



Central Coast  
**Community  
Energy**

**CLEAN ENERGY. LOCAL CONTROL.**

**ADDENDUM NO. 5 TO THE  
COMMUNITY CHOICE AGGREGATION  
IMPLEMENTATION PLAN  
AND STATEMENT OF INTENT**

**ADDRESSING  
CENTRAL COAST COMMUNITY ENERGY'S  
EXPANSION TO INCLUDE THE  
COUNTY OF SAN LUIS OBISPO**

**May 15, 2023**

# Table of Contents

CHAPTER 1 – Introduction & Statement of Intent.....	2
CHAPTER 2 – Changes to Address 3CE Service Extension to the County of San Luis Obispo ...	5
Enrollment Process .....	7
Program Phase-In.....	7
Sales Forecast.....	8
Financial Plan .....	12
Expansion Addendum Appendices .....	13

## CHAPTER 1 – Introduction & Statement of Intent

Addendum No. 5 to Monterey Bay Community Power Authority’s (“MBCP” and now, Central Coast Community Energy or “3CE”) Implementation Plan and Statement of Intent (“Implementation Plan”)<sup>1</sup> addresses 3CE’s expansion to include the County of San Luis Obispo.

3CE is a Joint Powers Authority established and operating under Government Code § 6500 *et. seq.* 3CE runs the Community Choice Aggregation (“CCA”) program (as provided for in Public Utilities Code § 366.2 *et. seq.*, for the counties of Monterey, Santa Cruz, San Benito, and Santa Barbara Counties as well as certain cities within San Luis Obispo County.

### Initial Implementation Plan and Statement of Intent

3CE—at the time, named MBCP—submitted its initial Implementation Plan to the California Public Utilities Commission (the “Commission”) on August 16, 2017. That initial Implementation Plan was certified by the Commission on November 15, 2017. 3CE successfully launched the Program on March 1, 2018, to its initial member agencies.<sup>2</sup>

### Addendum No. 1 to the Implementation Plan and Statement of Intent

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<sup>1</sup> On June 3, 2020, Monterey Bay Community Power Authority’s Policy Board of Directors adopted Resolution PB-2020-02 to amend its Joint Powers Agreement changing its name to Central Coast Community Energy effective September 4, 2020. Any reference to Monterey Bay Community Power Authority or MBCP in the initial Implementation Plan and Statement of Intent, or in either Addendum No. 1 or Addendum No. 2 should be interpreted to mean Central Coast Community Energy or 3CE.

<sup>2</sup> Initial member agencies included: the counties of Monterey, Santa Cruz and San Benito as well as the cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, Salinas, Monterey, Pacific Grove, Carmel, Seaside, Marina, Sand City, Soledad, Greenfield, Gonzales, Hollister, and San Juan Bautista.

At its December 5, 2018, Meeting, 3CE's—at the time, named MBCP—Policy Board<sup>3</sup> adopted Resolution No. PB-2018-07 to include the cities of Morro Bay and San Luis Obispo, both of which are in San Luis Obispo County. Addendum No. 1 to the Implementation Plan ("Addendum No. 1"), approved by Resolution No. PB-2018-08, was submitted to the Commission for certification on December 7, 2018, and was certified on March 7, 2019. 3CE began service in the cities of Morro Bay and San Luis Obispo in January 2020.

#### **Addendum No. 2 to the Implementation Plan and Statement of Intent**

On December 4, 2019, via Resolution No. PB-2019-005, MBCP adopted and authorized submittal of Addendum No. 2 to the Implementation Plan ("Addendum No. 2") to address expansion into eleven additional jurisdictions including the County of Santa Barbara as well as the cities of Arroyo Grande, Carpinteria, Del Rey Oaks, Goleta, Grover Beach, Guadalupe, Paso Robles, Pismo Beach, Santa Maria, and Solvang.

Addendum No. 2 was submitted December 17, 2019, and certified by the Commission on March 9, 2020. 3CE began service in the Pacific Gas & Electric service area jurisdictions (Northern Santa Barbara County, Arroyo Grande, Del Rey Oaks, Grover Beach, Guadalupe, Paso Robles, Pismo Beach, Santa Maria, and Solvang, collectively, the "2021 PG&E Jurisdictions") in January 2021.

Due to delays in Southern California Edison's Customer Service Re- Platform, 3CE began service in Southern California Edison territory (including Southern Santa Barbara County and the cities of Carpinteria and Guadalupe, collectively, the "2021 SCE Jurisdictions") in October 2021.

#### **Addendum No. 3 to the Implementation Plan and Statement of Intent**

On November 4, 2021, the 3CE Policy Board adopted Resolution No. PB-2020-06, approving Addendum No. 3 to the Implementation Plan and Statement of Intent ("Addendum No. 3") to address expansion into the City of Buellton.

Addendum No. 3 was submitted December 3, 2020, and certified by the Commission on March 8, 2021. 3CE began service in Buellton in January 2022.

#### **Addendum No. 4 to the Implementation Plan and Statement of Intent**

On September 22, 2022, the 3CE Policy Board adopted Resolution No. PB-2022-03, approving Addendum No. 4 to the Implementation Plan and Statement of Intent ("Addendum No. 4") to address expansion into the City of Atascadero.

Addendum No. 4 was submitted December 7, 2022, and certified by the Commission on March 8, 2023.

#### **Addendum No. 5 to the Implementation Plan and Statement of Intent**

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<sup>3</sup> 3CE is governed by two distinct governing bodies. First, the Policy Board retains responsibility for policy-related direction and decisions pertaining to 3CE's organization and makes approvals of membership requests. Second, the Operations Board oversees operational matters.

3CE's Addendum No. 5 primarily addresses 3CE's planned expansion to serve customers in the County of San Luis Obispo beginning in January 2025.

Additionally, Addendum No. 5 contains certain updated projections that are consistent with 3CE's Integrated Resources Plan, current resource planning, Operating Budget, and other operating considerations.

Finally, Addendum No. 5, including references to 3CE's August 16, 2017 Implementation Plan, December 7, 2018 Addendum No. 1, December 17, 2019 Addendum No. 2, November 4, 2020 Addendum No. 3, and September 22, 2022 Addendum No. 4, each of which are incorporated by reference and attached hereto as Appendices E, F, G, H, and I 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.

## **CHAPTER 2 – Changes to Address 3CE Service Extension to the County of San Luis Obispo**

As set for above, 3CE's Addendum No. 5 primarily addresses 3CE's planned expansion to serve customers in the County of San Luis Obispo beginning in January 2025. Addendum No. 5 also provides updated projections based on 3CE's operating history.

The addition of San Luis Obispo County in January 2025 will have minor impacts on 3CE's operations including customer energy requirements, peak demand, renewable energy purchases, revenues, expenses, and various other items. 3CE's commitment to 60% of its retail load met by clean and renewable resources by 2025 and 100% by 2030, are reflected in the following sections. To the extent that other details related to membership expansion are not specifically discussed within this Addendum No. 5, 3CE represents that such information has not substantively changed relative to the initial Implementation Plan or Addendums Nos. 1, 2, 3, or 4 as previously certified by the Commission.

The following communities are now signatories to the 3CE Joint Powers Agreement and represent 3CE's current Members or Membership<sup>4</sup>:

	<b>Member Agencies</b>
1	City of Arroyo Grande
2	City of Atascadero
3	City of Capitola
4	City of Carmel-by-the-sea
5	City of Carpinteria
6	City of Buellton
7	City of Del Rey Oaks
8	City of Goleta
9	City of Gonzales
10	City of Greenfield
11	City of Grover Beach
12	City of Guadalupe
13	City of Hollister
14	City of Marina
15	City of Monterey
16	City of Morro Bay
17	City of Pacific Grove
18	City of Paso Robles
19	City of Pismo Beach
20	City of Sand City
21	City of Salinas
22	City of San Juan Bautista
23	City of San Luis Obispo
24	City of Santa Cruz
25	City of Santa Maria
26	City of Scotts Valley
27	City of Seaside
28	City of Soledad
29	City of Solvang
30	City of Watsonville
31	County of Monterey
32	County of San Benito
33	County of San Luis Obispo
34	County of Santa Barbara
35	County of Santa Cruz

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<sup>4</sup> The term Member(s) or Membership as used throughout the initial Implementation Plan or Addendums Nos. 1, 2, 3, 4, and 5 shall refer to the complete list of 3CE's 35 member agencies.

### **Enrollment Process**

All customers currently enrolled in the 3CE program were appropriately noticed. Before additional phases of customers are enrolled in the Program, 3CE will comply with all required notice procedures, including mailing written notices to customers. Notice shall be sent at least two calendar months, or sixty days, prior to the commencement of automatic enrollment and two calendar months or sixty days, following the enrollment of customers.

All 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.

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 notifications 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 generation charges for the time they were served by 3CE 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**

3CE will continue to phase-in the customers of its Program as communicated in this Implementation Plan. To date, six phases have been successfully implemented. The County of San Luis Obispo enrollment will be the eighth phase and is scheduled for January 2025.

Phase 1. Complete, March 2018: All commercial, industrial and agricultural customers, which comprised approximately 34.14 percent of total customer load.

Phase 2. Complete, July 2018: Approximately 235,000 additional customers, comprised of residential accounts, which approximated 17.5 percent of total customer load.

Phase 3. Complete, January 2020: Approximately 30,000 residential, commercial, industrial, agricultural, and street lighting accounts within the cities of San Luis Obispo and Morro Bay, which comprised approximately 5 percent of total customer load.

Phase 4. Complete, January 2021: Residential, commercial, industrial, agricultural, and street lighting accounts within the 2021 PG&E Jurisdictions, which comprised approximately 27 percent of total customer load.

Phase 5. Complete, October 2021: Residential, commercial, industrial, agricultural, and street lighting accounts within the 2021 SCE Jurisdictions, which comprised approximately 15 percent of total customer load.

Phase 6. Complete, January 2022: Residential, commercial, industrial, agricultural, and street lighting accounts within the City of Buellton, which comprised approximately .64 percent of total customer load.

Phase 7. Planned, January 2024: Residential, commercial, industrial, agricultural, and street lighting accounts within the City of Atascadero, with exact timing subject to economic and operational constraints.

Phase 8. Planned, January 2025: Residential, commercial, industrial, agricultural, and street lighting accounts within the County of San Luis Obispo, with exact timing subject to economic and operational constraints.

The multi-phase implementation approach has provided 3CE 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 517,000 accounts), following completion of all eight enrollment phases.

### **Sales Forecast**

Regarding 3CE's sales forecast, which is addressed in Chapter 6, Load Forecast and Resource Plan, 3CE assumes that total annual retail sales will increase to 6,200 GWh following the expansion to the County of San Luis Obispo. The following tables have been updated to reflect the impacts of planned expansion to 3CE's new membership.

## CHAPTER 6, Resource Plan Overview

Central Coast Community Energy Proposed Resource Plan (GWh)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>CCCE Demand</b>										
Retail Demand (GWh)	(5,166)	(5,186)	(5,215)	(5,237)	(5,267)	(5,295)	(5,332)	(5,359)	(5,397)	(5,435)
Expansion Related Retail Demand (GWh)	(650)	(653)	(656)	(659)	(663)	(666)	(671)	(674)	(679)	(684)
Losses and UFE (GWh)	(340)	(342)	(343)	(345)	(347)	(349)	(351)	(353)	(355)	(358)
Total Wholesale Demand (GWh)	(6,156)	(6,181)	(6,215)	(6,241)	(6,276)	(6,310)	(6,354)	(6,386)	(6,432)	(6,476)
<b>CCCE Supply</b>										
Renewable Resources (GWh)	3,489	3,971	4,462	4,953	5,455	5,961	6,003	6,033	6,076	6,118
Unspecified Power (GWh)	2,667	2,210	1,753	1,288	821	349	351	353	355	358
Total Supply (GWh)	6,156	6,181	6,215	6,241	6,276	6,310	6,354	6,386	6,432	6,476
<b>Energy Open Position (GWh)</b>	-	-	-	-	-	-	-	-	-	-

## CHAPTER 6, Customer Forecast

Central Coast Community Energy Enrolled Retail Service Accounts Phase-In Period (End of Month)								
	Mar-18	Jul-18	Jan-20	Jan-21	Oct-21	Jan-22	Jan-24	Jan-25
<b>3CE Customers</b>								
Residential	<15	232,859	261,201	340,117	377,585	379,279	392,049	393,033
Commercial	31,685	31,685	35,371	48,665	53,828	54,372	55,129	61,757
Industrial	37	37	26	66	82	82	79	92
Ag & Pumping	4,819	4,819	4,566	6,743	7,368	7,375	7,269	57,721
Street Lighting & Traffic	2,211	2,211	2,393	3,261	3,428	3,451	3,520	4,029
Total	38,752	271,611	303,557	398,852	442,291	444,559	458,045	516,633

Central Coast Community Energy Retail Service Accounts (End of Year) 2023 to 2032									
	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>3CE Customers</b>									
Residential	392,049	393,033	391,655	390,653	389,819	389,076	388,384	387,699	387,018
Commercial	55,129	61,757	61,505	61,367	61,268	61,177	61,090	61,005	60,920
Industrial	79	92	92	91	91	91	91	91	91
Ag & Pumping	7,269	57,721	55,864	55,543	55,266	55,091	54,952	54,834	54,725
Street Lighting & Traffic	3,520	4,029	4,021	4,017	4,014	4,011	4,009	4,006	4,003
Total	458,045	516,633	513,136	511,672	510,458	509,446	508,525	507,634	506,758

## CHAPTER 6, Sales Forecast

Central Coast Community Energy Energy Requirements (GWh)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>CCCE Demand</b>										
Retail Demand (GWh)	5,166	5,186	5,215	5,237	5,267	5,295	5,332	5,359	5,397	5,435
Expansion Related Retail Demand (GWh)	650	653	656	659	663	666	671	674	679	684
Losses and UFE (GWh)	340	342	343	345	347	349	351	353	355	358
Total Wholesale Demand (GWh)	6,156	6,181	6,215	6,241	6,276	6,310	6,354	6,386	6,432	6,476

## CHAPTER 6, Renewables Portfolio Standards Energy Requirements

Central Coast Community Energy Renewable Portfolio (GWh)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Retail Sales	5,816	5,839	5,871	5,896	5,929	5,961	6,003	6,033	6,076	6,118
Annual RPS Target (% of Retail Sales)	46.7%	49.3%	52.0%	54.7%	57.3%	60.0%	66.0%	72.0%	78.0%	84.0%
Annual RPS Target (Minimum GWh)	2,714	2,881	3,053	3,223	3,399	3,577	3,962	4,344	4,739	5,139
Annual L/T RPS Target (Minimum GWh)	1,764	1,872	1,984	2,095	2,210	2,325	2,575	2,823	3,081	3,341
<b>Program Renewable Target (GWh)</b>	<b>3,489</b>	<b>3,971</b>	<b>4,462</b>	<b>4,953</b>	<b>5,455</b>	<b>5,961</b>	<b>6,003</b>	<b>6,033</b>	<b>6,076</b>	<b>6,118</b>
Program Target (% of Retail Sales)	60%	68%	76%	84%	92%	100%	100%	100%	100%	100%
<b>Vol. Margin of Overprocurement (GWh)</b>	<b>775</b>	<b>1,090</b>	<b>1,409</b>	<b>1,730</b>	<b>2,055</b>	<b>2,385</b>	<b>2,041</b>	<b>1,689</b>	<b>1,337</b>	<b>979</b>

3CE's procurement strategy to accelerate long-term contracting of renewable energy to achieve 60% RPS by 2025 and 100% by 2030 is likely to result in 3CE's routine exceedance of RPS compliance mandates.

## CHAPTER 6, Capacity Requirements

Central Coast Community Energy Capacity Portfolio (MW)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Retail Peak Demand (MW)	781	783	785	787	789	790	792	794	796	798
Expansion Related Retail Peak Demand (MW)	142	142	143	143	143	144	144	144	145	145
Losses and UFE (GW)	54	54	54	54	55	55	55	55	55	55
<b>Total Wholesale Peak Demand (MW)</b>	977	979	982	984	986	989	991	994	996	998
Planning Reserve Requirement	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%
Capacity Reserve Requirement	166	166	167	167	168	168	168	169	169	170
<b>Total Capacity Requirement (MW)</b>	1,143	1,146	1,149	1,151	1,154	1,157	1,160	1,162	1,165	1,168

## **Financial Plan**

Regarding 3CE's financial plan, which is addressed in Chapter 7, Financial Plan, 3CE has updated its expected operating results, which now include projected impacts related to service expansion to the County of San Luis Obispo. The following table reflects updated operating projections in consideration of the planned expansion.

### **CHAPTER 7, CCA Program Operating Results**

Central Coast Community Energy Notional Indicative 10-year Financial Forecast (\$ MM)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Revenues</b>	\$655	\$605	\$583	\$548	\$539	\$527	\$533	\$540	\$547	\$554
Costs										
Cost of Energy	\$554	\$556	\$537	\$499	\$488	\$473	\$476	\$478	\$481	\$485
Energy Programs	\$16	\$18	\$19	\$21	\$23	\$26	\$28	\$31	\$34	\$38
Administrative Budget	\$25	\$25	\$26	\$27	\$27	\$28	\$29	\$30	\$31	\$31
<b>Total Costs</b>	\$595	\$599	\$582	\$548	\$538	\$526	\$533	\$539	\$547	\$553
<b>Net Position</b>	\$60	\$6	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
End of Year Reserve Fund	\$294	\$299	\$300	\$301	\$301	\$302	\$302	\$303	\$303	\$304
<b>End of Year Reserve Fund as % of Revenues</b>	45%	50%	51%	55%	56%	57%	57%	56%	55%	55%

*Notional values for reference only. Assume stable market and revenues, with nominal 3% inflation in years 5-10.*

**Expansion Addendum Appendices**

Appendix A: Central Coast Community Energy Resolution PB-2023-03

Appendix B: Sixth Amendment to Central Coast Community Energy Joint Powers Agreement

Appendix C: County of San Luis Obispo Ordinance No. 3486

Appendix D: County of San Luis Obispo Ordinance No. 2023-064

Appendix E: Central Coast Community Energy Implementation Plan and Statement of Intent

Appendix F: Addendum No. 1 to 3CE Implementation Plan and Statement of Intent w/out attachments.

Appendix G: Addendum No. 2 to 3CE Implementation Plan and Statement of Intent w/out attachments

Appendix H: Addendum No. 3 to 3CE Implementation Plan and Statement of Intent w/out attachments

Appendix I: Addendum No. 4 to 3CE Implementation Plan and Statement of Intent w/out attachments

Appendix J: Central Coast Community Energy Resolution PB-2023-04

## Appendix A

**RESOLUTION NO. PB-2023-03**

**A RESOLUTION OF THE CENTRAL COAST COMMUNITY ENERGY POLICY BOARD OF  
DIRECTORS APPROVING THE SIXTH AMENDMENT TO THE CENTRAL COAST  
COMMUNITY ENERGY JOINT EXERCISE OF POWERS AGREEMENT**

**WHEREAS**, Central Coast Community Energy (the “Authority”) was originally formed as Monterey Bay Community Power Authority 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**, on December 4, 2019, the Policy Board approved Resolution No. PB-2019-04 approving Amendment No. 2 to the Agreement to include 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

**WHEREAS**, on June 3, 2020, the Policy Board approved Resolution No. PB-2020-02 approving Amendment No. 3 to the Agreement to change the name of the Authority, effective September 4, 2020, to Central Coast Community Energy in order to better reflect its expanded service territory; and

**WHEREAS**, on September 4, 2020, the Policy Board approved Resolution No. PB-2020-05 approving Amendment No. 4 to the Agreement to include the City of Buellton; and

**WHEREAS**, on September 22, 2022, the Policy Board approved Resolution No. PB-2022-02 approving Amendment No. 5 to the Agreement to include the City of Atascadero; and

**WHEREAS**, the County of San Luis Obispo has adopted an ordinance to form a community choice aggregation program and adopted a resolution requesting to become a party to the Agreement and participate in the Authority’s community choice aggregation program; and

**WHEREAS**, the request from the County of San Luis Obispo to join the Authority requires an amendment to the Agreement pursuant to Section 2.4.14 of 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**, the Authority wishes to amend the agreement to add the County of San Luis Obispo as a party.

NOW, THEREFORE, THE CENTRAL COAST COMMUNITY ENERGY POLICY BOARD OF DIRECTORS DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

1. The request by the County of San Luis Obispo to become a party to the Joint Exercise of Powers Agreement and a member of Central Coast Community Energy is hereby approved subject to the County of San Luis Obispo’s execution of the Joint Exercise of Powers Agreement as amended.

2. The Sixth Amendment to the Central Coast Community Energy Joint Exercise of Powers Agreement, as attached hereto, is hereby approved.
3. The Sixth Amendment shall be effective May 15, 2023, following the approval by the Policy Board of Directors in accordance with Section 7.4 of this Agreement, through this Resolution.
4. This Resolution takes effect immediately upon adoption.

PASSED AND ADOPTED this 15th day of May 2023, by the following vote: 12/1/5

AYES: AYES: Adams, Baron, Brooks, Donaldson, Freeman, Kosmicki, Marx, McPherson, Nomura, Waage, Vice Chair Williams, Chair McShane

NOES: Patino

ABSENT: Dutra, Keeley, Martin, Orona, Rios

DocuSigned by:

Steve McShane

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Chair, Steve McShane

Attest:

DocuSigned by:

Heather Vowell

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Board Clerk, Heather Vowell

## Appendix B

**SIXTH AMENDMENT TO THE CENTRAL COAST COMMUNITY ENERGY JOINT  
EXERCISE OF POWERS AGREEMENT**

This Sixth Amendment amends the Central Coast Community Energy Joint Exercise of Powers Agreement (“Agreement”) as follows:

**WHEREAS**, Central Coast Community Energy (the “Authority”) was originally formed as Monterey Bay Community Power Authority 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**, on December 4, 2019, the Policy Board approved Resolution No. PB-2019-04 approving Amendment No. 2 to the Agreement to include 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

**WHEREAS**, on June 3, 2020, the Policy Board approved Resolution No. PB-2020-02 approving Amendment No. 3 to the Agreement to change the name of the Authority, effective September 4, 2020, to Central Coast Community Energy in order to better reflect its expanded service territory; and

**WHEREAS**, on September 4, 2020, the Policy Board approved Resolution No. PB-2020-05 approving Amendment No. 4 to the Agreement to include the City of Buellton; and

**WHEREAS**, on September 22, 2022, the Policy Board approved Resolution No. PB-2022-03 approving Amendment No. 5 to the Agreement to include the City of Atascadero; and

**WHEREAS**, the County of San Luis Obispo has adopted an ordinance to form a community choice aggregation program and adopted a resolution requesting to become a party to the Agreement and participate in the Authority’s community choice aggregation program; and

**WHEREAS**, the request from the County of San Luis Obispo to join the Authority requires an amendment to the Agreement pursuant to Section 2.4.14 of 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**, the Authority wishes to amend the agreement to add the County of San Luis Obispo as a party.

**NOW, THEREFORE,** the Agreement is amended as follows:

1. The title of the Agreement is hereby amended to read: “Joint Exercise of Powers Agreement Relating to and Creating Central Coast Community Energy of Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz Counties”
2. The first sentence of 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 Central Coast Community Energy (“Authority”), and is by and among the Counties of Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz who become signatories to this Agreement (“Counties”) and those cities and towns within those Counties who become signatories to this Agreement and relates to the joint exercise of powers among the signatories hereto.”
3. The first sentence of section 3.1.1 is hereby amended to read: “Both Boards shall consist of Directors representing any of the five Counties of Monterey, San Benito, San Luis Obispo, Santa Barbara, or Santa Cruz that become a signatory to the Agreement, and Directors representing any of the Cities or Towns, which are members of the Authority, within those five Counties (“Directors”).
4. The second sentence of section 6.1.3 is hereby amended to remove a reference to a previously removed section 5.3.4.
5. Exhibit B, List of Parties to the Agreement is hereby amended to be titled: “Central Coast Community Energy of Monterey, San Benito, San Luis Obispo, Santa Cruz, and Santa Barbara Counties”, and to add the County of San Luis Obispo to the List of Parties.
6. Exhibit C, Regional Allocation, to the Agreement is hereby amended with a new subsection v, reading: “One shared seat for the County of San Luis Obispo”, and incrementing all subsequent subsection letters by one.
7. This Sixth Amendment shall be effective May 15, 2023, following the approval by the Policy Board of Directors in accordance with Section 7.4 of this Agreement through Resolution No. PB-2023-02.

**JOINT EXERCISE OF POWERS AGREEMENT RELATING TO AND CREATING**  
**CENTRAL COAST COMMUNITY ENERGY**  
**OF**  
**Monterey, San Benito, San Luis Obispo, Santa**  
**Barbara, and Santa Cruz 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 Central Coast Community Energy (“Authority”), and is by and among the Counties of Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz who become signatories to this Agreement (“Counties”) and those cities and towns within those Counties 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 AB32 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 Central Coast Community Energy'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 Central Coast Community Energy, 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 CENTRAL COAST COMMUNITY ENERGY**

- 2.1. Effective Date and Term. This Agreement shall become effective and “Central Coast 1/20/17 as amended 12/5/18; 12/4/19; 6/3/2020; 9/2/2020; 9/22/2022; and 5/15/2023

Community Energy” 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 Central Coast Community Energy. 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 five Counties of Monterey, San Benito, San Luis Obispo, Santa Barbara, or Santa Cruz that become a signatory to the Agreement, and Directors representing any of the Cities or Towns, which are members of the Authority, within those five Counties (“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 Board 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 Central Coast Community Energy. 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 CCCE 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. 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 any credit guarantee, 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 Central Coast Community Energy.

**“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**

### **Central Coast Community Energy of Monterey, San Benito, San Luis Obispo, Santa Cruz, and Santa Barbara Counties**

#### **List of Parties**

County of Santa Cruz	City of San Juan Bautista
City of Santa Cruz	City of Morro Bay
City of Watsonville	City of San Luis Obispo
City of Capitola	City of Paso Robles
City of Scotts Valley	City of Pismo Beach
County of Monterey	City of Grover Beach
City of Salinas	City of Arroyo Grande
City of Monterey	County of Santa Barbara
City of Pacific Grove	City of Santa Maria
City of Carmel	City of Solvang
City of Seaside	City of Guadalupe
City of Marina	City of Goleta
City of Sand City	City of Carpinteria
City of Soledad	City of Buellton
City of Greenfield	City of Atascadero
City of Gonzales	County of San Luis Obispo
City of Del Rey Oaks	
County of San Benito	
City of Hollister	

## **Exhibit C**

### **Regional Allocation**

Board seats in Central Coast Community Energy 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 San Luis Obispo County;
- vi. One seat for the City of Santa Cruz;
- vii. One seat for the City of Salinas;
- viii. One seat for the City of Watsonville;
- ix. One seat for the City of Santa Maria;
- x. One shared seat for remaining Santa Cruz cities including Capitola and Scotts Valley selected by the City Selection Committee;
- xi. One shared seat for Monterey Peninsula cities including Monterey, Pacific Grove, and Carmel selected by the City Selection Committee;
- xii. One shared seat for Monterey Coastal cities including Marina, Seaside, Sand City, and Del Rey Oaks selected by the City Selection Committee;
- xiii. One shared seat for Salinas Valley cities including Greenfield, Soledad, Gonzales selected by the City Selection Committee;
- xiv. One shared seat for San Benito County cities including Hollister and San Juan Bautista selected by the City Selection Committee; and

- xv. One shared seat for the Cities of San Luis Obispo and Morro Bay, selected by agreement or the City Selection Committee; and
- xvi. One shared seat for the Cities of Paso Robles and Atascadero selected by agreement or the City Selection Committee; and
- xvii. One shared seat for the Cities of Pismo Beach, Grover Beach, and Arroyo Grande selected by agreement or the City Selection Committee.
- xviii. One shared seat for the Cities of Guadalupe, Solvang, and Buellton selected by agreement or the City Selection Committee.
- xix. One shared seat for the Cities of Goleta, and Carpinteria selected by agreement or the City Selection Committee.

**[SIGNATURE PAGES TO BE INSERTED]**

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

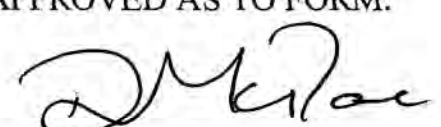
Signature Page

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

5/2/17  
\_\_\_\_\_  
Date


  
\_\_\_\_\_  
City Manager

5/2/17  
\_\_\_\_\_  
Date

**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 Capitola

Stephanie Harlan  
Chairperson of the Board of Supervisors/Mayor

2/23/17  
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 Scotts Valley

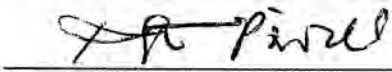
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Randy Johnson, Mayor

2-15-2017

Date

APPROVED AS TO FORM:

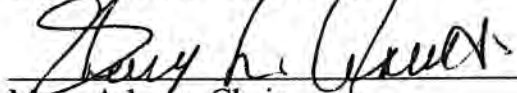
A handwritten signature in black ink, appearing to read "Kirsten Powell", written over a horizontal line.

Kirsten Powell, City Attorney

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

Signature Page

COUNTY OF MONTEREY

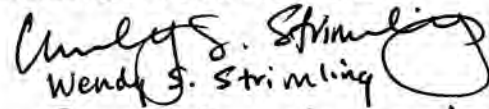


Mary Adams, Chair,  
Monterey County Board of Supervisors

3-21-2017

Date

APPROVED AS TO FORM:



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

A handwritten signature in dark ink, appearing to read "Joe Gunter", written over a horizontal line.

Joe Gunter, Mayor

3.24.17

Date

APPROVED AS TO FORM:

A handwritten signature in dark ink, appearing to read "Chris Callihan", written over a horizontal line.

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

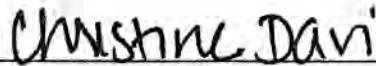


Chairperson of the Board of Supervisors/Mayor

5-24-17

Date

APPROVED AS TO FORM:



Office of the City Attorney

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

Signature Page

City of Pacific Grove

Bill Kamp

Mayor

4/20/17

Date

APPROVED AS TO FORM:

[Signature]

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

3/3/17  
Date

APPROVED AS TO FORM:

  
\_\_\_\_\_  
for the 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

  
Date

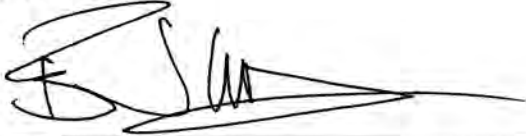
APPROVED AS TO FORM:

  
City Attorney Jim Heisinger

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

Signature Page

City of Soledad

A handwritten signature in black ink, appearing to be 'Fred J. Ledesma', written over a horizontal line.

Mayor Fred J. Ledesma

3/06/17  
Date

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

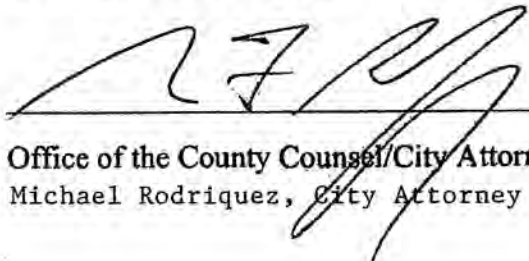
Signature Page

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

6/02/17  
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

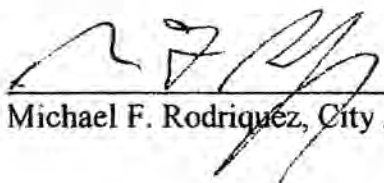
Signature Page

City of 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, 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



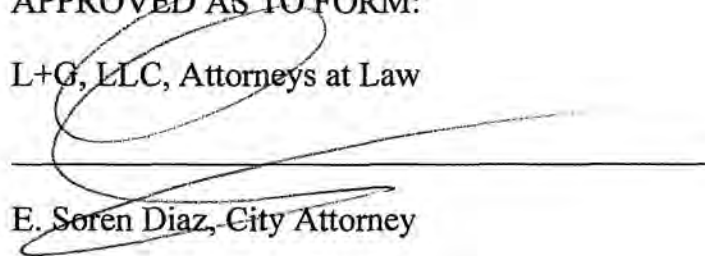
Ignacio Velazquez, Mayor

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



---

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

Heidi Harmon

12/5/18

Date

Its

Mayor

Mayor/City Manager

APPROVED AS TO FORM:

[Signature]

Office of the City Attorney

**Monterey Bay Community Power Authority**

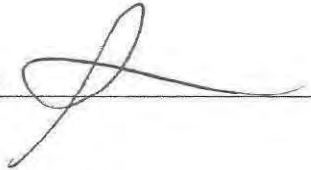
**Of**

**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:

  
Office of the City Attorney

# 117.

**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:   
Deputy Clerk

COUNTY OF SANTA BARBARA:

By:   
STEVE LAVAGNINO  
Chair, Board of Supervisors

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


By:   
Deputy Auditor- Controller

BY:   
GEORGE CHAPIAN  
Director, Community Services Department

APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

By:   
Deputy County Counsel

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

By:   
Risk Manager

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

12/4/19  
Date

Its:

  
Mayor / City Manager

APPROVED AS TO FORM:

  
Office of the City Attorney

**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

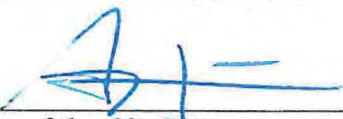
CITY OF DEL REY OAKS

  
\_\_\_\_\_

December 5, 2019  
Date

Its: City Manager  
Mayor / City Manager

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Office of the City Attorney

**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



12-6-19  
Date

Its:   
Mayor / City Manager

APPROVED AS TO FORM:

  
Office of the City Attorney

**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

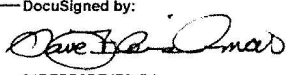
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11/21/2019

Date

Its: James R.  
Lewis  
Mayor / City Manager

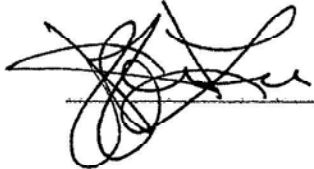
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DocuSigned by:  
  
04DEBB6DF47B4DA  
Office of the City Attorney

**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

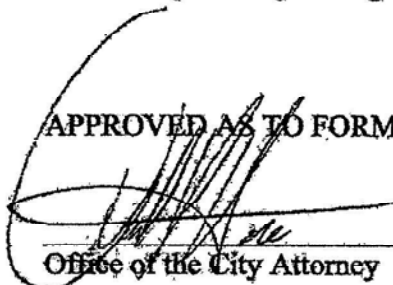
CITY OF GROVER BEACH

  
\_\_\_\_\_

12/6/2019  
Date

Its: MAYOR  
Mayor / City Manager

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Office of the City Attorney

**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

  
\_\_\_\_\_

12/9/19  
Date

Its:

Mayor, Caren Bay Bussom  
Mayor / City Manager

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Office of the City Attorney

**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

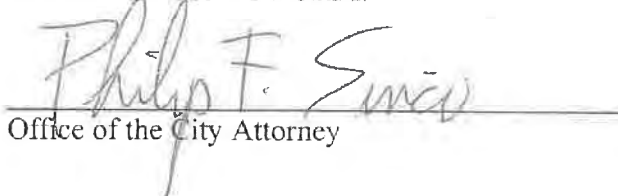
CITY OF GUADALUPE



12/5/19  
Date

Its: City Administrator  
Mayor / City Manager

APPROVED AS TO FORM:



Office of the City Attorney


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

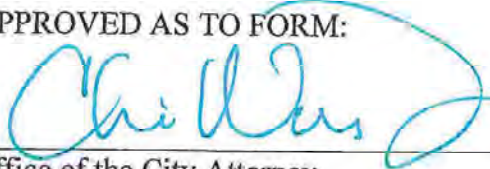
CITY OF SOLVANG

12/9/19  
Date

Its:

  
\_\_\_\_\_  
Mayor / City Manager

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Office of the City Attorney

**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



11/22/19  
Date

Its: City Manager  
Mayor / City Manager

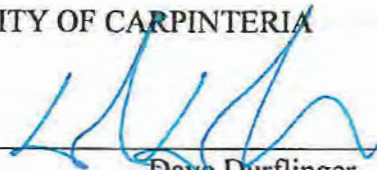
APPROVED AS TO FORM:

  
Office of the City Attorney

**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

  
\_\_\_\_\_  
Dave Durflinger

12/5/19  
Date

Its: City Manager

APPROVED AS TO FORM:

 for

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

**Central Coast Community Energy**  
(formerly 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 BUELLTON

Holly Sierra

9-10-2020  
Date

Its: Mayor  
Mayor / City Manager

APPROVED AS TO FORM:

[Signature]  
Office of the City Attorney

WATTS CONTRACT DOCUMENT

**Central Coast Community Energy  
Of  
Monterey, Santa Cruz, San Benito,  
and Santa Barbara Counties, and Certain Cities in San Luis Obispo County**

Signature Page

CITY OF ATASCADERO

DocuSigned by:

*Rachelle Rickard*

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Rachelle Rickard

9/27/2022

Date

Its: City Manager

APPROVED AS TO FORM:

DocuSigned by:

*Brian Picirk*

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Office of the City Attorney

Central Coast Community Energy  
Of  
Monterey, San Benito, San Luis Obispo, Santa Barbara, and Santa Cruz Counties

Signature Page

COUNTY OF SAN LUIS OBISPO

  
\_\_\_\_\_  
John Peschong

may 11, 2023

Date

Its: Board Chairperson

ATTEST: John Nilon, Interim County  
Administrative Officer County Clerk of the Board and  
Ex-Officio Clerk of the Board of Supervisors

APPROVED AS TO FORM:

By, sandy currens  
Deputy Clerk

  
\_\_\_\_\_  
Office of the County Counsel

## Appendix C

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C. dup

**ORDINANCE NO. 3486**

**SAN LUIS OBISPO COUNTY ORDINANCE AUTHORIZING THE IMPLEMENTATION  
OF A COMMUNITY CHOICE AGGREGATION PROGRAM BY PARTICIPATING IN  
CENTRAL COAST COMMUNITY ENERGY'S COMMUNITY CHOICE AGGREGATION  
PROGRAM**

WHEREAS, Public Utilities Code § 366.2 authorizes communities to aggregate their electrical loads with community choice aggregators (CCA). Some potential benefits of a CCA include reduced greenhouse gas emissions, local renewable power development, competitive electric rates and the implementation of energy conservation and other energy programs; and

WHEREAS, Central Coast Community Energy (3CE) is an established CCA capable of providing electrical service to County customers. Currently, 3CE provides electrical service to the Counties of Monterey, Santa Cruz, San Benito, and Santa Barbara and those cities and towns within the Counties of Monterey, Santa Cruz, San Benito, Santa Barbara, and San Luis Obispo; and

WHEREAS, upon adoption of this Ordinance and amendment of 3CE's Joint Powers Agreement to add the County as a member, 3CE will revise its Implementation Plan and submit it to the California Public Utilities Commission for approval. Once approved, 3CE will be able to provide power to residents and businesses of the County 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. Customers who wish to receive service from the incumbent utility will be able to do so; and

WHEREAS, on March 21, 2023, the Board held a public meeting on the manner in which the County 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 County through 3CE; 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 Board of Supervisors of the County of San Luis Obispo ordains as follows:

SECTION I. The above recitals are true and correct and material to this Ordinance.

SECTION II: Based upon the forgoing, and in order to provide businesses and residents within the County with a choice of power providers and with the benefits described above, the County Board of Supervisors hereby elects to implement a community choice aggregation program within the jurisdiction of the County by participating as a group in the Community Choice Aggregation Program of 3CE, as generally described in its Joint Powers Agreement.

SECTION III: If any section, subsection, clause, phrase or portion of this ordinance is for any reason held to be invalid or unconstitutional by the decision of a court of competent jurisdiction, such decision shall not affect the validity or constitutionality of the remaining portion of this ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each section, subsection, clause, phrase or portion thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases or portions be declared invalid or unconstitutional.

SECTION IV: This ordinance shall take effect and be in full force and effect thirty (30) days after its passage and before the expiration of fifteen (15) days after passage of this ordinance, it shall be published once with the names of the members of the Board of Supervisors voting for and against the ordinance in a newspaper of general circulation published in the County of San Luis Obispo, State of California.

SECTION V: The action is exempt from the California Environmental Quality Act (CEQA), because it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (CEQA Guidelines §15378(a)). Further, it can be seen with certainty that there is no possibility that the enactment of this Ordinance would have a significant effect on the environment (Pub. Resources Code §21065; CEQA Guidelines §§5378(b)(4), 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. (CEQA Guidelines §15308).

SECTION VI: In accordance with Government Code Section 25131, after reading the title of this Ordinance, further reading of the Ordinance in full is waived.

**INTRODUCED** at a regular meeting of the Board of Supervisors held on the 7<sup>th</sup> day of March, 2023 and PASSED and ADOPTED by the Board of Supervisors of the County of San Luis Obispo, State of California, on the 21<sup>st</sup> day of March, 2023, by the following roll call to vote, to wit:

AYES: Supervisors Bruce S. Gibson, Jimmy Paulding and Dawn Ortiz-Legg  
NOES: Supervisor Debbie Arnold and Chairperson John Peschong  
ABSENT: None  
ABSTAINING: None



John Peschong

Chairperson of the Board of Supervisors  
of the County of San Luis Obispo  
State of California

ATTEST:

WADE HORTON

Ex-Officio Clerk of the Board of Supervisors

By: 

Deputy Clerk

[SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL

County Counsel

By: /s/ Jon Ansolabehere  
Deputy County Counsel

Dated: February 23, 2023

STATE OF CALIFORNIA ) ss.  
COUNTY OF SAN LUIS OBISPO)

I, **WADE HORTON**, Ex-Officio Clerk of the Board of Supervisors thereof, do hereby certify the foregoing to be a full, true and correct copy of an order entered in the minutes of said Board of Supervisors, and now remaining of record in my office.

Witness, my hand and seal of said Board of Supervisors on March 24, 2023.

**WADE HORTON,**  
Ex-Officio Clerk of the Board of Supervisors

By: 

Deputy Clerk

## Appendix D

C-dup #41

# IN THE BOARD OF SUPERVISORS

County of San Luis Obispo, State of California

Tuesday, March 21, 2023

PRESENT: Supervisors Bruce S. Gibson, Dawn Ortiz-Legg, Jimmy Paulding,  
Debbie Arnold and Chairperson John Peschong

ABSENT: None

## **RESOLUTION NO. 2023-064**

RESOLUTION OF THE COUNTY OF SAN LUIS OBISPO REQUESTING  
MEMBERSHIP IN CENTRAL COAST COMMUNITY ENERGY (3CE)  
AND AUTHORIZING THE CHAIR OF THE BOARD OF  
SUPERVISORS TO EXECUTE THE JOINT POWERS AUTHORITY  
AGREEMENT AS AMENDED WITH CENTRAL COAST  
COMMUNITY ENERGY

The following resolution is now offered and read:

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, Central Coast Community Energy (3CE) (previously known as Monterey Bay Community Power (MBCP)) was established as a joint powers agency pursuant to a joint powers agreement; and

WHEREAS, since March 2017, the Counties of Monterey, Santa Cruz, San Benito, and Santa Barbara and those cities and towns within the Counties of Monterey, Santa Cruz, San Benito, Santa Barbara, and San Luis Obispo have joined 3CE; and

WHEREAS, on July 14<sup>th</sup>, 2015, at the regularly scheduled Board meeting, the

County of San Luis Obispo Board of Supervisors (Board) directed staff to return with information on Community Choice Aggregation (CCA) programs; and

WHEREAS, on October 6<sup>th</sup>, 2015, the Board received a staff presentation on Community Choice Aggregation and opportunities to participate in regional Community Choice Aggregation feasibility studies and voted to direct staff to participate in a tri-county feasibility study for a Community Choice Aggregation (CCA, also referred to as Community Choice Energy or CCE) for the counties of San Luis Obispo, Santa Barbara and Ventura as well as a pro bono pre-feasibility study conducted by Pilot Power Group for the County of San Luis Obispo and the City of San Luis Obispo; and

WHEREAS, on January 23<sup>rd</sup>, 2018, the Board received a staff presentation on the technical feasibility studies of CCA for the Central Coast and did not vote in favor of moving forward on the next steps for CCA; and

WHEREAS, on July 9<sup>th</sup>, 2019, at the regularly scheduled Board meeting, exploration of CCA and joining 3CE was again discussed; and

WHEREAS, on October 1<sup>st</sup>, 2019, the Board received a staff presentation on the Alison Turner and Associates study of CCA as provided by 3CE and directed to prepare an additional, more detailed study of 3CE; and

WHEREAS, on January 28<sup>th</sup>, 2020, the Board approved a contract for professional consultant services with MRW & Associates, for additional CCA analysis, based on the scope of services approved by the Board on November 19<sup>th</sup>, 2019; and

WHEREAS, on June 16<sup>th</sup>, 2020, the Board received the study prepared by MRW & Associates analyzing 3CE and did not provide direction to join 3CE; and

WHEREAS, on January 24<sup>th</sup>, 2023, at the regularly scheduled Board meeting, the Board directed staff to re-evaluate joining 3CE; and

WHEREAS, staff has conducted such evaluation as directed by the Board and presented the evaluation, developed the necessary Resolution and Ordinance, and scheduled the hearing required for the Board to consider joining 3CE for March 21, 2023; and

WHEREAS, the purpose of 3CE is to address climate change by providing locally controlled carbon-free electricity at affordable rates; and

WHEREAS, in order for the County of San Luis Obispo (County) to become a member of 3CE, the 3CE Joint Powers Agreement (JPA) must be amended to permit the County to join as a party; and

WHEREAS, 3CE also has requested the County adopt a resolution requesting membership in 3CE and authorizing the Chair of the Board of Supervisors to execute the JPA as amended, as well as an ordinance authorizing CCA within its jurisdiction; and

WHEREAS, the County wishes to be a community choice aggregator pursuant to the JPA and has introduced the Ordinance required by Public Utilities Code Section 366.1 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 AND ORDERED BY THE Board of Supervisors of the County of San Luis Obispo, State of California, as follows:

SECTION 1. The County of San Luis Obispo Board of Supervisors hereby requests the Board of Directors of 3CE approve the County of San Luis Obispo as a member of 3CE.

SECTION 2. The Chair of the Board of Supervisors is hereby authorized and directed to execute the JPA on behalf of the County after the JPA is amended, which will establish the County's membership in 3CE.

SECTION 3. This Resolution and the subsequent joining of 3CE 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. (CEQA Regulations §15378(b)(5).) Further, the action is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (CEQA Regulations, § 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 Supervisor Gibson, seconded by Supervisor Paulding, and on the following roll call vote, to wit:

AYES: Supervisors Gibson, Paulding and Ortiz-Legg

NOES: Supervisor Arnold and Chairperson Peschong

ABSENT: None

ABSTAINING: None

the foregoing resolution is hereby adopted on the 21st day of March, 2023.



John Peschong  
Chairperson of the Board of Supervisors

ATTEST:

WADE HORTON

Ex-Officio Clerk of the Board of Supervisors

By: 

Deputy Clerk

[SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL  
County Counsel

By: /s/ Jon Ansolabehere  
Deputy County Counsel

Dated: March 9, 2023

STATE OF CALIFORNIA ) ss.  
COUNTY OF SAN LUIS OBISPO)

I, **WADE HORTON**, Ex-Officio Clerk of the Board of Supervisors thereof, do hereby certify the foregoing to be a full, true and correct copy of an order entered in the minutes of said Board of Supervisors, and now remaining of record in my office.

Witness, my hand and seal of said Board of Supervisors on March 24, 2023.

**WADE HORTON;**  
Ex-Officio Clerk of the Board of Supervisors

By: 

Deputy Clerk

## Appendix E



# **COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT**

**August 2017**

<b>CHAPTER 1 – Introduction &amp; Statement of Intent.....</b>	<b>1</b>
Organization of this Implementation Plan .....	2
<b>CHAPTER 2 – Aggregation Process.....</b>	<b>4</b>
Introduction .....	4
Process of Aggregation.....	4
Consequences of Aggregation.....	5
Rate Impacts.....	5
Green House Gas Reduction.....	6
Energy Efficiency Impacts.....	6
<b>CHAPTER 3 – Organizational Structure.....</b>	<b>7</b>
Organizational Overview.....	7
Governance .....	7
Management .....	8
Administration .....	8
Finance .....	8
Marketing & Public Affairs .....	9
Power Resources & Energy Programs.....	10
Electric Supply Operations .....	10
Local Energy Programs .....	11
Governmental Affairs & General Counsel.....	11
<b>CHAPTER 4 – Startup Plan &amp; Funding.....</b>	<b>12</b>
Startup Activities.....	12
Staffing and Contract Services.....	12
Capital Requirements .....	13
Financing Plan .....	13
<b>CHAPTER 5 – Program Phase-In.....</b>	<b>14</b>
<b>CHAPTER 6 - Load Forecast &amp; Resource Plan.....</b>	<b>15</b>
Introduction .....	15
Resource Plan Overview .....	16
Supply Requirements .....	17
Customer Participation Rates .....	18
Customer Forecast.....	18

**MBCP Implementation Plan, August 2017**

Sales Forecast .....	19
Capacity Requirements .....	20
Renewables Portfolio Standards Energy Requirements .....	22
Basic RPS Requirements .....	22
MBCP's Renewables Portfolio Standards Requirement .....	23
Purchased Power .....	23
Renewable Resources .....	24
Energy Efficiency .....	24
Demand Response .....	24
Distributed Generation .....	25
<b>CHAPTER 7 – Financial Plan .....</b>	<b>26</b>
Elements of Estimating Program Operational Cost .....	26
Program Operational Revenue .....	26
Cash Flow Analysis Results .....	26
Program Implementation Pro Forma .....	27
MBCP Program Start-up and Working Capital .....	28
Renewable Resource Project Financing .....	28
<b>CHAPTER 8 – Rate Setting, Program Terms and Conditions .....</b>	<b>29</b>
Introduction .....	29
Rate Policies .....	29
Rate Competitiveness .....	29
Rate Stability .....	30
Customer Understanding .....	30
Revenue Sufficiency .....	30
Rate Design .....	30
Custom Pricing Options .....	31
Net Energy Metering .....	31
Disclosure and Due Process in rate setting .....	31
<b>CHAPTER 9 – Customer Rights and Responsibilities .....</b>	<b>32</b>
Customer Notices .....	32
Termination Fee .....	33
Customer Confidentiality .....	33

<b>MBCP Implementation Plan, August 2017</b>	
Responsibility for Payment.....	34
Customer Deposits.....	34
<b>CHAPTER 10 - Procurement Process .....</b>	<b>35</b>
Introduction .....	35
Procurement Methods .....	35
Key Contracts.....	35
Electric Supply Contracts .....	35
Data Management Contract.....	36
<b>CHAPTER 11 – Contingency Plan for Program Termination .....</b>	<b>37</b>
Introduction .....	37
Termination by MBCP .....	37
Termination by Members.....	38
<b>CHAPTER 12 – Appendices .....</b>	<b>39</b>
Appendix A: MBCP Resolution No. 4-2017 (Adopting Implementation Plan).....	39
Appendix B: Monterey Bay Community Power Authority Joint Powers Agreement .....	39

## 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.<sup>1</sup> 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

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<sup>1</sup> 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**

<b>AB 117 REQUIREMENT</b>	<b>IMPLEMENTATION PLAN CHAPTER</b>
Statement of Intent	Chapter 1: Introduction & Statement of Intent
Process and consequences of aggregation	Chapter 2: Aggregation Process
Organizational structure of the program, its operations and funding	Chapter 3: Organizational Structure Chapter 4: Startup Plan & Funding Chapter 7: Financial Plan
Disclosure and due process in setting rates and allocating costs among participants	Chapter 8: Rate setting
Rate setting and other costs to participants	Chapter 8: Rate setting Chapter 9: Customer Rights and Responsibilities
Participant rights and responsibilities	Chapter 9: Customer Rights and Responsibilities
Methods for entering and terminating agreements with other entities	Chapter 10: Procurement Process
Description of third parties that will be supplying electricity under the program, including information about financial, technical and operational capabilities	Chapter 10: Procurement Process
Termination of the program	Chapter 11: Contingency Plan for Program Termination

## 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.<sup>2</sup>

### **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.

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<sup>2</sup>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).

## CHAPTER 3 – Organizational Structure

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.

## CHAPTER 5 – Program Phase-In

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.

<p style="text-align: center;"><b>Monterey Bay Community Power Proposed Resource Plan (GWh) 2018 to 2027</b></p>										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>MBCP Demand (GWh)</b>										
Retail Demand	-2,422	-3,585	-3,603	-3,621	-3,639	-3,657	-3,676	-3,694	-3,712	-3,731
Distributed Generation	0	11	21	32	42	53	63	74	84	95
Energy Efficiency	0	0	0	4	7	11	15	18	22	26
Losses and UFE	-145	-214	-215	-215	-215	-216	-216	-216	-216	-217
<b>Total Demand</b>	<b>-2,567</b>	<b>-3,789</b>	<b>-3,797</b>	<b>-3,801</b>	<b>-3,805</b>	<b>-3,809</b>	<b>-3,814</b>	<b>-3,818</b>	<b>-3,822</b>	<b>-3,827</b>
<b>MBCP Supply (GWh)</b>										
<u>Renewable Resources</u>										
Total Renewable Resources	702	1,108	1,182	1,244	1,307	1,369	1,432	1,495	1,558	1,621
<u>Low-Carbon Resources</u>										
Total Low-Carbon Resources	1,865	2,681	2,615	2,557	2,498	2,440	2,382	2,323	2,265	2,206
<b>Total Supply</b>	<b>2,567</b>	<b>3,789</b>	<b>3,797</b>	<b>3,801</b>	<b>3,805</b>	<b>3,809</b>	<b>3,814</b>	<b>3,818</b>	<b>3,822</b>	<b>3,827</b>
<b>Energy Open Position (GWh)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### ***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.

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

	<b>Mar-18</b>	<b>Jul-18</b>
<b>MBCP Customers</b>		
Residential	-	235,070
Small Commercial	27,442	27,442
Medium Commercial	2,258	2,258
Large Commercial	1,046	1,046
Industrial	40	40
Street Lighting & Traffic	1,957	1,957
Agricultural & Pumping	4,771	4,771
<b>Total</b>	<b>37,514</b>	<b>272,584</b>

## 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:

<b>Monterey Bay Community Power Retail Service Accounts (End of Year) 2018 to 2027</b>										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>MBCP Customers</b>										
Residential	235,070	236,245	237,427	238,614	239,807	241,006	242,211	243,422	244,639	245,862
Small Commercial	27,442	27,579	27,717	27,856	27,995	28,135	28,276	28,417	28,559	28,702
Medium Commercial	2,258	2,269	2,281	2,292	2,303	2,315	2,327	2,338	2,350	2,362
Large Commercial	1,046	1,051	1,056	1,062	1,067	1,072	1,078	1,083	1,089	1,094
Industrial	40	40	40	40	40	40	40	40	40	40
Street Lighting & Traffic	1,957	1,967	1,977	1,987	1,996	2,006	2,016	2,027	2,037	2,047
Agricultural & Pumping	4,771	4,795	4,819	4,843	4,867	4,891	4,916	4,941	4,965	4,990
<b>Total</b>	<b>272,584</b>	<b>273,947</b>	<b>275,316</b>	<b>276,693</b>	<b>278,076</b>	<b>279,466</b>	<b>280,863</b>	<b>282,267</b>	<b>283,678</b>	<b>285,097</b>

### 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.

<b>Monterey Bay Community Power Energy Requirements (GWh) 2018 to 2027</b>										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>MBCP Energy Requirements (GWh)</b>										
Retail Demand	2,422	3,585	3,603	3,621	3,639	3,657	3,676	3,694	3,712	3,731
Distributed Generation	0	-11	-21	-32	-42	-53	-63	-74	-84	-95
Energy Efficiency	0	0	0	-4	-7	-11	-15	-18	-22	-26
Losses and UFE	145	214	215	215	215	216	216	216	216	217
<b>Total Load Requirement</b>	<b>2,567</b>	<b>3,789</b>	<b>3,797</b>	<b>3,801</b>	<b>3,805</b>	<b>3,809</b>	<b>3,814</b>	<b>3,818</b>	<b>3,822</b>	<b>3,827</b>

### ***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<sup>3</sup>:

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<sup>3</sup> 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.

**Monterey Bay Community Power**  
**Forward Capacity and Reserve Requirements**  
**(MW)**  
**2018 to 2020**

<b>Month</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
January	-	581	584
February	-	607	611
March	367	522	525
April	427	608	611
May	442	611	614
June	459	675	678
July	693	693	697
August	695	695	698
September	713	713	716
October	615	615	618
November	597	597	600
December	578	578	581

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:

<b>Monterey Bay Community Power</b> <b>Capacity Requirements</b> <b>(MW)</b> <b>2018 to 2027</b>										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Demand (MW)</b>										
Retail Demand	585	585	587	590	593	596	599	602	605	608
Distributed Generation	-	(6)	(12)	(18)	(24)	(30)	(36)	(42)	(48)	(54)
Energy Efficiency	-	-	-	(1)	(2)	(2)	(3)	(4)	(5)	(6)
Losses and UFE	35	35	35	34	34	34	34	33	33	33
Total Net Peak Demand	620	613	610	606	602	598	594	590	586	582
<b>Reserve Requirement (%)</b>	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	93	92	91	91	90	90	89	88	88	87
Capacity Requirement Including Reserve	713	705	701	697	692	688	683	678	674	669

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:

## MBCP Implementation Plan, August 2017

Monterey Bay Community Power										
Local Capacity Requirements										
(MW)										
2018 to 2027										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
MBCP Peak (MW)	620	613	610	606	602	598	594	590	586	582
Local Capacity Requirement (% of Peak)	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%
Greater Bay Area Share of Local Capacity Requirement (%)	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%
Other PG&E Areas Share of Local Capacity Requirement (%)	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%
MBCP Local Capacity Requirement Greater Bay (MW)	99	98	97	97	96	95	95	94	93	93
MBCP Local Capacity Requirement Other PG&E (MW)	137	135	134	134	133	132	131	130	129	128
MBCP Local Capacity Requirement, Total (MW)	235	233	232	230	229	227	226	224	223	221

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.

<b>Monterey Bay Community Power RPS Requirements (MWH) 2018 to 2027</b>										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Net Retail Sales	2,421,935	3,574,542	3,581,955	3,585,837	3,589,773	3,593,763	3,597,807	3,601,905	3,606,058	3,610,266
Annual Procurement Target	702,361	1,108,108	1,182,045	1,244,285	1,306,677	1,369,224	1,431,927	1,494,791	1,557,817	1,621,009
% of Current Year Retail Sales*	29%	31%	33%	35%	36%	38%	40%	42%	43%	45%

\*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 be 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 forecasts 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

## MBCP Implementation Plan, August 2017

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.

**Monterey Bay Community Power**  
**Summary of CCA Program Startup and Phase-In**  
**(January 2017 through December 2026)**

CATEGORY	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
I. REVENUES FROM OPERATIONS (\$)											
ELECTRIC SALES REVENUE	-	173,955,068	242,013,502	243,223,570	250,532,575	258,061,673	265,817,494	273,806,869	282,036,831	290,514,628	2,279,962,210
LESS UNCOLLECTIBLE ACCOUNTS	-	(869,775)	(1,210,068)	(1,216,118)	(1,252,663)	(1,290,308)	(1,329,087)	(1,369,034)	(1,410,184)	(1,452,573)	(11,399,811)
TOTAL REVENUES	-	173,085,293	240,803,435	242,007,452	249,279,912	256,771,365	264,488,407	272,437,834	280,626,647	289,062,055	2,268,562,399
II. COST OF OPERATIONS (\$)											
(A) OPERATIONS AND ADMINISTRATIVE (O&A)											
STAFFING & PROFESSIONAL SERVICES	1,447,700	3,063,879	4,130,508	4,254,423	4,382,056	4,513,518	4,648,923	4,788,391	4,932,043	5,080,004	41,241,445
MARKETING	266,368	1,968,208	2,351,962	2,425,990	2,502,360	2,581,148	2,662,430	2,746,285	2,832,796	2,922,048	23,259,594
DATA MANAGEMENT SERVICES	-	2,053,381	3,780,455	3,799,357	3,818,354	3,837,446	3,856,633	3,875,916	3,895,296	3,914,772	32,831,610
IOU FEES (INCLUDING BILLING)	-	873,162	1,627,975	1,685,199	1,744,433	1,805,750	1,869,222	1,934,925	2,002,938	2,073,341	15,616,946
OTHER ADMINISTRATIVE & GENERAL	164,800	967,541	1,153,920	1,188,537	1,224,193	1,260,919	1,298,747	1,337,709	1,377,840	1,419,176	11,393,383
SUBTOTAL O&A	1,878,868	8,926,171	13,044,820	13,353,506	13,671,397	13,998,780	14,335,955	14,683,227	15,040,913	15,409,341	124,342,978
(B) COST OF ENERGY	-	116,187,760	172,568,521	184,334,082	194,376,312	201,293,444	208,481,101	215,949,879	223,710,784	231,775,251	1,748,677,133
(C) OPERATING RESERVE	-	8,697,753	12,100,675	12,161,178	12,526,629	10,322,467	10,632,700	10,952,275	11,281,473	11,620,585	100,295,736
TOTAL COST AND OPERATING RESERVE	1,878,868	133,811,684	197,714,016	209,848,767	220,574,337	225,614,691	233,449,756	241,585,381	250,033,171	258,805,177	1,973,315,846
CCA PROGRAM SURPLUS/(DEFICIT)	(1,878,868)	39,273,609	43,089,419	32,158,685	28,705,575	31,156,674	31,038,651	30,852,454	30,593,476	30,256,878	295,246,552

**Monterey Bay Community Power**  
**Reserves Summary**  
**(January 2017 through December 2026)**

CATEGORY	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
I. RESERVE ADDITIONS											
(A) OPERATING RESERVE CONTRIBUTION	-	8,697,753	12,100,675	12,161,178	12,526,629	10,322,467	10,632,700	10,952,275	11,281,473	11,620,585	100,295,736
(B) CASH FROM FINANCING	3,000,000	10,000,000	-	-	-	-	-	-	-	-	13,000,000
SUBTOTAL RESERVE ADDITIONS	3,000,000	18,697,753	12,100,675	12,161,178	12,526,629	10,322,467	10,632,700	10,952,275	11,281,473	11,620,585	113,295,736
II. RESERVE SUBTRACTIONS											
(A) STARTUP FUNDING REPAYMENT	-	3,000,000	-	-	-	-	-	-	-	-	3,000,000
(B) WORKING CAPITAL REPAYMENT	-	-	10,000,000	-	-	-	-	-	-	-	10,000,000
(C) INTEREST PAYMENTS	67,500	322,500	-	-	-	-	-	-	-	-	390,000
SUBTOTAL RESERVE SUBTRACTIONS	67,500	3,322,500	10,000,000	-	-	-	-	-	-	-	13,390,000
III. RATE STABILIZATION RESERVE BALANCE	2,932,500	18,307,753	20,408,429	32,569,607	45,096,236	55,418,703	66,051,402	77,003,677	88,285,150	99,905,736	

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

***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. Should 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.

**MBCP Program: Illustrative Schedule of Fees for Service Termination\***

<b>Customer Class</b>	<b>Fee</b>
Residential	\$5
Non-Residential	\$25

\*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<sup>4</sup>. Failure

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<sup>4</sup> 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.<sup>5</sup> 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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<sup>5</sup> 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*

## Appendix F



**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 1 – Introduction & Statement of Intent.....	3
CHAPTER 2 – Changes to Address MBCP Expansion to the Cities of San Luis Obispo and Morro Bay .....	5
Aggregation Process .....	6
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<sup>1</sup> 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

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<sup>1</sup> 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:

<b>Member Agencies</b>
City of Capitola
City of Carmel
City of Gonzales
City of Greenfield
City of Hollister
City of Marina
City of Monterey
City of Morro Bay
City of Pacific Grove
City of Salinas
City of San Juan Bautista
City of San Luis Obispo
City of Santa Cruz
City of Scotts Valley
City of Seaside
City of Soledad
City of Watsonville
County of Monterey
County of San Benito
County of Santa Cruz
Sand City

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

<b>Monterey Bay Community Power Proposed Resource Plan (GWh) 2018 to 2027</b>										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>MBCP Demand (GWh)</b>										
Retail Demand	-2,320	-3,331	-3,590	-3,610	-3,618	-3,627	-3,636	-3,644	-3,653	-3,662
Distributed Generation	0	11	21	32	42	53	63	74	84	95
Energy Efficiency	0	0	0	4	7	11	15	18	22	26
Losses and UFE	-139	-199	-214	-214	-214	-214	-213	-213	-213	-212
<b>Total Demand</b>	<b>-2,459</b>	<b>-3,520</b>	<b>-3,783</b>	<b>-3,789</b>	<b>-3,783</b>	<b>-3,777</b>	<b>-3,771</b>	<b>-3,765</b>	<b>-3,759</b>	<b>-3,753</b>
<b>MBCP Supply (GWh)</b>										
<u>Renewable Resources</u>										
Total Renewable Resources	696	1,029	1,178	1,280	1,374	1,472	1,565	1,659	1,748	1,841
<u>Carbon-Free Resources</u>										
Total Carbon-Free Resources	1,763	2,490	2,606	2,510	2,409	2,306	2,206	2,106	2,011	1,912
<b>Total Supply</b>	<b>2,459</b>	<b>3,520</b>	<b>3,783</b>	<b>3,789</b>	<b>3,783</b>	<b>3,777</b>	<b>3,771</b>	<b>3,765</b>	<b>3,759</b>	<b>3,753</b>
<b>Energy Open Position (GWh)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Chapter 6, Customer Forecast

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

	<b>Mar-18</b>	<b>Jul-18</b>	<b>Jan-20</b>
<b>MBCP Customers</b>			
Residential	<15	232,859	259,005
Commercial	31,685	31,685	36,755
Industrial	37	37	38
Street Lighting & Traffic	2,211	2,211	2,416
Ag & Pumping	4,819	4,819	4,856
<b>Total</b>	<b>38,752</b>	<b>271,611</b>	<b>303,070</b>

**Monterey Bay Community Power  
Retail Service Accounts (End of Year)  
2018 to 2027**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>MBCP Customers</b>										
Residential	232,859	234,023	259,005	260,300	261,602	262,910	264,224	265,545	266,873	268,207
Commercial	31,685	31,843	36,755	36,939	37,123	37,309	37,496	37,683	37,872	38,061
Industrial	37	37	38	38	38	39	39	39	39	39
Street Lighting & Traffic	2,211	2,222	2,416	2,428	2,440	2,452	2,465	2,477	2,489	2,502
Ag & Pumping	4,819	4,843	4,856	4,880	4,905	4,929	4,954	4,979	5,004	5,029
Total	271,611	272,969	303,070	304,585	306,108	307,639	309,177	310,723	312,277	313,838

## Chapter 6, Sales Forecast

**Monterey Bay Community Power  
Energy Requirements  
(GWH)  
2018 to 2027**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>MBCP Energy Requirements (GWh)</b>										
Retail Demand	2,320	3,331	3,590	3,610	3,618	3,627	3,636	3,644	3,653	3,662
Distributed Generation	0	-11	-21	-32	-42	-53	-63	-74	-84	-95
Energy Efficiency	0	0	0	-4	-7	-11	-15	-18	-22	-26
Losses and UFE	139	199	214	214	214	214	213	213	213	212
Total Load Requirement	2,459	3,520	3,783	3,789	3,783	3,777	3,771	3,765	3,759	3,753

## Chapter 6, Renewables Portfolio Standards Energy Requirements

**Monterey Bay Community Power  
RPS Requirements and Program Renewable Energy Targets  
(MWH)  
2018 to 2027**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Net Retail Sales (MWh)	2,320,000	3,320,488	3,569,305	3,574,789	3,569,110	3,563,449	3,557,805	3,552,178	3,546,569	3,540,978
Annual RPS Target (Minimum MWh)	672,800	1,029,351	1,177,871	1,279,775	1,374,107	1,471,704	1,565,434	1,658,867	1,748,459	1,841,309
Program Target (% of Retail Sales)	30%	31%	33%	36%	39%	41%	44%	47%	49%	52%
<b>Program Renewable Target (MWh)</b>	<b>696,000</b>	<b>1,029,351</b>	<b>1,177,871</b>	<b>1,279,775</b>	<b>1,374,107</b>	<b>1,471,704</b>	<b>1,565,434</b>	<b>1,658,867</b>	<b>1,748,459</b>	<b>1,841,309</b>
<b>Surplus In Excess of RPS (MWh)</b>	<b>23,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Annual Increase (MWh)	696,000	333,351	148,519	101,904	94,333	97,597	93,730	93,433	89,591	92,850

**Monterey Bay Community Power  
RPS Requirements  
(MWH)  
2018 to 2027**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Net Retail Sales	2,320,000	3,320,488	3,569,305	3,574,789	3,569,110	3,563,449	3,557,805	3,552,178	3,546,569	3,540,978
Annual Procurement Target	672,800	1,029,351	1,177,871	1,279,775	1,374,107	1,471,704	1,565,434	1,658,867	1,748,459	1,841,309
% of Current Year Retail Sales*	29%	31%	33%	36%	39%	41%	44%	47%	49%	52%

## Chapter 6, Energy Efficiency

	Monterey Bay Community Power Energy Efficiency Savings Goals (GWH)									
	2018 to 2027									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
MBCP Retail Demand	2,320	3,331	3,590	3,610	3,618	3,627	3,636	3,644	3,653	3,662
MBCP Energy Efficiency Goal	0	0	0	-4	-7	-11	-15	-18	-22	-26

## Chapter 6, Demand Response

Monterey Bay Community Power										
Demand Response Goals										
(MW)										
2018 to 2027										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Capacity Requirement (MW)	603	603	647	642	637	632	627	623	618	613
Greater Bay Area Capacity Requirement (MW)	84	84	90	89	88	88	87	86	86	85
Demand Response Target (MW)	-	-	-	3	8	13	17	22	26	31
Percentage of Local Capacity Requirement	0%	0%	0%	4%	9%	14%	20%	25%	31%	36%

## Chapter 6, Distributed Generation

	Monterey Bay Community Power Distributed Generation Projections (MW) 2018 to 2027									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Distributed Generation Capacity	-	6	12	18	24	30	36	42	48	54

## 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:

<p style="text-align: center;"><b>Monterey Bay Community Power</b>  <b>Capacity Requirements</b>  <b>(MW)</b>  <b>2018 to 2027</b></p>										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Demand (MW)</b>										
Retail Demand	495	501	543	546	548	551	554	557	559	562
Distributed Generation	-	(6)	(12)	(18)	(24)	(30)	(36)	(42)	(48)	(54)
Energy Efficiency	-	-	-	(1)	(2)	(2)	(3)	(4)	(5)	(6)
Losses and UFE	30	30	32	32	31	31	31	31	30	30
Total Net Peak Demand	525	525	563	558	554	550	546	541	537	533
Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	79	79	84	84	83	82	82	81	81	80
Capacity Requirement Including Reserve	603	603	647	642	637	632	627	623	618	613

## 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)											
CATEGORY	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	TOTAL
I. REVENUES FROM OPERATIONS (\$)											
ELECTRIC SALES REVENUE	123,838,806	216,562,385	224,897,960	235,646,445	242,728,052	250,022,905	257,537,429	265,278,241	273,252,158	281,466,201	2,371,230,582
LESS UNCOLLECTIBLE ACCOUNTS	(638,344)	(1,116,301)	(1,159,268)	(1,214,672)	(1,251,176)	(1,288,778)	(1,327,513)	(1,367,414)	(1,408,516)	(1,450,857)	(12,222,838)
TOTAL REVENUES	123,200,462	215,446,084	223,738,693	234,431,773	241,476,876	248,734,127	256,209,917	263,910,828	271,843,641	280,015,344	2,359,007,744
II. COST OF OPERATIONS (\$)											
(A) OPERATIONS AND ADMINISTRATIVE (O&A)											
STAFFING & PROFESSIONAL SERVICES	3,008,496	3,080,483	4,099,989	4,541,290	4,677,529	4,817,855	4,962,391	5,111,262	5,264,600	5,422,538	44,986,434
MARKETING	2,036,636	2,211,538	2,328,812	2,418,928	2,495,310	2,574,117	2,655,427	2,739,319	2,825,878	2,915,187	25,201,151
DATA MANAGEMENT SERVICES	1,248,541	2,659,330	2,942,443	2,502,884	2,518,399	2,533,991	2,549,661	2,565,409	2,581,236	2,597,142	24,699,036
IOU FEES (INCLUDING BILLING)	358,855	1,210,238	1,349,353	1,423,734	1,473,778	1,525,582	1,579,206	1,634,715	1,692,175	1,745,042	13,662,678
OTHER ADMINISTRATIVE & GENERAL	696,000	1,087,680	1,120,310	1,153,920	1,188,537	1,224,193	1,260,919	1,298,747	1,337,709	1,377,840	11,745,857
SUBTOTAL O&A	7,348,527	10,249,268	11,840,908	12,040,757	12,353,553	12,675,738	13,007,603	13,349,453	13,701,598	13,727,750	120,295,155
(B) COST OF ENERGY											
	79,710,261	177,933,080	195,184,797	208,385,522	212,299,425	219,674,883	227,099,210	234,507,921	242,153,311	250,110,327	2,047,058,737
(C) OPERATING RESERVE											
	6,191,940	10,828,119	11,244,898	11,782,322	10,255,235	10,000,916	10,301,497	10,611,130	10,930,086	11,258,648	103,404,792
TOTAL COST AND OPERATING RESERVE	93,250,728	199,010,467	218,270,603	232,208,602	234,908,214	242,351,536	250,408,310	258,468,504	266,784,996	275,096,725	2,270,758,685
CCA PROGRAM SURPLUS/(DEFICIT)	29,949,734	16,435,617	5,468,089	2,223,171	6,568,663	6,382,591	5,801,607	5,442,324	5,058,645	4,918,619	88,249,059

Monterey Bay Community Power Reserves Summary (FY 2018 through FY 2027)											
CATEGORY	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	TOTAL
I. RESERVE ADDITIONS											
(A) OPERATING RESERVE CONTRIBUTION	6,191,940	10,828,119	11,244,898	11,782,322	10,255,235	10,000,916	10,301,497	10,611,130	10,930,086	11,258,648	103,404,792
(B) CASH FROM FINANCING	13,000,000	-	-	-	-	-	-	-	-	-	13,556,000
SUBTOTAL RESERVE ADDITIONS	19,191,940	10,828,119	11,244,898	11,782,322	10,255,235	10,000,916	10,301,497	10,611,130	10,930,086	11,258,648	116,960,792
II. RESERVE SUBTRACTIONS											
(A) STARTUP FUNDING REPAYMENT	3,556,000	-	-	-	-	-	-	-	-	-	3,556,000
(B) WORKING CAPITAL REPAYMENT	10,000,000	-	-	-	-	-	-	-	-	-	10,000,000
(C) INTEREST PAYMENTS	282,500	-	-	-	-	-	-	-	-	-	282,500
SUBTOTAL RESERVE SUBTRACTIONS	13,838,500	-	-	-	-	-	-	-	-	-	13,838,500
III. RATE STABILIZATION RESERVE BALANCE	5,909,440	16,737,560	27,982,458	39,764,780	50,020,015	60,020,931	70,322,428	80,933,558	91,863,644	103,122,292	

## 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

## Appendix G



**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**

**Table of Contents**

**CHAPTER 1 – Introduction & Statement of Intent .....3**

**CHAPTER 2 – Changes to Address MBCP Service Extension to the Expansion Communities.....5**

    Aggregation Process .....7

    Program Phase-In.....7

    Sales Forecast .....8

    Financial Plan..... 11

    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 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<sup>1</sup> 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.

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<sup>1</sup> 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:

<b>Member Agencies</b>
City of Arroyo Grande
City of Capitola
City of Carmel
City of Carpinteria
City of Del Rey Oaks
City of Goleta
City of Gonzales
City of Greenfield
City of Grover Beach
City of Guadalupe
City of Hollister
City of Marina
City of Monterey
City of Morro Bay
City of Pacific Grove
City of Paso Robles
City of Pismo Beach
City of Sand City
City of Salinas
City of San Juan Bautista
City of San Luis Obispo
City of Santa Cruz
City of Santa Maria
City of Scotts Valley
City of Seaside
City of Soledad
City of Solvang
City of Watsonville
County of Monterey
County of San Benito
County of Santa Barbara
County of Santa Cruz

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

<b>Monterey Bay Community Power Proposed Resource Plan (GWh) 2018 to 2027</b>										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>MBCP Demand (GWh)</b>										
Retail Demand	-2,320	-3,024	-3,228	-5,066	-5,152	-5,172	-5,192	-5,212	-5,232	-5,252
Distributed Generation	0	1	4	6	8	9	11	13	15	17
Energy Efficiency	0	0	0	5	10	15	21	26	31	36
Losses and UFE	-139	-181	-193	-303	-308	-309	-310	-310	-311	-312
<b>Total Demand</b>	<b>-2,459</b>	<b>-3,204</b>	<b>-3,417</b>	<b>-5,358</b>	<b>-5,443</b>	<b>-5,456</b>	<b>-5,470</b>	<b>-5,483</b>	<b>-5,497</b>	<b>-5,511</b>
<b>MBCP Supply (GWh)</b>										
<u>Renewable Resources</u>										
Total Renewable Resources	696	998	1,128	1,908	2,079	2,226	2,374	2,518	2,663	2,807
<u>Carbon-Free Resources</u>										
Total Carbon-Free Resources	1,763	2,207	2,289	3,450	3,363	3,230	3,096	2,966	2,835	2,703
<b>Total Supply</b>	<b>2,459</b>	<b>3,204</b>	<b>3,417</b>	<b>5,358</b>	<b>5,443</b>	<b>5,456</b>	<b>5,470</b>	<b>5,483</b>	<b>5,497</b>	<b>5,511</b>
<b>Energy Open Position (GWh)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## CHAPTER 6, Customer Forecast

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

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

**Monterey Bay Community Power**  
**Retail Service Accounts (End of Year)**  
**2018 to 2027**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>MBCP Customers</b>										
Residential	232,859	236,248	261,201	373,627	374,561	375,497	376,436	377,377	378,320	379,266
Commercial	31,685	30,484	35,371	52,414	52,545	52,677	52,809	52,941	53,073	53,206
Industrial	37	26	26	58	59	59	59	59	59	59
Street Lighting & Traffic	2,211	2,203	2,393	3,443	3,451	3,460	3,469	3,477	3,486	3,495
Ag & Pumping	4,819	4,554	4,566	6,991	7,008	7,026	7,043	7,061	7,079	7,096
Total	271,611	273,515	303,557	436,533	437,624	438,718	439,815	440,915	442,017	443,122

## CHAPTER 6, Sales Forecast

**Monterey Bay Community Power**  
**Energy Requirements**  
**(GWH)**  
**2018 to 2027**

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

## CHAPTER 6, Renewables Portfolio Standards Energy Requirements

**Monterey Bay Community Power**  
**RPS Requirements and Program Renewable Energy Targets**  
**(MWh)**  
**2018 to 2027**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Net Retail Sales (MWh)	2,320,000	3,023,018	3,223,949	5,054,761	5,134,487	5,147,324	5,160,192	5,173,092	5,186,025	5,198,990
Annual RPS Target (Minimum MWh)	672,800	937,136	1,063,903	1,809,604	1,976,778	2,125,845	2,270,484	2,415,834	2,556,710	2,703,475
Annual L/T Target (Minimum MWh)	-	-	-	1,176,243	1,284,905	1,381,799	1,475,815	1,570,292	1,661,862	1,757,259
<b>Program Renewable Target (MWh)</b>	<b>696,000</b>	<b>997,596</b>	<b>1,128,382</b>	<b>1,908,172</b>	<b>2,079,467</b>	<b>2,226,217</b>	<b>2,373,688</b>	<b>2,517,744</b>	<b>2,662,505</b>	<b>2,807,455</b>
Program Target (% of Retail Sales)	30%	33%	35%	38%	41%	43%	46%	49%	51%	54%
<b>Voluntary Margin of Overprocurement (MWh)</b>	<b>23,200</b>	<b>60,460</b>	<b>64,479</b>	<b>98,568</b>	<b>102,690</b>	<b>100,373</b>	<b>103,204</b>	<b>101,910</b>	<b>105,795</b>	<b>103,980</b>

*\*Net of Energy Efficiency and Distributed Generation*

**Monterey Bay Community Power**  
**RPS Requirements**  
**(MWh)**  
**2018 to 2027**

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Net Retail Sales	2,320,000	3,023,018	3,223,949	5,054,761	5,134,487	5,147,324	5,160,192	5,173,092	5,186,025	5,198,990
Annual Procurement Target	672,800	937,136	1,063,903	1,809,604	1,976,778	2,125,845	2,270,484	2,415,834	2,556,710	2,703,475
% of Current Year Retail Sales*	29%	31%	33%	36%	39%	41%	44%	47%	49%	52%

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

Monterey Bay Community Power Capacity Requirements (MW) 2018 to 2027										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Demand (MW)</b>										
Retail Demand	495	494	537	764	766	768	770	772	774	776
Distributed Generation	-	(1)	(2)	(3)	(4)	(5)	(6)	(8)	(9)	(10)
Energy Efficiency	-	-	-	(1)	(2)	(3)	(4)	(5)	(7)	(8)
Losses and UFE	30	30	32	46	46	46	46	46	46	46
Total Net Peak Demand	525	523	567	806	805	805	805	805	804	804
Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	79	78	85	121	121	121	121	121	121	121
Expansion Related Incremental Requirement	-	-	51	274	-	-	-	-	-	-
Capacity Requirement Including Reserve	603	601	652	926	926	926	926	925	925	925

### *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

<b>Monterey Bay Community Power</b> <b>Summary of CCA Program Startup and Phase-In</b> <b>(FY 2018 through FY 2027)</b>											
CATEGORY	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	TOTAL
I. REVENUES FROM OPERATIONS (\$)											
ELECTRIC SALES REVENUE	117,704,585	233,866,635	257,427,697	325,870,494	390,089,153	358,222,269	361,419,288	365,006,040	366,460,501	368,294,540	3,144,361,202
LESS UNCOLLECTIBLE ACCOUNTS	(606,680)	(1,232,495)	(1,374,864)	(2,001,419)	(2,203,609)	(2,209,118)	(2,214,641)	(2,220,177)	(1,832,303)	(1,841,473)	(17,736,778)
TOTAL REVENUES	117,097,905	232,634,139	256,052,833	323,869,075	387,885,544	356,013,151	359,204,647	362,785,863	364,628,199	366,453,067	3,126,624,424
II. COST OF OPERATIONS (\$)											
(A) OPERATIONS AND ADMINISTRATIVE (O&A)											
STAFFING & PROFESSIONAL SERVICES	3,020,953	4,321,118	7,346,836	7,520,972	7,846,299	8,214,365	8,625,561	9,031,140	9,455,790	9,900,406	75,283,441
MARKETING AND PROGRAMS	600,734	5,853,662	12,085,876	14,481,555	17,039,290	15,539,368	19,331,686	19,577,272	19,825,978	20,077,844	144,413,267
DATA MANAGEMENT SERVICES	1,178,238	2,703,274	2,680,205	3,901,631	4,295,787	4,306,526	4,317,292	4,328,086	4,338,906	4,349,753	36,399,698
IOU FEES (INCLUDING BILLING)	280,918	1,142,650	1,250,762	1,820,761	2,004,700	2,009,712	2,014,736	2,019,773	2,024,823	2,029,885	16,598,722
OTHER ADMINISTRATIVE & GENERAL	584,965	947,854	5,243,707	3,832,450	3,831,712	1,377,979	1,289,409	1,358,164	1,430,585	1,506,868	21,403,694
SUBTOTAL O&A	5,665,808	14,968,559	28,607,385	31,557,370	35,017,788	31,447,951	35,578,686	36,314,436	37,076,082	37,864,756	294,098,821
(B) COST OF ENERGY	70,469,276	162,868,608	176,487,672	285,512,998	330,051,549	327,157,200	324,667,363	325,682,756	326,701,325	327,723,079	2,657,321,827
(C) OPERATING RESERVE	40,962,821	54,796,972	50,957,776	6,798,708	22,816,207	(2,592,001)	(1,041,402)	788,671	850,792	865,231	175,203,776
TOTAL COST AND OPERATING RESERVE	117,097,905	232,634,139	256,052,833	323,869,075	387,885,544	356,013,151	359,204,647	362,785,863	364,628,199	366,453,067	3,126,624,424
CCA PROGRAM SURPLUS/(DEFICIT)	-	-	-	-	-	-	-	-	-	-	-

<b>Monterey Bay Community Power</b> <b>Reserves Summary</b> <b>(FY 2018 through FY 2027)</b>											
CATEGORY	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	TOTAL
I. RESERVE ADDITIONS											
(A) OPERATING RESERVE CONTRIBUTION	40,962,821	54,796,972	50,957,776	6,798,708	22,816,207	(2,592,001)	(1,041,402)	788,671	850,792	865,231	175,203,776
(B) CASH FROM FINANCING	6,155,903	-	-	-	-	-	-	-	-	-	6,155,903
SUBTOTAL RESERVE ADDITIONS	47,118,724	54,796,972	50,957,776	6,798,708	22,816,207	(2,592,001)	(1,041,402)	788,671	850,792	865,231	181,359,679
II. RESERVE SUBTRACTIONS											
(A) STARTUP FUNDING REPAYMENT	555,903	-	-	-	-	-	-	-	-	-	555,903
(B) WORKING CAPITAL REPAYMENT	5,600,000	-	-	-	-	-	-	-	-	-	5,600,000
(C) INTEREST PAYMENTS	120,420	-	-	-	-	-	-	-	-	-	120,420
SUBTOTAL RESERVE SUBTRACTIONS	6,276,323	-	-	-	-	-	-	-	-	-	6,276,323
III. RATE STABILIZATION RESERVE BALANCE	40,479,032	95,276,004	146,233,781	153,032,489	175,848,695	173,256,695	172,215,293	173,003,964	173,854,756	174,719,987	

### *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 H



Central Coast  
**Community  
Energy**

**CLEAN ENERGY. LOCAL CONTROL.**

**ADDENDUM NO. 3 TO THE  
COMMUNITY CHOICE AGGREGATION  
IMPLEMENTATION PLAN  
AND STATEMENT OF INTENT**

**ADDRESSING  
CENTRAL COAST COMMUNITY ENERGY'S  
EXPANSION TO INCLUDE THE  
CITY OF BUELLTON**

**NOVEMBER 4, 2020**

**Table of Contents**

**CHAPTER 1 – Introduction & Statement of Intent .....3**

**CHAPTER 2 – Changes to Address 3CE Service Extension to the Expansion Communities .....5**

    Enrollment Process.....7

    Program Phase-In.....7

    Sales Forecast .....8

    Financial Plan..... 11

    Expansion Addendum Appendices..... 13

## **CHAPTER 1 – Introduction & Statement of Intent**

Addendum No. 3 to Monterey Bay Community Power Authority’s (“MBCP” and now, Central Coast Community Energy or “3CE”) Implementation Plan and Statement of Intent (“Implementation Plan”)<sup>1</sup> addresses 3CE’s expansion to include the City of Buellton in Santa Barbara County (“Buellton”).

3CE is a Joint Powers Authority established and operating under Government Code § 6500 *et. seq.* 3CE runs the Community Choice Aggregation (“CCA”) program (as provided for in Public Utilities Code § 366.2 *et. seq.*, for the counties of Monterey, Santa Cruz, San Benito, and Santa Barbara Counties as well as certain cities within San Luis Obispo County.

### **Initial Implementation Plan and Statement of Intent**

3CE—at the time, named MBCP—submitted its initial Implementation Plan to the California Public Utilities Commission (the “Commission”) on August 16, 2017. That initial Implementation Plan was certified by the Commission on November 15, 2017. 3CE successfully launched the Program on March 1, 2018 to its initial member agencies.<sup>2</sup>

### **Addendum No. 1 to the Implementation Plan and Statement of Intent**

At its December 5, 2018 Meeting, 3CE’s—at the time, named MBCP—Policy Board<sup>3</sup> adopted Resolution No. PB-2018-07 to include the cities of Morro Bay and San Luis Obispo, both of which are in San Luis Obispo County. Addendum No. 1 to the Implementation Plan (“Addendum No. 1”), approved by Resolution No. PB-2018-08, was submitted to the Commission for certification on December 7, 2018 and was certified on March 7, 2019. 3C# began service in the cities of Morro Bay and San Luis Obispo in January 2020.

### **Addendum No. 2 to the Implementation Plan and Statement of Intent**

On December 4, 2019, via Resolution No. PB-2019-005, MBCP adopted and authorized submittal of Addendum No. 2 to the Implementation Plan (“Addendum No. 2”) to address expansion into

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<sup>1</sup> On June 3, 2020, Monterey Bay Community Power Authority’s Policy Board of Directors adopted Resolution PB-2020-02 to amend its Joint Powers Agreement changing its name to Central Coast Community Energy effective September 4, 2020. Any reference to Monterey Bay Community Power Authority or MBCP in the initial Implementation Plan and Statement of Intent, or in either Addendum No. 1 or Addendum No. 2 should be interpreted to mean Central Coast Community Energy or 3CE.

<sup>2</sup> Initial member agencies included: the counties of Monterey, Santa Cruz and San Benito as well as the cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, Salinas, Monterey, Pacific Grove, Carmel, Seaside, Marina, Sand City, Soledad, Greenfield, Gonzales, Hollister, and San Juan Bautista.

<sup>3</sup> 3CE is governed by two distinct governing bodies. First, the Policy Board retains responsibility for policy-related direction and decisions pertaining to 3CE’s organization and makes approvals of membership requests. Second, the Operations Board oversees operational matters.

eleven additional jurisdictions including the County of Santa Barbara as well as the cities of Arroyo Grande, Carpinteria, Del Rey Oaks, Goleta, Grover Beach, Guadalupe, Paso Robles, Pismo Beach, Santa Maria, and Solvang.

Addendum No. 2 was submitted December 17, 2019 and certified by the Commission on March 9, 2020. 3CE expects to begin in the Pacific Gas & Electric service area jurisdictions (Northern Santa Barbara County, Arroyo Grande, Del Rey Oaks, Grover Beach, Guadalupe, Paso Robles, Pismo Beach, Santa Maria, and Solvang, collectively, the “2021 PG&E Jurisdictions”) in January 2021.

Due to delays in Southern California Edison’s Customer Service Re- Platform, Southern California Edison and 3CE have agreed, contingent on the Commission’s approval of SCE Advice Letter 4314 E, to begin service in Southern California Edison territory (including Southern Santa Barbara County and the cities of Carpinteria and Guadalupe, collectively, the “2021 SCE Jurisdictions”) in October 2021.

### **Addendum No. 3 to the Implementation Plan and Statement of Intent**

3CE’s Addendum No. 3 primarily addresses 3CE’s planned expansion to serve customers in the City of Buellton beginning in January 2022.

Additionally, Addendum No. 3 contains certain updated projections that are consistent with 3CE’s recently filed Integrated Resources Plan, approved FY 2020/2021 Operating Budget, and other operating considerations including the impacts of COVID-19 and 3CE’s planned 2021 expansion into areas served by two different Investor Owned Utilities.

Finally, Addendum No. 3, including references to 3CE’s August 16, 2017 Implementation Plan, December 7, 2018 Addendum No. 1, and December 17, 2019 Addendum No. 2, each of which are incorporated by reference and attached hereto as Appendices E, F, and G., 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.

## **CHAPTER 2 – Changes to Address 3CE Service Extension to the City of Buellton**

As set for above, 3CE's Addendum No. 3 primarily addresses 3CE's planned expansion to serve customers in Buellton beginning in January 2022. Addendum No. 3 also provides updated projections based on 3CE's operating history.

The addition of Buellton in January 2022 will have minor impacts on 3CE's operations including customer energy requirements, peak demand, renewable energy purchases, revenues, expenses and various other items. Other changes, such as 3CE's commitment to 60% of its retail load met by clean and renewable resources by 2025 and 100% by 2030, are reflected in the following sections. To the extent that other details related to membership expansion are not specifically discussed within this Addendum No. 3, 3CE represents that such information has not substantively changed relative to the initial Implementation Plan or Addendums No. 1 or No. 2 as previously certified by the commission.

The following communities are now signatories to the 3CE Joint Powers Agreement and represent 3CE's current Members or Membership<sup>4</sup>:

	<b>Member Agencies</b>
1	City of Arroyo Grande
2	City of Capitola
3	City of Carmel-by-the-sea
4	City of Carpinteria
5	City of Buellton
6	City of Del Rey Oaks
7	City of Goleta
8	City of Gonzales
9	City of Greenfield
10	City of Grover Beach
11	City of Guadalupe
12	City of Hollister
13	City of Marina
14	City of Monterey
15	City of Morro Bay
16	City of Pacific Grove
17	City of Paso Robles
18	City of Pismo Beach
19	City of Sand City
20	City of Salinas
21	City of San Juan Bautista
22	City of San Luis Obispo
23	City of Santa Cruz
24	City of Santa Maria
25	City of Scotts Valley
26	City of Seaside
27	City of Soledad
28	City of Solvang
29	City of Watsonville
30	County of Monterey
31	County of San Benito
32	County of Santa Barbara
33	County of Santa Cruz

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<sup>4</sup>The term Member(s) or Membership as used throughout the initial Implementation Plan or Addendums Nos. 1, 2, or 3 shall refer to the complete list of 3CE's 33 member agencies.

### **Enrollment Process**

All customers currently enrolled in the 3CE program were appropriately noticed. Before additional phases of customers are enrolled in the Program, 3CE will comply with all required notice procedures, including mailing written notices to customers. Notice shall be sent at least two calendar months, or sixty days, prior to the commencement of automatic enrollment and two calendar months or sixty days, following the enrollment of customers.

All 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.

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 notifications 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 generation charges for the time they were served by 3CE 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**

3CE will continue to phase-in the customers of its Program as communicated in this Implementation Plan. To date, three phases have been successfully implemented. A fourth phase of customer enrollments is scheduled to commence in January 2021, and is approved by the CPUC, a fifth phase scheduled in October 2021 to accommodate SCE's delayed CSRP launch. The City of Buellton enrollment will be the sixth phase and is scheduled for January 2022.

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. Complete, 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 2021 PG&E Jurisdictions, with exact timing subject to economic and operational constraints.

Phase 5. Planned, October 2021: Residential, commercial, industrial, agricultural, and street lighting accounts within the 2021 SCE Jurisdictions, with exact timing subject to economic and operational constraints.

Phase 6. Planned, January 2022: Residential, commercial, industrial, agricultural, and street lighting accounts within the City of Buellton, with exact timing subject to economic and operational constraints.

The multi-phase implementation approach has provided 3CE 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 440,000 accounts), following completion of all six enrollment phases.

### **Sales Forecast**

Regarding 3CE's sales forecast, which is addressed in Chapter 6, Load Forecast and Resource Plan, 3CE assumes that total annual retail sales will increase to 5,200 GWh following the expansion to the City of Buellton. The following tables have been updated to reflect the impacts of planned expansion to 3CE's new membership.

## CHAPTER 6, Resource Plan Overview

<b>Central Coast Community Energy</b> <i>Proposed Resource Plan (GWh)</i> <i>2021 to 2030</i>										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>3CE Demand (GWh)</b>										
Retail Demand	-4,655	-5,174	-5,224	-5,328	-5,295	-5,275	-5,255	-5,263	-5,247	-5,236
Distributed Generation	6	8	9	11	13	15	17	19	21	23
Energy Efficiency	5	10	15	21	26	31	36	40	44	48
Losses and UFE	-289	-325	-325	-336	-334	-334	-333	-333	-333	-332
Total Demand	-4,933	-5,481	-5,524	-5,632	-5,590	-5,563	-5,535	-5,537	-5,515	-5,497
<b>3CE Supply (GWh)</b>										
Renewable Resources	1,353	1,490	2,405	2,913	3,268	3,466	3,880	4,257	4,827	5,214
Unspecified Power	3,580	3,991	3,119	2,719	2,322	2,097	1,654	1,280	687	283
Total Supply	4,933	5,481	5,524	5,632	5,590	5,563	5,535	5,537	5,515	5,497
<b>Energy Open Position (GWh)</b>	0	0	0	0	0	0	0	0	0	0

## CHAPTER 6, Customer Forecast

<b>Central Coast Community Energy</b> <i>Enrolled Retail Service Accounts</i> <i>Phase-In Period (End of Month)</i>						
	Mar-18	Jul-18	Jan-20	Jan-21	Oct-21	Jan-22
<b>3CE Customers</b>						
Residential	<15	232,859	261,201	347,713	373,627	375,350
Commercial	31,685	31,685	35,371	48,673	52,414	52,950
Industrial	37	37	26	40	58	71
Street Lighting & Traffic	2,211	2,211	2,393	3,077	3,443	3,467
Ag & Pumping	4,819	4,819	4,566	6,506	6,991	7,004
Total	38,752	271,611	303,557	406,009	436,533	438,842

**Central Coast Community Energy**  
Retail Service Accounts (End of Year)  
2021 to 2030

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>3CE Customers</b>										
Residential	373,627	372,483	370,928	369,659	368,622	367,737	366,964	366,275	365,655	365,090
Commercial	52,414	52,683	52,554	52,457	52,379	52,312	52,255	52,205	52,159	52,118
Industrial	58	66	62	58	56	53	51	49	47	45
Street Lighting & Traffic	3,443	3,462	3,458	3,456	3,454	3,452	3,451	3,449	3,448	3,447
Ag & Pumping	6,991	6,959	6,934	6,914	6,899	6,886	6,875	6,865	6,857	6,849
Total	436,533	435,653	433,936	432,544	431,410	430,440	429,596	428,844	428,166	427,549

## CHAPTER 6, Sales Forecast

**Central Coast Community Energy**  
Energy Requirements (GWh)  
2021 to 2030

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>3CE Energy Requirements (GWh)</b>										
Retail Demand	4,655	5,174	5,224	5,328	5,295	5,275	5,255	5,263	5,247	5,236
Distributed Generation	-6	-8	-9	-11	-13	-15	-17	-19	-21	-23
Energy Efficiency	-5	-10	-15	-21	-26	-31	-36	-40	-44	-48
Losses and UFE	289	325	325	336	334	334	333	333	333	332
Total Load Requirement	4,933	5,481	5,524	5,632	5,590	5,563	5,535	5,537	5,515	5,497

## CHAPTER 6, Renewables Portfolio Standards Energy Requirements

**Central Coast Community Energy**  
RPS Requirements and Program Renewable Energy Targets (MWh)  
2021 to 2030

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Net Retail Sales (MWh)	4,654,765	5,173,835	5,223,692	5,328,122	5,295,256	5,275,438	5,254,785	5,263,120	5,247,264	5,235,819
Annual RPS Target (Minimum MWh)	1,664,078	1,991,926	2,154,773	2,344,374	2,471,296	2,602,901	2,732,488	2,877,348	3,008,781	3,141,492
Annual L/T Target (Minimum MWh)	1,081,651	1,294,752	1,400,603	1,523,843	1,606,342	1,691,886	1,776,117	1,870,276	1,955,708	2,041,970
<b>Program Renewable Target (MWh)</b>	<b>1,757,174</b>	<b>2,163,310</b>	<b>2,500,843</b>	<b>2,873,856</b>	<b>3,177,154</b>	<b>3,587,298</b>	<b>3,993,637</b>	<b>4,421,021</b>	<b>4,827,483</b>	<b>5,235,819</b>
Program Target (% of Retail Sales)	37.8%	41.8%	47.9%	53.9%	60.0%	68.0%	76.0%	84.0%	92.0%	100.0%
<b>Voluntary Margin of Overprocurement (MWh)</b>	<b>93,095</b>	<b>171,383</b>	<b>346,070</b>	<b>529,482</b>	<b>705,858</b>	<b>984,397</b>	<b>1,261,149</b>	<b>1,543,673</b>	<b>1,818,702</b>	<b>2,094,328</b>

**Central Coast Community Energy**  
*RPS Requirements (MWh)*  
2021 to 2030

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Net Retail Sales (MWh)	4,654,765	5,173,835	5,223,692	5,328,122	5,295,256	5,275,438	5,254,785	5,263,120	5,247,264	5,235,819
Annual Procurement Target	<b>1,664,078</b>	<b>1,991,926</b>	<b>2,154,773</b>	<b>2,344,374</b>	<b>2,471,296</b>	<b>2,602,901</b>	<b>2,732,488</b>	<b>2,877,348</b>	<b>3,008,781</b>	<b>3,141,492</b>
% of Current Year Retail Sales	35.8%	38.5%	41.3%	44.0%	46.7%	49.3%	52.0%	54.7%	57.3%	60.0%

3CE's recently adopted a new procurement strategy to accelerate long-term contracting of renewable energy to achieve 60% RPS by 2025 and 100% by 2030, there is good likelihood that 3CE will always exceed RPS compliance mandates.

## CHAPTER 6, Capacity Requirements

**Central Coast Community Energy**  
*Capacity Requirements (MW)*  
2021 to 2030

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>3CE Demand (MW)</b>										
Retail Peak Demand (MW)	764	772	774	776	778	780	782	782	782	782
Distributed Generation	(3)	(4)	(5)	(6)	(8)	(9)	(10)	(11)	(12)	(13)
Energy Efficiency	(1)	(2)	(3)	(4)	(5)	(7)	(8)	(9)	(10)	(11)
Losses and UFE	45	45	45	45	45	46	46	46	46	46
<b>Total Net Peak Demand (MW)</b>	<b>805</b>	<b>811</b>	<b>811</b>	<b>811</b>	<b>810</b>	<b>809</b>	<b>809</b>	<b>807</b>	<b>805</b>	<b>803</b>
Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement (MW)	121	122	122	122	122	121	121	121	121	121
Expansion Related Incremental Requirement (MW)		7								
Capacity Requirement Including Reserve (MW)	925	932	933	933	932	931	931	929	926	924

### Financial Plan

Regarding 3CE's financial plan, which is addressed in Chapter 7, Financial Plan, 3CE has updated its expected operating results, which now include projected impacts related to service expansion to the City of Buellton. The following table reflects updated operating projections in consideration of the planned expansion.

## CHAPTER 7, CCA Program Operating Results

Central Coast Community Energy  
FINANCIAL PLAN FOR FISCAL YEARS 2020/21 THROUGH 2029/30

(S in thousands)										
Period Ending Sep 30	Budget FY2020/21	Projection FY2021/22	Projection FY2022/23	Projection FY2023/24	Projection FY2024/25	Projection FY2025/26	Projection FY2026/27	Projection FY2027/28	Projection FY2028/29	Projection FY2029/30
<b>REVENUE AND OTHER SOURCES</b>										
Revenue - Electricity	290,464	371,185	334,323	343,572	346,852	354,411	352,736	353,903	355,189	356,451
Less: Uncollectible Accounts	(2,905)	(3,931)	(4,206)	(4,388)	(4,477)	(4,557)	(4,493)	(4,507)	(4,493)	(4,661)
Net Revenue - Electricity	287,560	367,254	330,117	339,184	342,374	349,854	348,243	349,396	350,696	351,790
Other Source - Misc Income	1,800	1,800	1,800	1,800	1,800	1,800	1,890	1,985	2,084	2,188
<b>Total net revenue and other sources</b>	289,360	369,054	331,917	340,984	344,174	351,654	350,133	351,381	352,780	353,978
<b>EXPENDITURES AND OTHER USES</b>										
<b>CURRENT EXPENDITURES</b>										
Cost of energy	249,241	302,077	302,412	308,148	311,459	316,946	317,327	317,707	318,089	318,470
Data manager	3,315	4,167	4,092	4,092	4,092	4,092	4,092	4,092	4,092	4,092
PG&E service fees	1,572	1,869	1,872	1,872	1,872	1,872	1,872	1,872	1,872	1,872
Staffing	8,156	8,890	9,640	10,122	10,628	11,159	11,717	12,303	12,918	13,564
Professional services	740	721	680	663	681	739	776	815	856	898
Legal Services	572	585	575	589	603	618	649	681	716	751
Marketing and Customer Enrollment	1,302	841	742	754	789	808	848	891	935	982
General and administration	1,640	1,650	1,519	1,517	1,593	1,665	1,748	1,835	1,927	2,023
Total current expenditures	266,538	320,801	321,531	327,756	331,717	337,899	339,029	340,196	341,404	342,653
<b>OTHER USES</b>										
Capital outlay	3,963	3,498	648	27	27	4	24	24	24	24
Total other uses	3,963	3,498	648	27	27	4	24	24	24	24
<b>DEBT SERVICE</b>										
Principal and interest	0									
<b>Total expenditures, Other Uses and Debt Service</b>	270,501	324,299	322,180	327,783	331,744	337,903	339,053	340,220	341,428	342,677
<b>Reserve</b>	18,858	44,754	9,738	13,200	12,430	13,751	11,080	11,160	11,352	11,301
<b>Rebate Expenditures</b>	0	0	0	0	0	0	0	0	0	0
Transfer to Rate Stabilization Reserve	10,232	33,619	(292)	2,893	2025	3,119	498	543	597	607
Transfer to Program Funds	8,627	11,136	10,030	10,307	10,406	10,632	10,582	10,617	10,656	10,694
<b>Fund balance surplus AFTER Rebate, Program and Reserve</b>	0	0	0	0	0	0	0	0	99	0
<b>Program Balance:</b>										
Carryover balance	13,749	16,223	19,556	20,251	25,358	31,295	37,451	43,466	49,425	55,330
Net increase	8,627	11,136	10,030	10,307	10,406	10,632	10,582	10,617	10,656	10,694
Propose to spend	(6,153)	(7,802)	(9,335)	(5,200)	(4,468)	(4,477)	(4,567)	(4,658)	(4,751)	(4,846)
Ending balance	16,223	19,556	20,251	25,358	31,295	37,451	43,466	49,425	55,330	61,177
<b>Uninterruptible Power Supply Fund Balance:</b>										
Carryover balance	24,825	24,765	24,702	24,636	24,566	24,493	24,417	24,267	24,042	23,704
Net increase - Uninterruptible Power Supply Fund	0	0	0	0	0	0	0	0	0	0
Propose to spend	(60)	(63)	(66)	(69)	(73)	(77)	(150)	(225)	(338)	(506)
Ending balance	24,765	24,702	24,636	24,566	24,493	24,417	24,267	24,042	23,704	23,198
% of operating expenses	9%	8%	8%	7%	7%	7%	7%	7%	7%	7%
<b>Rate Stabilization Reserve Balance:</b>										
Carryover balance	119,607	129,839	163,457	163,166	166,059	168,084	171,203	171,701	172,244	172,841
Net increase - Rate Stabilization Reserve	10,232	33,619	(292)	2,893	2,025	3,119	498	543	597	607
Transfer to Uninterruptible Power Supply Fund										
Ending balance	129,839	163,457	163,166	166,059	168,084	171,203	171,701	172,244	172,841	173,448
% of operating expenses	48%	50%	51%	51%	51%	51%	51%	51%	51%	51%

Expansion Addendum Appendices

**Appendix A:** Central Coast Community Energy Resolution PB-2020-05

**Appendix B:** Fourth Amendment to Central Coast Community Energy Joint Powers Agreement

**Appendix C:** City of Buellton Ordinance No. 20-06

**Appendix D:** City of Buellton Resolution No.20-20

**Appendix E:** Central Coast Community Energy Implementation Plan and Statement of Intent

**Appendix F:** Addendum No. 1 to 3CE Implementation Plan and Statement of Intent w/out attachments

**Appendix G:** Addendum No. 2 to 3CE Implementation Plan and Statement of Intent w/out attachments

**Appendix H:** Central Coast Community Energy Resolution PB-2020-06

## Appendix I



Central Coast  
**Community  
Energy**

**CLEAN ENERGY. LOCAL CONTROL.**

"

**ADDENDUM NO. 4 TO THE  
COMMUNITY CHOICE AGGREGATION  
IMPLEMENTATION PLAN  
AND STATEMENT OF INTENT**

**ADDRESSING  
CENTRAL COAST COMMUNITY ENERGY'S  
EXPANSION TO INCLUDE THE  
CITY OF ATASCADERO**

**SEPTEMBER 22, 2022**

## Table of Contents

CHAPTER 1 – Introduction & Statement of Intent .....	3
CHAPTER 2 – Changes to Address CCCE Service Extension to the Expansion Communities ....	5
Enrollment Process .....	<b>Error! Bookmark not defined.</b>
Program Phase-In .....	7
Sales Forecast.....	8
Financial Plan .....	13
Expansion Addendum Appendices .....	13

## **CHAPTER 1 – Introduction & Statement of Intent**

Addendum No. 4 to Monterey Bay Community Power Authority’s (“MBCP” and now, Central Coast Community Energy or “CCCE”) Implementation Plan and Statement of Intent (“Implementation Plan”)<sup>1</sup> addresses CCCE’s expansion to include the City of Atascadero in San Luis Obispo County (“Atascadero”).

CCCE is a Joint Powers Authority established and operating under Government Code § 6500 *et. seq.* CCCE runs the Community Choice Aggregation (“CCA”) program (as provided for in Public Utilities Code § 366.2 *et. seq.*, for the counties of Monterey, Santa Cruz, San Benito, and Santa Barbara Counties as well as certain cities within San Luis Obispo County.

### **Initial Implementation Plan and Statement of Intent**

CCCE—at the time, named MBCP—submitted its initial Implementation Plan to the California Public Utilities Commission (the “Commission”) on August 16, 2017. That initial Implementation Plan was certified by the Commission on November 15, 2017. CCCE successfully launched the Program on March 1, 2018, to its initial member agencies.<sup>2</sup>

### **Addendum No. 1 to the Implementation Plan and Statement of Intent**

At its December 5, 2018 Meeting, CCCE’s—at the time, named MBCP—Policy Board<sup>3</sup> adopted Resolution No. PB-2018-07 to include the cities of Morro Bay and San Luis Obispo, both of which are in San Luis Obispo County. Addendum No. 1 to the Implementation Plan (“Addendum No. 1”), approved by Resolution No. PB-2018-08, was submitted to the Commission for certification on December 7, 2018, and was certified on March 7, 2019. CCCE began service in the cities of Morro Bay and San Luis Obispo in January 2020.

### **Addendum No. 2 to the Implementation Plan and Statement of Intent**

On December 4, 2019, via Resolution No. PB-2019-005, MBCP adopted and authorized submittal of Addendum No. 2 to the Implementation Plan (“Addendum No. 2”) to address expansion into

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<sup>1</sup> On June 3, 2020, Monterey Bay Community Power Authority’s Policy Board of Directors adopted Resolution PB-2020-02 to amend its Joint Powers Agreement changing its name to Central Coast Community Energy effective September 4, 2020. Any reference to Monterey Bay Community Power Authority or MBCP in the initial Implementation Plan and Statement of Intent, or in either Addendum No. 1 or Addendum No. 2 should be interpreted to mean Central Coast Community Energy or CCCE.

<sup>2</sup> Initial member agencies included: the counties of Monterey, Santa Cruz and San Benito as well as the cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, Salinas, Monterey, Pacific Grove, Carmel, Seaside, Marina, Sand City, Soledad, Greenfield, Gonzales, Hollister, and San Juan Bautista.

<sup>3</sup> CCCE is governed by two distinct governing bodies. First, the Policy Board retains responsibility for policy-related direction and decisions pertaining to CCCE’s organization and makes approvals of membership requests. Second, the Operations Board oversees operational matters.

eleven additional jurisdictions including the County of Santa Barbara as well as the cities of Arroyo Grande, Carpinteria, Del Rey Oaks, Goleta, Grover Beach, Guadalupe, Paso Robles, Pismo Beach, Santa Maria, and Solvang.

Addendum No. 2 was submitted December 17, 2019, and certified by the Commission on March 9, 2020. CCCE began service in the Pacific Gas & Electric service area jurisdictions (Northern Santa Barbara County, Arroyo Grande, Del Rey Oaks, Grover Beach, Guadalupe, Paso Robles, Pismo Beach, Santa Maria, and Solvang, collectively, the “2021 PG&E Jurisdictions”) in January 2021.

Due to delays in Southern California Edison’s Customer Service Re- Platform, CCCE began service in Southern California Edison territory (including Southern Santa Barbara County and the cities of Carpinteria and Guadalupe, collectively, the “2021 SCE Jurisdictions”) in October 2021.

### **Addendum No. 3 to the Implementation Plan and Statement of Intent**

On November 4, 2021, the CCCE Policy Board adopted Resolution No. PB-2020-06, approving Addendum No. 3 to the Implementation Plan and Statement of Intent (“Addendum No. 3”) to address expansion into the City of Buellton.

Addendum No. 3 was submitted December 3, 2020 and certified by the Commission on March 8, 2021. CCCE began service in Buellton in January 2022.

### **Addendum No. 4 to the Implementation Plan and Statement of Intent**

CCCE’s Addendum No. 4 primarily addresses CCCE’s planned expansion to serve customers in the City of Atascadero beginning in January 2024.

Additionally, Addendum No. 4 contains certain updated projections that are consistent with CCCE’s recently approved 2020 Integrated Resources Plan, current resource planning, Proposed FY 2022/2023 Operating Budget, and other operating considerations.

Finally, Addendum No. 4, including references to CCCE’s August 16, 2017 Implementation Plan, December 7, 2018 Addendum No. 1, December 17, 2019 Addendum No. 2, and November 4, 2020 Addendum No. 3 each of which are incorporated by reference and attached hereto as Appendices E, F, G, and H respectively, 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.

## **CHAPTER 2 – Changes to Address CCCE Service Extension to the City of Atascadero**

As set for above, CCCE's Addendum No. 4 primarily addresses CCCE's planned expansion to serve customers in Atascadero beginning in January 2024. Addendum No. 4 also provides updated projections based on CCCE's operating history.

The addition of Atascadero in January 2024 will have minor impacts on CCCE's operations including customer energy requirements, peak demand, renewable energy purchases, revenues, expenses and various other items. CCCE's commitment to 60% of its retail load met by clean and renewable resources by 2025 and 100% by 2030, are reflected in the following sections. To the extent that other details related to membership expansion are not specifically discussed within this Addendum No. 4, CCCE represents that such information has not substantively changed relative to the initial Implementation Plan or Addendums Nos. 1, 2, or 3 as previously certified by the Commission.

The following communities are now signatories to the CCCE Joint Powers Agreement and represent CCCE's current Members or Membership<sup>4</sup>:

	<b>Member Agencies</b>
1	City of Arroyo Grande
2	City of Atascadero
3	City of Capitola
4	City of Carmel-by-the-sea
5	City of Carpinteria
6	City of Buellton
7	City of Del Rey Oaks
8	City of Goleta
9	City of Gonzales
10	City of Greenfield
11	City of Grover Beach
12	City of Guadalupe
13	City of Hollister
14	City of Marina
15	City of Monterey
16	City of Morro Bay
17	City of Pacific Grove
18	City of Paso Robles
19	City of Pismo Beach
20	City of Sand City
21	City of Salinas
22	City of San Juan Bautista
23	City of San Luis Obispo
24	City of Santa Cruz
25	City of Santa Maria
26	City of Scotts Valley
27	City of Seaside
28	City of Soledad
29	City of Solvang
30	City of Watsonville
31	County of Monterey
32	County of San Benito
33	County of Santa Barbara

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<sup>4</sup> The term Member(s) or Membership as used throughout the initial Implementation Plan or Addendums Nos. 1, 2, 3, 4 shall refer to the complete list of CCCE's 34 member agencies.

### **Enrollment Process**

All customers currently enrolled in the CCCE program were appropriately noticed. Before additional phases of customers are enrolled in the Program, CCCE will comply with all required notice procedures, including mailing written notices to customers. Notice shall be sent at least two calendar months, or sixty days, prior to the commencement of automatic enrollment and two calendar months or sixty days, following the enrollment of customers.

All 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.

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 notifications 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 generation charges for the time they were served by CCCE 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**

CCCE will continue to phase-in the customers of its Program as communicated in this Implementation Plan. To date, six phases have been successfully implemented. The City of Atascadero enrollment will be the seventh phase and is scheduled for January 2024.

Phase 1. Complete, March 2018: All commercial, industrial and agricultural customers, which comprised approximately 34.14 percent of total customer load.

Phase 2. Complete, July 2018: Approximately 235,000 additional customers, comprised of residential accounts, which approximated 17.5 percent of total customer load.

Phase 3. Complete, January 2020: Approximately 30,000 residential, commercial, industrial, agricultural, and street lighting accounts within the cities of San Luis Obispo and Morro Bay, which comprised approximately 5 percent of total customer load.

Phase 4. Complete, January 2021: Residential, commercial, industrial, agricultural, and street lighting accounts within the 2021 PG&E Jurisdictions, which comprised approximately 27 percent of total customer load.

Phase 5. Complete, October 2021: Residential, commercial, industrial, agricultural, and street lighting accounts within the 2021 SCE Jurisdictions, which comprised approximately 15 percent of total customer load.

Phase 6. Complete, January 2022: Residential, commercial, industrial, agricultural, and street lighting accounts within the City of Buellton, which comprised approximately .64 percent of total customer load.

Phase 7. Planned, January 2024: Residential, commercial, industrial, agricultural, and street lighting accounts within the City of Atascadero, with exact timing subject to economic and operational constraints.

The multi-phase implementation approach has provided CCCE 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 454,000 accounts), following completion of all seven enrollment phases.

### **Sales Forecast**

Regarding CCCE's sales forecast, which is addressed in Chapter 6, Load Forecast and Resource Plan, CCCE assumes that total annual retail sales will increase to 5,200 GWh following the expansion to the City of Atascadero. The following tables have been updated to reflect the impacts of planned expansion to CCCE's new membership.

## CHAPTER 6, Resource Plan Overview

	Central Coast Community Energy Proposed Resource Plan (GWh)									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>CCCE Demand</b>										
Retail Demand (GWh)	(5,367)	(5,408)	(5,433)	(5,456)	(5,492)	(5,498)	(5,518)	(5,537)	(5,570)	(5,596)
Losses and UFE (GWh)	(333)	(336)	(338)	(339)	(341)	(342)	(343)	(344)	(346)	(348)
Total Demand (GWh)	(5,700)	(5,744)	(5,770)	(5,795)	(5,833)	(5,840)	(5,861)	(5,881)	(5,916)	(5,944)
<b>CCCE Supply</b>										
Renewable Resources (GWh)	2,971	3,146	3,124	2,939	2,917	2,890	2,864	2,835	2,807	2,779
Unspecified Power (GWh)	2,730	2,598	2,646	2,856	2,917	2,950	2,998	3,046	3,109	3,165
Total Supply (GWh)	5,700	5,744	5,770	5,795	5,833	5,840	5,861	5,881	5,916	5,944
<b>Energy Open Position (GWh)</b>	-	-	-	-	-	-	-	-	-	-

## CHAPTER 6, Customer Forecast

<b>Central Coast Community Energy Enrolled Retail Service Accounts Phase-In Period (End of Month)</b>							
	<b>Mar-18</b>	<b>Jul-18</b>	<b>Jan-20</b>	<b>Jan-21</b>	<b>Oct-21</b>	<b>Jan-22</b>	<b>Jan-24</b>
<b>CCCE Customers</b>							
Residential	<15	232,859	261,201	347,713	373,627	375,350	388,472
Commercial	31,685	31,685	35,371	48,673	52,414	52,950	55,239
Industrial	37	37	26	40	58	71	75
Ag & Pumping	4,819	4,819	4,566	6,506	6,991	7,004	7,240
Street Lighting & Traffic	2,211	2,211	2,393	3,077	3,443	3,467	3,593
Total	38,752	271,611	303,557	406,009	436,533	438,842	454,619

<b>Central Coast Community Energy Retail Service Accounts (End of Year) 2023 to 2032</b>										
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>CCCE Customers</b>										
Residential	377,982	388,472	386,928	385,868	385,023	384,274	383,580	382,899	382,223	381,551
Commercial	53,796	55,239	55,089	54,986	54,903	54,826	54,749	54,673	54,597	54,521
Industrial	74	75	75	75	75	74	74	74	74	74
Ag & Pumping	7,271	7,240	7,216	7,197	7,182	7,168	7,155	7,142	7,129	7,117
Street Lighting & Traffic	3,498	3,593	3,589	3,586	3,584	3,581	3,579	3,577	3,574	3,572
Total	442,621	454,619	452,896	451,712	450,766	449,923	449,137	448,365	447,598	446,835

## CHAPTER 6, Sales Forecast

Central Coast Community Energy Energy Requirements (GWh)										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>CCCE Demand</b>										
Retail Demand (GWh)	5,367	5,408	5,433	5,456	5,492	5,498	5,518	5,537	5,570	5,596
Losses and UFE (GWh)	333	336	338	339	341	342	343	344	346	348
<b>Total Load Requirement (GWh)</b>	<b>5,700</b>	<b>5,744</b>	<b>5,770</b>	<b>5,795</b>	<b>5,833</b>	<b>5,840</b>	<b>5,861</b>	<b>5,881</b>	<b>5,916</b>	<b>5,944</b>

## CHAPTER 6, Renewables Portfolio Standards Energy Requirements

Central Coast Community Energy Renewable Portfolio (GWh)										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Retail Sales	5,367	5,408	5,433	5,456	5,492	5,498	5,518	5,537	5,570	5,596
Annual RPS Target (% of Retail Sales)	44%	47%	49%	52%	55%	57%	60%	66%	72%	78%
Annual RPS Target (Minimum GWh)	2,361	2,524	2,680	2,837	3,002	3,152	3,311	3,655	4,010	4,365
Annual L/T RPS Target (Minimum GWh)	1,535	1,641	1,742	1,844	1,952	2,049	2,152	2,375	2,607	2,837
<b>Program Renewable Target (GWh)</b>	<b>2,361</b>	<b>3,245</b>	<b>3,694</b>	<b>4,146</b>	<b>4,613</b>	<b>5,059</b>	<b>5,518</b>	<b>5,537</b>	<b>5,570</b>	<b>5,596</b>
Program Target (% of Retail Sales)	44%	60%	68%	76%	84%	92%	100%	100%	100%	100%
<b>Vol. Margin of Overprocurement (GWh)</b>	<b>-</b>	<b>721</b>	<b>1,014</b>	<b>1,309</b>	<b>1,611</b>	<b>1,906</b>	<b>2,207</b>	<b>1,883</b>	<b>1,560</b>	<b>1,231</b>

CCCE's procurement strategy to accelerate long-term contracting of renewable energy to achieve 60% RPS by 2025 and 100% by 2030 is likely to result in CCCE's routine exceedance of RPS compliance mandates.

## CHAPTER 6, Capacity Requirements

Central Coast Community Energy Capacity Portfolio (MW)										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Retail Peak Demand (MW)	767	776	787	798	809	816	826	838	849	857
Losses and UFE (GW)	48	48	49	50	50	51	51	52	53	53
<b>Total Net Peak Demand (MW)</b>	<b>814</b>	<b>824</b>	<b>836</b>	<b>847</b>	<b>859</b>	<b>867</b>	<b>877</b>	<b>890</b>	<b>901</b>	<b>911</b>
Reserve Requirement	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%
Capacity Reserve Requirement	138	140	142	144	146	147	149	151	153	155
Expansion Increment Req. (MW)	38	39	40	40	41	41	42	42	43	43
<b>Total Capacity Requirement (MW)</b>	<b>991</b>	<b>1003</b>	<b>1018</b>	<b>1032</b>	<b>1046</b>	<b>1056</b>	<b>1068</b>	<b>1083</b>	<b>1097</b>	<b>1109</b>

## Financial Plan

Regarding CCCE's financial plan, which is addressed in Chapter 7, Financial Plan, CCCE has updated its expected operating results, which now include projected impacts related to service expansion to the City of Atascadero. The following table reflects updated operating projections in consideration of the planned expansion.

### CHAPTER 7, CCA Program Operating Results

CCCE Notional Indicative 10-Year Financial Forecast (\$ MM)											
	CY 2023	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030	CY 2031	CY 2032	CY 2033
<b>Revenues</b>	436	447	406	385	389	401	413	425	438	451	465
<b>Costs</b>											
Cost of Energy	388	354	361	337	347	358	368	379	391	402	414
Energy Programs	16	16	16	16	16	17	17	18	19	19	20
Administrative Budget	24	25	25	25	26	27	27	28	29	30	31
<b>Total Costs</b>	428	395	402	378	389	401	413	425	438	451	465
<b>Net Position</b>	8	52	4	7	0	0	0	0	0	0	0
<b>End of Year Reserve Fund</b>	187	234	239	245	245	245	245	245	245	245	245
<b>End of Year Reserve Fund as % of Revenues</b>	43%	52%	59%	64%	63%	61%	59%	58%	56%	54%	53%

*Notional values for reference only. Assume stable market and revenues, with nominal 3% inflation in Years 5-10*

### Expansion Addendum Appendices

Appendix A: Central Coast Community Energy Resolution PB-2022-02

Appendix B: Fifth Amendment to Central Coast Community Energy Joint Powers Agreement

Appendix C: City of Atascadero Ordinance No. 652

Appendix D: City of Atascadero Resolution No. 2022-004

Appendix E: Central Coast Community Energy Implementation Plan and Statement of Intent

Appendix F: Addendum No. 1 to CCCE Implementation Plan and Statement of Intent w/out attachments.

Appendix G: Addendum No. 2 to CCCE Implementation Plan and Statement of Intent w/out attachments

Appendix H: Addendum No. 3 to CCCE Implementation Plan and Statement of Intent w/out attachments

Appendix I: Central Coast Community Energy Resolution PB-2022-03

## Appendix J

**RESOLUTION NO. PB-2023-04**

**A RESOLUTION OF THE CENTRAL COAST COMMUNITY ENERGY POLICY BOARD OF  
DIRECTORS APPROVING ADDENDUM NO. 5 TO THE COMMUNITY CHOICE  
AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT AS REQUIRED BY  
PUBLIC UTILITIES CODE SECTION 366.2(c)(3)**

**WHEREAS**, the Central Coast Community Energy ("3CE") is a Joint Powers Authority established and operated pursuant to California Government Code section 6500 et seq. to study, promote, develop, conduct, operate, and manage energy programs in the California Central Coast region; 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**, 3CE's initial Implementation Plan for the initiation of service was certified by the California Public Utilities Commission on March 1, 2018; 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**, 3CE's Addendum No. 1 to its Implementation Plan for the expansion of service to the Cities of Morro Bay and San Luis Obispo was certified by the California Public Utilities Commission on March 7, 2019; and

**WHEREAS**, on December 4, 2019, the Policy Board approved Resolution No. PB-2019-04 approving Amendment No. 2 to the Agreement to include the County of Santa Barbara and the Cities of Arroyo Grande, Carpinteria, Del Rey Oaks, Goleta, Grover Beach, Guadalupe, Paso Robles, Pismo Beach, Santa Maria, and Solvang; and

**WHEREAS**, 3CE's Addendum No. 2 to its Implementation Plan for the expansion of service to the jurisdictions added by Amendment No. 2 was certified by the California Public Utilities Commission on March 6, 2020; and

**WHEREAS**, on September 2, 2020, the Policy Board approved Resolution No. PB-2020-05 approving Amendment No. 4 to the Agreement to include the City of Buellton; and

**WHEREAS**, 3CE's Addendum No. 3 to its Implementation Plan for the expansion to the City of Buellton was certified by the California Public Utilities Commission on March 8, 2021; and

**WHEREAS**, on September 22, 2022, the Policy Board approved Resolution No. PB-2022-02 approving Amendment No. 5 to the Agreement to include the City of Atascadero; and

**WHEREAS**, 3CE's Addendum No. 4 to its Implementation Plan for the expansion to the City of Atascadero was certified by the California Public Utilities Commission on March 8, 2023; and

**WHEREAS**, on May 15, 2023, the Policy Board approved Resolution No. PB-2023-02 approving Amendment No. 6 to the Agreement to include the County of San Luis Obispo; and

**WHEREAS**, the County of San Luis Obispo is now a member of 3CE and desires to offer community aggregation service within its jurisdiction commencing January 1, 2025; and

**WHEREAS**, Public Utilities Code Section 366.2 requires that a community choice aggregator develop an Implementation Plan and Statement of Intent ("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**, Addendum No. 5 to the 3CE Implementation Plan has been prepared to address the process and consequences of 3CE expansion to the County of San Luis Obispo 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. 5 to 3CE's Community Choice Aggregation Implementation Plan and Statement of Intent to address 3CE expansion to the County of San Luis Obispo.

PASSED AND ADOPTED this 15th day of May 2023, by the following vote: 12/1/5

AYES: Adams, Baron, Brooks, Donaldson, Freeman, Kosmicki, Marx, McPherson, Nomura, Waage, Vice Chair Williams, Chair McShane

NOES: Patino

ABSENT: Dutra, Keeley, Martin, Orona, Rios

DocuSigned by:

Steve McShane

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Chair, Steve McShane

Attest:

DocuSigned by:

Heather Vowell

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Board Clerk, Heather Vowell