated. Directors may be reappointed, following the Mayors and
Councilmembers’ city selection process in their respective counties, or as determined by the Cities of San Luis Obispo and Morro Bay for their shared seats and serve multiple terms. In the event of an established board seat transitioning to a shared seat due to the addition of a new party, the sitting Director will automatically be the first representative for that shared seat to ensure continuity and maintain experience.

3.2. **Quorum.** A majority of the appointed Directors shall constitute a quorum, except that less than a quorum may adjourn in accordance with law.

3.3. **Powers and Functions of the Boards.** The Boards shall exercise general governance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. The Boards shall provide general policy guidance to the CCA Program.

3.3.1. The Policy Board will provide guidance/approval in the areas of strategic planning and goal setting, passage of Authority budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service.

3.3.2. The Operations Board will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority.

3.3.3. Policy Board approval shall be required for any of the following actions, including but not limited to:

(a) The issuance of bonds, major capital expenditures, or any other financing even if program revenues are expected to pay for such financing:

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(b) The appointment or removal of officers described in Section 3.9, subject to Section 3.9.3;

(c) The appointment and termination of the Chief Executive Officer;

(d) The adoption of the Annual Budget;

(e) The adoption of an ordinance;

(f) The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority;

(g) The adoption of the Implementation Plan;

(h) The selection of General Counsel, Treasurer and Auditor;

(i) The amending of this Joint Exercise of Powers Agreement; and

(j) Termination of the CCA Program.

3.3.4. Operations Board approval shall be required for the following actions, including but not limited to:

(a) The approval of Authority contracts and agreements, except as provided by Section 3.4; and

(b) Approval of Authority operating policies and other matters necessary to ensure successful program operations.

3.3.5. Joint approval of the Policy and Operations Boards shall be required for the initiation or resolution of claims and litigation where the Authority will be the defendant, plaintiff, petitioner, respondent, cross complainant or cross petitioner, or intervenor; provided, however, that the Chief Executive Officer or General Counsel, on behalf of the Authority, may
intervene in, become a party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative authority, without approval of the Boards as long as such action is consistent with any adopted Board policies.

3.4. Chief Executive Officer. The Authority shall have a Chief Executive Officer ("CEO"). The Operations Board shall present nomination(s) of qualified candidates to the Policy Board. The Policy Board shall make the selection and appointment of the CEO who will be an employee of the Authority and serve at will and at the pleasure of the Policy Board.

The CEO shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The CEO may exercise all powers of the Authority, including the power to hire, discipline and terminate employees as well as the power to approve any agreement if the total amount payable under the agreement falls within the Authority’s fiscal policies to be set by the Policy Board, except the powers specifically set forth in Section 3.3 or those powers which by law must be exercised by the Board(s) of Directors. The CEO shall report to the Policy Board on matters related to strategic planning and goal setting, passage of Authority budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service. The CEO shall report to the Operations Board on matters related to Authority policy and the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority. It shall be the responsibility of the CEO to keep both Board(s) appropriately informed and engaged in the discussions and actions of each to ensure cooperation and unity within the Authority.

3.5. Commissions, Boards, and Committees. The Boards may establish any advisory committees they deem appropriate to assist in carrying out the CCA Program, other energy programs, and the provisions of this Agreement which shall comply with the

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requirements of the Ralph M. Brown Act. The Boards may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees if the Board(s) deem it appropriate to appoint such commissions, boards or committees, and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

3.6. **Director Compensation.** Directors shall serve without compensation from the Authority. However, Directors may be compensated by their respective appointing authorities. The Boards, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by their respective Directors.

3.7. **Voting.** Except as provided in Section 3.7.1 below, actions of the Boards shall require the affirmative vote of a majority of Directors present at the meeting.

3.7.1. Special Voting Requirements for Certain Matters.

(a) Two-Thirds Voting Approval Requirements Relating to Sections 6.2 and 7.4. Action of the Board on the matters set forth in Section 6.2 (involuntary termination of a Party), or Section 7.4 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of Directors present.

(b) Seventy-Five Percent Special Voting Requirements for Eminent Domain and Contributions or Pledge of Assets.

i. A decision to exercise the power of eminent domain on behalf of the Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least 75% of all Directors present.

ii. The imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program shall require a vote of at least
75% of all Directors and the approval of the governing boards of the Parties who are being asked to make such contribution or pledge.

iii. For purposes of this section, "imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program" does not include any obligations of a withdrawing or terminated party imposed under Section 6.3.

3.8. Meetings and Special Meetings of the Board. The Policy Board shall hold up to three regular meetings per year, with the option for additional or special meetings as determined by the Chief Executive Officer or Chair of the Policy Board after consultation with the Chief Executive Officer. The Operations Board shall hold at least eight meetings per year, with the option for additional or special meetings. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special and Emergency Meetings of the Boards may be called in accordance with the provisions of California Government Code Sections 54956 and 54956.5. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 et seq.).

3.9. Selection of Board Officers.

3.9.1. Policy Board Chair and Vice Chair. The Policy Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Policy Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The Policy Board Chair and Vice Chair shall act as the overall Chair and Vice Chair for Monterey Bay Community Power Authority. The term of office of the Chair and Vice Chair shall continue
for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, is no longer holding a qualifying public office, or the Party that the person represents removes the person as its representative on the Board; or

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

3.9.2. Operations Board Chair and Vice Chair. The Operations Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Operations Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, or is no longer the senior executive of the Party that the person represents or;

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

3.9.3. Secretary. Each Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of each Board and all other official records of the Authority. If the Secretary appointed is an employee of the Authority, that employee may serve as Secretary to both Boards.

3.9.4. The Policy Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be a
member of the Board. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may hold both the office of Treasurer and the office of Auditor of the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall report directly to the Policy Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 5.

3.10. **Administrative Services Provider.** The Board(s) may appoint one or more administrative services providers to serve as the Authority’s agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of an Administrative Services Agreement. The appointed administrative services provider may be one of the Parties. An Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program. The Administrative Services Provider shall be either an employee or a contractor of the Authority unless a member agency is providing the service.
ARTICLE 4: IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

4.1. Preliminary Implementation of the CCA Program.

4.1.1. Enabling Ordinance. To be eligible to participate in the CCA Program, each Party must adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

4.1.2. Implementation Plan. The Policy Board shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Policy Board in the manner provided by Section 3.7.

4.1.3. Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

4.2. Authority Documents. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board(s) through resolution, including but not limited to the MBCP Implementation Plan and Operating Policies. The Parties agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board(s), subject to the Parties’ right to withdraw from the Authority as described in Article 6.
ARTICLE 5: FINANCIAL PROVISIONS

5.1. Fiscal Year. The Authority’s fiscal year shall be 12 months commencing April 1 or the date selected by the Authority. The fiscal year may be changed by Policy Board resolution.

5.2. Depository.

5.2.1. All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

5.2.2. All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times. The Board(s) shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

5.2.3. All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board(s) in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board(s).

5.3. Budget and Recovery of Costs.

5.3.1. Budget. The initial budget shall be approved by the Policy Board. The Board may revise the budget from time-to-time as may be reasonably necessary to address contingencies and unexpected expenses. All

1/20/17 as amended 12/5/18   Page 17
subsequent budgets of the Authority shall be approved by the Policy Board in accordance with the Operating Rules and Regulations.

5.3.2. Funding of Initial Costs. The County of Santa Cruz has funded certain activities necessary to implement the CCA Program. If the CCA Program becomes operational, these Initial Costs paid by the County of Santa Cruz shall be included in the customer charges for electric services as provided by Section 5.3.3 to the extent permitted by law, and the County of Santa Cruz shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the County of Santa Cruz shall provide such documentation of costs paid as the Board may request. The Authority may establish a reasonable time-period over which such costs are recovered. In the event, that the CCA Program does not become operational, the County of Santa Cruz shall not be entitled to any reimbursement of the Initial Costs it has paid from the Authority or any Party.

5.3.3. CCA Program Costs. The Parties desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but not limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

5.3.4. Credit Guarantee Requirement. The Parties acknowledge that there will be a shared responsibility to provide some level of credit support (in the form of a letter of credit, cash collateral or interagency agreement) for
Authority start-up and initial working capital as may be required by a third-party lender. Guarantee requirements shall be released after program launch and as soon as possible under the terms of the third-party credit agreement(s). The credit guarantee will be distributed on a per-seat basis. Shared seat members will divide the credit guarantee among the cities sharing those seats. The term of the credit guarantee shall be the same term as specified in the banking agreement. Once a Party has made a credit guarantee, that guarantee shall remain in place until released, even if that Party withdraws from the Authority.

5.3.5. The County of Santa Cruz has agreed to provide initial administrative support on a cost reimbursement basis to the JPA once formed. This includes, but is not limited to, personnel, payroll, legal, risk management.

ARTICLE 6: WITHDRAWAL


6.1.1. Right to Withdraw. A Party may withdraw its participation in the CCA Program, effective as of the beginning of the Authority’s fiscal year, by giving no less than 6 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party’s governing board.

6.1.2. Right to Withdraw After Amendment. Notwithstanding Section 6.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Policy Board which the Party’s Director voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Party shall require an affirmative vote of the Party’s governing board and shall not be subject to the six-month advanced notice provided in Section 1/20/17 as amended 12/5/18
6.1.1. In the event of such withdrawal, the Party shall be subject to the provisions of Section 6.3.

6.1.3. The Right to Withdraw Prior to Program Launch. After receiving bids from power suppliers, the Authority must provide to the Parties the report from the electrical utility consultant retained by the Authority that compares the total estimated electrical rates that the Authority will be charging to customers as well as the estimated greenhouse gas emissions rate and the amount of estimated renewable energy used with that of the incumbent utility. If the report provides that the Authority is unable to provide total electrical rates, as part of its baseline offering, to the customers that are equal to or lower than the incumbent utility or to provide power in a manner that has a lower greenhouse gas emissions rate or uses more renewable energy than the incumbent utility, a Party may, immediately after an affirmative vote of the Party’s governing board, withdraw its membership in the Authority without any financial obligation, except those financial obligations incurred through the Party’s share of the credit guarantee described in 5.3.4, as long as the Party provides written notice of its intent to withdraw to the Authority Board no more than fifteen business days after receiving the report. Costs incurred prior to withdrawal will be calculated as a pro-rata share of start-up costs expended to the date of the Party’s withdrawal, and it shall be the responsibility of the withdrawing Party to pay its share of said costs if they have a material/adverse impact on remaining Authority members or ratepayers.

6.1.4. Continuing Financial Obligation; Further Assurances. Except as provided by Section 6.1.3, a Party that withdraws its participation in the CCA Program may be subject to certain continuing financial obligations, as described in Section 6.3. Each withdrawing Party and the Authority shall
execute and deliver all further instruments and documents and take any
further action that may be reasonably necessary, as determined by the
Board, to effectuate the orderly withdrawal of such Party from
participation in the CCA Program.

6.2. **Involuntary Termination of a Party.** Participation of a Party in the CCA program
may be terminated for material non-compliance with provisions of this Agreement or any
other agreement relating to the Party’s participation in the CCA Program upon a vote of
the Policy Board as provided in Section 3.7.1. Prior to any vote to terminate participation
with respect to a Party, written notice of the proposed termination and the reason(s) for
such termination shall be delivered to the Party whose termination is proposed at least 30
days prior to the regular Board meeting at which such matter shall first be discussed as an
agenda item. The written notice of proposed termination shall specify the particular
provisions of this Agreement or other agreement that the Party has allegedly violated.
The Party subject to possible termination shall have the opportunity at the next regular
Board meeting to respond to any reasons and allegations that may be cited as a basis for
termination prior to a vote regarding termination. A Party that has had its participation in
the CCA Program terminated may be subject to certain continuing liabilities, as described
in Section 6.3.

6.3. **Continuing Financial Obligations: Refund.** Except as provided by Section 6.1.3,
upon a withdrawal or involuntary termination of a Party, the Party shall remain
responsible for any claims, demands, damages, or other financial obligations arising from
the Party membership or participation in the CCA Program through the date of its
withdrawal or involuntary termination, it being agreed that the Party shall not be
responsible for any financial obligations arising after the date of the Party’s withdrawal
or involuntary termination. Claims, demands, damages, or other financial obligations for
which a withdrawing or terminated Party may remain liable include, but are not limited
to, losses from the resale of power contracted for by the Authority to serve the Party’s
load. With respect to such financial obligations, upon notice by a Party that it wishes to
withdraw from the CCA Program, the Authority shall notify the Party of the minimum waiting period under which the Party would have no costs for withdrawal if the Party agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Party elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers and may not include punitive charges that exceed actual costs. In addition, such Party shall also be responsible for any costs or obligations associated with the Party’s participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Policy Board, to cover the Party’s financial obligations for the costs described above. Any amount of the Party’s funds held on deposit with the Authority above that which is required to pay any financial obligations shall be returned to the Party. The liability of any Party under this section 6.3 is subject and subordinate to the provisions of Section 2.2, and nothing in this section 6.3 shall reduce, impair, or eliminate any immunity from liability provided by Section 2.2.

6.4. Mutual Termination. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its participation in the CCA Program, as described in Section 6.1.

6.5. Disposition of Property upon Termination of Authority. Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.
ARTICLE 7: MISCELLANEOUS PROVISIONS

7.1. Dispute Resolution. The Parties and the Authority shall make reasonable efforts to informally settle all disputes arising out of or in connection with this Agreement. Should such informal efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be mediated in accordance with policies and procedures established by the Authority. The costs of any such mediation shall be shared equally among the Parties participating in the mediation.

7.2. Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Sections 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

7.3. Indemnification of Parties. The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority and the Parties. The Authority shall defend, indemnify, and hold harmless the Parties and each of their respective Boards of Supervisors or City Councils, officers, agents, and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

7.4. Amendment of this Agreement. This Agreement may not be amended except by a written amendment approved by a vote of Policy Board members as provided in Section 3.7.1. The Authority shall provide written notice to all Parties of proposed amendments to
this Agreement, including the effective date of such amendments, at least 30 days prior to
the date upon which the Board votes on such amendments.

7.5. **Assignment.** Except as otherwise expressly provided in this Agreement, the rights
and duties of the Parties may not be assigned or delegated without the advance written
consent of all of the other Parties, and any attempt to assign or delegate such rights or
duties in contravention of this Section 7.5 shall be null and void. This Agreement shall
inure to the benefit of, and be binding upon, the successors and assigns of the Parties.
This Section 7.5 does not prohibit a Party from entering into an independent agreement
with another agency, person, or entity regarding the financing of that Party's
contributions to the Authority, or the disposition of proceeds which that Party receives
under this Agreement, so long as such independent agreement does not affect, or purport
to affect, the rights and duties of the Authority or the Parties under this Agreement.

7.6. **Severability.** If one or more clauses, sentences, paragraphs or provisions of this
Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by
the Parties, that the remainder of the Agreement shall not be affected thereby. Such
clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful,
valid and enforced to the maximum extent possible.

7.7. **Further Assurances.** Each Party agrees to execute and deliver all further
instruments and documents and take any further action that may be reasonably necessary,
to effectuate the purposes and intent of this Agreement.

7.8. **Execution by Counterparts.** This Agreement may be executed in any number of
counterparts, and upon execution by all Parties, each executed counterpart shall have the
same force and effect as an original instrument and as if all Parties had signed the same
instrument. Any signature page of this Agreement may be detached from any counterpart
of this Agreement without impairing the legal effect of any signatures thereon and may
be attached to another counterpart of this Agreement identical in form hereto but having
attached to it one or more signature pages.
7.9. **Parties to be Served Notice.** Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz and San Benito Counties

Signature Page

COUNTY OF SANTA CRUZ

Chairperson of the Board of Supervisors

Date

APPROVED AS TO FORM:

Office of the County Counsel
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Santa Cruz

Mayor Cynthia Chase

4-25-17
Date

APPROVED AS TO FORM:

City Attorney Tony Condotti
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Watsonville

Mayor

City Manager

APPROVED AS TO FORM:

Office of the City Attorney

ATTEST:

BY

Beatriz Vázquez Flores, City Clerk

Irwin Ortiz, Assistant City Clerk
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of/City of: Carpinteria

[Signature]
Chairperson of the Board of Supervisors/Mayor

[Date: 3/8/17]

APPROVED AS TO FORM:

[Signature]
City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Scotts Valley

Randy Johnson, Mayor

2-15-2017

Date

APPROVED AS TO FORM:

Kirsten Powell, City Attorney
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz and San Benito Counties

Signature Page

COUNTY OF MONTEREY

Mary Adams, Chair,
Monterey County Board of Supervisors

3-21-2017
Date

APPROVED AS TO FORM:

Wendy S. Stirling
Senior Deputy County Counsel
Office of the County Counsel
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Salinas

Joe Gunter, Mayor

3/21/17
Date

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney

May 30, 2017
Date
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Monterey, CA

[Signature]

Chairperson of the Board of Supervisors/Mayor

5-24-17

Date

APPROVED AS TO FORM:

[Signature]

Office of the City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Monterey

Bill Kamps
Mayor

4/20/17
Date

APPROVED AS TO FORM:

City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of /City of Carmel by the Sea

Chairperson of the Board of Supervisors/Mayor

5-5-17

Date

APPROVED AS TO FORM:

Office of the County Counsel/City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Seaside, California.

Mayor Ralph Rubio
date

APPROVED AS TO FORM:

Don Freeman, City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Marina

Bruce C. Delgado, Mayor

3/8/17
Date

APPROVED AS TO FORM:

[Signature]

for the City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Sand City

[Signature]

Mayor David K. Pendergrass

[Signature]

City Attorney Jim Heisinger

APPROVED AS TO FORM:

[Signature]

Date: [Signature]

March 6, 2010
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Soledad

Mayor Fred J. Ledesma

3/06/17

Date
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz and San Benito Counties

Signature Page

County of /City of Soledad

Chairperson of the Board of Supervisors/Mayor

Date

APPROVED AS TO FORM:

[Signature]

Office of the County Counsel/City Attorney
Michael Rodriguez, City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of /City of Greenfield

[Signature]

Chairperson of the Board of Supervisors/Mayor

[Date]

APPROVED AS TO FORM:

[Signature]

Office of the County Counsel/City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Gonzales

Maria Orozco, Mayor

5-1-17

Date

APPROVED AS TO FORM:

Michael F. Rodriguez, City Attorney

5-1-2017

Date
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of San Benito

[Signature]  2/17/17
Jaime De La Cruz, Chair

APPROVED AS TO LEGAL FORM:
San Benito County Counsel’s Office

[Signature]  Feb. 3, 2017
Shirley L. Murphy, Deputy County Counsel

Date
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

City of Hollister

Signature Page

City of Hollister

Ignacio Velazquez, Mayor

6-1-17

Date

APPROVED AS TO FORM:

L+G, LLC, Attorneys at Law

E. Soren Diaz, City Attorney

May 30, 2017

Date
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of __San Juan Bautista___

[Signature]

Chris Martorana, Mayor

May 30, 2017

Date

APPROVED AS TO FORM:

[Signature]

Deborah Mall, City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties and Certain Cities in San Luis Obispo County

Signature Page

CITY OF SAN LUIS OBISPO

Signature

Heidi Harmon

12/5/18

Date

Its Mayor

Mayor/City Manager

APPROVED AS TO FORM:

Office of the City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties and Certain Cities in San Luis Obispo County

Signature Page

CITY OF MORRO BAY

Signature

Date

Its Scott Collins City Manager
Mayor/City Manager

APPROVED AS TO FORM:

Office of the City Attorney

1/20/17 as amended 12/5/18  Page 27
Definitions

“Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.)

“Administrative Services Agreement” means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

“Agreement” means this Joint Powers Agreement.

“Annual Energy Use” has the meaning given in Section 3.7.1.

“Authority” means the Monterey Bay Community Power Authority.

“Authority Document(s)” means document(s) duly adopted by one or both Boards by resolution or motion implementing the powers, functions, and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

“Board” means the Policy Board of Directors of the Authority and/or the Operations Board of Directors of the Authority unless one or the other is specified in this Agreement.

“CCA” or “Community Choice Aggregation” means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.

“CCA Program” means the Authority’s program relating to CCA that is principally described in this Agreement.

“Director” means a member of the Policy Board of Directors or Operations Board of Directors representing a Party.
"Effective Date" means the date that this Agreement is executed by at least three Initial Participants from the Counties of Monterey, Santa Cruz, and San Benito and the municipalities within those counties, as further described in Section 2.1.

"Implementation Plan" means the plan generally described in Section 4.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.

"Initial Costs" means all costs incurred by the County of Santa Cruz and/or Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, and any required accounting, administrative, technical, or legal services in support of the Authority’s initial activities or in support of the negotiation, preparation, and approval of one or more Administrative Services Agreements.

"Initial Participants" means those initial founding JPA members whose jurisdictions pass a CCA ordinance, whose Board seats will be allocated on a one jurisdiction, one seat basis (in addition to one seat for San Benito County) until such time as the number of member jurisdictions exceeds eleven, as described in Section 3.1.4.

"Operating Rules and Regulations" means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

"Operations Board" means the board composed of City Managers and CAOs representing their respective jurisdictions as provided in section 3.1.4 who will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority, as further set forth in section 3.3.
“Parties” means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.1 or 4.1.1 such that it is considered a member of the Authority.

“Party” means singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.1 or 4.1.1 such that it is considered a member of the Authority.

“Policy Board” means the board composed of elected officials representing their respective jurisdictions as provided in section 3.1.4 who will provide guidance/approval in the areas of strategic planning and goal setting, passage of Authority budget and customer rates, large capital expenditures outside the typical power procurement required to provide electrical service, and such other functions as set forth in section 3.3.
Exhibit B

Monterey Bay Community Power Authority of Monterey, Santa Cruz, and San Benito Counties, and Certain Cities in San Luis Obispo County

List of Parties

County of Santa Cruz
City of Santa Cruz
City of Watsonville
City of Capitola
City of Scotts Valley
County of Monterey
City of Salinas
City of Monterey
City of Pacific Grove
City of Carmel
City of Seaside
City of Marina
Sand City
Soledad
Greenfield
Gonzales
County of San Benito
City of Hollister
City of San Juan Bautista
City of Morro Bay
City of San Luis Obispo
Exhibit C

Regional Allocation

Board seats in the Monterey Bay Community Power Authority will be allocated as follows:

i. One seat for Santa Cruz County;

ii. One seat for Monterey County;

iii. One seat for San Benito County;

iv. One seat for the City of Santa Cruz;

v. One seat for the City of Salinas;

vi. One seat for the City of Watsonville;

vii. One shared seat for remaining Santa Cruz cities including Capitola and Scotts Valley selected by the City Selection Committee;

viii. One shared seat for Monterey Peninsula cities including Monterey, Pacific Grove, and Carmel selected by the City Selection Committee;

ix. One shared seat for Monterey Coastal cities including Marina, Seaside, and Sand City selected by the City Selection Committee;

x. One shared seat for Salinas Valley cities including Greenfield, Soledad, Gonzales selected by the City Selection Committee;

xi. One shared seat for San Benito County cities including Hollister and San Juan Bautista selected by the City Selection Committee; and

xii. One shared seat for the Cities of San Luis Obispo and Morro Bay selected by the agreement of these two cities.
RESOLUTION NO. 2019–99

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, REQUESTING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY POWER JOINT POWERS AUTHORITY

WHEREAS, AB 117, adopted as California State law in 2002, permits cities, counties, or Joint Power Authorities comprised of cities and counties to aggregate residential, commercial, industrial, municipal, and institutional electric loads through Community Choice Aggregation (CCA); and

WHEREAS, pursuant to Section 366.2 of the Public Utilities Code, two or more entities authorized to be a community choice aggregator may participate as a group in a community choice aggregation program through a joint powers agency established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity adopts the an ordinance; and

WHEREAS, in March 2017, Monterey Bay Community Power Joint Powers Authority (MBCPA) was established as a joint powers authority pursuant to a joint powers agreement; and

WHEREAS, the purpose of MBCPA is to address climate change by providing locally controlled carbon-free electricity at affordable rates; and

WHEREAS, the City Council supports the mission of MBCPA and its intent to promote the development and use of a wide range of carbon-free and renewable energy sources, and energy efficiency programs, including solar and wind energy production at competitive rates for customers; and

WHEREAS, in order for the City of Santa Maria (City) to become a member of MBCPA, the MBCPA Joint Powers Agreement (JPA) must be amended to permit the City to join as a party; and

WHEREAS, MBCPA also has requested the City adopt a resolution requesting membership in MBCPA and authorizing the City Manager to execute the JPA as amended, as well as adopt an ordinance authorizing Community Choice Aggregation (CCA) within its jurisdiction; and

WHEREAS, the City wishes to be a community choice aggregator pursuant to the JPA, and has introduced the Ordinance required by Public Utilities Code Section 366.2 in order to do so; and

WHEREAS, under Public Utilities Code Section 366.2, customers have the right to opt-out of the community choice energy (CCE) program and continue to receive service from the incumbent utility.
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Santa Maria:

SECTION 1. The City Council requests the Board of Directors of MBCPA to approve the City of Santa Maria as a member of MBCPA; and

SECTION 2. The City Manager is hereby authorized and directed to execute the JPA on behalf of the City after the JPA is amended, which will establish the City’s membership in MBCPA; and

SECTION 3. This Resolution and the subsequent joining of MBCPA is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a "project" since this action involves organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal. Code Regs. § 15378(b)(5).) Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). A Notice of Exemption shall be filed as authorized by CEQA and the State CEQA guidelines; and

SECTION 4. This Resolution shall be effective immediately upon passage and adoption; and

SECTION 5. The Chief Deputy City Clerk is hereby authorized to make minor changes herein to address clerical errors, so long as substantial conformance of the intent of this document is maintained. In doing so, the Chief Deputy City Clerk shall consult with the City Manager and City Attorney concerning any changes deemed necessary.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Santa Maria held this 20th day of August 2019.

/is/ ALICE M. PATINO
Mayor

ATTEST:

/is/ RHONDA M. WHITE
Chief Deputy City Clerk

APPROVED AS TO FORM:

City Attorney

APPROVED AS TO CONTENT:

Department Director
City Manager
I, M. Beth Cleary, Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council DO HEREBY CERTIFY that the foregoing is a full, true and correct copy of Resolution No. 2019-99 which was duly and regularly introduced and adopted by said City Council at a regular meeting held August 20, 2019, and carried on the following vote:

AYES: Councilmembers Cordero, Moats, and Soto.
NOES: Councilmember Waterfield and Mayor Patino.
ABSENT: None.
ABSTAIN: None.

M. Beth Cleary
Deputy City Clerk
City of Santa Maria
RESOLUTION NO. 19-1085

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLVANG, CALIFORNIA, REQUESTING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY POWER JOINT POWERS AUTHORITY (MBCPA) AND AUTHORIZING THE MAYOR OR CITY MANAGER TO EXECUTE THE JOINT POWERS AUTHORITY AGREEMENT AS AMENDED WITH MBCPA

WHEREAS, AB 117, adopted as California state law in 2002, permits cities, counties, or Joint Power Authorities comprised of cities and counties to aggregate residential, commercial, industrial, municipal and institutional electric loads through Community Choice Aggregation (CCA); and

WHEREAS, pursuant to Section 366.2 of the Public Utilities Code, two or more entities authorized to be a community choice aggregator may participate as a group in a community choice aggregation program through a joint powers agency established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity adopts the aforementioned ordinance; and

WHEREAS, in March 2017, MBCPA was established as a joint powers agency pursuant to a joint powers agreement; and

WHEREAS, the purpose of MBCPA is to address climate change by providing locally controlled carbon-free electricity at affordable rates; and

WHEREAS, the City Council supports the mission of MBCPA and its intent to promote the development and use of a wide range of carbon free and renewable energy sources and energy efficiency programs, including solar and wind energy production at competitive rates for customers; and

WHEREAS, in order for the City of Solvang (City) to become a member of MBCPA, the MBCPA Joint Powers Agreement must be amended to permit the City join as a party; and

WHEREAS, MBCPA also has requested the City adopt a resolution requesting membership in MBCPA and authorizing its Mayor or City Manager to execute the JPA as amended, as well as an ordinance authorizing Community Choice Aggregation (CCA) within its jurisdiction; and

WHEREAS, the City wishes to be a community choice aggregator pursuant to the JPA and has introduced the Ordinance required by Public Utilities Code Section 366.2 in order to do so; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of the CCE program and continue to receive service from the incumbent utility.
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Solvang:

SECTION 1. The City Council of the City of Solvang requests the Board of Directors of MBCPA approve the City as a member of MBCPA.

SECTION 2. The Mayor or City Manager is hereby authorized and directed to execute the JPA on behalf of the City after the JPA is amended, which will establish the City's membership in MBCPA.

SECTION 4. This resolution shall be effective immediately upon passage and adoption.

PASSED, APPROVED AND ADOPTED this 9th day of September, 2019, by the following roll call vote:

AYES: Mayor Toussaint, Council Members Djernaes, Johnson, and Waite
NOES: Council Member Clarke
ABSENT
ABSTAIN:

ATTEST:

Lisa S. Martin, City Clerk
ORDINANCE NO. 5086

AN ORDINANCE OF THE BOARD OF SUPERVISORS, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, SPECIFYING THE INTENT TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM BY AND THROUGH PARTICIPATION IN MONTEREY BAY COMMUNITY POWER AUTHORITY'S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the Board of Supervisors of the County of Santa Barbara has previously directed staff to investigate the feasibility and formation of a community choice aggregation program under the provisions of California Public Utilities Code section 366.2 in order to provide electric service to customers within the County of Santa Barbara (County) with the intent of achieving greater local control and involvement related to the provision of electric service in the County, and offering energy with lower greenhouse gas emissions at a comparable rate to the Investor-Owned Utilities in the County; and

WHEREAS, Monterey Bay Community Power Authority (MBCPA) has established a Community Choice Aggregation (CCA) Program capable of providing the desired financial and environmental benefits; and

WHEREAS, the County's participation in MBCPA's CCA Program requires that the County Board of Supervisors, among other things, adopt a resolution requesting that the County become a member of MBCPA; adopt an ordinance pursuant to Public Utilities Code section 366.2(c)(12) electing to implement the CCA Program within its jurisdiction; and execute an amendment to the MBCPA's Joint Powers Agreement; and

WHEREAS, the County's participation in MBCPA's CCA Program requires that MBCPA, among other things, adopt a resolution authorizing the County's membership in MBCPA's CCA Program; execute an amendment to the MBCPA's Joint Powers Agreement; and prepare and submit an amended Implementation Plan to the California Public Utilities Commission (CPUC) for certification; and

WHEREAS, upon completion of all necessary actions by the County and MBCPA, as well as certification of the amended Implementation Plan by the CPUC, and adoption by MBCPA, MBCPA will be able to enter into agreements with electric power suppliers and other service providers and, based upon those agreements, MBCPA will be able to provide power to residents and businesses at rates that are competitive with those of the County's incumbent utilities, Pacific Gas & Electric and Southern California Edison; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of the CCA Program and continue to receive service from the incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so.

NOW, THEREFORE, the Board of Supervisors of the County does ordain as follows:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Based upon the above, and pursuant to Public Utilities Code section 366.2, the Board of Supervisors of the County of Santa Barbara hereby elects and specifies the intent to implement a community choice aggregation program within the County's jurisdiction by and through the County's participation in the Monterey Bay Community Power Authority's existing Community Choice Aggregation Program.
SECTION 3. The County of Santa Barbara's joining as a member of Monterey Bay Community Power Authority requires additional actions by both the County of Santa Barbara and Monterey Bay Community Power Authority, including mutual execution of an amendment to Monterey Bay Community Power Authority's Joint Powers Agreement and other necessary CCA Program agreements.

SECTION 4. This Ordinance shall take effect 30 days after its adoption. The County Clerk, or duly appointed deputy, shall attest to the adoption of this Ordinance and shall cause this Ordinance to be published and posted in the manner required by law.

INTRODUCED at a regular meeting of the Board of Supervisors of the County of Santa Barbara, held on the 16th day of July 2019,

PASSED AND ADOPTED on the 13th day of August 2019, by the following vote:

AYES: Supervisor Williams, Hart, Hartmann and Lavagnino
NOES: Supervisor Adam
ABSENT: NONE
ABSTAINED: NONE

COUNTY OF SANTA BARBARA

ATTEST:
MONA MIYASATO
CLERK OF THE BOARD

STEVE LAVAGNINO, CHAIR
BOARD OF SUPERVISORS

By: [Signature]
Deputy

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTRY COUNSEL

By: [Signature]
Deputy County Counsel
RESOLUTION NO. 19-209

RESOLUTION OF THE BOARD OF
SUPERVISORS OF THE COUNTY OF
SANTA BARBARA, CALIFORNIA,
REQUESTING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY
POWER JOINT POWERS AUTHORITY (MBCPA)

WHEREAS, AB 117, adopted as California state law in 2002, permits cities, counties, or Joint Power Authorities comprised of cities and counties to aggregate residential, commercial, industrial, municipal and institutional electric loads through community choice aggregation (CCA); and

WHEREAS, pursuant to Section 366.2, subdivision (c)(12)(B), of the Public Utilities Code, two or more entities authorized to be a community choice aggregator may participate as a group in a community choice aggregation program through a joint powers agency established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity adopts an ordinance pursuant to Section 366.2, subdivision (c)(12)(A), electing to implement a community choice aggregation program within its jurisdiction; and

WHEREAS, in March 2017, MBCPA was established as a joint powers agency pursuant to a joint powers agreement; and

WHEREAS, the purpose of MBCPA is to address climate change by providing locally controlled carbon-free electricity at affordable rates; and

WHEREAS, the Board of Supervisors of the County of Santa Barbara supports the mission of MBCPA and its intent to promote the development and use of a wide range of carbon free and renewable energy sources and energy efficiency programs, including solar and wind energy production at competitive rates for customers; and

WHEREAS, in order for the County of Santa Barbara (County) to become a member of MBCPA, among other things, the County and MBCPA must execute an amendment to MBCPA’s Joint Powers Agreement (JPA); and

WHEREAS, MBCPA’s Operating Rules and Regulations require the County to adopt a resolution requesting membership in MBCPA; and

WHEREAS, the County wishes to implement a community choice aggregation program within the County’s jurisdiction through participation in the Monterey Bay Community Power Authority’s existing Community Choice Aggregation Program, and the County has adopted the ordinance required by Public Utilities Code Section 366.2 in order to do so; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of the CCA Program and continue to receive service from the incumbent utility.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Barbara:

SECTION 1. The Board of Supervisors of the County of Santa Barbara requests that the Board of Directors of MBCPA approve the County as a member of MBCPA.
SECTION 2. The County of Santa Barbara's joining as a member of Monterey Bay Community Power Authority requires additional actions by both the County and MBCPA, including mutual execution of an amendment to MBCPA's Joint Powers Agreement and other necessary CCA Program agreements.

SECTION 3. This resolution shall be effective immediately upon passage and adoption.

PASSED AND ADOPTED, by the Board of Supervisors of the County of Santa Barbara, at a regular meeting thereof held on the 13th day of August 2019, by the following vote:

AYES: Supervisor Williams, Hart, Hartmann and Lavagnino
NOES: Supervisor Adam
ABSENT: NONE
ABSTAIN: NONE

COUNTY OF SANTA BARBARA

ATTEST:
MONA MIYASATO
CLERK OF THE BOARD

By: [Signature]
Deputy

STEVE LAVAGNINO, CHAIR
BOARD OF SUPERVISORS

APPROVED AS TO FORM:
MICHAEL C. GHIZZONI
COUNTY COUNSEL

By: [Signature]
Deputy County Counsel
Appendix 5
ADDENDUM NO. 1 TO THE COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT

TO ADDRESS MBCP EXPANSION TO THE CITIES OF SAN LUIS OBISPO & MORRO BAY

December 5, 2018
# Table of Contents

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CHAPTER 2 – Changes to Address MBCP Expansion to the Cities of San Luis Obispo and Morro Bay ................................................................. 5

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  Program Phase-In ............................................................................................................... 7
  Sales Forecast ..................................................................................................................... 8
  Financial Plan .................................................................................................................... 12
  Expansion Addendum Appendices .................................................................................... 12
CHAPTER 1 – Introduction & Statement of Intent

The purpose of this document is to make certain revisions to the Monterey Bay Community Power Authority (“MBCP” or the “Authority”) Implementation Plan and Statement of Intent (“Implementation Plan”) in order to address the expansion of MBCP to the cities of San Luis Obispo and Morro Bay (the “Expansion Communities”, both of which are located in the County of San Luis Obispo). MBCP is a public agency currently serving the counties of Monterey, Santa Cruz and San Benito. The Authority was formed to implement a Community Choice Aggregation (“CCA”) program (the “Program”), a business model that is also referred to by the Authority as Community Choice Energy (“CCE”). At the time of initial service commencement, the Member Agencies of MBCP included the counties of Monterey, Santa Cruz and San Benito as well as the cities of Santa Cruz, Watsonville, Salinas, Monterey, Pacific Grove, Carmel, Seaside, Marina, Sand City, Soledad, Greenfield, Gonzales, Hollister, San Juan Bautista, Scotts Valley, Capitola (together, the “Members” or “Member Agencies”). In anticipation of CCA program implementation and in compliance with state law, MBCP submitted its Implementation Plan to the California Public Utilities Commission (“CPUC” or “Commission”) on August 16, 2017, and it was subsequently certified by the CPUC on November 15, 2017. Consistent with its expressed intent, MBCP successfully launched the Program on March 1, 2018 and has been serving customers since that time.

Recently, MBCP’s Governing Boards\(^1\) approved the membership requests of the Expansion Communities on December 5, 2018 via Resolution No. PB-2018-08. In response to the approval of such requests, MBCP staff prepared this Addendum No. 1 to MBCP’s Community Choice Aggregation Implementation Plan and Statement of Intent (“Addendum No. 1”), which addresses service delivery within the Expansion Communities. On [insert date of Addendum No. 1 approval], MBCP’s Policy Board approved this Addendum No. 1 for submittal to the CPUC (for certification).

The MBCP program now provides electric generation service to approximately 268,000 accounts, including a combination of residential and commercial customers.

This Addendum No. 1 describes MBCP’s plans to commence CCA service within the Expansion Communities. According to the Commission, the Energy Division is required to receive and review a revised MBCP implementation plan reflecting changes/consequences that are expected

\(^{1}\) MBCP’s governance is conducted via two distinct governing bodies: the Policy Board, which retains responsibility for policy-related direction and decisions pertaining to MBCP’s organization; and the Operations Board, which provides guidance to management regarding operational matters as well as related recommendations to the Policy Board. With regard to approval of the noted membership requests, the Policy Board, consistent with its designated authorities, provided approval of such requests on the noted date.
to result from the inclusion of additional members. With this in mind, MBCP has reviewed its Implementation Plan, which was filed with the Commission on August 16, 2017, and has identified certain information that requires updating to reflect the changes and consequences of adding the Expansion Communities. This Addendum No. 1 also reflects certain updated projections that are considerate of MBCP’s recent operating history. The contents of this document, including references to MBCP’s August 16, 2017 Implementation Plan, which is incorporated by reference and attached hereto as Appendix D, addresses all requirements identified in Public Utilities Code Section 366.2(c)(4), including universal access, reliability, equitable treatment of all customer classes and any requirements established by state law or by the CPUC concerning aggregated service, while streamlining public review of pertinent changes related to MBCP’s anticipated expansion.
CHAPTER 2 – Changes to Address MBCP Expansion to the Cities of San Luis Obispo and Morro Bay

This Addendum No. 1 addresses the anticipated impacts of MBCP’s planned expansion to the Expansion Communities, as well as other forecast modifications reflecting MBCP’s recent operating history. As a result of these member additions, certain assumptions regarding MBCP’s future operations have changed, including customer energy requirements, peak demand, renewable energy purchases, revenues, expenses and various other items. The following section highlights pertinent changes related to this planned expansion. To the extent that certain details related to membership expansion are not specifically discussed within this Addendum No. 1, MBCP represents that such information shall remain unchanged relative to the August 16, 2017 Implementation Plan.

With regard to the defined terms Members and Member Agencies, the following communities are now signatories to the MBCP Joint Powers Agreement and represent MBCP’s current membership:
Throughout this document, use of the terms Members and Member Agencies make reference to the aforementioned Communities. To the extent that this narrative addresses the process of aggregation and MBCP organization, each of these communities is now an MBCP Member and the electric customers of such jurisdictions have been or will be offered CCA service consistent with the noted phase-in schedule.

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

Customers enrolled in the Program will continue to have their electric meters read by and receive billing statements for electric service from the distribution utility (Pacific Gas & Electric Company, or “PG&E”). The electric bills for Program customers will show separate charges for generation procured on behalf of participating customers by the Program and all other charges related to the delivery of such electricity, as well as other utility charges, assessed by PG&E.

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

Program Phase-In
MBCP will continue to phase-in the customers of its CCA Program as communicated in this Implementation Plan. To date, two phases have been successfully implemented, and a third phase will commence in January 2020.

- Phase 1. Complete, March 2018: All commercial, industrial and agricultural customers, which comprised approximately 65 percent of total customer load.
- Phase 2. Complete, July 2018: Approximately 235,000 additional customers, comprised of residential accounts, which approximated 35 percent of total customer load.
- Phase 3. Planned, January 2020: Residential, commercial, industrial, agricultural, and street lighting accounts within the Expansion Communities, subject to economic and operational constraints.

This approach has provided MBCP with the ability to start slow, addressing any problems and unforeseen challenges of a small manageable program before gradually building to full program implementation (with an expected customer base of approximately 303,000 accounts), following service commencement to customers within the Expansion Communities. This approach has also allowed MBCP and its energy suppliers to address all system requirements (billing, collections, payments, etc.) under a phase-in plan that was designed to minimize potential exposure to uncertainty and financial risk by building operational experience with a subset of total accounts before enrolling the majority of MBCP’s prospective customers.
Sales Forecast

With regard to MBCP’s sales forecast, which is addressed in Chapter 6, Load Forecast and Resource Plan, MBCP assumes that total annual retail sales will increase to approximately 3,600 GWh following Phase 3 expansion. The following tables have been updated to reflect the impacts of planned expansion to MBCP’s new membership.

Chapter 6, Resource Plan Overview

<table>
<thead>
<tr>
<th>Monterey Bay Community Power</th>
<th>Proposed Resource Plan</th>
<th>(GWH)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2019</td>
</tr>
<tr>
<td>MBCP Demand (GWh)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Demand</td>
<td>-2,320</td>
<td>-3,331</td>
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<tr>
<td>Distributed Generation</td>
<td>0</td>
<td>11</td>
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<tr>
<td>Energy Efficiency</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Total Demand</td>
<td>-2,459</td>
<td>-3,520</td>
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<tr>
<td>MBCP Supply (GWh)</td>
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<tr>
<td>Renewable Resources</td>
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<tr>
<td>Total Renewable Resources</td>
<td>696</td>
<td>1,029</td>
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<tr>
<td>Carbon-Free Resources</td>
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<td></td>
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<tr>
<td>Total Carbon-Free Resources</td>
<td>1,763</td>
<td>2,490</td>
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<tr>
<td>Total Supply</td>
<td>2,459</td>
<td>3,520</td>
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<td>Energy Open Position (GWh)</td>
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Chapter 6, Customer Forecast

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<tr>
<th>Monterey Bay Community Power</th>
<th>Enrolled Retail Service Accounts</th>
<th>Phase-In Period (End of Month)</th>
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<tr>
<td></td>
<td>Mar-18</td>
<td>Jul-18</td>
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<tr>
<td>MBCP Customers</td>
<td></td>
<td></td>
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<tr>
<td>Residential</td>
<td>&lt;15</td>
<td>232,859</td>
</tr>
<tr>
<td>Commercial</td>
<td>31,685</td>
<td>31,685</td>
</tr>
<tr>
<td>Industrial</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>Street Lighting &amp; Traffic</td>
<td>2,211</td>
<td>2,211</td>
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<tr>
<td>Ag &amp; Pumping</td>
<td>4,819</td>
<td>4,819</td>
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<tr>
<td>Total</td>
<td>38,752</td>
<td>271,611</td>
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Chapter 6, Sales Forecast

Monterey Bay Community Power
Retail Service Accounts (End of Year)
2018 to 2027

MBCP Customers

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
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<tbody>
<tr>
<td>Residential</td>
<td>232,859</td>
<td>234,023</td>
<td>259,005</td>
<td>260,300</td>
<td>261,602</td>
<td>262,910</td>
<td>264,224</td>
<td>265,545</td>
<td>266,873</td>
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<tr>
<td>Commercial</td>
<td>31,685</td>
<td>31,843</td>
<td>36,755</td>
<td>36,939</td>
<td>37,123</td>
<td>37,309</td>
<td>37,496</td>
<td>37,683</td>
<td>37,872</td>
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<tr>
<td>Industrial</td>
<td>37</td>
<td>37</td>
<td>38</td>
<td>38</td>
<td>39</td>
<td>39</td>
<td>39</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td>Street Lighting &amp; Traffic</td>
<td>2,211</td>
<td>2,222</td>
<td>2,416</td>
<td>2,428</td>
<td>2,440</td>
<td>2,452</td>
<td>2,465</td>
<td>2,477</td>
<td>2,489</td>
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<td>Ag &amp; Pumping</td>
<td>4,819</td>
<td>4,843</td>
<td>4,856</td>
<td>4,880</td>
<td>4,905</td>
<td>4,929</td>
<td>4,954</td>
<td>4,979</td>
<td>5,004</td>
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<td>Total</td>
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<td>272,969</td>
<td>303,070</td>
<td>304,585</td>
<td>306,108</td>
<td>307,639</td>
<td>309,177</td>
<td>310,723</td>
<td>312,277</td>
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Chapter 6, Renewables Portfolio Standards Energy Requirements

Monterey Bay Community Power
RPS Requirements and Program Renewable Energy Targets (MWh)
2018 to 2027

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
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<tbody>
<tr>
<td>Net Retail Sales (MWh)</td>
<td>2,320,000</td>
<td>3,320,488</td>
<td>3,569,305</td>
<td>3,574,789</td>
<td>3,569,110</td>
<td>3,563,449</td>
<td>3,557,805</td>
<td>3,552,178</td>
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<tr>
<td>Annual RPS Target (Minimum MWh)</td>
<td>672,800</td>
<td>1,029,351</td>
<td>1,177,871</td>
<td>1,279,775</td>
<td>1,374,107</td>
<td>1,471,704</td>
<td>1,565,434</td>
<td>1,658,867</td>
<td>1,748,459</td>
</tr>
<tr>
<td>% of Current Year Retail Sales*</td>
<td>29%</td>
<td>31%</td>
<td>33%</td>
<td>36%</td>
<td>39%</td>
<td>41%</td>
<td>44%</td>
<td>47%</td>
<td>49%</td>
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<tr>
<td>Program Renewable Target (MWh)</td>
<td>696,000</td>
<td>1,029,351</td>
<td>1,177,871</td>
<td>1,279,775</td>
<td>1,374,107</td>
<td>1,471,704</td>
<td>1,565,434</td>
<td>1,658,867</td>
<td>1,748,459</td>
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<tr>
<td>Surplus In Excess of RPS (MWh)</td>
<td>23,200</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Annual Increase (MWh)</td>
<td>696,000</td>
<td>333,351</td>
<td>148,519</td>
<td>101,904</td>
<td>94,333</td>
<td>97,597</td>
<td>93,730</td>
<td>95,433</td>
<td>89,591</td>
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</table>

Monterey Bay Community Power
RPS Requirements (MWh)
2018 to 2027

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Retail Sales</td>
<td>2,320,000</td>
<td>3,320,488</td>
<td>3,569,305</td>
<td>3,574,789</td>
<td>3,569,110</td>
<td>3,563,449</td>
<td>3,557,805</td>
<td>3,552,178</td>
<td>3,546,569</td>
</tr>
<tr>
<td>Annual Procurement Target</td>
<td>672,800</td>
<td>1,029,351</td>
<td>1,177,871</td>
<td>1,279,775</td>
<td>1,374,107</td>
<td>1,471,704</td>
<td>1,565,434</td>
<td>1,658,867</td>
<td>1,748,459</td>
</tr>
<tr>
<td>% of Current Year Retail Sales*</td>
<td>29%</td>
<td>31%</td>
<td>33%</td>
<td>36%</td>
<td>39%</td>
<td>41%</td>
<td>44%</td>
<td>47%</td>
<td>49%</td>
</tr>
</tbody>
</table>
Chapter 6, Energy Efficiency

Monterey Bay Community Power
Energy Efficiency Savings Goals
(GWH)
2018 to 2027

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBCP Retail Demand</td>
<td>2,320</td>
<td>3,331</td>
<td>3,590</td>
<td>3,610</td>
<td>3,618</td>
<td>3,627</td>
<td>3,636</td>
<td>3,644</td>
<td>3,653</td>
<td>3,662</td>
</tr>
<tr>
<td>MBCP Energy Efficiency Goal</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-4</td>
<td>-7</td>
<td>-11</td>
<td>-15</td>
<td>-18</td>
<td>-22</td>
<td>-26</td>
</tr>
</tbody>
</table>

Chapter 6, Demand Response

Monterey Bay Community Power
Demand Response Goals
(MW)
2018 to 2027

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Capacity Requirement (MW)</td>
<td>603</td>
<td>603</td>
<td>647</td>
<td>642</td>
<td>637</td>
<td>632</td>
<td>627</td>
<td>623</td>
<td>618</td>
<td>613</td>
</tr>
<tr>
<td>Greater Bay Area Capacity Requirement (MW)</td>
<td>84</td>
<td>84</td>
<td>90</td>
<td>89</td>
<td>88</td>
<td>87</td>
<td>86</td>
<td>86</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>Demand Response Target (MW)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>8</td>
<td>13</td>
<td>17</td>
<td>22</td>
<td>26</td>
<td>31</td>
</tr>
<tr>
<td>Percentage of Local Capacity Requirement</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>4%</td>
<td>9%</td>
<td>14%</td>
<td>20%</td>
<td>25%</td>
<td>31%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Chapter 6, Distributed Generation

Monterey Bay Community Power
Distributed Generation Projections
(MW)
2018 to 2027

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributed Generation Capacity</td>
<td>-</td>
<td>6</td>
<td>12</td>
<td>18</td>
<td>24</td>
<td>30</td>
<td>36</td>
<td>42</td>
<td>48</td>
<td>54</td>
</tr>
</tbody>
</table>

Chapter 6, Capacity Requirements

MBCP’s anticipated capacity requirements were also discussed in Chapter 6 of MBCP’s Implementation Plan. The “Capacity Requirements” sub-section reflected in MBCP’s Implementation Plan is replaced in its entirety with the following narrative:

Applicable resource adequacy requirements specify the demonstration of sufficient capacity reserves on a year-ahead basis. More specifically, California’s resource adequacy program requires that MBCP secure physical capacity for 90 percent of its projected peak loads, plus a 15 percent reserve margin, during the following five-month period: May through September. In addition, on a month-ahead basis, MBCP must demonstrate that it has secured capacity reserves equivalent to 100 percent of its anticipated peak load, plus a minimum 15 percent reserve margin.

When demonstrating conformance with applicable resource adequacy requirements, a portion of MBCP’s reserve capacity must be procured from designated “local” areas, specifically the Greater Bay Area (as defined by the CAISO) as well as other local reliability areas (also defined by the CAISO). As part of its ongoing participation in California’s resource adequacy compliance
reporting process, MBCP must demonstrate that it has satisfactorily achieved (or exceeded) applicable local capacity targets (as a subset of its broader reserve capacity requirements). In planning for and procuring requisite reserve capacity, MBCP will work with the CPUC’s Energy Division as well as staff at the California Energy Commission to obtain the data necessary to calculate monthly local capacity requirements. When considering applicable local capacity requirements, MBCP must demonstrate compliance (via procurement of sufficient local capacity) or request a waiver from the CPUC in the event that sufficient local capacity resources are not available.

MBCP is also required to demonstrate that a specified portion of its overall capacity requirement meets certain flexibility specifications under the CPUC and CAISO’s flexible resource adequacy framework.

MBCP’s estimated resource adequacy requirements for the 2018 through 2027 calendar years are shown in the following table:

<table>
<thead>
<tr>
<th>Demand (MW)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Demand</td>
<td>495</td>
<td>501</td>
<td>543</td>
<td>546</td>
<td>548</td>
<td>551</td>
<td>554</td>
<td>557</td>
<td>559</td>
<td>562</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>-</td>
<td>-</td>
<td>(1)</td>
<td>(2)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
<td></td>
</tr>
<tr>
<td>Losses and UFE</td>
<td>30</td>
<td>30</td>
<td>32</td>
<td>32</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Total Net Peak Demand</td>
<td>525</td>
<td>525</td>
<td>563</td>
<td>558</td>
<td>554</td>
<td>550</td>
<td>546</td>
<td>541</td>
<td>537</td>
<td>533</td>
</tr>
<tr>
<td>Reserve Requirement (%)</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>Capacity Reserve Requirement</td>
<td>79</td>
<td>79</td>
<td>84</td>
<td>84</td>
<td>83</td>
<td>82</td>
<td>82</td>
<td>81</td>
<td>81</td>
<td>80</td>
</tr>
<tr>
<td>Capacity Requirement Including Reserve</td>
<td>603</td>
<td>603</td>
<td>647</td>
<td>642</td>
<td>637</td>
<td>632</td>
<td>627</td>
<td>623</td>
<td>618</td>
<td>613</td>
</tr>
</tbody>
</table>
**Financial Plan**

With regard to MBCP's financial plan, which is addressed in Chapter 7, Financial Plan, MBCP has updated its expected operating results, which now include projected impacts related to service expansion within MBCP's new member Communities. The following table reflects updated operating projections in consideration of these planned expansions.

**Chapter 7, CCA Program Operating Results**

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### Table: Summary of CCA Program Startup and Phase-In (FY 2018 through FY 2027)

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESERVES SUMMARY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Reserves Summary</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 5, 2018 – Addendum No. 1</td>
<td></td>
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<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**Expansion Addendum Appendices**

**Appendix A:** Monterey Bay Community Power Authority Resolution 4-2017

**Appendix B:** Monterey Bay Community Power Authority Joint Powers Agreement

**Appendix C:** Member Ordinances

**Appendix D:** Monterey Bay Community Power Authority Implementation Plan and Statement of Intent

---

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December 5, 2018 – Addendum No. 1
BEFORE THE POLICY BOARD OF
MONTEREY BAY COMMUNITY POWER AUTHORITY

RESOLUTION NO. 4-2017

On the motion of
Duly seconded by
The following resolution is adopted

RESOLUTION TO ADOPT THE IMPLEMENTATION PLAN AS REQUIRED BY THE PUBLIC UTILITIES
CODE SECTION 366.2 (c)(3)

WHEREAS, THE Monterey Bay Community Power Authority ("the Authority") was
formed on February 21, 2017 pursuant to a Joint Powers Agreement to study, promote,
develop, conduct, operate, and manage energy and energy related climate change programs
included but not limited to implementing a community choice aggregation program under
Public Utilities Code Section 366.2; and

WHEREAS, the members of MBCP include the counties of Monterey, Santa Cruz and San
Benito and the cities of Santa Cruz, Watsonville, Salinas, Monterey, Pacific Grove, Carmel,
Seaside, Marina, Sand City, Soledad, Greenfield, Gonzales, Hollister, San Juan Bautista, Scotts
Valley and Capitola; and

WHEREAS, Public Utilities Code Section 366.2 requires that before commencing a
community choice aggregation program, the Authority first must prepare and adopt an
Implementation Plan to be filed with the California Public Utilities Commission; and

WHEREAS, the draft MBCP Community Choice Aggregation Implementation Plan and
Statement of Intent was presented to the Policy Board at a duly noticed public hearing for its
consideration and adoption, and is attached hereto as Exhibit A;

NOW, THEREFORE, after conducting a duly noticed public hearing as required by the
Public Utilities Code Section 366.2 (c)(3), the Policy Board hereby adopts the Monterey Bay
Community Power Community Choice Aggregation Implementation Plan and Statement of
Intent.

PASSED AND ADOPTED by the Policy Board of Monterey Bay Community Power this
16th day of August 2017 by the following vote:

AYES: Delgado, McShane, Termini, Coffman-Gomez, Friend, Parker, Velazquez; Chair
McPherson

NOES: None

ABSENT: Brown, De La Cruz, Haffa, Rubio

Chair, Policy Board of MBCP
RESOLUTION NO. PB-2018-07

A RESOLUTION OF THE POLICY BOARD OF DIRECTORS OF THE MONTEREY BAY COMMUNITY POWER AUTHORITY APPROVING AMENDMENT NO. 1 TO ITS JOINT POWERS AGREEMENT TO ADD THE CITIES OF SAN LUIS OBISPO AND MORRO BAY AS PARTIES

WHEREAS, the Monterey Bay Community Power ("Authority") was formed on February 21, 2017, pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy programs in Santa Cruz, Monterey and San Benito Counties and neighboring regions; and

WHEREAS, the Cities of San Luis Obispo and Morro Bay in San Luis Obispo County by resolution adopted by their City Councils have requested to become parties to the Authority’s Joint Exercise of Powers Agreement and participate in the Authority’s community choice aggregation program; and

WHEREAS, this request by the Cities of San Luis Obispo and Morro Bay requires an amendment to the Joint Exercise of Powers Agreement since the Agreement presently limits participation to cities located in Monterey, Santa Cruz and San Benito Counties; and

WHEREAS, Section 7.4 of the Authority’s Joint Exercise of Powers Agreement authorizes the Policy Board by a two-thirds vote to amend the Joint Exercise of Powers Agreement after providing notice to all parties to the Agreement of the amendment and its effective date, which notice has been duly given; and

WHEREAS, this resolution and the amendment of the Joint Exercise Powers Agreement is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a “project” because it involves organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal. Code Regs. §15378 (b)(5).) Further the resolution is exempt from CEQA, as there is no possibility that the resolution or its implementation would have a significant effect on the environment (14 Cal. Code Regs §15061 (b)(3).) The resolution is also categorically exempt because it is an action taken by a regulatory agency to assure the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. §15308). The Authority will cause a Notice of Exemption to be filed as authorized by CEQA and the CEQA guidelines.

WHEREAS, the Authority wishes to amend the Joint Exercise of Powers Agreement to add the Cities of San Luis Obispo and Morro Bay as parties.

NOW, THEREFORE, the Policy Board of Directors of the Monterey Bay Community Power Authority does hereby resolve, determine, and order as follows:

1. The requests by the City of San Luis Obispo and the City of Morro Bay to become
members of Monterey Bay Community Power are hereby approved subject to the execution of the Joint Exercise of Powers Agreement as amended by these cities.

2. Amendment No. 1 to the Monterey Bay Community Power Joint Exercise of Powers Agreement is hereby approved.

3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the Policy Board of the Monterey Bay Community Power Authority this 5th day of December 2018 by the following vote:

AYES: Brown, Coffman-Gomez, Termini, Parker, Delgado; Muenzer, Freeman; Vice Chair McShane; Chair McPherson

NOES: None

ABSENT: Haffa, Orozco

DISQUALIFIED: None

Chair, Bruce McPherson

Attest:

Board Clerk, Bren Lehr
AMENDMENT NO. 1 TO MONTEREY BAY COMMUNITY POWER AUTHORITY
JOINT EXERCISE OF POWERS AGREEMENT

This Amendment No. 1 amends the Monterey Bay Community Power Authority Joint Exercise of Powers Agreement (“Agreement”) as follows:

1. The title to the Agreement is hereby amended to read:

   JOINT EXERCISE OF POWERS AGREEMENT RELATING TO AND CREATING THE
   Monterey Bay Community Power Authority
   OF
   Monterey, Santa Cruz, and San Benito Counties and Certain Cities in San Luis Obispo County

2. The introductory paragraph to the Agreement is hereby amended to read:

   This Joint Exercise of Powers Agreement, effective on the date determined by Section 2.1, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the Parties set forth in Exhibit B, establishes the Monterey Bay Community Power Authority (“Authority”), and is by and among the Counties of Monterey, Santa Cruz, and San Benito who become signatories to this Agreement (“Counties”), those cities and towns within the Counties of Monterey, Santa Cruz, and San Benito who become signatories to this Agreement and the Cities of San Luis Obispo and Morro Bay who become signatories to this Agreement, and relates to the joint exercise of powers among the signatories hereto.

3. Section 3.1.1 of the Agreement is hereby amended to read:

   3.1.1 Both Boards shall consist of Directors representing any of the three Counties of Monterey, Santa Cruz, or San Benito that become a signatory to the Agreement, Directors representing any of the Cities or Towns within those counties that becomes a signatory to the Agreement, and Directors representing the cities of San Luis Obispo and Morro Bay (“Directors”). Each Director shall serve at the pleasure of the governing board of the Party who appointed such Director, and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a
replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant.

4. Section 3.1.5 of the Agreement is hereby amended to read:

3.1.5 Shared Board seats will be determined through the Mayors and Councilmembers’ city selection process in their respective counties, with a term of two years except that the Cities of San Luis Obispo and Morro Bay shall determine the manner in which their shared seats shall be allocated. Directors may be reappointed, following the Mayors and Councilmembers’ city selection process in their respective counties, or as determined by the Cities of San Luis Obispo and Morro Bay for their shared seats and serve multiple terms. In the event of an established Board seat transitioning to a shared seat due to the addition of a new party, the sitting Director will automatically be the first representative for that shared seat to ensure continuity and maintain experience.

5. Exhibit B, List of Parties, to the Agreement is hereby amended to add the City of San Luis Obispo and the City of Morro Bay.

6. Exhibit C, Regional Allocation, to the Agreement is hereby amended to add a new subsection xii to read:

   xii. One shared seat for the Cities of San Luis Obispo and Morro Bay selected by the agreement of these two cities.

This Amendment No. 1 to the Monterey Bay Community Power Authority Joint Exercise of Powers Agreement was duly adopted by the Policy Board of Directors in accordance with Section 7.4 of this Agreement on December 5, 2018.
This Joint Exercise of Powers Agreement, effective on the date determined by Section 2.1, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the Parties set forth in Exhibit B, establishes the Monterey Bay Community Power Authority ("Authority"), and is by and among the Counties of Monterey, Santa Cruz, and San Benito who become signatories to this Agreement ("Counties") those cities and towns within the Counties of Monterey, Santa Cruz, and San Benito who become signatories to this Agreement and the Cities of San Luis Obispo and Morro Bay who become signatories to this Agreement, and relates to the joint exercise of powers among the signatories hereto.

RECITALS

A. The Parties share various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions.

B. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB
32 which will require local governments to develop programs to reduce greenhouse gas emissions.

C. The purposes for entering into this Agreement include:

a. Reducing greenhouse gas emissions related to the use of power in Monterey, Santa Cruz, and San Benito Counties and neighboring regions;

b. Providing electric power and other forms of energy to customers at affordable rates that are competitive with the incumbent utility;

c. Carrying out programs to reduce energy consumption;

d. Stimulating and sustaining the local economy by lowering electric rates and creating local jobs as a result of MBCP’s CCE program; and

e. Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources.

D. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar, wind, and geothermal energy production. The purchase of renewable power and greenhouse gas-free energy sources will be the desired approach to decrease regional greenhouse gas emissions and accelerate the State’s transition to clean power resources to the extent feasible.

a. It is further desired to establish a short-term and long-term energy portfolio that prioritizes the use and development of State, local and regional renewable resources and carbon free resources.

b. In compliance with State law and in alignment with the Authority’s desire to stimulate the development of local renewable power, the Authority shall draft an Integrated Resource Plan that includes a range of local renewable development potential in the Monterey Bay Region and plans to incorporate
local power into its energy portfolio as quickly as is possible and economically feasible.

E. The Parties desire to establish a separate public Authority, known as the Monterey Bay Community Power Authority, under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”) in order to collectively study, promote, develop, conduct, operate, and manage energy programs.

F. The Parties anticipate adopting an ordinance electing to implement through the Authority a common Community Choice Aggregation (CCA) program, an electric service enterprise available to cities and counties pursuant to California Public Utilities Code Sections 331.1(c) and 366.2. The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1: DEFINITIONS AND EXHIBITS

1.1. Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A unless the context requires otherwise.

1.2. Documents Included. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

   Exhibit A: Definitions
   Exhibit B: List of the Parties
   Exhibit C: Regional Allocations
ARTICLE 2: FORMATION OF MONTEREY BAY COMMUNITY POWER AUTHORITY

2.1. **Effective Date and Term.** This Agreement shall become effective and “Monterey Bay Community Power Authority” shall exist as a separate public Authority on the date that this Agreement is executed by at least three Initial Participants from the Counties of Monterey, Santa Cruz, and San Benito and the municipalities within those counties, after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 6.4, subject to the rights of the Parties to withdraw from the Authority.

2.2. **Formation.** There is formed as of the Effective Date a public Authority named the Monterey Bay Community Power Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public Authority separate from the Parties. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 7.4 of this Agreement, this Section 2.2 may not be amended unless such amendment is approved by the governing board of each Party.

2.3. **Purpose.** The purpose of this Agreement is to establish an independent public Authority in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties
intend for this Agreement to be used as a contractual mechanism by which the Parties are authorized to participate in the CCA Program, as further described in Section 4.1. The Parties intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program and any other energy programs approved by the Authority.

2.4. **Powers.** The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 3.7 through 3.7.1:

2.4.1. to make and enter into contracts;

2.4.2. to employ agents and employees, including but not limited to a Chief Executive Officer;

2.4.3. to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;

2.4.4. to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property; however, the Authority shall not exercise the power of eminent domain within the jurisdiction of a Party without approval of the affected Party’s governing board;

2.4.5. to lease any property;

2.4.6. to sue and be sued in its own name;

2.4.7. to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing
powers such as Government Code Sections 53850 et seq. and authority under the Act;

2.4.8. to form subsidiary or independent corporations or entities if necessary, to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;

2.4.9. to issue revenue bonds and other forms of indebtedness;

2.4.10. to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;

2.4.11. to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;

2.4.12. to adopt Operating Rules and Regulations;

2.4.13. to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services; and

2.4.14. to permit additional Parties to enter into this Agreement after the Effective Date and to permit another entity authorized to be a community choice aggregator to designate the Authority to act as the community choice aggregator on its behalf.

2.5. **Limitation on Powers.** As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the City of Santa Cruz and any other restrictions on exercising the powers of the authority that may be adopted by the board.
2.6. **Compliance with Local Zoning and Building Laws and CEQA.** Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act (“CEQA”).

**ARTICLE 3: GOVERNANCE AND INTERNAL ORGANIZATION**

3.1. **Boards of Directors.** The governing bodies of the Authority shall consist of a Policy Board of Directors (“Policy Board”) and an Operations Board of Directors (“Operations Board”).

3.1.1. Both Boards shall consist of Directors representing any of the three Counties of Monterey, Santa Cruz, or San Benito that become a signatory to the Agreement, Directors representing any of the Cities or Towns within those counties that becomes a signatory to the Agreement, and Directors representing the Cities of San Luis Obispo and Morro Bay (“Directors”). Each Director shall serve at the pleasure of the governing board of the Party who appointed such Director and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant.

3.1.2. Policy Board Directors must be elected members of the Board of Supervisors or elected members of the City or Town Council of the municipality that is the signatory to this Agreement. Jurisdictions may appoint an alternate to serve in the absence of its Director on the Policy Board. Alternates for the Policy Board must be members of the Board of...
Supervisors or members of the governing board of the municipality that is the signatory to this Agreement.

3.1.3. Operations Board Directors must be the senior executive/County Administrative Officer of any County that is the signatory to this Agreement, or senior executive/City Manager from any municipality that is the signatory to this Agreement. Jurisdictions may appoint an alternate to serve in the absence of its Director on the Operations Board. Alternates for the Operations Board must be administrative managers of the County or administrative managers of the governing board of the municipality that is the signatory to this Agreement.

3.1.4. Board seats will be allocated under the following formulas. Policy and Operations Board seats for founding JPA members (i.e. those jurisdictions that pass a CCA ordinance by February 28, 2017) will be allocated on a one jurisdiction, one seat basis until such time as the number of member jurisdictions exceeds eleven. Once the JPA reaches more than eleven-member agencies, the Policy and Operations Boards’ composition shall shift to a regional allocation based on population size. This allocation shall be one seat for each jurisdiction with a population of 50,000 and above, and shared seats for jurisdictions with populations below 50,000 allocated on a sub-regional basis, as set forth in Exhibit C. Notwithstanding the above, the County of San Benito shall be allotted one seat.

3.1.5. Shared board seats will be determined through the Mayors and Councilmembers’ city selection process in their respective counties, with a term of two years except that the Cities of San Luis Obispo and Morro Bay shall determine the manner in which their shared seats shall be allocated. Directors may be reappointed, following the Mayors and
Councilmembers’ city selection process in their respective counties, or as determined by the Cities of San Luis Obispo and Morro Bay for their shared seats and serve multiple terms. In the event of an established board seat transitioning to a shared seat due to the addition of a new party, the sitting Director will automatically be the first representative for that shared seat to ensure continuity and maintain experience.

3.2. **Quorum.** A majority of the appointed Directors shall constitute a quorum, except that less than a quorum may adjourn in accordance with law.

3.3. **Powers and Functions of the Boards.** The Boards shall exercise general governance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. The Boards shall provide general policy guidance to the CCA Program.

3.3.1. The Policy Board will provide guidance/approval in the areas of strategic planning and goal setting, passage of Authority budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service.

3.3.2. The Operations Board will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority.

3.3.3. Policy Board approval shall be required for any of the following actions, including but not limited to:

(a) The issuance of bonds, major capital expenditures, or any other financing even if program revenues are expected to pay for such financing;
(b) The appointment or removal of officers described in Section 3.9, subject to Section 3.9.3;

(c) The appointment and termination of the Chief Executive Officer;

(d) The adoption of the Annual Budget;

(e) The adoption of an ordinance;

(f) The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority;

(g) The adoption of the Implementation Plan;

(h) The selection of General Counsel, Treasurer and Auditor;

(i) The amending of this Joint Exercise of Powers Agreement; and

(j) Termination of the CCA Program.

3.3.4. Operations Board approval shall be required for the following actions, including but not limited to:

(a) The approval of Authority contracts and agreements, except as provided by Section 3.4; and

(b) Approval of Authority operating policies and other matters necessary to ensure successful program operations.

3.3.5. Joint approval of the Policy and Operations Boards shall be required for the initiation or resolution of claims and litigation where the Authority will be the defendant, plaintiff, petitioner, respondent, cross complainant or cross petitioner, or intervenor; provided, however, that the Chief Executive Officer or General Counsel, on behalf of the Authority, may
intervene in, become a party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative authority, without approval of the Boards as long as such action is consistent with any adopted Board policies.

3.4. **Chief Executive Officer.** The Authority shall have a Chief Executive Officer ("CEO"). The Operations Board shall present nomination(s) of qualified candidates to the Policy Board. The Policy Board shall make the selection and appointment of the CEO who will be an employee of the Authority and serve at will and at the pleasure of the Policy Board.

The CEO shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The CEO may exercise all powers of the Authority, including the power to hire, discipline and terminate employees as well as the power to approve any agreement if the total amount payable under the agreement falls within the Authority’s fiscal policies to be set by the Policy Board, except the powers specifically set forth in Section 3.3 or those powers which by law must be exercised by the Board(s) of Directors. The CEO shall report to the Policy Board on matters related to strategic planning and goal setting, passage of Authority budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service. The CEO shall report to the Operations Board on matters related to Authority policy and the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority. It shall be the responsibility of the CEO to keep both Board(s) appropriately informed and engaged in the discussions and actions of each to ensure cooperation and unity within the Authority.

3.5. **Commissions, Boards, and Committees.** The Boards may establish any advisory committees they deem appropriate to assist in carrying out the CCA Program, other energy programs, and the provisions of this Agreement which shall comply with the
requirements of the Ralph M. Brown Act. The Boards may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees if the Board(s) deem it appropriate to appoint such commissions, boards or committees, and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

3.6. **Director Compensation.** Directors shall serve without compensation from the Authority. However, Directors may be compensated by their respective appointing authorities. The Boards, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by their respective Directors.

3.7. **Voting.** Except as provided in Section 3.7.1 below, actions of the Boards shall require the affirmative vote of a majority of Directors present at the meeting.

3.7.1. **Special Voting Requirements for Certain Matters.**

(a) **Two-Thirds Voting Approval Requirements Relating to Sections 6.2 and 7.4.** Action of the Board on the matters set forth in Section 6.2 (involuntary termination of a Party), or Section 7.4 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of Directors present.

(b) **Seventy-Five Percent Special Voting Requirements for Eminent Domain and Contributions or Pledge of Assets.**

i. A decision to exercise the power of eminent domain on behalf of the Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least 75% of all Directors present.

ii. The imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program shall require a vote of at least
75% of all Directors and the approval of the governing boards of the Parties who are being asked to make such contribution or pledge.

iii. For purposes of this section, “imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program” does not include any obligations of a withdrawing or terminated party imposed under Section 6.3.

3.8. Meetings and Special Meetings of the Board. The Policy Board shall hold up to three regular meetings per year, with the option for additional or special meetings as determined by the Chief Executive Officer or Chair of the Policy Board after consultation with the Chief Executive Officer. The Operations Board shall hold at least eight meetings per year, with the option for additional or special meetings. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special and Emergency Meetings of the Boards may be called in accordance with the provisions of California Government Code Sections 54956 and 54956.5. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 et seq.).

3.9. Selection of Board Officers.

3.9.1. Policy Board Chair and Vice Chair. The Policy Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Policy Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The Policy Board Chair and Vice Chair shall act as the overall Chair and Vice Chair for Monterey Bay Community Power Authority. The term of office of the Chair and Vice Chair shall continue
for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, is no longer holding a qualifying public office, or the Party that the person represents removes the person as its representative on the Board; or

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

3.9.2. Operations Board Chair and Vice Chair. The Operations Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Operations Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, or is no longer the senior executive of the Party that the person represents or;

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

3.9.3. Secretary. Each Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of each Board and all other official records of the Authority. If the Secretary appointed is an employee of the Authority, that employee may serve as Secretary to both Boards.

3.9.4. The Policy Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be a
member of the Board. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may hold both the office of Treasurer and the office of Auditor of the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall report directly to the Policy Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 5.

3.10. Administrative Services Provider. The Board(s) may appoint one or more administrative services providers to serve as the Authority’s agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of an Administrative Services Agreement. The appointed administrative services provider may be one of the Parties. An Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program. The Administrative Services Provider shall be either an employee or a contractor of the Authority unless a member agency is providing the service.
ARTICLE 4: IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

4.1. Preliminary Implementation of the CCA Program.

4.1.1. Enabling Ordinance. To be eligible to participate in the CCA Program, each Party must adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

4.1.2. Implementation Plan. The Policy Board shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Policy Board in the manner provided by Section 3.7.

4.1.3. Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

4.2. Authority Documents. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board(s) through resolution, including but not limited to the MBCP Implementation Plan and Operating Policies. The Parties agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board(s), subject to the Parties’ right to withdraw from the Authority as described in Article 6.
ARTICLE 5: FINANCIAL PROVISIONS

5.1. Fiscal Year. The Authority’s fiscal year shall be 12 months commencing April 1 or the date selected by the Authority. The fiscal year may be changed by Policy Board resolution.

5.2. Depository.

5.2.1. All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

5.2.2. All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times. The Board(s) shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

5.2.3. All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board(s) in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board(s).

5.3. Budget and Recovery of Costs.

5.3.1. Budget. The initial budget shall be approved by the Policy Board. The Board may revise the budget from time-to-time as may be reasonably necessary to address contingencies and unexpected expenses. All
subsequent budgets of the Authority shall be approved by the Policy Board in accordance with the Operating Rules and Regulations.

5.3.2. Funding of Initial Costs. The County of Santa Cruz has funded certain activities necessary to implement the CCA Program. If the CCA Program becomes operational, these Initial Costs paid by the County of Santa Cruz shall be included in the customer charges for electric services as provided by Section 5.3.3 to the extent permitted by law, and the County of Santa Cruz shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the County of Santa Cruz shall provide such documentation of costs paid as the Board may request. The Authority may establish a reasonable time-period over which such costs are recovered. In the event, that the CCA Program does not become operational, the County of Santa Cruz shall not be entitled to any reimbursement of the Initial Costs it has paid from the Authority or any Party.

5.3.3. CCA Program Costs. The Parties desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but not limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

5.3.4. Credit Guarantee Requirement. The Parties acknowledge that there will be a shared responsibility to provide some level of credit support (in the form of a letter of credit, cash collateral or interagency agreement) for
Authority start-up and initial working capital as may be required by a third-party lender. Guarantee requirements shall be released after program launch and as soon as possible under the terms of the third-party credit agreement(s). The credit guarantee will be distributed on a per-seat basis. Shared seat members will divide the credit guarantee among the cities sharing those seats. The term of the credit guarantee shall be the same term as specified in the banking agreement. Once a Party has made a credit guarantee, that guarantee shall remain in place until released, even if that Party withdraws from the Authority.

5.3.5. The County of Santa Cruz has agreed to provide initial administrative support on a cost reimbursement basis to the JPA once formed. This includes, but is not limited to, personnel, payroll, legal, risk management.

ARTICLE 6: WITHDRAWAL


6.1.1. Right to Withdraw. A Party may withdraw its participation in the CCA Program, effective as of the beginning of the Authority’s fiscal year, by giving no less than 6 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party’s governing board.

6.1.2. Right to Withdraw After Amendment. Notwithstanding Section 6.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Policy Board which the Party’s Director voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Party shall require an affirmative vote of the Party’s governing board and shall not be subject to the six-month advanced notice provided in Section
6.1.1. In the event of such withdrawal, the Party shall be subject to the provisions of Section 6.3.

6.1.3. The Right to Withdraw Prior to Program Launch. After receiving bids from power suppliers, the Authority must provide to the Parties the report from the electrical utility consultant retained by the Authority that compares the total estimated electrical rates that the Authority will be charging to customers as well as the estimated greenhouse gas emissions rate and the amount of estimated renewable energy used with that of the incumbent utility. If the report provides that the Authority is unable to provide total electrical rates, as part of its baseline offering, to the customers that are equal to or lower than the incumbent utility or to provide power in a manner that has a lower greenhouse gas emissions rate or uses more renewable energy than the incumbent utility, a Party may, immediately after an affirmative vote of the Party’s governing board, withdraw its membership in the Authority without any financial obligation, except those financial obligations incurred through the Party’s share of the credit guarantee described in 5.3.4, as long as the Party provides written notice of its intent to withdraw to the Authority Board no more than fifteen business days after receiving the report. Costs incurred prior to withdrawal will be calculated as a pro-rata share of start-up costs expended to the date of the Party’s withdrawal, and it shall be the responsibility of the withdrawing Party to pay its share of said costs if they have a material/adverse impact on remaining Authority members or ratepayers.

6.1.4. Continuing Financial Obligation; Further Assurances. Except as provided by Section 6.1.3, a Party that withdraws its participation in the CCA Program may be subject to certain continuing financial obligations, as described in Section 6.3. Each withdrawing Party and the Authority shall
execute and deliver all further instruments and documents and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from participation in the CCA Program.

6.2. **Involuntary Termination of a Party.** Participation of a Party in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Party’s participation in the CCA Program upon a vote of the Policy Board as provided in Section 3.7.1. Prior to any vote to terminate participation with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 6.3.

6.3. **Continuing Financial Obligations: Refund.** Except as provided by Section 6.1.3, upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or other financial obligations arising from the Party membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any financial obligations arising after the date of the Party’s withdrawal or involuntary termination. Claims, demands, damages, or other financial obligations for which a withdrawing or terminated Party may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Party’s load. With respect to such financial obligations, upon notice by a Party that it wishes to
withdraw from the CCA Program, the Authority shall notify the Party of the minimum
waiting period under which the Party would have no costs for withdrawal if the Party
agrees to stay in the CCA Program for such period. The waiting period will be set to the
minimum duration such that there are no costs transferred to remaining ratepayers. If the
Party elects to withdraw before the end of the minimum waiting period, the charge for
exiting shall be set at a dollar amount that would offset actual costs to the remaining
ratepayers and may not include punitive charges that exceed actual costs. In addition,
such Party shall also be responsible for any costs or obligations associated with the
Party’s participation in any program in accordance with the provisions of any agreements
relating to such program provided such costs or obligations were incurred prior to the
withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party
or may require the Party to deposit sufficient funds with the Authority, as reasonably
determined by the Authority and approved by a vote of the Policy Board, to cover the
Party’s financial obligations for the costs described above. Any amount of the Party’s
funds held on deposit with the Authority above that which is required to pay any financial
obligations shall be returned to the Party. The liability of any Party under this section 6.3
is subject and subordinate to the provisions of Section 2.2, and nothing in this section 6.3
shall reduce, impair, or eliminate any immunity from liability provided by Section 2.2.

6.4. **Mutual Termination.** This Agreement may be terminated by mutual agreement of
all the Parties; provided, however, the foregoing shall not be construed as limiting the
rights of a Party to withdraw its participation in the CCA Program, as described in
Section 6.1.

6.5. **Disposition of Property upon Termination of Authority.** Upon termination of this
Agreement, any surplus money or assets in possession of the Authority for use under this
Agreement, after payment of all liabilities, costs, expenses, and charges incurred under
this Agreement and under any program documents, shall be returned to the then-existing
Parties in proportion to the contributions made by each.
ARTICLE 7: MISCELLANEOUS PROVISIONS

7.1. Dispute Resolution. The Parties and the Authority shall make reasonable efforts to informally settle all disputes arising out of or in connection with this Agreement. Should such informal efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be mediated in accordance with policies and procedures established by the Authority. The costs of any such mediation shall be shared equally among the Parties participating in the mediation.

7.2. Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Sections 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

7.3. Indemnification of Parties. The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority and the Parties. The Authority shall defend, indemnify, and hold harmless the Parties and each of their respective Boards of Supervisors or City Councils, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

7.4. Amendment of this Agreement. This Agreement may not be amended except by a written amendment approved by a vote of Policy Board members as provided in Section 3.7.1. The Authority shall provide written notice to all Parties of proposed amendments to
this Agreement, including the effective date of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments.

7.5. **Assignment.** Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 7.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 7.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party’s contributions to the Authority, or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

7.6. **Severability.** If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

7.7. **Further Assurances.** Each Party agrees to execute and deliver all further instruments and documents and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

7.8. **Execution by Counterparts.** This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.
7.9. Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties and Certain Cities in San Luis Obispo County

Signature Page

CITY OF SAN LUIS OBISPO

Signature ___________________________ 12/5/18

Date

Its ___________________________

Mayor

Mayor/City Manager

APPROVED AS TO FORM:

______________________________

Office of the City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties and Certain Cities in San Luis Obispo County

Signature Page

CITY OF MORRO BAY

Signature ____________________________  12/5/18

Date

Its  Scott Collins, City Manager
Mayor/City Manager

APPROVED AS TO FORM:

______________________________
Office of the City Attorney
Exhibit A

Definitions

“Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.)

“Administrative Services Agreement” means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

“Agreement” means this Joint Powers Agreement.

“Annual Energy Use” has the meaning given in Section 3.7.1.

“Authority” means the Monterey Bay Community Power Authority.

“Authority Document(s)” means document(s) duly adopted by one or both Boards by resolution or motion implementing the powers, functions, and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

“Board” means the Policy Board of Directors of the Authority and/or the Operations Board of Directors of the Authority unless one or the other is specified in this Agreement.

“CCA” or “Community Choice Aggregation” means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.

“CCA Program” means the Authority’s program relating to CCA that is principally described in this Agreement.

“Director” means a member of the Policy Board of Directors or Operations Board of Directors representing a Party.
“Effective Date” means the date that this Agreement is executed by at least three Initial Participants from the Counties of Monterey, Santa Cruz, and San Benito and the municipalities within those counties, as further described in Section 2.1.

“Implementation Plan” means the plan generally described in Section 4.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.

“Initial Costs” means all costs incurred by the County of Santa Cruz and/or Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, and any required accounting, administrative, technical, or legal services in support of the Authority’s initial activities or in support of the negotiation, preparation, and approval of one or more Administrative Services Agreements.

“Initial Participants” means those initial founding JPA members whose jurisdictions pass a CCA ordinance, whose Board seats will be allocated on a one jurisdiction, one seat basis (in addition to one seat for San Benito County) until such time as the number of member jurisdictions exceeds eleven, as described in Section 3.1.4.

“Operating Rules and Regulations” means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

“Operations Board” means the board composed of City Managers and CAOs representing their respective jurisdictions as provided in section 3.1.4 who will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority, as further set forth in section 3.3.
“Parties” means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.1 or 4.1.1 such that it is considered a member of the Authority.

“Party” means singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.1 or 4.1.1 such that it is considered a member of the Authority.

“Policy Board” means the board composed of elected officials representing their respective jurisdictions as provided in section 3.1.4 who will provide guidance/approval in the areas of strategic planning and goal setting, passage of Authority budget and customer rates, large capital expenditures outside the typical power procurement required to provide electrical service, and such other functions as set forth in section 3.3.
Exhibit B

Monterey Bay Community Power Authority of Monterey, Santa Cruz, and San Benito Counties, and Certain Cities in San Luis Obispo County

List of Parties

County of Santa Cruz
City of Santa Cruz
City of Watsonville
City of Capitola
City of Scotts Valley
County of Monterey
City of Salinas
City of Monterey
City of Pacific Grove
City of Carmel
City of Seaside
City of Marina
Sand City
Soledad
Greenfield
Gonzales
County of San Benito

City of Hollister

City of San Juan Bautista

City of Morro Bay

City of San Luis Obispo
Exhibit C

Regional Allocation

Board seats in the Monterey Bay Community Power Authority will be allocated as follows:

i. One seat for Santa Cruz County;

ii. One seat for Monterey County;

iii. One seat for San Benito County;

iv. One seat for the City of Santa Cruz;

v. One seat for the City of Salinas;

vi. One seat for the City of Watsonville;

vii. One shared seat for remaining Santa Cruz cities including Capitola and Scotts Valley selected by the City Selection Committee;

viii. One shared seat for Monterey Peninsula cities including Monterey, Pacific Grove, and Carmel selected by the City Selection Committee;

ix. One shared seat for Monterey Coastal cities including Marina, Seaside, and Sand City selected by the City Selection Committee;

x. One shared seat for Salinas Valley cities including Greenfield, Soledad, Gonzales selected by the City Selection Committee;

xi. One shared seat for San Benito County cities including Hollister and San Juan Bautista selected by the City Selection Committee; and

xii. One shared seat for the Cities of San Luis Obispo and Morro Bay selected by the agreement of these two cities.
RESOLUTION NO. 91-18

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MORRO BAY, CALIFORNIA,
REQUESTING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY
POWER JOINT POWERS AUTHORITY (MBCPA) AND AUTHORIZING THE
MAYOR OR CITY MANAGER TO EXECUTE THE JOINT POWERS
AUTHORITY AGREEMENT AS AMENDED WITH MBCPA

WHEREAS, AB 117, adopted as California state law in 2002, permits cities, counties, or
Joint Power Authorities comprised of cities and counties to aggregate residential, commercial,
industrial, municipal and institutional electric loads through Community Choice Aggregation
(CCA); and

WHEREAS, pursuant to Section 366.2 of the Public Utilities Code, two or more entities
authorized to be a community choice aggregator may participate as a group in a community
choice aggregation program through a joint powers agency established pursuant to Chapter 5
(commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity
adopts the aforementioned ordinance; and

WHEREAS, in March 2017, MBCPA was established as a joint powers agency pursuant
to a joint powers agreement; and

WHEREAS, the purpose of MBCPA is to address climate change by providing locally
controlled carbon-free electricity at affordable rates; and

WHEREAS, the City Council supports the mission of MBCPA and its intent to promote
the development and use of a wide range of carbon-free and renewable energy sources and
energy efficiency programs, including solar and wind energy production at competitive rates for
customers; and

WHEREAS, in order for the City of Morro Bay (City) to become a member of MBCPA,
the MBCPA Joint Powers Agreement (JPA) must be amended to permit the City join as a party;
and

WHEREAS, MBCPA also has requested the City adopt a resolution requesting
membership in MBCPA and authorizing its Mayor or City Manager to execute the JPA as
amended, as well as an ordinance authorizing Community Choice Aggregation (CCA) within its
jurisdiction; and

WHEREAS, the City wishes to be a community choice aggregator pursuant to the JPA
and has introduced the Ordinance required by Public Utilities Code Section 366.2 in order to do
so; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-
out of the CCE program and continue to receive service from the incumbent utility.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Morro Bay:

SECTION 1. The City Council of requests the Board of Directors of MBCPA approve
the City as a member of MBCPA.
SECTION 2. The Mayor or City Manager is hereby authorized and directed to execute
the JPA on behalf of the City after the JPA is amended, which will establish the City's
membership in MBCPA.

SECTION 3. This Resolution and the subsequent joining of MBCPA is exempt from the
requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA
Guidelines, as it is not a "project" since this action involves organizational and administrative
activities of government that will not result in direct or indirect physical changes in the
environment. (14 Cal. Code Regs. § 15378(b)(5)). Further, the ordinance is exempt from CEQA
as there is no possibility that the ordinance or its implementation would have a significant
negative effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). A Notice of Exemption
shall be filed as authorized by CEQA and the State CEQA guidelines.

SECTION 4. This resolution shall be effective immediately upon passage and adoption.

PASSED AND ADOPTED, by the City Council of the City of Morro Bay, at a regular
meeting thereof held on the 13th day of November 2018, by the following vote:

AYES:        Irons, Davis, Headding, Makowetski, McPherson
NOES:        None
ABSENT:      None
ABSTAIN:     None

[Signature]
JAMIE L. IRONS, Mayor

ATTEST:

[Signature]
LORI M. KUDZMA, Deputy City Clerk
ORDINANCE NO. 618

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, REPEALING THE EXISTING COMMUNITY CHOICE AGGREGATION ORDINANCE (ORDINANCE NO. 616) AND AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN MONTEREY BAY COMMUNITY POWER'S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City Council has previously directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) program under the provisions of the Public Utilities Code section 366.2 in order to provide electric service to customers within the City of Morro Bay (City) with the intent of achieving reduced greenhouse gas emissions, local renewable power development, competitive electric rates, and the implementation of energy conservation and other energy programs; and

WHEREAS, the City, in cooperation with the City of San Luis Obispo commissioned a technical study showing a CCA program serving the City and surrounding communities would provide several benefits, including:
- Providing customers a choice of power providers and power supply options;
- Increasing local control and involvement in energy rates and other energy-related matters;
- Providing stable electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within the City and surrounding region;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency;
- Improving the local economy resulting from the implementation of a CCA program and local renewable and energy efficiency projects over time; and

WHEREAS, on September 18, 2018 the cities of San Luis Obispo and Morro Bay, formed a Joint Powers Authority called Central Coast Community Energy ("CCCE.") to host a CCA program; and

WHEREAS, on October 9, 2018, the City adopted Ordinance No. 616, as required by Public Utilities Code section 366.2 authorizing the implementation of a Community Choice Aggregation program through CCCE; and

WHEREAS, on October 11, 2018 the California Public Utilities Commission amended the Power Charge Indifference Adjustment, which negatively impacted CCCE's ability to develop a program with the desired financial and environmental benefit; and

WHEREAS, Monterey Bay Community Power Authority (MBCPA) is an established CCA program capable of providing the desired financial and environmental benefits, and

WHEREAS, MBCPA will enter into agreements with electric power suppliers and other service providers and, based upon those agreements, MBCPA will be able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility ("PG&E"). Once the California Public Utilities Commission certifies the amended Implementation Plan adopted by MBCPA, MBCPA will be able to provide service to customers within the City; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so; and
WHEREAS, on November 13 and November 27, the City Council held public meetings on the manner in which the City will participate in a CCA program at which time interested persons had an opportunity to testify either in support of or opposition to the implementation of a CCA program serving the City through MBCPA; and

WHEREAS, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a “project” as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308).

NOW, THEREFORE, the City Council of the City of Morro Bay does ordain as follows:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Based upon the forgoing, the City Council hereby repeals Ordinance No. 616.

SECTION 3. Based upon the forgoing, and in order to provide businesses and residents within the City with a choice of power providers and with the benefits described above, the City Council hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating as a group in the Community Choice Aggregation Program of MBCPA, as generally described in its Joint Powers Agreement.

SECTION 2. This Ordinance shall take effect 30 days after its adoption. The City Clerk, or her duly appointed deputy, shall attest to the adoption of this Ordinance and shall cause this Ordinance to be published and posted in the manner required by law.

INTRODUCED at a regular meeting of the City Council of Morro Bay, held on the 13th day of November, 2018, by motion of Mayor Irons, seconded by Council Member Davis.

PASSED AND ADOPTED on the 27th day of November 2018, by the following vote:

AYES:  Irons, Davis, Headding, Makowetski, McPherson
NOES:  None
ABSENT: None

JAMIE L. IRONS, Mayor

ATTEST:
DANA SWANSON, City Clerk

APPROVED AS TO FORM:
JOSEPH W. PANNONE, City Attorney
RESOLUTION NO. 10960 (2018 SERIES)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBI disco, CALIFORNIA, REQUESTING MEMBERSHIP IN THE MONTEREY BAY COMMUNITY POWER (MBCP) JOINT POWERS AUTHORITY AND AUTHORIZING THE MAYOR OR CITY MANAGER TO EXECUTE THE JOINT POWERS AUTHORITY AGREEMENT AS AMENDED WITH MBCP.

WHEREAS, AB 117, adopted as California state law in 2002, permits cities, counties, or Joint Power Authorities comprised of cities and counties to aggregate residential, commercial, industrial, municipal and institutional electric loads through Community Choice Aggregation (CCA); and

WHEREAS, pursuant to Section 366.2 two or more entities authorized to be a community choice aggregator may participate as a group in a community choice aggregation program through a joint powers agency established pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code, if each entity adopts the aforementioned ordinance; and

WHEREAS, in March 2017, Monterey Bay Community Power Authority ("MBCP") was established as a joint powers agency pursuant to a Joint Powers Agreement; and

WHEREAS, the purpose of MBCP is to address climate change by providing locally controlled carbon-free electricity at affordable rates; and

WHEREAS, the City Council supports the mission of MBCP and its intent to promote the development and use of a wide range of carbon free and renewable energy sources and energy efficiency programs, including solar and wind energy production at competitive rates for customers; and

WHEREAS, in order for the City of San Luis Obispo to become a member of MBCP, the MBCP Joint Powers Agreement must be amended to permit the City join as a party; and

WHEREAS, MBCP also has requested that the City of San Luis Obispo adopt a resolution requesting membership in Monterey Bay Community Power and authorizing its City Manager to execute the JPA Agreement as amended, as well as an ordinance authorizing Community Choice Aggregation (CCA) within its jurisdiction; and

WHEREAS, the City of San Luis Obispo wishes to be a community choice aggregator pursuant to the MBCP Joint Powers Agreement and has introduced the Ordinance required by Public Utilities Code Section 366.2 in order to do so; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of the CCE program and continue to receive service from the incumbent utility.
NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo that:

SECTION 1. The City Council of San Luis Obispo hereby requests that the Board of Directors of MBCP approve the City of San Luis Obispo as a member of MBCP.

SECTION 2. The Mayor and/or City Manager are hereby authorized and directed to execute the Joint Exercise of Powers Agreement on behalf of the City of San Luis Obispo after the Joint Exercise of Powers Agreement is amended, which will establish the City’s membership in MBCP.

SECTION 3. This resolution and the subsequent joining of Monterey Bay Community Power is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a “project” since this action involves organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal. Code Regs. § 15378(b)(5)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs.§ 15061(b)(3)). A Notice of Exemption shall be filed as authorized by CEQA and the State CEQA guidelines.

SECTION 4. This resolution shall be effective immediately upon passage and adoption.

Upon motion of Council Member Pease, seconded by Vice Mayor Christianson, and on the following roll call vote:

AYES: Council Members Gomez, Pease and Rivoire, Vice Mayor Christianson and Mayor Harmon

NOES: None

ABSENT: None

The foregoing resolution was adopted this 13th day of November 2018.

Mayor Heidi Harmon

ATTEST:

Teresa Purrington
City Clerk

R 10960
APPENDIX B

Resolution No. 10960 (2018 Series)

APPROVED AS TO FORM:

J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, this 15th day of November, 2018.

Teresa Purrington
City Clerk
ORDINANCE NO. 1656 (2018 SERIES)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, REPEALING THE EXISTING COMMUNITY CHOICE AGGREGATION ORDINANCE AND AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN MONTEREY BAY COMMUNITY POWER’S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, on December 12, 2017, the City Council directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) program under the provisions of the Public Utilities Code Section 366.2 in order to provide electric service to customers within the City of San Luis Obispo with the intent of achieving reduced greenhouse gas emissions, local renewable power development, competitive electric rates, and the implementation of energy conservation and other energy programs; and

WHEREAS, the City of San Luis Obispo commissioned a technical study showing that a CCA program serving the City and surrounding communities would provide several benefits, including:

- Providing customers a choice of power providers and power supply options;
- Increasing local control and involvement in energy rates and other energy-related matters;
- Providing stable electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within the City and surrounding region;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency;
- Improving the local economy resulting from the implementation of a CCA program and local renewable and energy efficiency projects over time; and

WHEREAS, on September 18, 2018 the Cities of San Luis Obispo and Morro Bay, formed a Joint Powers Authority called Central Coast Community Energy ("CCCE.") to host a CCA program; and

WHEREAS, on October 2, 2018 the City of San Luis Obispo adopted Ordinance No. 1654 (2018 Series) as required by Public Utilities Code section 366.2 authorizing the implementation of a Community Choice Aggregation program through CCCE; and

WHEREAS, on October 11, 2018 the California Public Utilities Commission amended the Power Charge Indifference Adjustment, which negatively impacted CCCE’s ability to develop a program with the desired financial and environmental benefit; and

WHEREAS, Monterey Bay Community Power (MBCP) is an established CCA program capable of providing the desired financial and environmental benefits, and

O 1656
WHEREAS, MBCP will enter into Agreements with electric power suppliers and other service providers, and based upon those Agreements MBCP will be able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility ("PG&E"). Once the California Public Utilities Commission certifies the amended Implementation Plan adopted by MBCP, MBCP will be able to provide service to customers within the City of San Luis Obispo; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so; and

WHEREAS, on November 13 and November 27, the City Council held public hearings on the manner in which San Luis Obispo will participate in a CCA program at which time interested persons had an opportunity to testify either in support of or opposition to the implementation of a CCA program serving the City of San Luis Obispo through MBCP; and

WHEREAS, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a “project” as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308).

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of San Luis Obispo as follows:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Repeal of Ordinance No. 1654 (2018 Series). Based upon the forgoing, the City Council hereby repeals Ordinance No. 1654 (2018 Series)

SECTION 3. Authorization to Implement a Community Choice Aggregation Program. Based upon the forgoing, and in order to provide businesses and residents within the City of San Luis Obispo with a choice of power providers and with the benefits described above, the City Council hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating as a group in the Community Choice Aggregation Program of Monterey Bay Community Power, as generally described in its Joint Powers Agreement.
SECTION 4. This Ordinance shall be in full force and effective 30 days after its adoption and shall be published and posted as required by law.

INTRODUCED on the 13th day of November, 2018, AND FINALLY ADOPTED by the Council of the City of San Luis Obispo on the 27th day of November, 2018, on the following vote:

AYES: Council Members Gomez, Pease and Rivoire, Vice Mayor Christianson and Mayor Harmon
NOES: None
ABSENT: None

Mayor Heidi Harmon

ATTEST:

Teresa Purrington
City Clerk

APPROVED AS TO FORM:

J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, this 28th day of November, 2018.

Teresa Purrington
City Clerk
APPENDIX C

ORDINANCE NO. 618

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORRO BAY, CALIFORNIA, REPEALING THE EXISTING COMMUNITY CHOICE AGGREGATION ORDINANCE (ORDINANCE NO. 616) AND AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN MONTEREY BAY COMMUNITY POWER'S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, the City Council has previously directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) program under the provisions of the Public Utilities Code section 366.2 in order to provide electric service to customers within the City of Morro Bay (City) with the intent of achieving reduced greenhouse gas emissions, local renewable power development, competitive electric rates, and the implementation of energy conservation and other energy programs; and

WHEREAS, the City, in cooperation with the City of San Luis Obispo commissioned a technical study showing a CCA program serving the City and surrounding communities would provide several benefits, including:

- Providing customers a choice of power providers and power supply options;
- Increasing local control and involvement in energy rates and other energy-related matters;
- Providing stable electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within the City and surrounding region;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency;
- Improving the local economy resulting from the implementation of a CCA program and local renewable and energy efficiency projects over time; and

WHEREAS, on September 18, 2018 the cities of San Luis Obispo and Morro Bay, formed a Joint Powers Authority called Central Coast Community Energy ("CCCE.") to host a CCA program; and

WHEREAS, on October 9, 2018, the City adopted Ordinance No. 616, as required by Public Utilities Code section 366.2 authorizing the implementation of a Community Choice Aggregation program through CCCE; and

WHEREAS, on October 11, 2018 the California Public Utilities Commission amended the Power Charge Indifference Adjustment, which negatively impacted CCCE’s ability to develop a program with the desired financial and environmental benefit; and

WHEREAS, Monterey Bay Community Power Authority (MBCPA) is an established CCA program capable of providing the desired financial and environmental benefits, and

WHEREAS, MBCPA will enter into agreements with electric power suppliers and other service providers and, based upon those agreements, MBCPA will be able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility ("PG&E"). Once the California Public Utilities Commission certifies the amended Implementation Plan adopted by MBCPA, MBCPA will be able to provide service to customers within the City; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so; and
WHEREAS, on November 13 and November 27, the City Council held public meetings on the manner in which the City will participate in a CCA program at which time interested persons had an opportunity to testify either in support of or opposition to the implementation of a CCA program serving the City through MBCPA; and

WHEREAS, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a “project” as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308).

NOW, THEREFORE, the City Council of the City of Morro Bay does ordain as follows:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Based upon the forgoing, the City Council hereby repeals Ordinance No. 616.

SECTION 3. Based upon the forgoing, and in order to provide businesses and residents within the City with a choice of power providers and with the benefits described above, the City Council hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating as a group in the Community Choice Aggregation Program of MBCPA, as generally described in its Joint Powers Agreement.

SECTION 2. This Ordinance shall take effect 30 days after its adoption. The City Clerk, or her duly appointed deputy, shall attest to the adoption of this Ordinance and shall cause this Ordinance to be published and posted in the manner required by law.

INTRODUCED at a regular meeting of the City Council of Morro Bay, held on the 13th day of November, 2018, by motion of Mayor Irons, seconded by Council Member Davis.

PASSED AND ADOPTED on the 27th day of November 2018, by the following vote:

AYES: Irons, Davis, Headding, Makowetski, McPherson
NOES: None
ABSENT: None

JAMIE L. IRONS, Mayor

ATTEST:
DANA SWANSON, City Clerk

APPROVED AS TO FORM:
JOSEPH W. PANNONE, City Attorney
ORDINANCE NO. 1656 (2018 SERIES)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, REPEALING THE EXISTING COMMUNITY CHOICE AGGREGATION ORDINANCE AND AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN MONTEREY BAY COMMUNITY POWER'S COMMUNITY CHOICE AGGREGATION PROGRAM

WHEREAS, on December 12, 2017, the City Council directed staff to investigate the feasibility and formation of a Community Choice Aggregation (CCA) program under the provisions of the Public Utilities Code Section 366.2 in order to provide electric service to customers within the City of San Luis Obispo with the intent of achieving reduced greenhouse gas emissions, local renewable power development, competitive electric rates, and the implementation of energy conservation and other energy programs; and

WHEREAS, the City of San Luis Obispo commissioned a technical study showing that a CCA program serving the City and surrounding communities would provide several benefits, including:

- Providing customers a choice of power providers and power supply options;
- Increasing local control and involvement in energy rates and other energy-related matters;
- Providing stable electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within the City and surrounding region;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency;
- Improving the local economy resulting from the implementation of a CCA program and local renewable and energy efficiency projects over time; and

WHEREAS, on September 18, 2018 the Cities of San Luis Obispo and Morro Bay, formed a Joint Powers Authority called Central Coast Community Energy ("CCCE.") to host a CCA program; and

WHEREAS, on October 2, 2018 the City of San Luis Obispo adopted Ordinance No. 1654 (2018 Series) as required by Public Utilities Code section 366.2 authorizing the implementation of a Community Choice Aggregation program through CCCE; and

WHEREAS, on October 11, 2018 the California Public Utilities Commission amended the Power Charge Indifference Adjustment, which negatively impacted CCCE's ability to develop a program with the desired financial and environmental benefit; and

WHEREAS, Monterey Bay Community Power (MBCP) is an established CCA program capable of providing the desired financial and environmental benefits, and
WHEREAS, MBCP will enter into Agreements with electric power suppliers and other service providers, and based upon those Agreements MBCP will be able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility ("PG&E"). Once the California Public Utilities Commission certifies the amended Implementation Plan adopted by MBCP, MBCP will be able to provide service to customers within the City of San Luis Obispo; and

WHEREAS, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to receive service from the incumbent utility will be able to do so; and

WHEREAS, on November 13 and November 27, the City Council held public hearings on the manner in which San Luis Obispo will participate in a CCA program at which time interested persons had an opportunity to testify either in support of or opposition to the implementation of a CCA program serving the City of San Luis Obispo through MBCP; and

WHEREAS, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a “project” as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Regs. § 15378(a)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). The ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment. (14 Cal. Code Regs. § 15308).

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of San Luis Obispo as follows:

SECTION 1. The above recitations are true and correct and material to this Ordinance.

SECTION 2. Repeal of Ordinance No. 1654 (2018 Series). Based upon the forgoing, the City Council hereby repeals Ordinance No. 1654 (2018 Series)

SECTION 3. Authorization to Implement a Community Choice Aggregation Program. Based upon the forgoing, and in order to provide businesses and residents within the City of San Luis Obispo with a choice of power providers and with the benefits described above, the City Council hereby elects to implement a community choice aggregation program within the jurisdiction of the City by participating as a group in the Community Choice Aggregation Program of Monterey Bay Community Power, as generally described in its Joint Powers Agreement.
SECTION 4. This Ordinance shall be in full force and effective 30 days after its adoption and shall be published and posted as required by law.

INTRODUCED on the 13th day of November, 2018, AND FINALLY ADOPTED by the Council of the City of San Luis Obispo on the 27th day of November, 2018, on the following vote:

AYES: Council Members Gomez, Pease and Rivoire,
Vice Mayor Christianson and Mayor Harmon

NOES: None

ABSENT: None

Mayor Heidi Harmon

ATTEST:

Teresa Purrington
City Clerk

APPROVED AS TO FORM:

J. Christine Dietrick
City Attorney

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, this 28th day of November, 2018.

Teresa Purrington
City Clerk

O 1656
August 16, 2017

Mr. Edward Randolph  
Director, Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102—3298

Re: Community Choice Aggregation Plan and Statement of Intent for Monterey Bay Community Power

Dear Mr. Randolph,

Please find enclosed the CCA Implementation Plan and Notice of Intent for Monterey Bay Community Power, developed and submitted to you pursuant to Public Utilities Code Section 366.2(c)(3) and (4). On August 16, 2017, the MBCP Board of Directors, at a duly noticed public hearing, considered and adopted this Implementation Plan, through Resolution No. (4). *

Please feel free to contact Carol.Johnson@santacruzcounty.us or 831-454-2740 should you need additional information. We look forward to your review and certification of our plan.

Sincerely,

Bruce McPherson  
Chair, MBCP Policy Board

Enclosure: CCW Implementation Plan and Notice of Intent for MBCP

Cc:  ED Tariff Unit, 505 Van Ness Avenue, 4th Floor, San Francisco, CA 94102  
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CHAPTER 1 – Introduction & Statement of Intent

The Monterey Bay Community Power Authority ("MBCP" or "Authority") is a public agency serving the counties of Monterey, Santa Cruz and San Benito. The Authority was formed to implement a Community Choice Aggregation ("CCA") program, also referred to by the Authority as Community Choice Energy ("CCE") or the "Program." Member Agencies of MBCP include the counties of Monterey, Santa Cruz and San Benito as well as the cities of Santa Cruz, Watsonville, Salinas, Monterey, Pacific Grove, Carmel, Seaside, Marina, Sand City, Soledad, Greenfield, Gonzales, Hollister, San Juan Bautista, Scotts Valley, Capitola (together, the "Members" or "Member Agencies"), which have elected to allow MBCP to provide electric generation service within their respective jurisdictions.

This Implementation Plan and Statement of Intent ("Implementation Plan") describes MBCP’s plans to implement a voluntary CCA program for electric customers within the jurisdictional boundaries of its Member Agencies that currently take bundled electric service from Pacific Gas and Electric Company (PG&E). The MBCP Program will provide an opportunity to collectively procure electricity from competitive suppliers, with such electricity being delivered over PG&E’s transmission and distribution system. The planned start date for the Program is March 1, 2018. All current PG&E customers within MBCP’s service area will receive information describing the Program and will have multiple opportunities to choose to remain full requirement (bundled) customers of PG&E, in which case they will not be enrolled, or opted out. Thus, participation in the MBCP Program is completely voluntary; however, customers, as provided by law, will be automatically enrolled in accordance with the anticipated phase-in schedule, later described in Chapter 5, unless they affirmatively elect to opt-out.

Implementation of MBCP program will enable customers within MBCP’s service area to take advantage of the opportunities granted by Assembly Bill 117 ("AB 117"), the Community Choice Aggregation Law. MBCP’s primary objectives in implementing this Program are to reduce electric sector greenhouse gas emissions ("GHGs") within the Counties; stimulate renewable energy development; promote energy efficiency and demand reduction programs; and sustain competitive electric rates for participating residents and businesses over the long-term. The prospective benefits to consumers include contributing to regional carbon neutrality, rate competitiveness, and public participation in determining which generating technologies and demand-side programs are utilized to meet local electricity needs.

To ensure successful operation of the Program, MBCP will solicit experienced energy suppliers and marketers through a competitive process and will negotiate with one or more qualified suppliers throughout the fall of 2017. Final selection of MBCP’s initial energy supplier(s) will be made by MBCP following administration of the aforementioned solicitation process and related contract negotiations. Information regarding the anticipated solicitation process for MBCP’s initial energy services provider(s) is contained in Chapter 10.
The California Public Utilities Commission Code (the “Code”) provides relevant legal authority for MBCP to become a CCA and invests the California Public Utilities Commission (“CPUC” or “Commission”) with the responsibility for establishing the cost recovery mechanism that must be in place before customers can begin receiving electrical service through the MBCP Program. The CPUC also has responsibility for registering MBCP as a CCA and ensuring compliance with basic consumer protection rules. The Code requires that an Implementation Plan be adopted at a duly noticed public hearing and that it be filed with the Commission in order for the Commission to determine the cost recovery mechanism to be paid by customers of the Program to prevent shifting of costs to bundled customers of the incumbent utility, PG&E.

On August 16, 2017, the MBCP Policy Board of Directors (“Board”), at a duly noticed public hearing, considered and adopted this Implementation Plan, through Resolution No. 4-2017 (a copy of which is included as part of Appendix A). The Commission has established the methodology that will be used to determine the cost recovery mechanism, and PG&E has approved tariffs for imposition of the cost recovery mechanism. Finally, each of MBCP’s Members has adopted an ordinance to implement a CCA program through its participation in MBCP, and each of the Members has adopted a resolution permitting MBCP to provide service within its jurisdiction.\(^1\) With each of these milestones having been accomplished, MBCP submits this Implementation Plan to the CPUC. Following the CPUC’s certification of its receipt of this Implementation Plan and resolution of any outstanding issues, MBCP will take the final steps needed to register as a CCA prior to initiating the customer notification and enrollment process.

**Organization of this Implementation Plan**

The content of this Implementation Plan complies with the statutory requirements of AB 117. As required by PU Code Section 366.2(c)(3), this Implementation Plan details the process and consequences of aggregation and provides MBCP’s statement of intent for implementing a CCA program.

The Implementation Plan is organized as follows:

- Chapter 1: Introduction & Statement of Intent
- Chapter 2: Aggregation Process
- Chapter 3: Organizational Structure
- Chapter 4: Startup Plan & Funding
- Chapter 5: Program Phase-In
- Chapter 6: Load Forecast & Resource Plan
- Chapter 7: Financial Plan
- Chapter 8: Rate setting
- Chapter 9: Customer Rights and Responsibilities
- Chapter 10: Procurement Process

\(^1\) Copies of individual ordinances adopted by MBCP’s Members are included within Appendix A.
Chapter 11: Contingency Plan for Program Termination  
Appendix A: MBCPA Resolution No. 4-2017 (Adopting Implementation Plan)  
Appendix B: MBCPA Joint Powers Agreement

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

## AB 117 Cross References

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CHAPTER 2 – Aggregation Process

Introduction
This chapter describes the background leading to the development of this Implementation Plan and describes the process and consequences of aggregation, consistent with the requirements of AB 117.

The effort to form Monterey Bay Community Power began in 2013 as a regional collaborative partnership comprised of all 21 local governments within the greater Monterey Bay area, including the Counties of Santa Cruz, Monterey, San Benito and all 18 cities located therein. During this process, each local government within the Monterey Bay area was given the option of appointing a representative to the Project Development Advisory Committee, which was responsible for evaluating the viability of forming a regional CCA program. Key objectives of the prospective CCA program included: 1) reducing greenhouse gas emissions related to the use of electricity in the Monterey Bay area and neighboring regions; 2) providing electric power and other forms of energy to customers at rates that would be competitive with the incumbent utility; 3) stimulating and sustaining the local economy by lowering electric rates and supporting local energy projects; and 4) promoting long-term electric rate stability and energy security, as well as system reliability, for program participants through local control of electric generation planning and procurement. A technical feasibility study was completed for the prospective CCA program in May 2016, and in February 2017 the Monterey Bay Community Power Joint Powers Authority was formed, the membership of which included the three noted counties and 16 of the cities located therein.

The Implementation Plan was shared and discussed with the MBCP Operations Board on August 2, 2017, and was duly adopted by the MBCP Policy Board during its meeting on August 16, 2017. Resolution 4-2017, which is attached hereto as Appendix A, addresses MBCP’s adoption of this Implementation Plan and Statement of Intent.

The MBCP Program represents a culmination of planning efforts that are responsive to the expressed needs and priorities of MBCP’s Members. MBCP plans to offer choices to eligible customers through creation of innovative programs for voluntary purchases of renewable energy, net energy metering to promote customer-owned renewable generation, demand response programs to promote reductions in peak demand, customized pricing options for large energy users, and support of local renewable energy projects through the administration of a standardized power purchasing agreement, also known as a Feed-In-Tariff (“FIT”).

Process of Aggregation
Before they are enrolled in the Program, prospective MBCP customers will receive two written notices in the mail, from MBCP, that will provide information needed to understand the Program’s terms and conditions of service and explain how customers can opt-out of the Program, if desired. All customers that do not follow the opt-out process specified in the
customer notices will be automatically enrolled, and service will begin at their next regularly scheduled meter read date no later than thirty days following the date of automatic enrollment, subject to the service phase-in plan described in Chapter 5. The initial enrollment notices will be provided to the first phase of prospective MBCP customers in December 2017. Initial enrollment notices will be provided to subsequent customer phases consistent with statutory requirements and based on schedule(s) determined by MBCP. These notices will be sent to customers in subsequent phases twice within 60 days of automatic enrollment.

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

After enrollment in MBCP, customers will have approximately 60 days (two billing cycles) to opt-out of the MBCP Program without penalty and return to the distribution utility (PG&E) – this period is known as the post-enrollment opt-out period. MBCP customers will be advised of these opportunities via the distribution of two additional enrollment notices provided within the first two months of service. Customers that opt-out between the initial enrollment date and the close of the post-enrollment opt-out period will be responsible for program charges for the time they were served by MBCP but will not otherwise be subject to any penalty for leaving the program. Customers that have not opted-out within thirty days of the fourth enrollment notice will be deemed to have elected to become a participant in the MBCP Program and to have agreed to the MBCP Program’s terms and conditions, including those pertaining to requests for termination of service, as further described in Chapter 8.

Consequences of Aggregation

Rate Impacts

MBCP Customers will pay the generation charges set by MBCP and will no longer pay the costs of PG&E generation. Customers enrolled in the Program will be subject to the Program’s terms and conditions, including responsibility for payment of all Program charges as described in Chapter 9.

MBCP’s rate setting policies described in Chapter 7 establish a goal of providing rates that are competitive, if not identical, to the projected generation rates offered by the incumbent utility (PG&E). MBCP will establish rates sufficient to recover all costs related to operation of the Program, and actual rates will be adopted by MBCP’s Policy Board.

Initial MBCP Program rates will be established following approval of MBCP’s inaugural program budget, reflecting final costs from the MBCP Program’s energy supplier(s). MBCP’s rate policies and procedures are detailed in Chapter 7. Information regarding final MBCP Program rates will be disclosed along with other terms and conditions of service in the pre-enrollment and post-enrollment notices sent to potential customers.
Once MBCP gives definitive notice to PG&E that it will commence service, MBCP customers will generally not be responsible for costs associated with PG&E’ future electricity procurement contracts or power plant investments. Certain pre-existing generation costs and new generation costs that are deemed to provide system-wide benefits will continue to be charged by PG&E to CCA customers through separate rate components, called the Cost Responsibility Surcharge and the New System Generation Charge. These charges are shown in PG&E’s electric service tariffs, which can be accessed from the utility’s website, and the costs are included in charges paid by both PG&E bundled customers as well as CCA and Direct Access customers.²

**Green House Gas Reduction**

A second consequence of the Program will be an increase in the proportion of energy generated and supplied by eligible renewable and carbon-free resources. MBCP’s resource plan includes procurement of eligible renewable energy sufficient to meet or exceed California’s prevailing renewable energy procurement mandate for all enrolled customers. In addition, the plan calls for procurement of carbon-free resources sufficient to promote significant reductions in electric sector GHG emissions attributable to the electric energy usage of MBCP customers. MBCP customers may also voluntarily participate in a 100 percent California Carbon Free supply option. To the extent that customers choose MBCP’s 100 percent California Carbon Free energy option, the local eligible renewable content of MBCP’s aggregate supply portfolio will further increase. Initially, requisite renewable energy supply will be sourced through one or more power purchase agreements. Over time, however, MBCP may consider independent development of new renewable generation resources.

**Energy Efficiency Impacts**

A third consequence of the Program will be an anticipated increase in energy efficiency program investments and activities. The existing energy efficiency programs administered by the incumbent utility are not expected to change as a result of MBCP Program implementation. MBCP customers will continue to pay public goods surcharges to the distribution utility, which will fund energy efficiency programs for all customers, regardless of the generation supplier. The energy efficiency investments ultimately planned for the MBCP Program, as described in Chapter 6, will follow MBCP’s successful application for and administration of requisite program funding to independently administer energy efficiency programs within its jurisdiction. Such programs will be in addition to the level of investment that would continue in the absence of MBCP-administered energy efficiency programs. Thus, the MBCP Program has the potential for increased energy savings and a further reduction in emissions due to expanded energy efficiency program administration.

² For PG&E bundled service customers, the Power Charge Indifference Adjustment element of the Cost Responsibility Surcharge is contained within the tariffed Generation rate. Other elements of the Cost Responsibility Surcharge are set forth in PG&E’s tariffs as separate rates/charges paid by all customers (with limited exceptions).
This section provides an overview of the organizational structure of MBCP and its proposed implementation of the CCA program. Specifically, the key agreements, governance, management, and organizational functions of MBCP are outlined and discussed below.

Organizational Overview
In April 2017, MBCP formed its Operations Board and Policy Board of Directors to serve as its Governing Boards. The Operations Board of Directors is responsible for approval of Authority contracts and agreements and approval of operating policies and other matters necessary to ensure successful program operations. The Policy Board of Directors is responsible for issuance of bonds, major capital expenditures, appointment and termination of the Chief Executive Officer, adoption of the annual budget, setting of rates for power sold by the Authority and adoption of the Implementation Plan. In July of 2017, the Policy Board appointed an Interim Chief Executive Officer (“CEO”) to manage the operation of MBCP in accordance with policies adopted by the Board. When MBCP receives CPUC certification of this Implementation Plan, the CEO will proceed to appoint staff and contractors to manage various activities associated with MBCP operation. These activities include support services (administration, finance and IT), marketing and public affairs (community outreach, key account management and customer advocacy), supply acquisition (energy trading, contract negotiation and system development) and legal and government affairs.

Governance
MBCP is a joint powers agency created in February 2017 and formed under California law. The Members of MBCP include the counties of Monterey, Santa Cruz and San Benito, as well as sixteen (16) of the municipalities located therein, all of which are listed in Chapter 1. The Members have elected to allow MBCP to provide electric generation service within their respective jurisdictions. MBCP is the CCA entity that will register with the CPUC, and it is responsible for implementing and managing the program pursuant to MBCP’s Joint Powers Agreement (“JPA Agreement”).

The MBCP Program will be governed by MBCP’s Operations and Policy Boards. Each Board is comprised of 11 primary members and alternates, which may participate in the absence of primary Board members. The Policy and Operations Board’s respective compositions are based on populations within the region. More specifically, each jurisdiction with a population of 50,000 or more is allocated one seat on each Board; a shared seat is allocated on a sub-regional basis to jurisdictions with populations below 50,000. Notwithstanding the above, the County of San Benito is allocated one seat.
The MBCP Program will be operated under the direction of its CEO, who was appointed by the Policy Board, with legal and regulatory support provided by a Board appointed General Counsel.

The Policy Board’s primary duties are to establish program policies, approve rates and provide policy direction to the CEO, who has general responsibility, working with the Operations Board, for program operations, consistent with the policies established by the Policy Board. Each Board has elected a Chair and Vice Chair. In the future, the Policy Board may also establish other committees and sub-committees, as needed, to address issues that require greater expertise in particular areas. MBCP may also form various standing and ad hoc committees, as appropriate, which would have responsibility for evaluating various issues that may affect MBCP and its customers, providing analytical support and recommendations to the Boards in these regards.

Management
In July 2017, MBCP’s Policy Board appointed an Interim CEO, who has management responsibilities over the functional areas of Administration & Finance, Marketing & Public Affairs, Power Resources & Energy Programs, and Government Affairs as well as MBCP’s General Counsel. In serving MBCP, the Interim CEO may utilize a combination of internal staff and/or contractors. Certain specialized functions needed for program operations, namely the electric supply and customer account management functions described below, may be performed initially by third-party contractors.

Major functions of MBCP that will be managed by the CEO are summarized below.

Administration
MBCP’s CEO will be responsible for managing the organization’s human resources and administrative functions and will coordinate with the Board, as necessary, with regard to these functions. The functional area of administration will include oversight of employee hiring and termination, compensation and benefits management, identification and procurement of requisite office space and various other issues.

Finance
The CEO is also responsible for managing the financial affairs of MBCP, including the development of an annual budget, revenue requirement and rates; managing and maintaining cash flow requirements; arranging potential bridge loans as necessary; and other financial tools.

Revenues via rates and other funding sources (such as a rate stabilization fund, when necessary) must, at a minimum, meet the annual budgetary revenue requirement, including recovery of all expenses and any reserves or coverage requirements set forth in bond covenants or other agreements. MBCP will have the flexibility to consider rate adjustments within certain ranges,
administer a standardized set of electric rates, and may offer optional rates to encourage policy goals such as economic development or low income subsidy programs, provided that the overall revenue requirement is achieved.

MBCP may also offer customized pricing options, such as dynamic pricing or contract-based pricing, for energy intensive customers to help these customers gain greater control over their energy costs. This would provide such customers – mostly larger energy users within the commercial sector – with greater rate-related flexibility than is currently available.

MBCP’s finance function will be responsible for arranging financing necessary for any capital projects, preparing financial reports, and ensuring sufficient cash flow for successful operation of the MBCP Program. The finance function will play an important role in risk management by monitoring the credit of energy suppliers so that credit risk is properly understood and mitigated. If a supplier’s financial condition and/or credit rating are identified, MBCP will be able to take appropriate action, as would be provided for in the electric supply agreement(s).

Marketing & Public Affairs
The marketing and public affairs functions include general program marketing and communications as well as direct customer interface ranging from management of key account relationships to call center and billing operations. MBCP will conduct program marketing to raise consumer awareness of the MBCP Program and to establish the MBCP “brand” in the minds of the public, with the goal of retaining and attracting as many customers as possible into the MBCP Program. Communications will also be directed at key policy-makers at the state and local level, community business and opinion leaders, and the media.

In addition to general program communications and marketing, a significant focus on customer service, particularly representation for key accounts, will enhance MBCP’s ability to differentiate itself as a highly customer-focused organization that is responsive to the needs of the community. MBCP will also establish a customer call center designed to field customer inquiries and routine interaction with customer accounts.

The customer service function also encompasses management of customer data. Customer data management services include retail settlements/billing-related activities and management of a customer database. This function processes customer service requests and administers customer enrollments and departures from the MBCP Program, maintaining a current database of enrolled customers. This function coordinates the issuance of monthly bills through the distribution utility’s billing process and tracks customer payments. Activities include the electronic exchange of usage, billing, and payments data with the distribution utility and MBCP, tracking of customer payments and accounts receivable, and administration of customer deposits in accordance with credit policies of MBCP.
The customer data management services function also manages billing-related communications with customers, customer call centers, and routine customer notices. MBCP may contract with a third party, who has demonstrated the necessary experience and administers an appropriate customer information system to perform the customer account and billing services functions.

**Power Resources & Energy Programs**

MBCP must plan for meeting the electricity needs of its customers utilizing resources consistent with its policy goals and objectives as well as applicable legislative and/or regulatory mandates. MBCP’s long-term integrated resource plans (addressing the 10-20 year planning horizon) will comply with California Law and other pertinent requirements of jurisdictional regulatory agencies. MBCP may develop and administer complementary energy programs that may be offered to MBCP customers, including green pricing, energy efficiency, net energy metering and various other programs that may be identified to support the overarching goals and objectives of MBCP.

MBCP will develop integrated resource plans that meet program supply objectives and balance cost, risk and environmental considerations. Such integrated resource plans will also conform to applicable requirements defined by the State of California. Integrated resource planning efforts of MBCP will optimize use of demand side energy efficiency, distributed generation and demand response programs as well as traditional supply options, which rely on structured wholesale transactions to meet customer energy requirements. Integrated resource plans will be updated and adopted by MBCP on an annual basis.

**Electric Supply Operations**

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

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

MBCP will initially contract with one or more experienced and financially sound third party energy services providers to support the performance of most of the electric supply functions.
that will be required to operate the MBCP Program. These requirements include the procurement of energy, capacity and ancillary services, scheduling coordinator services, short-term load forecasting and day-ahead and real-time electricity trading.

Local Energy Programs

A key focus of the MBCP Program will be the development and implementation of local energy programs, including energy efficiency programs, distributed generation programs and other energy programs responsive to community interests. These programs are likely to be phased in during the first several years of operations. The implementation of such programs will follow the identification of requisite funding sources.

MBCP will eventually administer energy efficiency, demand response and distributed generation programs that can be used as cost-effective alternatives to procurement of supply resources. MBCP will attempt to consolidate existing demand side programs into this organization and leverage the structure to expand energy efficiency offerings to customers throughout its service territory, including the CPUC application process for third-party administration of energy efficiency programs and use of funds collected through the existing public benefits surcharges paid by MBCP customers.

Governmental Affairs & General Counsel

The MBCP Program will require ongoing regulatory and legislative representation to manage various regulatory compliance filings related to resource plans, resource adequacy, compliance with California’s Renewables Portfolio Standard (“RPS”), and overall representation on issues that will impact MBCP, its members and customers. MBCP will maintain an active role at the CPUC, the California Energy Commission, the California Independent System Operator (“CAISO”), the California legislature and, as necessary, the Federal Energy Regulatory Commission.

Under the direction of its General Counsel, MBCP may retain outside legal services, as necessary, to administer MBCP, review contracts, and provide overall legal support related to activities of the MBCP Program.
CHAPTER 4 – Startup Plan & Funding

This Chapter presents MBCP’s plans for the start-up period, including necessary expenses and capital outlays. As described in the previous Chapter, MBCP may utilize a mix of staff and contractors in its CCA Program implementation.

Startup Activities
The initial program startup activities include the following:

- Hire staff and/or contractors to manage implementation
- Negotiate banking arrangement and establishing line of credit to support the early period of program implementation
- Conduct load forecasting
- Negotiate supply contracts with power suppliers, producers, marketers, etc.
- Contract for resource dispatch and scheduling coordination function
- Establish a services arrangement for data management and a customer call center
- Define and execute a communications plan, including engaging residents, businesses, stakeholders and media
- Post CCA bond and complete requisite registration requirements
- Pay utility service initiation, notification and switching fees
- Perform customer notifications, opt-outs and transfers
- Establish rates and coordinate with the distribution utility to ensure accurate customer billing
- Manage and report on MBCP’s financial position

Other costs related to starting up the MBCP Program will be the responsibility of the MBCP Program’s contractors and are assumed to be covered by any fees/charges imposed by such contractors. These may include capital requirements needed for collateral/credit support for electric supply expenses, customer information system costs, electronic data exchange system costs, call center costs, and billing administration/settlements systems costs.

Staffing and Contract Services
Personnel in the form of MBCP staff or contractors will be added incrementally to match workloads involved in forming the new organization, managing contracts, and initiating customer outreach/marketing during the pre-operations period. During the startup period, minimal personnel requirements would include interim CEO, a General Counsel, and other personnel needed to support regulatory, procurement, finance, and communications activities.

For budgetary purposes, it is assumed that eight full-time equivalents (staff or contracted professional services) supporting the above listed activities would be engaged during the initial start-up period. Following this period, additional staff and/or contractors will be retained, as
needed, to support the roll-out of additional value-added services (e.g., efficiency projects) and local generation projects and programs.

**Capital Requirements**
The Startup of the CCA Program will require capital for three major functions: (1) staffing and contractor costs; (2) deposits and reserves; and (3) working capital. Based on MBCP’s anticipated startup activities and phase-in schedule, a total need of $13 million has been identified to support these functions. The finance plan in Chapter 7 provides some additional detail regarding MBCP’s expected capital requirements and general Program finances.

Related to MBCP’s initial capital requirement, this amount is expected to cover staffing and contractor costs during startup and pre-startup activities, including direct costs related to public relations support, technical support, and customer communications. Requisite deposits and operating reserves are also reflected in the initial capital requirement, including the following items: 1) operating reserves to address anticipated cash flow variations as well as operating reserve deposits that will likely be required by MBCP’s power supplier(s); 2) requisite deposit with the CAISO prior to commencing market operations; 3) CCA bond posted with the CPUC; and 4) PG&E service fee deposit.

Operating revenues from sales of electricity will be remitted to MBCP beginning approximately sixty days after the initial customer enrollments. This lag is due to the distribution utility’s standard meter reading cycle of 30 days followed by 30 days payment/collections cycle. MBCP will need working capital to support electricity procurement and costs related to program management, which is included in MBCP’s initial $13 million capital requirement.

**Financing Plan**
MBCP’s initial capital requirement will be provided via bank lines of credit, the terms of which are currently being negotiated. MBCP will recover the principal and interest costs associated with the start-up funding via retail generation rates charged to MBCP customers. It is anticipated that the startup costs will be fully recovered through customer generation rates within the first year of operations.
MBCP will roll out its service offering to customers over the course of two phases:

Phase 1. All commercial, industrial, agriculture, street lighting and traffic control accounts; and
Phase 2. All residential accounts and any remaining service accounts that may have been omitted from Phase 1.

This approach provides MBCP with the ability to initiate its program with sufficient economic scale before building to full program integration for an expected customer base of approximately 270,000 accounts, post customer opt-out. MBCP will offer service to all customers on a phased basis, which is expected to be completed within five months of initial service to Phase 1 customers.

Phase 1 of the Program is targeted to begin on or about March 1, 2018, subject to a decision to proceed by MBCP. During Phase 1, MBCP anticipates serving approximately 37,500 accounts, comprised of all commercial, industrial and agriculture customers, totaling approximately 2,312 GWh of annual energy sales. MBCP is currently refining the potential composition of Phase 1 accounts in consideration of cost of service and customer load characteristics as well as other operational considerations. Specific accounts to be included in Phase 1 are expected to approximate 65 percent of MBCP’s total customer load and will be specifically defined after further analysis and consideration.

Phase 2 of the Program will commence following successful operation of the MBCP Program over an approximate 4-month term, which corresponds with an expected Phase 2 service commencement date occurring on or about July 1, 2018. It is anticipated that approximately 235,000 additional customers, comprised of residential accounts will be included in Phase 2, with annual energy consumption approximating 1,266 GWh, or 35 percent of MBCP’s total prospective customer load.

To the extent that additional customers require enrollment after the completion of Phase 2, MBCP will evaluate a subsequent phase of CCA enrollment.

MBCP may also evaluate other phase-in options based on then-current market conditions, statutory requirements and regulatory considerations as well as other factors potentially affecting the integration of additional customer accounts.
CHAPTER 6 - Load Forecast & Resource Plan

Introduction
This Chapter describes the electric resource portfolio that may be acquired to meet the energy requirements of MBCP customers. The following overarching policies will govern power supply resource planning and acquisition.

- MBCP will seek to source nearly all of its electric energy requirements from carbon free and eligible renewable resources and will implement programs to reduce reliance on fossil fuel combustion within the electric utility and transportation sectors of its Members.
- MBCP will manage a diverse resource portfolio to increase control over energy costs and maintain competitive and stable electric rates.
- MBCP will diversify the use of generating technologies in an effort to positively influence grid reliability and electric system stability within California.
- MBCP may apply for the administration of energy efficiency program funding to help customers reduce energy costs through administration of enhanced customer energy efficiency, distributed generation, and other demand reducing programs.
- MBCP will benefit the area’s economy through investment in local infrastructure, projects and energy programs.

MBCP’s initial resource mix will include a proportion of eligible renewable energy that meet or exceed California’s prevailing RPS procurement mandate. MBCP’s carbon free resources will proportionately exceed the resource mix currently being provided by the incumbent utility. As the MBCP Program moves forward, incremental renewable supply additions will be made based on resource availability as well as economic goals of the MBCP Program to achieve increased carbon free content over time. MBCP’s aggressive commitment to renewable generation adoption may involve both direct investment in new renewable generating resources, partnerships with experienced public power developers/operators and purchases of renewable energy from third party suppliers.

The plan described in this section would accomplish the following:

- Procure energy through one or more contracts with experienced, financially stable energy suppliers sufficient to offer two distinct generation rate tariffs: 1) 100 percent California carbon free energy, offered to MBCP customer on a voluntary basis; and 2) a default MBCP service option that includes a proportion of renewable energy exceeding California’s prevailing renewable energy procurement mandate.
- Continue increasing eligible renewable and carbon free energy supplies over time, subject to resource availability, economic viability and applicable compliance mandates.
To the extent that MBCP decides to apply for and is successful in securing public funding to support locally administered efficiency programs, it will attempt to reduce net electricity purchases within the region.

- Encourage distributed renewable generation in the local area through the offering of a net energy metering tariff; a standardized power purchase agreement or “Feed-In Tariff”; and other creative, customer-focused programs targeting increased access to local renewable energy sources.

MBCP will comply with regulatory rules applicable to California load serving entities. MBCP will arrange for the scheduling of sufficient electric supplies to meet the demands of its customers. MBCP will adhere to capacity reserve requirements established by the CPUC and the CAISO designed to address uncertainty in load forecasts and potential supply disruptions caused by generator outages and/or transmission contingencies. These rules also ensure that physical generation capacity is in place to serve MBCP’s customers, even if there were a need for the MBCP program to cease operations and return customers to PG&E. In addition, MBCP will be responsible for ensuring that its resource mix contains sufficient production from renewable energy resources needed to comply with the statewide RPS (33 percent renewable energy by 2020, increasing to 50 percent by 2030) as well as energy storage procurement mandates applicable to CCA entities.

**Resource Plan Overview**

To meet these objectives and satisfy the applicable regulatory requirements pertaining to MBCP’s status as a California load serving entity, MBCP’s resource plan will include a diverse mix of power purchases, renewable energy, new energy efficiency programs, demand response, and distributed generation. A diversified resource plan minimizes risk and volatility that can occur from over-reliance on a single resource type or fuel source, and thus increases the likelihood of rate stability. The key goal guiding MBCP’s resource plan is to reduce electric sector GHG emissions while offering competitive generation rates to participating customers. The planned power supply is initially comprised of power purchases from third party electric suppliers and, in the longer-term, may also include renewable generation assets owned and/or controlled by MBCP.

Once the MBCP program demonstrates it can operate successfully, MBCP may begin evaluating opportunities for investment in renewable generating assets, subject to then-current market conditions, statutory requirements and regulatory considerations. Any renewable generation owned by MBCP or controlled under long-term power purchase agreement with a proven public power developer, could provide a portion of MBCP’s electricity requirements on a cost-of-service basis. Depending upon market conditions and, importantly, the applicability of tax incentives for renewable energy development, electricity purchased under a cost-of service arrangement can be more cost-effective than purchasing renewable energy from third party developers, which will allow the MBCP program to pass on cost savings to its customers through competitive generation rates.
As an alternative to direct investment, MBCP may consider partnering with experienced developers and may enter into long-term (10-to-30 year) power purchase agreements that would support the development of new renewable generating capacity. Such an arrangement could be structured to reduce the MBCP Program’s operational risk associated with capacity ownership while providing its customers with all renewable energy generated by the facility under contract. This option may be preferable to MBCP as it works to achieve increasing levels of renewable energy supply to its customers.

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

MBCP’s indicative resource plan for the years 2018 through 2027 is summarized in the following table. Note that MBCP’s projections reflect a portfolio mix of sufficient eligible renewable resources to meet pertinent RPS mandates, which will be supplemented with carbon-free resources to achieve a near-100 percent carbon-free portfolio during the noted planning period.

### Monterey Bay Community Power

**Proposed Resource Plan (GWH)**

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MBCP Demand (GWh)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Retail Demand</td>
<td>-2,422</td>
<td>-3,585</td>
<td>-3,603</td>
<td>-3,621</td>
<td>-3,639</td>
<td>-3,657</td>
<td>-3,676</td>
<td>-3,694</td>
<td>-3,712</td>
<td>-3,731</td>
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<tr>
<td>Distributed Generation</td>
<td>0</td>
<td>11</td>
<td>21</td>
<td>32</td>
<td>42</td>
<td>53</td>
<td>63</td>
<td>74</td>
<td>84</td>
<td>95</td>
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<tr>
<td>Energy Efficiency</td>
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<td>0</td>
<td>4</td>
<td>7</td>
<td>11</td>
<td>15</td>
<td>18</td>
<td>22</td>
<td>26</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MBCP Supply (GWh)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewable Resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Renewable Resources</td>
<td>702</td>
<td>1,108</td>
<td>1,182</td>
<td>1,244</td>
<td>1,307</td>
<td>1,369</td>
<td>1,432</td>
<td>1,495</td>
<td>1,558</td>
<td>1,621</td>
</tr>
<tr>
<td>Low-Carbon Resources</td>
<td>1,865</td>
<td>2,681</td>
<td>2,615</td>
<td>2,557</td>
<td>2,498</td>
<td>2,440</td>
<td>2,382</td>
<td>2,323</td>
<td>2,265</td>
<td>2,206</td>
</tr>
<tr>
<td><strong>Total Supply</strong></td>
<td>2,567</td>
<td>3,789</td>
<td>3,797</td>
<td>3,801</td>
<td>3,805</td>
<td>3,809</td>
<td>3,814</td>
<td>3,818</td>
<td>3,822</td>
<td>3,827</td>
</tr>
<tr>
<td>Energy Open Position (GWH)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Supply Requirements

The starting point for MBCP’s resource plan is a projection of participating customers and associated electric consumption. Projected electric consumption is evaluated on an hourly basis, and matched with resources best suited to serving the aggregate of hourly demands or the program’s “load profile”. The electric sales forecast and load profile will be affected by MBCP’s plan to introduce the MBCP Program to customers in phases and the degree to which customers choose to remain with PG&E during the customer enrollment and opt-out periods. MBCP’s
phased roll-out plan and assumptions regarding customer participation rates are discussed below.

**Customer Participation Rates**

Customers will be automatically enrolled in the MBCP Program unless they opt-out during the customer notification process conducted during the 60-day period prior to enrollment and continuing through the 60-day period following commencement of service. MBCP anticipates an overall customer participation rate of approximately 95 percent of PG&E bundled service customers, based on reported opt-out rates for the Peninsula and Silicon Valley Clean Energy CCA programs. It is assumed that customers taking direct access service from a competitive electricity provider will continue to remain with their current supplier.

The participation rate is not expected to vary significantly among customer classes considering that MBCP plans on offering rates that are very similar, if not identical, to that of the incumbent utility with 2 major distinctions that all customers regard favorably; 1) MBCP plans to source significantly more carbon-free supply than the incumbent utility; and 2) MBCP plans to return a portion of annual financial surpluses to participating customers. Participation rates will be refined as MBCP’s public outreach and market research efforts continue to develop.

**Customer Forecast**

Once customers enroll in each phase, they will be switched over to service by MBCP on their regularly scheduled meter read date over an approximately thirty-day period. Approximately 1,250 service accounts per day will be switched over during the first month of service. For Phase 2, the number of accounts switched over to MBCP service will increase to about 7,580 accounts per day. The number of accounts served by MBCP at the end of each phase is shown in the table below.

<table>
<thead>
<tr>
<th>Monterey Bay Community Power</th>
<th>Mar-18</th>
<th>Jul-18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enrolled Retail Service Accounts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Phase-In Period (End of Month)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MBCP Customers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential</td>
<td>-</td>
<td>235,070</td>
</tr>
<tr>
<td>Small Commercial</td>
<td>27,442</td>
<td>27,442</td>
</tr>
<tr>
<td>Medium Commercial</td>
<td>2,258</td>
<td>2,258</td>
</tr>
<tr>
<td>Large Commercial</td>
<td>1,046</td>
<td>1,046</td>
</tr>
<tr>
<td>Industrial</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Street Lighting &amp; Traffic</td>
<td>1,957</td>
<td>1,957</td>
</tr>
<tr>
<td>Agricultural &amp; Pumping</td>
<td>4,771</td>
<td>4,771</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>37,514</td>
<td>272,584</td>
</tr>
</tbody>
</table>
MBCP Implementation Plan, August 2017

MBCP assumes that customer growth will generally offset customer attrition (opt-outs) over time, resulting in a relatively stable customer base (0.5% annual growth) over the noted planning horizon. While the successful operating track record of California CCA programs continues to grow, there is a relatively short history with regard to CCA operations, which makes it fairly difficult to anticipate the actual levels of customer participation within the MBCP Program. MBCP believes that its assumptions regarding the offsetting effects of growth and attrition are reasonable in consideration of the historical customer growth within the founding member communities and the potential for continuing customer opt-outs following mandatory customer notification periods. The forecast of service accounts (customers) served by MBCP for each of the next ten years is shown in the following table:

### Monterey Bay Community Power
#### Retail Service Accounts (End of Year)
2018 to 2027

<table>
<thead>
<tr>
<th>MBCP Customers</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>235,070</td>
<td>236,245</td>
<td>237,427</td>
<td>238,614</td>
<td>239,807</td>
<td>241,006</td>
<td>242,211</td>
<td>243,422</td>
<td>244,639</td>
<td>245,862</td>
</tr>
<tr>
<td>Small Commercial</td>
<td>27,442</td>
<td>27,579</td>
<td>27,717</td>
<td>27,856</td>
<td>27,995</td>
<td>28,135</td>
<td>28,276</td>
<td>28,417</td>
<td>28,559</td>
<td>28,702</td>
</tr>
<tr>
<td>Medium Commercial</td>
<td>2,258</td>
<td>2,269</td>
<td>2,281</td>
<td>2,292</td>
<td>2,303</td>
<td>2,315</td>
<td>2,327</td>
<td>2,338</td>
<td>2,350</td>
<td>2,362</td>
</tr>
<tr>
<td>Large Commercial</td>
<td>1,046</td>
<td>1,051</td>
<td>1,056</td>
<td>1,062</td>
<td>1,067</td>
<td>1,072</td>
<td>1,078</td>
<td>1,083</td>
<td>1,089</td>
<td>1,094</td>
</tr>
<tr>
<td>Industrial</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Street Lighting &amp; Traffic</td>
<td>1,957</td>
<td>1,967</td>
<td>1,977</td>
<td>1,987</td>
<td>1,996</td>
<td>2,006</td>
<td>2,016</td>
<td>2,027</td>
<td>2,037</td>
<td>2,047</td>
</tr>
<tr>
<td>Agricultural &amp; Pumping</td>
<td>4,771</td>
<td>4,795</td>
<td>4,819</td>
<td>4,843</td>
<td>4,867</td>
<td>4,891</td>
<td>4,916</td>
<td>4,941</td>
<td>4,965</td>
<td>4,990</td>
</tr>
<tr>
<td>Total</td>
<td>272,584</td>
<td>273,947</td>
<td>275,316</td>
<td>276,693</td>
<td>278,076</td>
<td>279,466</td>
<td>280,863</td>
<td>282,267</td>
<td>283,678</td>
<td>285,097</td>
</tr>
</tbody>
</table>

### Sales Forecast

MBCP’s forecasted electricity sales reflect the phase-in and customer enrollment schedules shown above. Annual energy requirements of the MBCP program are shown below.

#### Monterey Bay Community Power
#### Energy Requirements
(GWh)
2018 to 2027

<table>
<thead>
<tr>
<th>MBCP Energy Requirements (GWh)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Demand</td>
<td>2,422</td>
<td>3,585</td>
<td>3,603</td>
<td>3,621</td>
<td>3,639</td>
<td>3,657</td>
<td>3,676</td>
<td>3,694</td>
<td>3,712</td>
<td>3,731</td>
</tr>
<tr>
<td>Distributed Generation</td>
<td>0</td>
<td>-11</td>
<td>-21</td>
<td>-32</td>
<td>-42</td>
<td>-53</td>
<td>-63</td>
<td>-74</td>
<td>-84</td>
<td>-95</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>-4</td>
<td>-7</td>
<td>-11</td>
<td>-15</td>
<td>-18</td>
<td>-22</td>
<td>-26</td>
</tr>
<tr>
<td>Losses and UFE</td>
<td>145</td>
<td>214</td>
<td>215</td>
<td>215</td>
<td>216</td>
<td>216</td>
<td>216</td>
<td>216</td>
<td>216</td>
<td>217</td>
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<tr>
<td>Total Load Requirement</td>
<td>2,567</td>
<td>3,789</td>
<td>3,797</td>
<td>3,801</td>
<td>3,805</td>
<td>3,809</td>
<td>3,814</td>
<td>3,818</td>
<td>3,822</td>
<td>3,827</td>
</tr>
</tbody>
</table>
Capacity Requirements
The CPUC’s resource adequacy standards applicable to the MBCP Program require a demonstration one year in advance that MBCP has secured physical capacity for 90 percent of its projected peak loads for each of the five months April to August, plus a minimum 15 percent reserve margin. On a month-ahead basis, MBCP must demonstrate 100 percent of the peak load plus a minimum 15 percent reserve margin.

A portion of MBCP’s capacity requirements must be procured locally, from the Greater Bay area as defined by the CAISO and another portion must be procured from local reliability areas outside the Greater Bay Area. MBCP would be required to demonstrate its local capacity requirement for each month of the following calendar year. The local capacity requirement is a percentage of the total (PG&E service area) local capacity requirements adopted by the CPUC based on MBCP’s forecasted peak load. MBCP must demonstrate compliance or request a waiver from the CPUC requirement as provided for in cases where local capacity is not available.

MBCP is also required to demonstrate that a specified portion of its capacity meets certain operational flexibility requirements under the CPUC and CAISO’s flexible resource adequacy framework.

The estimated forward resource adequacy requirements for 2018 through 2020 are shown in the following tables:

---

3 The figures shown above are estimates. MBCP’s resource adequacy requirements will be subject to modification due to application of certain coincidence adjustments and resource allocations relating to utility demand response and energy efficiency programs, as well as generation capacity allocated through the Cost Allocation Mechanism. These adjustments are addressed through the CPUC’s resource adequacy compliance process.
MBCP’s plan ensures that sufficient reserves will be procured to meet its peak load at all times. MBCP’s projected annual capacity requirements are shown in the following table:

### Monterey Bay Community Power

#### Forward Capacity and Reserve Requirements

(MW)

2018 to 2020

<table>
<thead>
<tr>
<th>Month</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>-</td>
<td>581</td>
<td>584</td>
</tr>
<tr>
<td>February</td>
<td>-</td>
<td>607</td>
<td>611</td>
</tr>
<tr>
<td>March</td>
<td>367</td>
<td>522</td>
<td>525</td>
</tr>
<tr>
<td>April</td>
<td>427</td>
<td>608</td>
<td>611</td>
</tr>
<tr>
<td>May</td>
<td>442</td>
<td>611</td>
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<tr>
<td>June</td>
<td>459</td>
<td>675</td>
<td>678</td>
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<tr>
<td>July</td>
<td>693</td>
<td>693</td>
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<tr>
<td>August</td>
<td>695</td>
<td>695</td>
<td>698</td>
</tr>
<tr>
<td>September</td>
<td>713</td>
<td>713</td>
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<tr>
<td>October</td>
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</tr>
<tr>
<td>November</td>
<td>597</td>
<td>597</td>
<td>600</td>
</tr>
<tr>
<td>December</td>
<td>578</td>
<td>578</td>
<td>581</td>
</tr>
</tbody>
</table>

Local capacity requirements are a function of the PG&E area resource adequacy requirements and MBCP’s projected peak demand. MBCP will need to work with the CPUC’s Energy Division and staff at the California Energy Commission to obtain the data necessary to calculate its monthly local capacity requirement. A preliminary estimate of MBCP’s annual local capacity requirement for the ten-year planning period ranges from approximately 221 to 235 MW as shown in the following table:

### Monterey Bay Community Power

#### Capacity Requirements

(MW)

2018 to 2027

<table>
<thead>
<tr>
<th>Demand (MW)</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Demand</td>
<td>585</td>
<td>585</td>
<td>587</td>
<td>590</td>
<td>593</td>
<td>596</td>
<td>599</td>
<td>602</td>
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<td>608</td>
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<td>Distributed Generation</td>
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<td>-</td>
<td>(6)</td>
<td>(12)</td>
<td>(18)</td>
<td>(24)</td>
<td>(30)</td>
<td>(36)</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1)</td>
<td>(2)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
<td>(6)</td>
</tr>
<tr>
<td>Losses and UFE</td>
<td>35</td>
<td>35</td>
<td>35</td>
<td>34</td>
<td>34</td>
<td>34</td>
<td>33</td>
<td>33</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td>Total Net Peak Demand</td>
<td>620</td>
<td>613</td>
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<td>598</td>
<td>594</td>
<td>590</td>
<td>586</td>
<td>582</td>
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<tr>
<td>Reserve Requirement (%)</td>
<td>15%</td>
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<td>15%</td>
<td>15%</td>
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<td>15%</td>
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<td>15%</td>
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<tr>
<td>Capacity Reserve Requirement</td>
<td>93</td>
<td>92</td>
<td>91</td>
<td>91</td>
<td>90</td>
<td>90</td>
<td>89</td>
<td>88</td>
<td>88</td>
<td>87</td>
</tr>
<tr>
<td>Capacity Requirement Including Reserve</td>
<td>713</td>
<td>705</td>
<td>701</td>
<td>697</td>
<td>692</td>
<td>688</td>
<td>683</td>
<td>678</td>
<td>674</td>
<td>669</td>
</tr>
</tbody>
</table>
The CPUC assigns local capacity requirements during the year prior to the compliance period; thereafter, the CPUC provides local capacity requirement true-ups for the second half of each compliance year.

MBCP will coordinate with PG&E and appropriate state agencies to manage the transition of responsibility for resource adequacy from PG&E to MBCP during CCA program phase-in. For system resource adequacy requirements, MBCP will make month-ahead showings for each month that MBCP plans to serve load, and load migration issues would be addressed through the CPUC’s approved procedures. MBCP will work with the California Energy Commission and CPUC prior to commencing service to customers to ensure it meets its local and system resource adequacy obligations through its agreement(s) with its chosen electric supplier(s).

Renewables Portfolio Standards Energy Requirements

Basic RPS Requirements

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

California’s RPS program is currently undergoing reform. On October 7, 2015, Governor Brown signed Senate Bill 350 (“SB 350”; De Leon and Leno), the Clean Energy and Pollution Reduction Act of 2015, which increased California’s RPS procurement target from 33 percent by 2020 to 50 percent by 2030 amongst other clean-energy initiatives. Many details related to SB 350 implementation will be developed over time with oversight by designated regulatory agencies. CPUC Decision 16-12-040 established three additional compliance periods for calendar years 2021 through 2030 – these periods have been established in the following manner: 2021-2024; 2025-2027; and 2028-2030. With regard to these periods, retail sellers must procure no less than 40 percent of their retail sales from eligible renewable resources by December 31, 2024; retail sellers must procure no less than 45 percent of their retail sales from eligible renewable resources by December 31, 2027; and retail sellers must procure no less than 50 percent of their retail sales from eligible renewable resources by December 31, 2030. During the intervening
years between 2021 and 2030, a straight line methodology will be used to measure progress in achieving applicable RPS mandates, consistent with CPUC Decision 11-12-020. For the 2030 calendar year and beyond, current legislation requires that all retail sellers continue procuring a minimum 50 percent of all retail sales from eligible renewable energy resources.

MBCP will also adopt an integrated resource plan in compliance with SB 350 – MBCP understands that various details related to this planning requirement have yet to be developed, and MBCP intends to monitor and participate, as appropriate, in pertinent proceedings to promote the preparation and submittal of a responsive planning document. Furthermore, MBCP will ensure that all long-term renewable energy contracting requirements, as imposed by SB 350, will be satisfied through appropriate transactions with qualified suppliers and will also reflect this intent in ongoing resource planning and procurement efforts.

**MBCP’s Renewables Portfolio Standards Requirement**

MBCP’s annual RPS procurement requirements, as specified under California’s RPS program, are shown in the table below. When reviewing this table, it is important to note that MBCP projects increases in energy efficiency savings as well as increases in locally situated distributed generation capacity, resulting in only a slight upward trend in projected retail electricity sales.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
</tr>
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<tbody>
<tr>
<td>Annual Procurement Target</td>
<td>702,361</td>
<td>1,108,108</td>
<td>1,182,045</td>
<td>1,244,285</td>
<td>1,306,677</td>
<td>1,369,224</td>
<td>1,431,927</td>
<td>1,494,791</td>
<td>1,557,817</td>
<td>1,621,009</td>
</tr>
<tr>
<td>% of Current Year Retail Sales*</td>
<td>29%</td>
<td>31%</td>
<td>33%</td>
<td>35%</td>
<td>36%</td>
<td>38%</td>
<td>40%</td>
<td>42%</td>
<td>43%</td>
<td>45%</td>
</tr>
</tbody>
</table>

*Note: Consistent with applicable CPUC Decisions, MBCP applied a straight-line increase from California’s 33 percent RPS procurement mandate in 2020 to California’s new, 50 percent RPS procurement mandate in 2030.

**Purchased Power**

Power purchased from power marketers, public agencies, generators, and/or utilities will be a significant source of supply during the first several years of MBCP Program operation. MBCP will initially contract to obtain all of its electricity from one or more third party electric providers under one or more power supply agreements, and the supplier(s) will be responsible for procuring the specified resource mix, including MBCP’s desired quantities of renewable energy, to provide a stable and cost-effective resource portfolio for the Program.
Renewable Resources

MBCP will initially secure necessary renewable power supply from its third party electric supplier(s). MBCP may supplement the renewable energy provided under the initial power supply contract(s) with direct purchases of renewable energy from renewable energy facilities or from renewable generation developed and owned by MBCP. At this point in time, it is not possible to predict what projects might be proposed in response to future renewable energy solicitations administered by MBCP, unsolicited proposals or discussions with other agencies. Renewable projects that are located virtually anywhere in the Western Interconnection may be considered as long as electricity is deliverable to the CAISO control area, as required to meet the Commission’s RPS rules and any additional guidelines ultimately adopted by MBCP. The costs of transmission access and the risk of transmission congestion costs will considered when evaluating offers made by suppliers and developers.

Energy Efficiency

MBCP’s energy efficiency goals will reflect a strong commitment to increasing energy efficiency within the tri-county area, expanding beyond the savings achieved by PG&E’s programs. To promote the achievement of this goal, MBCP plans to complete the CPUC application process for third party administration of energy efficiency programs and use of funds collected through the existing public benefits surcharges paid by MBCP customers. To the extent that MBCP is successful in this application process, receiving funding to administer additional energy efficiency programs within the region, it will seek to maximize end-use customer energy efficiency by facilitating customer participation in existing utility programs as well as by forming new programs that will displace MBCP’s need for traditional electric procurement activities. Additional details related to MBCP’s energy efficiency plan will be developed once MBCP Program phase-in is concluded.

MBCP forecast that energy efficiency savings related to the demand-side portion of the MBCP resource plan will be 0.5 percent of MBCP’s projected energy sales by 2024. These savings would be in addition to the savings achieved by PG&E administered programs. Achieving this goal would mean at least a doubling of energy savings relative to the status quo. It is assumed that energy efficiency programs of MBCP will focus on closing the gap between the vast economic potential of energy efficiency within the member communities and what is typically achieved.

Demand Response

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

In its ruling on local resource adequacy, the CPUC found that dispatchable demand response resources as well as distributed generation resources should be counted for local capacity requirements. This resource plan anticipates that MBCP’s demand response programs would partially offset its local capacity requirements beginning in 2021.

PG&E offers several demand response programs to its customers, and MBCP intends to recruit those customers that have shown a willingness to participate in utility programs into similar programs offered by MBCP. MBCP may also adopt a demand response program that enables it to request customer demand reductions during times when capacity is in short supply or spot market energy costs are exceptionally high.

Appropriate limits on number and duration of power curtailments that can be called will be included in MBCP’s demand response program design. Measurement protocols for customer performance of its curtailment obligations shall be established. Performance measurement should include establishing a customer specific baseline of usage prior to the curtailment request from which demand reductions can be measured. MBCP may utilize experienced third party contractors to design, implement and administer its demand response programs.

**Distributed Generation**

MBCP will work to promote deployment of photovoltaic distributed generation systems within its service territory, with the goal of optimizing the use of the available incentives that are funded through current utility distribution rates and public benefits surcharges. MBCP also plans to implement a net energy metering program and a feed-in-tariff and other programs similar to those being offered by the incumbent utility to promote local investment in distributed generation.
CHAPTER 7 – Financial Plan

This Chapter examines both the monthly cash flows expected during the 9 to 15 months of startup and customer phase-in periods and describes the requirements for working capital and long-term financing for the potential investment in renewable generation, consistent with the resource plan contained in Chapter 6. Startup expenses and sources of capital will be identified on monthly basis while the long term pro forma is forecasted annually.

Elements of Estimating Program Operational Cost
To estimate the overall costs associated with MBCP’s program, the following services and associated costs were taken into consideration:

- Electricity Procurement;
- Transmission, grid management and other CAISO charges;
- Portfolio Charge Indifference Adjustment;
- Staffing, administrative and Professional Services;
- Billing and Data Management;
- Balancing and Scheduling Coordination;
- Bond and Security Deposit;
- Debt Service obligations.

Program Operational Revenue
The cash flow analysis also provides estimates of revenues generated from MBCP operations, primarily from electricity sales to customers. In determining these revenues, the analysis assumes the customer phase-in schedule described herein, and assumes that MBCP charges a standard, default electricity rates similar, if not identical, to the generation rates charged by PG&E for each customer class. MBCP may offer other rate options that will promote the acquisition of local and regional renewable resources. More detail on MBCP Program rates can be found in Chapter 8.

Cash Flow Analysis Results
The results cash flow analysis in the first 9-15 months provide an estimate of the capital required for startup and phase-in periods. This estimated level of capital is determined by examining the monthly cumulative net cash flows of deposits less payment obligations. This identifies, monthly, the surplus (deficit) during the startup period.

The cash flow analysis identifies funding requirements in recognition of the potential lag between revenues received and payments made during the phase-in period. The estimated
financing requirements for the startup and phase-in period, including working capital needs associated with the two phases customer enrollments, is estimated at $13 million.

Program Implementation Pro Forma

The ten years financial forecast is shown below. While the pro forma incorporates the startup cost, it doesn’t include the lag associated with receipts and payment streams. In effect, revenues and payment are reflected in the month in which service is provided. All other items, such as costs associated with program operations remain the same. A summary of Program reserves, which are expected to accrue over this same period of time, is also included below.

Net revenues in the first few years of operation will provide for

- Operating and rate stabilization reserves
- Rebates for local programs promoting carbon free resources
- Cash rebates

---

### Program Implementation Pro Forma

The ten years financial forecast is shown below. While the pro forma incorporates the startup cost, it doesn’t include the lag associated with receipts and payment streams. In effect, revenues and payment are reflected in the month in which service is provided. All other items, such as costs associated with program operations remain the same. A summary of Program reserves, which are expected to accrue over this same period of time, is also included below.

### Monterey Bay Community Power

**Summary of CCA Program Startup and Phase-In**

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</thead>
<tbody>
<tr>
<td>I. RESERVE ADDITIONS</td>
<td>-</td>
<td>135,000,052</td>
<td>182,000,072</td>
<td>229,000,092</td>
<td>276,000,112</td>
<td>323,000,132</td>
<td>371,000,152</td>
<td>420,000,172</td>
<td>470,000,192</td>
<td>520,000,212</td>
<td>55,000,144</td>
</tr>
<tr>
<td>(A) Reserve Addition</td>
<td>-</td>
<td>135,000,052</td>
<td>182,000,072</td>
<td>229,000,092</td>
<td>276,000,112</td>
<td>323,000,132</td>
<td>371,000,152</td>
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<td>470,000,192</td>
<td>520,000,212</td>
<td>55,000,144</td>
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<tr>
<td>(B) Cash from Financing</td>
<td>-</td>
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<tr>
<td>SUBTOTAL RESERVE ADDITIONS</td>
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<td>3,000,000</td>
<td>3,000,000</td>
<td>3,000,000</td>
<td>3,000,000</td>
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<td>30,000,000</td>
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<tr>
<td>II. RESERVE SUBTRACTIONS</td>
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<tr>
<td>SUBTOTAL RESERVE SUBTRACTIONS</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>III. RATE STABILIZATION RESERVE BALANCE</td>
<td>2,932,500</td>
<td>3,520,753</td>
<td>4,048,429</td>
<td>5,049,429</td>
<td>6,049,429</td>
<td>7,049,429</td>
<td>8,049,429</td>
<td>9,049,429</td>
<td>10,049,429</td>
<td>11,049,429</td>
<td>100,049,429</td>
</tr>
</tbody>
</table>
MBCP Program Start-up and Working Capital
As previously discussed, the anticipated start-up and working capital requirements for the MBCP Program are $13 million. This amount is dependent upon the electric load served by MBCP, actual energy prices, payment terms established with the third-party supplier, and program rates. This figure would be refined during the startup period as these variables become known. Once the MBCP Program is up and running, these costs would be recovered from customers through retail rates.

This financing will be primarily secured via Line of credit with an established commercial bank, which would allow MBCP to draw cash as required. Requisite financing would need to be arranged no later than the fourth quarter of 2017.

Renewable Resource Project Financing
MBCP may consider project financings for renewable resource such as wind and solar. These financings would only occur after a sustained period of successful MBCP Program operation and after appropriate project opportunities are identified and subjected to appropriate environmental review. MBCP’s ability to directly finance projects will likely require a track record of three to five years of successful program operations demonstrating strong underlying credit to support the financing; direct financing undertaken by MBCP would not be expected to occur sooner than 2021.

When such financing occurs, funds would include any short-term financing for the renewable resource project development costs, and would likely extend over a 20- to 30-year term. The security for such bonds would be the revenue from sales to the retail customers of MBCP.
CHAPTER 8 – Rate Setting, Program Terms and Conditions

Introduction
This Chapter describes the initial policies proposed for MBCP retail generation rates, including policies guiding rate design, rate objectives, and provision for due process in setting Program rates. Program rates are ultimately approved by MBCP’s Board. MBCP would retain authority to modify program policies from time to time at its discretion.

Rate Policies
MBCP will establish rates sufficient to recover all costs related to operation of the MBCP Program, including any reserves that may be required as a condition of financing and other discretionary reserve funds that may be approved by MBCP. As a general policy, rates will be uniform for all similarly situated customers enrolled in the MBCP Program throughout the service area of MBCP.

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

- MBCP will offer default service rate that will be the same or less than that provided by the incumbent utility.
- MBCP will set rates to support the acquisition of resource portfolio that will meet the State’s RPS standard and maximize the carbon free resources in the portfolio mix (near or at 100%).
- MBCP will offer voluntary rate programs to enhance the local development of renewable energy and storage capacity supply option.
- MBCP will offer stable rates through hedging strategies and long-term contracts.

Each of these objectives is described below.

Rate Competitiveness
The primary goal is to offer competitive rates for electric services that MBCP would provide to participating customers. For participants in MBCP’s standard Tariff, the goal would be for MBCP Program rates to be initially at or lower, subject to actual energy product pricing and decisions of MBCP Board, than similar generation rates offered by PG&E. For voluntary participants in the MBCP Program’s 100 California carbon free tariff, the goal would be to offer the lowest possible customer rates with an incremental monthly cost premium reflective of the actual cost of additional California carbon free resources required to serve such customers – based on current estimates, the anticipated cost premium for the MBCP Program’s 100 percent California carbon free supply option would be 5 to 10 percent relative to the default MBCP tariff.
Competitive rates will be critical to attracting and retaining key customers. For MBCP to be successful, the combination of price and value must be perceived as superior when compared to the bundled utility service alternative. As planned, the value provided by the MBCP Program will include a higher proportion of carbon free energy relative to the incumbent utility, enhanced energy efficiency and customer programs, community focus, and local investment and control.

Participating qualified low- or fixed-income households, such as those currently enrolled in the California Alternate Rates for Energy (“CARE”) program, will be automatically enrolled in the standard Tariff and will continue to receive related discounts on monthly electricity bills through the incumbent utility.

**Rate Stability**
MBCP will offer stable rates by hedging its supply costs over multiple time horizons and by including carbon free supplies that exhibit stable costs. Rate stability considerations may prevent MBCP Program rates from directly tracking similar rates offered by the distribution utility, PG&E, and may result in differences from the general rate-related targets initially established for the MBCP Program. MBCP will attempt to maintain general rate parity with PG&E to ensure that MBCP Program rates are not drastically different from the competitive alternative.

**Customer Understanding**
The goal of customer understanding involves rate designs that are relatively straightforward so that customers can readily understand how their bills are calculated. This not only minimizes customer confusion and dissatisfaction but will also result in fewer billing inquiries to the MBCP Program’s customer service call center. Customer understanding also requires rate structures to reflect rational rate design principles.

**Revenue Sufficiency**
MBCP Program rates must collect sufficient revenue from participating customers to fully fund MBCP’s annual budget. Rates will be set to collect the adopted budget based on a forecast of electric sales for the budget year. Rates will be adjusted as necessary to maintain the ability to fully recover costs of the MBCP Program, subject to the disclosure and due process policies described later in this chapter. To ensure rate stability, funds available in MBCP’s rate stabilization fund may be used from time to time to augment operating revenues.

**Rate Design**
MBCP will generally match the rate structures from the utilities’ standard rates to avoid the possibility that customers would see significantly different bill impacts as a result of changes in rate structures that would take effect following enrollment in the MBCP Program.
Custom Pricing Options
MBCP may work to develop specially-tailored rate and electric service products that meet the specific load characteristics or power market risk profiles of larger commercial and industrial customers. This will allow such customers to have access to a wider range of products than is currently available from the incumbent utility and potentially reduce the cost of power for these customers. MBCP may provide large energy users with custom pricing options to help these customers gain greater control over their energy costs. Some examples of potential custom pricing options are rates that are based on an observable market index (e.g., CAISO prices) or fixed priced contracts of various terms.

Net Energy Metering
As planned, customers with on-site generation eligible for net metering from PG&E will be offered a net energy metering rate from MBCP. Net energy metering allows for customers with certain qualified solar or wind distributed generation to be billed for their net energy consumption. The objective is that MBCP’s net energy metering tariff will apply to the generation component of the bill, and the PG&E net energy metering tariff will apply to the utility’s portion of the bill. MBCP plans to pay customers for excess power produced from net energy metered generation systems in accordance with the rate designs adopted by MBCP.

Disclosure and Due Process in rate setting
Initial program rates will be adopted by MBCP following the establishment of the first year’s operating budget prior to initiating the customer notification process. Subsequently, MBCP will prepare an annual budget and corresponding customer rates. Any proposed rate adjustment will be made to the Policy Board of Directors and ample time will be given to affected customers to provide comment on the proposed rate changes.

After proposing a rate adjustment, MBCP will furnish affected customers with a notice of its intent to adjust rates, either by mailing such notices postage prepaid to affected customers, by including such notices as an insert to the regular bill for charges transmitted to affected customers, or by including a related message directly on the customer’s monthly electricity bill. The notice will provide a summary of the proposed rate adjustment and will include a link to the MBCP Program website where information will be posted regarding the amount of the proposed adjustment, a brief statement of the reasons for the adjustment, and the mailing address of MBCP to which any customer inquiries relative to the proposed adjustment.
CHAPTER 9 – Customer Rights and Responsibilities

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

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

Customer Notices
At the initiation of the customer enrollment process, a total of four notices will be provided to customers describing the Program, informing them of their right to opt-out of the program and to remain with incumbent utility bundled generation service, and containing a simple mechanism for exercising their right to opt-out. The first notice will be mailed to customers approximately sixty days prior to the date of automatic enrollment. A second notice will be sent approximately thirty days later. MBCP will likely use its own mailing service for requisite enrollment notices rather than including the notices in PG&E’s monthly bills. This is intended to increase the likelihood that customers will read the enrollment notices, which may otherwise be ignored if included as a bill insert. Customers may opt out by notifying MBCP using the MBCP Program’s designated telephone based or internet opt-out processing service. If customers choose to initiate an opt-out request by contacting PG&E, they would be transferred to the MBCP Program’s call center to complete the opt-out request. Consistent with CPUC regulations, notices returned as undelivered mail would be treated as a failure to opt out, and the customer would be automatically enrolled.

Following automatic enrollment, at least two notices will be mailed to customers within the first two billing cycles (approximately sixty days) after MBCP service commences. Opt-out requests made on or before the sixtieth day following start of MBCP Program service will result in customer transfer to bundled utility service with no penalty. Such customers will be obligated to pay charges associated with the electric services provided by MBCP during the time the customer took service from the MBCP Program, but will otherwise not be subject to any penalty or transfer fee from MBCP.

Customers who establish new electric service accounts within the Program’s service area will be automatically enrolled in the MBCP Program and will have sixty days from the start of service to opt out if they so desire. Such customers will be provided with two enrollment notices within this sixty-day post enrollment period. Such customers will also receive a notice detailing MBCP’s privacy policy regarding customer usage information. MBCP will have the authority to
implement entry fees for customers that initially opt out of the Program, but later decide to participate. Entry fees, if deemed necessary, would aid in resource planning by providing additional control over the MBCP Program’s customer base.

Termination Fee
Customers that are automatically enrolled in the MBCP Program can elect to transfer back to the incumbent utility without penalty within the first two months of service. After this free opt-out period, customers will be allowed to terminate their participation but may be subject to payment of a Termination Fee, which MBCP reserves the right to impose, if deemed necessary. Customers that relocate within MBCP’s service territory would have MBCP service continued at their new address. If a customer relocating to an address within MBCP’s service territory elected to cancel service, the Termination Fee could be applied. Customers that move out of MBCP’s service territory would not be subject to the Termination Fee. If deemed applicable by MBCP, PG&E would collect the Termination Fee from returning customers as part of MBCP’s final bill to the customer.

For illustrative purposes, MBCP Termination Fee could vary by customer class as set forth in the table below, subject to a final determination by MBCP.

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
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</tr>
<tr>
<td>Non-Residential</td>
<td>$25</td>
</tr>
</tbody>
</table>

*Note that MBCP has yet to adopt a Schedule of Fees for Service Termination. The fees reflected in this table are representative of similar charges adopted by California’s operating CCA programs.

If adopted, the Termination Fee would be clearly disclosed in the four enrollment notices sent to customers during the sixty-day period before automatic enrollment and following commencement of service. The fee could also be changed prospectively by MBCP subject to applicable customer noticing requirements.

Customers electing to terminate service after the initial notification period would be transferred to PG&E on their next regularly scheduled meter read date if the termination notice is received a minimum of fifteen days prior to that date. Such customers would also be liable for the nominal reentry fees imposed by PG&E and would be required to remain on bundled utility service for a period of one year, as described in the utility CCA tariffs.

Customer Confidentiality
MBCP will establish policies covering confidentiality of customer data that are fully compliant with the required privacy protection rules for CCA customer energy usage information, as
detailed within Decision 12-08-045. MBCP will maintain the confidentiality of individual customers’ names, service addresses, billing addresses, telephone numbers, account numbers, and electricity consumption, except where reasonably necessary to conduct business of MBCP or to provide services to customers, including but not limited to where such disclosure is necessary to (a) comply with the law or regulations; (b) enable MBCP to provide service to its customers; (c) collect unpaid bills; (d) obtain and provide credit reporting information; or (e) resolve customer disputes or inquiries. MBCP will not disclose customer information for telemarketing, e-mail, or direct mail solicitation. Aggregate data may be released at MBCP’s discretion.

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

Customer Deposits
Under certain circumstances, MBCP customers may be required to post a deposit equal to the estimated charges for two months of service prior to obtaining service from the MBCP Program. A deposit would be required for an applicant who previously had been a customer of PG&E or MBCP and whose electric service has been discontinued by PG&E or MBCP during the last twelve months of that prior service arrangement as a result of bill nonpayment. Such customers may be required to reestablish credit by depositing the prescribed amount. Additionally, a customer who fails to pay bills before they become past due as defined in PG&E Electric Rule 11 (Discontinuance and Restoration of Service), and who further fails to pay such bills within five days after presentation of a discontinuance of service notice for nonpayment of bills, may be required to pay said bills and reestablish credit by depositing the prescribed amount. This rule will apply regardless of whether service has been discontinued for such nonpayment. Failure

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4 A customer whose service is discontinued by MBCP is returned to PG&E generation service.
to post deposit as required would cause the account service transfer request to be rejected, and
the account would remain with PG&E.

CHAPTER 10 - Procurement Process

Introduction
This Chapter describes MBCP’s initial approach to power supply procurement, while it retains
authority to modify this initial approach from time to time at its discretion.

Procurement Methods
MBCP may enter into agreements for variety of services needed to support program
development, operation and management. MBCP will generally utilize competitive
procurement methods for services but may also utilize direct procurement or sole Source
Procurement, depending on the nature of the services to be procured. Direct Procurement is the
purchase of goods or services without competition when multiple sources of supply are
available. Sole Source Procurement is generally to be performed only in the case of emergency
or when a competitive process would be an idle act.

Key Contracts

Electric Supply Contracts
MBCP will initiate service using supply contracts with one or more qualified providers to
supply sufficient electric energy resources to meet MBCP customer demand as well as
applicable resource adequacy requirements, ancillary and other necessary services. MBCP may
complete additional solicitations to supplement its energy supply and/or to replace contract
volumes provided under the original contract. MBCP would begin such procurement
sufficiently in advance of contract expiration so that the transition from the initial supply
contract occurs smoothly, avoiding dependence on market conditions existing at any single
point in time.

MBCP will solicit the services of a certified Scheduling Coordinator to schedule loads and
resources to meet MBCP customer demand. MBCP may designate the primary supplier to be
responsible for day-to-day energy supply operations of the MBCP Program and for managing
the predominant supply risks for the term of the contract. The primary supplier may also
contribute to meeting the Program’s renewable energy supply goals. However, additional
suppliers may be identified to supplement requisite renewable energy supplier of the MBCP
program. Finally, the primary supplier may be responsible for ensuring MBCP’s compliance
with all applicable resource adequacy and regulatory requirements imposed by the CPUC or
FERC.

In August 2017, MBCP intends to commence the requisite competitive solicitation process to
identify its initial energy supplier(s) and anticipates to execute the electric supply contract for
Phase 1 loads in late-2017. The contract for Phase 2 loads will be executed contemporaneously or shortly thereafter.

**Data Management Contract**

A data manager will provide the retail customer services of billing and other customer account services (electronic data interchange or EDI with PG&E, billing, remittance processing, and account management). Recognizing that some qualified wholesale energy suppliers do not typically conduct retail customer services whereas others (i.e., direct access providers) do, the data management contract may be separate from the electric supply contract. It is anticipated that a single contractor will be selected to perform the data management functions. If feasible and practical, MBCP may utilize the incumbent utility to perform that service.

The data manager is responsible for the following services:

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

Utilizing the incumbent utility or a third party for account services eliminates a significant expense associated with implementing a customer information system. Such systems can impose significant information technology costs and take significant time to deploy. Separating the data management contract from the energy supply contract gives MBCP greater flexibility to change energy suppliers, if desired, without facing an expensive data migration issue. The data management contract will also require that services be provided consistent with MBCP’s customer confidentiality policies as described earlier in this Chapter, and the contractor will be required to provide, prior to contract award, adequate assurances to MBCP that appropriate data security measures are employed.

As this point in time, MBCP has not yet commenced the requisite competitive solicitation process to identify its data management services provider. However, it is anticipated that MBCP will execute a contract for data management services in September or October, 2017.

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5 The contractor providing data management may also be the same entity as the contractor supplying electricity for the program.
CHAPTER 11 – Contingency Plan for Program Termination

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

Termination by MBCP
MBCP will offer services for the long term with no planned Program termination date. In the unanticipated event that MBCP decides to terminate the Program, each of its Member Agencies would be required to adopt a termination ordinance or resolution and provide adequate notice to MBCP consistent with the terms set forth in the JPA Agreement. Following such notice, MBCP’s Policy Board would vote on Program termination subject to voting provisions as described in the JPA Agreement. In case MBCP affirmatively votes to proceed with JPA termination, MBCP would disband under the provisions identified in its JPA Agreement.

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

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

MBCP will post a bond or maintain funds held in reserve to pay for potential transaction fees charged to the Program for switching customers back to distribution utility service. Reserves would be maintained against the fees imposed for processing customer transfers (CCASRs). The Public Utilities Code requires demonstration of insurance or posting of a bond sufficient to cover reentry fees imposed on customers that are involuntarily returned to distribution utility service under certain circumstances. The cost of reentry fees is the responsibility of the energy services provider or the community choice aggregator, except in the case of a customer returned for default or because its contract has expired. MBCP will post financial security in the appropriate amount as part of its registration materials and will maintain the financial security in the required amount, as necessary.
Termination by Members
The JPA Agreement defines the terms and conditions under which Members may terminate their participation in the program.
CHAPTER 12 – Appendices

Appendix A: MBCP Resolution No. 4-2017 (Adopting Implementation Plan)

Appendix B: Monterey Bay Community Power Authority Joint Powers Agreement
BEFORE THE POLICY BOARD OF
MONTEREY BAY COMMUNITY POWER AUTHORITY

RESOLUTION NO. 4-2017

On the motion of: Trina Coffman-Gomez
Duly seconded by: Michael Termini
The following resolution is adopted

RESOLUTION TO ADOPT THE IMPLEMENTATION PLAN AS REQUIRED BY THE PUBLIC UTILITIES CODE SECTION 366.2 (c)(3)

WHEREAS, THE Monterey Bay Community Power Authority ("the Authority") was formed on February 21, 2017 pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy and energy related climate change programs included but not limited to implementing a community choice aggregation program under Public Utilities Code Section 366.2; and

WHEREAS, the members of MBCP include the counties of Monterey, Santa Cruz and San Benito and the cities of Santa Cruz, Watsonville, Salinas, Monterey, Pacific Grove, Carmel, Seaside, Marina, Sand City, Soledad, Greenfield, Gonzales, Hollister, San Juan Bautista, Scotts Valley and Capitola; and

WHEREAS, Public Utilities Code Section 366.2 requires that before commencing a community choice aggregation program, the Authority first must prepare and adopt an Implementation Plan to be filed with the California Public Utilities Commission; and

WHEREAS, the draft MBCP Community Choice Aggregation Implementation Plan and Statement of Intent was presented to the Policy Board at a duly noticed public hearing for its consideration and adoption, and is attached hereto as Exhibit A;

NOW, THEREFORE, after conducting a duly noticed public hearing as required by the Public Utilities Code Section 366.2 (c)(3), the Policy Board hereby adopts the Monterey Bay Community Power Community Choice Aggregation Implementation Plan and Statement of Intent.

PASSED AND ADOPTED by the Policy Board of Monterey Bay Community Power this 16th day of August, 2017 by the following vote:
AYES:  Coffman-Gomez, Termini, Parker, McShane, Delgado, Velazquez, Friend, McPherson

NOES:  None

ABSENT: Brown, Haffa, DeLaCruz

[Signature]

Chair, Policy Board of MBCP
JOINT EXERCISE OF POWERS AGREEMENT RELATING TO AND CREATING THE

Monterey Bay Community Power Authority

OF

Monterey, Santa Cruz, and San Benito Counties

This Joint Exercise of Powers Agreement, effective on the date determined by Section 2.1, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the Parties set forth in Exhibit B, establishes the Monterey Bay Community Power Authority ("Authority"), and is by and among the Counties of Monterey, Santa Cruz, and San Benito who become signatories to this Agreement ("Counties") and those cities and towns within the Counties of Monterey, Santa Cruz, and San Benito who become signatories to this Agreement, and relates to the joint exercise of powers among the signatories hereto.

RECITALS

A. The Parties share various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions.

B. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local governments to develop programs to reduce greenhouse gas emissions.

C. The purposes for entering into this Agreement include:

   a. Reducing greenhouse gas emissions related to the use of power in Monterey, Santa Cruz, and San Benito Counties and neighboring regions;
b. Providing electric power and other forms of energy to customers at affordable rates that are competitive with the incumbent utility;

c. Carrying out programs to reduce energy consumption;

d. Stimulating and sustaining the local economy by lowering electric rates and creating local jobs as a result of MBCP’s CCE program.

e. Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources.

D. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar, wind, and geothermal energy production. The purchase of renewable power and greenhouse gas-free energy sources will be the desired approach to decrease regional greenhouse gas emissions and accelerate the State’s transition to clean power resources to the extent feasible.

a. It is further desired to establish a short term and long-term energy portfolio that prioritizes the use and development of State, local and regional renewable resources and carbon free resources.

b. In compliance with State law and in alignment with the Authority’s desire to stimulate the development of local renewable power, the Authority shall draft an Integrated Resource Plan that includes a range of local renewable development potential in the Monterey Bay Region and plans to incorporate local power into its energy portfolio as quickly as is possible and economically feasible.

E. The Parties desire to establish a separate public Authority, known as the Monterey Bay Community Power Authority, under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act") in order to collectively study, promote, develop, conduct, operate, and manage energy programs.
F. The Parties anticipate adopting an ordinance electing to implement through the Authority a common Community Choice Aggregation (CCA) program, an electric service enterprise available to cities and counties pursuant to California Public Utilities Code Sections 331.1(c) and 366.2. The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1: DEFINITIONS AND EXHIBITS

1.1 Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A, unless the context requires otherwise.

1.2 Documents Included. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

   Exhibit A: Definitions
   Exhibit B: List of the Parties
   Exhibit C: Regional Allocations

ARTICLE 2: FORMATION OF MONTEREY BAY COMMUNITY POWER AUTHORITY

2.1 Effective Date and Term. This Agreement shall become effective and “Monterey Bay Community Power Authority” shall exist as a separate public Authority on the date that this Agreement is executed by at least three Initial Participants from the Counties of Monterey, Santa Cruz, and San Benito and the municipalities within those counties, after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 6.4, subject to the rights of the Parties to withdraw from the Authority.

2.2 Formation. There is formed as of the Effective Date a public Authority named the Monterey Bay Community Power Authority. Pursuant to Sections 6506 and 6507 of the
Act, the Authority is a public Authority separate from the Parties. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 7.4 of this Agreement, this Section 2.2 may not be amended unless such amendment is approved by the governing board of each Party.

2.3 **Purpose.** The purpose of this Agreement is to establish an independent public Authority in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties intend for this Agreement to be used as a contractual mechanism by which the Parties are authorized to participate in the CCA Program, as further described in Section 4.1. The Parties intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program and any other energy programs approved by the Authority.

2.4 **Powers.** The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 3.7 through 3.7.1:

- 2.4.1 to make and enter into contracts;
- 2.4.2 to employ agents and employees, including but not limited to a Chief Executive Officer;
- 2.4.3 to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;
2.4.4 to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property; however, the Authority shall not exercise the power of eminent domain within the jurisdiction of a Party without approval of the affected Party's governing board;

2.4.5 to lease any property;

2.4.6 to sue and be sued in its own name;

2.4.7 to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et seq. and authority under the Act;

2.4.8 to form subsidiary or independent corporations or entities if necessary, to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;

2.4.9 to issue revenue bonds and other forms of indebtedness;

2.4.10 to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;

2.4.11 to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;

2.4.12 to adopt Operating Rules and Regulations;

2.4.13 to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services; and

2.4.14 to permit additional Parties to enter into this Agreement after the Effective Date and to permit another entity authorized to be a community choice aggregator to designate the Authority to act as the community choice aggregator on its behalf.

2.5 Limitation on Powers. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power.
possessed by the City of Santa Cruz and any other restrictions on exercising the powers of the authority that may be adopted by the board.

2.6 Compliance with Local Zoning and Building Laws and CEQA. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act ("CEQA").

ARTICLE 3: GOVERNANCE AND INTERNAL ORGANIZATION

3.1 Boards of Directors. The governing bodies of the Authority shall consist of a Policy Board of Directors ("Policy Board") and an Operations Board of Directors ("Operations Board").

3.1.1 Both Boards shall consist of Directors representing any of the three Counties of Monterey, Santa Cruz, or San Benito that become a signatory to the Agreement and Directors representing any of the Cities or Towns within those counties that becomes a signatory to the Agreement ("Directors"). Each Director shall serve at the pleasure of the governing board of the Party who appointed such Director, and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant.

3.1.2 Policy Board Directors must be elected members of the Board of Supervisors or elected members of the City or Town Council of the municipality that is the signatory to this Agreement. Jurisdictions may appoint an alternate to serve in the absence of its Director on the Policy Board. Alternates for the Policy Board must be members of the Board of Supervisors or members of the governing board of the municipality that is the signatory to this Agreement.

3.1.3 Operations Board Directors must be the senior executive/County Administrative Officer of any County that is the signatory to this Agreement, or senior executive/City Manager from any municipality that is the signatory to this Agreement. Jurisdictions may appoint an alternate to serve in the absence of its Director on the Operations Board. Alternates for the Operations
Board must be administrative managers of the County or administrative managers of the governing board of the municipality that is the signatory to this Agreement.

3.1.4 Board seats will be allocated under the following formulas. Policy and Operations Board seats for founding JPA members (i.e. those jurisdictions that pass a CCA ordinance by February 28, 2017) will be allocated on a one jurisdiction, one seat basis until such time as the number of member jurisdictions exceeds eleven. Once the JPA reaches more than eleven member agencies, the Policy and Operations Boards’ composition shall shift to a regional allocation based on population size. This allocation shall be one seat for each jurisdiction with a population of 50,000 and above, and shared seats for jurisdictions with populations below 50,000 allocated on a sub-regional basis, as set forth in Exhibit C. Notwithstanding the above, the County of San Benito shall be allotted one seat.

3.1.5 Shared board seats will be determined through the Mayors and Councilmembers’ city selection process in their respective counties, with a term of two years. Directors may be reappointed, following the Mayors and Councilmembers’ city selection process in their respective counties, and serve multiple terms. In the event of an established board seat transitioning to a shared seat due to the addition of a new party, the sitting Director will automatically be the first representative for that shared seat to ensure continuity and maintain experience.

3.2 **Quorum.** A majority of the appointed Directors shall constitute a quorum, except that less than a quorum may adjourn in accordance with law.

3.3 **Powers and Functions of the Boards.** The Boards shall exercise general governance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. The Boards shall provide general policy guidance to the CCA Program.

3.3.1 The Policy Board will provide guidance/approval in the areas of strategic planning and goal setting, passage of Authority budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service.

3.3.2 The Operations Board will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to
customers in the region, focusing on the routine, day-to-day operations of the Authority.

3.3.3 Policy Board approval shall be required for any of the following actions, including but not limited to:

(a) The issuance of bonds, major capital expenditures, or any other financing even if program revenues are expected to pay for such financing;

(b) The appointment or removal of officers described in Section 3.9, subject to Section 3.9.3;

(c) The appointment and termination of the Chief Executive Officer;

(d) The adoption of the Annual Budget;

(e) The adoption of an ordinance;

(f) The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority;

(g) The adoption of the Implementation Plan;

(h) The selection of General Counsel, Treasurer and Auditor;

(i) The amending of this Joint Exercise of Powers Agreement; and

(j) Termination of the CCA Program.

3.3.4 Operations Board approval shall be required for the following actions, including but not limited to:

(a) The approval of Authority contracts and agreements, except as provided by Section 3.4.

(b) Approval of Authority operating policies and other matters necessary to ensure successful program operations.

3.3.5 Joint approval of the Policy and Operations Boards shall be required for the initiation or resolution of claims and litigation where the Authority will be the defendant, plaintiff, petitioner, respondent, cross complainant or cross petitioner,
or intervenor; provided, however, that the Chief Executive Officer or General Counsel, on behalf of the Authority, may intervene in, become a party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative authority, without approval of the Boards as long as such action is consistent with any adopted Board policies.

3.4 Chief Executive Officer. The Authority shall have a Chief Executive Officer ("CEO"). The Operations Board shall present nomination(s) of qualified candidates to the Policy Board. The Policy Board shall make the selection and appointment of the CEO who will be an employee of the Authority and serve at will and at the pleasure of the Policy Board.

The CEO shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The CEO may exercise all powers of the Authority, including the power to hire, discipline and terminate employees as well as the power to approve any agreement if the total amount payable under the agreement falls within the Authority's fiscal policies to be set by the Policy Board, except the powers specifically set forth in Section 3.3 or those powers which by law must be exercised by the Board(s) of Directors. The CEO shall report to the Policy Board on matters related to strategic planning and goal setting, passage of Authority budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service. The CEO shall report to the Operations Board on matters related to Authority policy and the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority. It shall be the responsibility of the CEO to keep both Board(s) appropriately informed and engaged in the discussions and actions of each to ensure cooperation and unity within the Authority.

3.5 Commissions, Boards, and Committees. The Boards may establish any advisory committees they deem appropriate to assist in carrying out the CCA Program, other energy programs, and the provisions of this Agreement which shall comply with the requirements of the Ralph M. Brown Act. The Boards may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees if
the Board(s) deem it appropriate to appoint such commissions, boards or committees, and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

3.6 **Director Compensation.** Directors shall serve without compensation from the Authority. However, Directors may be compensated by their respective appointing authorities. The Boards, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by their respective Directors.

3.7 **Voting.** Except as provided in Section 3.7.1 below, actions of the Boards shall require the affirmative vote of a majority of Directors present at the meeting.

3.7.1. Special Voting Requirements for Certain Matters.

(a) Two-Thirds Voting Approval Requirements Relating to Sections 6.2 and 7.4. Action of the Board on the matters set forth in Section 6.2 (involuntary termination of a Party), or Section 7.4 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of Directors present.

(b) Seventy Five Percent Special Voting Requirements for Eminent Domain and Contributions or Pledge of Assets.

(i) A decision to exercise the power of eminent domain on behalf of the Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least 75% of all Directors present.

(ii) The imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program shall require a vote of at least 75% of all Directors and the approval of the governing boards of the Parties who are being asked to make such contribution or pledge.

(iii) For purposes of this section, "imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program" does not include any
obligations of a withdrawing or terminated party imposed under Section 6.3.

3.8 Meetings and Special Meetings of the Board. The Policy Board shall hold up to three regular meetings per year, with the option for additional or special meetings as determined by the Chief Executive Officer or Chair of the Policy Board after consultation with the Chief Executive Officer. The Operations Board shall hold at least eight meetings per year, with the option for additional or special meetings. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special and Emergency Meetings of the Boards may be called in accordance with the provisions of California Government Code Sections 54956 and 54956.5. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 et seq.).

3.9 Selection of Board Officers.

3.9.1 Policy Board Chair and Vice Chair. The Policy Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Policy Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The Policy Board Chair and Vice Chair shall act as the overall Chair and Vice Chair for Monterey Bay Community Power Authority. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, is no longer holding a qualifying public office, or the Party that the person represents removes the person as its representative on the Board or;

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement

3.9.2 Operations Board Chair and Vice Chair. The Operations Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Operations Board meetings, and a Vice Chair, who shall serve in the absence of
the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, or is no longer the senior executive of the Party that the person represents or;

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

3.9.3 Secretary. Each Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of each Board and all other official records of the Authority. If the Secretary appointed is an employee of the Authority, that employee may serve as Secretary to both Boards.

3.9.4 The Policy Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be a member of the Board. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may hold both the office of Treasurer and the office of Auditor of the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall report directly to the Policy Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 5.

3.10 Administrative Services Provider. The Board(s) may appoint one or more administrative services providers to serve as the Authority’s agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of an Administrative Services Agreement. The appointed administrative services provider may be one of the Parties. An Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all
tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program. The Administrative Services Provider shall be either an employee or a contractor of the Authority unless a member agency is providing the service.

ARTICLE 4: IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

4.1 Preliminary Implementation of the CCA Program.

4.1.1 Enabling Ordinance. To be eligible to participate in the CCA Program, each Party must adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

4.1.2 Implementation Plan. The Policy Board shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Policy Board in the manner provided by Section 3.7.

4.1.3 Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

4.2 Authority Documents. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board(s) through resolution, including but not limited to the MBCP Implementation Plan and Operating Policies. The Parties agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board(s), subject to the Parties' right to withdraw from the Authority as described in Article 6.
ARTICLE 5: FINANCIAL PROVISIONS

5.1 Fiscal Year. The Authority's fiscal year shall be 12 months commencing April 1 or the date selected by the Authority. The fiscal year may be changed by Policy Board resolution.

5.2 Depository.

5.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

5.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times. The Board(s) shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

5.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board(s) in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board(s).

5.3 Budget and Recovery of Costs.

5.3.1 Budget. The initial budget shall be approved by the Policy Board. The Board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be approved by the Policy Board in accordance with the Operating Rules and Regulations.

5.3.2 Funding of Initial Costs. The County of Santa Cruz has funded certain activities necessary to implement the CCA Program. If the CCA Program becomes operational, these Initial Costs paid by the County of Santa Cruz shall be included in the customer charges for electric services as provided by Section 5.3.3 to the
extent permitted by law, and the County of Santa Cruz shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the County of Santa Cruz shall provide such documentation of costs paid as the Board may request. The Authority may establish a reasonable time period over which such costs are recovered. In the event that the CCA Program does not become operational, the County of Santa Cruz shall not be entitled to any reimbursement of the Initial Costs it has paid from the Authority or any Party.

5.3.3 CCA Program Costs. The Parties desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but not limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

5.3.4 Credit Guarantee Requirement. The Parties acknowledge that there will be a shared responsibility to provide some level of credit support (in the form of a letter of credit, cash collateral or interagency agreement) for Authority start-up and initial working capital as may be required by a third party lender. Guarantee requirements shall be released after program launch and as soon as possible under the terms of the third-party credit agreement(s). The credit guarantee will be distributed on a per-seat basis. Shared seat members will divide the credit guarantee among the cities sharing those seats. The term of the credit guarantee shall be the same term as specified in the banking agreement. Once a Party has made a credit guarantee, that guarantee shall remain in place until released, even if that Party withdraws from the Authority.

5.3.5 The County of Santa Cruz has agreed to provide initial administrative support on a cost reimbursement basis to the JPA once formed. This includes, but is not limited to, personnel, payroll, legal, risk management.
6.1 **Withdrawal.**

6.1.1 **Right to Withdraw.** A Party may withdraw its participation in the CCA Program, effective as of the beginning of the Authority’s fiscal year, by giving no less than 6 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party’s governing board.

6.1.2 **Right to Withdraw After Amendment.** Notwithstanding Section 6.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Policy Board which the Party’s Director voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Party shall require an affirmative vote of the Party’s governing board and shall not be subject to the six month advance notice provided in Section 6.1.1. In the event of such withdrawal, the Party shall be subject to the provisions of Section 6.3.

6.1.3 **The Right to Withdraw Prior to Program Launch.** After receiving bids from power suppliers, the Authority must provide to the Parties the report from the electrical utility consultant retained by the Authority that compares the total estimated electrical rates that the Authority will be charging to customers as well as the estimated greenhouse gas emissions rate and the amount of estimated renewable energy used with that of the incumbent utility. If the report provides that the Authority is unable to provide total electrical rates, as part of its baseline offering, to the customers that are equal to or lower than the incumbent utility or to provide power in a manner that has a lower greenhouse gas emissions rate or uses more renewable energy than the incumbent utility, a Party may, immediately after an affirmative vote of the Party’s governing board, withdraw its membership in the Authority without any financial obligation, except those financial obligations incurred through the Party’s share of the credit guarantee described in 5.3.4, as long as the Party provides written notice of its intent to withdraw to the Authority Board no more than fifteen business days after receiving the report. Costs incurred prior to withdrawal will be calculated as a pro-rata share of start-up costs expended to the date of the Party’s withdrawal, and it shall be the responsibility of
the withdrawing Party to pay its share of said costs if they have a material/adverse impact on remaining Authority members or ratepayers.

6.1.4 Continuing Financial Obligation; Further Assurances. Except as provided by Section 6.1.3, a Party that withdraws its participation in the CCA Program may be subject to certain continuing financial obligations, as described in Section 6.3. Each withdrawing Party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from participation in the CCA Program.

6.2 Involuntary Termination of a Party. Participation of a Party in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Party’s participation in the CCA Program upon a vote of the Policy Board as provided in Section 3.7.1. Prior to any vote to terminate participation with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 6.3.

6.3 Continuing Financial Obligations; Refund. Except as provided by Section 6.1.3, upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or other financial obligations arising from the Party membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any financial obligations arising after the date of the Party’s withdrawal or involuntary termination. Claims, demands, damages, or other financial obligations for which a withdrawing or terminated Party may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Party’s load. With respect to such financial obligations, upon notice by a Party that it wishes to withdraw from the CCA Program, the Authority shall notify the Party of the minimum
waiting period under which the Party would have no costs for withdrawal if the Party agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Party elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers, and may not include punitive charges that exceed actual costs. In addition, such Party shall also be responsible for any costs or obligations associated with the Party's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Policy Board, to cover the Party's financial obligations for the costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any financial obligations shall be returned to the Party. The liability of any Party under this section 6.3 is subject and subordinate to the provisions of Section 2.2, and nothing in this section 6.3 shall reduce, impair, or eliminate any immunity from liability provided by Section 2.2.

6.4 Mutual Termination. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its participation in the CCA Program, as described in Section 6.1.

6.5 Disposition of Property upon Termination of Authority. Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

ARTICLE 7: MISCELLANEOUS PROVISIONS

7.1 Dispute Resolution. The Parties and the Authority shall make reasonable efforts to informally settle all disputes arising out of or in connection with this Agreement. Should such informal efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be mediated in accordance with policies and procedures established by the Authority. The costs of any such mediation shall be shared equally among the Parties participating in the mediation.
7.2 Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Sections 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

7.3 Indemnification of Parties. The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority and the Parties. The Authority shall defend, indemnify, and hold harmless the Parties and each of their respective Boards of Supervisors or City Councils, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

7.4 Amendment of this Agreement. This Agreement may not be amended except by a written amendment approved by a vote of Policy Board members as provided in Section 3.7.1. The Authority shall provide written notice to all Parties of proposed amendments to this Agreement, including the effective date of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments.

7.5 Assignment. Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 7.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 7.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party’s contributions to the Authority, or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.
7.6 Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

7.7 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

7.8 Execution by Counterparts. This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

7.9 Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.
Exhibit A

Definitions

"Act" means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.)

"Administrative Services Agreement" means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

"Agreement" means this Joint Powers Agreement.

"Annual Energy Use" has the meaning given in Section 3.7.1.

"Authority" means the Monterey Bay Community Power Authority.

"Authority Document(s)" means document(s) duly adopted by one or both Boards by resolution or motion implementing the powers, functions, and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

"Board" means the Policy Board of Directors of the Authority and/or the Operations Board of Directors of the Authority unless one or the other is specified in this Agreement.

"CCA" or "Community Choice Aggregation" means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.

"CCA Program" means the Authority's program relating to CCA that is principally described in this Agreement.

"Director" means a member of the Policy Board of Directors or Operations Board of Directors representing a Party.

"Effective Date" means the date that this Agreement is executed by at least three Initial Participants from the Counties of Monterey, Santa Cruz, and San Benito and the municipalities within those counties, as further described in Section 2.1.
"Implementation Plan" means the plan generally described in Section 4.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.

"Initial Costs" means all costs incurred by the County of Santa Cruz and/or Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, and any required accounting, administrative, technical, or legal services in support of the Authority's initial activities or in support of the negotiation, preparation, and approval of one or more Administrative Services Agreements.

"Initial Participants" means those initial founding JPA members whose jurisdictions pass a CCA ordinance, whose Board seats will be allocated on a one jurisdiction, one seat basis (in addition to one seat for San Benito County) until such time as the number of member jurisdictions exceeds eleven, as described in Section 3.1.4.

"Operating Rules and Regulations" means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

"Operations Board" means the board composed of City Managers and CAOs representing their respective jurisdictions as provided in section 3.1.4 who will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority, as further set forth in section 3.3.

"Parties" means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.1 or 4.1.1 such that it is considered a member of the Authority.

"Party" means singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.1 or 4.1.1 such that it is considered a member of the Authority.

"Policy Board" means the board composed of elected officials representing their respective jurisdictions as provided in section 3.1.4 who will provide guidance/approval in the areas of strategic planning and goal setting, passage of Authority budget and customer rates, large capital expenditures outside the typical power procurement required to provide electrical service, and such other functions as set forth in section 3.3.
Monterey Bay Community Power Authority of Monterey, Santa Cruz
and San Benito Counties

Exhibit B

List of Parties

County of Santa Cruz
City of Santa Cruz
City of Watsonville
City of Capitola
City of Scotts Valley
County of Monterey
City of Salinas
City of Monterey
City of Pacific Grove
City of Carmel
City of Seaside
City of Marina
Sand City
Soledad
Greenfield
Gonzales
County of San Benito
City of Hollister
City of San Juan Bautista
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz and San Benito Counties

Signature Page

COUNTY OF SANTA CRUZ

Chairperson of the Board of Supervisors

Date

APPROVED AS TO FORM:

Office of the County Counsel
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Santa Cruz

Mayor Cynthia Chase

4-25-17

Date

APPROVED AS TO FORM:

City Attorney Tony Condotti
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Watsonville

Mayor

City Manager

5/2/17

Date

5/2/17

Date

APPROVED AS TO FORM:

Office of the City Attorney

ATTEST:

BY

Benítez Vázquez Flores, City Clerk

Irwin Ortiz, Assistant City Clerk
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of/City of  Capitola

Stephanie Harlan  3/3/17
Chairperson of the Board of Supervisors/Mayor  Date

APPROVED AS TO FORM:

City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Scotts Valley

\[\text{Signature}\]

Randy Johnson, Mayor

\[\text{2-15-2017}\]

Date

APPROVED AS TO FORM:

\[\text{Signature}\]

Kirsten Powell, City Attorney
Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz and San Benito Counties

Signature Page

COUNTY OF MONTEREY

Mary Adams, Chair,
Monterey County Board of Supervisors

3-21-2017
Date

APPROVED AS TO FORM:

Wendy G. Strimling
Senior Deputy County Counsel
Office of the County Counsel
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Salinas

Joe Gunter, Mayor

3-24-17
Date

APPROVED AS TO FORM:

Christopher A. Callihan, City Attorney

May 30, 2012
Date
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Monterey, CA

[Signature]

Chairperson of the Board of Supervisors/Mayor

5-24-17

Date

APPROVED AS TO FORM:

[Signature]

Office of the City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Monterey Grove

Bill Kemp
Mayor

4/20/17
Date

APPROVED AS TO FORM:

City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of /City of **Carmel by the Sea**

____________________  ____________________
Chairperson of the Board of Supervisors/Mayor  Date

5-5-17

APPROVED AS TO FORM:

____________________
Office of the County Counsel/City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Seaside, California.

Mayor Ralph Rubio

Date

6/1/17

APPROVED AS TO FORM:

Don Freeman, City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Marina

[Signature]

Bruce C. Delgado, Mayor

3/3/17

Date

APPROVED AS TO FORM:

[Signature]

City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Sand City

[Signature]
Mayor David K. Pendergrass

[Signature]
Date
March 8, 2019

APPROVED AS TO FORM:

[Signature]
City Attorney Jim Heisinger
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Soledad

Mayor Fred J. Ledesma

3/06/17
Date
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of / City of Soledad

______________________________

Chairperson of the Board of Supervisors/Mayor

______________________________

Date

APPROVED AS TO FORM:

[Signature]

Michael Rodriguez, City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of /City of ______ Greenfield ______

[Signature]
Chairperson of the Board of Supervisors/Mayor

__/____/2017
Date

APPROVED AS TO FORM:

[Signature]

Office of the County Counsel/City Attorney
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Gonzales

[Signature]
Maria Orozco, Mayor

5-1-17
Date

APPROVED AS TO FORM:

[Signature]
Michael F. Rodriguez, City Attorney

5-1-2017
Date
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

County of San Benito

Jaime De La Cruz, Chair

APPROVED AS TO LEGAL FORM:
San Benito County Counsel’s Office

Shirley L. Murphy, Deputy County Counsel

APPENDIX D
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

City of Hollister

Signature Page

City of Hollister

Ignacio Velazquez, Mayor

Date

6-1-17

APPROVED AS TO FORM:

L+G, LLC, Attorneys at Law

E. Soren Diaz, City Attorney

Date

May 30, 2017
Monterey Bay Community Power Authority

Of

Monterey, Santa Cruz and San Benito Counties

Signature Page

City of San Juan Bautista

Chris Martorana, Mayor

May 30, 2017
Date

APPROVED AS TO FORM:

Deborah Mall, City Attorney
Exhibit C

Regional Allocation

Board seats in the Monterey Bay Community Power Authority will be allocated as follows:

i. One seat for Santa Cruz County

ii. One seat for Monterey County

iii. One seat for San Benito County

iv. One seat for the City of Santa Cruz

v. One seat for the City of Salinas

vi. One seat for the City of Watsonville

vii. One shared seat for remaining Santa Cruz cities including Capitola and Scotts Valley selected by the City Selection Committee

viii. One shared seat for Monterey Peninsula cities including Monterey, Pacific Grove, and Carmel selected by the City Selection Committee

ix. One shared seat for Monterey Coastal cities including Marina, Seaside, Del Rey Oaks, and Sand City selected by the City Selection Committee

x. One shared seat for Salinas Valley cities including King City, Greenfield, Soledad, Gonzales selected by the City Selection Committee

xi. One shared seat for San Benito County cities selected by the City Selection Committee
Appendix 6
RESOLUTION NO. PB-2019-05

A RESOLUTION OF THE POLICY BOARD OF DIRECTORS OF THE MONTEREY BAY COMMUNITY POWER AUTHORITY TO ADOPT ADDENDUM NO. 1 TO THE COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AS REQUIRED BY THE PUBLIC UTILITIES CODE SECTION 366.2 (c)(3)

WHEREAS, the Monterey Bay Community Power Authority (the “Authority”) was formed on February 21, 2017 pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy and energy related climate change programs included but not limited to implementing a community choice aggregation program under Public Utilities Code Section 366.2; and

WHEREAS, the founding members of MBCP include the counties of Monterey, Santa Cruz and San Benito and the cities of Santa Cruz, Watsonville, Salinas, Monterey, Pacific Grove, Carmel, Seaside, Marina, Sand City, Soledad, Greenfield, Gonzales, Hollister, San Juan Bautista, Scotts Valley, and Capitola; and

WHEREAS, on December 5, 2018, the Policy Board approved Resolution No. PB-2018-07 approving Amendment No. 1 to the Agreement to include the Cities of Morro Bay and San Luis Obispo; and

WHEREAS, the County of Santa Barbara and the Cities of Del Rey Oaks, Paso Robles, Pismo Beach, Grover Beach, Arroyo Grande, Santa Maria, Guadalupe, Goleta, Carpinteria, and Solvang have each adopted an ordinance to form a community choice aggregation program and adopted a resolution whereby their respective Boards or City Councils have requested to become parties to the Agreement and participate in the Authority’s community choice aggregation program; and

WHEREAS, Public Utilities Code Section 366.2 requires that a community choice aggregator develop an Implementation Plan detailing the process and consequences of aggregation and that such plan, including any subsequent changes to it, be considered and adopted at a duly noticed public hearing; and

WHEREAS, the Authority prepared such an Implementation Plan and submitted such plan to the California Public Utilities Commission for certification prior to service commencement in March 2018; and

WHEREAS, the California Public Utilities Commission subsequently certified such Implementation Plan and the Authority successfully commenced community choice aggregation service thereafter in March 2018; and
WHEREAS, the County of Santa Barbara and the Cities of Del Rey Oaks, Paso Robles, Pismo Beach, Grover Beach, Arroyo Grande, Santa Maria, Guadalupe, Goleta, Carpinteria, and Solvang are now members of the Authority and desire to offer community choice aggregation service within their respective jurisdictions, commencing in calendar year 2021; and

WHEREAS, Addendum No. 1 to the MBCP Community Choice Aggregation Implementation Plan and Statement of Intent has been prepared to address the process and consequences of MBCP expansion to the County of Santa Barbara and the Cities of Del Rey Oaks, Paso Robles, Pismo Beach, Grover Beach, Arroyo Grande, Santa Maria, Guadalupe, Goleta, Carpinteria, and Solvang and was presented to the Policy Board at a duly noticed public hearing for its consideration and adoption, and is attached hereto as Attachment A; and

NOW, THEREFORE, after conducting a duly noticed public hearing as required by the Public Utilities Code Section 366.2 (c)(3), the Policy Board hereby adopts Addendum No. 1 to Monterey Bay Community Power's Community Choice Aggregation Implementation Plan and Statement of Intent to address MBCP expansion to the Cities of San Luis Obispo and Morro Bay and approves Addendum No. 1 for submittal to the California Public Utilities Commission for certification.

PASSED AND ADOPTED by the Policy Board of the Monterey Bay Community Power Authority this fourth day of December 2019 by the following vote:

AYES: 14
NOES: 
ABSENT: 3

Chair, Operations Board of MBCP

Approved as to form:

Board Clerk, Heather Vowell