

Marin Energy Authority

Pre-Bid Conference

May 27, 2009



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Marin Energy Authority



- » **MEA is a joint powers agency comprised of the following members:**
 - » Belvedere
 - » San Rafael
 - » Fairfax
 - » Sausalito
 - » Mill Valley
 - » Tiburon
 - » Ross
 - » Marin County
 - » San Anselmo
- » A primary purpose of MEA is to implement the Marin Clean Energy (MCE) program, pursuant to California's Community Choice Law (PUC 366.2)

Marin Clean Energy



- » Through MCE, MEA plans to provide electric generation, energy efficiency and related services to current PG&E electric customers within the jurisdictional boundaries of the MEA members.
- » Customers may opt-out and remain customers of PG&E during a 60-day enrollment period.
- » PG&E will provide distribution, metering and billing for MCE pursuant to existing tariffs.
- » MEA will initially offer two rate/product options:
 - › Light Green – 25% renewable energy content - with rates at or below comparable rates charged by PG&E
 - › Deep Green – 100% renewable energy content

Regulatory Framework



- » Customer rates will be established by the MEA board sufficient to recover all costs of electric procurement and other costs of administering the program.
- » The MEA board is the local regulatory authority charged with setting rates and approving contracts.
- » MEA is not subject to CPUC rate or procurement regulation, but must comply with standards applicable to load serving entities (e.g., resource adequacy and renewable portfolio standards).

RFP Overview



- » Through this RFP, MEA is seeking offers for electric supply for a minimum five year term:
 - May through December 2010
 - 2011, 2012, 2013, 2104
 - January through April 2015
- » Products Requested are:
 - Full Requirements Energy; and
 - Resource Adequacy Capacity; and
 - Renewable Energy; and
 - Energy Efficiency (optional)
- » Delivery point is PG&E Load Aggregation Point.

Full Requirements Energy & Resource Adequacy Capacity



Full Requirements Energy

- » Shaped Energy – all energy requirements of MCE's retail load
- » Ancillary services – as required by the CAISO
- » Distribution Losses – per PG&E published distribution loss factors
- » Scheduling Coordination - per CAISO requirements for MCE loads

Resource Adequacy Capacity

- » Qualifying Capacity needed to satisfy the resource adequacy requirements of the program.
 - › System RA
 - › Local RA (Greater Bay and Other PG&E)

Renewable Energy



MEA has established the following guidelines for proposed renewable energy supply:

- » Energy and renewable attributes from qualifying renewable resources must meet the eligibility criteria established by the California Energy Commission;
- » MEA may consider limited, incremental purchases of non-eligible renewable resources; and
- » All renewable resources supplying energy/renewable attributes must be registered with WREGIS.

Local Renewable Resources



- » Preference for resources located in NP15;
- » Additional preference for resources located within MEA jurisdictional boundaries; and
- » Does not preclude offers from resources outside of NP15 or State of California.

Energy Efficiency



- » Energy efficiency and demand response components are optional proposal elements.
- » Proposals may include
 - › Structural recommendations for MEA's EE program
 - › Specific EE measures
 - › Financing proposals to leverage MEA's tax-exempt borrowing capabilities
 - › Professional services related to administration or other programmatic elements

Proposal Requirements – Commodity Pricing Variations



- » Must bid, at a minimum, Variation 1 or Variation 2.
- » May optionally bid Variation 3 in addition to above.

Pricing Variation 1 – Fixed Price Load Following



- » All-in (cents/kWh) pricing with no volumetric limits.
- » Separate pricing for Light Green and Deep Green renewable content.
- » Prices can be differentiated by customer class.
- » Minimum of five years:
 - › May through December 2010
 - › 2011, 2012, 2013, 2104
 - › January through April 2015
- » Bid prices should not be adjusted for distribution losses (will be charged based on actual loss factors).

Pricing Variation 2 – Fixed Price Banded Volumes



- » Fixed prices will be applicable to specified contractual volumes within +/- 5% bandwidth.
- » Energy Pricing: Cents per kWh for specified monthly volumes.
- » Ancillary Services Pricing: treated as pass-through costs.
- » Resource Adequacy Pricing: Dollars per KW-month for monthly quantities of system and local resource adequacy capacity.
- » Renewable Energy Pricing: Cents per kWh premium for annual volumes of renewable energy.
- » Scheduling Coordination: Cents per kWh fee, exclusive of above.

Pricing Variation 2 – Fixed Price Banded Volumes (Cont'd)



- » Prices can be differentiated by customer class.
- » Minimum of five years:
 - › May through December 2010
 - › 2011, 2012, 2013, 2104
 - › January through April 2015
- » Bid prices should not be adjusted for distribution losses (will be charged based on actual loss factors).

Pricing Variation 3 – Alternative Proposals



- » Creative ideas for helping MEA achieve its goals are strongly encouraged.
- » Respondents can propose alternative structures to supply renewable energy at competitive rates and maximize energy savings, including the use of MEA's ability to leverage tax-exempt financing in pursuit of these objectives.
- » Proposals must be sufficiently detailed to allow for objective evaluation of benefits, costs, risks and feasibility.

Projected Energy and Capacity Requirements



- » MEA Bid Workbook.xls
 - › Annual Energy by customer class
 - › Monthly accounts, energy and demand by customer class
 - › Monthly resource adequacy requirements
 - › Annual renewable energy by customer class
 - › Bid forms
 - Variation 1A – Light Green
 - Variation 1B – Deep Green
 - Variation 2

Evaluation Criteria



Key evaluation criteria include, but are not limited to:

- » Financial viability of respondent and financing plan
- » Operational experience of respondent and key personnel
- » Reliability and environmental attributes of proposed power supply
- » Pricing
- » Creativity, responsiveness and comprehensiveness of proposal
- » Use of local resources
- » Quantifiable demand reductions
- » Performance guarantees for technologies and supplier obligations

Schedule



Pre-Bid Meeting	May 27, 2009
Deadline for Question Submittal	June 10, 2009
Responses Due	July 20, 2009 By 2:00 PM
Interviews	Week of August 17, 2009
Contract Negotiations	August – November, 2009
Contract Approval (target)	February, 2010

Questions



Questions?