

**Marin Energy Authority
Pre-Bid Conference
May 27, 2009**

Damon Connolly, member of the Marin Energy Authority (MEA) Board of Directors and Chair of MEA's Technical Committee, called the pre-bid meeting to order at 9:00am and welcomed the participants.

Dawn Weisz, MEA Interim Executive Director, gave a brief overview [presentation](#) of the Marin Energy Authority and the Marin Clean Energy (MCE) program. This included a description of the basics of Community Choice Aggregation, what has been accomplished by the Marin Energy Authority to date, and the two different energy products that are key to the MCE program.

John Dalessi, MEA consultant with Navigant Consulting, then provided a technical overview of the RFP. The contents of the [presentation](#) included a bit more background on MEA and the MCE Program, the products that are being requested through the solicitation, the proposal requirements in terms of the pricing structures that MEA is looking for, the information on energy and capacity requirements in terms of the volume and quantities, evaluation criteria of proposals, and mechanics of the schedule for the solicitation process and submittal.

Subsequent to the presentations, attendees were invited to ask questions and provide comments. The following is a list of questions and answers that were addressed at the meeting.

- 1. What will be PG&E's role? Will PG&E handle the billing?**
PG&E will still be maintaining the transmission and billing. There will be a pass through arrangement contract with the utility to handle the billing and they will be collecting revenue from customers and passing it through to the Marin Energy Authority.
- 2. Is MEA open to having another entity provide billing services if that is a better solution financially?**
According to law, utilities are required to do the billing so there is not flexibility on this subject.
- 3. Who will be responsible for the marketing portion of the Marin Clean Energy program?**
MEA will designate staff to run the marketing program.
- 4. Can customers opt-in to the program or is it opt-out only?**
Marin Clean Energy would be an opt-out program. Customers within the member jurisdictions will automatically be enrolled into the program unless they chose to opt-out.

There will also be a designated period within which time customers can opt back into the program if they have opted out. The duration of this period will be determined by the MEA Board of Directors.

- 5. With respect to the evaluation criteria on operational expertise, if somebody has directly relevant operational expertise outside of California, and is planning on starting business in California, would there be any bias in terms of the evaluation criteria?**

Having experience outside of California would be extremely helpful. The only issue that would come up would be experience in the local markets, like with local land use policies. It would be useful for bidders to show knowledge of local markets but bidders will not be excluded if they are lacking this expertise.

- 6. Is Marin's CCA Business Plan available for review?**

Yes, the [Business Plan](#) is available on the [Marin Energy Authority](#) and [Marin Clean Energy](#) website. Peer reviews of the plan are also available on the MCE website.

- 7. Would the ability to issue tax-exempt bonds be used to finance the purchase of energy or the purchase of generating assets? Were assumptions around tax-exempt bonds included in the business plan regarding the amount of funding that MEA assumes might be available?**

These assumptions are included in the business plan. MEA has envisioned and discussed using tax-exempt bonds for the purchase of both energy and generating assets. In the context of this particular bid, it could be interpreted either way.

- 8. How will the preference of location factor into the scoring?**

MEA is interested in having projects that come from the NP15 section of Northern California as described in the RFP. However, MEA does not want bidders to exclude things that may be of interest just because it is outside of that boundary. MEA would like to look at all available options and encourages bidders to submit anything that falls within the broad definition defined in the RFP.

- 9. Does the Marin Energy Authority have credit ratings?**

The MEA's work and analysis to date has shown that having a rate base of customers is a great way to guarantee payback. That is what MEA has envisioned would be used as the collateral for payback on power purchased. MEA has not for example, looked at individual credit ratings of its member agencies as being a factor because MEA wants to keep a firewall between the general funds of its participating local governments and the Joint Powers Authority.

- 10. Is there any special arrangement that MEA has with PG&E or is it just their standard residential, commercial, and industrial meter reading applications and timelines for recovery?**

There will be a contract developed with the incumbent utility. This process has already taken place in San Joaquin Valley where a CCA program has been

formed. There will need to be a program agreement established for how MEA will interface with PG&E and how they will provide information to the authority. The customer will have a line item on their bill for generation and that will funnel through to MEA. MEA will need to make sure that the information is flowing freely and that there is transparency for all parties involved. That will be part of the contract development with PG&E, which will be closely monitored by the California Public Utilities Commission.

11. What is the timeline for contract development with PG&E?

This is part of the implementation plan process which will begin in the fall of this year. MEA plans to have the implementation plan ready to go at the time of contract execution.

12. Does MEA anticipate accelerating the smart meter program where a good share of meters would be available in real-time?

The smart meter roll out in Marin via PG&E is scheduled to roll out in June of 2011. We don't anticipate that they will be accelerating that for any reason related to our program. MEA will not be installing smart meters because that is part of the infrastructure is in charge of. The MEA is in the process of exploring grants that could allow the authority to use some smart meter technology on the customer side of the meter. This will allow customers to monitor how much energy they are using in real time and reduce their consumption in line with what the peak pricing is. MEA is working with a couple of entities that will be rolling out that program in Marin if MEA does indeed receive funding.

13. Is there sufficient information that will be available for control, or at least to make estimates of what MEA's California Independent System Operator (CAISO) settlement would be?

MEA can obtain data up until the sub-station point through the CAISO. MEA can also submit requests for more detailed customer data from PG&E if necessary. There are CPUC rulings that require PG&E to comply with those types of requests if they are needed.

14. What has MEA learned from the delay in San Joaquin Valley's CCA program and how does MEA's RFP reflect these lessons?

MEA's RFP process is open to a number of different and creative ways of achieving the authority's' ultimate goals and is hoping that that will elicit some innovative thinking and responses. MEA also may consider the possibility of working with more than one bidder through the next six months to a year and even potentially beyond that, depending on what size of the supply respondents chose to bid on. Having multiple bidders engaged with the MEA through the process of contract approval would be a benefit and is a lesson learned from San Joaquin.

For some of the smaller entities that are interested in responding to the RFP, there are two suggestions to keep in mind.

1) Explore partnering opportunities with the larger suppliers that are out there. If you have on the ground experience within the jurisdictions that we're talking about here, it may be valuable to the larger energy suppliers and it's worth considering those types of discussions.

2) It is important to keep in mind that there will likely be subsequent solicitations to this one for distributed generation and smaller commercial generating projects.

15. Is the Marin Energy Authority open to non-generation assets such as utility scale storage?

Yes.

16. In regards to cash flow and working capital requirements, most power supply arrangements are net 20. Most rate base and rate recoveries are 60 days at best. Maybe with PG&E in the mix it could be 90 days, depending on how that relationship works. So there is a working capital difference. How have we planned to address that difference of cash flow requirements?

Payment lag and working capital requirements have been addressed in the Business Plan. Working capital would be obtained via short-term financing by MEA. MEA would also be interested in exploring alternative payment timing arrangements in the supplier contract. That is why in the RFP, MEA is asking for a description of anticipated payment processing timelines under the proposed supply arrangement. The baseline assumption is that MEA would finance the working capital, but MEA would certainly be interested in exploring supplier financing of working capital.

17. How many years is MEA willing to consider for the term of a Power Purchase Agreement? And will MEA consider bids that are longer term, of up to 20 years?

A five-year minimum term is required for all responses, consistent with guidelines presented in the RFP. The RFP does not explicitly identify a term limit for proposed offers, and longer terms will be considered. MEA will evaluate all conforming offers and will address specific issues related to proposed term length during subsequent discussions and/or negotiations with qualified respondents.

18. Given the expansive land incorporated by the cities and towns that are part of MEA, has there been consideration given to using municipal land for the sites of power generation facilities? If the land is provided at modest or no cost it would serve to reduce the cost of development which would mean lower cost of electricity generated.

This has been considered and is a possibility. We do have political and environmental constraints in some areas but there are still some opportunities. Parking lots are pretty easy to get access to, for example. Open space and Ag land is a bit more tricky but not insurmountable.

19. Is the Marin Energy Authority an entity formed and operating under State

of California code 6500?

Yes.

20. Is it of interest to MEA (or a related entity) to, at some point during the PPA, own (and possibly operate) the power generation facility?

Yes.

21. The RFP states that the Delivery Term begins in May 2010, and for a minimum of 5 years. Is it possible to start the Term later than May 2010 (with the assumption that the Term will be more than 5 years)?

No, the proposal must commence in May, 2010 even if the term is longer than 5 years.

22. MEA will provide to its customers either the Light Green or Deep Green. Is it fair to assume that there isn't a product that does not have a minimum level of renewable power?

Yes. MEA will only be providing two energy products. The Light Green will need to come in at or below our existing utility prices and is expected to have about 25% renewable power supply to start and the Deep Green will have a 100% renewable power supply.

23. Is it possible to have more time for questions as we prepare the details of a response to the RFP?

You may submit questions after the original June 10, 2009 deadline. That deadline has been extended to June 25, 2009.

In closing, Dawn Weisz advised participants that if anyone is experiencing any type of interference or facing any barriers in responding to the bid, it would be helpful for the MEA to know those actions so that we can eliminate them. Interference in this process is in fact illegal, so we invite bidders to mail any anonymous information to:

RFP Compliance
Marin Energy Authority
3501 Civic Center Drive, #308
San Rafael, CA 94903

Please submit any final questions to Ms. Tuckey at jtuckey@co.marin.ca.us by June 10, 2009. The deadline for bid submittal is July 10, 2009.