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FINAL REPORT

MARIN – CALIFORNIA

COMMUNITY CHOICE AGGREGATION BUSINESS PLAN



April 2008

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in San Rafael, California or visit www.marincleanenergy.info

CHAPTER 3 - Load Forecast and Resource Plan

Introduction

This Chapter describes MCE's proposed ten-year integrated resource plan, which would create a highly renewable, diversified portfolio of electricity supplies capable of meeting the electric demands of MCE's retail customers, plus sufficient reliability reserves. This integrated resource plan reflects a long-term, programmatic goal of 100 percent renewable energy supply. Within five years of program commencement (2014), this significant commitment to renewable resources is projected to result in MCE meeting over 80 percent of its total electric needs through renewable resources. As the program moves forward, incremental renewable supply additions will be made based on resource availability as well as economic goals of the program. MCE's aggressive commitment to renewable generation adoption will involve both direct investment in new renewable generating resources through partnerships with experienced public power developers/operators, significant purchases of renewable energy from third party suppliers and, potentially, the purchase of Renewable Energy Certificates (RECs) from the market. The resource plan also sets forth ambitious targets for improving customer side energy efficiency as well as for deployment of approximately 13 MW of new distributed solar capacity within the jurisdictional boundaries of MCE by 2019 (year ten of Program operations).

The plan described in this section would accomplish the following by 2019:

- Procure energy needed to offer two generation rate tariffs: 100 percent Green and 25 percent Light Green through a full-requirements contract with an experienced, financially stable energy supplier. Through this contract, the remaining energy requirements for the Light Green Tariff will be supplied from efficient, low emission conventional generating resources.
- Increase the renewable content of the Light Green Tariff to over 50 percent and the average renewable energy supplies of the program to over 80 percent by 2014, based on projected levels of participation in MCE's two available generation tariffs.
- Continue increasing renewable energy supplies beyond 2014 based on resource availability and economic goals of the program.
- Develop partnership(s) with experienced public power developer(s) to facilitate development of Program-owned/controlled renewable generating capacity.
- Invest in 200 MW of new renewable generating capacity to be online by 2014.
- Achieve incremental reductions in greenhouse gas emissions ranging from 302,330 to 534,369 tons per year, as much as 17 percent of the Marin Communities' total GHG emissions.

MCE would be responsible to comply with regulatory rules applicable to California load serving entities. MCE would arrange for the scheduling of sufficient electric supplies to meet the hour-by-hour demands of its customers. MCE would also need to adhere to capacity reserve requirements established by the CPUC and the CAISO designed to address uncertainty in load forecasts and potential supply disruptions caused by generator outages and/or transmission contingencies. These rules also ensure that physical generation capacity is in place