POLICY NO. 007 – NEW CUSTOMER COMMUNITIES

Whereas MEA’s founding mission is to address climate change by using a wide range of renewable energy sources, reducing energy related greenhouse gas emissions and promoting the development of energy efficiency programs; and

Whereas creating opportunities for customer electric service in new communities may allow MEA to further progress towards its founding mission; and

Whereas MEA currently provides a minimum 50% renewable energy supply to all MCE customers (through its default Light Green retail service option), which substantially exceeds similar renewable energy supply percentages provided by California’s investor-owned utilities (IOUs); and

Whereas the addition of new communities to MEA’s membership will inevitably increase state-wide renewable energy percentages due to MCE’s specified minimum renewable energy supply percentage of 50%; and

Whereas the addition of new communities to MEA’s membership will also decrease greenhouse gas emissions within the Western United States as a result of minimum renewable energy supply percentages exceeding such percentages provided by California’s IOUs.

Therefore, it is MEA’s policy to explore and support customer electric service in new communities to further agency goals.

In consideration of the above, MEA will allow access to service in new communities through two channels, affiliate membership or special-consideration membership, as applicable:

Affiliate membership considered if:
   1. All applicable membership criteria are satisfied,
   2. New community is located in a county that is not more than 30 miles from MCE existing jurisdiction, and
   3. Customer base in new community is 40,000 or less.

Special-consideration membership considered if:
   1. All applicable membership criteria are satisfied,
   2. New community is located in a county that is more than 30 miles from MCE existing jurisdiction and/or the customer-base in the new community is greater than 40,000.
MCE Affiliate Membership Process

**Step 1:** Governing body submits letter to MEA from new community jurisdiction, requesting consideration as a member.

**Step 2:** Staff evaluates request timing to determine if internal resources are available to consider request, and to ensure no impact to core agency functions.

**Step 3:** Request submitted to MEA Board to consider adherence to criteria D, E, F and G below, and to authorize initiation of membership analysis.

**Step 4:** Following MEA Board approval, staff executes contract with governing body of new jurisdiction to fund costs of membership analysis. Staff undertakes and completes analysis, with primary focus on quantitative criteria A, B and C below.

**Step 5:** Results of membership analysis presented to governing body of new community and to MEA Board. 1). If quantitative affiliate membership criteria are met, community is automatically authorized to complete affiliate membership process. 2). If qualitative criteria are not met but other compelling criteria are present, Board may consider approval of affiliate membership.

**Step 6:** Governing body of new jurisdiction approves resolution requesting membership, ordinance authorizing community choice aggregation service through MCE and signs JPA Agreement as a Party.

**Step 7:** MEA Board adopts resolution authorizing membership of the additional incorporated municipality and submits updated Implementation Plan to CPUC.

Affiliate Membership Criteria:

A. Allowing for MCE service in new community will result in a projected net rate reduction for existing customer base.

B. Offering service in new community will enhance the strength of local programs, including an increase in distributed generation, and will accelerate greenhouse gas reductions on a larger scale.

C. Including new community in MCE service will increase the amount of renewable energy being used in California’s energy market.

D. There will be an increase in opportunities to launch and operate MCE energy efficiency programs to reduce energy consumption and reliance on fossil fuels.

E. New opportunities are available to deploy local solar and other distributed renewable generation through the MCE Net Energy Metering Tariff and Feed in Tariff.

F. Greater demand for jobs and economic activity is likely to result from service in new community.

G. The addition of the new community is likely to create a stronger voice for MCE at the State and regulatory level.