



**REGULAR MEETING
of the Community Advisory Council (CAC)**

Tuesday, July 10, 2018

6:00 pm

Monterey Bay Community Power

70 Garden Court, Suite 300

Monterey, CA 93940

(Parking Instructions at End of Agenda)

AGENDA

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact Bren Lehr, CAC Clerk, at 831-641-7203 or blehr@mbcommunitypower.org. Requests should be made as soon as possible but at least 72 hours prior to the scheduled meeting.

If you have anything that you wish to be distributed to the Council please email or hand it to a member of MBCP staff or Bren Lehr, CAC Clerk who will distribute the information to the CAC members and other staff.

1. **Welcome and Introductions**
2. **Clerk to Call Meeting to Order**
3. **Roll Call, Installation and Council Member Oath of Offices**
4. **Community Advisory Council Introductions**
Community Advisory Council Members to Provide a Brief Introduction
5. **Consideration of Late Additions and/or Deletions to Consent and Regular Agendas**
6. **Public Comment for Matters Not Listed on the Agenda**
The public may provide comments on any item not on the Agenda but the CAC members may not take action at this meeting on any item not listed on the Agenda other than to refer the matter to staff or set it for a future meeting. Speakers are limited to 3 minutes each.

REGULAR AGENDA

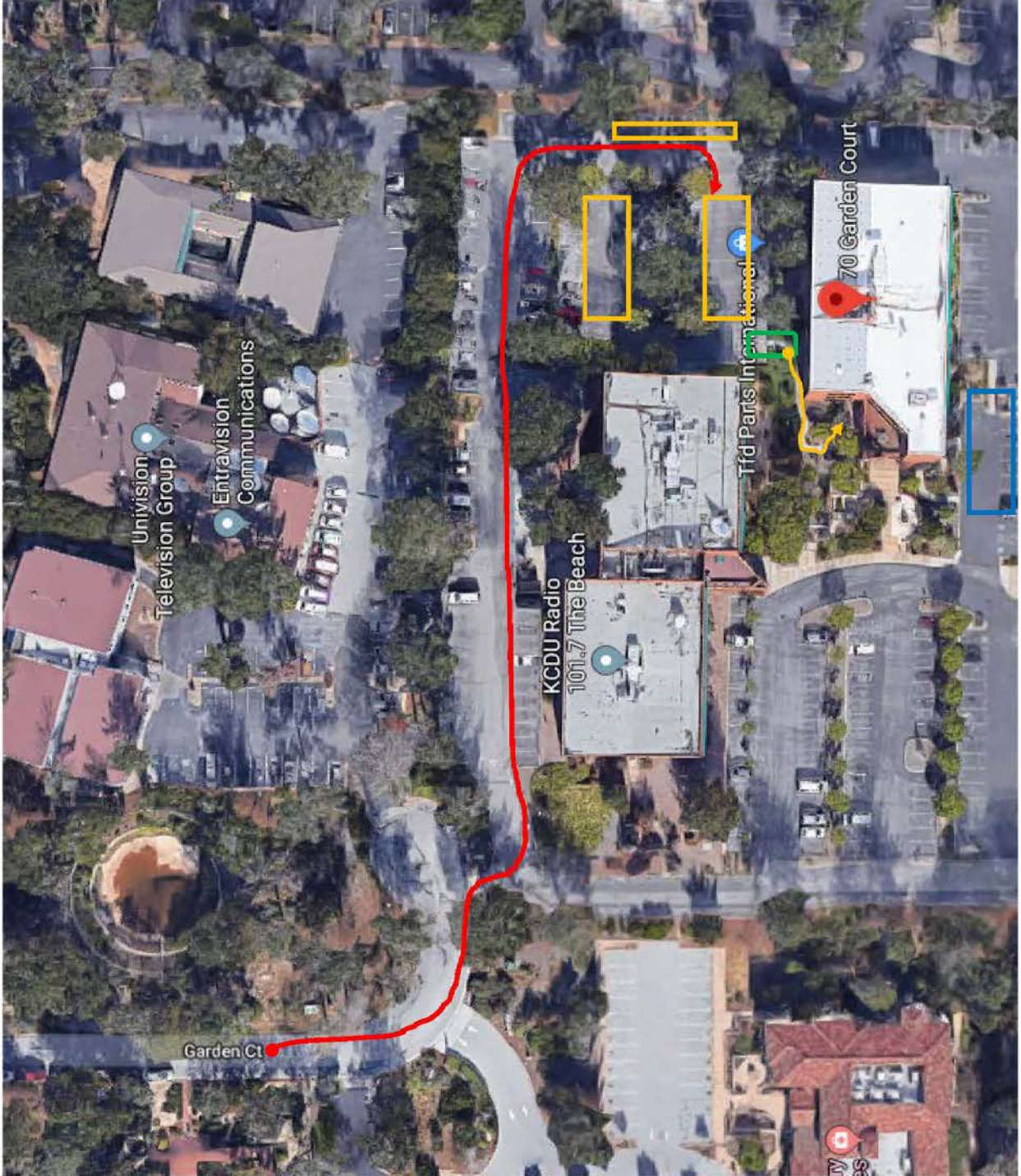
7. **Selection of Chair and Vice Chair** *(Action Item)*
Community Advisory Council Members will nominate and vote to appoint a Chair and Vice Chair.
8. **Approve Community Advisory Council Meeting Schedule** *(Action Item)*
9. **Energy Industry Overview** *(Discussion)*
10. **Legislative and Regulatory Overview** *(Discussion)*
11. **Adjournment to Next Community Advisory Council Meeting**
The public may comment on a specific item listed on this agenda when the Council considers that item. When the Council considers the agenda item entitled “Public Comments”, the public has the right to comment on any matter that is within the Council’s jurisdiction. In addition, the members of the public may request and receive copies without undue delay of any documents that are distributed to the Council, unless there is a specific exemption under the Public Records Act that prevents the disclosure of the record. (Cal. Gov’t Code Section 54957.5)

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Council in advance of a meeting and that relate to an agenda item will be made available at MBCP’s offices located at 70 Garden Court, Suite 300, Monterey, CA 93940 during normal business hours and are also available on the [MBCP website](http://www.mbcommunitypower.org/about/meetings/) located at: <http://www.mbcommunitypower.org/about/meetings/>.

Informational Materials

- Glossary of Terms and Acronyms provided for reference only. No action to be taken.

PARKING AND LOCATION OF OFFICE



When arriving at office location, follow the red arrow and enter drive into parking lots for buildings 60, 70 & 80 Garden Court.

Immediately turn left before building marked 60 Garden Court. Follow drive to end of parking lot and turn right.

Parking is available in the two upcoming parking courts or along the drive path perpendicular to the two courts (marked in yellow).

After parking, walk down the stairs (marked in green) and follow the yellow arrow down sidewalk path to 70 Garden Court. Take stairs or elevator to 3rd Floor, Suite 300.

Handicap parking is noted in blue to the right of the building.

Staff Report Item 13

TO: MBCP Community Advisory Council

FROM: Tom Habashi, Chief Executive Officer

SUBJECT: Community Advisory Council Meeting Schedule

DATE: July 10, 2018

RECOMMENDATION:

Staff recommends Community Advisory Council (CAC) hold meetings on the fourth Tuesday, Wednesday, or Thursday of the month at one of three times:

1. 10:00 am (lunch served following meeting)
2. 2:00 pm (snacks available)
3. 6:00 pm (light dinner served before meeting)

Additionally, staff recommends the CAC go dark in July which will coincide with the same schedule as the Policy and Operations Board meetings.

Please refer to the attached 2018 and 2019 proposed calendars for more detailed information.

BACKGROUND:

In 2018 and 2019, staff plan to schedule monthly meetings for the CAC and this report is to establish a time and date for these meetings. Please consider the following holiday and Operations Board meeting conflicts when deliberating a CAC 2018/19 meeting schedule:

2018:

- Thursday, November 22, 2018 – Thanksgiving Day Holiday
- Tuesday, December 25, 2018 – Christmas Day Holiday

2019:

- Wednesday, June 26, 2019 [4th Wed] – 10:30am Operations Board may meet this date due to dark in July [pending Board approval in September].
- Thursday, August 22, 2019 – 11:30am - 1:30pm ERM meeting
- Thursday, November 28, 2019 – Thanksgiving Holiday
- December 25, 2019 – Christmas holiday

DISCUSSION/ANALYSIS:

The CAC application stated that all regular meetings are to be held during weekdays at the MBCP worksite, 70 Garden Court, Suite, 300, Monterey. Seated CAC members must approve the frequency, weekday, and time of ongoing meetings. For both our community and CAC members, it's helpful to have recurring meetings scheduled on the same week, day and time each month with infrequent meetings scheduled to the week prior or after when scheduling conflict(s) exists. Additionally, family, work and community commitments as well as traffic congestion limit the number of options.

Frequency

Initially, monthly CAC meetings are needed to quickly address various housekeeping items and discuss time-sensitive topics, such as local energy programs.

Week

MBCP Policy and Operations Boards typically meet the first and second Wednesdays of each month and go dark in the month of July, with majority of meetings conducted during the second week of the month; Additionally, the CEO attends monthly CalCCA Board meetings and Energy Risk Management Oversight Committee meetings that might conflict with CAC meetings; therefore, the fourth week will give staff sufficient time to prepare for and attend CAC meetings.

Day

Often Mondays and Fridays are used to extend weekend plans. Consequently, the fourth Tuesdays, Wednesdays or Thursdays in the month should be considered.

Time of Day

To work around traffic congestion within the three counties, breakfast or lunch meetings would allow those coming from Santa Cruz and San Benito counties counter-

commutes. However, those members with limited workday flexibility may desire evening hours.

CONCLUSION:

It is difficult to schedule meeting dates and times that are easily accessible for all community and CAC members due to varied family, work and community commitments as well as traffic congestion. Remote, multiple locations are discouraged due to the expense and logistical difficulties as well as less effective group discussions.

With all these limitations considered, staff recommends meeting monthly on the fourth Tuesday, Wednesday, or Thursday of the month at one of three times:

1. 10:00 am (lunch served following meeting)
2. 2:00 pm (snacks available)
3. 6:00 pm (dinner served before meeting)

Staff also recommends that the CAC go dark in the month of July which coincides with the Policy and Operations Board meeting schedules.

ATTACHMENTS:

- 1) Proposed 2018 and 2019 Meeting Schedule

MBCP Meeting Calendar

Energy Risk Management (ERM) Meeting [3rd Thurs of each month] 11:30am - 1:30pm
CalCCA Board Meeting [4th Wed of each month] 8:00am - 10:00am
Operations Board Meeting [2nd Wed of each month] 10:30am
Policy Board Meeting [1st Wed of each month] 10:30am
Proposed Date Range for CAC Meetings Per Staff Recommendation

MBCP HOLIDAYS - OFFICES CLOSED		
<i>Jan 1 New Year's Day</i>	<i>Jul 4 Independence Day</i>	<i>Nov 22 Thanksgiving Day</i>
<i>Jan 15 Martin Luther King Jr. Day</i>	<i>Sep 3 Labor Day</i>	<i>Nov 23 Day After Thanksgiving Day</i>
<i>Feb 19 Presidents' Day</i>	<i>Nov 12 Veterans Day</i>	<i>Dec 25 Christmas Day</i>
<i>May 28 Memorial Day</i>	<i>(observed)</i>	

2018

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Boards Dark in July						

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Boards Dark in August						

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ATTACHMENT 1

MBCP Meeting Calendar Proposed Dates - Subject to Change

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May 27 Memorial Day	Dec 25 Christmas Day

2019

January						
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CAC & Boards Dark in July						

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Community Choice Aggregation (CCA) Glossary of Terms and Acronyms

Energy Basics

Behind-the-meter	Refers to energy efficiency or electricity generation that takes place on the customer side of the electricity meter rather than on the utility/grid side. Behind-the-meter “improvements” are generally intended to reduce customer energy use and/or self-supply some or all of the customer’s typical energy requirements. Net Energy Metering is an example of a behind- the-meter program; a rooftop solar installation is an example of a behind-the-meter improvement.
Community Choice Aggregation	The legal term used in AB 117 and by the CPUC for programs also referred to as Community Choice Energy. As authorized by statute, CCA allows local governments to pool the municipal, residential and commercial electrical load within their municipality(ies) for the purpose of procuring and developing power to serve such customers.
Community Choice Energy	A term of art originating from CCA practitioners and program administrators. Community Choice Energy, or CCE, is not recognized in California statutory provisions related to CCA but is used synonymously with CCA nonetheless.
Community shared solar	An arrangement by which multiple electricity customers assume virtual “ownership” of a solar PV generating facility. Through this arrangement, participating customers pay for a share of the generating facility’s electric output and receive related benefits via bill credits. Note: the cost of procuring solar energy from such facilities typically exceeds the bill credit amount.
Demand response	Technology that is designed to reduce electricity demand (or consumption) during specified periods of time (when such reductions are deemed desirable to reduce energy costs or promote system reliability when available generating resources are being depleted).
Direct Access	A program that permits some large commercial customers to purchase power on the wholesale market through a provider other than the incumbent utility; CCE programs are not considered direct access, and direct access accounts are not typically enrolled in CCE programs to avoid contractual issues and duplicative customer charges.
Electric Load	The amount of electricity a customer or group of customers uses during a specific period of time; also referred to as “electric energy consumption” or “electric energy use.” Measured in kWh (for retail customers) as well as MWh or GWh (for wholesale transactions).
Feed-in tariff	A standard offer (meaning, a set of prescriptive participatory requirements with a non-negotiable power purchase agreement), usually for small generation projects (generally up to 3MW in size, as is the case for PG&E’s Renewable Energy Marketing Adjusting Tariff, or “ReMAT”, which is the name given to its re-branded FIT program), that requires the utility/CCA to pay a set amount for generated renewable electricity for a set number of years. Payments may vary based on project size, technology type, delivery profile or other factors. FIT programs are specifically intended to incentivize the development of locally situated renewable generating infrastructure.

Energy Basics *(continued)*

Greenhouse gas (GHG)	A gas that causes the atmosphere to trap heat radiating from the earth. The most common GHG is Carbon Dioxide, though Methane and other emissions have also been determined to have a greenhouse effect.
Implementation Plan	A plan each CCA must present to the CPUC (for certification) before offering service to customers. Pertinent requirements are specified in Public Utilities Code Section 366.2.
Investor-owned utility (IOU)	A utility owned by its shareholders. Such utilities operate for profit. In California, large IOUs include PG&E, SCE and SDG&E, which are regulated by the California Public Utilities Commission. In areas to be served by CCAs, an IOU will represent the incumbent energy provider. If customers opt out of CCA service, they will be provided energy by the IOU. While served by the CCA, they will continue to receive bills, as well as transmission and distribution service, from the IOU.
Joint powers authority (JPA)	An entity permitted under the laws of some states, whereby two or more public authorities (for example, local governments, or special districts) can operate collectively.
Kilowatt (kW)	A unit of measurement expressing the potential to generate electricity (also known as capacity) or instantaneous energy usage. Regarding rates, certain customers (commercial and industrial, in particular) may incur demand charges based on the maximum kW usage during certain billing periods.
Kilowatt-hour (kWh)	A unit of measurement expressing the electrical output produced by 1 kW over the course of one hour. A kWh is the common unit of measurement of retail-level utility metering and billing.
Load-serving entity	A firm or organization that purchases electricity on behalf of any customer or group of customers. Once formed, a CCA is considered a load serving entity.
Megawatt (MW)	A unit of measurement expressing the potential to generate electricity (also known as capacity) or instantaneous energy usage. Regarding rates, certain customers (commercial and industrial, in particular) may incur demand charges based on the maximum kW usage during certain billing periods. 1 MW = 1,000 kW.
Megawatt-hour (MWh)	A unit of electrical energy that is produced by 1 MW over the course of one hour. MWh is the common unit of measurement for wholesale electricity transactions. 1 MWh = 1,000 kWh.
Microgrid	A local, small-scale power system that can operate independently of or in conjunction with the local electric utility's system.
Net Metering, or Net Energy Metering (NEM)	A state-mandated program supporting small-scale, behind-the-meter renewable generating facilities (usually rooftop solar). NEM service options work in concert with the participating customer's typical rate schedule, allowing the customer's generating facility to offset typical energy consumption. When the customer's generating facility is not producing power, her/his energy requirements will be supplied from the grid; when the customer's generating facility is producing power, the customer's may use less power from the grid or export power to the grid (if power production exceeds usage). When NEM customers produce electric power, bill credits are accrued, which may be applied to offset current or future energy charges or result in cash payouts.
Peak load	The maximum amount of electrical power consumed during any particular interval of time (day, month or year, as examples).

Energy Basics *(continued)*

Power Purchase Agreement (PPA)	A contractual commitment between a buyer and seller to effectuate the purchase/sale of one or more energy products. Similar to other contracts, a PPA specifies the terms and conditions which govern the transaction. Such terms and conditions articulate responsibilities of each party, including the transaction term, quantities, prices, credit requirements and other items of interest. Within the electric utility industry, PPAs may use industry-standard forms, such as the Edison Electric Institute (EEI) form (a common contract document for many energy-related transactions), or other proprietary forms of agreement.
Smart grid	An electricity supply network that uses electronic communications and management systems to respond to changes in system requirements and optimize the operation of energy infrastructure.
Solar PV	A solar electricity generating technology in which solar energy is transformed into electricity through a photovoltaic (PV) cell.

California Regulatory Bodies

California Air Resources Board (CARB)	The CARB's primary concern is maintaining healthy air quality and managing related compliance programs. In particular, CARB manages greenhouse gas reporting and operates California's Cap and Trade Program. Currently, CCAs have minimal GHG reporting requirements under CARB regulations.
California Energy Commission (CEC)	The CEC is California's primary energy policy and planning agency. The CEC collects data (e.g. sales, distributed generation) from all load-serving entities for forecasting and setting state energy policy. The CEC also administers California's Power Source Disclosure Program (which includes regulations related to the Power Content Label). Long-term energy forecasting, energy efficiency, generator siting and other key areas of interest are also overseen by the CEC.
California Independent System Operator (CAISO)	CAISO manages the largest portion of California's wholesale electric infrastructure and administers key energy markets within the state. CAISO market participation is performed via a Scheduling Coordinator (SC, defined elsewhere in this document), which serves as an agent for key CAISO market functions. CCAs have traditionally employed third-party SCs to facilitate CAISO market participation but may independently administer such responsibilities in the future. Market participants, including CCAs, must pay certain charges imposed by the CAISO for grid management and market administration.
California Public Utilities Commission (CPUC)	Primary regulator for investor-owned electric utilities in the state of California. While the CPUC does not have jurisdictional authority over CCA rate setting activities, it does administer certain compliance programs that are applicable to CCAs. Such programs include Resource Adequacy, Energy Storage and Renewables Portfolio Standard compliance amongst other programs. In addition, there are numerous proceedings at the CPUC that can directly or indirectly affect CCA's, such as IOU procurement and rate setting proceedings, as well as the establishment of exit fee calculations (namely, the Power Charge Indifference Adjustment, or PCIA).
Federal Energy Regulatory Commission (FERC)	The Federal Energy Regulatory Commission, or FERC, is an independent agency that regulates the interstate transmission of electricity, natural gas, and oil. FERC also reviews proposals to build liquefied natural gas (LNG) terminals and interstate natural gas pipelines as well as licensing hydropower projects. FERC website: https://www.ferc.gov/default.asp .

California Regulatory Bodies (continued)

<p>North American Electric Reliability Corporation (NERC)</p>	<p>The North American Electric Reliability Corporation (NERC) is a not-for-profit international regulatory authority whose mission is to assure the reliability and security of the bulk power system in North America. NERC develops and enforces Reliability Standards; annually assesses seasonal and long-term reliability; monitors the bulk power system through system awareness; and educates, trains, and certifies industry personnel. NERC’s area of responsibility spans the continental United States, Canada, and the northern portion of Baja California, Mexico. NERC is the electric reliability organization (ERO) for North America, subject to oversight by the Federal Energy Regulatory Commission (FERC) and governmental authorities in Canada. NERC’s jurisdiction includes users, owners, and operators of the bulk power system, which serves more than 334 million people. NERC website: http://www.nerc.com/Pages/default.aspx.</p>
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Wholesale Energy Services

<p>Capacity</p>	<p>A term expressing the potential to generate electric energy. Typically measured in kilowatts (kW), megawatts (MW) or gigawatts (GW).</p>
<p>Clean Energy</p>	<p>A general term referring to energy that is low or zero carbon. Clean energy may include non-RPS eligible sources, such as large (>30 MW) hydroelectric and nuclear generators, as well as RPS-eligible generating resources that utilize typical renewable fuel sources (sun, wind, geothermal, biofuels).</p>
<p>Integrated Resource Plan (IRP)</p>	<p>For CCAs, a filing recently required by the CPUC, which may include detail regarding the CCA’s load forecast, resource preferences and commitments, procurement strategy, compulsory and voluntary procurement targets, and complementary energy programs amongst other items.</p>
<p>NP-15</p>	<p>A Trading Hub specifically developed by the CAISO to represent the average price paid to generating resources within an area generally overlaying Northern California. The term NP- 15 has been replaced by CAISO with the term NP15 Existing Zone Generation Trading Hub, or NP-15 EZ Gen Hub. Prices posted for the NP-15 EZ Gen Hub regularly change throughout the day in consideration of weather, generator operation/availability and customer energy requirements.</p>
<p>Portfolio Content Category (PCC)</p>	<p>compliance obligations of California’s Renewables Portfolio Standard program. There are currently three (3) PCCs with key distinctions primarily related to generator locations and contract structures.</p> <ul style="list-style-type: none"> • Portfolio Content Category 1 (PCC-1): Refers to renewable energy products produced by renewable generators located within the state of California or delivering power directly to California. For purposes of RPS compliance, retail sellers must procure a minimum 75% of applicable RPS requirements from PCC-1 resources within Compliance Period 3 (which includes calendar years 2017-2020). • Portfolio Content Category 2 (PCC-2): Refers to renewable energy products produced by renewable generators located outside of California with energy import (substitute energy) obligations that must be balanced annually – this means that any PCC2 volumes counted towards RPS compliance must result in substitute energy imports to California (measured in MWh) in an equivalent quantity to the REC total being counted towards RPS compliance. Other energy accounting protocols must be satisfied to verify such energy imports. A retail seller cannot source more than 25% of its applicable RPS requirements from PCC2 resources in Compliance Period 3.

Wholesale Energy Services *(continued)*

Portfolio Content Category (PCC) <i>(continued)</i>	<ul style="list-style-type: none"> Portfolio Content Category 3 (PCC-3): Refers to a renewable energy product that results in the sale of environmental attributes from an eligible renewable generator without a related electric energy delivery obligation. PCC3 products are commonly referred to as “tradable RECs” or “unbundled RECs.” A retail seller cannot source more than 10% of its applicable RPS requirements from PCC3 resources in Compliance Period 3. <p>Eligible resources are defined in the Cal. Pub. Res. Code 25741 as facilities using and of the following technologies: Biomass, Solar Thermal, Photovoltaic, Wind, Geothermal, Fuel cells using renewable fuels, Hydroelectric under 30 MW, Digester gas, Municipal solid waste conversion, Landfill gas, Ocean wave, Ocean thermal, Tidal current.</p>
Renewable Energy Certificate (REC)	<p>An electronic “certificate” representing proof that 1 MWh of renewable energy, including all environmental benefits/attributes related thereto, has occurred. RECs represent the only available mechanism for tracking and substantiating ownership of renewable energy. RECs may be sold together with or separate from electrical energy. To the extent that RECs are sold with electrical energy produced by a renewable generator, such RECs are referred to as “bundled”; if RECs are sold separately from electrical energy, such RECs are referred to as “unbundled.”</p>
Renewables Portfolio Standard (RPS)	<p>The RPS program requires all retail sellers (which includes CCAs) to purchase specified minimum quantities of renewable energy from eligible resources. The currently applicable RPS program mandates successively increasing procurement thresholds over time, with key targets including 33% renewable energy procurement by 2020 and 50% renewable energy by 2030. Eligible renewable sources include: Biomass, Solar Thermal, Solar Photovoltaic, Wind, Geothermal, Fuel cells using renewable fuels, Hydroelectric under 30 MW, Digester gas, Municipal solid waste conversion, Landfill gas, Ocean wave, Ocean thermal, Tidal current. Please note that nuclear power and large hydroelectric are not considered renewable sources by the state of California, but are considered carbon-free sources (subject to rules defined during AB 1110 implementation).</p>
Resource Adequacy (RA)	<p>A program administered by the state of California to promote grid reliability via resource sufficiency. Also referred to as “reserve capacity,” RA obligations specify that load serving entities must procure a minimum quantity of generating capacity to satisfy 100% of monthly peak demand, plus a 15% planning margin – this equates to 115% of peak monthly demand. California’s RA program differentiates reserve capacity by location and attributes of the participating generators. State regulators require load serving entities (including CCAs) to submit annual and monthly filings and forecasts substantiating the procurement of noted capacity requirements. While RA purchases confer capacity rights to the buyer, electric energy may not be produced or delivered as a result of such contractual commitments. The RA program is established in PU Code § 380.</p>
Scheduling Coordinator (SC)	<p>A requisite service provider, which serves as the intermediary between wholesale generators and/or load and the CAISO. SCs typically schedule generation and/or load, post collateral to facilitate CAISO market participation, and perform “shadow settlements” to determine expected charges related to CAISO market participation amongst other services. CCAs may perform SC services internally but have typically outsourced such services to experienced third party providers. SCs often create unique SC Identification Numbers, or SCIDs, to promote the independent tracking of charges and credits related to certain of their clients.</p>
Settlement Quality Meter Data (SQMD)	<p>Data from customer electric meters that is compiled and aggregated according to specific protocols expressed by the CAISO. SQMD is the basis for settling charges to load.</p>

Finance

Debt Service Coverage Ratio (DSCR)	The level of funds available to satisfy periodic interest and principal payments (on debt). Lenders may specify certain DSCRs in loan covenants. .
Debt Service Coverage Ratio (DSCR) Reserve	A reserve account required by a lender that must be funded to a specified percentage of annual Debt Service payments.
Net Income	Total earnings for the year, net of expenses.
Operating Income	Revenue less Commodity Costs and Operating costs. This represents the CCA's margin before interest expenses.
Operating Reserve	Liquid, unrestricted assets that the CCA can use to support its operations in the event there is volatility in revenues or expenses.
Power Margin	Revenue less Commodity costs. This represents the CCA's gross margin before operating expenses and interest expenses.
Power Purchase Reserve	A type of reserve account that may be required by the power broker or purchaser to secure power procured on behalf of the CCA.