



In partnership with LEAN Energy US and Noble Energy Solutions



Proposal to the Redwood Coast Energy Authority For Humboldt County Community Choice Aggregation Development and Operational Services



January 22, 2016
Updated March 3, 2016

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The Energy Authority
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March 3, 2016

Ms. Lexie Fischer
Contract Management Program Assistant
Redwood Coast Energy Authority
633 3rd Street
Eureka, CA 95501
Email: afischer@redwoodenergy.org

Subject: Response of TEA to Request for Proposal for Humboldt County Community Choice Aggregation Development and Operations Services

Dear Ms. Fischer,

Attached please find The Energy Authority, Inc.'s ("TEA"'s) updated proposal to the Redwood Coast Energy Authority ("RCEA") submitted in response to the RFP for Community Choice Aggregation Development and Operations Services. This updated proposal incorporates our refreshed pricing for the proposed services. As previously communicated via email, the updated pricing reflects our improved understanding of the scope of services, and to improve transparency from the initial flat \$ per MWh price structure, our pricing is now presented by component and charge types, which are more consistent with cost drivers. If selected, TEA will be the prime contractor and will enter into sub-consultant agreements with LEAN and Noble Solutions. Each of the three partners will in kind leverage existing agreements to provide RCEA with a comprehensive set of services to support the development, launch and operation of RCEA's CCA program.

As will be further described in the proposal, TEA is a not-for-profit power marketing corporation and is owned by eight municipal and state-chartered electric utilities. While the proposed team represents a new partnership in California, the partnership brings a tremendous depth of collective and complementary experience providing the services RCEA seeks. The consortium of companies joining together to submit this RFP is confident that it can offer unparalleled CCA expertise that will prove uniquely valuable to RCEA as it investigates, and ultimately launches, its CCA program.

I have reviewed the terms and conditions of the RFP, its enclosures and RFP Addendum 1. The attached proposal is responsive to all elements and tasks requested by RCEA.

Any questions or additional correspondence regarding this proposal should be directed to Jeff Fuller:

Jeff Fuller, Director, Client Services
405 114th Avenue, SE, Suite 100
Bellevue, WA 98004
Phone: (425) 460-1110
Email: jfuller@teainc.org

Thank you for providing us an opportunity to present our proposal. We look forward to RCEA's response and to discussing further how our team can efficiently and effectively meet your CCA needs.

Sincerely,



Jamie Mahne
Vice President, Client Services and Chief Client Officer

cc: Shawn Marshall, LEAN Energy US
Drake Welch, Noble Americas Energy Solutions

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Executive Summary

The Energy Authority (TEA), in partnership with LEAN Energy US and Noble Energy Solutions is pleased to propose community choice aggregation (CCA) formation and operational services through a consortium of companies that delivers expertise and experience that is unrivaled in the US and California markets. Our organizations represent a mix of multi-national, national and non-profit energy organizations, each with experience and qualifications uniquely suited to the provision of CCA services in California.

Collectively, the three core partners have over 20 years of direct experience with CCA formation and operations and more than 45 years in energy supply management, power procurement and energy regulation at the company level. We love what we do, and it shows in the CCA business and client relationships we've built over the years -- through hard work, commitment to long-term success, and superior client service. Our organizations are currently providing CCA services to all three operational CCAs in California: Marin Clean Energy, Sonoma Clean Power, and Lancaster Choice Energy--as well as the following communities in various stages of CCA development:

Alameda County

City of Davis (on behalf of Davis and Yolo County)

City of Sunnyvale (on behalf of Santa Clara County and cities)

Contra Costa County

Mendocino County



San Francisco Public Utilities Commission

San Mateo County

Santa Barbara County (on behalf of San Luis Obispo and Ventura Counties)

Santa Cruz County (on behalf of Monterey and San Benito Counties)

Our team, led by The Energy Authority, will work in partnership with the leadership and staff of the Redwood Coast Energy Authority (RCEA) to provide all core services essential to the formation and long-term success of a CCA program in Humboldt County. These services can be provided as a full-service package or on an a-la-carte basis depending on the desired approach and internal resource needs of RCEA over time. TEA is pleased to serve as prime contractor representing the team of CCA partners; or, if preferred, partner organizations can contract with RCEA on an individual basis. Our goal is to give RCEA full optionality and control while also standing ready to provide a full suite of CCA services for efficient launch and successful program operations.

Company Name	Role in Partnership	Core CCA Services
	Prime/Lead Contractor	Technical services, power procurement and supply management*, power purchase agreement negotiation assistance, rate design, risk management, financial planning, scheduling coordination and related services
	Project Partner	CCA formation, strategy, and operations management, communications and marketing, legal support, legislative and regulatory affairs
	Project Partner	Data management/back office services, call center, risk reporting and technical support

* Inclusive of financing/credit requirements

Our indicative fee proposal to provide the requested formation and operational services is now \$4.50 per MWh. We were able to significantly reduce the price from our initial proposal as a result of the following factors: 1) refining the scope of services following our meeting on February 10th, 2) updating our assumptions to 55,914 accounts and 695,165 MWh of annual energy load, and 3) removal of risk premium associated with factoring the RCEA load uncertainty into our pricing. As will be discussed further in the Cost Proposal section, our pricing is now comprised of a combination of fixed, fixed per meter, and fixed per MWh cost types so the effective cost per MWh will vary with actual CCA load. As requested, the partnership is prepared to defer all fees until Phase 3, commencement of program revenue.

Our partnership's experience with existing CCA programs and emergent communities has yielded several best-in-class standards for program operations and a more streamlined approach to program development and launch. The following is a proposed timeline that assumes formation and program launch within the first year followed by four years of power supply and operational services.



Program Development	Program Launch	Operations
0-6 Months	6-12 Months	Years 2-5
<ul style="list-style-type: none"> JPA Agreement amended Technical study completed Branding, website and collateral design Community and local government outreach Passage of CCA ordinances Implementation Plan drafted Operations, budget, and staffing plan developed 	<ul style="list-style-type: none"> Implementation Plan Certified Data management, accounting, and back office functions established Utility service agreement, regulatory registrations, bond posting Power procurement and contracting Rate design/rate setting Public outreach and marketing campaign Customer notifications/enrollment period 	<ul style="list-style-type: none"> Ongoing power supply services (scheduling, etc.) Development of Integrated Resource Plan Customer account management Community outreach and marketing Regulatory and legislative affairs Ancillary program design -- net energy metering, feed in tariff, energy efficiency/demand response programs, EV's etc. Enrollment of additional communities

Company Description, Experience and Qualifications

Background Information

Services offered under this proposal will be provided by a consortium of three organizations with The Energy Authority as the prime contractor. The following provides baseline information about each partner organization. We invite you to review Appendices A-C which provide much greater detail about our companies and the services they provide, our specific CCA qualifications, and client references.

The Energy Authority, Inc.

www.teainc.org

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Main: (425) 460-1124
Fax: (425) 468-1792

Corporate Headquarters

301 W Bay Street, Suite 2600
Jacksonville, Florida 32202
Main: (904) 356-3900
Fax: (904) 665-0201

Primary Contact: Jeff Fuller, Director Client Services
(425) 460-1110 (direct)
jfuller@teainc.org

TEA is a non-profit corporation and is wholly owned and directed by its owners, who are exclusively municipal or state-chartered electric utilities (listed in Appendix A) TEA has received affirmation of its nonprofit status from the State of California Franchise Tax Board.

TEA's team includes the following key staff and partners:

- John Putz, Principal Quantitative Analyst
- Josh West, Manager, Analytics
- Marty Parsons, Director, Portfolio Management
- Jeff Fuller, Director, Client Services
- Alex Wong, Structure & Pricing Analyst
- Eina Ooka, Structure & Pricing Analyst
- Natalie Baerlocher, Senior Structure & Pricing Analyst
- Don Dame, Senior Advisor (sub-consultant)
- Michael Bell, Michael Bell Management Consulting, Inc. (MBMC, Inc.)

Size of Firm/Staff: 190 employees

Years in Business: 18

Principal Officers: Joanie Teofilo, President and CEO; Mark Kinevan, Vice President, Trading and COO; Jamie Mahne, Vice President, Client Services and CCO; John Lucas, Vice President, Finance and CFO; Malinda Prudencio, Vice President Risk Control and CRO; Tom Harvey, Vice President Information Technology and CIO; Susan Boggs, Vice President, Administration and CPO.

LEAN Energy US

www.LEANenergyus.org

P.O. Box 961
Mill Valley, CA 94941
Main: (415) 888-8007

Primary Contact: Shawn Marshall, Executive Director
(415) 786-9118 (direct)
shawnmarshall@LEANenergyus.org

LEAN Energy is a non-profit membership organization registered in the State of California that provides CCA education, advocacy, formation and operational services to municipal clients in California and across the US.

LEAN's team includes the following key staff and partners:

- Shawn Marshall, Executive Director
- Seth Baruch, Principal, Carbonomics; Project Manager for LEAN Energy
- Susan Bierzychudek, Principal, Green Ideals; Marketing Advisor for LEAN Energy
- Scott Blaising, Esq. Braun, Blaising, McLaughlin and Smith; Regulatory Attorney and Regulatory Advisor for LEAN Energy
- Greg Stepanicich, Esq. Richards, Watson & Gershon, Municipal/JPA General Counsel
- Alison Elliott, Contracts manager and administrative coordinator

Years in Business: 5

Principal Officers: John Kelly, Chairman; Jeff Shields, Treasurer; Dan Douglass, Board Member; Shawn Marshall, Executive Director and Board Member

Noble Americas Energy Solutions LLC

www.noblesolutions.com

401 West A Street, Suite 500
San Diego, CA 92101
Main: (877) 273-6772

Primary Contact: Drake Welch, Vice President - Customer Care
(619) 684-8039 (direct)
dwelch@noblesolutions.com

Noble Solutions is a large, national electric service provider that focuses on customer and data management services in the CCA space.

Noble Solutions' team includes the following key staff:

- Drake Welch, Vice President-Customer Care, Executive Management
- Pol Sandro-Yepes, Director - IT Development and Integration, Project Management
- Sam Schmidt, Manager - Application Support, Technical Management
- Paul Soco, Manager - CCA Operations, Operational Management
- Greg Bass, Directory - Retail Commodity Operations, Regulatory Support
- Tony Choi, Manager - Business Development, Commercial Support

Years in business: 18

Size of Firm/Staff: 220 employees

Principal Officers: Available upon request

Staff Qualifications

The team that forms this consulting consortium for the Redwood Coast Energy Authority (RCEA) has the most direct experience in and longest history of CCA formation and operations services in the State of California. The consortium has also attracted best-in-class people and companies with deep expertise in core CCA functions including technical/energy market analytics and power procurement, legal support, regulatory/government affairs, marketing and community outreach, data management/back office support, risk management and accounting services. The following is a brief matrix of consortium partners and the functions they will perform for this project. Please see Appendices A - C for detailed company profiles and work samples, staff bios and resumes, and client references.

Company	Project Staff	Key Functions	Current CCA and Related Clients
The Energy Authority www.teainc.org (425) 460-1110 (o) (425) 681-6518 (m)	Jeff Fuller jfuller@teainc.org John Putz jputz@teainc.org Josh West jwest@teainc.org Marty Parsons mparsons@teainc.org	Technical services, power procurement and supply management, credit requirements, power purchase negotiation assistance, rate design, risk management, financial planning, scheduling coordination and related services	- City of Davis - University of California Board of Regents
LEAN Energy US www.LEANenergyus.org 415-888-8007 (o) 415-786-9118 (m)	Shawn Marshall shawnmarshall@leanenergyus.org Seth Baruch sbaruch@leanenergyus.org Alison Elliott aelliott@leanenergyus.org	In partnership with RCEA, manage all elements of CCA formation and program launch including strategy, program design, community and local government outreach, marketing and communications, legal support, and regulatory and legislative affairs	- Alameda County - City of Davis - Contra Costa County - Mendocino County - Monterey Bay Community Power - County of San Mateo - County of Santa Barbara - City of Sunnyvale/ Silicon Valley Clean Energy
Noble Americas Energy Solutions www.noblesolutions.com 619-684-8039	Drake Welch dwelch@noblesolutions.com Pol Sandro-Yepes psandro-yepes@noblesolutions.com Sam Schmidt sschmidt@noblesolutions.com Paul Soco psoco@noblesolutions.com	Customer and Data Management Services, Call Center, Risk Reporting	- Marin Clean Energy - Sonoma Clean Power - Lancaster Choice Energy - SF Public Utilities Commission

Green Ideals www.greenideals.com 415-453-8070	Susan Bierzychudek susan@green-ideals.com	Communication Strategy, Design, Marketing, Community Engagement	<ul style="list-style-type: none"> - LEAN Energy US - Marin Clean Energy - County of San Mateo - Mendocino County - City of Davis
Braun Blaising, McLaughlin & Smith www.braunlegal.com 916-682-9702	Scott Blaising blaising@braunlegal.com	Regulatory and Energy Law	<ul style="list-style-type: none"> - LEAN Energy US - Marin Clean Energy - Sonoma Clean Power - Lancaster Choice Energy
Richards Watson & Gershon www.rwglaw.com 415-421-8484	Greg Stepanicich gstepanicich@rwglaw.com	Municipal and JPA law; General Counsel	<ul style="list-style-type: none"> - Marin Clean Energy - City of Sunnyvale

Project Partners

The Energy Authority

The Energy Authority is the nation's leading not-for-profit power-marketing organization, currently managing over 30,000 MW of electric generation on behalf of 50 community-owned electric utilities around the country. In 2015, TEA ranked first in the nation among non-publicly traded organizations for volume of energy traded. The organization was created in 1998 to leverage the assets and load of its members and clients in the wholesale power market, resulting in commodity savings for clients and rate savings for end-use customers. By partnering with TEA, utilities and community choice aggregators benefit from state-of-the-art technology and dedicated resources provided at a fraction of the cost.

RCEA's CCA program will be supported by TEA's full team, credit capacity and organizational infrastructure, led by the following individuals. Please see Appendices A-C for more detailed information and extended bios for project staff members.

Jeff Fuller, Director, Client Services

Jeff has been with TEA for 9 years and will serve as the account manager for TEA's engagement with Humboldt County, which is the same role that he fills in TEA's work with the City of Davis and University of California.

Jeff directs Client Services for TEA within the Western Electricity Coordinating Council (WECC) region. In this capacity he is responsible for managing all relationships between clients and TEA personnel and for ensuring the successful delivery of services. Jeff has over 20 years of experience in the energy industry and has been with TEA since 2006. He has a broad range of experiences including trading, analytics, short- and long-term power supply planning, and assisting with development and implementation of risk management programs. Jeff has a Bachelor of Arts degree in Economics from Washington State University.

John Putz, Principal Quantitative Analyst

John has been with TEA for 8 years and will serve as Project Manager and analysis designer for the Technical Study. During Phase 2, John will serve as Project Manager for development of the Implementation Plan.

John is a fifteen-year veteran of the energy, energy software and trading industries. John has experience in a wide variety of areas including strategic consulting, risk management, trading, energy software, asset and portfolio optimization, trade and asset valuation, and hydro-generation optimization. He is currently serving as Project Manager for TEA in its development of a CCA technical study for the City of Davis and unincorporated Yolo County. Previously, he was TEA's Project Manager for the University of California Workbook effort outlining the feasibility and requirements for the University to become its own Energy Service Provider and assume responsibility for implementing a wholesale power program. John was also the lead analyst responsible for performing the economic evaluation of generation proposals submitted to the University in response to its RFP for renewable power supplies. John received his PhD in experimental particle physics from the University of Washington.

Josh West, Manager, Analytics

Josh has been with TEA for 10 months and will serve as TEA's lead on retail programs – net energy metering, energy efficiency and demand response. During Phase 3, Josh will be TEA's lead for ongoing financial planning, risk management, and procurement analysis.

Josh has over 11 years of experience in energy trading and risk management. Josh has experience working with both regulated and unregulated entities across North America, including Puget Sound Energy and JP Morgan, and has worked in California wholesale power markets his entire career. His expertise includes the valuation of physical power and natural gas assets, quantitative analysis and model development, fundamental analysis of power and natural gas markets, risk analysis and hedging strategies, financial derivatives and option pricing theory. Josh has a BBA in Economics from Kent State University and an MA in Economics with a concentration in Econometrics from the University of New Mexico.

Marty Parsons, Director, Portfolio Management

Marty has been with TEA for 9 years and will provide analysis and input on wholesale energy markets and supply scenarios considered in the Technical Study, as well as direct TEA's trading activities associated with procurement and ongoing risk management in Phase 3.

Marty has 14 years of western wholesale energy markets experience with a focus on trading, hedging, and portfolio optimization of multiple commodities including power, transmission, gas, renewables, resource adequacy, and congestion revenue rights. He takes a collaborative approach with clients to understand their wholesale energy portfolios and objectives, and currently advises multiple western utilities on a wide range of commercial transactions. Marty has a Bachelor of Arts degree in Economics from Willamette University.

CCA and Related Projects

City of Davis/Yolo County: TEA was selected by the City of Davis and Yolo County to develop a technical study and comparative analysis of CCA management options. Work associated with this project commenced in October 2015 and is expected to be completed by March 2016. The scope of services for Davis and Yolo County are similar to the scope of the technical study requested by RCEA. The similar scope and contemporaneous nature of work provide a valuable reference point for TEA to develop a similar study for Humboldt, which is tailored to the county's unique load profile, goals and sensitivities.

University of California: Technical Feasibility Study, CAISO Market Entry and Scheduling Coordinator Services: In 2013 the University of California (UC) selected TEA to help them assume ownership of their energy future with the principal objective to build an environmentally friendly, locally controlled and eventually carbon neutral supply portfolio. The initial step was for the University to become its own Energy Service Provider and take over the supply and management of the Direct Access accounts which belong to seven of the UC campuses and three of the UC medical centers. TEA worked with the UC to develop a "Workbook" to provide a roadmap to become an ESP and a guide to managing a wholesale power program. In addition, TEA performs the following functions for UC:

- Model-assisted portfolio management including procurement and development of wholesale and distributed renewable assets;
- Scheduling-coordinator functions with the CAISO;
- Retail billing to campus accounts;
- Analysis and management of a CRR portfolio;
- Various other functions that are required of what is essentially a retail utility without transmission and distribution responsibilities.

Effective January 1, 2015, the UC's wholesale program went live. TEA continues supporting the UC's efforts through execution of the following activities:

- Daily forecasting of hourly loads for each campus
- Submit Day Ahead demand bids
- IST for short-term hedging transaction
- Import schedule for WAPA Base Resource allocation for UCSF campus, including preparing e-tags
- Annual and monthly RA submittals
- Settlement validation and allocation of costs to direct access campuses
- CRR bid strategy development and implementation
- Short-term energy, RA and REC procurement using TEA's credit and contracts
- Risk analysis and hedge strategy development
- Long-term renewable resource procurement analysis
- CAISO regulatory monitoring

Beginning in the second half of 2016, TEA's scope will expand to include scheduling of the University's 80 MW purchase of solar energy from two projects. TEA also procures on behalf of the University, resource adequacy and CA qualified renewables to meet California regulatory requirements.

Finally, TEA continues to assist the University in developing its long-term procurement strategy to achieve a carbon-neutral power supply by 2025. In support of this effort, TEA maintains contacts with renewable generators both inside and outside the State of California, and assists the University on an ongoing basis with evaluating the economic and operational attributes of alternative renewable generation supplies.

Portfolio Management, Trading and Scheduling Services for Pacific Northwest Utilities

Since October 2011, TEA has provided a full range of portfolio management services for the nine public utilities listed below.

- Public Utility District No. 1 of Benton County, Washington
- Public Utility District No. 1 of Franklin County, Washington
- Public Utility District No. 1 of Grays Harbor County, Washington
- Public Utility District No. 1 of Lewis County, Washington
- Public Utility District No. 2 of Pacific County, Washington
- Public Utility District No. 1 of Cowlitz County, Washington
- Public Utility District No. 1 of Klickitat County, Washington
- Public Utility District No. 1 of Clark County, Washington
- Emerald People's Utility District, Eugene, Oregon

LEAN Energy US

As recognized industry leaders and CCA experts, LEAN Energy US provides CCA education and program services across the State of California and nation. LEAN's national scope offers a unique perspective on the similarities and differences in CCA implementation and best practices that are worthy of replication and advancement. In California, LEAN has been a leader in every major legislative and regulatory matter since its inception in 2011, and has demonstrated significant progress and success in an energy market that has not traditionally supported the concepts of consumer choice and market competition.

RCEA's CCA program will be supported by LEAN's project team along with experienced partners in the areas of CCA marketing and communications and legal support. Summary level bios follow, but please see Appendices A and B for detailed company profiles and staff qualifications.

Shawn Marshall, Executive Director

Shawn is the founder and Executive Director of LEAN Energy US (Local Energy Aggregation Network), a non-profit membership organization that exists to support the expansion of clean energy community choice aggregation (CCA) nationwide. LEAN serves as a hub for CCA resources and expertise and works in partnership with a range of organizations to actively support successful CCA formation and operations around the country. Recent work has focused in the states of California, New York, and Illinois.

In 2007, Shawn served on the task force that ultimately became Marin Clean Energy, a joint powers agency that runs the first CCA in California and the first clean energy CCA in the country. Marin Clean Energy now serves a customer base of over 180,000 accounts in Marin and surrounding counties offering a range of 56%-100% renewable energy. From 2009-January 2012, Shawn served as MCE's founding Vice Chair.

In addition to her work in the CCA field, Shawn served two terms on the Mill Valley City Council, as Mayor in 2008 and Vice Mayor in 2013. Prior to elected life, Shawn worked in public policy in Washington DC, ran her own consulting firm, and held management positions at the Federal Reserve Bank of San Francisco. She holds a BA from the University of CA at Davis and received additional training at the Federal Reserve Board of Governors in Washington DC.

Seth Baruch, Project Manager

Working with LEAN Energy US, Seth Baruch is helping six counties in California establish Community Choice programs, including San Mateo, Alameda, Santa Clara, Contra Costa, Santa Barbara and Yolo Counties. He co-authored an extensive analysis on the financial, environmental and employment impacts of a potential Community Choice program in the East Bay, which has been distributed to officials and other stakeholders across Alameda and Contra Costa Counties. Seth has made presentations to the various county Boards of Supervisors, mayors, city councilmembers and others to educate them on the process of creating a Community Choice program. He has helped local officials analyze CCA technical assessments and undertake all tasks required for CCA formation and launch -- from rate design to the implementation process to local project and program development. Seth is also the lead author of "The Potential for Community Choice Energy in the Heart of Silicon Valley" published in May 2015.

Seth is also an internationally recognized expert in the development of methodologies to monitor greenhouse gas (GHG) reductions. Seth was co-founder and managing partner for QualityTons, a consulting company that developed and implemented numerous GHG-mitigation projects around the world. Clients included the World Bank, UNEP, Camco, AES, Devon Energy, El Paso Gas Corporation, the Government of Ghana, LG, Natsource, Trading Emissions, and the British High Commission. In 2007, the assets of QualityTons were sold to Climate Change Capital, and the company was renamed Carbonomics. At Carbonomics, Seth continues to develop projects under California's cap and trade program.

Alison Elliott, Administrative Coordinator

Alison is a business administrator specializing in large and small business operations, event management and communications. She has provided contracts management, bookkeeping and administrative services to LEAN for the past three years. In addition to her work with LEAN, Alison has provided administrative and communications support for clients in the technology, retail, and finance fields. Alison holds a B. A. degree in Communications from the University of Southern California, and will assist the project team with the administrative functions associated with contract deliverables and program management including scheduling, billing and vendor management.

CCA and Related Projects:

Shawn Marshall has been a CCA leader in California since 2006 and, upon helping to launch and operate Marin Clean Energy, Shawn founded LEAN Energy to serve as a hub for CCA resources, information, and program support for municipalities seeking to form their own programs. LEAN is currently providing contract services to cities and counties around the State of California in the areas of CCA formation strategy, planning and program design, JPA operations and administration, local government and community outreach, and legislative and regulatory affairs. LEAN's current roster of municipal clients, listed below, are at various stages of CCA investigation and formation:

LEAN CCA Client	Status
County of Alameda	Under formation. Target launch: Spring 2017
County of Contra Costa	Exploring administrative options. Next decision February 2016
City of Davis/Yolo County	Exploring administrative options. Next decision March 2016
County of Mendocino	Exploring administrative options; local government and community outreach underway
County of San Mateo	Recently formed Peninsula Clean Energy JPA; Target launch: Fall 2016
Silicon Valley/City of Sunnyvale (on behalf of county and most cities in Santa Clara County)	Recently formed Silicon Valley Clean Energy JPA; Target launch: Spring 2017
County of Santa Barbara (includes San Luis Obispo and Ventura counties as well)	Technical study RFP released. If formed, this will be the first CCA in a split utility service territory (PG&E and SCE)
County of Santa Cruz (includes Monterey and San Benito Counties)	Under formation. Target launch: Summer or Fall 2017

Noble Americas Energy Solutions LLC

Noble Solutions is the largest Electric Service Provider in California by volume and in the top five largest throughout the United States. Noble Solutions has been active in the restructured California electricity markets for more than fifteen years, is headquartered in San Diego, California, and has been recognized for the quality of its customer and data management services by a diverse group of CCA and Direct Access customers. It is ISO 9001:2008 certified.

Noble Solutions currently manages customer and data management services for approximately 95,000 direct access meters, approximately 170,000 meters for the Marin Clean Energy Community Choice Aggregation program ("MCE"), approximately 200,000 meters for the Sonoma Clean Power Community Choice Aggregation program ("SCP"), and 55,000 meters for the Lancaster Choice Energy Community Choice Aggregation program ("LCE"). California CCAs have customer and data management requirements beyond the need of the Direct Access market and aggregation programs in other states. As the only California CCA customer and data management services provider, Noble Solutions has been updating our systems and processes since 2010 to meet the unique and evolving requirements of

California CCAs. We hope to bring to bear our experience and technical advantage to mitigate Humboldt County's implementation and operational risks.

Noble Solutions has deep and significant experience managing a large energy supply and services company. Noble Solutions has a staff of 220 employees covering all areas related to providing energy to end-use customers. The back office, supporting customer and data management services for Noble Solutions, has over 85 employees with an average of over 5 years of energy related experience. The key staff for these services, all of which were involved in all California CCA implementations to date, are as follows:

Drake Welch, Vice President - Customer Care

Drake has over 18 years of utility and energy supplier experience, with a focus on customer and back office services. Drake began his career as a Billing Specialist with San Diego Gas & Electric, Sempra Energy's regulated utility, in the Billing Department. Promoted quickly to Sempra Energy Information Solutions, a bill processing and rate audit company, as an Energy Services Representative, he gained experience in national supplier invoicing and technical solutions during the infancy stages of energy restructuring in California. In 2001, Drake took his expertise to Sempra Energy Solutions LLC to lead the Billing Department. Drake currently oversees Noble Americas Energy Solutions LLC's ISO-9001:2008 certified Customer Care Department. This includes the Billing, Deal Integration, Market Settlements, and Information Technology departments.

Pol Sandro-Yepes, Director - IT Development and Integration

Pol has over 18 years of utility and energy supplier experience, with a concentration in project implementation and project management. Pol first became involved in the California restructured market back in 1998 acting as the lead Direct Access trainer for Southern California Edison's phone center. Over the next 17 years Pol has represented utilities and energy suppliers in both State and National working groups. As the Director of IT Development and Integration, Pol currently manages a team of 24 IT professionals ranging from Sr. Integrator/Developers, Application Administrators and Business Analysts. Pol and his team have successfully implemented the Back Office Services for the 3 active CCAs in California.

Sam Schmidt, Manager-Application Support

Sam has over 18 years of utility and energy supplier experience, with a focus on customer information systems ("CIS") and deregulation. Sam began his career as a management consultant in the Energy practice of Price Waterhouse. Working with numerous utilities and retail energy providers throughout the US and Europe, he has experience implementing CIS systems to support regulated and restructured utilities in complicated markets. He continued his career with professional services positions at Nexant, our CIS vendor, and Alliance Data Systems. In 2008, Sam joined the team at Noble, and currently leads a team of system integrators responsible for the implementation and maintenance of our CRM, CIS, EDI, Load Profiling and Settlement, and Accounting systems.

Paul Soco, Manager-CCA Operations

Before entering the energy industry, Paul started in a Director role for a fledgling event planning organization responsible for growing the Sports Department. When Paul assumed the position, the company just finished its first year where it put on 40 adult sports leagues with total revenue in excess of \$100,000. Within two years, the Sports Department functioned with over 150 sports leagues and total revenue of over \$750,000. After honing his problem solving, innovation, and project management skills in the event planning industry, Paul joined Noble Solutions in 2006. In nine years, Paul undertook many roles in the Customer Care Department including billing, bill calculation, data integrity, customer enrollment, and system administrator for Noble Solutions' CIS system. His broad range of back-office expertise along with his excellent technical and communication skills made him a perfect fit to manage a relatively new side of the business. In this role, Paul and his team uphold the high level of customer service and technical expertise, for which Noble Solutions is known, and works closely with our CCA Clients to ensure their success in the market.

CCA and Related Projects

Noble Solutions provides best-in-class Customer and Data Management services for all operational CCAs and for the City of San Francisco's program which is next up to launch.

Noble Solutions CCA Client	Status
Marin Clean Energy	Operational
Sonoma Clean Power	Operational
Lancaster Choice Energy	Operational
SF Public Utilities Commission	Implementation/Launch

Proposed Scope of Services

Phase 1: Program Development (0-6 Months)

Completion of Phase 1 typically takes about six months and includes all the preparation and planning required to move the program toward launch. Focus areas during this phase will build on the work already underway at RCEA and will include refinement of core messaging, intensive outreach to local governments and key community stakeholders, preparation of RCEA governance and organizational documents to support CCA formation, the technical analytics to determine financial feasibility, rate competitiveness and environmental attributes, and passage of CCA ordinances to determine which cities will participate in the program at launch.

Task 1.1: Community Engagement Support

During Phase 1, the focus of community engagement centers on brand, messaging and collateral development to build concept awareness. Outreach focuses on local government leaders to ensure their understanding of CCA potential in Humboldt County as well as outreach to key community stakeholders.

1.1.1: Communication and Program Strategies / Core Messaging

Work with staff to prioritize and refine program messaging to inform key stakeholders about the core concept of CCA: how it works and what's being considered in Humboldt County; assist with brand development and marketing options as RCEA moves ahead with CCA. This task includes the foundational strategic elements of tactical communication tools needed for early outreach while setting the stage for a robust public marketing campaign and customer enrollment in Phase 2. Key tasks include:

- Building on the work already done by RCEA, review existing CCA collateral and program website in order to refine core messaging and expand design templates
- Develop a longer term communications and marketing strategy for the program

1.1.2: Creation/Design of Program Collateral

Develop brand and key communication pieces—both print and digital—for distribution/education of key stakeholders, the press, and the community at large. Key tasks include:

- Create name, logo and overall 'look and feel' for program
- Collateral elements to include: 1) expand existing informational web page (or build out to full website if desired in this phase), 2) create digital/print informational brochure, 3) prepare program FAQs, 4) update slide deck for local government and community presentations, 4) design table top display for community events (if desired), 5) create digital mastheads for email announcements and push communications (using royalty free images to conserve budget in early stages)

1.1.3: Engage city and county officials, community stakeholders, key customer groups and press

The focus at this stage is on building concept and program awareness, development of communications channels, educating local advocates to assure participation and accuracy, and development of a stakeholder database, using listserve and social media channels to support regular and timely information sharing. Key tasks include:

- Work with RCEA staff to expand stakeholder mapping and develop CCA database/listserve of interested parties, community leaders and advocacy groups. This effort can also include a mapping of the local social networks such as Next Door and popular community events for information dissemination and tabling
- Work with RCEA staff on best strategy to expand and deepen outreach to local elected officials and municipal staff. Recommendations include informational workshops and webinars, small group meetings and 1:1 briefings as may be needed

- Conduct a ‘train the trainer’ workshop for RCEA staff and local advocates to ensure dissemination of consistent and accurate information, and to engage their volunteer support for local community events and tabling
- Support RCEA staff in drafting Op-Eds and scheduling interviews with key press contacts

Task 1.2: Technical Analysis

TEA will prepare the technical study consistent with scope outlined in the RFP. The foundation of the analysis will be an Excel-based Pro Forma Model of RCEA cash flows, which pro-forma model TEA will provide as a deliverable. The Pro Forma Model will include the significant drivers of the RCEA’s financial performance and include toggles to test the sensitivity of results to changes in key supply and load variables.

1.2.1: Load Study and Forecast

TEA will develop a load forecast model that forecasts both total energy usage and peak demand by customer load class as part of employing a two-step process. The first step will be incorporate incremental adjustments for known changes to recent historical energy usage. The second step will be to apply an annual growth factor that can be adjusted to account for the effects of the variables such as: growth in overall energy usage due to population and economic growth; declines in per person electricity demand due to increased efficiencies; growth in electricity demand due to fuel switching towards electric cars and heating; declines in grid electricity usage due to rooftop solar, distributed battery storage adoption; changes in the hourly shape of electricity usage due to all of the above. The load forecast will also incorporate transmission and distribution level losses for CAISO and PG&E, respectively.

The load forecasting model will output results into an Excel-based template that will be used to integrate it with the Pro Forma Model discussed later in this section. The template will include toggles to adjust for the variables described in the preceding paragraph. There also will be selections to allow the incorporation or exclusion of direct access loads, if applicable. Charts will also be included in the template to visualize the load data.

1.2.2: Rate Analysis

TEA will use the Pro Forma Model, with specific reserve accumulation objectives, to determine overall revenue requirements. Included as part of this task will be an analysis of future PG&E rates based on the scenarios described in the RFPs. TEA will then use the PG&E rate structures, current rates, and projected future rate growth as the basis for constructing a rate structure for RCEA and determining an expected discount or premium to PG&E’s rates through time. Toggles will be available in the Pro Forma Model to modify supply portfolios and other key variable to determine the rate discount/premium under a variety of scenarios. This will help inform RCEA reserve targets with the goal of maintaining rate stability and rate parity in the future. Finally, there will be the capability to define multiple service levels with different renewable/carbon attributes and different rates, and determine the impact on overall revenue based on assumptions about adoption levels for each service.

1.2.3: Supply Scenarios for CCA

The Pro Forma Model will have the ability to select three different resource portfolios, as requested. The portfolio selections will determine the percentages of: California qualified renewables; renewables procured locally; renewable supply from each REC category/bucket; zero-carbon but non-renewable qualified supply (i.e., large hydro); with the balance being assumed to be system power. TEA will also work with RCEA staff and local officials during this task to determine the appropriateness of utilizing “bucket 2” and “bucket 3” RECs in meeting renewable portfolio standard (RPS) and greenhouse gas (GHG) reduction goals. The ultimate objective is for TEA and RCEA to establish and model the supply portfolios that best meet the desired cost, environmental attributes, and GHG levels sought by RCEA.

1.2.4: Economic Impacts

TEA will provide estimates of direct and indirect job impacts under each power supply scenario using the National Renewable Energy Laboratory’s Jobs and Economic Development Impact (JEDI) model. The JEDI model projects both construction-related job years and on-going permanent operations jobs, including both white collar and blue collar workers.

1.2.5: Sensitivity Analysis

The Pro Forma model will have the flexibility to examine the impacts of the changes in variables listed in the County’s RFP. The Pro Forma will be combined with simulations of market prices derived using a production cost model. Market prices will be simulated under a variety of market and policy scenarios as per those requested in the RFP, which will be correlated with the PG&E rate forecast scenarios, and the cost of RCEA’s supply portfolio. All of the assumptions as discussed in the Pro Forma section will be able to be modified to determine the impact of deviations from assumptions on CCA rates and rate competitiveness.

Task 1.3: Financial Analysis

The Pro Forma model will capture base case and alternative scenario results of the significant drivers of RCEA’s financial performance including, but not limited to, the following:

- Load forecasts;
- Wholesale power prices;
- Contracted or owned power supply costs;
- Resource Adequacy charges;
- REC charges;
- Rooftop and community solar penetration and net-metering and feed-in-tariff rates;
- Administrative, start-up and operating costs;
- PCIA charges;
- PG&E rates under the current and the new CPUC approved 2-tier rate design;
- GHG emissions for each supply scenario;
- Energy efficiency, net metering and feed-in-tariff programs;
- Opt-out / participation rates by rate class;
- Participating jurisdictions;
- Reserve accumulation and debt service coverage ratios through time.

Task 1.4: Risk Analysis

Establishing a CCA program provides tremendous benefits to the community but these benefits need to be weighed against the risks associated with launching and operating a CCA program. The most relevant risks are known, and prudent management and applied experience can mitigate many of them. The successful launch and operations of MCE, SCP and LCE have proven the CCA business model and the ability to successfully manage the associated risks. The technical study will identify the primary risks a RCEA CCA will face and the means of managing these risks including:

- Financial Risks - a CCA faces the same types of financial risk that all businesses face such as maintaining adequate cash flow, particularly during the early stages of the program;
- Competitive Rate Risk - a key issues for a CCA program is whether it can provide power with the desired renewable mix and GHG concentration at rate levels competitive with PG&E;
- Wholesale Market Risks - when procuring long-term power supplies a CCA needs to consider the risk that a supplier may default and force the CCA to procure replacement supplies at a higher cost; similarly a CCA needs to balance the cost certainty of long-term fixed cost supply against the potential risk and rewards of procuring a portion of its supply in shorter-term markets at potentially lower or higher cost;
- Regulatory Risks - the CPUC has numerous ratemaking and policy-making functions that can affect CCA viability including items such as Exit Fees, Cost Allocation, and Rate Design, among other issues;
- Political Risks - other jurisdictions considering CCA programs have met with varying levels of opposition during their formation. Risk also exists at a more macro level at the California CPUC and Legislature.

Technical Study Summary

The final technical analysis will provide a clear assessment for RCEA of the overall feasibility of its CCA program as it relates to meeting key goals, such as environmental benefits and cost competitiveness. The report will show the different supply scenarios and how they compare to PG&E in terms of GHG content of the energy mix; an estimation of the percentage of renewable energy content that can be procured from locally-generated electricity (and the resulting economic/job impacts of local project development), as well as the potential rate savings (or rate increases) of each scenario compared to PG&E over the forecast period. The goal is to be able to summarize in straightforward terms the results in a way that all stakeholders can understand. The format of this summary would be similar to the illustrative table below:

Metric	Scenario 1 (Baseline)	Scenario 2 (i.e.: 50% RE)	Scenario 3 (i.e.: 100% RE)
GHG Savings/year	X	Y	Z
Rate Savings	A%	B%	C%
Savings on a typical homeowners bill	\$___/month	\$___/month	\$___/month

Metric	Scenario 1 (Baseline)	Scenario 2 (i.e. 50% RE)	Scenario 3 (i.e. 100% RE)
Total Local MW of Renewable Development over X years	__ MW	__ MW	__ MW
Job Hours Created	__ Job-Hours	__ Job-Hours	__ Job-Hours

Technical Study Timeline

TEA anticipates that it will take approximately 60 days after receipt of load data to complete a first draft of the technical study. The time to incorporate comments received on the draft report and prepare a final report is likely to take an additional 30 to 45 days depending upon the amount of time and discussion requirements of coordinating with prospective RCEA member organizations.

Technical Study Process and Deliverables

The following deliverables will be provided during the course of the technical study phase of the project:

- Bi-weekly updates with RCEA staff. TEA will provide a summary level status report and also proposes to conduct a standing 30 minute call.
- Verification of completeness of load data request of PG&E and identify additional follow-up with PG&E, if needed.
- Written description of the four power supply scenarios to be considered in the Technical Study
- Draft Technical Study for review and comment
- Final Draft Technical Study that incorporates feedback on draft report
- PowerPoint presentations of:
 - Draft Study results
 - Final Study results
 - All Excel-based analysis and models developed in completing the project

Task 1.5: Additional Phase 1 Tasks

Additional Phase 1 tasks to support early formation efforts and prepare for Phase 2 launch include:

- Refining a project timeline and detailed project plan for CCA formation and launch. This will include a spreadsheet mapping all of the steps and timing of CCA formation through customer enrollment and into early operations.
- Review RCEA's JPA Agreement and suggested CCA-related policy additions to support long-term program operations and governance. This could include consideration of certain JPA subcommittees and policies specific to the CCA program.
- Draft local CCA ordinance and create package of decision-making materials for local governments including: technical study report and results, CCA ordinance and copy of amended

JPA agreement, CCA project plan including community outreach and timing, and sample staff report. Other relevant materials may be added at the discretion of RCEA

- Implementation of weekly team calls and/or WebEx meetings to ensure all tasks are assigned and major milestones are being met.

Phase 2: Program Launch (6-12 Months)

This Phase typically takes about six months including initial customer enrollment and includes final selection of power options/supply mix, development and certification of the Implementation Plan, robust customer engagement and customer enrollment, energy supplier selection, submission of the utility service agreement and PG&E service payments, bond posting and credit capacity to cover initial supply contract.

Task 2.1: Implementation Plan/ Regulatory Functions

The Implementation Plan is a CPUC requirement that covers the main aspects of the CCA plan of operations.¹ It must be certified by the CPUC (within 90 days of submission) before the CCA can begin serving customers. TEA and LEAN will draft the Plan in accordance with all CPUC requirements and established best practices. The Implementation Plan will include the following:

- Communities participating in the program
- Organizational structure of the program, its operations and funding
- Rate setting and other costs to participants
- Disclosure and due process in setting rates and allocating costs among participants
- Methods for entering and terminating agreements with other entities
- Participant rights and responsibilities
- Termination of the program
- Description of third parties that will be supplying electricity under the program, including information about financial, technical and operational capabilities

Before the RCEA Implementation Plan can be submitted to the CPUC, the following items must be determined and articulated in the Plan:

- Community Participation -- determined by passage of the CCA ordinance
- Program Phasing -- by geography, customer class, and timing of each
- General description of CCA's rate/pricing strategy
- General description of CCA service offerings: default supply product, voluntary green pricing option(s), and others, if applicable
- Identification of customer programs that will likely be developed, including net metering, feed-in-tariffs, demand response, energy storage, etc.
- Description of CCA organizational structure

¹ Section 366.2 of the Public Utilities Code specifies that to form a CCA, there must be a local ordinance approved by the entity proposing the CCA, followed by the preparation of an implementation plan, which must contain specific elements outlined in the statute. After the implementation plan is approved, the CCA registers with the CPUC and provides an executed copy of the services agreement between the CCA and the utility that covers the services to be provided by the utility (e.g.: billing).

The following regulatory steps would be facilitated by the partnership prior to CCA launch:

- CAISO market participant requirements
- Submit Statement of Intent with CPUC
- Posting of CCA license surety bond to the CPUC
- Register with CPUC
- Execute CCA Service Agreement with PG&E
- Posting of credit collateral with PG&E
- Submit Binding Notice of Intent with PG&E
- Registration with California Air Resources Board (including CITSS registration)
- Registration with Western Renewable Energy Generation Information System (“WREGIS”)

Task 2.2: CCA Organizational Infrastructure

The partnership has extensive business expertise and experience with current CCA and public utility organizations and is uniquely qualified to advise and implement a best-practices organizational structure and related policies, processes, and systems. In order to implement an optimal organization that meets RCEA’s requirements, the partnership will collaborate with RCEA staff to ensure that RCEA is well positioned for program launch and operations. This will include the development (or refinement) of a business operations plan, review of operational policies and procedures, committee structures and a staffing plan to ensure that all core functions are in place, either outsourced through our team’s services and/or augmented by existing RCEA staff and administrative infrastructure.

It should be noted that our team is unrivaled in its experience and CCA business relationships in the State of California. As a potential client, RCEA benefits from the partnership’s ability to leverage that knowledge, thus avoiding costly mistakes or reinventing the wheel. We are able to provide nuanced and strategic advice on organizational infrastructure, policy setting and other administrative elements that can only be gleaned from lessons learned and first-hand experience.

Task 2.3: Procurement/Vendor Engagement

Our proposal contemplates that the partnership will perform all necessary CCA implementation and operational functions. There are, however, certain functions that RCEA may wish to provide in order to maintain separation of duties and fiduciary oversight. These include financial accounting, banking and auditing services for the CCA program. In the event RCEA does not provide these services or it requires augmentation of existing business relationships, the partnership is happy to assist RCEA in contracting for these services directly or through the partnership, to the extent such support does not create a conflict of interest.

2.3.a. TEA will provide assistance with negotiations and contracting with existing and new local generation facilities, as RCEA may elect to pursue. TEA has extensive experience in power supply procurement and leading power purchase agreement negotiations. At the appropriate time, TEA, with input from LEAN, will work with RCEA to procure the legal services required to supplement this effort.

2.3.b. TEA is a power marketer and certified CAISO Scheduling Coordinator well experienced in wholesale power supply procurement and operations. TEA has established credit facilities and contracts in place with an extensive list of market participants in California and Western energy markets that it will utilize in procuring all of the initial power supply needs of RCEA including energy, resource adequacy and RPS. RCEA will have full transparency into procurement efforts including the counterparties from whom TEA receives bids on behalf of RCEA and the ultimate prices paid by TEA for the different components of RCEA's power supply.

2.3.c. Project partner, Noble Solutions, is the industry leader providing data management, billing, customer call center, and back office services for all operational CCAs in California and San Francisco's soon to launch Clean Power SF program. As part of our team's suite of services, Noble Solutions will provide this service for RCEA's CCA program.

2.3.d. Noble Solutions will assist RCEA in development and execution of a utility-service agreement with PG&E, participating in all related communications. Noble Solutions is well versed in PG&E utility-service agreements, having multiple agreements as a Direct Access supplier, in addition to supporting all active California CCAs to date. Noble Solutions will achieve Electronic Data Interchange ("EDI") compliance and certification with PG&E in a truncated timeline as the only operational CCA EDI provider. Noble Solutions will also ensure all systems are configured and set-up prior to program launch.

Task 2.4: Customer Engagement

This Phase of customer engagement includes work to establish the CCA customer base in all customer classes, build brand awareness and consumer acceptance, follow all customer noticing and enrollment in accordance with State law, and assure high percentages of customer retention throughout Humboldt's CCA service areas. Key tasks include:

- Establish customer service center, obtaining and managing all customer data for enrollment and opt out processes. Will include development of Call Center scripting and 800 call-in number.
- Establish communication/marketing plan for public outreach, setting deadlines and identifying print/digital communication strategy
- Establish schedule for phased enrollment to assure smooth transitions in all service areas
- Develop enrollment notice schedule (assuming approximately 55,000 accounts to be enrolled in first year)
- Design enrollment mailing pieces (letters, postcards) to alert residential and commercial ratepayers of program timing and options
- Manage translation requirements (based on demographics of enrollment area) for program website, public notices and mailings.
- Develop names for power products and supply options
- Build out website to include in-depth program descriptions, expanded messaging, enrollment options, and interactive functionality required for online enrollment, opt out, etc.
- Expand early communication collateral (brochure, flyers, etc.) to include more expansive information, further developing prior efforts to continue building brand awareness
- Design ad campaign to build awareness of the program; negotiate media buy within budgeted amounts; design and produce advertising campaign creative for full program, including print,

digital, radio and outdoor media channels; including translations and original photography (if practical/affordable)

- Consistent management of schedules and communication/marketing plans to ensure successful outcomes, including management of metrics to measure areas of needed refinement in messaging, frequency, style of contact

Noble Solutions continues to be the only vendor providing Customer and Data Management Services in the California CCA market space, including a robust CCA call-center. With an operational CCA call-center, Noble Solutions would simply need to configure our systems and train Customer Service Representatives to support your respective CCA nuances for a successful implementation and launch. Noble has performed this call-center implementation for four California CCAs.

For the three active CCAs (soon to be four) in California, there have been 11 Mass Enrollment phases. Noble Solutions is proud and honored to have been involved with every phase. Noble has established extensive and collaborative relationships with PG&E and their CCA implementation organization. Our partnership has granted us the ability to thoroughly test and vet our systems with PG&E. To that end, PG&E often asks Noble Solutions to help test their system enhancements and partner with them on many of their internal process improvement initiatives. Noble Solutions is the only vendor certified and proven to have the systems, processes and people in place to administer all the Mass Enrollment activities from notification to onboarding. These activities include: setting up a customized Customer Relationship Management (“CRM”) system, managing the data sets and Electronic Data Interchange (“EDI”) between all parties, reconciling data anomalies and errors, coordinating all customer notifications with the CCA’s print vendor to ensure statutory timelines are met, providing multiple opt-out vehicles (e.g. live CSR, Interactive Voice Recording (“IVR”), on-line), reconciling PG&E’s CCASR accept/reject responses and working with the CCA and TEA to ensure a seamless integration between the Mass Enrollment process and the energy procurement activity.

Noble Solutions’ best-in-class systems allow timely and complete customer enrollment with minimal errors. Noble Solutions has an audited successful customer account enrollment rate of over 99.99%.

For a better understanding of the complexities, dependencies and timeline, we have outlined the major Customer and Data Management Services milestones and included them in the Customer and Data Management Services implementation timeline located in the program timeline section.

Task 2.5: Rate Setting, including policies to encourage distributed generation

TEA will assist RCEA in rate setting and rate policy making. TEA’s approach will be to complete this task in a two-step process. The first step provides for the development of retail rates. This process will require the determination of overall revenue requirements, a method of allocating the cost of providing service so that the rates can be supported, development of the actual rates, and verification that the rates as designed will generate revenues sufficient to satisfy the overall revenue requirement for RCEA.

All relevant cost data will be crucial for adequate revenue determination. Data should include all applicable operating cost, capital cost, loan repayment and reserve requirements. The revenue

requirements will be allocated via a cost of service analysis to the appropriate customer classes (this list may be updated after receiving customer load data):

- Residential
- Residential CARE
- Small Commercial
- Medium Commercial
- Large Commercial
- Agriculture

Load, sales and load factor estimates developed as part of the initial load study will be used as input for each of the customer classes in order to facilitate allocation of the cost of service.

Rates will be designed for each of the customer rate schedules that are consistent with the methodology employed by PG&E so as to be comparable to PG&E rates (including move to two-tiered system as well as summer and winter rates). Testing will be conducted in order to verify that the rates will generate sufficient revenues to achieve the revenue requirements.

The second step will be to develop Feed in Tariff (“FIT”) and Net Energy Metering (“NEM”) rates that will be calculated using power cost data developed by TEA. A 100 percent renewable voluntary “opt-up” option may also be considered. TEA will work with RCEA and other local parties to design FIT and NEM rates that make sense for the goals and objectives of RCEA and the local community.

Renewable rates will also be developed for each of the customer class rate schedules identified in the initial step. TEA will provide the cost data for the resources used to meet these requirements as well as estimated sales and load information to facilitate rate development.

Phase 3: Program Operation (Years 2-5)

Once the CCA program begins enrolling customers, providing power and earning revenue, the program can settle into longer-term operations. At this point, the focus of the enterprise will shift from planning and launch to institutional capacity building, integrated power resource planning, regulatory engagement, and energy program design.

Programs that may be of interest to RCEA and which can be supported by its CCA program include Net Energy Metering, Feed in Tariffs, and enhanced funding for energy programs already sponsored by RCEA -- energy efficiency, demand response, PACE, community solar, electric vehicles, et al. RCEA may also wish to sponsor the development of local power projects in the future, although it takes time to develop both the credit capacity and expertise to engage in these efforts. For the initial years of the program, the team recommends sourcing power from various power generators and building a diversified portfolio that includes local, in-state and Pacific Northwest resources. A primary objective in the early years will be to accumulate net revenues for investment in local generation and demand-side programs.

An important component to Phase 3 will be the addition of a local CCA project director with CCA and energy expertise who will work full-time and be based in RCEA’s offices. This person will be the primary CCA resource to RCEA and will be responsible for program administration, local outreach and account

management activities, as well as expanded energy programs that RCEA may wish to offer. This program director will be supported by all project partners and will help to support many of the programs and functions outlined below. The roles and responsibilities for this person may be modified after discussing RCEA's internal resources and desired CCA staffing plan.

Task 3.1: Financing for initial power purchases and other short-term needs

A significant step towards creating a well-functioning, established business is a credit solution that will allow RCEA to procure power supply in wholesale energy markets. As part of this proposal TEA will provide a credit solution that will allow RCEA to transact with wholesale market participants using TEA's credit and contracts with counterparties. Under this arrangement, RCEA will effectively transact with TEA for all wholesale power supply requirements and TEA will transact with all market participants on RCEA's behalf. Further, TEA will use its credit facilities for all collateral required by CAISO to be a Scheduling Coordinator.

Under this proposed arrangement, TEA would be the risk management services provider for RCEA and will work with RCEA to establish prudent procurement and risk management policies and hedging guidelines. This would be part of an overall risk management program (see Task 3.2.8). Working in coordination with RCEA, TEA would require certain hedging guidelines, risk metrics, and credit policies to be in place that will be discussed during contract negotiations. Examples of possible contractual conditions may include:

- Minimum and maximum hedge volumes by tenor which are dependent on expected headroom and opt-out rates
- Maximum hedge tenor
- Credit exposure metrics with policies to remediate exposure when necessary
- Minimum financial reserve targets held by RCEA once operations commence and traditional commercial bank credit facilities become available
- Others as deemed appropriate through discussions between TEA and RCEA

Once RCEA is operational and traditional commercial credit facilities become available to it, TEA will continue to maintain the credit relationship with counterparties but anticipates that RCEA will obtain commercial financing and utilize a portion of available financing to establish a credit reserve fund supporting its long-term procurement, which will be required during contract negotiations. This solution provides a significant advantage to RCEA due to access to multiple counterparties, high level of price transparency and liquidity. This portion of the proposal is subject to the above contractual conditions plus TEA board approval.

At the time of initial power procurement, the partnership will assume full responsibility for posting the required \$100,000 bond and utility service fees and establishing the necessary credit support facilities with contract counterparties.

Task 3.2: Program Administration and Compliance

A key element of a successful CCA program rests on the development of a skilled and experienced team to manage program operations and build internal capacity over time. As referenced previously, there are several core functions required for CCA formation and long-term program administration. The project team will work with RCEA to create an administration plan that best supports initial program launch and early operations and builds internal staff capacity for a high level of program autonomy and independence by the end of the contract term.

Task 3.2.1: Regulatory and Legal Compliance

The partnership will provide regulatory and legislative monitoring as it affects CCAs in California. The partnership will prepare and submit to the CPUC the monthly and annual RA showings. The partnership will also provide monthly and annual load forecasts to the CPUC/CEC. In addition, the partnership will prepare and submit compliance filings to the appropriate regulatory bodies, including:

- Annual RPS Progress Reports and RPS Procurement Plans
- Additional CPUC reporting including Annual EPS Attestation, Annual SSP filing
- Additional CEC reporting including Historical load, Year-Ahead load forecasts, IEPR as applicable, routine quarterly reporting, and annual power mix report
- GHG Annual Summary
- Storage Biennial Progress Report
- Prepare and submit re-certification of CCA Implementation Plan as needed

TEA will monitor regulatory and compliance obligations and requirements associated with operating in the CAISO market. This effort includes performing a cross audit of supplier RA plans on a monthly basis. As SC, TEA collects all RA Supply Plans from the market and will settle any disputes in the RA showings with the supplier, CAISO and/or CPUC, as needed. This process is repeated monthly. As the SC, TEA will also perform the same cross audit function for the annual RA plan.

Task 3.2.2: Policy and program development

What truly makes Community Choice programs *local* are the initiatives developed and tailored specifically for CCA customers. And what makes CCAs so important in the context of an evolving electricity sector is the ability to become laboratories and local distribution channels for innovative programs. The CCA program director described above will work closely with RCEA, LEAN, TEA, and local stakeholders to expand and design programs appropriate for the customer base and load profile for Humboldt County. These programs would build on the extensive set of programs already offered by RCEA and could include but are not limited to:

- **Local Renewable Energy Procurement:** Feed-in-tariffs and competitive net energy metering tariffs are just two tools in the CCA toolkit to accelerate the development of local, distributed energy resources. RCEA could also take the path of proactively identifying potential sites and issuing one RFP for multiple projects in order to gain some economies of scale in terms of pricing. Community solar programs offer people who cannot have their own individual PV systems a chance to contribute to clean energy development. Local energy development and

asset ownership is an important rate-stability strategy that helps protect the CCA from the long-term volatility of energy markets.

- **Demand Response/Energy Efficiency:** Like RCEA, Marin Clean Energy has chosen to manage its own energy efficiency initiatives and has received funding through the State and CPUC to support those efforts. Sonoma Clean Power has focused more on load shifting through demand response tools. Which avenue is most appropriate for Humboldt (or hybrid of the two) can be determined through on-going analysis and stakeholder consultation. Our project team is happy to work with RCEA to build upon existing energy efficiency and demand response programs including access to additional sources of funding to support those efforts.
- **Energy Storage and Other Programs:** Energy storage is now a requirement for all load-serving entities, including CCAs, and the market is on the cusp of major technology advancements that will make energy storage much more financially attractive. CCAs can help lead this new direction by developing programs and providing incentives for customers to invest in storage and design full-fledged microgrids. Again, with all of these programs, your CCA team will bring best practices from other programs and will work with RCEA to design innovative approaches that can be replicated by other Community Choice programs. Our effort will be to innovate with the goal of making Humboldt a model for others to emulate.

Task 3.2.3: On-going communications and outreach to CCA customers

Once the program is launched and customers have been enrolled, the communications and outreach efforts will shift from a high-visibility marketing and advertising campaign to one of a steady, positive presence in local communities. Continued participation in community events will be supported by marketing and PR opportunities (e.g. sponsorships) as well as on-going media and press coverage. As a first point of contact, the CCA call center will also be a critical element of customer service and customer feedback. Key tasks include:

- Tracking and management of customer complaints/issues, with corrective steps in policy, procedure, scripting, etc.
- Create long-term marketing plan to expand and maintain local brand-awareness and create a positive presence in the community
- Develop additional creative materials to build on initial marketing campaign, capitalizing on media channels that were most effective during initial enrollment and launch phase; consider creation of a second ad campaign and media buy to strengthen and maintain brand acceptance
- Develop promotional outreach materials to encourage opting up to higher renewable levels and greater energy efficiency
- Ensure that RCEA is prepared for enrollment of additional cities and the marketing and outreach required to expand to new communities

Noble Solutions will provide the customer service and call center functions for RCEA, as they have for all operational CCAs.

Customer Call Center:

- Provide professional Interactive Voice Response (“IVR”) recordings for CCA customer call center.
- Provide option for IVR self-service and track how many customers start and complete self-service options without live-agent assistance.
- Staff a call center, during any CCA Statutory Enrollment Period, 24 hours a day 7 days a week to process opt out requests.
- Staff a call center during Non-Enrollment Period between the hours of 7 AM and 7 PM PPT Monday through Friday, excluding CCA and PG&E holidays.
- Provide sufficient call center staffing to meet the requirements set forth herein, including designating CCA specific agents to the extent needed to provide for full functionality.
- Provide sufficient number of Data Manager Experts are available to manage escalated calls between the hours of 8 AM and 5 PM PPT Monday through Friday, excluding CCA and PG&E holidays (“Regular Business Hours”).
- Provide callers with the estimated hold time, if applicable. Provide an automated ‘call back’ option for callers who will be put on hold for an estimated five minutes or longer.
- Record all inbound calls and make recordings available to CCA staff upon request. Maintain an archive of such recorded calls for a minimum period of 24 months.
- Track call center contact quality with criteria including:
 - Use of appropriate greetings and other call center scripts
 - Courtesy and professionalism
 - Capturing key customer data
 - Providing customers with correct and relevant information
 - First-contact resolution
 - Accuracy in data entry and call coding
 - Grammar and spelling in text communication (email and chat)
- Evaluate customer satisfaction through voluntary customer surveys that ask general questions about call quality, call resolution, and how satisfied the customer was with the service received.
- Respond to customer emails.
- Receive calls from CCA customers referred to Data Management Provider by PG&E and receive calls from CCA customers choosing to contact Data Management Provider directly without referral from PG&E.
- Provide the call center number on PG&E invoice allowing CCA customers to contact the call center. Collect and/or confirm current email, mailing address and phone number of customers and add to or update database during inbound call.
- Collect permission (via voice recording, email request, or electronic form submittal) from customers to send electronic correspondence instead of printed mail.
- Respond to telephone inquiries from CCA customers using a script developed and updated quarterly by CCA. For questions not addressed within the script, refer inquiries either back to PG&E or to CCA.
- Respond to customer inquiries within 24 hours, excluding weekends and holidays, including inquiries received either through telephone calls, email, fax or web-portal.
- Offer bi-annual cross training to PG&E call center in coordination with CCA.

- Ensure monthly status reports are provided during the first week of each month.
- Provide weekly status reports during Statutory Enrollment Periods.
- Use commercially reasonable efforts to make Spanish speaking call center staff available to customers during Regular Business Hours.
- Provide translation services for inbound calls for the following languages; (up to ten)
- Create and maintain forms for the CCA websites so that customers may change their account status to enroll or opt out of various CCA programs.
- Host CCA meetings with call center management and representatives on a monthly basis.
- Service levels
 - Ensure that a minimum of 75% of all calls will be answered within 20 seconds during Non-Enrollment Periods.
 - 100% of voicemail messages answered within one (1) business day.
 - 100% of emails receive an immediate automated acknowledgement.
 - 95% of emails receive a customized response within one (1) business day.
 - 100% of emails receive a customized response within three (3) business days.
 - Achieve a no greater than 10% abandon rate for all Non-Enrollment Period calls.

Noble Solutions utilizes robust Interactive Voice Response (“IVR”) technology which allows customers to retrieve specific CCA program and customer information. Users also have the ability to perform program specific tasks within the IVR including, but not limited to, opt-up, opt-down, and opt-out functionality. Users may elect to use the “virtual queue” functionality which provides the option to keep their place in line without staying on the phone or schedule a “call back” at the user specified time and number.

The contact center for The CCA will be staffed 24 hours a day, 7 days a week during enrollment periods and 7 a.m. to 7 p.m. during non-enrollment periods. Noble Solutions’ utilizes a contact center with multiple tiers related to customer service representative (“CSR”) expertise. The first tier of CSRs are handle calls related to general CCA and program specific information as well as performing tasks associated with program elections. The second tier of agents are able to handle more involved customer inquiries, such as billing and net-energy metering (“NEM”) inquiries. The third tier of calls consists of CCA, program, and energy industry experts comprised of Noble Solutions staff with extensive customer service and technical experience. With a large call center, Noble Solutions is able to handle call volume spikes.

Noble Solutions staff, in coordination with partnership and RCEA staff, will have at their disposal a complete script which includes information related to the program, rates, and resource portfolio. CSRs are trained on specific program information and also have an extensive set of answers to frequently asked questions. A cost comparison tool will also be used which allows the CSR to compare a customer’s energy delivery charges between CCA and PG&E.

CSRs, partnership staff, and RCEA staff will have access to a Customer Relationship Management (“CRM”) application which houses customer interactions (phone calls, emails, letters, etc.), billing, usage, and program election information. The CRM also houses images of PG&E invoices related to CCA

charges. Additional CRM functionality includes the ability to track the success of CCA marketing and outreach programs.

Noble Solutions will provide a set of web forms to be integrated into the CCA website allowing customers the option to perform program related tasks including, but not limited to, opt-up, opt-down, or opt-out from the CCA website. These program changes are integrated into the CRM during an hourly sync process.

Noble Solutions is committed to high quality customer interactions. To that end, in addition to a “Customer Satisfaction Survey” offered to the customer at the conclusion of each call, Noble Solutions utilizes commercially reasonable quality assurance processes and performs continuous CSR training.

Noble Solutions will be responsible for Customer Care management, oversight and quality control.

Task 3.2.4: Accounting services

Noble Solutions will provide the following non-financial accounting services, as they have for all operational California CCAs: Electronic Data Exchange Services, Customer Information System (“CIS”) and Customer Relationship Management System (“CRM”), Billing administration, Qualified Reporting Entity (“QRE”) Services, Settlement Quality Meter Data Services, and Statistics and Reporting.

Electronic Data Exchange Services:

- Process CCASRs from/to PG&E which specify the changes to a customer’s choice of services such as enrollment in CCA programs, customer initiated returns to bundled utility service or customer initiated returns to direct access service (814 Electronic Data Interchange Files).
- Obtain all customer usage data from PG&E’s MDMA server to allow for timely billing (according to PG&E requirements) of each customer (867 Electronic Data Interchange Files).
- Maintain and communicate the amount to be billed by PG&E for services provided by CCA (810 Electronic Data Interchange Files).
- Receive and maintain all data related to payment transactions toward CCA charges from PG&E after payment is received by PG&E from customers (820 Electronic Data Interchange Files).
- Process CCASRs with PG&E when customer status changes.
- Data Management Provider shall participate in the Customer Data Acquisition Program (“CDA”) beta testing for SmartMeter data sharing as CCA’s Data Manager.

Noble Solutions has been very active in the Direct Access and CCA EDI working group arena, from its inception in the mid-1990s. Noble Solutions is the only EDI CCA certified data manager in California. Because of our in-depth knowledge and experience, EDI testing with PG&E for the City’s CCA implementation is expected to only include connectivity testing, further expediting the enrollment process which is only expected to take one week. Noble Solutions is experienced in all EDI data

communications with PG&E and handles over a million PG&E EDI transactions every month. The table below depicts a typical 2015 month for Noble Solutions with respect to count of PG&E EDI transactions:

EDI File Type	Total
824 Advice	10,449
820 Cash	340,577
814 Change	26,907
814 Drop	13,708
814 Enroll	27,239
867 Historical	12,420
867 Monthly Usage	442,039
810 Invoice	352,333
Total	1,225,672

Customer Information System (“CIS”) Customer Relationship Management System (“CRM”):

- Maintain an accurate database of all eligible accounts who are located in the CCA service area and identify each account’s enrollment status (opt out, program enrollment), rate tariff election(s), payment history, collection status, on-site generating capacity, if applicable, and any correspondence with customer as well as other information that may become necessary to effectively administer CCA as mutually agreed to by parties from time to time.
- Allow CCA to have functional access to the online database to add customer interactions and other account notes.
- Allow CCA to view customer email or written letter correspondence within online database.
- Maintain and provide as needed historical usage data on all customers for a time period equal to the lesser of either (a) the start of service to present or (b) five years.
- Until a cloud based storage solutions for SmartMeter historical usage data is implemented, Data Management Provider will store SmartMeter historical usage data, as received by the MDMA, for a 48 hour window.
- Maintain viewing access, available to appropriate CCA staff, to view PG&E bills for CCA customers, including supporting the intuitive parsing and labeling of PG&E provided files. Maintain accessible archive of billing records for all CCA customers from the start of CCA Service or a period of no less than five years.
- Maintain and communicate as needed record of customers who have been offered service with CCA but have elected to opt out, either before or after starting service with CCA.

- Maintain and communicate as needed records of Net Energy Metering credits and generation data for customers to be posted on bill and settled annually.
- When requested by CCA, place program charges on the relevant customer account, identified by SAID.
- Identify customers participating in various CCA programs in database.
- Include various program payment information in all relevant reports.
- Perform quarterly CCA program reviews to assess appropriate customer charge level.
- Maintain all customer data according to CCA's customer privacy policy and the requirements of relevant California Public Utilities Commission Decisions including D.12-08-045, including a daily backup process.
- Maintain a Data Management Provider Security Breach Policy.

Billing Administration:

- Maintain a table of rate schedules provided by CCA.
- Send certain CCA program charges for non-CCA customers, when supported by PG&E, based on information provided to Data Management Provider by CCA.
- Send certain CCA program charges as a separate line item to PG&E for placement on monthly bill during term of repayment.
- Apply PG&E account usage for all CCA customers against applicable rate to allow for customer billing.
- Review application of CCA rates to PG&E accounts to ensure that the proper rates are applied to the accounts.
- Timely submit billing information for each customer to PG&E to meet PG&E's billing window.
- Use commercially reasonable efforts to remedy billing errors for any customer in a timely manner, no more than two billing cycles.
- Assist with annual settlement process for Net Energy Metering customers by identifying eligible customers, providing accrued charges and credits, and providing mailing list to CCA designated printer.
- Provide customer mailing list to CCA designated printer for new move-in customer notices and opt out confirmation letters routinely within 7 days of enrollment or opt out.
- Send a CCA provided letter to customers that are over certain days and certain dollars overdue. If no payment is received from the customer within certain days of notice being sent, issue a CCASR to return customer to PG&E.

Noble Solutions has over fifteen years of experience providing invoices to energy customers. Noble Solutions invoices approximately 1.5 million transactions per month with an audited accuracy rate above 99.95%.

Qualified Reporting Entity (“QRE”) Services:

- Consistent with terms and conditions included in the Qualified Reporting Entity Services Agreement(s) between CCA and Data Management Provider, serve as QRE for certain locally situated, small-scale renewable generators supplying electric energy to CCA through its feed-in tariff (“FIT”).
- Submit a monthly generation extract file to WREGIS on CCA’s behalf, which will conform to the characteristics and data requirements set forth in the WREGIS Interface Control Document for Qualified Reporting Entities.
- Data Management Provider shall receive applicable electric meter data from PG&E for CCA FIT projects, consistent with PG&E’s applicable meter servicing agreement, and shall provide such data to CCA for purposes of performance tracking and invoice creation.

Settlement Quality Meter Data Services:

- Data Management Provider shall provide CCA’s designated Scheduling Coordinator (“SC”) (TEA) with Settlement Quality Meter Data (“SQMD”) as required from SC’s by the CAISO.

Outside of one utility in Michigan, California is the only market where Electric Service Providers and Community Choice Aggregators report their own load (aggregated customer usage) to the Independent System Operator for settlement purposes. The sophistication and experience needed to accomplish this seemingly mundane task cannot be understated. Many Electric Service Providers have underestimated the systems and processes required to operate flawlessly in order to perform this task accurately and timely, especially for a large count of accounts. Noble Solutions views this service as a competitive differentiator and asks RCEA to give specific attention to this task when assessing respondents’ qualifications. This task/service is one of the greatest program risks and must be addressed by choosing a provider that is extremely experienced in this function over a large count of accounts. To successfully perform this task, it takes a level of quality control that can only be accomplished with significant expertise and experience of both systems and people.

Statistics and Reporting:

Report	Frequency	Delivery Method
Aging	Weekly, Monthly	SFTP
Call Center Stats	Weekly, Monthly	Email
Cash Receipts	Weekly, Monthly	SFTP
County Invoice Summary Reports	Monthly	SFTP
Days To Invoice	Weekly, Monthly	SFTP
Program Opt Up with Address	Weekly, Monthly	SFTP

Report	Frequency	Delivery Method
Utility User Tax (UUT) where applicable	Monthly	Email
Invoice Summary Report	Weekly, Monthly	SFTP
Invoice Summary Report – Mid Month	Monthly	SFTP
Monthly Transaction Summary	Monthly	Email
Opt Out with Rate Class	Weekly, Monthly	SFTP
Retroactive Returns	Monthly	Email
Sent to Collections	Monthly	Email
Snapshot	Weekly	SFTP
Snapshot with Addresses	Weekly	SFTP
Unbilled Usage	Monthly	SFTP
Full Volume Usage by Rate Class	Monthly	SFTP

Note: Any data within Noble Solutions' systems can be reported in any frequency.

Financial Accounting

The partnership expects RCEA may want to maintain most or all of this function for reasons of separation of duties and fiduciary oversight. However, the partnership will fully support any functional element RCEA wishes it to fulfill. This could include the partnership sub-contracting for financial accounting and audit services with one of many accounting firm relationships it has or assisting RCEA in expanding its existing accounting relationships or developing a new one. In any case, the partnership will provide data in a format easily consumed and analyzed by RCEA's selected accounting firm.

Task 3.2.5: Wholesale power procurement operations

TEA is a certified Scheduling Coordinator ("SC") in the CAISO market and will provide a comprehensive suite of SC and related services to fulfill the requirements of an SC. The following activities are a partial list of the duties and responsibilities that TEA anticipates providing RCEA:

- Maintaining credit facilities with CAISO
- Daily forecasting of RCEA hourly loads
- Submit demand bids to DA market
- Coordinating with generation operators to forecast generation
- Submit supply bids to DA market (both economic and self-schedule)
- Coordination of unit outages with generation operators and CAISO
- IST for system power transactions
- Import schedule, as required, campus, including preparing e-tags
- Annual and monthly RA submittals
- Settlement validation and allocation of costs to direct access campuses

- CRR bid strategy development and implementation
- CAISO regulatory monitoring

Task 3.2.6: Long-term power procurement

Consistent with RCEA's renewable and GHG goals, its integrated resource plan (see Section 3.3) and hedging strategies developed as part of Task 3.2.8, TEA will issue RFPs for power supplies, as well as assist with evaluating bids and negotiating power sales agreements.

Task 3.2.7: Financial planning

TEA will develop and maintain a financial model of RCEA's income and cash flows that will form the basis for a variety of applications including, but not limited to, annual budgeting and financial planning, ongoing risk analysis (both retail rate competitiveness and wholesale market risks), as well as form the basis for establishing RCEA's annual revenue requirement. TEA anticipates that the cost of service and rate design modules developed during Phase 2 will be integrated with this financial planning model, as well. The building blocks of TEA's overall approach include the following:

- **Financial Model:** Using the Pro Forma model developed during the technical study as the starting point, TEA will build a financial model of RCEA's financial projections which typically include load, resources with associated costs, market prices, various fixed costs and CAISO fees, executed short-term market transactions and any other variables, as necessary, to inform a complete cost picture for RCEA. TEA will coordinate with RCEA staff on all necessary inputs required to derive an accurate financial projection.

The financial model will be updated daily with the most recent market price information and hedge transactions. RCEA will have on-demand access to the most recent financial model runs through a web portal.

- **Risk Model:** TEA has developed a proprietary modeling framework for generating stochastic variables that will be applied to its risk analysis for RCEA. The risk model generates a thousand scenarios of cash flows by using stochastic inputs for several variables that typically include:
 - Market implied heat rates
 - Natural gas prices
 - Power prices
 - Load
 - Variable Energy Resource generation and volatility
 - Others as requested

These variables are correlated with one another based on historical relationships. Ultimately, the Risk Model will be used as an important component to the entire risk management function including calculating potential variability in RCEA's cash flows. This information will be critical for assessing the need for short-term hedging transactions, establishing adequate financial reserve funds, and for setting retail rates.

- **Monthly Risk Reports:** TEA will create monthly risk reports that will measure RCEA financial performance and potential uncertainty, therein. These reports will then inform discussions with RCEA as part of the continual risk management process.

Task 3.2.8: Undertaking continual risk management

TEA proposes to establish a formal framework for performing continual risk management that will be documented in a RCEA Board approved risk management policy and procedures document. In addition to documented risk reporting requirements, TEA proposes a standing quarterly meeting during which time CCA risks are reviewed, discussed, and as appropriate, risk mitigation strategies are reviewed and approved.

TEA anticipates the quarterly meeting will employ a collaborative team approach composed of TEA and RCEA staff. TEA will be responsible for synthesizing all information into a single document/presentation that can be reviewed during the meeting, and once approved, will serve as the approved strategy guide for TEA market activities during the prompt quarter. The agreed upon strategy will be prepared consistent with reliability requirements, RCEA renewable and GHG goals, financial goals and risk policies and procedures. The strategy will incorporate TEA's current market outlook and discussion of expected loads and resources.

Task 3.3: Long-Term Planning

TEA will prepare for RCEA an Integrated Resource Plan ("IRP"), and update as necessary, consistent with the requirements of SB350, which requires any load serving entity with annual electricity consumption exceeding 700 gigawatt-hours² per year, to adopt an IRP and a process for updating the plan at least once every five years to ensure, among other things, that each CPUC jurisdictional load-serving entity (including community choice aggregators) meet the state's greenhouse gas emission reduction targets and procures resources to meet the 50% RPS by 2030 target. TEA's activities will include working with RCEA to submit the IRP to the California Energy Commission and correct any deficiencies identified by the CEC.

TEA anticipates that the tasks completed in developing an IRP will include the following:

- TEA will develop a load forecast of RCEA's load that extends to a 20 year study period. Included in this load forecast will be an analysis of the impacts of demand-side resource management including energy efficiency, distributed generation, and demand response.
- TEA will create a model of RCEA's long-term financial function analyzing a 20 year study period. The financial model will characterize the economics of RCEA's existing portfolio on a monthly and annual granularity along with monthly diurnal load/resource balance. The model will include data necessary to determine financial performance metrics that are commonly used and understood by RCEA management.
- TEA will collect economic data from a variety of sources for combined and simple cycle combustion turbines, wind and utility scale renewable resources. TEA will also include local resource options that RCEA may wish to consider and/or acquire. Utilizing a levelized (lifecycle) cost of energy methodology, TEA will aggregate resource, regulatory, and market assumptions to model projected RCEA resource costs.

² For purposes of responding to this RFP, TEA has assumed that RCEA's annual electricity consumption will exceed the 700 GWh threshold.

- TEA will analyze forecasted market conditions and consider future political and legislative uncertainties, such as carbon pricing and amending state renewable portfolio standards that may affect resource planning decisions. This information will be used to determine the quantity of wind, solar, energy storage, other renewable and gas generation capacity that likely will be added or retired in the California and broader western regional market over the study period. TEA will project resource costs under a variety of market environments that simulate utilize high, medium, and low annual hydro production, fuel and power prices, and market heat rates. Based on the above analysis TEA will present resource options that include costs and a discussion of the relative risk of each resource.
- Based on the above analysis TEA will project portfolio options for RCEA that include cost and a discussion of the relative risk of each respective option. TEA will work with RCEA to recommend portfolios that strive to achieve minimal levels of risk relative to cost, consistent with RCEA's renewable and GHG goals.
- TEA staff will work with RCEA to identify the main areas of strategic focus and ultimate goals for the use of this IRP that may extend beyond the minimum requirements of SB350.

Task 3.4: Additional Phase 3 Tasks

The partnership believes our proposal provides RCEA with a comprehensive and proven approach to launch and operate its CCA program in the early stages. As market conditions, technology, regulatory policy and RCEA's own objectives evolve over time, we look forward to collaborating on potential expansion into new communities and implementation of future CCA program innovations.

Program Timeline

<div> <div>Phase I</div> <div>Phase II</div> <div>Phase III</div> </div>		
Program Development	Program Launch	Operations
0-6 Months	6-12 Months	Years 2-5
<ul style="list-style-type: none"> • JPA Agreement amended • Technical study completed • Branding, website and collateral design • Community and local government outreach • Passage of CCA ordinances • Implementation Plan drafted • Operations, budget, and staffing plan developed 	<ul style="list-style-type: none"> • Implementation Plan Certified • Data management, accounting, and back office functions established • Utility service agreement, regulatory registrations, bond posting • Power procurement and contracting • Rate design/rate setting • Public outreach and marketing campaign • Customer notifications/enrollment period 	<ul style="list-style-type: none"> • Ongoing power supply services (scheduling, etc.) • Development of Integrated Resource Plan • Customer account management • Community outreach and marketing • Regulatory and legislative affairs • Ancillary program design -- net energy metering, feed in tariff, energy efficiency/demand response programs, EV's etc. • Enrollment of additional communities

Customer and Data Management Services Implementation Timeline

	Duration	Start	End
Contracts Executed			Day 1
Designated as Back office Service Provider with the Utility	7 days	Day 2	Day 9
EDI Certification	30 days	Day 9	Day 39
Infrastructure & Application Configuration	84 days	Day 5	Day 89
List of Phase 1 Customers	N/A	Day 40	
CRM Install and Configuration	56 days	Day 5	Day 61
FAQ Approval	14 days	Day 2	Day 16
IVR and CSR Scripting Approval	14 days	Day 12	Day 26
Website iFrames Template Review and Approval	14 days	Day 12	Day 26
Website iFrames Design and Construction	28 days	Day 26	Day 54
IVR Recordings	21 days	Day 30	Day 51
IVR Programming	21 days	Day 51	Day 72
Print Vendor Selection	N/A	Day 50	
Print Vendor Collaboration and Testing	14 days	Day 50	Day 64
Phone Center Training	21 days	Day 45	Day 66
Rate Design and Approval	N/A	Day 75	
Program Rates	63 days	Day 75	Day 138
Report Programming	21 days	Day 95	Day 116
1st Opt-out Period	30 days	Day 90	Day 120
2nd Opt-out Period	30 days	Day 120	Day 150
Utility Account Set Up	30 days	Day 150	Day 180
1st Accounts Switch	30 days	Day 180	Day 210
1st Full Cycle bills	N/A	Day 210	
3rd Opt-out Period	30 days	Day 210	Day 240
4th Opt-out Period	30 Days	Day 240	Day 270

Cost Proposal

Our updated indicative fee proposal to provide the requested services is summarized in the table below. Assuming a CCA comprised of 55,914 accounts and 695,165 MWh of annual energy load, our refreshed indicative fee equates to \$4.50 per MWh.

To help lower our indicative fee, we are now proposing to separate our fee into the following components: fixed cost, fixed cost per account per month, and fixed cost per MWh. This structure allows our team to reduce the risk premium associated with uncertainty in RCEA load by more closely aligning our proposed fee with the underlying cost drivers. As requested, the partnership remains willing to defer all fees until Phase 3, commencement of program revenues. Presuming that RCEA covers the cost of its existing internal staffing, in combination with TEA covering credit requirements for power procurement, this eliminates the need for RCEA to obtain financing for working capital. Costs, exclusive of deferral of Phase 1 and 2 costs, are proposed to be adjusted annually for changes in the CPI beginning on the second anniversary of contract execution.

At the end of Phases 1 and 2, the partnership and RCEA will meet to assess whether to continue to the next phase of work. RCEA will have no obligation to compensate the partnership members for Phase 1 activities if it elects to terminate work following Phase 1. If RCEA elects to terminate work after commencing Phase 2 or 3, we propose that during contract negotiations, the partnership and RCEA establish a “break fee” or termination payment to be paid upon separation reflecting a sharing of the costs and risks associated with Phase 2 or later activities.

Company	Scope of Work	Years 2-5					Year 6 and Beyond				
		Annual Fixed Cost	Per Account Per Month	Per MWh	Annual Cost (Notes 1,2)	Indicative Cost \$/MWh (Note 3)	Annual Fixed Cost	Per Account Per Month	Per MWh	Annual Cost (Notes 1,2)	Indicative Cost \$/MWh (Note 3)
TEA	Portfolio Management/Rates/Procurement	\$ 295,000			\$ 295,000	\$ 0.42	\$ 295,000			\$ 295,000	\$ 0.42
	Scheduling Coordination	\$ 270,000			\$ 270,000	\$ 0.39	\$ 270,000			\$ 270,000	\$ 0.39
	Credit Support (Note 4)			\$1.00	\$ 695,165	\$ 1.00			\$ 1.00	\$ 695,165	\$ 1.00
	Amort. of Phase 1 & 2 Fixed Costs - Technical Study & Implementation	\$ 82,000			\$ 82,000	\$ 0.12				\$ -	\$ -
LEAN	Project Development & Operations Support (Notes 5,6)	\$ 275,000			\$ 275,000	\$ 0.40	\$ 275,000			\$ 275,000	\$ 0.40
	Communications/Marketing (Note 7)	\$ 210,000			\$ 210,000	\$ 0.30	\$ 185,000			\$ 185,000	\$ 0.27
	Legal, Regulatory, Legislative (Note 8)	\$ 125,000			\$ 125,000	\$ 0.18	\$ 110,000			\$ 110,000	\$ 0.16
	Amort. of Phase 1 & 2 Fixed Costs - Project Development	\$ 82,000			\$ 82,000	\$ 0.12				\$ -	\$ -
	Amort. of Phase 1 & 2 Fixed Costs - Marketing	\$ 101,000			\$ 101,000	\$ 0.15				\$ -	\$ -
	Amort. of Phase 1 & 2 Fixed Costs - Legal, Regulatory, Legislative	\$ 37,000			\$ 37,000	\$ 0.05				\$ -	\$ -
Noble	Data Management		\$ 1.27		\$ 852,129	\$ 1.23		\$ 1.27		\$ 852,129	\$ 1.23
	Call Center		\$ 0.15		\$ 100,645	\$ 0.14		\$ 0.15		\$ 100,645	\$ 0.14
Total						\$ 4.50					\$ 4.00

- Notes**
1. Costs assume all services are contracted; final pricing to incorporate changes in scope.
 2. Costs to be adjusted annually by CPI beginning on the second anniversary of contract execution date. Amortized costs are not subject to CPI adjustment.
 3. Indicative \$/MWh Cost assumes 55,914 meters and 695,165 MWh annual load starting Year 2. Actual usage does not affect Annual Fixed Costs or Per Account Per Month costs.
 4. Credit support charge may be reduced to the extent RCEA self-provides credit for procurement, e.g. PPAs with local resources.
 5. Year 1 includes 100-110 hours per month inclusive of 2 project managers and 1 administrative coordinator, travel, and overhead.
 6. Years 2-5 includes 80-100 hours per month inclusive of 2 project managers and 1 administrative coordinator, travel and overhead.
 7. Current marketing estimate does not include stakeholder workshops/presentations since RCEA is already coordinating those. It does include print services that RCEA may wish to contract for locally.
 8. Includes regulatory monitoring/joint action, 25-30 hours/year general counsel, and legislative tracking; does not include Humboldt-specific filings at the CPUC or contract lobbyist in Sacramento

Further clarification of scope is likely to occur during contract negotiations, and our team remains open to discussing refinements of the scope of services. A final agreement is subject to negotiation of a service agreement, agreement upon pricing, and approval by RCEA and TEA Boards.

Anti-Collusion Statement

Attachment A

ANTI-COLLUSION STATEMENT FORM

The undersigned Proposer has not divulged to, discussed, or compared his/her proposal with other Proposers and has not colluded with any other Proposer whatsoever. Additionally, the undersigned Proposer asserts and certifies that, to the best of the undersigned's knowledge, no person involved in the development of this proposal has divulged to, discussed, or compared this proposal with other Proposers and has not colluded with any other Proposer whatsoever.

I certify that this proposal is made without prior understanding, agreement or connection with any corporation, firm or person submitting a proposal for the same service, and is in all respects fair and without collusion. I agree to abide by all conditions of these proposal specifications and I certify that I am authorized to sign this proposal.

(Please type or print below)

Executed under penalty of perjury on this 22nd day of January, 2016 at 10:00 AM.

SIGNED: _____



NAME: Jamie Mahne

TITLE: Vice President, Client Services

ORGANIZATION: The Energy Authority, Inc.

Conflict of Interest Statement

TEA and its partners are unaware of any personal and/or business relationship that would represent a conflict of interest for the project team in providing the requested CCA formation and operational services outlined herein.

Appendices of Additional Information

Appendix A - Company Profiles

Appendix B - Key Staff Qualifications

Appendix C - Partner References