



MARIN ENERGY AUTHORITY
THURSDAY, OCTOBER 1, 2009
7:00 P.M.

DAWN WEISZ
Interim Director

MARIN COUNTY EMPLOYEE RETIREMENT ASSOCIATION,
BOARD ROOM
1 McInnis Parkway, San Rafael, California
AGENDA
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TOM CROMWELL
City of Belvedere

LEW TREMAINE
Town of Fairfax

CHARLES MCGLASHAN
County of Marin

SHAWN MARSHALL
City of Mill Valley

CHRISTOPHER MARTIN
Town of Ross

BARBARA THORNTON
Town of San Anselmo

DAMON CONNOLLY
City of San Rafael

JONATHAN LEONE
City of Sausalito

RICHARD COLLINS
Town of Tiburon

1. **Public Open Time (Discussion)**
2. **Interim Director's Report (Discussion/Action)**
3. **Consent Calendar: Approval of Minutes from Regular Meeting on 8-20-09 & 9-3-09 (Action)**
4. **Review Presentation for City & Town Council Meetings (Discussion/Action)**
5. **Report from Ad Hoc Contract Committee on Contract Negotiations and Draft Contract (Discussion/Action)**
6. **Legal Contact with Milbank, Tweed, Hadley, & McCloy LLP (Discussion/Action)**
7. **Two Adjustments for Remaining Budget (Discussion/Action)**
8. **Board Member & Staff Matters (Discussion)**
9. **Adjourn**

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AB 32



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**MARIN ENERGY AUTHORITY
THURSDAY, AUGUST 20, 2009
7:00 P.M.**

**MARIN COUNTY EMPLOYEE RETIREMENT ASSOCIATION,
BOARD ROOM
1 McInnis Parkway, San Rafael, California**

Roll Call

Present: Charles McGlashan, County of Marin, Chair
Shawn Marshall, City of Mill Valley, Vice-Chair
Richard Collins, Town of Tiburon
Tom Cromwell, City of Belvedere
Barbara Heller, Alternate, City of San Rafael
Christopher Martin, Town of Ross
Lew Tremaine, Town of Fairfax
Barbara Thornton, Town of San Anselmo

Absent: Damon Connolly, City of San Rafael
Jonathan Leone, City of Sausalito

Staff: Dawn Weisz, MEA Interim Executive Director
Greg Stepanicich, General Counsel
Jamie Tuckey, MEA Project Coordinator
Jessica Woods, Recording Secretary
John Dalessi, Technical Consultation
Kirby Dusel, Technical Consultation

1. Public Open Time

Women's Energy Matters (WEM) representative discussed a meeting that occurred on the 28th of July. Two individuals from Novato discussed PG&E's energy efficient programs and projects being offered to Novato, and several complained to the California Public Utility Commission (CPUC) about PG&E's ongoing behavior towards communities pursuing CCA.

Marin Municipal Water District (MMWD) representative discussed PG&E's petition for the proposed ballot measure, "The Taxpayers Right to Vote Initiative", which could impact public energy programs.

Marin United Taxpayers representative opposed Marin Clean Energy (MCE) and did not support the creation of more bureaucratic controversy.

Director Tremaine discussed the petition being circulated by PG&E and the following resolution, approved by the Town of Fairfax *"a Resolution of the Town Council of the Town of Fairfax opposing the proposed California constitutional amendment ballot measure misleadingly referred to as the taxpayers right to vote."* He further encouraged all communities to do the same.

2. Interim Director's Report

Interim Director Weisz reported on the following items.

- The Taxpayer's Right to Vote Act – Under the proposed measure, local governments that plan to start selling electricity would first need a two-thirds vote of approval from their residents if the plans required public financing. Existing public-power utilities would need a two-thirds vote of approval before they could expand outside of their current borders. The measure is scheduled to appear on the June 2010 ballot.
- Town of Fairfax Resolution in opposition to “*Taxpayers Right to Vote Act.*” A similar letter will be brought to the Board next month.
- Major new solar bills opposed by PG&E:
 - AB 560 would increase the cap on net-metering and would quadruple that cap to 10%. A draft letter of support will be brought before the Board in October.
 - AB 920 would change the way customers with solar installations are paid for surplus power. The Board may want to consider a letter of support for this as well.
- Grants:
 - Stage 1 of the California Energy Commission (CEC) PIER Grant was submitted in June and passed the Stage 1 evaluation. Stage 2 documents will be submitted in September.
 - DOE (Department of Energy) 36 – Regional Demonstration Projects – Focus on smart grid and smart customer installation in Marin to achieve greater energy efficiency. (Submitted in August)
 - DOE (Department of Energy) 122 – Renewable Energy Project – Focus on renewable energy such as solar shade structure and Renewable Energy Financing Districts. (Submitted in August)

Director Martin asked staff if PG&E took a position on AB 560 or AB 920. Interim Director Weisz noted that PG&E opposed both bills.

Chair McGlashan asked staff whether CCA is allowed to pay credits beyond net-metering. Interim Director Weisz agreed to report back findings when available.

3. Consent Calendar: Approval of Minutes from Regular MEA Meeting on 7-23-09

M/s, Thornton/Marshall, (passed 8-0-2) to approve the minutes from the regular MEA meeting on July 23, 2009 subject to confirmation of the amendment. Connolly/Leone absent.

4. Response to RFP and process

Interim Director Weisz reported that twelve bids were submitted in response to MEA's Request for Proposals (RFP) for full requirements energy, renewable energy and resource adequacy capacity to serve Marin's retail customers that participate in MEA's MCE

program. A draft contract will be negotiated with selected providers between August and November. The Board and councils of the 9 member jurisdictions will then have 90 days to review the contract before it is submitted to the CPUC for approval in early 2010. Staff discussed the draft schedule for the energy procurement contract approval. All dates and schedules set forth are subject to change due to postponements, delays or deferrals, at which time the dates will be extended accordingly. The following is a comprehensive list of the bid respondents:

1. BP Energy Company
2. Cleantech America, Inc
3. Constellation Commodities Group
4. Energy-Able
5. Kamehameha Environmental, LLC
6. LightBeam Energy
7. Local Power Works
8. Macquarie-Cook Power
9. Next Era Energy Resources
10. Northern California Power Agency
11. Power Choice, LLC
12. Shell Energy North America

Alternate Director Heller asked staff if the towns that have not joined the authority will be included in the loop out to councils during the 90 day review period. Interim Director Weisz explained that due to the short time-frame staff will not proactively be doing so, but would be happy to if there is an interest from these jurisdictions. Alternate Director Heller suggested video taping the sessions in order to send the link out for all to view. The Board and staff agreed.

Director Cromwell clarified with staff that the member jurisdiction opt-out option would occur during the 90 day review process. Interim Director Weisz responded in the affirmative. Staff also explained that it would take several months to launch the program after contract approval and during and after that period customers would be notified of the opt-out opportunity.

Interim Director Weisz indicated that the Ad Hoc Contract Committee will review the list of bid respondents and provide its recommendation for a short-list to the Board in September. Chair McGlashan clarified that the short-list could contain project-based or full requirement bidders, based on discretion of the Board at the September 3rd meeting. Interim Director Weisz responded in the affirmative.

Navigant Consultant Dalessi summarized the results of the RFP with a PowerPoint presentation that included the following:

- Background & Overview;
- RFP Response & Administrative Screening;
- Administrative Screening Results;
- Full Requirements Responses;
- Energy Suppliers;

- Indicative Price Comparison;
- Light Green Power Cost Bids;
- Comparative Cost Bids;
- Conclusions; and,
- Upcoming Schedule

Director Cromwell asked if the top three respondents are capable of reliably providing full requirements electric power supply and operational services of a CCA program unaccompanied by other respondents. Dalessi responded that they are capable of doing so, but that implementing local projects like solar rooftops may not be their normal course of business. Chair McGlashan clarified that if they did a full requirements contract with only the top three respondents that over time they could use the substitution clause concept to bring in other suppliers. Dalessi responded in the affirmative.

Director Tremaine asked if the numbers represented in the Price Comparisons were for Tier 1 costs. Navigant Consultant Dalessi responded that it is an overall average cost.

Vice-Chair Marshall clarified that in this chart there is a direct comparison to PG&E. Navigant Consultant Dalessi pointed out that estimated average costs included in the upper and lower tiers. Vice-Chair Marshall recommended that the consultant explain the calculations of the average and/or the tier breakdown. Navigant Consultant agreed to do it in hypothetical scenarios.

Chair McGlashan declared the hearing open to receive public testimony.

Marin resident believed the proposed CCA program represents an opportunity for political influence and inappropriate behavior. He further objected to decisions which could be made without adequate time and consideration.

There being no further public testimony on this item, the Chair closed the hearing and brought the matter back to the Board for action.

M/s, Tremaine/Thornton, (passed 7-0-2) to approve the MEA Draft Schedule for the Energy Procurement Contract Approval. Connolly/Leone absent.

5. Discussion of Bid Review Criteria

Interim Director Weisz summarized the staff report and provided the Board with MEA's Bid Review Criteria which included proposal requirements and evaluation criteria for their review. Staff noted that MEA reserves the right to consider other factors than those specified within the document and also reserves the right to request additional information from respondents, as needed, to assist in selecting proposals for further consideration. Through the issuance of this RFP, MEA makes no commitment to any bidder that it will be awarded a contract to provide solicited services. MEA also reserves the right to discontinue this RFP process at any time for any reason.

Director Tremaine believed the report from Navigant was a conservative overview of the applicants and bidders. He hopes the Ad Hoc Technical Committee will have an open mind in terms of evaluating more “out of the box” thinking. The full-requirements energy bidders seem like the safe way to go and while he may not personally be interested in the safe route, he understands the political realities. He agreed with the speaker that, “shotgun marriages” are not happy arrangements. He feels the Board must not force the people doing the local or energy efficiency work to partner closely with energy providers. He desired more direct input to those folks instead of communicating through the full requirements energy provider in order to have more control over what is happening.

Chair McGlashan declared the hearing open to receive public testimony.

Marin resident asked the Board to vacate the proposal requirements.

WEM representative discussed “Confessions of a Power Trust,” which is a compilation of over 47 volumes of the energy trade commissions.

Sausalito resident identified a potential conflict of interest when energy providers are asked to conduct energy efficiency activities. In addition, he suggested looking at real incentives to provide alternative energy. As a homeowner, he is the only one that benefits from energy efficiency, not PG&E.

Marin resident believed the Board must be very careful that PG&E doesn’t knock MEA down. Chair McGlashan pointed out that the Board is not criticizing PG&E.

There being no further public testimony on this item, the Chair closed the hearing and brought the matter back to the Board for discussion.

Interim Director Weisz responded to comments and clarified that Agenda Item #5 is an informal item only to discuss the evaluation criteria. The Ad Hoc Committee will explore this further and the Board will be able to take action at the September meeting on the short list.

Vice-Chair Marshall noted that there was discussion at the Executive Committee meeting about ranking criteria and asked staff if the ranking criteria will be discussed at the September meeting. Interim Director Weisz indicated that staff has not determined whether or not they will rank the evaluation criteria. It is currently being reviewed, and if they decide to do so, it would be brought to the Board on September 3rd.

Director Tremaine discussed the term “*operational experience*” and asked what is being considered. Navigant Consultant Dusel explained that direct experience, serving load in the State of California, scheduling, and coordination of services is what is considered “operational experience”. Navigant Consultant Dalessi added that operational experience requires energy suppliers to procure energy and to make sure it gets to their customers.

An entity that has experience with California's unique rules and protocols and engaging in functions and activities required to provide service to MEA is desired. Director Collins asked how that type of experience is quantified. Navigant Consultant Dalessi responded that the most objective way to quantify this experience is through references, the firm's customer list and talking to customers that they serve or have served. He further believed that verification would be uncomplicated and noted that he would be present during the interviews with bid respondents.

Chair McGlashan considers operational experience to be key. Ultimately, the Board must go back to their colleagues and council members to explain that the provider or providers can deliver a load responsive to their consumption curve.

Director Cromwell pointed out that Navigant Consultant and Interim Director Weisz's expertise is needed. Chair McGlashan agreed and is extraordinarily impressed with the wealth of knowledge and amount of support received from incredibly sharp individuals.

6. Consider appointment of Ad Hoc Contract Review Committee

Vice-Chair Marshall confirmed with staff that all information contained within the bids is confidential. General Counsel Stepanicich further clarified that the information shall remain confidential until a contract is before the Board, at which time it may become public.

Chair McGlashan asked staff if the Board needs to sign confidentiality agreements. General Counsel Stepanicich explained that the concern is outside of the MEA itself. Unless the Board so desired, it is not necessary to have confidentiality agreements signed by the Board members.

Chair McGlashan proposed that Directors Collins, Connolly, Thornton, and himself serve on the Ad Hoc Contract Review Committee.

Chair McGlashan declared the hearing open to receive public testimony, and seeing no one wishing to speak, the Chair closed the hearing and brought the matter back to the Board for action.

Chair McGlashan asked for a motion.

M/s, Tremaine/Marshall, (passed 7-0-2), to form an Ad Hoc Contract Review Committee that included Chair McGlashan and Directors Collins, Connolly, and Thornton. Connolly/Leone absent.

7. Revised Contract with Nixon Peabody

Project Coordinator Tuckey summarized the staff report and recommended that the Board authorize the Director to execute the revised agreement with Nixon Peabody. Contractor's fees for professional services under this agreement are as follows.

- Partner, Senior Council, and Council \$570/hr
- Associates \$475/hr

- Howard Golub & Travis Gibbs \$495/hr
- Robert Stroh \$425/hr

In addition to fees for professional services, described above, contractor's fees shall include reasonable and necessary charges for photocopying, messenger and delivery service, travel, long-distance telephone and telecopy, word processing, computer research, and search and filing fees, and other fees and charges in accordance with the attached Policy. All such charges shall be billed monthly and shall be paid within 30 days of presentation to MEA.

Interim Director Weisz looked at comparable legal services and the \$475 rate was an average, so they worked to get as close to that as possible. There is specialized expertise needed in the development of a CCA program, specifically in regards to contract negotiation, which provides some rationale for having slightly higher fees. Staff believed the proposed rates offered are fair. The three legal consultants listed by name have the necessary expertise, so having their rates coming in lower than overall Partner, Senior Council and Council rate is a benefit. Staff noted that \$425 to \$600 is the range and pointed out that the standard rate for Travis Gibbs is around \$850/hr, making obvious the discount provided to MEA.

Director Martin recommended that staff track the invoices to make sure they stay within budget. Staff agreed.

Chair McGlashan declared the hearing open to receive public testimony.

WEM representative discussed "*Intervenor Compensation*" rates for the Board's consideration. She explained that utilities are required to publicly provide e rates for all attorneys, expert witness and consultants and a full chart with exact information is available from PG&E.

Mill Valley resident recommended that the Board consider Chapman & Park. They are highly qualified in renewable energy and worthy of exploration.

There being no further public testimony on this item, the Chair closed the hearing and brought the matter back to the Board for action.

Chair McGlashan asked for a motion.

M/s, Tremaine/Thornton, (passed 7-0-2), to authorize the Director to execute the revised agreement with Nixon Peabody. Connolly/Leone absent.

8. Board Member & Staff Matters – None

9. Adjournment

By order of the Chair, the meeting adjourned at 8:36pm.

ATTEST:

Charles McGlashan, Chair

Dawn Weisz, Interim Director

**MARIN ENERGY AUTHORITY
THURSDAY, SEPTEMBER 3, 2009
7:00 P.M.**

**MARIN COUNTY EMPLOYEE RETIREMENT ASSOCIATION,
BOARD ROOM
1 McInnis Parkway, San Rafael, California**

Roll Call

Present: Charles McGlashan, County of Marin, Chair
Shawn Marshall, City of Mill Valley, Vice-Chair
Richard Collins, Town of Tiburon
Damon Connolly, City of San Rafael
Tom Cromwell, City of Belvedere
Jonathan Leone, City of Sausalito (*arrived @ 7:17pm*)
Christopher Martin, Town of Ross
Lew Tremaine, Town of Fairfax
Barbara Thornton, Town of San Anselmo

Absent: None

Staff: Dawn Weisz, MEA Interim Executive Director
Jamie Tuckey, MEA Project Coordinator
Greg Stepanicich, General Counsel
Jessica Woods, Recording Secretary

1. Public Open Time

Women's Energy Matters (WEM) representative attended a hearing of the Southern San Joaquin Irrigation District where the Board voted unanimously to take control of the electrical wires and run the power system in their jurisdiction. The irrigation district has been in existence for 100 years but in 2005, they could not move forward with their plans due to LAFCO interference. Since this time, they have built a solar farm and are determined to fight against the PG&E ballot measure, The Taxpayer's Right to Vote.

2. Interim Director's Report

Interim Director Weisz and General Counsel Stepanicich reported on the following:

- MEA letter to Mike Thompson of the United States House of Representatives regarding the Tax Exempt Private Activity Bond for renewable energy generation and energy and water efficiency projects; and,
- California Public Utility Commission (CPUC) letter regarding Draft Resolution E-4250:
 - MEA's letter
 - San Francisco's letter
 - Response to comments

Project Coordinator Tuckey reported on the following:

- Renewable Energy Transmission Initiative (RETI) final report;

- Updated summary on all grants submitted and to be submitted; and,
- The California Independent System Operator (CAISO) Stakeholder Symposium being held on October 7th in Sacramento.

Vice-Chair Marshall discussed the RETI report and asked staff why this is important now and what information should be tracked. Interim Director Weisz explained that is it an informational item to keep the Board up to speed on proposed transmission lines.

Vice-Chair Marshall asked staff what the Board's total dollar amount resulted to in grant applications. Interim Director Weisz believed around \$45 million to \$48 million. Vice-Chair Marshall asked staff how much is expected to be awarded. Interim Director Weisz is hopeful and believes that MEA is in a good position to receive awards but will not know until we receive responses. MEA could be viewed as a community that is taking on a lot of important projects already and is well positioned to execute a model effectively, creating an excellent demonstration project that other communities can model.

Director Leone joined the MEA meeting at 7:17pm.

Vice-Chair Marshall asked staff if they would be attending the CAISO meeting in October. Interim Director Weisz believed it is likely that at least one staff member will attend. Vice-Chair Marshall believed a few members of this Board should attend as well.

3. Budget Report

Project Coordinator Tuckey summarized the staff report and recommended that the Board authorize staff to budget the remaining funds in professional services for fiscal year 2010.

Director Thornton clarified with staff that this amount is money that was not spent in 2008 or 2009 due to timing issues. Interim Director Weisz responded in the affirmative.

Director Tremaine asked staff to define "*professional services.*" Project Coordinator Tuckey indicated that "*professional services*" represents broad expenditures ranging from staffing fees, general operating fees, board meeting rental fees, and contracts.

Chair McGlashan clarified with staff that aside from the timing differences, they are on track. Interim Director Weisz responded in the affirmative and noted that as far as the budget is concerned, MEA has spent less then was originally expected, which is why there are these remaining funds which need to be budgeted.

Director Cromwell clarified with staff that attorney fees would not be included in this budget. Interim Director Weisz explained that attorney fees are under a contract line item that was included in the projected budget in February '09 that the Board agreed to and would not be included in this portion.

Chair McGlashan declared the hearing open to public testimony, and seeing no one wishing to speak, the Chair closed the public portion and brought the matter back to the Board for action.

Chair McGlashan asked for a motion.

M/s, Tremaine/Marshall, (passed 9-0-0) to accept the report and authorize staff to budget the remaining funds according to the Board's original plan.

4. Report from Ad Hoc Contract Committee and Recommended Short List for Contract #1

Interim Director Weisz summarized the staff report and recommended that the Board authorize staff and the Ad Hoc Contract Committee to negotiate with 3 Power Purchase Suppliers including Constellation Commodities Group, Shell Energy North America and Macquarie-Cook Power. Interim Director Weisz also recommended that the Ad Hoc Contract Committee continue conversations with the other proposal respondents as well.

Director Martin asked staff if MEA has funds to issue another Request for Proposal (RFP). Interim Director Weisz indicated that they do not and that is why a process to issue another RFP is scheduled to occur after the February launch. After the Power Purchase Agreement (PPA) is in place MEA would have working capital, therefore the decision to issue another RFP would come after that point.

Director Cromwell understands that individual customers will be allowed a 90-day opt-out, and asked staff if the February 4th date will be the trigger for that to occur. Interim Director Weisz explained that the opt-out for individual customers would occur after February 4th or approval of the final contract. It will take several months before supplying service to customers would commence so between contract execution and the beginning of May, MEA will be conducting a great deal of outreach to customers about opt-out opportunities. The Board must make a policy decision on how long to allow that opt-out window to stay open. Director Cromwell asked if staff is concerned that if this package is not complete when presented to ratepayers that some individuals might opt-out before that part is complete. Interim Director Weisz explained that the PPA would contain a big chunk of renewable energy. The difference between the PPA and local renewable development is that PPA will come from existing supply. Once an agreement is signed with an existing supplier, they can begin looking at developing some of their own assets, which is the long-term strategy of MEA. Staff further noted that there would be a substitution clause that allows MEA to substitute in new sources of power as soon as they become available.

Chair McGlashan noted that a ratepayer could use any reason to opt-out. As indicated in the business plan, notices will be sent out 60-days before bills get switched over. Also, MEA is still contemplating a three-phased start-up approach with larger city loads first, commercial and large residential loads second, and then finally small residential.

Director Leone asked staff to list the members serving on the Ad Hoc Contract Committee. Interim Director Weisz indicated that Chair McGlashan and Directors Thornton, Collins, and Connolly serve on the Ad Hoc Contract Committee. Staff noted that all bids were made available to the Board at the previous Board meeting. Hard copies

were given to the Technical Committee and they can be viewed electronically as well. Director Leone believed local renewable development made no sense because energy efficiency programs take so long to develop. He suggested removing local renewable development from the timeline since, in his opinion, it is not realistic.

Vice-Chair Marshall believed it is important to keep local renewable development on the timeline as a placeholder, but agreed that it is optimistic so it might be appropriate to modify the language. Director Leone stated that they must shepherd their resources. They must be realistic. He had no objection to local renewable development being a goal. The latter items on the timeline are very good and very important, but the ability, as an organization, to solicit a number of proposals and implement may require a step by step process. He further recommended removing local renewable development from the 10-month timeline.

Director Tremaine pointed out that if they receive grants that are specific to energy efficiency and renewable energy development, they will be able to implement these types of programs sooner. Currently it is unknown, but if grant money lands and they are able to get going on energy efficiency earlier, then energy efficiency should not be taken off the chart. He understands the point of local renewable development, but MEA fully intends to do so and it should appear on the timeline, if only for the marketing value.

In regards to local renewable development, Director Thornton stated that it is important while working on the PPA to have a feel of what local renewable projects may be out there to feather that in as the PPA is developed for the amount of power needed from that power purchase provider over time. She further indicated that local renewable development closely relates to the PPA agreement with regard to volumes. Director Leone stated that from his experience it takes years to develop. He is in favor of all of the items on the chart, but only from a responsible standpoint and what can be accomplished even if grant funding is not received. Director Leone stressed practicality and agreed that the big picture goals are very important. Vice-Chair Marshall suggested moving local renewable development down to the last piece on the timeline and adding a footnote that they are longer-term propositions. Interim Director Weisz suggested calling it, "*Project Development*" rather than "*Local Renewable Development*." Another change is to have it more of a decision point at the end of February to decide the next step because a lot will change between now and then, depending on the PPA. Staff further noted that it is hard to predict the timeline.

Chair McGlashan stated that the graphic also reflects a sense of the Ad Hoc Contract Committee's impression that they received credible bids for project development opportunities from several different bidders. They offered a very aggressive and credible timeline that indicated that projects could be developed in or near the county and they are sufficiently credible and serious about continuing intensive dialogue. He agreed to move the project development down to the bottom of the timeline, but would not be interested in removing it from the chart because the Ad Hoc Contract Committee is committed to this and will be driving attention, resources and funding into project development.

Director Connolly echoed the Chair's comments. As a member of the Committee, that really was their objective, so they should keep the two items on the chart. He agreed to rename "*local renewable development*" to "*project development*" and leave energy efficiency programs above that. They are underscoring both the stated goals of this whole enterprise by mentioning these and also the reality of what they did see as part of the contract and bidding process as indicated by the Chair. He did agree with Director Leone that they must at least inject reality into the timeline as well as that they are aggressively researching, investigating and conversing with both currently known bidders and those approaching them over time.

Director Tremaine suggested that if they change the name to "*project development*" then underneath in smaller type bullet they should also provide some examples of the types of projects. Interim Director Weisz suggested stating, "*additional*" renewable projects. Staff then announced that the bulk of grant results would be in by the end of this calendar year, with a couple coming in at the beginning of 2010. Staff also noted that the timeline has been updated to incorporate the more fine points of going through the PPA development. The month of October is dedicated to the first round of loop outs to member councils on the draft contract with the provider. Staff will provide them with detailed information and solicit input regarding the draft contract for full requirements energy services for a Marin CCA program.

Chair McGlashan noted that the Marin Managers Association (MMA) is thinking about hiring an outside entity to conduct a peer review of the contract. Vice-Chair Marshall emphasized there was a conscious decision made to do an initial loop out in early October to all councils to set aside 30-days for early red flags, which is the time for councils and city attorneys to review the document and if there are issues to come forward early enough to avoid last minute items.

Chair McGlashan pointed out that all three master PPA vendors appear to meet all constraints of the business plan and so far the business plan is holding up well under repeated rounds of scrutiny.

Director Cromwell stated that his major concern is not looping out to city councils, but to the public. Other than letters to the editor and IJ, the public has not been submerged in this for quite a while. There will be limited time for public education. Chair McGlashan stated that the current loan from the Board of Supervisor is a shoestring budget. This agency will need to raise some funding to do public education as any agency. If they have a contract that pulls a "*go live*" date in June of 2010 they will have a four-month period to send out information. There will be a flurry of paper coming from the other side trying to scare people and that will effect the opt-out period, so MEA can only estimate how many residential or commercial customers are affected by that campaign. A government agency is not allowed to campaign, so the ratepayer must make their own decision. The vendors are well aware of the potential load effect that a significant opt-out numbers could have and that has been factored into their prices.

Director Tremaine stated that it would be very important, as leaders, to go to the grass roots organizations to encourage them to coordinate and campaign for Marin Clean Energy. It will be important to shepherd that along and take responsibility for making sure the accurate information is presented so it is a fair fight.

Chair McGlashan asked for a motion.

M/s, Tremaine/Thornton, to authorize staff and the Ad Hoc Contract Committee to negotiate with the three PPA vendors and also to exercise their rights under the RFP to continue conversations as appropriate with the others who provide different features of contracts and opportunities.

Chair McGlashan declared the hearing open to receive public testimony.

WEM representative wanted to see a plan that has more hard details and wanted an executive director to be in place to help this occur. The PPA provider must know if they are going to have a certain amount of energy efficiency and have a reasonable goal. It is a matter of what will occur in the next five to seven years. The provider of the PPA must know if they are issuing revenue bonds and make specific plans and promises in terms of solar energy.

Marin resident wanted to know what PPA related services are contemplated on the timeline and if any short listed respondents have experience in displacing PG&E as a service provider.

There being no further public testimony on this item, the Chair closed the hearing and brought the matter back to the Board for discussion and action.

Interim Director Weisz responded that activities contemplated under the PPA incorporate what is defined in the full services requirements, which includes having energy assets available, load scheduling, certified to interface with CAISO, and load balancing. Details are available for full requirements in the RFP. In regard to displacing PG&E, that does not apply to any of these three firms but these bidders and others have experience providing power to other municipalities.

Director Leone stated that his point was to structure an agreement to allow for flexibility. He does not know well enough to make assumptions of the local generation and did not want to obligate MEA.

(Passed 9-0-0)

Vice-Chair Marshall took a moment to appreciate staff and the Ad Hoc Contract Committee's hard work. The Board concurred.

5. Board Member & Staff Matters - None

6. Adjourn

By order of the Chair, the meeting adjourned at 8:16pm.

ATTEST:

Charles McGlashan, Chair

Dawn Weisz, Interim Director



October 1, 2009

TO: Marin Energy Authority Board

FROM: Dawn Weisz, Interim Director

RE: Review Presentation for City & Town Council Meetings (Agenda item #4)

ATTACHMENT: October Meeting Schedule
Draft Powerpoint Presentation

Dear Board Members:

Your Board has established October, 2009 as the key month to loop out to each member council/board for input on the draft power purchase agreement (PPA) contract. Meetings in each council/board have been scheduled and are shown as attached. In addition, a draft PowerPoint presentation has been created to provide a framework for these meetings and allow for key information to be conveyed as clearly as possible.

In addition, your Board has requested an educational session on the basics of the Marin Clean Energy Business plan with current information and updates. The attached presentation responds, in part, to that request. More detailed and/or additional information can be prepared and presented at future committee meeting at your direction.

Recommendation: Discuss presentation and provide direction to staff on areas where additional information is desired.

October Meeting Schedule

The Marin Energy Authority staff, representatives, technical, and legal consultants will be looping out to all member jurisdictions next month to provide them with detailed information and solicit input regarding the draft contract for full requirements energy services for a Marin CCA program.

The schedule is as follows:

Date	Time	Jurisdiction	Address
10/5/2009	TBD	City of San Rafael	1400 Fifth Ave., San Rafael
10/6/2006	7:00	City of Sausalito	420 Litho St., Sausalito
10/7/2009	7:30	Town of Fairfax	Woman's Club, 46 Park Rd., Fairfax
10/8/2009	6:30	Town of Ross	31 Sir Frances Drake, Ross
10/12/2009	7:30	Town of Belvedere	450 San Rafael Ave., Belvedere
10/19/2009	7:00	City of Mill Valley	26 Corte Madera Ave., Mill Valley
10/21/2009	7:30	Town of Tiburon	1505 Tiburon Boulevard
10/27/2009	7:00	Town of San Anselmo	525 San Anselmo Ave.



October 1, 2009

TO: Marin Energy Authority Board

FROM: Dawn Weisz, Interim Director

RE: Report from Ad Hoc Contract Committee on Negotiations and Draft Contract (Agenda item #5)

ATTACHMENT: Draft Contract

Dear Board Members:

On May 7th your Board approved and released a Request for Proposal (RFP) for 'full requirements' electricity supply. This competitive solicitation process resulted in 12 bids for power with prices in the expected range described the CCA business plan. The power costs projected in the bid proposals would be at or below PG&E's projected rates for the light green option (starting at 25% renewable energy, growing to 50% in four to five years). The deep green option (100% renewable energy) would also be available to customers for a slight premium above PG&E's projected rates. On September 3 your Board selected three of the twelve bidders for initial contract negotiations on a full requirements energy power purchase agreement (PPA).

Negotiations are underway and a draft PPA contract is attached here for your review. If approved by your Board feedback on the draft contract will then be requested from each of the member jurisdictions, members of the public and other key stakeholders to help create a final draft for consideration/approval by your Board on November 5, 2009.

There will then be a 90-day review period for the final contract where each jurisdiction can choose whether to continue participation in MEA under the terms of the contract. The projected date for contract execution with an energy service provider is February 4, 2010. If executed, it is likely that service would begin to the first phase of customers in May, 2010.

Recommendation: Approve release of draft contract to allow for input from member agencies, the public and key stakeholders.



October 1, 2009

TO: Marin Energy Authority Board

FROM: Dawn Weisz, Interim Director

RE: Contract Agreement with Milbank, Tweed, Hadley, & McCloy LLP
(Agenda item #6)

ATTACHMENT: Agreement with Milbank, Tweed, Hadley, & McCloy LLP

Dear Board Members:

In February, 2009, your Board approved a budget for the first year of MEA operations using initial start-up funds of \$330,000. Of this allocation, some of the funds were projected to be needed for legal services related to developing a power supply contract.

Milbank, Tweed, Hadley, & McCloy LLP is a legal consulting firm who has provided pro bono assistance to the Marin Energy Authority in the bond settlement agreement discussions at the CPUC and has strong expertise in developing power purchase agreements and other similar transactions. \$20,000 has been set aside in the existing MEA budget to cover the work outlined in the attached agreement. A limited amount of work was previously authorized by your Board on April 19 but that work was completed by the firm pro bono.

Current activities would include providing legal support and advice regarding the initial energy supply contract(s) and CCA implementation as needed under the direction of Marin Energy Authority Interim Director or Permanent Director. The Director will assign tasks as appropriate within the \$20,000 budget limit. The rate for these services will be \$495/hour.

Recommendation: Authorize Director to execute agreement with Milbank, Tweed, Hadley, & McCloy LLP.



October 1, 2009

TO: Marin Energy Authority Board
FROM: Dawn Weisz, Interim Director
RE: Two Adjustments for Remaining Budget (Agenda item #7)
ATTACHMENT: Budget spreadsheet

Dear Board Members:

In February 2009 your Board approved a \$330,000 budget for MEA initial costs. The budget has been allocated as projected to cover the anticipated needs of MEA to date. At this time there is a need for additional funds for technical and legal support to ensure development and completion of a power purchase agreement (PPA) contract. Staff and the Executive Committee have reviewed the budget to determine what previously allocated expenditures could be shifted to accommodate these current needs.

Two items have been identified that are not considered essential between now and February 2010. Both of these items, however, would be needed upon execution of the PPA contract and would draw upon start-up/working capital activated at that time. These two identified budget items are 'executive director search' (\$40,000) and 'insurance' (\$10,000).

Recommendation: Approve shifting of 'executive director search' and 'insurance' line items in the budget to cover current needs for technical and legal support.

MEA Budget (October 2009 - June 2010)

	Oct. 13, 2009 - Jan. 31, 2010	Feb. 1, 2010 - Jun. 30, 2010
	Estimated Expenditures	Estimated Expenditures
Total Revenue	\$ 170,000.00	
Total Budget	\$ 163,918.78	\$ 516,134.95
5210100 - Professional Services	\$ 160,907.99	\$ 497,384.95
5210100 Professional Services-- Interim Director (part time 7327.33/month)	\$ 29,309.32	\$ 36,636.65
5210100 Executive Director Search		\$ 40,000.00
5210100 Professional Services-- Planning Aide (part time \$3824.66/month)	\$ 15,298.67	\$ 19,123.30
5210100 Professional Services-- Secretary (contract \$325/mtg estimate)	\$ 1,300.00	\$ 1,625.00
5210100 Professional Services-- Contracts	\$ 40,000.00	\$ 120,000.00
	Navigant \$ 20,000.00	\$ 40,000.00
	RWG \$ 20,000.00	\$ 80,000.00
5210100 Professional Services-- Exec Admin OH Charge (1250/month)	\$ 5,000.00	
5210100 Professional Services--External Audit	\$ 10,000.00	
5210100 Insurance		\$ 10,000.00
5210100 Professional Services--Legal Counsel	\$ 60,000.00	\$ 70,000.00
	Nixon Peabody \$ 20,000.00	\$ 70,000.00
	Milbank \$ 20,000.00	
5210100 Staff Costs		\$ 200,000.00
* 5210700-Communications Services - Cell (\$60/month)	\$ 240.00	\$ 300.00
* 5211200-Rent & Operating Leases	\$ 1,140.00	\$ 17,650.00
5211270 Rent - Mtg Space (\$380/month)	\$ 1,140.00	\$ 1,900.00
5211270 Rent - Off Space (\$3150/month)	\$ -	\$ 15,750.00
5211335 Subscriptions--website domain name	\$ 30.79	\$ -
* 5211400-Travel	\$ 200.00	\$ 300.00
5211410 Travel - Airline	\$ -	
5211425 Travel - Gas - Non - Garage	\$ -	
5211430 Travel - Hotel and Lodging	\$ -	
5211435 Travel - Meals	\$ -	
5211440 Travel - Mileage	\$ 200.00	\$ 300.00
5211450 Travel - Parking	\$ -	
5211460 Travel - Other		
* 5211500-Misc Services	\$ 1,300.00	\$ 500.00
5211516 Reprographic Srvcs	\$ 1,000.00	\$ 500.00
5211520 Publicat & Legal Not	\$ -	
5211546 Spec Events/Sponsor	\$ 300.00	
* 5220100-Office Supplies	\$ 100.00	
5220110 Office Supplies		
5220146 Office Supplies - Postage	\$ 100.00	
* 5220900-Equipment Other	\$ -	