Update on Community Choice Energy and SamTrans Electricity Service

Board of Directors
February 1, 2017
SP, D & S Agenda Item 3

Energy Generation (Power Plants)
Energy Delivery (Transmission System)
Higher voltage, Longer distance
Energy Delivery (Distribution System)
Lower voltage, Local distance

The Grid and Community Choice Energy

Previous:

Current Path:
Community Choice Energy (CCE)

- Cities/counties procure and provide electricity on behalf of their communities
  - Goal: higher-renewable, lower-greenhouse gas emissions electricity, at competitive rates
- Electricity still delivered and billed by PG&E
- Automatic enrollment; customer can opt-out at any time
- June 2016
  - Board took action to enroll in CCE
  - Staff to conduct Technical Evaluation

Technical Evaluation Criteria and Results

- Environmental: % renewable, % GHG-free
- Cost
- New Entity Risk Management
  - Successful start-up of service, high customer participation, industry standard / prudent power management practices
- Administrative
  - No adverse effects on billing or customer service
• Reliability: infrastructure
  − No change; delivered and maintained by PG&E
  − De-prioritization of CCE customers not allowed nor practicable
• Reliability: energy supply
  − Industry standard / prudent Power Purchase Agreements, Reserve Capacity, CAISO oversight
• Compatible with future SamTrans
  − CCE supply can support electric bus fleet
  − SamTrans should explore negotiating transit-specific rates, regardless of provider

Technical Evaluation
Criteria and Results (cont.)

Options

<table>
<thead>
<tr>
<th>Generation Source</th>
<th>Option</th>
<th>% Renewable Energy</th>
<th>% GHG-free Energy</th>
<th>Est. Annual Cost Difference (Compared to Previous PG&amp;E)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 current path</td>
<td>50%</td>
<td>75%</td>
<td>- 2%</td>
</tr>
<tr>
<td></td>
<td>2 upgrade</td>
<td>100%</td>
<td>100%</td>
<td>+ 2%</td>
</tr>
<tr>
<td></td>
<td>3 opt-out back to PG&amp;E</td>
<td>30%</td>
<td>59%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>4 opt-out &amp; upgrade</td>
<td>100%</td>
<td>100%</td>
<td>+ 19%</td>
</tr>
</tbody>
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Notes:
• Annual electricity cost for existing SamTrans: ~$775,000
• Estimated annual costs are based on PG&E actual rates as of December 2016 and historic SamTrans electricity usage (kWh). Actual costs will depend on actual usage. Costs presented are inclusive of all service charges, generation, transmission & distribution, and other fees.
• Values may not sum due to rounding.
Next Steps

- March 2017
  - Staff presents formalized recommendation for Board action
- April 2017
  - Peninsula Clean Energy (PCE) finishes enrolling remainder of SamTrans electricity meters
- Spring 2018
  - Staff evaluates 1 year actual PCE billing data
  - Update Board

Questions