COMMENTS OF THE MARIN ENERGY AUTHORITY ON THE DISCUSSION DRAFT OF THE AB 32 SCOPING PLAN UPDATE

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November 1, 2013

COMMENTS OF THE MARIN ENERGY AUTHORITY TO THE CALIFORNIA AIR RESOURCES BOARD ON THE AB 32 SCOPING PLAN UPDATE

I. INTRODUCTION

The Marin Energy Authority ("MEA") respectfully submits its comments to the California Air Resources Board ("CARB") on the Discussion Draft of the Climate Change Scoping Plan Update ("Draft").

MEA administers the first and only operational Community Choice Aggregation ("CCA") program in California, MCE Clean Energy ("MCE"). MEA currently serves approximately 125,000 customers throughout Marin County and within the City of Richmond. MEA is a not-for-profit public agency founded to reduce greenhouse gas emissions by providing the local communities it serves with the choice to purchase electricity with a higher renewable content than the default offering provided by Pacific Gas and Electric ("PG&E"), the incumbent Investor Owned Utility ("IOU") for MEA's service territory.

MEA's fundamental mission is to address climate change by reducing energy-related greenhouse gas ("GHG") emissions and securing energy supply, price stability, energy efficiencies and local economic and workforce benefits. It is the intent of MEA to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar and wind energy production at competitive rates for customers. In this way, MEA's fundamental mission aligns with AB 32 goals. MEA recommends that CARB include robust information in the Draft on CCAs that increase access to clean energy in California in order to facilitate the operation and growth of these CCAs.

II. LOCAL AND REGIONAL GOVERNMENT EFFORTS TO MITIGATE CLIMATE CHANGE HAVE RESULTED IN CLEAN ENERGY CCAS

Implementing clean energy CCAs to reduce GHG emissions is a local government strategy that is being pursued in various stages by a number of communities in California. The Draft should acknowledge this growing trend and encourage the development and growth of clean energy CCAs.

The Draft notes, "Regions throughout California are also supporting innovative programs and technologies… [for example,] pursuing their own alternative energy sources."[1] This section surely includes CCAs, such as MEA, that have brought new renewable resources onto the electric grid. Although MEA is currently the only operational CCA in California, both Sonoma County and the City and County of San Francisco have formed CCAs with the objective of serving customers in their service territories with renewable energy. The Sonoma County CCA will likely begin serving customers in the spring of 2014.

CCAs also complement the preference for market-based strategies to address GHG emissions. CCAs, though local government entities, are independent load-serving entities, and compete in the marketplace for customers with the incumbent IOUs. After an initial investment, ongoing support costs for the CCA are paid by ratepayers, not municipalities. Thus, this is a strategy that is sustainable as a business model as well as a GHG reduction model. MEA recommends the Draft include a section on CCAs as a local and regional government climate change reduction strategy.

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[1] Draft at 69-70.

III. MEA'S IMPACT ON GHG EMISSIONS AND ENERGY EFFICIENCY PROGRAMS SHOULD BE REFLECTED IN THE DRAFT'S ASSESSMENT OF PROGRESS TOWARDS THE 2020 GOALS

As noted in the Draft, "about 40 percent of the State's total GHG emissions are associated with the energy sector and, therefore, efforts to reduce energy-related emissions are a key component of the scoping plan."[2] Because of their higher renewable content, MEA's product offerings emit less greenhouse gases than the product offered by PG&E and exceed the Renewables Portfolio Standard ("RPS") requirements set forth for 2020. Since launching service in 2010, MCE has reduced 28,759 tons of CO2. This progress should be reflected in the Draft's analysis of progress towards 2020 goals in the energy sector.

Additionally, MEA's also has developed Energy Efficiency ("EE") programs aimed at attaining energy savings in hard-to-reach sectors. MEA is currently offering innovative EE pilot programs for single family residential, multi-family residential and small commercial customers. MEA is also pioneering the first on-bill repayment program in the state for all of these pilots. Reporting and outcomes of MEA's EE programs are not yet available, but the progress of these programs should be noted in the Draft.

IV. CCAS ARE A KEY COMPONENT TO CONTINUE PROGRESS ON CLIMATE CHANGE GOALS BEYOND 2020

CCAs are an essential component of California's burgeoning clean energy economy. MEA has contributed to the local economy by entering in to long-term power purchase agreements with local companies. This leads to job development, economic growth, and provides a local source of clean energy that MEA customers can use. For example, MEA signed a 20-year power purchase agreement with the San Rafael Airport for 972 kilowatts of rooftop

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[2] *Id.* at 25.

solar power. Additionally, customer revenues go directly to building and developing new renewable energy projects in the communities within MEA's service territory.

The Draft sets forth, "Reducing energy sector emissions will require wholesale changes to the State's current electricity and natural gas systems."[3] However, the Draft does not include the pursuit of clean energy CCAs among its recommendations to maintain momentum to achieve these wholesale changes. MEA recommends that the Draft include recommendations that facilitate the ability of existing CCAs to operate, and to encourage the growth and creation of new CCAs to facilitate GHG reduction goals and promote economic and workforce development.

V. <u>CONCLUSION</u>

MEA appreciates the opportunity to provide input on the update to the Draft. MEA encourages CARB to encourage GHG reduction strategies that incentivize clean energy CCAs in California in order to promote local, clean power in our communities.

Respectfully submitted,

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[3] *Id.* at 83.