

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Address
Utility Cost and Revenue Issues Associated
with Greenhouse Gas Emissions.

Rulemaking 11-03-012
(Filed March 24, 2011)

**PREHEARING CONFERENCE STATEMENT OF
MARIN ENERGY AUTHORITY**

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April 21, 2011

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The Marin Energy Authority (“MEA”) respectfully submits this Prehearing Conference Statement in accordance with the Order Instituting Rulemaking, issued March 30, 2011 (“Order Instituting Rulemaking”). In particular, this statement addresses several scoping issues impacting community choice aggregators (“CCAs”), including (i) the equitable distribution of emissions allowances among investor-owned utilities (“IOUs”) and other load-serving entities (“LSEs”), including CCAs; and (ii) the treatment of combined heat and power (“CHP”) within the Assembly Bill (“AB”) 32 framework.

I. INTRODUCTION

The Marin Energy Authority is a not-for-profit public agency formed by the County of Marin and seven Marin towns and cities. MEA was founded with objectives that included helping its member communities meet the greenhouse gas (“GHG”) reductions set forth in AB 32 and increasing the renewable content of electricity delivered to Marin customers. As such, MEA adopted the following mission statement:

The purpose of the Marin Energy Authority is to address climate change by reducing energy related greenhouse gas emissions and securing energy supply, price stability, energy efficiencies and local economic and workforce benefits. It is the intent of MEA to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar and wind energy production at competitive rates for customers.

MEA launched California's first Community Choice Aggregation program on May 7, 2010. MEA's March 2011 Semi-Annual Renewables Portfolio Standard Compliance Report indicated that MCE provides its customers with over 27% RPS-eligible renewable energy – a higher percentage than any other California energy service providers or utilities. The clean power supplied by Marin Clean Energy reduces annual greenhouse gas emissions by approximately 68,595 tons, the equivalent of taking nearly 12,000 cars off the road each year.

II. COMMISSION RULES DEVELOPED IN THIS PROCEEDING WILL NEED TO ADDRESS SEVERAL COMMUNITY CHOICE AGGREGATION-SPECIFIC ISSUES

One key component of the deployment of GHG emission rules for CCAs is the distribution of emissions allowances to non-IOU LSEs. As noted in the Order Instituting Rulemaking, the proposed regulations of the California Air Resources Board (“CARB”) would “allocate all emissions allowances in the electricity sector to ‘electrical distribution utilities’ . . . [a term that] does not include Electric Service Providers and Community Choice Aggregators.” (Order Instituting Rulemaking at 7.) The scope of the proceeding will therefore need to encompass the methodology for determining a pass-through of emissions allowances to non-IOU LSEs such as CCAs, taking into consideration factors such as early action taken by LSEs. (*See* Order Instituting Rulemaking at 11.)

Furthermore, the Commission is instructed, pursuant to the December 16, 2010 CARB resolution, to work with CARB to “ensure that the proposed allowance value directed to the electric distribution utilities is used for the benefit of... ratepayers... and for the purposes of AB

32.” (Order Instituting Rulemaking at 9-10.) MEA seeks to ensure that CCAs have equal access to provide programs and benefits pursuant to the resolution.

MEA therefore believes that a primary focus of this proceeding should be to address how these benefits should be allocated to all customers on an equitable basis so that the funds to be received do does not provide any economic or competitive benefit to the IOUs.

III. CONCLUSION

While these issues do not begin to comprise the suite of issues CCAs will face, they frame key issues that the Commission will need to consider in its development of rules addressing cost and revenue issues associated with GHG emissions.

MEA expresses its appreciation to the Commission, Assigned Commissioner Peevey and Assigned Administrative Law Judge Hecht for their consideration of the matters discussed herein.

Respectfully submitted,

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Dated: April 21, 2011

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing *Prehearing Conference Statement of Marin Energy Authority* on all parties of record in *R.11-03-012* by serving an electronic copy on their email addresses of record and, for those parties without an email address of record, by mailing a properly addressed copy by first-class mail with postage prepaid to each party on the Commission's official service list for this proceeding.

This Certificate of Service is executed on April 21, 2011, at San Rafael, California.



Michelle Dangott

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