



CITY OF ATASCADERO CITY COUNCIL

MINUTES

Tuesday, June 25, 2019

**City Hall Council Chambers, 4th floor
6500 Palma Avenue, Atascadero, California
(Entrance on Lewis Ave.)**

City Council Regular Session:

6:00 P.M.

REGULAR SESSION – CALL TO ORDER: 6:00 P.M.

Mayor Moreno called the meeting to order at 6:01 p.m. and Council Member Fonzi led the Pledge of Allegiance.

ROLL CALL:

Present: Council Members Fonzi, Funk, Newsom, Mayor Pro Tem Bourbeau and Mayor Moreno

Absent: None

Staff Present: City Manager Rachelle Rickard, Administrative Services Director Jeri Rangel, Public Works Director Nick DeBar, Police Chief Jerel Haley, Community Development Director Phil Dunsmore, City Attorney Brian Pierik, Deputy City Manager/City Clerk Lara Christensen, Police Lieutenant Jason Carr and Senior Planner Callie Taylor

APPROVAL OF AGENDA:

MOTION: By Mayor Pro Tem Bourbeau and seconded by Council Member Funk to:

- 1. Approve this agenda; and,**
- 2. Waive the reading in full of all ordinances appearing on this agenda, and the titles of the ordinances will be read aloud by the City Clerk at the first reading, after the motion and before the City Council votes.**

Motion passed 5:0 by a roll-call vote.

PRESENTATION:

1. Community Choice Energy Presentation by Monterey Bay Community Power

J.R. Killigrew, Director of Communications, for the Monterey Bay Community Power Authority gave the presentation and answered questions from the Council (Exhibit A).

PUBLIC COMMENT:

The following citizens spoke on this item: Eric Greening, Dave Walters, Jason Anderson, Edward Vek, Peter Burne, Maria Kelly, Ellen Beraud, Janice Petko, Heather Howell, Scott Lewis, Rita Casaverde and Brian Auger.

Following discussion by the Council, it was determined to place this item under Individual Determination for the Mayor at the July 9, 2019 City Council Meeting and at that time, decide whether or not to agendize participation in Monterey Bay Community Power's Community Choice Aggregation Program for the August 13, 2019 Meeting.

Mayor Moreno closed the Public Comment period.

A. CONSENT CALENDAR:

1. City Council Draft Action Minutes – June 11, 2019

- Recommendation: Council approve the June 11, 2019 Draft City Council Meeting Minutes. [City Clerk]

2. May 2019 Accounts Payable and Payroll

- Fiscal Impact: \$2,092,698.05
- Recommendation: Council approve certified City accounts payable, payroll and payroll vendor checks for May 2019. [Administrative Services]

3. 2019-2020 Citywide Salary Schedule

- Fiscal Impact: None.
- Recommendation: Council approve the new Salary Schedule for Fiscal Year 2019-2020. [City Manager]

MOTION: By Mayor Pro Tem Bourbeau and seconded by Council Member Fonzi to approve the Consent Calendar.
Motion passed 5:0 by a roll-call vote.

UPDATES FROM THE CITY MANAGER:

City Manager Rachelle Rickard gave an update on projects and issues within the City.

COMMUNITY FORUM:

The following citizens spoke during Community Forum: Ellen Beraud and Eric Greening

Mayor Moreno closed the COMMUNITY FORUM period.

Mayor Moreno recessed the meeting at 7:46 p.m.

Mayor Moreno reconvened the meeting at 7:56 p.m. with all present.

B. PUBLIC HEARINGS:

1. Ordinance to Repeal and Replace Title 6 Chapter 6 “No-Smoking Areas Established in Certain Public Places” and Repeal Title 10, Chapter 1 Section 10-1.34 “Smoking and Tobacco Products”

- Ex-Parte Communications:
- Fiscal Impact: None.
- Recommendation: Council introduce, for first reading by title only, Draft Ordinance repealing and replacing Title 6, Chapter 6 “No-smoking areas established in certain public places” of the Atascadero Municipal Code and deleting in its entirety Title 10, Chapter 1, Section 10-1.34 “Smoking and tobacco products”. [Police Department]

Ex Parte Communications:

Council Member Funk and Mayor Moreno both reported speaking with Wendy Lewis from ECHO regarding smoking. All other Council Members reported having no communications on this item.

Lieutenant Carr gave the staff report and answered questions from the Council. Chief Haley and City Manager Rickard also answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: Alicia Moore, Julie Jones, Kelly Pywtorak, Jayden Hoff, Alex Hall, Sean Hall (Exhibit B), and Steve Jones.

Mayor Moreno closed the Public Comment period.

Following comments from the public and discussion by the Council, the Council requested that adjustments be made to the Draft Ordinance as presented at the Council Meeting and be brought back to the Council for introduction.

MOTION: By Mayor Moreno and seconded by Council Member Newsom to continue the Public Hearing to July 9, 2019 and direct staff to return to Council for further discussion and introduction of the Draft Ordinance.

Motion passed 5:0 by a roll-call vote.

2. Planned Development Amendment for the Principal Mixed-use Project – PLN 2014-1519

- Ex-Parte Communications:
- Fiscal Impact: If the project is approved for processing, it should be required to be fiscally neutral so the added residential units fund their fair share of impacts to City police, fire, and parks services.
- Recommendations: Council:
 1. Adopt Draft Resolution A, certifying Mitigated Negative Declaration No. 2019-0002 based on findings.

2. Adopt Draft Resolution B, approving a General Plan Land Use Diagram Amendment to change the designation of Lot 62 adjacent to El Camino Real from Medium Density Residential to General Commercial based on findings.
3. Introduce for first reading, by title only, Draft Ordinance approving Title 9 Zone Text Amendments to the Planned Development Overlay Zone #24 (PD-24) and changing the zoning of Lot 62 from RMF-10 to CR based on findings.
4. Adopt Draft Resolution C, approving a Conditional Use Permit (2019 Master Plan of Development) and Vesting Tentative Subdivision Map (Tract 3070) based on findings and subject to Conditions of Approval and Mitigation Monitoring. [Community Development]

Ex Parte Communications

Mayor Pro Tem Bourbeau, Mayor Moreno and Council Member Fonzi reported speaking with the applicant. Council Members Funk and Newsom reported having no communications on this item.

Community Development Director Dunsmore and Senior Planner Taylor gave the staff report and answered questions from the Council.

PUBLIC COMMENT:

The following citizens spoke on this item: Royce Eddings and Barry Ephraim

Mayor Moreno closed the Public Comment period.

MOTION: By Mayor Pro Tem Bourbeau and seconded by Council Member Fonzi to:

1. Adopt Draft Resolution A, certifying Mitigated Negative Declaration No. 2019-0002 based on findings.
2. Adopt Draft Resolution B, approving a General Plan Land Use Diagram Amendment to change the designation of Lot 62 adjacent to El Camino Real from Medium Density Residential to General Commercial based on findings.
3. Introduce for first reading, by title only, Draft Ordinance approving Title 9 Zone Text Amendments to the Planned Development Overlay Zone #24 (PD-24) and changing the zoning of Lot 62 from RMF-10 to CR based on findings.
4. Adopt Draft Resolution C, approving a Conditional Use Permit (2019 Master Plan of Development) and Vesting Tentative Subdivision Map (Tract 3070) based on findings and subject to Conditions of Approval and Mitigation Monitoring amended as follows by the Council:
 - ***Modify affordable housing requirements to be 3 low- and 1 moderate- income units in the stacked flats with an accompanying payment of \$16,000 for each of the remaining 2 units that is required under the Ordinance.***
 - ***Add a condition that all streets within the development be appropriately marked and/or signed, at staff's discretion, as no parking zones.***

Deputy City Manager/City Clerk Christensen read the title of the Ordinance:

**AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF ATASCADERO, CALIFORNIA,
AMENDING TITLE 9, ARTICLE 28,
PLANNED DEVELOPMENT OVERLAY DISTRICT #24
AND THE OFFICIAL ZONING MAP**

**9105, 9107, 9109 PRINCIPAL AVENUE/
9300 PINO SOLO AVENUE
(APNS 030-491-001, 013, 019, 020)
ECR PRINCIPAL, LLC**

***Motion passed 5:0 by a roll-call vote. (Resolution Nos. 2019-058,
2019-059 and 2019-060)***

Mayor Moreno recessed the meeting at 10:30 p.m.

Mayor Moreno reconvened the meeting at 10:40 p.m. with all present.

C. MANAGEMENT REPORTS:

1. Del Rio Road / US 101 Interchange Traffic Sensitivity Analysis

- Fiscal Impact: The current agreement with Wallace Group for Phase 2 (PAED) work has a remaining balance of approximately \$450,000. If alternative improvement designs are appropriate for future traffic demands, there is a potential savings exceeding \$10 million.
- Recommendations: Council:
 1. Receive and file Traffic Sensitivity Analysis for the Del Rio Road Interchange Report.
 2. Direct staff to pause work on the current roundabout design for the Del Rio Road Interchange Project and amend the current agreement with Wallace Group to evaluate alternative interchange and corridor improvements that are consistent with traffic needs from anticipated development in the vicinity. [Public Works]

Public Works Director DeBar gave the staff report and answered questions from the Council.

On motion by Mayor Pro Tem Bourbeau and seconded by Council Member Fonzi the Council voted 5:0, by roll call, to continue the meeting past 11:00 p.m.

PUBLIC COMMENT:

The following citizens spoke on this item: None.

Mayor Moreno closed the Public Comment period.

MOTION: By Council Member Newsom and seconded by Council Member Funk to:

1. Receive and file Traffic Sensitivity Analysis for the Del Rio Road Interchange Report.
2. Direct staff to pause work on the current roundabout design for the Del Rio Road Interchange Project and amend the current agreement with Wallace Group to evaluate alternative interchange and corridor improvements that are consistent with traffic needs from anticipated development in the vicinity.

Motion passed 5:0 by a roll-call vote.

D. COUNCIL ANNOUNCEMENTS AND COMMITTEE REPORTS:

The following Council Members made brief announcements and gave brief update reports on their committees since their last Council meeting:

Mayor Moreno

1. County Mayors Round Table

Mayor Pro Tem Bourbeau

1. Integrated Waste Management Authority (IWMA)

Council Member Fonzi

1. Air Pollution Control District

Council Member Newsom

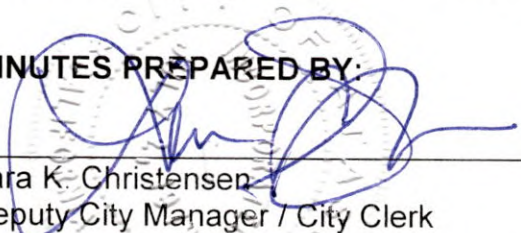
1. Visit SLO CAL Advisory Committee

E. INDIVIDUAL DETERMINATION AND / OR ACTION: None.

F. ADJOURN

Mayor Moreno adjourned the meeting at 11:15 p.m.

MINUTES PREPARED BY:



Lara K. Christensen
Deputy City Manager / City Clerk

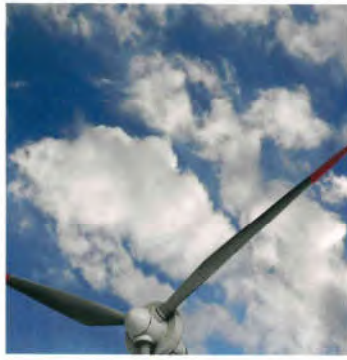
The following exhibits are available for review in the City Clerk's office:

- Exhibit A – Monterey Bay Community Power literature
- Exhibit B – Handouts regarding tobacco

APPROVED: July 9, 2019



Monterey Bay
Community Power



J.R. Killigrew

Director of Communications
& Energy Programs

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m: (310) 488-7631

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**Monterey Bay
Community Power**

Tom Habashi

Chief Executive Officer

o: (831) 641-7215

m: (831) 313-5557

thabashi@mbcp.org



**Monterey Bay
Community Power**

Cleaner energy at a lower cost.

Monterey Bay Community Power (MBCP) is a not-for-profit agency established by our own communities in 2018 to:

- ✓ Control electricity costs
- ✓ Reduce greenhouse gas (GHG) emissions
- ✓ Contribute to the economic vitality of the Monterey Bay region

By sourcing cleaner, more affordable electricity for Monterey, San Benito and Santa Cruz counties MBCP has already made significant progress in these areas. And beginning January 2020, the cities of San Luis Obispo and Morro Bay will be joining MBCP.

2018 ACCOMPLISHMENTS



\$4.4M in cost savings delivered through rebates



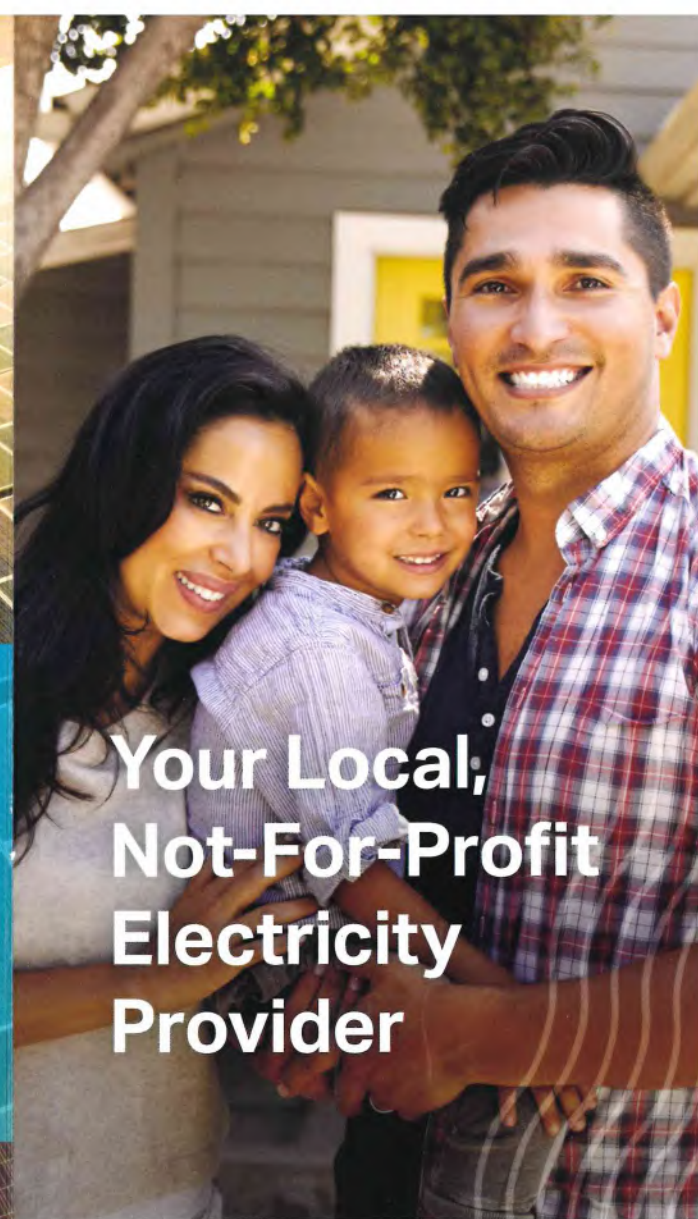
300k metric tons of GHG emissions avoided



\$7.25M secured for local energy programs



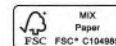
While investor-owned utilities pass profits onto shareholders and investors, MBCP reinvests surplus revenues in the communities that it serves through cost savings, energy programs and renewable energy projects.



Your Local, Not-For-Profit Electricity Provider

Speak with a Local Energy Advisor:
888-909-6227 (MBCP)

70 Garden Court Suite 300, Monterey, CA 93940
831-641-7222 | info@mbcommunitypower.org
mbcp.org



Small changes to your bill – big changes for our community.

Committed to providing cleaner energy at a lower cost, MBCP replaces PG&E's role in determining how and where your electricity is generated; MBCP sources electricity exclusively from **carbon-free and renewable energy sources**. PG&E will continue delivering electricity and maintaining electric infrastructure along with billing.

In addition to delivering a cost savings through the MBCP rebate, MBCP supports regional economic vitality by reinvesting surplus revenues through energy programs and renewable energy projects.

**Carbon-Free
& Renewable
Energy**

**Same Reliable
Service**

**Community
Choice**



Electric Generation

MBCP adds
clean energy to
the grid

Electric Delivery

PG&E provides
transmission,
repairs, billing
and service

A Greener Option

Choose MBCP for
cleaner energy,
stable prices and
local jobs

YOUR CHOICES

SERVICE OFFERINGS



Because MBCP is now tri-county's primary electricity provider, homes and businesses are automatically enrolled in MBchoice, supporting reinvestment in our community as well as carbon-free energy sources such as wind, solar, and hydroelectric.



MBCP's 100% renewable energy offering supports cleaner air and cooler oceans. Powered exclusively from wind and solar, MBprime supports eligible renewable energy sources for an extra cost of \$.01 per kw/hour.

REBATE OPTIONS



Share your rebate by paying it forward in support of low-income rate payers and the Community Foundations in San Benito, Santa Cruz and Monterey counties. MBshare donations are tax deductible.



Green your rebate by paying it forward in support of local renewable energy resources for our community.



No action is needed to keep your rebate and receive it as a credit on your bill.

ENERGY PROGRAMS

MBCP Energy Programs are designed to assist our business and residential communities with the switch from fossil fuel-powered sources to clean-energy alternatives. Together, we are energizing economic and environmental progress for our region.

ProjectSunshine

In partnership with GRID Alternatives, MBCP launched Project Sunshine to provide funding for income-qualified homeowners to receive no-cost solar installations on their homes.



MBCP and the Monterey Bay Air Resources District (MBARD) are teaming

up to provide major incentives and savings for electric vehicle purchases and leases through the **Monterey Bay Electric Vehicle Incentive Program (MBeVIP)**.

EVInfrastructure

Businesses interested in accelerating the rate of electric vehicle adoption in our region can plug into millions of dollars in funding dedicated to the buildout of charging stations in the Monterey Bay region.

Energy Programs: Part of a larger MBCP energy solutions initiative.

As a not-for-profit electricity provider, Monterey Bay Community Power is uniquely positioned to research, explore, pilot and launch innovative, scalable programs to accelerate the electrification of the Monterey Bay region and California's Central Coast.



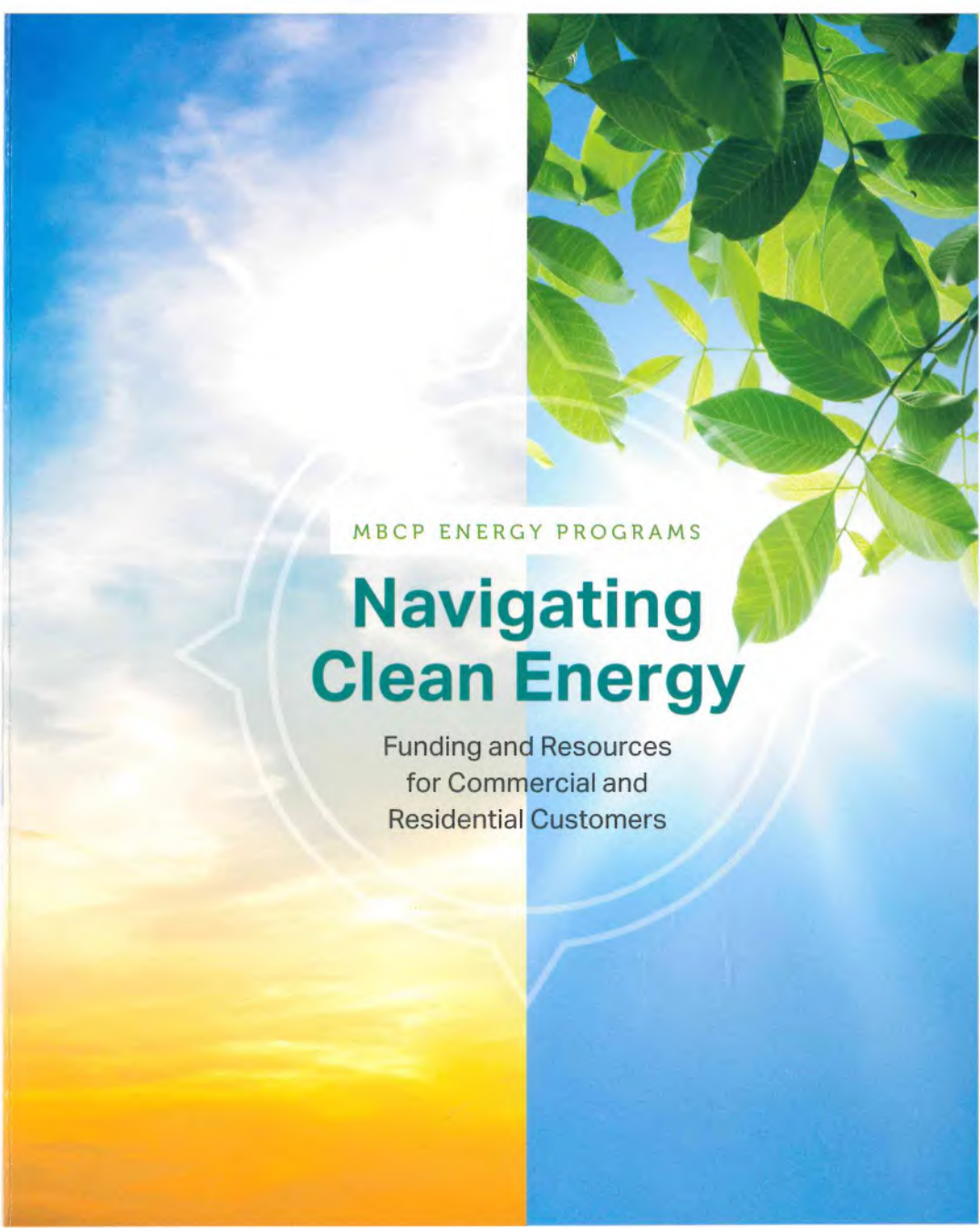
WHY ELECTRIFY?

With today's clean and renewable energy sources, generating electricity on a utility scale is no longer the source of endless pollution that it used to be. Today, getting more electric cars on the road and more homes, buildings and industrial sites off natural gas and onto electricity powered by clean-energy sources like wind, solar and hydroelectric presents an opportunity to potentially eliminate carbon emissions altogether.



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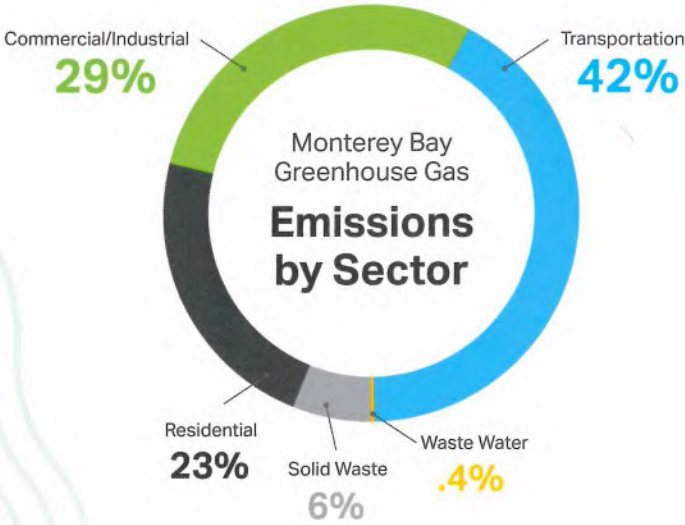


Together we are energizing economic and environmental progress for our region.

As your local not-for-profit electricity provider, MBCP returns ratepayer money to our community through rebates and energy programs. MBCP Energy Programs provide funding and resources to support the economic vitality of the Monterey Bay region as well as the growth of clean-energy resources.

COMMITTED TO REDUCING GREENHOUSE GAS (GHG) EMISSIONS

MBCP Energy Programs target the transportation and building sectors to provide the greatest impact on reducing GHG emissions.



BUILDING A

Five-Year Energy Programs Road Map

MBCP is building a comprehensive electrification strategic plan which will culminate in a five-year energy programs road map designed to prioritize aggressive emission reductions while driving local economic development and stable, low electricity rates.

In addition, as the region's transportation and building sectors switch from fossil-fuel energy sources to clean-energy sources, the program road map will aim to address community emergency preparedness and resiliency during times of power outages.



Learn more at mbcp.org





No-Cost Solar for Income-Qualified Homes

ProjectSunshine

In partnership with GRID Alternatives, MBCP launched Project Sunshine in spring 2019 to provide funding for 20 income-qualified homeowners to receive no-cost solar for their homes. These homeowners will also save thousands of dollars in electricity costs by utilizing solar energy.

In addition to helping low-income communities and supporting the growth of renewable energy, Project Sunshine connects people to clean energy jobs by incorporating workforce development into each project. Trainees can participate in the installation process from start to finish for a full picture of industry opportunities.

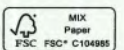
Project Sunshine is available for a limited time exclusively for low-to-moderate income homeowners, and the application process is already underway.

➤ To see if your household qualifies for the program, please visit www.gridsolar.org or call 831-784-8549.

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Monterey, CA 93940
831-641-7222

info@mbcommunitypower.org
mbcp.org



Get Plugged In!...

...To over \$1 million in incentives
available through Monterey Bay Electric
Vehicle Incentive Program (MBeVIP)

MBCP and the Monterey Bay Air Resources District (MBARD) are teaming up to provide major incentives for electric vehicle (EV) purchases and leases this year through their Monterey Bay Electric Vehicle Incentive Program (Monterey Bay eVIP).



PHASE 1

Buy Local: May 1 – July 31, 2019

Buy Local offers significant discounts off MSRP plus additional MBCP-funded incentives on EVs purchased from participating, local dealers on select manufacturers and models for MBCP customers.

- Apply for your incentive at mbcp.org
 - \$4,500 for income-qualified MBCP customers
 - \$3,000 for non-profit and public agency MBCP customers
 - \$1,000 for all other MBCP customers
- MBCP customers can apply for and redeem their incentive certificate any time between May 1 and July 31, 2019
- Visit one of our participating dealers to redeem your MBCP incentive certificate and take advantage of the dealership's EV discounts exclusively for MBCP incentive certificate holders

Cardinale Nissan
1661 Del Monte Blvd
Seaside, CA 93955
Eligible Models:
Nissan LEAF 2019,
Nissan LEAF Plus 2019

Greenwood Chevrolet
270 San Felipe Rd
Hollister, CA 95023
Eligible Model:
2019 Bolt

Santa Cruz Volkswagen
1616 Soquel Ave
Santa Cruz, CA 95062
Eligible Model:
Volkswagen e-Golf 2019

Questions? Contact us at
programs@mbcp.org or 888.909.MBCP (6227)



See backside for Phase 2 information

MBCP and the Monterey Bay Air Resources District (MBARD) are teaming up to provide major incentives for electric vehicle (EV) purchases and leases this year through their Monterey Bay Electric Vehicle Incentive Program (Monterey Bay eVIP).



PHASE 2

Your Choice, Your Terms:

August 1 until funds run out

Your Choice, Your Terms offers any tri-county resident the opportunity to apply for MBARD funded incentives for any used or new alternative fuel vehicle of their choice from any dealer throughout California.

- Apply for your incentive at mbard.org
 - \$1,500 for new hydrogen fuel cell vehicle
 - \$1,000 for new battery electric vehicle
 - \$500 for new plug-in hybrid electric vehicle
 - \$750 for used battery electric vehicle
 - \$300 for used plug-in hybrid electric vehicle
 - \$200 for new electric motorcycle

*Income-qualified customers receive double incentive value

**MBARD incentives pending 2019–2020 budget approval

- Tri-county residents can apply for and redeem their incentive certificate anytime after August 1, 2019 until funds run out

Questions? Contact MBARD at
aromero@mbard.org or call 831.647.9411

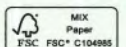


✓ **Protect the Planet** ✓ **Save Money** ✓ **Enjoy the Ride!**

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mbcp.org





Monterey Bay
Community Power

Local Choice • Clean Energy • Economic Vitality

MBCP ENERGY PROGRAMS



MBCP Solar Program for Affordable Housing

In partnership with GRID Alternatives, MBCP is providing funds that will allow 20 income-qualified homeowners to receive free solar for their home in 2019. Homeowners will also save thousands of dollars in electricity costs using solar energy.

MBCP's Solar Program for Affordable Housing is available for a limited time exclusively for low-to-moderate income homeowners, and the application process is already underway. To see if your family qualifies for the program, please call 831-784-8549.



MBCP Electric Vehicle (EV) Incentives Program

Available Spring 2019, MBCP is offering EV incentives.

Currently, EVs make up only 1% of all vehicles in the Monterey Bay Region. In order to meet statewide goals and continue shaping the Central Coast as an innovative leader in sustainability, our region's EV ownership must grow to 15% by 2030. For more about the EV Incentives Program, look for preliminary information on www.mbc.org beginning in February.

Electric Vehicle (EV) Infrastructure Program

Beginning Summer 2019, Tri-County non-residential customers who are considering installing or upgrading EV charging stations will have access to valuable resources and incentives.

Businesses interested in accelerating the rate of EV adoption in our region – through accommodating locals who live and work sustainably, as well as visitors who travel and stay sustainably – are encouraged to contact MBCP at programs@mbcp.org or visit www.mbc.org to learn more.



Monterey Bay Community Power

70 Garden Court, Suite 300, Monterey, CA 93940 info@mbcommunitypower.org (888) 909-6227 (MBCP)

MBCCommunityPower.org   



Monterey Bay
Community Power

Local Choice • Clean Energy • Economic Vitality

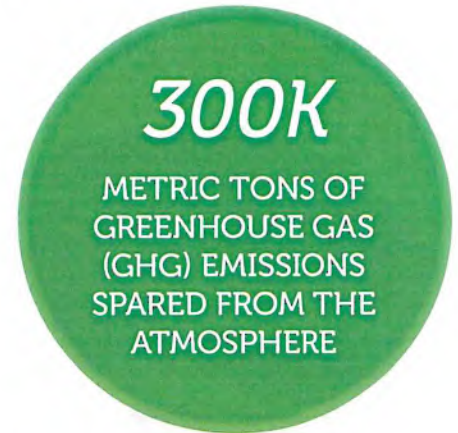
MBCP ENERGY PROGRAMS



Reinvesting in Our Community

As a public, not-for-profit agency, MBCP is committed to supporting the economic vitality of the Monterey Bay region.

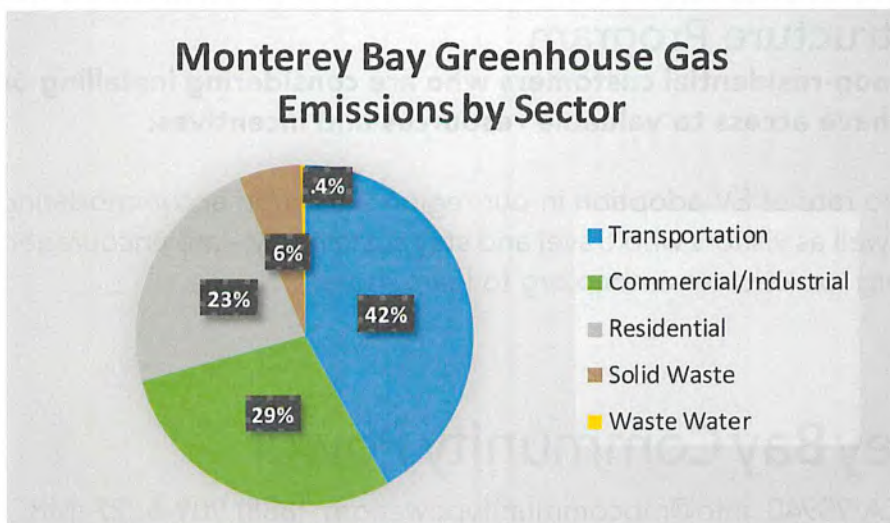
Together, by providing businesses and residents with carbon-free electricity, our community has taken a big step toward continued economic and environmental progress for our region.



Plus an additional **\$6 million** secured for the Monterey Bay Region from the California Energy Commission for California Electric Vehicle Infrastructure Project (CALeVIP)

Powering Clean Energy Programs

Through education and financial incentives, MBCP's Energy Programs are designed to assist our community with the switch from fossil fuel-powered sources to clean energy alternatives.



Based on greenhouse gas (GHG) emissions measures, focusing our programs on the transportation and building sectors will provide the greatest impact in reducing GHG emissions.

2018 Year In Review

Stimulated Local Economy

- Potential for **20 MW of local renewable** generation
- **Employed 19 staff members**, working and mostly living locally
- Supported the move of MBCP's data management service energy advisors to our Monterey offices creating a **local call center**
- Executed **\$450k in contracts** with local businesses
- **Hosted Cal-CCA 2018 Annual Meeting** at the Asilomar Conference Center, bringing over 300 clean energy industry leaders to the Monterey Bay Region
- Sponsored and supported over **140 community events and organizations**
- Secured **\$6 MM in EV infrastructure funding** for the Monterey Bay region via the California Energy Commission's CALeVIP program.
- **\$825K** for EV rebates and **\$100K** for low-income solar installations

\$6,000,000
for Local EV
Charging
Stations

SERVICE OFFERINGS:



MBCP's carbon-free default service offering guarantees rates that match PG&E and delivers a cost savings through a **3% rebate** on MBCP charges, delivered in December for 2018 and bi-annually in June and December for 2019 and beyond.



MBCP's **100%renewable energy** service offering for an extra cost of \$.01/kWh to support California's 100% renewable energy goals, plus a cost savings through a **3% rebate** on MBCP charges, delivered in December for 2018 and bi-annually in June and December for 2019 and beyond.

REBATE OPTIONS - Keep or Donate:



Green your rebate by redirecting it to fund the development of **local renewable energy** projects that benefit the tri-county community.



Share your rebate by redirecting it in the form of a tax-deductible donation to fund local programs that **support low-income ratepayers** and greenhouse gas reduction efforts.

2018 Year In Review

Monterey Bay Community Power (MBCP) opened its doors in January 2018 with three primary goals in sight: reducing greenhouse gas emissions, providing cost stability and savings, and supporting the economic vitality of Monterey, San Benito and Santa Cruz Counties. Thanks to overwhelming support from our business and residential communities, and to many renewable energy and community advocates, MBCP has been able to meet and exceed many of our goals.

As we share some successes from our first year of operation, we hope that the communities we serve share in these accomplishments – we couldn't have done it without you!

Affordable Rates and Community Re-Investment

- **3% Rebate** to all customers - over **\$4 million delivered** as bill credits in 2018
- Solar customers received a **150% increase in Net Surplus Compensation (NSC) rates**
- **2% of gross revenue** set aside for local customer energy programs - **\$1.25 million** for MBCP customers in 2019
- Over **300 voluntary customer enrollments** to MBprime, MBshare and MBgreen+

OVER
\$4,000,000
IN REBATES

RETURNED TO OUR
COMMUNITY IN 2018

300,000
Metric Tons of
Greenhouse Gas
(GhG) Emissions
Avoided

Reduced Greenhouse Gas (GHG) Emissions

- **MBchoice: Carbon free** electricity provided to all MBCP customers through our default service offering
- **MBprime: 100% eligible renewable** service offering created for customers with higher renewable energy standards
- An estimated **300,000 metric tons** of GhG reduced
- **90 Megawatt (MW), 15-year new renewable wind project** to meet 10% of MBCP Annual demand
- **125 MW Solar + 38 MW Storage** in Kern & Kings Counties powering 32,000 homes annually



Monterey Bay
Community Power

Local Choice
Clean Energy
Economic Vitality

(888) 909-6227
(MBCP)



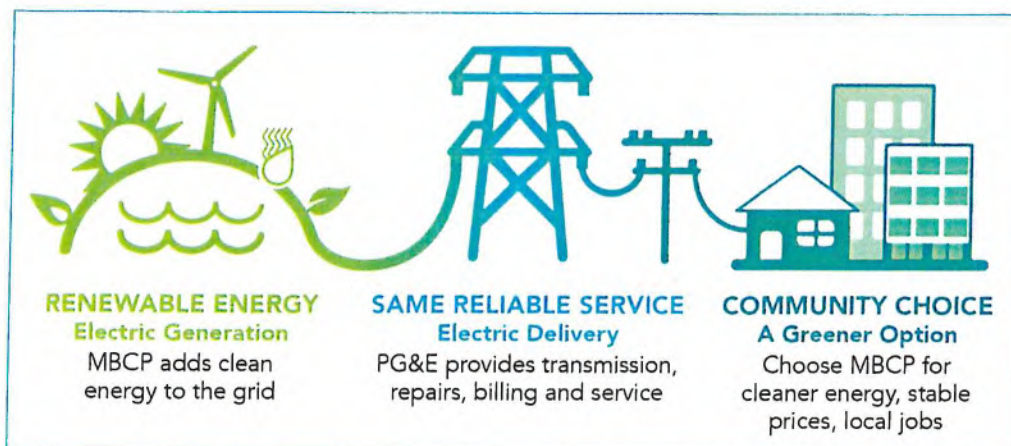
What Does MBCP Mean for the Business Community?

By the Numbers

- 96% of the tri-county business community is enrolled with MBCP
- More than 50% of MBCP's projected rebate dollars will go to the tri-county business community, totaling almost \$2MM *after just seven months of service*. Rebate dollars are expected to double in 2019
- The tri-county business community—including agriculture—accounts for approximately 60% of MBCP's electricity demand

Our Commitments to the Business Community

- Carbon-free electricity – cleaner energy at a lower cost
- MBCP matches PG&E rates and delivers cost-savings through a 3% rebate on MBCP charges
- Quantifiable, marketable commitments to clean energy, community and the economic vitality of the Monterey Bay region
- Local control and local access to direct customer support, from billing to supporting renewable energy project development



Future Programming Opportunities for the Business Community

MBCP sets aside funds each year for **local energy programs** focused on transportation electrification, building electrification and distributed energy resources. MBCP aspires to support local businesses in these areas to help provide a competitive advantage and continue re-investing MBCP revenues locally.

- EV Incentives for All Vehicle Types
- EV Infrastructure for Level 2 and DC Fast Chargers
- Building Electrification
- Energy Storage
- Distributed Energy Resources

Rate Guarantees

- **MBCP Fixed Rate Agreement:** For customers seeking greater certainty on rates, the Fixed Rate Agreement guarantees a 2% discount on PG&E rates – at comparable MBCP rate/tariff schedule – with a reduced MBCP rebate of 1% (as compared to 3% for other MBCP customers), for a period of 1 to 3 years.

SERVICE OFFERINGS:



MBCP's carbon-free default service offering guarantees rates that match PG&E and delivers a cost savings through a **3% rebate** on MBCP charges, delivered in December for 2018 and bi-annually in June and December for 2019 and beyond.



MBCP's **100%renewable energy** service offering for an extra cost of \$.01/kWh to support California's 100% renewable energy goals, plus a cost savings through a **3% rebate** on MBCP charges, delivered in December for 2018 and bi-annually in June and December for 2019 and beyond.

REBATE OPTIONS:



Green your rebate by redirecting it to fund the development of **local renewable energy** projects that benefit the tri-county community.



Share your rebate by redirecting it in the form of a tax-deductible donation to fund local programs that **support low-income ratepayers** and greenhouse gas reduction efforts.





Monterey Bay
Community Power

Your New Electricity Provider

Local Choice • Clean Energy • Economic Vitality

Solar Fact Sheet

(888) 909-6227 (MBCP)

Monterey Bay Community Power (MBCP) is your new locally-controlled electric generation service provider for all residential customers in Monterey, Santa Cruz, and San Benito Counties starting in July 2018. As a not-for-profit public agency, surplus revenues are reinvested in the Tri-County region.

Community Choice Energy (CCE) allows communities to buy clean-source power at a lower cost than PG&E, while retaining PG&E's role in maintaining power lines and providing customer service. Profits that once went to PG&E shareholders will be returned to MBCP customers, who can choose to receive a rebate or reinvest their rebate in local nonprofits and renewable energy projects. MBCP is the 12th CCE to go live in California. CalCCA projects that over 50% of customers are expected to receive clean power from a CCE by 2020.

MBCP is committed to providing all customers with options to receive clean power at greater savings, along with an exceptional customer experience. *We are elated to be working closely with the solar community; including residents, businesses and solar providers in our Tri-County region.*

NET ENERGY METERING (NEM): Monterey Bay Community Power will automatically enroll solar customers into our complementary NEM program. MBCP will match PG&E's rates and time of use hours and you will receive a 3% rebate on any generation charges. Your NEM 1.0 or 2.0 status will also remain unchanged, and you will receive the same value for the energy you send back to the grid.

ENROLLMENT: When a solar customer enrolls with MBCP, PG&E will automatically true-up their NEM balance. To minimize any potential disruption or loss of value in dollar credits from NEM, MBCP has created special NEM enrollment times:

Four Additional Enrollment Times for NEM Customers:



NET SURPLUS COMPENSATION RATES: MBCP believes that PG&E does not adequately compensate net-generator NEM customers for the value of their surplus energy. Therefore, we have significantly increased the Net Surplus Compensation (NSC) rate and will pay all net-generator NEM customers more for their surplus energy.

As of Feb. 2018, PG&E customers were paid a wholesale rate of just \$.02793 for each kWh of surplus energy. MBCP is more than doubling that rate to \$.06135.

PG&E changes their NSC rate monthly. MBCP is adding more consistency to the NSC rate equation by committing to an annual NSC rate.

A note on NSC: Most NEM customers are not net-generators of electricity and still draw power from the grid. These customers will receive the same lower total cost for power that all MBCP customers receive. MBCP will return a percentage of all generation charges back to customers as a rebate.

The rebate value has been set at 3% for 2018, and NEM customers will receive this rebate as a bill credit during their annual true-up.

Net Surplus Compensation Rates



Monterey Bay Community Power looks forward to working with the Tri-County solar community, collaborating on program development, continuing to reduce greenhouse gas emissions and customer electricity costs.

SERVICE OFFERINGS:

MBchoice

Electricity from all carbon-free sources, matched to PG&E's prices, with a **3% rebate** on MBCP charges. Producing ZERO pounds of CO₂/Megawatt hour.

MBprime

100% Eligible Renewable electricity matched to PG&E's prices, plus 1 penny/kwh with a **3% rebate** on MBCP charges. Producing ZERO pounds of CO₂/Megawatt hour.

MBgreen+

Green your rebate: direct your **3% rebate** to local investment in renewable energy resources

MBshare

Share your rebate: donate your **3% rebate** to local programs serving low-income ratepayers and/or GhG reduction efforts





Monterey Bay
Community Power

Local Choice • Clean Energy • Economic Vitality

Get to Know Your Local, Not-for-Profit Electricity Provider: Monterey Bay Community Power

Important News from Our Community

Many residents of Monterey, San Benito and Santa Cruz Counties have been solicited by alternative electric or gas energy providers promising lower rates. Some of these for-profit energy providers are going door-to-door, taking advantage of our residents and they are confusing our community about our own local, not-for-profit electricity provider, Monterey Bay Community Power.

About Monterey Bay Community Power

MBCP was established by our own communities to source clean energy for Monterey, San Benito and Santa Cruz Counties while retaining PG&E's role delivering power and maintaining infrastructure. MBCP supports tri-county economic vitality by: providing cleaner energy at a lower cost, supporting low-income rate payers, and funding local energy projects.

NOTE: If your energy bill has gone up, it is NOT due to MBCP. MBCP matches PG&E rates and provides a cost savings through a 3% rebate. Many energy bills increase during winter months because of increased gas/electricity use, as well as higher PG&E gas rates.

MBCP is:

- The tri-county's new electricity provider, as decided by our own cities and counties
- A local, not-for-profit public agency
- Providing a cost-savings to all customers when compared to PG&E
- Overseen by our own elected officials
- Transparent, accountable; all MBCP board meetings are open to the public
- A proven concept that follows the Community Choice Energy model
- One of 20 Community Choice Energy agencies serving California communities
- Designed to benefit our own community, not investors or shareholders
- Committed to clean and renewable energy like wind, solar and hydroelectric

MBCP is NOT:

- An extra charge on your bill – you've always paid Electric Generation Charges, they were hidden inside PG&E Bundled Service Charges prior to MBCP
- Taxpayer funded nor a private business
- A for-profit, investor-owned utility like PG&E or other alternative energy companies
- A new, short-term solution or experiment
- A gas provider; MBCP only provides electricity generation
- Affected by PG&E bankruptcy
- Doing anything with surplus revenues other than building reserves and reinvesting in our tri-county
- Contributing to greenhouse gas emissions or the harmful effects of climate change
- Supporting a private agenda – all meetings, guiding documents and principles are public



Monterey Bay
Community Power

Local Choice • Clean Energy • Economic Vitality

Conoce a tu nuevo proveedor de electricidad: Monterey Bay Community Power (MBCP)

Noticias Importantes Sobre Nuestra Comunidad Muchos residentes de los condados de Monterey, San Benito y Santa Cruz han sido solicitados por proveedores de energía eléctrica o de gas que prometen tarifas más bajas. Estos proveedores de energía con fines de lucro van de puerta en puerta, aprovechándose de nuestros residentes. Monterey Bay Community Power es el nuevo proveedor de electricidad sin fines de lucro y nunca le hará solicitudes domiciliarias.

¿Quien es Monterey Bay Community Power? MBCP fue establecido por funcionarios electos con la meta de obtener energía limpia para los condados de Monterey, San Benito y Santa Cruz. PG&E aun seguirá con el suministro de energía y el mantenimiento de la infraestructura. MBCP respalda la vitalidad económica de los tres condados al: proporcionar energía más limpia a un costo más bajo, el apoyar a la comunidad de bajos ingresos y el financiar proyectos locales.

ATENCIÓN: Si su factura de energía ha aumentado, NO se debe a MBCP. Muchas facturas de energía aumentan durante los meses de invierno debido a un mayor uso de gas/electricidad. MBCP iguala las tarifas de PG&E y proporciona un ahorro a través de un reembolso del 3%.

MBCP ES UNA AGENCIA:

- Que provee electricidad a los tres condados de Monterey, Santa Cruz y San Benito
- Sin fines de lucro
- Supervisada por funcionarios electos
- Transparente. Todas nuestras reuniones en relación con MBCP son abiertas al público
- Que sigue el modelo estatal "Community Choice Energy" y una agencia entre 20 por todo el estado que siguen este modelo reconocido por su liderazgo ambiental.
- Diseñada para beneficiar a nuestra propia comunidad, no a los inversionistas.
- Comprometida a la energía limpia y renovable con fuentes solares, eólicas e hidroeléctricas.
- Que ofrece ahorros de costos a todos nuestros clientes en los tres condados.




MBCP NO ES:

- Un cargo adicional en su factura - siempre ha pagado el cargo de generación eléctrica, oculto en un paquete cobrado por PG&E antes de MBCP.
- Financiado por contribuyentes
- Empresa privada gobernada por inversionistas como PG&E u otras compañías de energía.
- Un experimento a corto plazo
- Un proveedor de gas; MBCP solo proporciona electricidad
- Afectado por la reciente declaración de bancarrota por parte de PG&E
- Una agencia con inversionistas. MBCP se dedica a reinvertir en la comunidad.
- Una agencia eléctrica que contribuye a las emisiones de gases de efecto invernadero o los efectos nocivos del cambio climático
- Una agencia que respalde una agenda secreta. Todas las reuniones y documentos son públicos



Monterey Bay Community Power

70 Garden Court, Suite 300, Monterey, CA 93940 info@mbcommunitypower.org (888) 909-6227 (MBCP)

MBCCommunityPower.org   

CCA: PUTTING RENEWABLE ENERGY ON THE MAP

Community Choice Aggregation (CCA) programs have contracted for more than 2,000 Megawatts (MW) of new clean generation capacity, largely through power purchase agreements with terms of 10 years or more, fueling renewable energy development, green jobs and economic growth throughout California.



CCA	Size (MW)	Technology	Resource Provider/ Project Name	Location	Start Date	PPA Term (Years)
MCE	99	Wind	EDP Renewables/Rising Tree III	Mojave, Kern County	2015	3.5
MCE	42	Wind	Terra-Gen/Voyager Wind III	Mojave, Kern County	2018	12
MCE	125	Wind	Terra-Gen/Los Banos Wind	Los Banos, Merced County	2018	12
MCE	100	Wind	BayWa r.e. Wind, LLC/Strauss Wind	Lompoc, Santa Barbara County	2020	15
SCP	46	Wind	Next Era/Golden Hills North	Livermore, Alameda County	2017	20
SCP	80	Wind	sPower/Sand Hill C, LLC	Alameda County	2021	20
LCE	2	Wind	3 Phases Renewables/Tehachapi Pass Wind	Kern County	2016	3
CPSF	47	Wind	Terra-Gen/Voyager IV Expansion	Mojave, Kern County	2020	15
MBCP/SVCE	200	Wind	Duran Mesa, LLC/Corona Wind Project	New Mexico	2021	13

CCA	Size (MW)	Technology	Resource Provider/ Project Name	Location	Start Date	PPA Term (Years)
MCE	1	Solar	San Rafael Airport	San Rafael, Marin County	2012	20
MCE	20	Solar	Dominion/RE Kansas Solar	Stratford, Kings County	2015	3
MCE	23	Solar	Dominion/Cottonwood Solar	Stratford, Kings County	2015	25
MCE	1	Solar	Dominion/Buck Institute of Research on Aging	Novato, Marin County	2016	25
MCE	0.3	Solar	Rawson, Blum & Leon/Cost Plus Plaza	Larkspur, Marin County	2016	20
MCE	1	Solar	North Shore Solar Partners/Freethy Industrial Pk #1	Richmond, Contra Costa County	2016	20
MCE	1	Solar	North Shore Solar Partners/Freethy Industrial Pk #2	Richmond, Contra Costa County	2016	20
MCE	0.5	Solar	REP Energy/Cooley Quarry	Novato, Marin County	2017	20
MCE	1	Solar	REP Energy/Cooley Quarry	Novato, Marin County	2017	20
MCE	10.5	Solar	MCE Solar One	Richmond, Contra Costa County	2017	25
MCE	30	Solar	Recurrent Energy/Mustang Solar Power Project	Lemoore, Kings County	2018	15
MCE	100	Solar	Recurrent Energy/Tranquillity 8	Tranquillity, Fresno County	2018	15
MCE	105	Solar	sPower/Antelope Expansion 2	Lancaster, Los Angeles County	2018	20
MCE	0.06	Solar	Small World Trading/EO Products	San Rafael, Marin County	2018	20
MCE	0.99	Solar	Oakley RV & Boat Storage	Oakley, Contra Costa County	2018	20
MCE	1	Solar	American Canyon A	American Canyon, Napa County	2019	10
MCE	1	Solar	American Canyon B	American Canyon, Napa County	2019	10
MCE	1	Solar	American Canyon C	American Canyon, Napa County	2019	10
MCE	1	Solar	Central Marin Sanitation Agency	San Rafael, Marin County	2019	10
MCE	1	Solar	Palm Drive A	Napa, Napa County	2019	20
MCE	1	Solar	Palm Drive B	Napa, Napa County	2019	20
MCE	1	Solar	Palm Drive C	Napa, Napa County	2019	20
MCE	0.1	Solar	DRES Quarry	Novato, Marin County	2019	20
MCE	0.97	Solar	San Rafael Airport II	San Rafael, Marin County	2019	20
MCE	1	Solar	Silveira Ranch A	Novato, Marin County	2019	20
MCE	1	Solar	Silveira Ranch B	Novato, Marin County	2019	20
MCE	1	Solar	Silveira Ranch C	Novato, Marin County	2019	20
MCE	160	Solar	First Solar/Little Bear Solar	Mendota, Fresno County	2020	20
MCE	80	Solar	EDF Renewables/Desert Harvest	Desert Center, Riverside County	2020	20
SCP	70	Solar	Recurrent/Mustang 1 & Mustang 3	Lemoore, Kings County	2016	20
SCP	1	Solar	Coldwell Solar/Lavio Solar	Petaluma, Sonoma County	2018	20
SCP	1	Solar	Coldwell Solar/Stage Gulch Solar	Petaluma, Sonoma County	2018	20
SCP	1	Solar	Juniper Energy/Bodega Energy West	Petaluma, Sonoma County	2018	20
SCP	1	Solar	Juniper Energy/Petaluma Energy East	Petaluma, Sonoma County	2018	20
SCP	1	Solar	Enerparc/Cloverdale Solar Center	Cloverdale, Sonoma County	2018	20
SCP	1	Solar	Intersect/IP Malbec	Willits, Mendocino County	2019	20
SCP	50	Solar	NextEra/Proxima Solar, LLC, 5 MW Storage	Stanislaus County	2023	20
LCE	10	Solar	sPower/Western Antelope Dry Ranch	Lancaster, Los Angeles County	2016	20
PCE	200	Solar	Frontier Renewables, LLC/Wright Solar Park	Santa Nella, Merced County	2019	25
PCE	100	Solar	Mustang II Whirlaway	Lemoore, Kings County	2019	15
CPSF	100	Solar	sPower/San Pablo Raceway	Lancaster, Los Angeles County	2019	22
MPCP/SVCE	150	Solar	Recurrent/RE Slate I Solar, 45 MW/180 MWh Storage	Lemoore, Kings County	2021	15
MBCP/SVCE	128	Solar	EDF/BigBeau Solar, 40 MW/160 MWh Storage	Rosamond, Kern County	2021	20

CCA	Size (MW)	Technology	Resource Provider/ Project Name	Location	Start Date	PPA Term (Years)
MCE	1.6	Biogas	G2 Energy/Hay Road Landfill	Vacaville, Solano County	2013	18
MCE	4.8	Biogas	Genpower/Lincoln Landfill	Lincoln, Placer County	2013	20
MCE	1.9	Biogas	G2 Energy/Ostrom Road Landfill	Wheatland, Yuba County	2013	18
MCE	3.6	Biogas	Waste Management/Redwood Landfill	Novato, Marin County	2017	20

CCAs: Marin Clean Energy (MCE), Sonoma Clean Power (SCP), Lancaster Choice Energy (LCE), Peninsula Clean Energy (PCE), CleanPowerSF (CPSF), Monterey Bay Community Power (MBCP) and Silicon Valley Clean Energy (SVCE)




Understanding Your Bill

Though MBCP and PG&E are separate organizations, for customer convenience MBCP's electric generation charges are included on your PG&E bill. Your electricity is provided at the same rates as PG&E, plus it will be carbon-free and you'll receive a minimum 3% rebate. Residential customers receive their rebate as a bill credit in December, small to medium commercial twice a year in June and December, four times a year for large commercial customers in March, June, September and December. Net-Energy-Metering customers receive their rebate at their annual true-up date. You also have the [option to direct your rebate](#) to fund local green energy projects or local nonprofits that support programs that serve low-income ratepayers and/or efforts related to climate change.

- MBCP now procures energy on your behalf from carbon-free energy sources; PG&E will no longer charge you for electric generation.
- PG&E will continue to charge for electric delivery – the transmission and delivery of your electricity – as well as required regulatory and program charges, at the same rates they always have. To learn more about your PG&E energy statement visit [pge.com](#).
- MBCP service will never be more expensive than PG&E's. MBCP matches PG&E's electric generation rates, inclusive of PG&E's exit fees. Thanks to the minimum 3% rebate, you will see a savings when the rebate is applied to your bill.
- There will never be any duplicate charges. MBCP and PG&E are charging for separate services on the same bill.

The sample bill below provides further explanation.

 ENERGY STATEMENT www.pge.com/MyEnergy		Account No: 1023456789-0 1 Statement Date: 09/07/2018 Due Date: 09/28/2018														
Service For: MBCP CUSTOMER 1234 MAIN STREET MONTEREY, CA 93940	Your Account Summary <table border="0"><tr><td>Amount Due on Previous Statement</td><td>\$207.16</td></tr><tr><td>Payment(s) Received Since Last Statement</td><td>-207.16</td></tr><tr><td>Previous Unpaid Balance</td><td>\$0.00</td></tr><tr><td>Current PG&E Electric Delivery Charges</td><td>\$109.14 2</td></tr><tr><td>Monterey Bay Community Power Electric Generation Charges</td><td>44.37 3</td></tr><tr><td>Current Gas Charges</td><td>18.35</td></tr><tr><td>Total Amount Due by 09/28/2018</td><td>\$171.86 4</td></tr></table>	Amount Due on Previous Statement	\$207.16	Payment(s) Received Since Last Statement	-207.16	Previous Unpaid Balance	\$0.00	Current PG&E Electric Delivery Charges	\$109.14 2	Monterey Bay Community Power Electric Generation Charges	44.37 3	Current Gas Charges	18.35	Total Amount Due by 09/28/2018	\$171.86 4	
Amount Due on Previous Statement	\$207.16															
Payment(s) Received Since Last Statement	-207.16															
Previous Unpaid Balance	\$0.00															
Current PG&E Electric Delivery Charges	\$109.14 2															
Monterey Bay Community Power Electric Generation Charges	44.37 3															
Current Gas Charges	18.35															
Total Amount Due by 09/28/2018	\$171.86 4															
Questions about your bill? Monday-Friday 7 a.m.-9 p.m. Saturday 8 a.m.-6 p.m. Phone: 1-800-743-5000 www.pge.com/MyEnergy																

- 1 Account Number** This is your PG&E account number, which you will need if you'd like to opt up to MBCP's 100% renewable service offering, *MBprime*. You will also need this account number if you would like to change your [rebate options](#); keep your rebate, green your rebate by redirecting it to *MBgreen+*, or share your rebate by donating it to *MBshare*. Your PG&E account number is also needed to opt out of MBCP service and return to PG&E.
- 2 PG&E Delivery Charges** PG&E charges to deliver electricity over their existing transmission lines, maintain infrastructure and other fees that support customer service and billing.
- 3 MBCP Generation Charge** This charge is to cover Monterey Bay Community Power's cost of purchasing clean, carbon-free electricity for customers.
- 4 Total Amount Due** Includes PG&E's electric delivery charge, MBCP's electric generation service and PG&E gas service, if applicable. This is the total amount you pay to PG&E, conveniently on one bill for services provided by both PG&E and MBCP.

Important Phone Numbers - Monday-Friday 7 a.m.-9 p.m., Saturday 8 a.m.-6 p.m.

Customer Service (All Languages; Relay Calls Accepted) 1-800-743-5000

TTY 7-1-1

Service al Cliente en Español (Spanish)	1-800-450-6760	Dịch vụ khách hàng Việt (Vietnamese)	1-800-298-5438
華語客戶服務 (Chinese)	1-800-899-9555	Business Customer Service	1-800-458-4743

Rules and rates

You may be eligible for a lower rate. To learn more about optional rates or view a complete list of rules and rates, visit www.pge.com or call 1-800-743-5000.

If you believe there is an error on your bill, please call 1-800-743-5000 to speak with a representative. If you are not satisfied with our response, contact the California Public Utilities Commission (CPUC), Consumer Affairs Branch, 505 Van Ness Avenue, San Francisco, CA 94102, 1-800-649-7570 or 415-703-2002 (TDD, TTY).

To avoid having service turned off until you wait for a CPUC decision, enclose a deposit check (payable to the CPUC) for the disputed amount and a description of the dispute. The CPUC will only accept deposits for meters that relate directly to billing accuracy. If it is not possible for you to pay your deposit, you must advise the CPUC. PG&E can not turn off your service for nonpayment while it is under review by the CPUC, however, you must continue to pay your current charges to keep your service turned on.

If you are not able to pay your bill, call PG&E to discuss how we can help. You may qualify for reduced rates under PG&E's CARE program or other special programs and agencies may be available to assist you. You may qualify for PG&E's Energy Savings Assistance Program which is an energy efficiency program for income-qualified residential customers.

Important definitions

Rotating outage blocks are subject to change without advance notice due to operational conditions.

Tier 1 Baseline allowance: Some residential rates are given a Tier 1 Baseline allowance - a CPUC approved percentage of average customer usage during summer and winter months. Your Tier 1 Baseline allowance provides for basic needs at an affordable price and encourages conservation. Your allowance is assigned based on the climate where you live, the season and your heat source. As you use more energy, you pay more for usage. Any usage over your baseline allowance will be charged at a higher price.

High Usage: An increased price per kWh whenever electricity usage exceeds that under the Baseline Allowance (Tier 1) in a billing period. This charge does not apply to Time-of-Use rate plans.

5

Your Electric Charges Breakdown This is the sum of charges from transmission, distribution and other fees, taxes, and programs that fund regional or statewide programs such as low-income assistance and efficiency rebate programs. This amount will match the PG&E Electric Delivery Charges.

Your Electric Charges Breakdown	
Conservation Incentive	\$5.31
Transmission	\$9.22
Distribution	\$1.81
Electric Public Purpose Programs	\$1.46
Nuclear Decommissioning	\$1.12
DVR Band Charge	\$1.29
Competition Transition Charges (CTC)	\$0.79
Energy Cost Recovery Amount	-\$0.03
NCIA	\$0.04
Taxes and Other	\$0.33
Total Electric Charges	\$109.14

Details of PG&E Electric Delivery Charges

08/02/2018 - 08/31/2018 (30 billing days)

Service For: 1234 MAIN STREET
Service Agreement ID: 1234567890
Rate Schedule: E1 T Residential Service

The more kWh you consume,
the more expensive it is

08/02/2018 - 08/31/2018

Your Tier Usage

1	2
---	---

Tier 1 Allowance	210.00 kWh	(30 days x 7.0 kWh/day)	
Tier 1 Usage	210.000000 kWh	@ \$0.21169	\$44.45
Tier 2 Usage	389.000000 kWh	@ \$0.27993	108.69
Generation Credit			-\$4.57
Power Charge Indifference Adjustment			\$0.04
Franchise Fee Surcharge			\$0.33

Total PG&E Electric Delivery Charges \$109.14

2018 Vintaged Power Charge Indifference Adjustment

Service Information

Meter #	12345678910
Current Meter Reading	50,121
Prior Meter Reading	49,522
Total Usage	599,000,000 kWh
Baseline Territory	T
Heat Source	B - Not Electric
Serial	J
Rotating Outage Block	9F

- Service Agreement ID** A service agreement documents your particular arrangement with PG&E (including billing days, metering information, and other factors) in order to calculate applicable charges. For customers with multiple meters under a single PG&E account, each meter will have a unique Service Agreement ID number.
- Generation Credit** This is the generation fee now provided by MBCP's generation service, so PG&E credits this charge back to your account to avoid any duplication of generation fees.
- Power Charge Indifference Adjustment** PG&E charges Monterey Bay Community Power customers a Power Charge Indifference Adjustment (PCIA), which is calculated based on the number of kilowatt-hours used each month. The PCIA is intended to ensure that MBCP customers pay the difference between what PG&E paid for power contracted to serve them prior to their switch, and the current market value of that power. For most MBCP customers, the PCIA is currently two to three cents per kilowatt-hour, depending on when the customer switched to Monterey Bay Community Power and whether they are a residential or a commercial customer. MBCP's rate setting process is inclusive of the PCIA charge, so that in total, customers still save money compared to PG&E's rates.
- Franchise Fee Surcharge** The franchise fee is collected from PG&E to cover costs associated with rights to use public streets to provide gas and electric service. MBCP's rate setting process is inclusive of the Franchise Fee Surcharge, so that in total, customers still save money compared to PG&E's rates.



ENERGY STATEMENT

www.pge.com/MyEnergy

Account No: 1023456789-0
Statement Date: 09/07/2018
Due Date: 09/28/2018

Details of Monterey Bay Community Power Electric Generation Charges

08/02/2018 - 08/31/2018 (30 billing days)

Service For: 1234 MAIN STREET

Service Agreement ID: 1234567890 ESP Customer Number: 1234567890 — 10

08/02/2018 - 08/31/2018

11	Rate Schedule: E1			
	Generation	599.000000 KWh @ \$0.07379		\$44.20
		Net Charges	44.20	

12	Energy Surcharge			0.17
	Est. MBCP Rebate for current charges \$1.33 — 13			

Total Monterey Bay Community Power Electric Generation Charges \$44.37

Service Information

Total Usage 599.000000 KWh

For questions regarding charges on this page, please contact:

MONTEREY BAY COMMUNITY POWER

1-888-909-6227

www.mbcommunitypower.org

Additional Messages 14

Monterey Bay Community Power provides electricity to the counties of Monterey, Santa Cruz, and San Benito entirely from renewable and hydroelectric resources.

MBCP is a not-for-profit public agency and sets its rates to be competitive with PG&E. MBCP also provides all customers with periodic rebates for their energy costs. Visit mbcommunitypower.org or call (888) 909-6227 (MBCP) to learn more.

PG&E continues to provide all electric delivery, billing, and gas services for MBCP territory. Please contact PG&E for related issues.

10 **ESP Customer Number** This is your Energy Service Provider (ESP) Customer number for MBCP.

11 **Rate Schedule** This is your rate schedule determined by PG&E.

Utility Users Tax varies from city-to-city in MBCP's service area and may not apply to every community in our jurisdiction.

12 **Energy Surcharge** This fee is collected on behalf of the California Energy Commission and applies to all customers, regardless of service provider. The California legislature established the Energy Commission tax in 1975. The tax provides additional funding for the California Energy Commission.

13 **Est. MBCP Rebate for Current Charges** This shows the estimated amount of rebate earned for the current billing period.

14 **Additional Messages** This section explains more about MBCP and how to contact us.

Questions? We're Here to Help.

MBCP and PG&E are dedicated to working together to make your power service and billing as simple and convenient as we can. If you have questions about your MBCP charges, call us at (888) 909-MBCP (6227) or email us at info@mbcommunitypower.org. For questions about PG&E charges, call PG&E at (866) 743-0335.

mbcommunitypower.org

CCA Power Purchasing

Lockbox Structure

Some CCAs utilize a “lockbox” financial structure to give confidence and reduce risk to partners that are concerned about the creditworthiness of a new CCA. Revenues from the sale of electricity are directly deposited into a separate trust account. A CCA’s energy supplier is paid directly out of that account each month. It is not until the CCA pays those invoices that customer revenue gets swept over to the CCA to pay for operating expenses. It is a way for a developer or other counterparty to feel more secure that it will be paid ahead of the CCA putting aside funds into their reserves or spending it in other ways.

Local Governance and No Shareholders

As public agencies, CCAs are governed by a board of directors made up of elected officials from the CCA’s service area. This responsibility results in conservative and long-term objectives that benefit customers, not decision-making oriented around quarterly earnings. As not-for-profit agencies, CCAs do not have shareholders. All surpluses are reinvested in the CCA’s programs and products.

Ratemaking Authority

CCAs have the ability to change electricity rates to address financial needs. CCAs tend to keep rates slightly below those of the incumbent utility, while apportioning any residual revenue into local energy programs that benefit the community.

Transparent Public Agencies

CCAs are public agencies and as such are subject to the Brown Act and the Public Records Act. Board meetings are open to the public. CCAs produce financial reports on an annual basis with a third-party audit.

“State and local policymakers remain supportive of the CCA model as a tool to advance the use of renewable resources throughout the state. A key aspect of the value proposition offered by MCE and other California CCAs is the requirement that renewable and clean energy be a major component of the customers’ power supply mix. This value is one of the most significant factors that provides strength to the long-term business model.”

- Moody’s Investors Services



CleanPowerSF has signed two agreements to purchase power from a new 100-megawatt solar project to be built in Lancaster, California and a new 47-megawatt wind project in Mohave, California. The contract terms are between 10 and 22 years.



Monterey Bay Community Power and Silicon Valley Clean Energy have jointly-procured 200 megawatts of wind power from the Duran Mesa Wind project in New Mexico under 15-year PPAs.

CCA Power Purchasing

There are 19 operational Community Choice Aggregator (CCA) programs serving approximately 8 million customers in California. These CCAs have transacted to purchase power from established counterparties, providing customers with power that is cost-competitive with the rates of incumbent utilities, and in many cases greener. How do CCAs procure low cost, clean power?

Expertise and Mission

Like California's investor-owned utilities (IOUs), CCAs rely on staff and consulting experts in renewable energy procurement. Unlike IOUs, for whom generation service is a cost passed-through to customers, CCAs' procurement function is their lifeblood.

Long-Term Procurement Planning

CCAs build reliability and rate stability through long-term planning and procurement of energy resources under short (0-5 years), medium (6-10 years), and long-term (10+ years) power purchase agreements. Since much of the power California CCAs buy is from renewable resources that have no fuel cost, they hedge against fossil fuel price volatility.

Stable & Diversified Customer Base

CCAs have a dependable rate base because they are the default generation provider within the communities they serve. CCAs have a mix of residential, commercial, industrial, and public-sector accounts. CCA participation rates are stable—most California CCAs serve more than 90% of the market in their service area.

Prudent Risk Management

CCAs carefully manage cash to ensure they meet their financial obligations. In many cases, CCAs have bank lines of credit to supplement available cash. CCAs have an excellent track record of paying off loans early, and amply funding reserve accounts. CCAs manage their energy supply portfolios to ensure the right amount of energy is available when it is needed. CCAs ensure that energy purchased is diversified by supplier, location, duration, and technology type to provide stable rates for customers and stable revenues and costs for CCAs.



MCE, serving Marin and Napa Counties, along with parts of Solano and Contra Costa Counties, currently has \$2 billion invested in energy supply contracts. Of that, \$1.8 billion is for 924 megawatts of new, California renewables projects, with PPAs ranging in terms from 10 to 25 years. In 2018, MCE earned an investment-grade credit rating from Moody's.



Sonoma Clean Power serves Sonoma and Mendocino Counties. SCP and MCE have long-term PPAs with the 100 MW Mustang solar project in Kings County. Recurrent Energy developed the project for SCP and MCE by leveraging a tax equity investment by U.S. Bancorp. SCP also has PPAs for 70 megawatts of new California solar, and 80 megawatts of wind.



Peninsula Clean Energy, serving San Mateo County, has contracted for 300 megawatts of new California solar to be built in Merced and Kings Counties for contract terms of 20 and 15 years.

The California Community Choice Association's mission is to support the development and long-term sustainability of locally-run CCA electricity providers.

Areas of Service:



* Not all towns/cities within a county are served by the local CCA program. Please visit individual agency websites for more detailed service area information. To learn more about CalCCA please visit our website at cal-cca.org.

YOUR COMMUNITY, YOUR CHOICE

Local governments throughout California have chosen to participate in Community Choice Aggregation (CCA) to meet climate action goals, provide residents and businesses with more energy options, ensure local transparency and accountability, and drive economic development. To learn more about the benefits of Community Choice Aggregation for your home or business, contact your local CCA program.

Apple Valley Choice Energy
avchoiceenergy.com
1-760-573-AVCE (2823)

CleanPowerSF
cleanpowersf.com
1-415-554-0773

Clean Power Alliance
cleanpoweralliance.org
1-760-573-AVCE (2823)

Desert Community Energy
desertcommunityenergy.org
1-855-357-9240

East Bay Community Energy
ebce.org
1-833-699-EBCE (3223)

King City Community Power
kingcitycommunitypower.org
1-833-888-KING (5464)

Lancaster Choice Energy
lancasterchoiceenergy.com
1-844-288-4LCE (4523)

MCE
mcecleanenergy.org
1-888-632-3674

Monterey Bay Community Power
mbcommunitypower.org
1-888-909-MBCP (6227)

Peninsula Clean Energy
peninsulacleanenergy.com
1-866-966-0110

Pico Rivera Innovative Municipal Energy
poweredbyprime.org
1-800-GO-PRIME (467-7463)

Pioneer Community Energy
pioneercommunityenergy.ca.gov
1-844-YES-PIONEER (937-7466)

Rancho Mirage Energy Authority
ranchomirageenergy.org
1-760-578-6092

Redwood Coast Energy Authority
redwoodenergy.org
1-707-269-1700

San Jacinto Power
sanjacintopower.com
1-951-665-6812

San Jose Clean Energy
sanjosecleanenergy.org
1-833-432-2454

Silicon Valley Clean Energy
sanjosecleanenergy.org
1-844-474-SVCE (7823)

Solana Energy Alliance
solanaenergyalliance.org
1-858-720-4422

Sonoma Clean Power
sonomacleanpower.org
1-855-202-2139

Valley Clean Energy
valleycleanenergy.org
1-855-699-8232



Environmental Justice & Social Equity

Energy Efficiency for Home Comfort, Health & Savings

- \$1.7 Million allocated annually through MCE's Low-Income Tenants & Families program for \$1,200 per unit rebate and free electric heat pump. Participants must be at or below 200% Federal Poverty Guidelines.
- Sonoma Clean Power is expanding access to home energy audits with free do-it-yourself toolkit in all public libraries.
- \$408,000 in energy efficiency rebates distributed by MCE to 760 affordable multifamily units.

Local Job Training & Employment

CCAs are committed to creating partnerships with and financially supporting organizations that provide workforce development opportunities, including training, apprenticeship and per-apprenticeship programs in diverse communities.

- \$470,812 contributed to local green workforce job training and employment programs by MCE.
 - 1,797 hours of on the job training, Marin City Community Development Corporation
 - 330+ hours of construction skills training, numeracy and literacy training, job placement, case management, job-site mentoring and employment counseling, RichmondBUILD
 - Trained youth provided no-cost energy and water assessments and installations to Richmond, San Pablo and El Cerrito residents through MCE's Multifamily Energy Savings Program, Rising Sun Energy Center
 - Local solar install training, focusing on under-served communities, GRID Alternatives



Ruben Pendroza and family, RichmondBUILD graduate

GRID ALTERNATIVES

GRID Alternatives is a nonprofit that manages the country's first dedicated solar rebate for low-income families. They provide no-cost solar systems for low-income families, while providing hands-on installation experience for job seekers and community volunteers.

Access to Electric Vehicle Programs

- Sonoma Clean Power provides electric vehicle purchase assistance and lease discounts for CARE customers; 30% of electric vehicle rebates are allocated for low-income customers.
- Lancaster Choice Energy is partnering with Antelope Valley Transit Authority, which provides free transit to seniors, to convert to all-electric bus fleet within three years.

ECO2SCHOOLS

Eco2Schools Program is led by Center for Climate Protection inspires students in two high schools and a youth organization in Hunters Point to be more sustainable and reduce carbon footprints, with assistance from CleanPowerSF.

COMMUNITY POWER COALITION

MCE's Community Power Coalition of ratepayer advocates and community-based organizations focuses on the interests of underrepresented and historically marginalized constituencies. Partners include Communities for a Better Environment, the Greenlining Institute, Grid Alternatives, the Sierra Club and local community environmental justice organizations.

As local government agencies, CCAs strive to promote diversity and inclusion. By harnessing the dynamic power of community, we empower customers to make better choices for their households, for the climate, and for our collective future. We seek to ensure the diversity of our communities is included in our service offerings and programs, workforces and supply chains. Doing so invests back into our customer base and drives sustainable futures.

CCAs have launched a wide range of programs and initiatives to increase equity and support disadvantaged community members.

Local Control: Accessible, Accountable & Transparent Governance

CCA Boards, governed by locally elected officials, set policy for:

- Procurement
- Rates
- Projects and Programs
- Workforce Development
- Community Benefits

Board meetings are open to the public, subject to the Brown Act, and held in the communities they serve, inviting direct participation and observation in decision-making. By contrast, average customers do not have access to CPUC Commissioners, who are appointed, in the way they have access to CCA governing boards, who they elect and are located in their community. Customers also do not have access to IOU executives or IOU board members, as their primary legal obligation is to their shareholders.

Making Rooftop Solar Accessible

- \$2 Million allocated by CleanPowerSF for solar rebates for underserved residential customers through GoSolarSF. Low-income homeowners can save up to 100% off the installed cost of solar.
- \$345,000 allocated by MCE for low-income solar rebates. Estimates indicate rebate-assisted installations have saved customers \$2+ Million on their electricity bills.
- Lancaster Choice Energy focuses on low-income customers with California HERO and California first to offer Property Assessed Clean Energy (PACE) financing.

\$89,378,000

CCA BILL SAVINGS



3 generations of Richmond residents: Kathy, Doria, and Innua Robinson

BILL ASSISTANCE

CALIFORNIA ALTERNATIVE RATES FOR ENERGY (CARE)

CARE offers a minimum discount of 20% on gas and electric rates, and CCA customers receive this discount in full. Eligibility is usually determined by the number of individuals in a household and the total gross household income. CARE is also available to:

- Tenants of sub-metered residential facilities
- Qualified nonprofit group living facilities
- Agricultural employee housing facilities
- Migrant farm worker housing facilities

% CARE CUSTOMERS BY CCA

Pico Rivera Innovative Municipal Energy	42%
Lancaster Choice Energy	40%
Apple Valley Clean Energy	35%
Redwood Coast Energy Authority	28%
Sonoma Clean Power	18%
MCE	16%
CleanPowerSF	12%

As of April 2018, 13 Community Choice Aggregators (CCAs) have launched successfully throughout California and are serving more than 3.5 million customers. These CCAs have transacted to purchase power [from established counter parties], providing customers with power that is at price parity or below the rates of the incumbent utility, for power that is as clean or cleaner.

How do CCAs procure low cost, clean power?

Expertise and Mission

Like California's investor-owned utilities (IOUs), CCAs rely on staff and consulting experts in renewable energy procurement. Unlike IOUs, for whom generation service is a cost passed-through to customers, CCAs' procurement function is their lifeblood.

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\$2 Billion, 813 MW

invested in energy supply contracts by MCE. Of that, \$1.6 billion is for 813 megawatts (MW) of new, California renewable long-term PPAs, ranging in terms from 10 to 25 years.

400 MW New, CA Solar

under contract by Peninsula Clean Energy.

100 MW New, CA Solar

Mustang solar project developed by Recurrent Energy for MCE and Sonoma Clean Power by leveraging a tax equity investment by US Bancorp Community Development Corporation.

\$49.8 Million in Reserves

by Sonoma Clean Power.

\$7.5 Million

start-up loan paid back four years ahead by Sonoma Clean Power.



Creditworthiness

Lock box Structure

Some CCAs utilize a “lock box” financial structure to give confidence and reduce risk to partners that are concerned about the creditworthiness of a new CCA. Revenues from the sale of electricity are directly deposited into a separate trust account. A CCA’s energy supplier is paid directly out of that account each month. It is not until the CCA pays those invoices that customer revenue gets swept over to the CCA to pay for operating expenses. It is a way for a developer or other counter party to feel more secure that it will be paid ahead of the CCA putting aside funds into their reserves or spending it in other ways.

Ratemaking Authority

CCAs have the ability to change electricity rates to address financial needs. CCAs tend to keep rates slightly below those of the incumbent utility, while apportioning any residual revenue into local energy programs that benefit the community.

Local Governance and No Shareholders

As public agencies, CCAs are governed by a board of directors made up of elected officials from the CCA’s service area. This responsibility results in conservative and long-term objectives that benefit customers, not decision-making oriented around quarterly earnings. As not-for-profit agencies, CCAs do not have shareholders. All surpluses are reinvested in the CCA’s programs and products.

Transparent Public Agencies

CCAs are public agencies and as such are subject to the Brown Act and the Public Records Act. Board meetings are open to the public. CCAs produce financial reports on an annual basis with a third-party audit.





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FOR IMMEDIATE RELEASE
March 15, 2019

MONTEREY BAY COMMUNITY POWER LAUNCHES "PROJECT SUNSHINE" AFFORDABLE HOUSING SOLAR INCENTIVE PROGRAM

In Collaboration with GRID Alternatives, MBCP's First of Three 2019 Energy Programs Will Benefit Affordable Housing Residents in Tri-County Area

Monterey, CA March 15, 2019 – In partnership with GRID Alternatives, Monterey Bay Community Power (MBCP) today announced the launch of Project Sunshine, a solar incentive program dedicated to assisting affordable housing residents by providing no-cost solar for families with limited or fixed incomes. By utilizing solar energy, Project Sunshine participants can also look forward to saving up to 90% on future electricity bills.

"When the vision for MBCP was created, there was a very clear need and desire to direct benefits to our underserved communities and residents," shares MBCP CEO Tom Habashi. "Thanks to this collaboration with GRID Alternatives, Project Sunshine exemplifies that commitment as well as MBCP's overarching mission to provide cleaner energy at a lower cost while contributing to the economic vitality of the Monterey Bay region."

Project Sunshine funding is limited so interested MBCP customer families and residents are encouraged to go through the prequalifying and application processes as soon as possible. Applicants can learn if they qualify by visiting www.gridsolar.org/ or by calling 866-921-4696. After completing the prequalification process, applicants are required to meet with a GRID Alternatives Customer Representative and complete the final application together.

"GRID Alternatives is thrilled to have this partnership with MBCP that allows us to expand our impact in the tri-county area," explains Justin Hitchcock, Executive Director of GRID Alternatives Central Coast. "Every solar installation we complete comes out of a great collaborative effort of community partners. The impact of this effort is also shared by the community, from the families realizing electricity cost savings, to the job-trainees gaining new employable solar skills, to everyone benefiting collectively from a reduced carbon footprint and reduced air pollution."

Based on revenues from year one of operation, MBCP has set aside \$1.25 million in funding for 2019 Energy Programs, first of which will be Project Sunshine. The goal of Project sunshine is to support solar installations for up to 20 families and potentially equate to \$500,000 in bill savings over the life of the solar projects. MBCP will be rolling out additional Energy Programs later this year including an EV incentive program worth \$725,000 for MBCP customers, as well as an EV Infrastructure Program which includes \$6 million in additional funding from the California Energy Commission to offset costs associated with installing or upgrading EV charging stations.

To date, MBCP has already returned \$4.4 million in revenue to tri-county businesses and residents through cost-savings

delivered as a 3% rebate on 2018 MBCP Electric Generation Charges. Looking ahead, MBCP anticipates rebate dollars increasing for all customers in 2019 and funding for Energy Programs doubling and even tripling over the next two to five years.

About MBCP

Monterey Bay Community Power is a Community Choice Energy agency established by local communities to source carbon-free electricity for Monterey, San Benito and Santa Cruz counties while retaining PG&E's traditional role delivering power and maintaining electric infrastructure. As a locally controlled not-for-profit, MBCP is not taxpayer funded and supports Tri-County economic vitality by providing cleaner energy at a lower cost, supporting low-income rate payers, and funding local renewable energy projects. For more information, visit www.mbcommunitypower.org

About GRID Alternatives

GRID Alternatives is a national leader in making renewable energy technology and training accessible to low-income communities. Using a unique, people-first model, GRID develops and implements solar and clean mobility projects that serve qualifying households and affordable housing providers, while providing hands-on job training. GRID has installed solar for more than 13,000 families to-date and helped households and housing providers save \$345 million in lifetime electricity costs, while training nearly 30,000 people. In California, GRID is a long-time administrator of statewide clean energy programs serving disadvantaged communities. For more information, visit www.gridalternatives.org.



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[mbcommunitypwr](https://twitter.com/mbcommunitypwr)



[mbcommunitypower](https://www.instagram.com/mbcommunitypower)



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FOR IMMEDIATE RELEASE
December 19, 2018

MONTEREY BAY COMMUNITY POWER (MBCP) DELIVERS OVER \$4 MILLION IN COST SAVINGS THROUGH 2018 REBATES

DECEMBER ELECTRICITY BILLS REVEAL BILL CREDITS, ADDING TO TANGIBLE BENEFITS MBCP PROVIDES TRI-COUNTY BUSINESSES AND RESIDENTS

December 19, 2018, Monterey, CA – Monterey Bay Community Power today announced 2018 customer rebates will total more than \$4 million dollars, delivering significant cost savings and making good on one of MBCP's primary goals. Residential customers receive their rebate as a bill credit on December electricity bills, non-residential customers receive rebates biannually in June and December, and large commercial and agricultural customers receive their rebates quarterly in March, June, September and December.

"Since before our agency was formed, one of our stated goals has been cost stability and supporting the economic vitality of our region," shared MBCP CEO, Tom Habashi. "It is very exciting and rewarding for all of us at MBCP to be producing more quantifiable results in our first year of operation, and we've got a growing list of additional benefits being passed on to the communities that we serve."

In addition to supporting the Monterey Bay Region's economy through cost-savings, MBCP has created jobs, supported local businesses, and in 2019 will be dedicating \$1.25 million in additional funding for local energy programs such as electric vehicle (EV) rebates, EV charging stations and installing solar-energy systems on low-income housing. All the while, MBCP's guiding principle to reduce Monterey Bay region carbon emissions through carbon-free and renewable energy sources has been helped drive these results as well as produce an important measure in and of itself; 300,000 metric tons of carbon emissions spared from the environment.

"As a major agricultural engine in the Monterey Bay, Dole is constantly exploring opportunities to help reduce costs and create better end products for our customers" says Tom Messenger, Facilities Manager at Dole Fresh Vegetables. "Monterey Bay Community Power delivered on its promise for carbon-free electricity and its customer rebate which Dole greatly benefited at over \$50,000 in bill savings this year."

Businesses and residents alike are benefiting from finally having a choice when it comes to electricity providers. Whether one looks at individual or regional gains, the trends are undeniably positive in nature.

“This rebate is from just five months of service,” exclaimed Robert and Denyse Frischmuth, residents of Pacific Grove. “We’re grateful because it is a benefit of choosing cleaner electricity from our local provider who gives us a choice and a voice for our energy needs. We’re already looking forward to the 2019 rebate because it might be more than double this year’s savings!”

Next up for MBCP is the rollout of local energy programs to further curb carbon emissions, support the growth of renewable energy infrastructure and continue providing economic stimulus for the region.

Monterey Bay Community Power is a Community Choice Energy agency established by local communities to source carbon-free electricity for Monterey, San Benito and Santa Cruz counties and now San Luis Obispo county. PG&E will continue their traditional role of delivering power and maintaining electric infrastructure. As a locally controlled not-for-profit, MBCP supports regional economic vitality by providing cleaner energy at a lower cost, supporting low-income rate payers, and funding local energy programs. For more information, visit www.mbcommunitypower.org



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FOR IMMEDIATE RELEASE
December 5, 2018

CITIES OF SAN LUIS OBISPO AND MORRO BAY TO JOIN MONTEREY BAY COMMUNITY POWER (MBCP)

NEW MEMBER AGENICES PARTNER WITH MBCP TO FASTTRACK CLIMATE ACTION GOALS AND PROVIDE ECONOMIC AND ENVIRONMENTAL BENEFITS TO THE CENTRAL COAST

Monterey, CA December 5, 2018 – Today, the Monterey Bay Community Power (MBCP) Policy Board unanimously approved the inclusion of the cities of San Luis Obispo and Morro Bay as new members to the list of municipalities served by MBCP, one of California's most innovative and fastest growing Community Choice Energy (CCE) agencies. By adding approximately 29,000 new customers, MBCP will grow its customer base to over 300,000 customers served exclusively with carbon-free energy or an additional reduction of 25,000 metric tons of greenhouse gas emissions*.

"We are very excited to be joining Monterey Bay Community Power," exclaimed San Luis Obispo Mayor Heidi Harmon. "Our City is working toward one of the most aggressive climate change targets in the country. By joining MBCP, we are able to achieve our 2020 Climate Action Plan target and have a strong foundation to work toward longer term target of carbon neutrality, all while having access to new programs and stimulating our local economy."

Today, 19 different CCEs, also known as CCAs (Community Choice Aggregators) are serving eight million customers across California, helping to lead the way towards achieving California's ambitious climate goals. CCAs are also providing cities and counties with more local control over their electricity needs and less dependence on investor-owned utilities like PG&E to generate electricity.

"The City of Morro Bay is excited to join Monterey Bay Community Power, a proven Community Choice Energy program, to bring affordable, greener and cleaner energy to our community," stated Mayor of Morro Bay, Jamie Irons.

Community Choice Energy has long been a key strategy for both San Luis Obispo and Morro Bay to meet their climate goals. San Luis Obispo passed a resolution back in 2015 to explore Community Choice Energy and most recently, San Luis Obispo became the first city in California to set a goal of achieving carbon neutrality by 2035. After careful consideration, both cities concluded that joining Monterey Bay Community Power is the fastest and most effective way to bring additional community benefits to the Central Coast. Last month, city councils of San Luis Obispo and Morro Bay both voted unanimously in favor of joining MBCP.

"The CCA community continues to grow at a remarkable rate, driven by communities that are committed to customer choice, reducing carbon emissions and embracing renewable energy resources," explains MBCP

CEO, Tom Habashi. "Here on the central coast, this new partnership with the cities of San Luis Obispo and Morro Bay affirms our region's long-standing commitments to environmental stewardship and economic stimulation. Our team is really excited to bring these cities into the fold and we hope more communities in our region and across California follow in their footsteps."

The tentative date for MBCP's newest member agencies to be operating under an amended Joint Powers Authority agreement is January 2020. After today's vote, the motion moves the implementation plan to the California Public Utilities Commission for certification.

With the inclusion of San Luis Obispo and Morro Bay, MBCP continues to excel in providing tangible benefits to the Central Coast through carbon-free electricity, customer rebates and energy programs.

About: *Monterey Bay Community Power is a Community Choice Energy agency established by local communities to source carbon-free electricity for Monterey, San Benito and Santa Cruz counties and now San Luis Obispo county. PG&E will continue their traditional role of delivering power and maintaining electric infrastructure. As a locally controlled not-for-profit, MBCP supports regional economic vitality by providing cleaner energy at a lower cost, supporting low-income rate payers, and funding local energy programs. For more information, visit www.mbcommunitypower.org*

** Emissions analysis estimated by MBCP's 2018 emission factor of 2 lbs/MWh of CO2 and PG&E's estimated 2017 emission factor of 198 lbs/MWh of CO2*

Handles:

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FOR IMMEDIATE RELEASE
November 1, 2018

MONTEREY BAY COMMUNITY POWER SIGNS CONTRACT FOR CALIFORNIA'S LARGEST SOLAR-PLUS STORAGE PROJECT

New Renewable Energy Developments Will Contribute to a 12% Increase in U.S. Storage Capacity¹

Monterey, CA - November 1, 2018 – Monterey Bay Community Power (MBCP) recently signed two long-term solar development agreements, one of which will be the largest utility-scale, solar-plus-storage project ever built in California. With the approval of these two projects, MBCP will be making significant contributions to grid stability for California and to utility-scale storage capacity for California and the Nation.

The Slate 1 project, to be developed in Kings County, CA by Recurrent Energy, will provide 150 megawatts (MW) of solar capacity, plus 45 MW of storage, for a 15-year term. Just south in Kern County, the BigBeau Solar project, developed by EDF Renewables North America, will provide 128 MW of solar capacity with 40 MW of storage as part of a 20-year agreement. The two solar + storage projects combined will power 32,000 MBCP customer homes annually and will provide 840 temporary jobs during construction with commercial operation scheduled for 2021.

"We are excited to bring online the largest California solar-plus-storage project by CCAs to date," said Tom Habashi, CEO of Monterey Bay Community Power. "Solar development has been a hallmark of California's renewable energy boom and with the storage component, we can realize the full potential of solar generation."

Both projects are the result of a joint-procurement effort between MBCP and Silicon Valley Clean Energy (SVCE), their second such collaboration in less than 3 months. MBCP will be off taking 45% of the energy produced from both Slate 1 and BigBeau, while SVCE will harness the other 55%. The renewable energy produced from these projects will be utilized exclusively by CCAs, many of which are driving the recent rise in buildout of renewable energy infrastructure across the state.

The California Community Choice Association (CalCCA), a trade group that represents the state's community choice energy agencies, applauded the joint procurement effort noting it represents a significant achievement for the CCA movement in California.

"This landmark purchase of utility-scale solar and energy storage resources shows that CCAs are ready, willing and able to sign long-term contracts with new renewable energy projects in California," said Beth Vaughan, executive director of CalCCA. "It also reflects the commitment community choice programs have to supporting new sources of clean energy and fueling job creation and economic development."

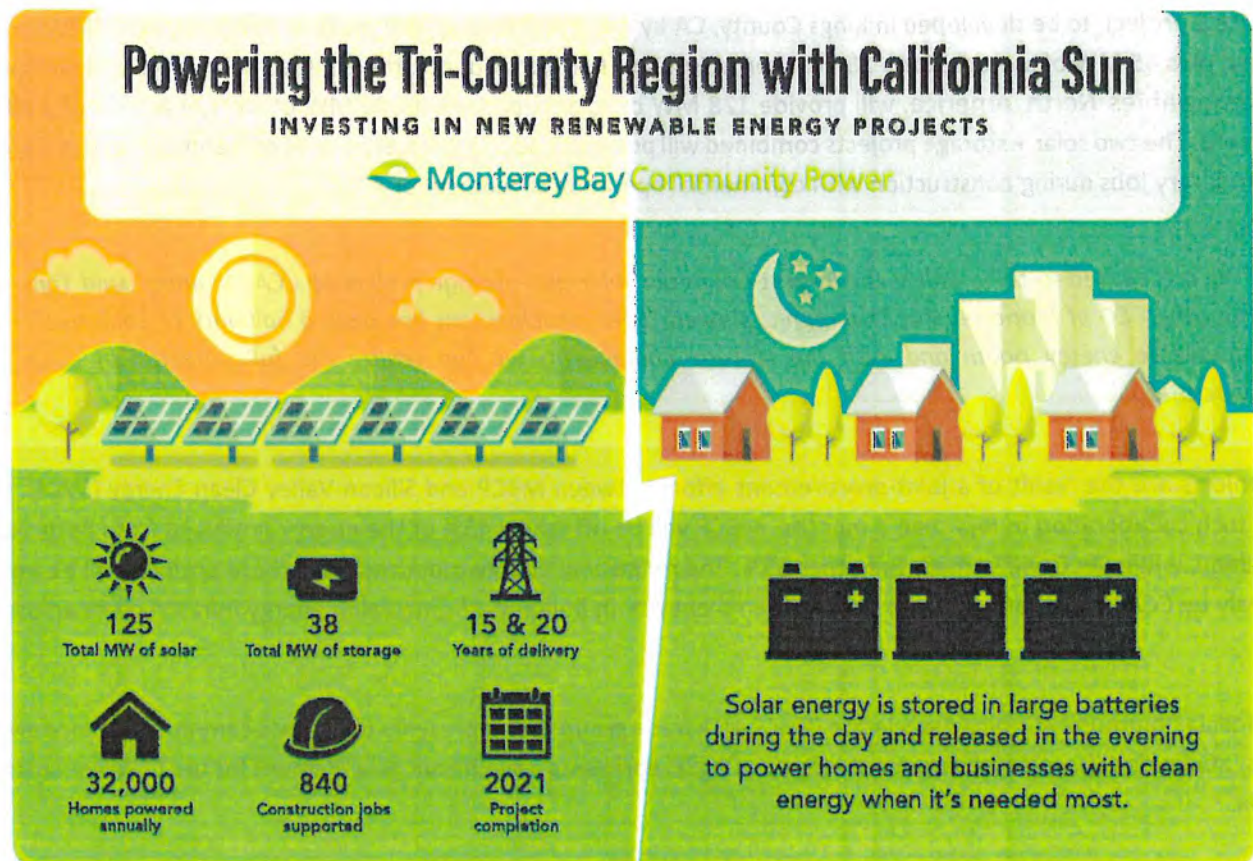
As a leader among CCAs driving California's climate action success, MBCP is also poised to provide its own community with significant benefits. After just eight months of operation MBCP is projecting to save tri-county a combined \$3.5 million in cost savings, contribute to 300,000 metric tons of CO2 emissions spared from the atmosphere, and reinvest an additional \$2.5 million in programs designed to help offset the cost of electric vehicles (EV) and EV charging stations for residents, businesses, schools and public agencies. Additional programs to support low-income rate payers are also being evaluated.

¹According to a May, 2018 U.S. Energy Information Administration (EIA) report: At the end of 2017, 708 MWs of utility-scale battery storage capacity was in operation in the US. With the approval of these two projects, MBCP will be contributing to a 12% increase in US Storage Capacity

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About Monterey Bay Community Power

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Infographic showing what the two projects combined means for the MBCP community



Recurrent Energy's Mustang solar photovoltaic 2016 project for two other CCEs, Sonoma Clean Power and MCE. Located nearby is the Slate project in Kings County, California.



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FOR IMMEDIATE RELEASE

September 18, 2018

AHEAD OF SCHEDULE AND BEYOND EXPECTATIONS – MBCP PAYS OFF STARTUP LOAN AND SUCCESSFULLY ENROLLS CUSTOMERS IN MONTEREY BAY COMMUNITY POWER

Fiscal Responsibility, Community Outreach and Innovative Energy Procurement Put Tri-County's Newest Public Agency in Good Standing with Customers, Cities, Counties and State

Monterey, CA – Sept. 18, 2018 - After just seven months of operation, Monterey Bay Community Power (MBCP) has successfully paid off a loan obtained through Lines of Credit totaling \$6.2 million, as well as reimbursed the County of Santa Cruz for expenses incurred on behalf of MBCP prior to securing the lines of credit.

"Due to sound financial stewardship, low cost carbon free electricity procurement and smart decision making, MBCP will pay down this outstanding debt a year earlier than planned," exclaimed Bruce McPherson, Board Chair of MBCP's Policy Board and Santa Cruz County Supervisor. "This is an incredible success and demonstrates the value of having a locally controlled agency that can be a catalyst for economic and environment progress in the Monterey Bay."

By focusing on business fundamentals to achieve better financial stability, MBCP will be in a stronger position to continue delivering on its promises around clean energy, lower cost and economic vitality for the tri-county businesses and residents. MBCP is successfully serving 97% of the eligible customer base across the 16 cities and 3 counties which constitute the newest Monterey Bay public agency.

"MBCP is big when it matters, small when it counts," said Tom Habashi, MBCP's CEO. "Our service territory is large enough to afford attracting the majority of small and large energy developers and suppliers, yet small enough to move quickly when opportunities for acquiring clean, efficient and economical resources present themselves.

As part of the fast-growing, statewide Community Choice Energy (CCE) or Community Choice Aggregator (CCA) movement, MBCP is playing an important role in helping the Monterey Bay Region and even the entire State of California meet their ambitious climate-action goals.

"MBCP continues to exceed expectations that were put forth as the first tri-county Community Choice program in the state of California," said Steve McShane, Vice Chair of MBCP's Policy Board and Councilmember from the City of Salinas. "By retiring its debt early, MBCP exemplifies what it means to be a well-run public agency for the Monterey Bay region. I am excited for the future of MBCP in providing tangible value to its customers through outreach, education, customer rebates and customer programs."

In addition to being debt free and fast-tracking statewide climate-action goals, MBCP has made notable accomplishments in all three of its focus points during only seven months of operation:

Reduction of Greenhouse Gas (GHG) Emissions

- MBchoice: Carbon free electricity as default service offering and MBprime: 100% eligible renewables service offering
- Close to 97% enrollment of customer electricity demand
- 90 MW, 15-year New Wind Project to meet 10% of MBCP Annual demand
- 125 MW Solar + 38 MW Storage – Long term agreements near completion

Affordable rates and customer re-investment

- 3% Rebate to all customers - est. \$3.5 million applied to customer bills
- Higher rates for net energy generation for customers with on-site generation
- 2% of gross revenue set aside for customer energy programs - \$2.5 million for MBCP customers
- Over 230 voluntary customer enrollments to MBprime, MBshare & MBgreen+

Stimulate local economy

- Potential for 20 MW of renewable local generation
- Employed 19 staff members, working and mostly living locally
- Supported the move of GridX's, MBCP Data Manager, to our offices for a Tier 2 local call center
- Executed \$450k in contracts with local service providers
- Hosted Cal-CCA 2018 Annual Meeting at Asilomar conference center in Pacific Grove for over 300 attendees
- Sponsored and supported over 135 community events and organizations
- Examining the feasibility of partnering with MBARD and State Agencies to deploy Electric Vehicle Infrastructure Program for Level II & DC fast chargers in the Tri-County

Monterey Bay Community Power (MBCP) provides competitively priced carbon-free electricity to our participating communities while reducing the need to consume fossil fuels to generate energy that powers all sectors of our local economy. MBCP actively promotes the economic vitality of the Monterey Bay Region while preserving its clean water and air. For more information, visit www.mbcommunitypower.org

*County of Monterey**County of Santa Cruz**County of San Benito**City of Capitola**City of Carmel**City of Gonzales**City of Greenfield**City of Hollister**City of Marina**City of Monterey**City of Pacific Grove**City of Salinas**City of San Juan Batista**City of Santa Cruz**City of Scotts Valley**City of Seaside**City of Soledad**City of Watsonville**San Jose**City of San Luis Obispo**City of Morro Bay***Date:** March 7, 2019**Dear San Luis Obispo City and County Leaders,****RE: A Unified Central Coast Community Choice Energy Agency**

On behalf of Monterey Bay Community Power, we are honored and thrilled to be engaging with each of the communities in San Luis Obispo County regarding the potential of establishing a unified central coast community choice energy agency. Monterey Bay Community Power started from humble and community-based beginnings back in 2013 and we are now serving over 270,000 customers across 19 cities and counties in Monterey, Santa Cruz and San Benito. We are equally excited about serving another 30,000 customers in the Cities of San Luis Obispo and Morro Bay in early 2020.

Our goal is to outline the benefits for the remaining five cities of Arroyo Grande, Atascadero, Grover Beach, Paso Robles, Pismo Beach as well as the County of San Luis Obispo to explore and hopefully join our joint powers authority in 2019 to begin carbon-free electric service in 2021. Our proven track record of sound financial standing, experience in power procurement as well as delivering considerable economic value to our current customer base is a tremendous opportunity for each of your communities to maximize value for your constituents while providing choice and supporting a locally controlled agency.

We appreciate your time and consideration and our team is available to answer any questions or to continue the conversation about the potential of community choice energy in San Luis Obispo County.

Regards,**Tom Habashi, CEO****Monterey Bay Community Power Authority**



Preliminary Cost Savings for all customers in the City of Atascadero (5 year projection from 2021 - 2025)*

City of Atascadero	Bill Savings	2021	2022	2023	2024	2025	Total
Scenario 1 - 3% Customer Rebate (2021/2022) then 8% Customer Rebate (2023 - 2025)	Rebate (%)	3%	3%	8%	8%	8%	-
	Residential	\$ 101,077	\$ 101,077	\$ 269,538	\$ 269,538	\$ 269,538	\$ 1,010,767
	Commercial	\$ 175,468	\$ 175,468	\$ 467,914	\$ 467,914	\$ 467,914	\$ 1,754,676
	Total (\$)	\$ 276,544	\$ 276,544	\$ 737,451	\$ 737,451	\$ 737,451	\$ 2,765,443
Scenario 2 - 4% Customer Rebate (2021/2022) then 8% Customer Rebate (2023 - 2025)	Rebate (%)	4%	4%	8%	8%	8%	-
	Residential	\$ 134,769	\$ 134,769	\$ 269,538	\$ 269,538	\$ 269,538	\$ 1,078,151
	Commercial	\$ 233,957	\$ 233,957	\$ 467,914	\$ 467,914	\$ 467,914	\$ 1,871,654
	Total (\$)	\$ 368,726	\$ 368,726	\$ 737,451	\$ 737,451	\$ 737,451	\$ 2,949,806

Preliminary Cost Savings for all customers in San Luis Obispo County (5 year projection from 2021 - 2025)*

Entire San Luis Obispo County	Bill Savings	2021	2022	2023	2024	2025	Total
Scenario 1 - 3% Customer Rebate (2021/2022) then 8% Customer Rebate (2023 - 2025)	Rebate (%)	3%	3%	8%	8%	8%	-
	Residential	\$ 1,107,976	\$ 1,107,976	\$ 2,954,602	\$ 2,954,602	\$ 2,954,602	\$ 11,079,758
	Commercial	\$ 2,040,149	\$ 2,040,149	\$ 5,440,398	\$ 5,440,398	\$ 5,440,398	\$ 20,401,492
	Total (\$)	\$ 3,148,125	\$ 3,148,125	\$ 8,395,000	\$ 8,395,000	\$ 8,395,000	\$ 31,481,250
Scenario 2 - 4% Customer Rebate (2021/2022) then 8% Customer Rebate (2023 - 2025)	Rebate (%)	4%	4%	8%	8%	8%	-
	Residential	\$ 1,477,301	\$ 1,477,301	\$ 2,954,602	\$ 2,954,602	\$ 2,954,602	\$ 11,818,409
	Commercial	\$ 2,720,199	\$ 2,720,199	\$ 5,440,398	\$ 5,440,398	\$ 5,440,398	\$ 21,761,591
	Total (\$)	\$ 3,310,435	\$ 3,310,435	\$ 6,620,871	\$ 6,620,871	\$ 6,620,871	\$ 33,580,000

*both tables of analysis are subject to future changes with the Power Charge Indifference Adjustment & PG&E's status as an electric supplier



Atascadero City Council

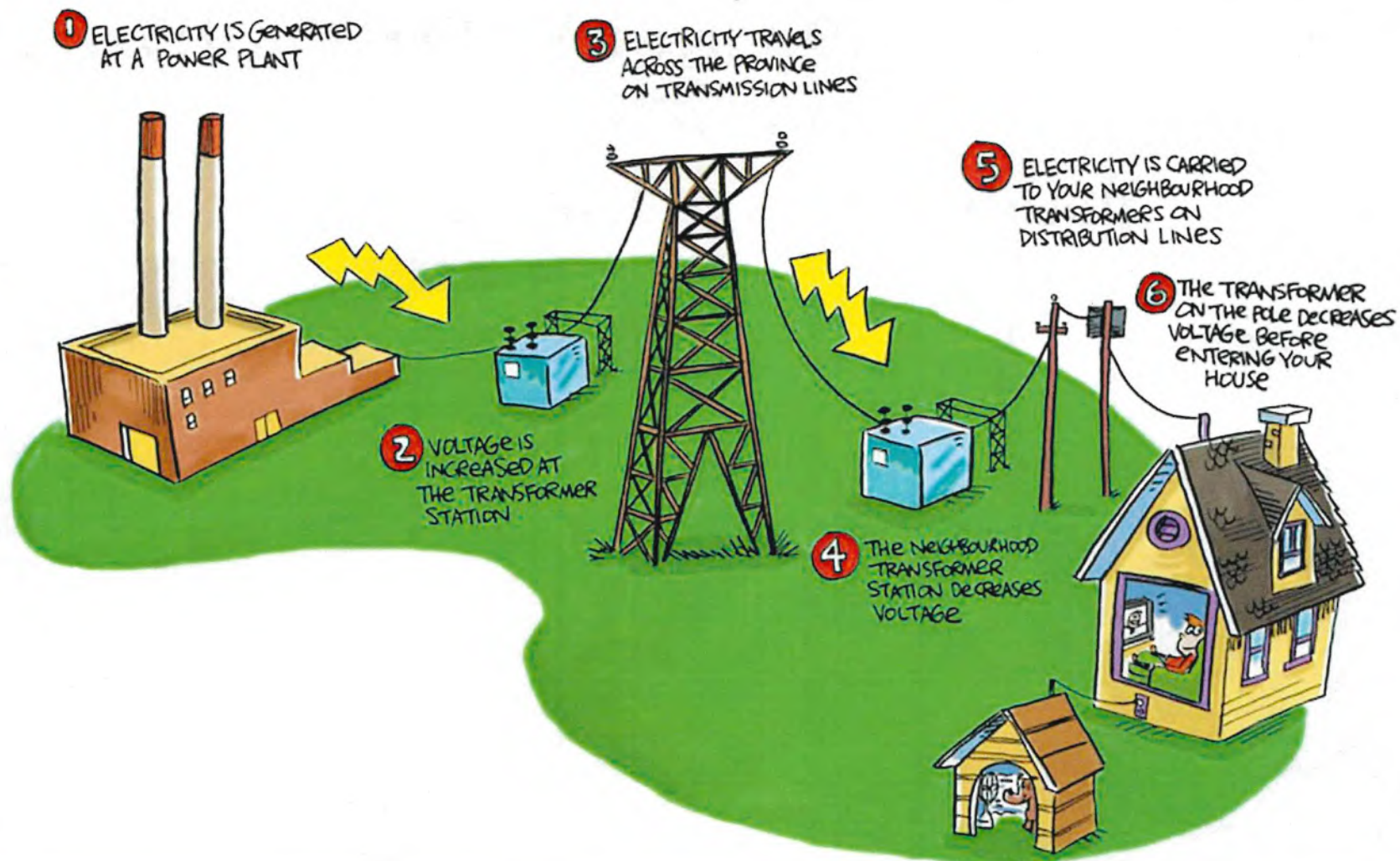
6.25.2019

LOCAL CHOICE • CLEAN ENERGY • ECONOMIC VITALITY



**Monterey Bay
Community Power**

HOW THE GRID WORKS: "1 BIG BATHTUB"

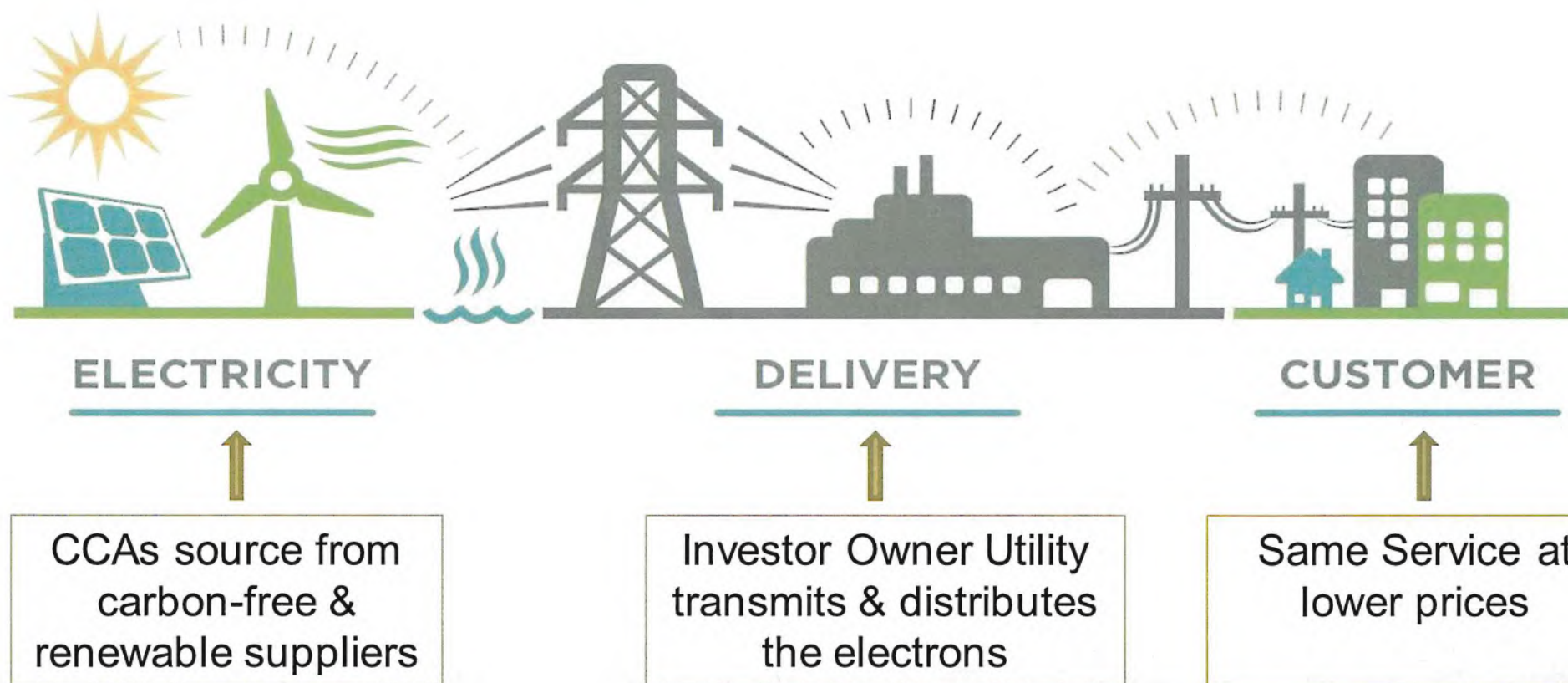


What is Community Choice Aggregation?

Community Choice Aggregators (CCAs) are governmental entities formed by cities and counties to serve the energy requirements of their local residents and businesses.

HOW COMMUNITY CHOICE WORKS?

"A Partnership"



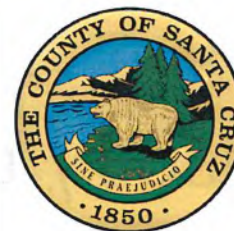
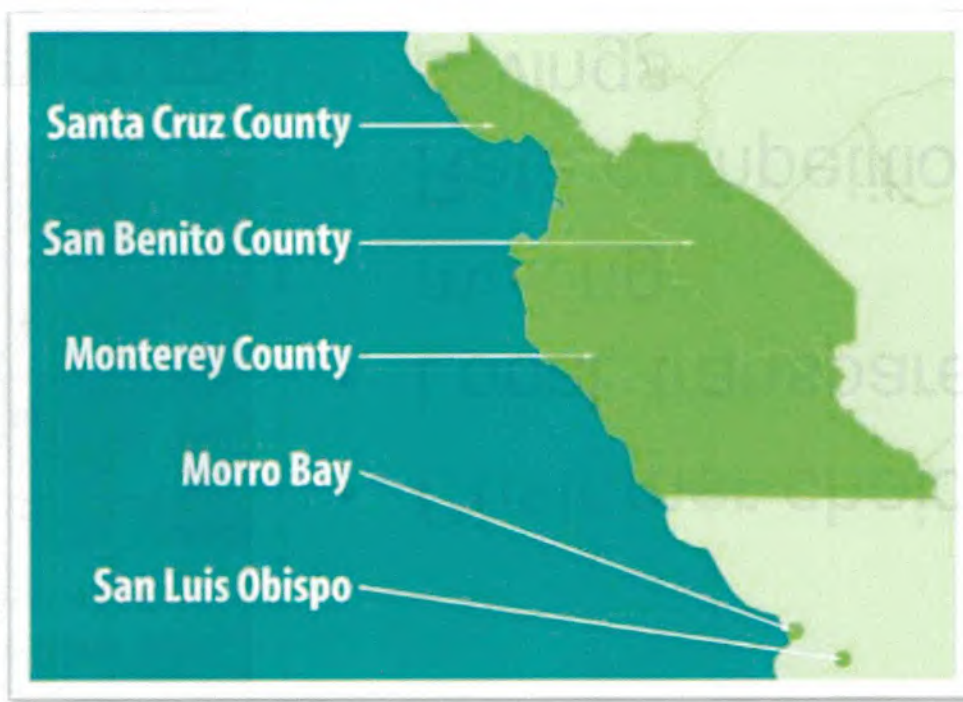
WHY COMMUNITY CHOICE?



- Customer choice
- Local, transparent decision-making
- Rate competition / cost savings
- Community-based energy programs



WHO WE ARE



OUR COMMUNITY CHOICES

HOW WE ARE GOVERNED

Policy Board:

Meets 4 Times Annually

Operations Board:

Meets 8 Times Annually

Community Advisory Council:

Meets Monthly

MBCP JOINT POWER AUTHORITY

*City representative currently serving in a shared seat.

**County of
Santa Cruz**

**City of
Santa Cruz**

**City of
Watsonville**

**County of
Monterey**

**City of
Salinas**

**County of
San Benito**

Coastal Cities

Marina*

Sand City

Seaside

Peninsula Cities

Carmel

Monterey*

Pacific Grove

Salinas Cities

Greenfield

Gonzales*

Soledad

San Benito Cities

Hollister

San Juan
Bautista*

Santa Cruz Cities

Capitola

Scotts Valley*

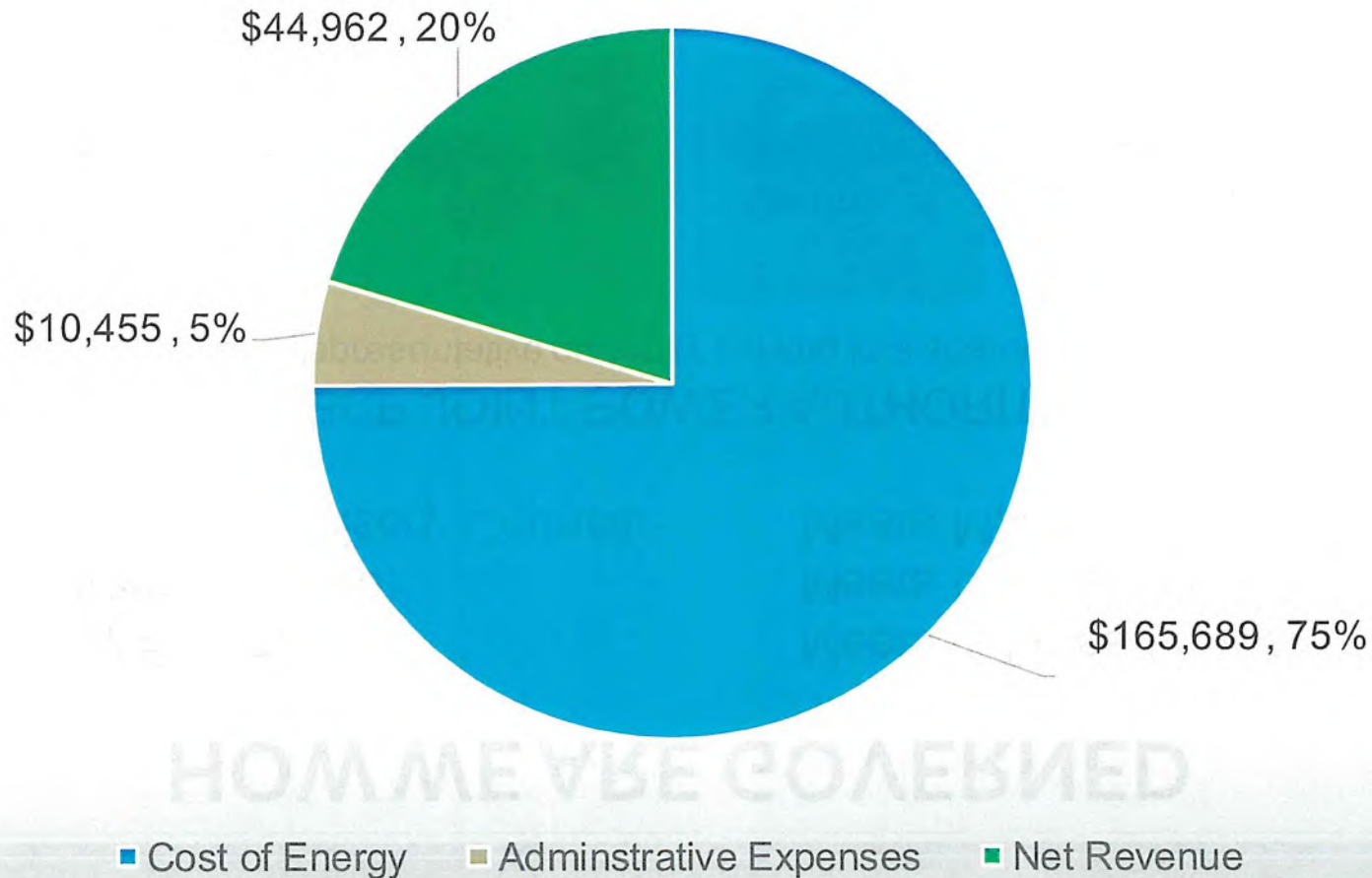
San Luis Obispo Cities

San Luis
Obispo*

Morro Bay

MBCP MID-YEAR FY 18/19 BUDGET

Est. \$220 million dollar budget as of March 2019



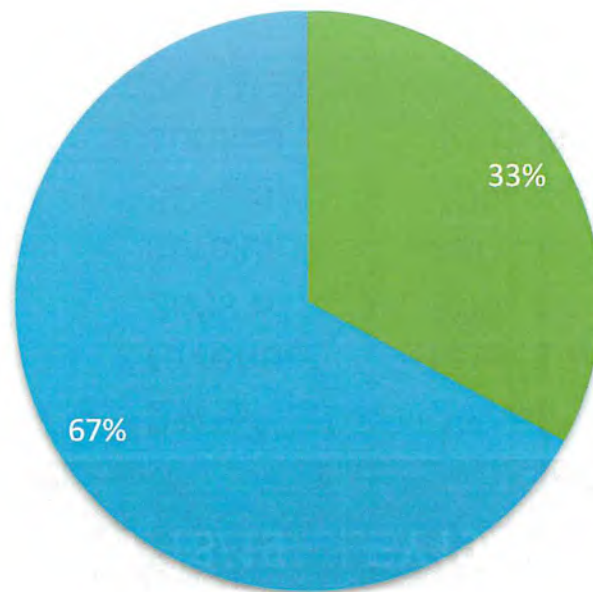
MBCP BUDGET PHILOSOPHY

FY	FY 18/19	FY19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Program	- 2% of revenue	- 2% of revenue	- 2% of revenue	- 50% of surplus	- 50% of surplus	- 50% of surplus
Rebate	- 20% of surplus	- 30% of surplus	- 40% of surplus	- 50% of surplus	- 50% of surplus	- 50% of surplus
Reserve	- 80% of surplus	- 70% of surplus	- 60% of surplus			

- Ensure fiscal stability, reduce customer rates and invest in local economy
- Achieve reserve target of 50% of operating expenses as quickly as possible
 - Currently, over \$60 million in cash reserves (end of March 2019)

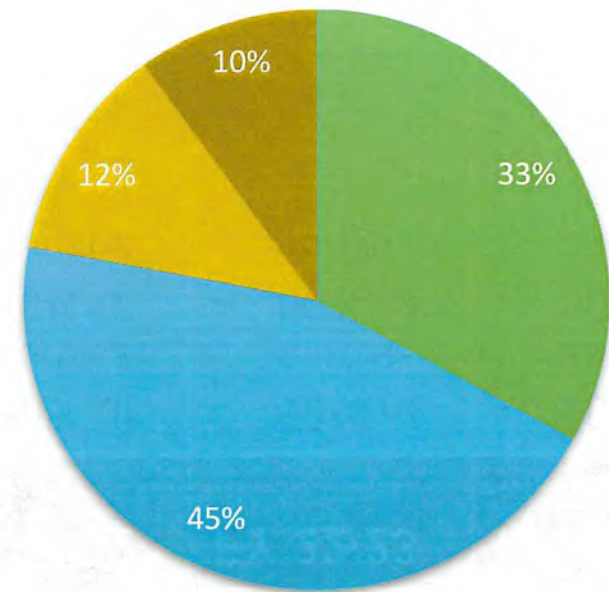
EST. POWER MIX COMPARISON

MBCP



■ Eligible Renewables ■ Carbon Free
■ Natural Gas ■ System Power

PG&E



■ Eligible Renewables ■ Carbon Free
■ Natural Gas ■ System Power

WBCS BUDGET RHIGOSONY

NEW RENEWABLE ENERGY PROJECTS

SVCE/MBCP Procurement (55%/45%)

128MW Solar, 40MW Storage

- Rosamond, Kern County
- 2 PPAs: EDF/Big Beau Solar
- Online: 2021
- Term: 20 years

150MW Solar, 45MW Storage

- Lemoore, Kings County
- 2 PPAs: Recurrent/RE Slate 1
- Online: 2021
- Term: 15 years

200MW Wind

- New Mexico
- 2 PPAs: Duran Mesa, LLC/Corona Wind Project
- Online: 2021
- Term: 13 years

RE Projects Account for 20% of Annual Load



COMPARISON OF COSTS

Utility	2017 Average Rate (cents/kWh)	PG&E's rate is this much higher than Muni's Rate, as a %
PG&E	20.06	
City of Santa Clara	11.68	72%
City of Palo Alto	13.29	51%
City of Alameda	16.93	18%
City & County of San Francisco	11.53	74%
All California Municipal Utilities	16.02	25%

2017 Utility Bundled Retail Sales- Total

(Data from forms EIA-861- schedules 4A & 4D and EIA-861S)

MBCP SERVICE OFFERINGS & REBATE OPTIONS

Service Offerings



Default Carbon Free Service Offering
(matches PG&E rates plus 3.7%
rebate)



Opt-Up to 100% Renewable Service
Offering (\$0.01/kWh more than
Mbchoice plus 3.7% rebate)

Rebate Options



Invest your 3.7% rebate towards local
energy projects



Share your 3.7% to support climate
efforts with local foundations

SAME BILL – CUSTOMER SAVINGS



ENERGY STATEMENT

www.pge.com/MyEnergy

Account No: 1023456789-0
Statement Date: 09/07/2018
Due Date: 09/28/2018

Service For:

MBCP CUSTOMER
1234 MAIN STREET
MONTEREY, CA 93940

Questions about your bill?

Monday-Friday 7 a.m.-9 p.m.
Saturday 8 a.m.-6 p.m.
Phone: 1-800-743-5000
www.pge.com/MyEnergy

Local Office Address

2311 GARDEN RD
MONTEREY, CA 93940

allowance - a utility approved percentage of average customer usage during summer and winter months. Your Tier 1/Baseline allowance provides for basic needs at an affordable price and encourages conservation. Your allowance is assigned based on the climate where you live, the season and your heat source. As you use more energy, you pay more for usage. Any usage over your baseline allowance will be charged at a higher price.

High Usage: An increased price per kWh whenever electricity usage exceeds four times the Baseline Allowance (Tier 1) in a billing period. This charge does not apply to Time-of-Use rate plans.

Your Account Summary

Amount Due on Previous Statement	\$207.16
Payment(s) Received Since Last Statement	-207.16
Previous Unpaid Balance	\$0.00
Current PG&E Electric Delivery Charges	\$109.14
Monterey Bay Community Power Electric Generation Charges	44.37
Current Gas Charges	18.35

Total Amount Due by 09/28/2018	\$171.86
---------------------------------------	-----------------

Competition Transition Charges (CTC)	0.79
Energy Cost Recovery Amount	-0.03
PCIA	20.04
Taxes and Other	0.33
Total Electric Charges	\$109.14

delivery, ry,
ted y,
CP
for related

"PG&E" refers to Pacific Gas and Electric Company, a subsidiary of PG&E Corporation. © 2018 Pacific Gas and Electric Company. All rights reserved.



COST SAVINGS FOR ATASCADERO

Preliminary Cost Savings for Enrolled Customers in Atascadero (5-Year Projection from 2021-2025)

- Scenario 1:** 3% Customer Rebate (2021/2022) then 8% Customer Rebate (2023 – 2025) **\$2,765,443**
- **Residential Customer Savings: \$1,010,767**
 - **Business Customer Savings: \$1,754,676**
- Scenario 2:** 4% Customer Rebate (2021/2022) then 8% Customer Rebate (2023 – 2025) **\$2,949,806**
- **Residential Customer Savings: \$1,078,151**
 - **Business Customer Savings: \$1,871,654**

DISCOUNT PROGRAMS

- Discount programs remain the same with MBCP service.
- PG&E employees still receive their T&D discount
- **CARE, FERA, LIHEAP and Medical Baseline Allowance** are provided in full to MBCP customers; **no need to reapply.**

ROOFTOP SOLAR CUSTOMERS

MBCP	PG&E
Premium Rates for excess solar generation: (\$0.06135/kWh)	Wholesale rates for excess solar generation: (\$0.02875/kWh)
Annual or Monthly True Up	Annual or Monthly True Up
100% Default Carbon Free Electricity Service	80% Default Carbon Free Electricity Service
3% Rebate for Net Consumers of Electricity	Zero Rebate for Net Consumers of Electricity

MBCP REBATE

Residential Customers

- 5+% rebate
- Annually on accrued generation charges (12 months previous)

Small to Medium Sized Commercial/Agricultural Customers

- 5+%
- Bi-annual for accrued generation charges (6 months previous)

Large Commercial/Agricultural Customers

- 5+% rebate
- Quarterly on accrued generation charges (3 months previous)



**LOOK FOR
YOUR
REBATE
ON YOUR
DECEMBER BILL**

Over \$4.0MM
in cost savings
delivered in 2018

RATES – RESIDENTIAL E1 COMPARISON

	PG&E	MBCP
Generation Rate (\$/kwh)	\$0.11194	\$0.0779
Delivery Rate (\$/kWh)	\$0.14126	\$0.14126
PG&E PCIA (\$/kWh)	N/A	\$0.03346
PG&E Franchise Fee (\$/kWh)	N/A	\$0.00058
Monthly Generation Cost (\$/kWh)	\$0.11194	\$0.11194
Monthly Cost of Electricity (\$/kWh)	\$0.25842	\$0.25842
Annual Net Cost of Electricity (\$/kWh)*	\$0.25842	\$0.2503*

*MBCP 3.7% rebate applied

MBCP ACCOMPLISHMENTS

- MBchoice – carbon free offering
- MBprime – 100% renewable offering
- Rebate re-investment

Local Choice



- \$1 million – Energy programs
- \$4.4 million – Customer rebates
- \$6 million – EV infrastructure

Economic Vitality



- Contracts with Local Vendors Over \$500,000

Local Support



- 26 Full time Local Jobs
- Hundreds from renewable projects

Job Creation



- Over \$53 Million in Reserves
- Debt Service and Loans Paid Off

Financial Stability



- 215 MWs of New Renewables
- MicroGrid Pilot

Clean Energy



MBCP ENERGY PROGRAMS

Overview

- 2% of gross revenue set aside per year: \$4.5 million
- Energy Programs Policy – transportation electrification, building electrification and distributed energy resources



Current programs

- Monterey Bay eVIP - \$1.1 million
 - \$725k from MBCP
 - \$400k from MB Air District
- Project Sunshine - \$100k

MBCP SMARTCONNECT MICROGRID PROGRAM

Overview

- Connects customers with energy performance contractors to build out local energy supply faster and more cost effectively

Benefits

- Invests in local economy
- Contributes towards local renewable energy generation development
- Reduces market risk for customers through acquisition of energy at a fixed price



ENROLLMENT & OUTREACH



Enrollment

- 4 mailers required by law
- Aligning NEM enrollments with true up dates
- Community Outreach Plan

Update on Progress in SLO

- Paso Robles, Pismo Beach & Grover Beach voted to join
- Arroyo Grande approved 1st step to join
- County of San Luis Obispo is investigating



SLO COUNTY OUTREACH TO DATE

February to April 2019 Events/Meetings

2/19 – Meeting with Sup. Peschong
2/22 – Meeting with CM from Pismo Beach
2/22 – Meeting with CM & Mayor – Grover Beach
3/7 – Meeting with Sups. Gibson & Hill
3/7 – Dinner with Mayors – Grover Beach, Pismo Beach, San Luis Obispo and Atascadero
3/8 – City Managers Presentation
3/11 – Meeting with Sups. Compton & Arnold
3/19 – Meeting with CMs from Paso Robles & Atascadero
4/2 – Paso Robles City Council Meeting
4/9 – Arroyo Grande Council Meeting
4/10 – Dave Congalton Radio Show
4/15 – Grover Beach Council Meeting
4/16 – Pismo Beach Council Meeting
4/25 – Central Coast Voices Radio Show

May to June 2019 Events/Meetings

5/2 – Presentation to Paso Chamber
5/7 – Presentation to COLAB
5/8 – Paso Robles Study Session
5/15 – North County Public Workshop
5/16 – South County Public Workshop
5/20 – Meeting with Atascadero Mayor Moreno and Mayor Pro Tem Bourbeau
5/20 – Grover Beach City Council Vote
5/21 – Santa Maria Presentation
6/3 – Grover Beach 2nd Reading of Ordinance
6/4 – Pismo Beach Vote
6/11 – Atascadero Chamber Study Session
6/13 - SLO Chamber Study Session
6/18 - Pismo Beach 2nd Reading of Ordinance
6/25 – Atascadero Presentation

Est. TIMELINE TO JOIN MBCP

Action Item	Date
Council meeting to present MBCP & CCE option to City Council.	April/May/June 2019
Introduce and pass resolution to join MBCP and conduct first reading of the CCE ordinance	May/June 2019
Public hearing to conduct second reading of the CCE ordinance	May/June/July 2019
Submit required documents to MBCP	Preference of August 15, 2019
MBCP Policy Board Meeting to accept the new member jurisdiction	Sept. 2019
MOU for shared board seat	Sept. – Oct. 2019
MBCP Policy Board Meeting to approve and submit the Implementation Plan to the CPUC.	Nov. – Dec. 2019
Program Implementation and Operations Preparation	Mid 2020 – Late 2020
Begin MBCP Service	Early 2021

PROPOSED BOARD REPRESENTATION

Jurisdictions	Board Seat Representation
County of San Luis Obispo	1 Seat on Policy & Operations Boards
Paso Robles & Atascadero	Shared Seat on Policy & Operations Boards
Arroyo Grande, Grover Beach & Pismo Beach	Shared Seat on Policy & Operations Boards
Morro Bay & San Luis Obispo	Shared Seat on Policy & Operations Boards

Note: Community Advisory Council representation will be updated per by-laws amendment

A UNIFIED CENTRAL COAST CCA



Benefits

- 1 CCA serving all of SLO county to maximize benefits
- Proven customer savings
- Delivery of local energy programs
- Local decision making
- Potential of offshore wind and local development

HOW TO CONTACT MBCP



www.mbcommunitypower.org



info@mbcp.org



1.888.909.MBCP



[montereybaycommunitypower](https://www.facebook.com/montereybaycommunitypower)



[mbcommunitypwr](https://www.instagram.com/mbcommunitypwr)



[mbcommunitypower](https://www.facebook.com/mbcommunitypower)

Follow us online, and check our extensive FAQ section on the website.

70 Garden Court Suite 300 Monterey, CA 93940

A UNITED CENTRAL COAST CCA

OPERATIONAL AGENCIES IN CALIFORNIA

2010



2014



2015



2016



2017



2018





FINANCIAL STATEMENTS

Periods Ended September 30, 2018
and 2017

WITH REPORT OF INDEPENDENT AUDITORS

**MONTEREY BAY COMMUNITY POWER AUTHORITY
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017**

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Independent Auditor's Report

To the Board of Directors
Monterey Bay Community Power
Monterey, California

Report on the Financial Statements

We have audited the accompanying financial statements of Monterey Bay Community Power (MBCP), as of and for the year ended September 30, 2018 and the period from February 21, 2017 through September 30, 2017, and the related notes to the financial statements, which collectively comprise MBCP's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MBCP as of September 30, 2018 and September 30, 2017, and the changes in financial position and cash flows for the periods then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (continued)

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Pisenti & Brink LLP

Santa Rosa, California
February 5, 2019

**MONTEREY BAY COMMUNITY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017**

The Management's Discussion and Analysis provides an overview of Monterey Bay Community Power Authority's (MBCP) financial activities as of and for the period ended September 30, 2018, and from inception to September 30, 2017. The information presented here should be considered in conjunction with the audited financial statements.

BACKGROUND

The formation of MBCP was made possible in 2002 by the passage of California Assembly Bill 117, enabling communities to purchase power on behalf of their residents and businesses and creating competition in power generation.

MBCP was created as a California Joint Powers Authority (JPA) on February 21, 2017. MBCP was formed to provide locally controlled electricity to residents and businesses in Monterey, San Benito and Santa Cruz Counties (Tri-Counties). In addition to providing electric power at competitive costs, MBCP provides other benefits within the Tri-Counties, including reducing greenhouse gas emissions related to the use of power; providing electric power and other forms of energy to customers at affordable rates that are competitive with the incumbent utility; carrying out programs to reduce energy consumption; stimulating and sustaining the local economy by lowering electric rates and creating local jobs as a result of MBCP's CCE program; as well as promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources. MBCP is governed by two Boards, a Policy Board and an Operations Board. Each Board is comprised of 11 members with 11 alternates representing the participating communities. Policy Board Members are elected officials from MBCP member communities; and Operations Board Members are appointed executives leading the member cities and counties. MBCP has the rights and powers to set rates for the services it furnishes, incur indebtedness, and issue bonds or other obligations. MBCP is responsible for the acquisition of electric power for its service area. MBCP serves the unincorporated areas of the Counties of Monterey, San Benito, Santa Cruz, and the cities and towns of Capitola, Carmel, Gonzales, Greenfield, Hollister, Marina, Monterey, Pacific Grove, Salinas, San Juan Bautista, Sand City, Santa Cruz, Scotts Valley, Seaside, Soledad and Watsonville. In December 2018, MBCP's Board of Directors authorized the expansion of services to the City of San Luis Obispo and the City of Morro Bay with the start of service expected in January 2020.

Prior to the creation of Monterey Bay Community Power Authority as a JPA, the County of Santa Cruz managed the financial and administrative activities related to the formation of this community choice aggregation program. Pursuant to the JPA, MBCP received a loan from the County of Santa Cruz to provide funding for costs to initiate the entity and its programs incurred prior to formation and until MBCP was able to procure additional financing.

**MONTEREY BAY COMMUNITY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017**

In March 2018, MBCP began providing service to its first approximately 40,000 customer accounts as part of its initial enrollment phase. This initial phase included commercial, agricultural, industrial and municipal accounts. Residential enrollment began in July 2018. At the end of the fiscal year ended September 30, 2018 MBCP had approximately 270,000 enrolled customers.

Financial Reporting

MBCP presents its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) for proprietary funds, as prescribed by the Governmental Accounting Standards Board (GASB).

Contents of this report

This reflects all MBCP's activities that are funded through the sale of electricity to its customers and is divided into the following sections:

- Management discussion and analysis, which provides an overview of financial results for the periods presented.
- The basic financial statements, which offer information on MBCP's financial status:
 - The *Statements of Net Position* includes all of MBCP's assets, liabilities, and net position using the accrual basis of accounting and include information about the nature and amount of resources and obligations at a specific point in time.
 - The *Statements of Revenues, Expenses, and Changes in Net Position* report all of MBCP's revenue and expenses for the periods presented.
 - The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and uses, such as financing and investing activities.
 - Notes to the Basic Financial Statements provide additional details and information related to the basic financial statements.

**MONTEREY BAY COMMUNITY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017**

FINANCIAL HIGHLIGHTS

The following table is a summary of MBCP's assets, liabilities, and net position as of September 30:

	<u>2018</u>	<u>2017</u>
Current assets	\$ 66,884,917	\$ -
Noncurrent assets		
Capital assets, net	263,759	-
Other noncurrent assets	119,355	-
Total noncurrent assets	<u>383,114</u>	<u>-</u>
Total assets	<u>67,268,031</u>	<u>-</u>
Current liabilities	<u>26,788,999</u>	<u>363,369</u>
Total liabilities	<u>26,788,999</u>	<u>363,369</u>
Net position		
Investment in capital assets	263,759	-
Restricted for security collateral	3,600,000	-
Unrestricted (deficit)	<u>36,615,273</u>	<u>(363,369)</u>
Total net position (deficit)	<u>\$ 40,479,032</u>	<u>\$ (363,369)</u>

Current Assets

Current assets reached \$66,885,000 by the end of September 30, 2018 and are mostly comprised of the following major categories: \$21,857,000 in cash and restricted cash, \$23,775,000 in accounts receivable, \$15,070,000 in accrued revenue, and \$5,151,000 in prepaid expenses. Cash is held in both interest and non-interest earning bank accounts. \$3,600,000 in cash is restricted for use as part of a security agreement with various suppliers. Accrued revenue differs from accounts receivable in that it is the result of electricity use by MBCP customers before invoicing to those customers has occurred. Prepaid expenses consist of purchases of electricity and capacity for delivery after the fiscal year.

Capital Assets

2018 results Capital assets were \$264,000, net of accumulated depreciation, primarily reflecting the acquisition of furniture and equipment accompanying MBCP's establishing its administrative office during the year. This amount is reported net of depreciation. MBCP does not own assets used for electric generation or distribution.

**MONTEREY BAY COMMUNITY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017**

Other Noncurrent Assets

2018 results Other noncurrent assets of \$119,000 consists of various deposits for regulatory and other operating purposes. Included are deposit postings with the California Public Utilities Commission (CPUC) and MBCP's scheduling coordinator responsible for interacting directly with the electricity market through the California Independent System Operator.

Current Liabilities

Current liabilities of \$26,789,000 at the end of 2018 consists primarily of \$22,625,000 for the cost of electricity delivered to customers that is not yet due to be paid by MBCP. Other liabilities include \$1,899,000 in customer rebate liabilities, \$1,201,000 in user taxes and surcharges due to other governments, and \$876,000 in accounts payable. Customer rebate liabilities reflect the expected savings rebate that has yet to be applied to customers' accounts at the fiscal year end. MBCP charges and collects various state and local taxes from customers. During the fiscal years 2018 and 2017, MBCP borrowed funds from the County of Santa Cruz as well as a separate financial institution. MBCP repaid all of its debt in September 2018 and had no debt at the end of fiscal year 2018.

Results of Operations

The following table is a summary of MBCP's results of operations as of September 30:

	<u>2018</u>	<u>2017</u>
Operating revenues	\$ 117,097,905	\$ -
Operating expenses	(76,135,084)	(363,369)
Nonoperating revenues	14,248	-
Nonoperating expenses	<u>(134,668)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(120,420)</u>	<u>-</u>
Change in net position	<u>\$ 40,842,401</u>	<u>\$ (363,369)</u>

**MONTEREY BAY COMMUNITY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017**

Operating Revenues

MBCP enrolled its first wave of commercial, agricultural, industrial and municipal customer accounts in March 2018. In July 2018, MBCP began to phase in residential accounts, its final planned phase of customers. Operating revenues consist of electricity sales to these customers. MBCP did not have significant operating revenue from any other source during the year. MBCP's gross profit margin for 2018 was approximately 40%, as operating revenues exceeded the cost of electricity by \$46,629,000.

Operating Expenses

MBCP's largest operating expense for fiscal year 2018 is the purchase of electricity needed to provide for retail customer use. These power supply costs greatly exceed all other operating expenses. MBCP procures energy from a variety of sources and focuses on purchasing at competitive costs and maintaining a balanced renewable power portfolio. Expenses for staff compensation, consulting, data management and other general and administrative expenses increased in 2018 as the organization continued to grow with business demands.

ECONOMIC OUTLOOK

Opportunities abound and MBCP's path is clear, guided by lasting values and a well-defined mission. In less than one year, we have negotiated a long-term agreement for wind generation and will be executing two other agreements for solar and storage capacity. The expected energy from these projects combined will be enough to meet 20% of MBCP's electricity demand.

However, threats are also looming. Sensing the popularity of the Community Choice model and forecasting that Community Choice Aggregators (CCAs) are likely to dominate the California electricity-generation market in the next ten years, the incumbent investor-owned utility and independent power producers are targeting legislators and regulators. Their efforts to tilt the playing field in their favor and slow CCA expansion are relentless.

As of January 2019, MBCP serves approximately 97.5% of all eligible customers in the Tri-Counties, and is expected to remain stable at that rate of participation into the future. MBCP also filed an implementation plan in December 2018 with the California Public Utilities Commission (CPUC) for expansion into the City of San Luis Obispo and the City of Morro Bay with the expected start of service in January 2020. In addition, San Luis Obispo County is likely to become a major hub for developing and integrating new renewable resources in California. Offshore wind is being considered in Morro Bay and the decommissioning of Diablo Canyon nuclear facilities in 2025 will open the door for developing storage facilities that are becoming key to the proliferation of renewable resources in California. Having access to these resources will advance MBCP's goal for 100% renewables.

**MONTEREY BAY COMMUNITY POWER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017**

ECONOMIC OUTLOOK (continued)

MBCP will begin developing programs that focus on a variety of quantitative and qualitative objectives, including Greenhouse Gas (GHG) emissions reduction, incremental local jobs, brand awareness, and access to technologies for disadvantaged communities:

- **Transportation Electrification** programs are designed to encourage the community to switch from fossil fuel-powered vehicles to clean electric options.
- **Building Electrification** programs will motivate customers to upgrade building stock by switching from gas to clean electric appliances and efficient building equipment.
- **Local Energy Resources** programs prioritize opportunities to support local development, reduce grid dependence and include storage and demand management programs.

MBCP has a strong focus on building credit capacity through building cash reserves and entering into favorable energy purchase commitments with the intent of securing a strong credit rating in 2021. This will help create a stable environment for MBCP and its ratepayers.

REQUEST FOR INFORMATION

This financial report is designed to provide MBCP's customers and creditors with a general overview of the organization's finances and to demonstrate MBCP's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to 70 Garden Court, Suite 300, Monterey, CA 93940.

Respectfully submitted,

Tom Habashi, Chief Executive Officer

BASIC FINANCIAL STATEMENTS

MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 18,257,288	\$ -
Accounts receivable, net of allowance	23,775,003	-
Energy settlements receivable	1,027,317	-
Accrued revenue	15,069,597	-
Other receivables	4,725	-
Prepaid expenses	5,150,987	-
Restricted cash	3,600,000	-
Total current assets	66,884,917	-
Noncurrent assets		
Capital assets, net of depreciation	263,759	-
Deposits	119,355	-
Total noncurrent assets	383,114	-
Total assets	67,268,031	-
LIABILITIES		
Current liabilities		
Accounts payable	876,060	1,304
Accrued cost of electricity	22,625,162	-
Accrued payroll and benefits	164,400	-
Other accrued liabilities	23,200	-
Customer rebate liabilities	1,898,945	-
User taxes and surcharges due to other governments	1,201,232	-
Loan payable to Santa Cruz County	-	362,065
Total current liabilities	26,788,999	363,369
NET POSITION		
Investment in capital assets	263,759	-
Restricted for security collateral	3,600,000	-
Unrestricted (deficit)	36,615,273	(363,369)
Total net position (deficit)	\$ 40,479,032	\$ (363,369)

The accompanying notes are an integral part of these financial statements.

MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>Inception through September 30, 2017</u>
OPERATING REVENUES		
Electricity sales, net of allowance	\$ 117,097,905	\$ -
Total operating revenues	<u>117,097,905</u>	<u>-</u>
OPERATING EXPENSES		
Cost of electricity	70,469,276	-
Staff compensation and benefits	1,598,439	-
Data management	1,178,238	-
Service fees - PG&E	280,918	-
Consultants and other professional fees	1,067,506	340,002
Legal	355,008	22,063
Communications and noticing	600,734	-
General and administration	542,662	1,304
Depreciation	42,303	-
Total operating expenses	<u>76,135,084</u>	<u>363,369</u>
Operating income (loss)	<u>40,962,821</u>	<u>(363,369)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	13,156	-
Interest expense	(134,668)	-
Miscellaneous income	1,092	-
Total nonoperating revenues (expenses)	<u>(120,420)</u>	<u>-</u>
CHANGE IN NET POSITION	40,842,401	(363,369)
Net position (deficit) at beginning of period	<u>(363,369)</u>	<u>-</u>
Net position (deficit) at end of period	<u>\$ 40,479,032</u>	<u>\$ (363,369)</u>

The accompanying notes are an integral part of these financial statements.

MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENTS OF CASH FLOWS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017

	2018	Inception to September 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from electricity sales	\$ 80,608,088	\$ -
Receipts from other income	1,092	-
Tax and surcharge receipts from customers	1,905,778	-
Energy settlements received	1,932,084	-
Deposits and collateral received	501,375	-
Payments to purchase electricity	(55,893,765)	-
Payments for staff compensation and benefits	(1,434,038)	-
Payments for consultants and other professional fees	(2,451,759)	-
Payments for general and administration	(549,777)	-
Payments of deposits and collateral	(620,730)	-
User tax and surcharge payments to other governments	(1,160,384)	-
Net cash provided (used) by operating activities	<u>22,837,964</u>	<u>-</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Loan proceeds from bank	5,600,000	-
Principal payments on loan from bank and Santa Cruz County	(6,155,903)	-
Interest and related expense payments	(134,668)	-
Net cash provided (used) by non-capital financing activities	<u>(690,571)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(303,261)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	13,156	-
Net change in cash and cash equivalents	21,857,288	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of period	<u><u>\$ 21,857,288</u></u>	<u><u>-</u></u>
Reconciliation to the Statement of Net Position		
Cash and cash equivalents (unrestricted)	\$ 18,257,288	-
Restricted cash	3,600,000	-
Cash and cash equivalents	<u><u>\$ 21,857,288</u></u>	<u><u>\$ -</u></u>

Noncash Non-Capital Financing Activities during the period presented:

- Expenses of \$362,065 were financed directly from loan proceeds during the period ended September 30, 2017
- Expenses of \$193,838 were financed directly from loan proceeds during the period ended September 30, 2018

MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENTS OF CASH FLOWS (CONTINUED)
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

	<u>2018</u>	<u>Inception through September 30, 2017</u>
Operating income (loss)	\$ 40,962,821	\$ (363,369)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation expense	42,303	-
Revenue reduced for uncollectible accounts	606,680	-
Expenses paid directly from loan proceeds	193,838	362,065
Revenue from miscellaneous income	1,092	-
(Increase) decrease in accounts receivable	(24,381,683)	-
(Increase) decrease in energy settlements receivable	(1,027,317)	-
(Increase) decrease in accrued revenue	(15,069,597)	-
(Increase) decrease in other receivables	(4,725)	-
(Increase) decrease in prepaid expenses	(5,150,987)	-
(Increase) decrease in deposits	(119,355)	-
Increase (decrease) in accounts payable	871,956	1,304
Increase (decrease) in accrued cost of electricity	22,625,162	-
Increase (decrease) in accrued payroll and benefits	164,399	-
Increase (decrease) in accrued liabilities	23,200	-
Increase (decrease) in customer rebate liabilities	1,898,945	-
Increase (decrease) user taxes and surcharges due to other governments	1,201,232	-
Net cash provided (used) by operating activities	<u>\$ 22,837,964</u>	<u>\$ -</u>

**MONTEREY BAY COMMUNITY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Monterey Bay Community Power Authority (MBCP) is a joint powers authority created on February 21, 2017 and its voting members consist of the following local governments:

Counties	Cities and Towns	
Monterey	Capitola	Salinas
San Benito	Carmel	San Juan Bautista
Santa Cruz	Gonzales	Sand City
	Greenfield	Santa Cruz
	Hollister	Scotts Valley
	Marina	Seaside
	Monterey	Soledad
	Pacific Grove	Watsonville

MBCP is separate from and derives no financial support from its members. MBCP is governed by two Boards, a Policy Board and an Operations Board. Each Board is comprised of 11 members with 11 alternates representing the participating communities. Policy Board Members are elected officials from MBCP member communities; and Operations Board Members are appointed executives leading the members cities and counties.

MBCP was formed to study, promote, conduct, operate, and manage energy and energy-related climate change programs, and to exercise all other powers necessary and incidental to accomplishing these objectives. A core function of MBCP is to provide electric service that includes the use of renewable sources under the Community Choice Aggregation Program under California Public Utilities Code Section 366.2.

MBCP began its energy delivery operations in March 2018. Electricity is acquired from commercial suppliers and delivered through existing physical infrastructure and equipment managed by Pacific Gas and Electric Company (PG&E).

BASIS OF ACCOUNTING

MBCP's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

**MONTEREY BAY COMMUNITY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

MBCP's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories, investment in capital assets, restricted, and unrestricted (deficit).

CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, MBCP has defined cash and cash equivalents to include cash on hand and demand deposits.

DEPOSITS

Various energy contracts entered into by MBCP require MBCP to provide the supplier with a security deposit. The deposits are generally held for the term of the contract. Deposits are classified as current or noncurrent assets depending on the length of the time the deposits will be held. While these energy contract related deposits make up most of this item, other components of deposits include those for regulatory and other operating purposes.

CAPITAL ASSETS AND DEPRECIATION

MBCP's policy is to capitalize furniture and equipment valued over \$1,000 that is expected to be in service for over one year. Depreciation is computed according to the straight-line method over estimated useful lives of three years for electronic equipment and seven years for furniture and leasehold improvements. MBCP does not own any electric generation assets.

OPERATING AND NON-OPERATING REVENUE

Revenue from the sale of electricity to customers is considered operating revenue. The vast majority of operating revenue is derived from these sales. Interest income is considered non-operating revenue.

**MONTEREY BAY COMMUNITY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

REVENUE RECOGNITION

MBCP recognizes revenue on the accrual basis. This includes invoices issued to customers during the period and electricity estimated to have been delivered but not yet billed as of the end of the period. Management estimates that a portion of the billed amounts will be uncollectible. Accordingly, an allowance for uncollectible accounts has been recorded.

ELECTRICAL POWER PURCHASED

Electrical power sold to customers was purchased through several energy suppliers. The cost of power and related delivery costs have been recognized as “cost of electricity” in the Statements of Revenues, Expenses and Changes in Net Position. As part of the security agreement with its main suppliers, MBCP is required to maintain a cash balance of \$3,600,000 to ensure funds are available to purchase electrical power. This cash balance is reported as restricted in the Statements of Net Position.

MBCP purchases renewable energy as a bundled product consisting of the energy and the associated Renewable Energy Certificates (REC) to comply with external mandates and self-imposed benchmarks. The RECs purchased by MBCP are commonly called “bundled”, as they are purchased together with the associated renewable energy actually generated. MBCP procures RECs with the intent to retire them within the compliance period on a voluntary basis above the compliance requirements and does not engage in the activity of building a surplus of RECs. An expense is recognized at the point that the cost of the REC is due and payable to the supplier.

STAFFING COSTS

MBCP pays employees semi-monthly and fully pays its obligation for health benefits and contributions to its defined contribution retirement plan each month. MBCP is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements. MBCP provides compensated time off, and the related liability is recorded in these financial statements.

**MONTEREY BAY COMMUNITY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CUSTOMER REBATES

MBCP exactly matches PG&E rates and provides cost-savings through a 3% rebate on customer electric generation charges. Residential customers receive their accumulated rebate as a bill credit on their December bill, Small to Medium Commercial customers receive rebates in June and December, Large Commercial customers receive rebates quarterly (March, June, September, and December), and NEM customers receive their rebate on their true-up date. The unpaid portion of the rebate is shown in the liability section in the Statements of Net Position.

INCOME TAXES

MBCP is a joint powers authority under the provision of the California Government Code. As such it is not subject to federal or state income or franchise taxes.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

MBCP maintains its cash in several interest and non-interest-bearing accounts. California Government Code Section 16521 requires that banks collateralize amounts of public funds in excess of the FDIC limit of \$250,000 by 110%. MBCP has no deposit or investment policy that addresses a specific type of risk that would impose restrictions beyond this code. Accordingly, the amount of risk is not disclosed. Risk is monitored on an ongoing basis.

MONTEREY BAY COMMUNITY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017

3. ACCOUNTS RECEIVABLE AND ENERGY SETTLEMENTS RECEIVABLE

ACCOUNTS RECEIVABLE

Accounts receivable were as follows:

	<u>2018</u>	<u>2017</u>
Accounts receivable from customers	\$ 24,381,683	\$ -
Allowance for uncollectible accounts	(606,680)	-
Net accounts receivable	<u>\$ 23,775,003</u>	<u>\$ -</u>

The majority of account collections will occur within the first few months following customer invoicing. MBCP will continue collection efforts on delinquent accounts that exceed a minimum balance, otherwise the accounts are written off. For delinquent accounts that are not written off and are above a certain level, MBCP will close the account to minimize further loss. The allowance of uncollectible accounts at the end of a period includes amounts billed through the current fiscal year. An allowance for uncollectible accounts is determined on billed amounts as well as on accrued revenue that is not yet billed. MBCP records reserves for its estimated uncollectible accounts as a reduction to the related operating revenue in the Statements of Revenues, Expenses and Changes in Net Position. Charges to reserve for uncollectible accounts were \$607,000 at September 30, 2018.

ENERGY SETTLEMENTS RECEIVABLE

MBCP receives generation scheduling and other services from a scheduling coordinator registered with the California Independent System Operator (CAISO). Energy settlements due from the scheduling coordinator was \$1,027,000 as of September 30, 2018.

4. CAPITAL ASSETS

Changes in capital assets were as follows:

	<u>Furniture & Equipment</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Balances at September 30, 2017	\$ -	\$ -	\$ -
Additions	306,062	(42,303)	263,759
Balances at September 30, 2018	<u>\$ 306,062</u>	<u>\$ (42,303)</u>	<u>\$ 263,759</u>

MONTEREY BAY COMMUNITY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017

5. DEBT

Loan payable to Santa Cruz County

As part of its joint powers agreement, Santa Cruz County agreed to fund certain services, costs, and expenses that were incurred to investigate the feasibility of implementing a community choice aggregation program as well as to provide for other working capital needs. In September 2018, MBCP repaid the entire loan to the County.

Notes payable to bank

In October 2017, MBCP arranged to borrow up to \$13 million from River City Bank to provide cash to pay for energy purchases and operating expense which are due before sufficient cash is to be collected from customers. Principal could be drawn as needed and interest was accrued on the outstanding balance. During 2017-18, MBCP borrowed \$5,600,000. The stated maturity date for the non-revolving and revolving credit notes of the arrangement was 12 months from the date of the agreement. Interest was due monthly based on the LIBOR rate plus 1.25% for the non-revolving credit note and 1.75% for the revolving credit note. Both notes were repaid in September 2018.

Debt principal activity and balances for all notes and loans were as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending</u>
Year ended September 30, 2017				
Santa Cruz County	\$ -	\$ 362,065	\$ -	\$ 362,065
Amounts due within one year				362,065
Amounts due after one year				<u>\$ -</u>
Year ended September 30, 2018				
Santa Cruz County	\$ 362,065	\$ 193,838	\$ (555,903)	\$ -
Financial Institution	-	5,600,000	(5,600,000)	-
Total	<u>\$ 362,065</u>	<u>\$ 5,793,838</u>	<u>\$ (6,155,903)</u>	-
Amounts due within one year				-
Amounts due after one year				<u>\$ -</u>

MONTEREY BAY COMMUNITY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017

6. DEFINED CONTRIBUTION RETIREMENT PLAN

MBCP provides retirement benefits to eligible employees through a 401(a) Retirement Plan (Plan). The Plan is a defined contribution (IRC 401(a)) retirement plan established to provide benefits at retirement to employees of certain qualified employers admitted by the Plan. The Plan is administered by the Public Agency Retirement System (PARS). At September 30, 2018, MBCP had 14 plan participants. MBCP is required to contribute 10% of covered payroll as a match to employee contributions. MBCP contributed approximately \$76,000 for the year ended September 30, 2018, the first year the Plan was effective. Plan provisions and contribution requirements as they apply to MBCP are established and may be amended by the Board of Directors. MBCP has elected out of the Social Security system for employees eligible for the 401(a) Plan. MBCP also provides a 457(b) Retirement Plan where employees can make tax deferred contributions.

7. RISK MANAGEMENT

MBCP is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year ended September 30, 2018, MBCP purchased liability and property insurance from a commercial carrier. Coverage for property, general liability, errors and omissions and non-owned automobile was \$2,000,000 with \$1,000 deductible.

8. PURCHASE COMMITMENTS

MBCP had outstanding non-cancelable power purchase-related commitments of approximately \$757 million that have not yet been provided under power purchase agreements that continue to October 2041.

The following table is the approximated obligations on existing energy, renewable contracts, and resource adequacy (RA) as of September 30, 2018.

Year ended September 30,	
2019	\$ 137,200,000
2020	141,700,000
2021	55,100,000
2022	32,100,000
2023	29,700,000
2024-2042	<u>360,900,000</u>
Total	<u>\$ 756,700,000</u>

MONTEREY BAY COMMUNITY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017

9. OPERATING LEASE

During the year ended September 30, 2018, MBCP entered into a 5 year and ½ month non-cancelable lease for its office premises until December 31, 2022. Rental expense under this lease was approximately \$127,000 for 2017-18.

Future minimum lease payments under the lease are as follows:

Year ended September 30,		
2019	\$	232,260
2020		232,260
2021		232,260
2022		232,260
2023		58,065
Total	\$	<u>987,105</u>

10. FUTURE GASB PRONOUNCEMENTS

The requirements of the following GASB Statement are effective for future fiscal years ending after September 30, 2018:

GASB Statement No. 87, Leases, is effective for fiscal years beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, thereby enhancing the relevance and consistency of information about governments' leasing activities.

**MONTEREY BAY COMMUNITY POWER AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
PERIODS ENDED SEPTEMBER 30, 2018 AND 2017**

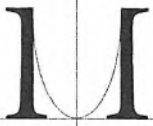
11. SUBSEQUENT EVENTS

In September 2018, new legislation was passed in the California legislature that expands direct access for commercial customers throughout the State. It is unknown what the impact of this will be on MBCP or how much commercial load might be eligible under this direct access expansion.

On October 11, 2018, the California Public Utilities Commission (CPUC) passed an Alternative Proposed Decision (APD) regarding the calculation of the Power Charge Indifference Adjustment (PCIA). The decision will increase the PCIA for all of MBCP's customers. MBCP is evaluating the specific changes that will be required to MBCP's rates as a result of this decision.

In December 2018, MBCP's Board of Directors authorized the expansion of services to the City of San Luis Obispo and the City of Morro Bay with the start of service expected in January 2020.

PG&E provides transmission and distribution services to MBCP customers and serves as billing agent for MBCP. PG&E is responsible to collect payments on behalf of MBCP. In January 2019, PG&E announced its intention to file for Chapter 11 bankruptcy protection. MBCP expects the utility will continue to operate in a business-as-usual fashion and the MBCP's revenues collected by PG&E will continue to flow through to MBCP with no material interruption.



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Monterey Bay Community Power Authority

Management is responsible for the accompanying financial statements of Monterey Bay Community Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of March 31, 2019, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Monterey Bay Community Power Authority's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
April 29, 2019

MONTEREY BAY COMMUNITY POWER AUTHORITY
STATEMENT OF NET POSITION
As of March 31, 2019

ASSETS

Current assets	
Cash and cash equivalents	\$ 50,632,265
Accounts receivable, net of allowance	19,286,936
Energy settlements receivable	2,290,613
Accrued revenue	8,062,806
Other receivables	17,206
Prepaid expenses	372,521
Deposits	268,408
Restricted cash	3,600,000
Total current assets	<u>84,530,755</u>
Noncurrent assets	
Capital assets, net of depreciation	243,926
Deposits	119,630
Total noncurrent assets	<u>363,556</u>
Total assets	<u><u>84,894,311</u></u>

LIABILITIES

Current liabilities	
Accounts payable	480,749
Accrued cost of electricity	22,640,955
Accrued payroll and benefits	232,441
Other accrued liabilities	877,140
Customer rebate liabilities	1,326,647
User taxes and energy surcharges due to other governments	1,001,356
Total current liabilities	<u>26,559,288</u>

NET POSITION

Investment in capital assets	243,926
Restricted for security collateral	3,600,000
Unrestricted	54,491,097
Total net position	<u><u>\$ 58,335,023</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES

AND CHANGES IN NET POSITION

October 1, 2018 through March 31, 2019

OPERATING REVENUES

Electricity sales, net of allowance	\$ 96,954,848
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OPERATING EXPENSES

Cost of electricity	75,025,149
Staff compensation and benefits	1,345,357
Data management	1,395,087
Service fees - PG&E	566,560
Consultants and other professional fees	387,492
Legal	147,108
Communications and noticing	193,626
General and administration	427,622
Depreciation	46,319
Total operating expenses	<u>79,534,320</u>
Operating income	<u>17,420,528</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	435,928
Gain (loss) on disposal of asset	(465)
Total nonoperating revenues (expenses)	<u>435,463</u>

CHANGE IN NET POSITION

	17,855,991
Net position (deficit) at beginning of period	<u>40,479,032</u>
Net position at end of period	<u><u>\$ 58,335,023</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS
October 1, 2018 through March 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 107,391,343
Tax and surcharge receipts from customers	2,704,886
Energy settlements received	6,027,505
Payments to purchase electricity and related	(76,985,642)
Payments for staff compensation and benefits	(1,277,318)
Payments for consultants and other professional fees	(2,350,947)
Payments for general and administration	(401,375)
Payments of deposits and collateral	(268,683)
Tax and surcharge payments to other governments	(2,871,509)
Net cash provided (used) by operating activities	<u>31,968,260</u>

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Acquisition of capital assets	<u>(29,211)</u>
-------------------------------	-----------------

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>435,928</u>
Net cash provided (used) by investing activities	<u>435,928</u>

Net change in cash and cash equivalents	32,374,977
Cash and cash equivalents at beginning of year	21,857,288
Cash and cash equivalents at end of period	<u>\$ 54,232,265</u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 50,632,265
Restricted cash	3,600,000
Cash and cash equivalents	<u>\$ 54,232,265</u>

MONTEREY BAY COMMUNITY POWER AUTHORITY

STATEMENT OF CASH FLOWS (continued)

October 1, 2018 through March 31, 2019

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income	\$ 17,420,528
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	45,778
Revenue reduced for uncollectible accounts	500,143
(Increase) decrease in accounts receivable	3,535,112
(Increase) decrease in energy settlements receivable	(1,263,296)
(Increase) decrease in accrued revenue	7,006,791
(Increase) decrease in other receivables	(12,481)
(Increase) decrease in prepaid expenses	4,778,466
(Increase) decrease in deposits	(268,683)
Increase (decrease) in accounts payable	(392,509)
Increase (decrease) in accrued cost of electricity	468,606
Increase (decrease) in accrued payroll and related	68,039
Increase (decrease) in accrued liabilities	853,940
Increase (decrease) in customer rebate liabilities	(572,298)
Increase (decrease) taxes and surcharges due to other governments	(199,876)
Net cash provided (used) by operating activities	<u>\$ 31,968,260</u>



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Monterey Bay Community Power Authority

Management is responsible for the accompanying special purpose statement of Monterey Bay Community Power Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended March 31, 2019, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of the Authority.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. Monterey Bay Community Power Authority's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
April 29, 2019

MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
October 1, 2018 through March 31, 2019

	2018/19 YTD Amended Budget	2018/19 YTD Actual	2018/19 YTD Amended Budget Variance (Under) Over	2018/19 YTD Actual / Amended Budget %	2018/19 Annual Amended Budget	2018/19 Amended Budget Remaining	2018/19 Budget Remaining / Amended Budget %
REVENUES AND OTHER SOURCES							
Electricity sales	\$ 98,328,509	\$ 100,028,561	\$ 1,700,052	102%	\$ 221,333,000	\$ 121,304,439	55%
Less uncollectible accounts	(491,643)	(500,143)	(8,500)	102%	(1,107,000)	(606,857)	55%
Net revenue - electricity	97,836,866	99,528,418	1,691,552	102%	220,226,000	120,697,582	
Investment and miscellaneous income	410,747	435,463	24,716	106%	978,000	542,537	55%
Total revenues and other sources	98,247,614	99,963,881	1,716,267	102%	221,204,000	121,240,119	55%
EXPENDITURES AND OTHER USES							
Current Expenditures							
Cost of energy	73,954,179	75,172,647	1,218,468	102%	165,689,000	90,516,353	55%
Data manager	1,442,792	1,395,087	(47,705)	97%	2,703,000	1,307,913	48%
PG&E service fees	573,000	566,560	(6,440)	99%	1,143,000	576,440	50%
Staffing	1,507,762	1,345,357	(162,405)	89%	3,851,000	2,505,643	65%
Professional services	233,804	187,684	(46,120)	80%	482,000	294,316	61%
Legal services	193,953	192,108	(1,845)	99%	298,000	105,892	36%
Marketing and customer enrollment	267,467	193,605	(73,862)	72%	945,000	751,395	80%
Other general & administration	488,194	473,941	(14,253)	97%	1,033,000	559,059	54%
Total current expenditures	78,661,150	79,526,989	865,839	101%	176,144,000	96,617,011	55%
Other Uses							
Capital outlay	51,627	28,637	(22,990)	55%	98,000	69,363	71%
Total Expenditures and Other Uses	78,712,778	79,555,626	842,848	101%	176,242,000	96,686,374	55%
Surplus Before Rebates and Program	19,534,836	20,408,255	873,419		44,962,000	24,553,745	55%
Rebate expenditures	3,628,532	2,573,570	(1,054,962)	71%	8,112,000	5,538,430	68%
Program expenditures	57,961	7,331	(50,630)	13%	4,405,000	4,397,669	100%
Surplus After Rebates and Program Expenditures	\$ 15,848,344	\$ 17,827,354	\$ 1,979,010		\$ 32,445,000	\$ 14,617,646	

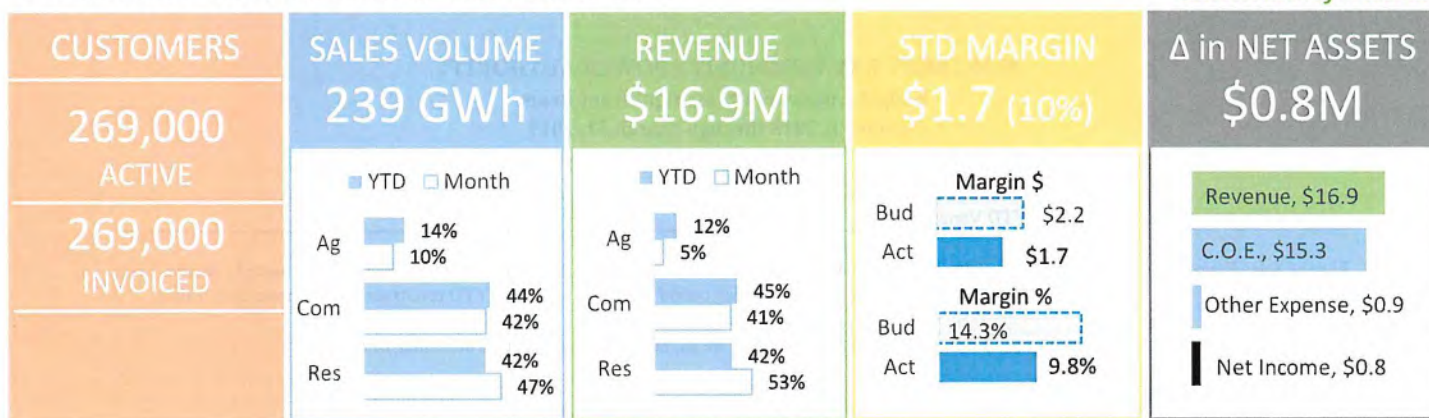
**MONTEREY BAY COMMUNITY POWER AUTHORITY
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
October 1, 2018 through March 31, 2019**

CCA Program Surplus/(Deficit) per budgetary comparison schedule:	\$ 17,827,354
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Add back capital asset acquisitions	<u>28,637</u>
Change in Net Position	<u><u>\$ 17,855,991</u></u>

MONTEREY BAY COMMUNITY POWER AUTHORITY
Budget Commentary for significant items
October 1, 2018 through March 31, 2019

Budget Item	YTD Variance	Comment
Electric Sales Revenue	102%	Sales revenue includes revenues actually billed to customers as well as estimated customer usage during the reporting period that is not yet billed. YTD results are slightly better than budget.
Staffing	89%	Staffing expenses are slightly under budget due to the timing of new hires
Professional Services	80%	This category includes accounting, IT, technical and other consultants.
Legal Costs	99%	This category includes outside legal costs for regulatory and energy procurement needs.
Marketing and customer enrollment	72%	Variance is mostly due to the lower than anticipated costs of recent customer enrollments.
Data Management Services	97%	Variance is expected to level out through the remainder of the year
PG&E Fees	99%	These are PG&E fees charged on a per customer basis.
Other General & Administrative	97%	This category includes occupancy costs, industry membership dues, and other general and administrative costs. Staff has been able to maintain a favorable variance for this budget item.
Energy and Related Programs	13%	Programs expenses have generally been delayed until later in the fiscal year.
Cost of Energy	102%	This minor variance is primarily due to (1) lower than expected volume used by customers, (2) better than anticipated market prices, and (3) timing difference between projected and actual REC deliveries.

Financial Dashboard: March 2019



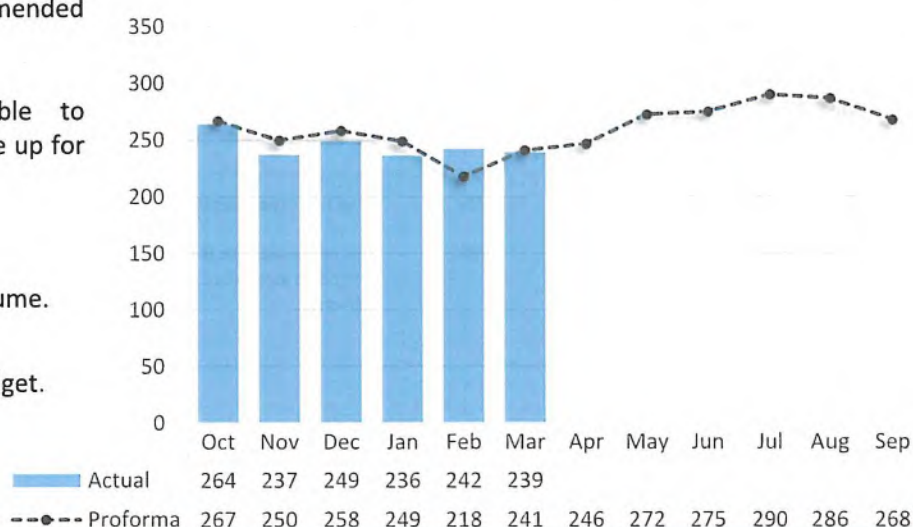
March Revenue of \$16.9MM accounted for 239 GWh in net retail consumption. This comes in 2 GWh below of the amended forecast.

Margins continue to run favorable to amended budget, primarily due to true up for previous period cost of energy.

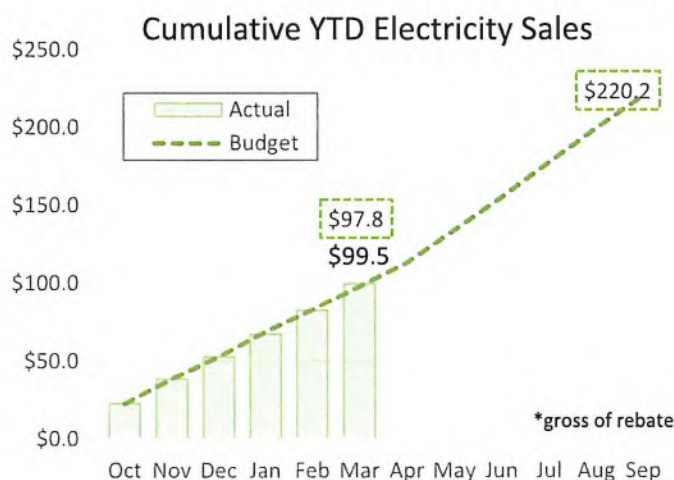
The chart to the right shows volume comparison to amended budgeted volume.

The charts below display cumulative revenue and margin \$ vs amended budget.

Monthly Sales Volume (GWh)



YTD Revenue \$1.7M above budget, Margin dollars are \$0.5M ahead of budget.



Data Definitions:

CUSTOMERS: INVOICED: Unique Customer ESP Account Numbers billed during Calendar Month, ACTIVE: From GridX invoice.

REPORTED / SALES VOLUME: Best available estimate of actual meter volume. Currently based on GridX T+8 SQMD Report.

REVENUE: Total Company Revenue (net of reserve for uncollectible accounts and customer rebate).

ELECTRICITY SALES: Revenue from Electricity less reserve for uncollectible, but gross of customer rebate to match budget methodology.

STD MARGIN: Electricity sales (gross of customer rebate) less cost of energy

ACTUAL: Same as sales volume above

BUDGET: Volumes from 2019.03.21 amended Proforma model used for amended 2018/19 budget.

Monterey Bay Community Power Authority
Investment Summary
October 1, 2018 through March 31, 2019

Return of Investments	<u>YTD</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>
<i>Money Market and other Interest Earning Accounts</i>	\$ 436,000	\$ 25,500	\$ 43,500	\$ 70,000	92,000	89,000	116,000						
<i>Funds Invested - Average Balance</i>		\$ 17,887,000	\$ 23,946,000	\$ 37,260,000	\$ 45,025,000	\$ 51,229,000	\$ 55,785,000						
<i>Average APY</i>		1.71%	2.18%	2.25%	2.45%	2.08%	2.50%						

Monterey Bay Community Power Authority
Accounts Receivable Aging Report
As of March 31, 2019

		DAYS				
		0-30	31-60	61-90	90-120	Over 120
Total	19,287,000	16,176,000	1,160,000	511,000	513,000	927,000
Accounts Receivable, net						
Period %	100%	84%	6%	3%	3%	5%

**Monterey Bay Community Power Authority
Personnel Report
As of May 8, 2019**

Position	Budget	Actual	Status
Chief Executive Officer	1	1	
Board Clerk	1	1	
Director of Finance & Administrative Services	1	1	
Manager of Human Resources	1	1	
IT Systems Administrator	1	1	
Financial Analyst	1	1	
Administrative Operations Associate	1	1	
Director of Power Supply Resources	1	1	
Manager of Energy Trading	1	1	
Manager of Energy Contract & Compliance	1	1	
Power Supply Analyst	1	1	
Power Supply Analyst	1	0	
Director of Communications & Energy Programs	1	1	
Manager of Energy Communications & Outreach	1	1	
Energy Communications Specialist	1	1	
Energy Public Engagement Associate	1	1	
Energy Public Engagement Associate	1	1	
Manager of Energy Account Services	1	1	
Manager of Energy Business Development	1	1	
Manager of Energy Programs	1	1	
Energy Programs Coordinator	1	1	
Temp Staff Support	3	3	
General Counsel	1	0	Contract GC from the County of Monterey until 6/30/2019
Manager of Energy Regulatory and Legislative Affairs	1	0	Recruitment in progress
Energy Regulatory and Legislative Analyst	1	0	
Total	27	23	



(888) 909-6227 (MBCP)

THE BENEFITS OF MONTEREY BAY COMMUNITY POWER

Lower Cost Carbon-Free Energy for a Unified Central Coast

Joining Monterey Bay Community Power (MBCP) is the most cost-effective solution to empower communities in San Luis Obispo County with choice and electricity savings.

Community Choice Aggregation (CCA) delivers more local control, cost savings, innovative energy options, and impactful energy programs than the alternative. The cities of San Luis Obispo and Morro Bay elected to join MBCP in 2018 in order to take control of their ratepayer dollars to expand consumer choice, reduce utility costs, and invest in California's renewable energy projects. Those same benefits have inspired cities and counties throughout California to follow suit and pursue community choice energy through approximately 20 CCA agencies, serving over three million customers.

1 Local Control & Economic Benefits

The cities of San Luis Obispo, Morro Bay and 19 Monterey Bay area communities have already joined MBCP.

As a result, these cities and counties exercise more local control over energy-related decisions through MBCP's publicly appointed Community Advisory Council, Operations Board and Policy Board. By joining MBCP, communities in San Luis Obispo County would have more discretion over how their ratepayer dollars are invested, including lower rates and/or local energy programs. The cities of Arroyo Grande, Atascadero, Grover Beach, Paso Robles, Pismo Beach and the County of San Luis Obispo can unite with the cities of San Luis Obispo and Morro Bay to create a united central coast where everyone has a choice.

Preliminary Total Customer Savings for San Luis Obispo County with MBCP

SECTOR	San Luis Obispo County (Uninc.)	San Luis Obispo (City)	Pismo Beach	Paso Robles	Morro Bay	Grover Beach	Atascadero	Arroyo Grande
Residential Customers*	\$510,981	\$154,995	\$46,638	\$160,213	\$45,510	\$28,030	\$101,077	\$60,532
Commercial Customers**	\$887,054	\$404,628	\$80,962	\$278,128	\$60,166	\$48,660	\$175,468	\$105,083
Total***	\$1,398,035	\$559,622	\$127,600	\$438,342	\$105,676	\$76,689	\$276,544	\$165,616

TOTAL ESTIMATED CUSTOMER SAVINGS \$3,148,125

*Estimation is based on 2018 SLO RFP for electricity consumption and MBCP's 3% rebate applied to a weighted residential electric generation rate as of February 2019. **Estimation is based on 2018 SLO RFP for electricity consumption and MBCP's 3% rebate applied to a weighted commercial electric generation rate as of February 2019. Commercial customers include public, municipal, commercial, agricultural and any other non-residential customers. ***Estimation is based on 95% enrollment in MBCP electric service and this figure originated from City of San Luis Obispo RFP for CCE services.

SAVE

In 2018, customers saved over \$4.4 million with MBCP. MBCP rates are lower than PG&E's, thanks to MBCP's 3% customer rebate.

RE-INVEST

MBCP sets aside an estimated \$4.5 million for customer programs to invest in the region and that amount will grow with new communities enrolled in MBCP.

2 Minimize Financial Risk & Maximize Efficiencies

\$4.4 MM	Savings delivered to 270,000 customers in Monterey, Santa Cruz and San Benito Counties
\$4.5 MM	Dedicated to local energy programs each year and this continues to grow
215 MWs	New renewable energy projects powering more than 20% of MBCP's customer base
\$450k	In local contracts awarded by MBCP to support the local economy
\$6MM	Funding for EV charging stations via the CA Electric Vehicle Infrastructure Project (CALEVIP)

Economies of scale create efficiency and cost-effective

administration. Communities can minimize redundancy and capitalize on collective investments in local energy projects, long-term power contracts, human resources, and community outreach.

Minimize start-up costs. Currently, there is minimal cost to join MBCP. Creating a new local program would require significant capital for start-up financing and could take years to begin providing service at comparable rates. As more communities collectively join at the same time, start-up costs can be shared or reduced.

MBCP's long-term renewable and carbon-free energy contracts at low wholesale prices. MBCP's energy procurement practices provide communities with protection against future market fluctuations.

MBCP has significant operating reserves over \$56 million as of December 31, 2018, which can help with future energy market fluctuations, rate competitiveness and financing. MBCP will be able to fund local investments faster and estimates reaching its reserve target of 50% of operating expenses in less than two years.

3 Energy Programs

MBCP launched its Electric Vehicle incentive program, an approximately \$725,000 investment, to support income-qualifying customers and public agencies.

MBCP partnered with Grid Alternatives, a nonprofit organization that brings solar technology to communities that would not otherwise have access, to support income-qualified homeowners via its "Project Sunshine" program.

MBCP will create an innovative electrification

strategic plan to unlock the economic and environmental benefits of an electrified Central Coast through transportation electrification, building electrification and distributed energy resources.

MBCP is developing a cutting-edge micro-grid

program to provide greater access to electricity due to grid constraints while supporting economic opportunities.

4 Process to Join MBCP

#1 Study session. An opportunity for a city or county jurisdiction to convene a council meeting or workshop for the community to learn more about MBCP.

#2 Introduce resolution and first reading of ordinance.

An opportunity for the jurisdiction to formally adopt a resolution to join MBCP and introduce an ordinance to approve MBCP's Joint Powers Authority agreement.

#3 Second reading of ordinance. A second reading of the ordinance is necessary to formalize the jurisdiction's approval of joining MBCP.

#4 Agreement on board representation. An opportunity for the jurisdiction to decide whether their board representation is consistent with MBCP's board structure for the Community Advisory Council, Operations Board and Policy Board.

#5 Request of load data. MBCP requests PG&E load

data for the jurisdiction to analyze the associated cost of including that jurisdiction's PG&E customers.

#6 Approval of new communities by MBCP Policy

Board. MBCP introduces the inclusion of the jurisdiction to the MBCP Community Advisory Council, followed by the MBCP Operations Board for recommendation to the MBCP Policy Board to final approval.

#7 Amended implementation plan and Joint Powers Authority agreement.

With the approval of the MBCP Policy Board, MBCP submits an amended implementation plan and Joint Powers Authority agreement to the California Public Utilities Commission for certification. Certification normally takes 90 days.

#8 Customer enrollment. If all steps are completed by December 2019, MBCP will be able to serve the remaining communities in San Luis Obispo County by early 2021.

Monterey Bay Community Power Frequently Asked Questions (FAQ)

Overview

What is MBCP?

Monterey Bay Community Power is a locally-controlled public agency providing carbon-free electricity to residents and businesses in Monterey, San Benito and Santa Cruz Counties as well as the Cities of San Luis Obispo and Morro Bay starting in 2020. MBCP is based on the local energy model called community choice energy that partners with the local utility (in our case PG&E) which continues to provide consolidated billing, power transmission and distribution, customer service and grid maintenance services. PG&E accounts within MBCP's tri-county service area will be automatically enrolled in MBCP's default electric program, unless they choose to opt-out and return to PG&E bundled service at any time. MBCP will match PG&E's electric generation rates, inclusive of any exit fees, and will pay each account holder a minimum 3% rebate currently and MBCP will increase that rebate to 3.7% in 2019.

How does MBCP work with PG&E?

Monterey Bay Community Power works in partnership with PG&E. MBCP assumes responsibility for electric power procurement and purchases clean, carbon-free electricity for homes and businesses in the tri-county area. However, PG&E continues to provide customer billing, receives payments, performs power line maintenance, resolves outages and remains responsible for all gas services. Customers can call either MBCP or PG&E for billing questions.

How did Community Choice Aggregation start?

In response to the effects of energy deregulation in 1997 and the energy crisis that followed in 2000-2001, Assembly Bill 117 was passed by the CA Legislature in 2002 to establish Community Choice Aggregation (CCA) also known as Community Choice Energy (CCE). CCE is a new way for California communities to provide local residents and businesses with a choice of electric providers and sources of electricity. The CCE model enables communities to purchase their own electricity and divert excess revenues to local community investment, rather than to shareholders of investor-owned utilities. There are currently eighteen operational CCEs throughout the state, with many more communities forming their programs. Existing CCEs include: Silicon Valley Clean Energy, serving Santa Clara County; MCE Clean Energy, serving

Marin, Napa and parts of Contra Costa and Solano County; Sonoma Clean Power, serving Sonoma and Mendocino counties; Lancaster Choice Energy, serving the City of Lancaster; CleanPowerSF, serving the city and county of San Francisco; Peninsula Clean Energy, serving San Mateo County; Redwood Coast Energy Authority, serving Humboldt County; and Apple Valley Choice Energy, serving the Town of Apple Valley.

How is MBCP financed?

Monterey Bay Community Power is financed by revenues received from our ratepayers based on the electricity they consume. MBCP is self-funded through existing ratepayer revenues and do not use any tax dollars. As a community agency, any revenues that exceed our costs will be used to cover wholesale energy prices, administrative costs, customer rebates and to benefit the communities we serve through energy programs.

Does MBCP have any debt?

MBCP has successfully paid off a loan obtained through Lines of Credit totaling \$6.2 million, as well as reimbursed the County of Santa Cruz for expenses incurred on behalf of MBCP prior to securing the lines of credit.

Governance

How is MBCP governed?

Monterey Bay Community Power is a joint powers authority, governed by a Policy Board and an Operations Board, each of which includes twelve members. All board members are local elected officials or local government administrators who serve on the board as part of their duties representing their MBCP-member city or county. All board meetings are open to the public, with agendas posted in advance per the Brown Act. Board meeting agendas can be found on our website. MBCP also has a Community Advisory Council which advises and supports the direction of MBCP's energy programs.

Do the cities and counties that make up the Monterey Bay Community Power Authority have any financial risk or obligation for their participation in Monterey Bay Community Power?

No. Monterey Bay Community Power is a Joint Powers Authority (JPA) that functions as a stand-alone public agency. The debts and liabilities of the JPA do not extend to the member cities and counties. This legal firewall is protected by state law.

Is MBCP regulated by the CPUC?

MBCP's energy procurement is regulated by the CPUC like any other electric utility. MBCP rates are set by the board and are not regulated by the CPUC which allows for greater control, savings and local re-investment.

Billing and Rates

Why do customers have to opt-out instead of opt-in?

California's CCA (Community Choice Aggregation, otherwise known as Community Choice Energy) law requires Monterey Bay Community Power to become the default provider of electric generation for customers within our service area, allowing customers to opt-out and return to PG&E bundled service at any time. If customers opt out after the 60 day enrollment period, they are obligated to stay with PG&E bundled service for the next 12 months.

How are the customers impacted on the billing side?

The cost of electricity generation will be lower to account for PG&E exit fees (aka Power Charge Indifference Adjustment) associated with the change in service. The net result is that electric generation costs will match PG&E's. You will see MBCP's generation charge as a new line item that replaces the same charge from PG&E, as well as the PCIA fee which is absorbed in MBCP's lower generation cost. Customers will see a new page on their PG&E and the MBCP generation charge replaces the PG&E generation charge. Customers will see a generation credit on the Delivery page of the bill.

Are there any additional fees associated with Monterey Bay Community Power Service?

No. PG&E charges Monterey Bay Community Power customers a Power Charge Indifference Adjustment (PCIA). This charge is factored into MBCP's rate setting process so that in total, customers still pay the same as they would under PG&E's generation rates without the fees – zero net increase.

Will discount programs like CARE/FERA/Medical Baseline/LIHEAP continue?

Yes. CARE, FERA, HEAP and Medical Baseline is available to Monterey Bay Community Power customers, as well as PG&E customers, and provides the same discount regardless of

enrollment with Monterey Bay Community Power or PG&E. Customers enrolled in Monterey Bay Community Power continue to receive their CARE, FERA, HEAP and Medical Baseline discount within their PG&E delivery charges; there is no need to reapply with Monterey Bay Community Power. New CARE, FERA and Medical Baseline enrollments or renewals must still be done through PG&E's customer service center or website. Any PG&E employee still receives their transmission and distribution discount regardless of electric service provider (ESP).

Am I still eligible for PG&E programs and rebates?

Yes, MBCP customers remain eligible for PG&E rebate programs.

What is MBCP's standard offering and how do I sign up?

MBchoice is Monterey Bay Community Power's standard electricity offering, available automatically to all customers at the time of enrollment. In addition to being carbon-free, MBchoice is classified as 30% renewable, exceeding State requirements. MBCP will provide a minimum 3% rebate for MBchoice customers, to be paid each December for residential customers and either quarterly or biannually for commercial and agricultural customers. You can also select to participate in MBprime, MBCP's 100% renewable energy electric service option or reallocate your rebate towards MBgreen+ or MBshare. MBgreen+ and MBshare provide the same generation service with stronger benefits for the environment and community, automatically funded through the allocation of your rebate and at no cost premium to the customer. No action is needed to be enrolled in MBchoice and keep the customer rebate.

As an MBCP customer, will service reliability be affected?

No, reliability will not be affected. MBCP provides electric generation services, but responsibility for power transmission, distribution, billing and service reliability remains with PG&E. PG&E continues to maintain the power distribution network and repair any outages. PG&E is legally obligated to treat all customers fairly in terms of their transmission and distribution network regardless of who the customer receives electric generation service from.

Net-Energy-Metering (NEM) Customers

Does Monterey Bay Community Power offer a net energy metering (NEM) program?

Yes. Existing NEM customers will be enrolled in MBCP's Net Energy Metering program for their power generation charges. The program will operate by the same principles as PG&E's NEM program, which remains in effect for the delivery charges and other bill components.

When will NEM customers be enrolled with MBCP?

Since PG&E requires NEM customers to true-up before they enroll with a community choice energy provider, MBCP will automatically place NEM customers in one of four NEM enrollment months closest to their normal true-up date, in order to minimize any potential disruption to the customer's expected NEM value. July 2018 will be the first NEM enrollment month, followed by October 2018, January 2019, and April 2019. If you have any questions or concerns about automatic enrollment, please contact us at 888-909-6227.

Will I keep my NEM 1.0 Grandfathered Status?

Yes. A customer transitioning to service with MBCP will remain grandfathered on the original NEM design if they were on it before switching to MBCP.

What will happen with my PG&E NEM credits if I enroll with Monterey Bay Community Power?

When you become an MBCP customer, you will true-up with PG&E. To minimize any potential lost credits, MBCP has four NEM enrollment months and will automatically place NEM customers in the month closest to their normal true-up date. The first NEM enrollment month is in July. If you have any questions or concerns about automatic enrollment, please contact us at 888-909-6227.

Will MBCP's rates be the same or better than PG&E's for solar customers?

Monterey Bay Community Power solar customers will save money compared to PG&E solar customers. If you are a net consumer of electricity, you will receive a rebate on your electric generation charges from MBCP, set at 3% for 2018. If you are an annual net generator of electricity, MBCP will compensate you at a significantly higher rate than PG&E. MBCP is also adding more consistency to the NSC rate equation by committing to an annual rate. PG&E changes their NSC rate monthly, and as of Feb 2018, customers were paid \$.02793 for each kWh of surplus energy. MBCP is more than doubling that rate to **\$.06135** which is locked in for the year.

Does Monterey Bay Community Power have an annual true-up like PG&E?

Yes. With Monterey Bay Community Power, customers will continue to have an annual true-up for both MBCP and PG&E charges. The true-up date will be the anniversary of their enrollment with MBCP, instead of the anniversary of their system interconnection. MBCP automatically enrolls solar customers close to their original true-up date in order to minimize disruption to customers.

Energy Procurement

Where does MBCP procure energy from?

MBCP's energy is procured from carbon-free sources such as solar, wind, biomass and hydroelectric power. The projects that produce our electricity are located in California, and on the western grid. The exact proportion of each varies with time, based on demand and availability. MBCP will have short- and long-term contracts with a variety of power suppliers to meet the energy needs of our community; however, most of MBCP's long-term power contracts will be from CA sources. Monterey Bay Community Power will provide detailed information about its power supply resources in its annual Power Source Disclosure statement. CCEs negotiate the purchase of electricity on the open market by entering into power purchase agreements with energy providers. All energy that is generated is identified by certificates that guarantee the type of energy and location of production. CCEs must also enter into a contract with PG&E to transmit the electricity that the CCE buys over PG&E's transmission lines.

What would MBCP's role be around PG&E's Public Safety Project Shutdown where PG&E cuts power to areas vulnerable to wildfire, heat and wind?

Currently, MBCP has outlined a few positions supportive of the following key initiatives: undergrounding distribution wires and decoupling PG&E from the generation business so they can focus on safety and resiliency of their transmission and distribution system. MBCP is also developing a microgrid model where key customers can unlock economic opportunities through faster and more resilient electric generation and infrastructure.

Why can MBCP get better wholesale pricing than PG&E?

Some may say that CCAs have an unfair advantage over PG&E, given PG&E's higher cost structure, from their existing fixed costs of owned-generating assets along with legacy, higher-priced, power purchases agreements. The table above dispels this line of reasoning. MBCP is governed by its Board of Directors, mostly elected, and representing their constituents, MBCP's

customers. This is identical to how municipal utilities are governed. PG&E, as an investor-owned-utility (IOU), is a private company with oversight by the California Public Utility Commission. PG&E puts their shareholders ahead of their customers, and the table below confirms that.

Utility	2017 Average Rate (cents/kWh)	PG&E's rate is this much higher than Muni's Rate, as a %
PG&E	20.06	
City of Santa Clara	11.68	72%
City of Palo Alto	13.29	51%
City of Alameda	16.93	18%
City & County of San Francisco	11.53	74%
All California Municipal Utilities	16.02	25%
2017 Utility Bundled Retail Sales- Total (Data from forms EIA-861- schedules 4A & 4D and EIA-861S)		

What are MBCP's energy contract terms? How many short term contracts versus long term?

According to our Board-approved Energy Risk Management Policy, MBCP is following industry standard procurement strategies where we have a blend of short & long-term fixed price contracts and will be layering in long-term agreements over time. MBCP executed 3 long-term renewable power purchase agreements in 2018, representing about 20% of our customer load, which will lead to the building of 3 new renewable projects. In fact, one of them, once built will be the largest Solar plus Storage project in California.

Does MBCP buy energy in the spot market and how much?

It is not possible to forecast our customer load/consumption correctly 100% of the time, due primarily to weather uncertainty along with changing and uncertain consumption patterns. Therefore, MBCP does buy energy in the spot market, as do all load serving entities, to cover this load forecasting error and in compliance with our hedging tolerance bands reflected in our Board-approved Energy Risk Management Policy.

How has the PG&E bankruptcy impacted MBCP?

PG&E's bankruptcy deals strictly with restructuring the organization as well as the financial liability of the recent wildfires. The judge presiding over the case has ruled that MBCP revenues are not liable and are viewed as pass through costs.

What is the risk of joining MBCP?

There are regulatory and legislative risks as well as market conditions but those risks also remain with the incumbent investor owner utility. The legislators may be tempted again to bring Direct Access to all consumers, risking the possibility of the return of the energy crisis of 2001.

Is MBCP part of CalPERS?

No. MBCP is part of PARS and doesn't not have any pension liability.

Has MBCP been sued?

No.

How much will it cost to join?

Currently, the cost would be between \$5000 to \$7500 for each jurisdiction to support the amendment of implementation plan and joint powers authority agreement. This dwarfs the cost of setting up a CCA which generally ranges from \$3 to \$5 million. This is a small financial cost to be returned significantly in the first year of service not only for the municipal accounts associated with the jurisdictions but for the entire community of customers.



VAPES

MYTHS & REALITIES

Myth: Vapes produce a harmless water vapor.

Reality: Vapes produce an aerosol that has nicotine and toxins known to cause cancer. These toxic chemicals include things like benzene, lead, and nickel, some of the same chemicals found in tobacco products. The chemical diacetyl, found in many vape flavors, is linked to serious lung disease.¹

Myth: Vapes are safe.

Reality: Vapes are NOT a risk-free product. They contain nicotine and low levels of toxins and chemicals. Vapes are especially dangerous for teens, whose brains are still developing. Teens who vape are at risk for nicotine addiction, mood disorders, difficulty paying attention, reduced impulse control, and learning problems.¹

**QUIT TODAY: 1-800-NO-BUTTS (1-800-662-8887)
OR VISIT WWW.NOBTTS.ORG.**

Myth: Vaping isn't addictive.

Reality: Nicotine is a highly addictive drug. Nicotine is one of the main ingredients in most vape e-liquids.¹

Myth: Vapes can help people quit tobacco.

Reality: Vapes are not approved by the FDA to help people quit tobacco. Some people switch from cigarettes to vapes. But switching isn't quitting. In fact, vape use among youth and young adults is strongly linked to the use of other tobacco products, such as traditional cigarettes, cigars, and smokeless tobacco.¹

Myth: Big Tobacco doesn't make vape products.

Reality: All major tobacco companies now make vapes. By 2020 the vape market is expected to reach \$15 billion.²

Sources:

1. U.S. Department of Health and Human Services, in partnership with the Office of the U.S. Surgeon General and the U.S. Centers for Disease Control and Prevention, Office on Smoking and Health. Know the Risks: E-cigarettes & Young People. 2018. <https://e-cigarettes.surgeongeneral.gov/knowtherisks.html> [Accessed 8/2018]
2. California Department of Public Health. Flavors Hook Kids. 2018. www.flavorshookkids.org [Accessed 8/2018]

Note: The term "vapes" is used here to refer to a range of electronic smoking devices including e-cigarettes, e-hookahs, vape pens, electronic nicotine delivery systems (ENDS), and mods.

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Know The Facts

6 things to know about the most common tobacco product used among youth

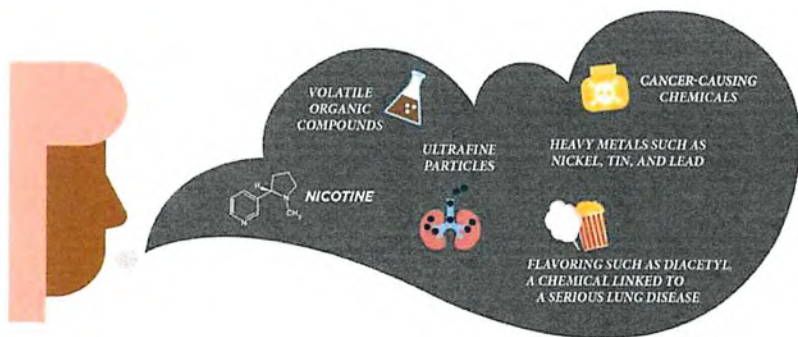
E-cigarettes come in many shapes and sizes.



Many are small, sleek, and easy to conceal.



It's just water vapor, right?
WRONG!



The brain is still developing till **25**.
The nicotine in e-cigarettes can **prime the adolescent brain for addiction.**

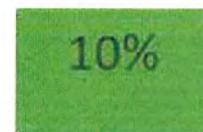


49% of 11th grade students in Atascadero perceive the ability to obtain an e-cigarette very easy.

E-cigarette use is on the rise!

Atascadero Youth E-cigarette Use

116% Increase
among 11th grade
students



2016-2015



2017-2018

Sources:

1. California Healthy Kids Survey
2. Center for Disease Control and Prevention
3. Know the Risks Surgeon General

County of San Luis Obispo
Health Agency
Public Health Department



The Truth About Flavored Tobacco



The use of flavored tobacco products such as cigars, cigarillos, smokeless tobacco, hookah tobacco, and e-liquids (used in e-cigarettes) has increased in recent years.¹ These products use **enticing flavors, colorful packaging and lower prices** to hook a new generation of tobacco users.

A Public Health Threat

Enticing Fruit and Candy Flavors



Sweet flavors like watermelon, cherry, chocolate, mint, and gummy bear appeal to kids and teens.²

Flavorings mask the harsh taste of tobacco which make it easier for youth to initiate tobacco use.²

Marketed to Young People

Flavored tobacco products often use the same flavoring chemicals as **popular brands** like Jolly Rancher, Kool-Aid, and Life Savers.³

Little cigars are often sold in small packages for **less than a dollar** and promoted as a low-cost alternative to cigarettes.^{4,5}

Colorful packaging and placement near the register makes them highly visible and attractive to kids.⁴



Growing Teen Use

A majority of youth report flavoring as a leading reason for using tobacco products.⁶ This includes:

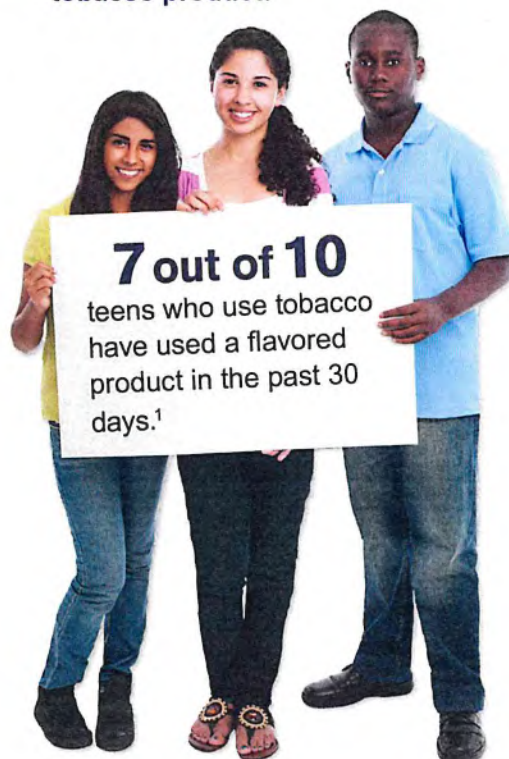
82% of e-cigarette users

79% of hookah users

74% of cigar users

69% of smokeless users

80% of young people who have ever used tobacco **started with a flavored tobacco product.**⁶



Consequences for Our Youth

Long term addiction

The U.S. Surgeon General has warned that flavored tobacco products help new users establish habits that can lead to long-term addiction.⁷



Flavors like menthol in tobacco products make it harder for users to quit.⁸



Smokers who start at a younger age, are more likely to develop a severe nicotine addiction.⁷

Serious health risks

All nicotine products are addictive and increase the risk of developing serious health problems.⁹



Cancer



Heart Disease



Emphysema

The chemical Diacetyl, found in 75% of flavored e-liquids, is linked to bronchiolitis obliterans ("popcorn lung") which causes irreversible lung damage.^{10,11}



Protecting Our Communities

The FDA has banned the sale of flavored cigarettes (other than menthol) because they appeal to youth. But flavored e-cigarettes, e-liquid, cigars, hookah, and chewing tobacco continue to be sold.

Prohibiting the sale of all flavored tobacco products is a critical step to preventing another generation of young people from living with a lifetime of addiction.



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