

| Speaker                         | Conversation   |
|---------------------------------|--|
| Mayor Jim Leland                | I'm going to start. I've been kind of waiting for Councilman Eklund to arrive. She's on her way. We will get some of this out of the way. And at first, I'm calling this committee meeting to order. First item is approval of the final agenda. There's an opportunity for public comment now. And there will be an opportunity also for public comment on each agenda item after there's been a staff report and presentation. So, anyone want to speak now under public comment? Mr. Mainland.  |
| Ed Mainland                     | Mr. Chairman, my name is Ed Mainland. I'm speaking for Sustainable Novato. Simply a few words to set some context and as follow up to our previous sessions with your committee on this topic. Sustainable Novato has read through a good deal of PG&E's documentation and John Schlag, president of Sustainable Novato has asked me to make a short statement on his behalf. He says that it would appear that the PG&E proposal seems to consist of three things. One, things which are already available to all of PG&E's customers. Two, things which cannot be provided to Novato alone and require CPUC approval, which there is no hard guarantee PG&E will even seek let alone receive. And three, things which are being done by others which PG&E is trying to take credit for. Just to keep in mind, President Schlag advises that PG&E not only has no prospect or intention of reaching 51% renewables in five years as MCE will be committed to but PG&E has opposed a 33% renewable portfolio standard in CPUC proceedings. So, that poses the question does PG&E still oppose the rather modest 33% that is before the state right now. Thank you, Mr. Chairman. |
| Mayor                           | Thank you. Anyone else that would like to speak at this time. OK. We will move on. We have no items on the consent calendar. That takes us to general business and the first item is the energy efficiency block grant program.  |
| Staff member<br>(woman speaker) | Mr. Mayor, this is coming before you for you to review our energy efficiency conservation block grant application. As you know, the city was awarded by formula \$491,800 from the Federal government. When we came to the council to approve an application for these funds, staff had originally stated that we would use these funds for four separate items: to work to complete the CREBS solar application and put solar panels on three city buildings; to complete the police department energy retrofit; to see if we can develop some assistance for residents to do energy efficiency programs and then a portion of the grant is available for administrative costs. Since the time we went to the council, Kathy has been doing a lot of research and we also were advised by ICLEI and she had come to the same conclusion that it was better in our original application to say that we were going to use the money to develop the energy efficiency conservation strategy; that would give us more flexibility. And then federal guidelines say that we need to  |

|               |  |
|---------------|--|
|               | <p>complete that strategy within 120 days of being awarded the grant. So that's what we intend to do. We do intend of course to go back and then apply for the funding as we originally stated but doing the strategy will give us much more flexibility. We are also going to look at the possibility of hiring a consultant with funding who would have much more experience in this area than staff has, so that we could develop a strategy that would meet our needs; that would meet the goals that the council approved for our GHG reduction. And also we're waiting for information from DOE because we're going to ask how much we can align the strategy with our local climate action plan so we don't have to do the work twice. So, we're seeking your approval. We do have to send in the application by the deadline of June 25th.</p>   |
| Mayor         | <p>Well are you going to be able to do a strategy 120 days after that?</p>   |
| Staff Member  | <p>Definitely. We will, we will be doing it. Yes.</p>  |
| Mayor         | <p>OK. I think that's fine then. I think we talked about that in context before making the application more flexible. So, that's OK.</p>   |
| Staff Member  | <p>OK, thank you.</p>  |
| Mayor         | <p>And that brings us to the main event. Item E2 which is the energy efficiency proposal of PG&amp;E. And I'll start with any staff report you will give me?</p>   |
| Staff Member  | <p>At your last meeting you had the opportunity to review both the energy efficiency programs that Marin Energy Authority has proposed. And you received that – and you received that information in writing. PG&amp;E was also here to discuss with you their proposal for an energy partnership with the city, which is aimed at conserving energy and reducing GHG emissions. The committee asked PG&amp;E to present that proposal in writing which they now have done. And staff is not making a recommendation on either proposal. However we have noted that the MEA energy efficiency program we have been told that even though Novato has not joined the Marin Energy Authority that we can participate in their energy efficiency programs. We have not yet been told how that is possible without participating in the MCE which is, you know, the main program of MEA. The programs from PG&amp;E — there were a total of 14 items that the PG&amp;E has presented to us. Some of them as Sustainable Novato noted, are available to other – to all the users. There are however six items that PG&amp;E has stated will be unique to Novato, and you may want to discuss that at length with PG&amp;E.</p> |
| Mayor         | <p>OK. So, it's time for PG&amp;E. Did you have a presentation you wanted to make, or —?</p>   |
| Josh Townsend | <p>Well just, you know, that was going to be my question to you. I know we went over — (we'll set up here)— but we went over at length in our last</p>   |

|                             |  |
|-----------------------------|--|
|                             | meeting but I know now that it's in writing, you probably want to ask probably about specific programs?  |
| Woman's Voice (from public) | Could you identify yourself please?  |
| Josh                        | Excuse me?   |
| Woman's Voice               | Could you identify yourself?   |
| Josh                        | Yes, Josh Townsend, PG&E. Thank you very much for seeing us, Mr. Mayor.  |
| Mayor                       | I think that I would recommend that you kind of tell us what this is all about.  |
| Josh                        | OK, absolutely.  |
| Mayor                       | Including folks who have come to hear about it. Then we'll ask - I'll probably ask questions and if Pat's here she'll ask questions after the public has spoken here in the public hearing.  |
| Josh                        | OK, great. Well, what this program is — is it's a partnership with the city of Novato to help reduce GHGs within the county as well as identify sites for energy efficiency programs. Also, it's also a program to help identify renewable sites within the city of Novato, with our overall goal of reviewing – renewing — reducing GHG emissions for the city. Our ultimate goal is to reduce GHG emissions from electric by 40% which will equal about 20,000 tons, metric tons, a year. So that is, that is our ultimate goal and that is why we're here. We feel that the partnership we've provided to staff and to the council, you know, will produce real results in a quick, green and less expensive fashion, because it really doesn't put the county on the hook for anything monetarily. We will provide quite a bit of services through PG&E. So that's basically what we're here to do and what we're here to partner with, with direction from the council. That being said, we, we have offered a, we have offered a 20 hour a week staffer to the city of Novato to help work on these programs. And that individual would serve as kind of a quarterback, pulling from what we have internally at PG&E and working with the city to locate energy efficiency programs, put together plans for the city and also do community outreach. And that's what that, that individual would be responsible for. I think our first and foremost item that we want to focus on is energy efficiency. How can we make the city of Novato energy efficient? And what we would really plan on doing is creating an energy task force, co-marketing with - with PG&E and the city of Novato in, in, in finding different both res- – I mean residential – both residential, city owned and commercial buildings and residencies that could use energy efficient upgrades. So that would be the first task of this. We would, we would look at creating a business renewable energy audit program. We'd also look at |

|                      |   |
|----------------------|---|
|                      | <p>Mass marketing through different programs that Ontario's going to speak of shortly. We'd also help at implementing certification programs for different licensing and inspectors for contractors. We would look at reviewing currently the Local Government Partnership. That would probably start with a meeting between the city and the county of Novato and PG&amp;E sitting out as a moderator and the city and the county getting together to find out where these monetary funds are, going as far as energy efficiency. I think what we'd also--what we also have proposed and what we would be willing to offer is our third party contractors. And what the third party contractors do are they provide specialized energy efficiency services to various consumer group – I mean consumer specialized energy services, including waste water treatment plants, retail, hospitality, grocery, agriculture, large commercial, residential and food processing. We would review the opportunities with the city and determine which would be able to provide further assistance to accomplishing the energy efficiency goals of the city. We'd also look to do an LED streetlights program that Ontario, you want to talk a little bit about LED street lights?</p>                      |
| <p>Ontario Smith</p> | <p>Sure. Ontario Smith, PG&amp;E. The LED street light program is a program that's intended to change out the majority of the city of Novato's LS2 streetlights. These are streetlights that generally serve the city. What we'd be doing would be replacing the high pressure sodium bulbs with Light Emitting Diode bulbs that use less energy over time, which would reduce greenhouse gas emissions and save, and save electricity dollars. In doing that, it's a unique opportunity because there's not any adoption that is necessary, the city can choose to do that and we would go ahead and make those changes. I understand that the city has a contract with a third party to service those streetlights, so we'd work with the city and that third party to figure out the way to best do that, whether it be to phase in the streetlights or to do retrofits neighborhood by neighborhood — whatever that would be. One of the other benefits of LED streetlights is the additional light benefits. The light from the Light Emitting Diodes is a better quality of light. There are strobe capacities that also enhance public safety so the LED streetlight program would be a program that not only saves energy but also provides a tangible benefit to the Novato residents.</p> |
| <p>Josh</p>          | <p>Great. I think another key element to this partnership is community outreach. What we propose in this partnership is actually being very aggressive in reaching both commercial and residential energy users and what the goal of this program would be is to, is to educate on energy efficiency because what we feel at PG&amp;E is energy efficiency is the number one way to reduce your carbon footprint. We have a number of community, community outreach programs. We would have a – we would put together energy efficiency workshops; we'd have solar workshops. We would develop multiple, multiple education programs like we've done in the past. We've done a solar program – a solar workshop here last year. Last month we had a Green Your City day at Pini's Hardware which was great where</p>  |

|                |   |
|----------------|---|
|                | <p>we've had small businesses come and sign up for energy audits. We had local individuals come and ask how do I get solar, how do I become more energy efficient, and we had experts there on hand to answer those questions, those questions, as well. Ideally we'd also like to set up a co-marketing with the city and do mailers to the residents of, of the city that gives descriptions of different workshops and programs, different ways to save energy. And what that would do is that would be a co-branded city – PG&amp;E item that would really engage individuals in how they can reduce their carbon footprint. We'd also do that with, with commercial, both large commercial and small commercial, in elevating their energy efficient awareness and putting together programs that we feel would be, would be extremely efficient in, in, in reaching out. We would also use our media wing within PG&amp;E to put together op-eds, to put together press releases – any information that, that we could send out to individuals that were interested in learning how to reduce this carbon footprint. We would be absolutely dedicated to sending out something monthly that educates the public. This being said, we'd also put together a Novato specific website that would update people on local events, calendar, what can I do to get solar, what can I do to reduce my carbon footprint. So, we would be, we'd be very, very proactive in the community outreach. We also have proposed a PV outreach program that we feel – and that's number three – that we feel that would be very efficient and it would be the first of its kind for the city. I'm going to let Ontario touch on that just a little.</p> |
| <p>Ontario</p> | <p>From a data standpoint, we can identify customers that — for whom it would be economic to install solar, based upon their average rates. What we're looking to do in this new program would be to identify those customers using data to cross-reference those customers with basically a GIS database that shows how much solar radiation they have on their roofs to identify customers who can specifically do — take affirmative action to install solar in a quick time to get energy savings. And that's unique because it's a targeted effort towards those customers. It's not marketing to everyone. People who have no capacity to do so or who people who can't – who live in multi-family buildings, but it's people who live in traditionally single family residences with radiation and not much cover who have high bills. Those are customers from a residential standpoint who are in tiers 4 and 5. Identifying those customers and telling them and recommending them to local solar companies, you can save them money in the short term as opposed to having a program that has a long payback period. If you combine this with energy efficiency, the idea is to do both together, to get customers to shrink their load and then size solar appropriately so that they can get the maximum benefit of the solar. In addition to that, we would be looking at extending that to the city as well, to identify facilities that have the roofs base for solar and either the direct load or by using AB2466 to meet offsite load. And for commercial it would be the same, same sort of thing. To reduce the bills using energy efficiency programs like direct</p>   |

|         |  |
|---------|--|
|         | <p>install programs. Those programs reduce bills for customers and we think that when you reduce a bill, if you reduce a bill by \$500 to \$1,000 a month then that customer is going to be willing to take on additional incremental costs to green their remaining part of their load. So this program works with energy efficiency in tandem to first you shrink the load and then you green the remaining load.</p>  |
| Josh    | <p>We also discussed a green electricity program which would offer, which would put a small premium on a customer's current bill to buy, to buy a certain amount of green electricity, and then putting some of this premium away to build renewables locally. We were in real preliminary discussions of that but that's another, that's another option on this partnership which, which as mentioned earlier would need to go to the PUC for approval but in terms of the city and PG&amp;E going to the city, it's, it's, it's much easier when we have a city by our side talking to the PUC to get approval on something, on a program either like this or the for-mentioned or any other things that need to go through the PUC. We would also provide sustainable community policies and green building codes and standards – we talked about that a little bit at the beginning. It's just providing any technical assistance that the city may have. Any kind of marketing, any kind of new, either policies or bills that come through the state that – through the Air Resources Board – that we can come in line with the city and with – I mean, yeah – that actually coincide with the city and help plug them in to helping with making their buildings more green, be it any kind of retrofit. We would be absolutely in a position to help out with any technical assistance on that front.</p> <p>We also offered a new energy efficient combined heat and power facilities.</p> |
| Ontario | <p>Hmm mm.</p>   |
| Josh    | <p>And Ontario [will] talk a little bit about what that would do.</p>  |
| Ontario | <p>Very briefly, with combined heat and power in essence you're using a boiler to create both electricity and heat. This program is usually targeted towards larger users, particularly hospitals, a hospital which has a large thermal load would be able to replace its boiler with an efficient, with a more efficient generator that would provide both heat and electricity. And the way you reduce greenhouse gas emissions there is by saying – is by taking one fuel source instead of two separate fuel sources. The incremental amount of greenhouse gas reduction would be captured in that process. It would also provide potentially additional reliability to hospitals that need 100% reliability. So that incremental benefit could be quantified as well.</p>   |
| Josh    | <p>Great. And we also have our ClimateSmart program that is currently in operation, which is a voluntary greenhouse gas offset program that allows customers to use their PG&amp;E bills to reduce greenhouse gas emissions through greenhouse gas offset projects and programs. That is already in</p>  |

|                |  |
|----------------|--|
|                | <p>place. We've also put in the partnership a residential and commercial solar hot water program.</p>  |
| <p>Ontario</p> | <p>And that program is a unique program because it addresses natural gas instead of electric. As, as the city saw in its climate action plan that was done by ICLEI, what natural gas consumption actually is the second largest source of greenhouse gas emissions, followed by electricity. So it's first transportation, second natural gas and third electricity. What we're looking to do here is to address that second, that second wedge. What we would do would be more than likely to start with public and commercial solar hot water and to find areas that have large heating loads. In this case those loadings that would not be doing the combined heat &amp; power program. And in this instance it would be buildings like swimming pools that have a need to warm water. You would collect that water in a sort of photovoltaic collector. That water is preheated. And what that does it preheats the water and reduces the amount of natural gas that is needed to heat that water to its useful point. Again that reduction in the amount of energy needed will be captured with greenhouse --- it would capture greenhouse gas emission savings. And it would again reduce the natural gas costs to a consumer. So that kind of program addresses the electric – the natural gas sector as opposed to most of these other programs which do address directly the electric sector.</p> |
| <p>Josh</p>    | <p>Great, and we also talked a bit about plug-in vehicles and plug-in vehicle stations. That's number ten on the list. And what we had talked to city staff about was providing us with a list of plug-in, possible plug-in sites, so we can coordinate with the city where the optimal locations would be. And that being said and the reason we'd like to do that with Novato is so that when the technology gets to a point where we can install these stations, we have the plans ready and we can roll those out. And Novato would be at the top of that list to receive these stations, because a lot of the groundwork would have already been laid.</p> <p>We also have included SmartMeters which – do you want to talk a little bit about, Ontario?</p>  |
| <p>Ontario</p> | <p>Well with SmartMeter technology we've talked about in a lot of detail but what it in essence does is it gives customers the opportunity to understand what they're doing on an ongoing basis. It's – I've been told it's akin to going to the grocery store and seeing the price of the items you're picking up as opposed to getting to the register and seeing it all at one time. That capacity has demonstrated the customers will reduce the use when they know what they're using, what the costs are. SmartMeter also allows us to give customers detailed information on how much energy they're using, to quantify what they're saving, and sort of give customers a really transparent sort of information link which will drive them to reduce greenhouse gas emissions. And those are going to be rolled out in Novato I believe in the</p>   |

|   |  |
|---|--|
|   | next year. In 2010.  |
| Josh  | And then finally the last item on the partnership is the PG&E system-wide expanded renewable energy supplies. And basically is that – that is our commitment to continue to contract and deliver renewable energy to all customers in Novato and system-wide. I don't know if you received the information that, that I'd sent out earlier last week but PG&E just contracted with BrightSource for 13,000 megawatts of solar thermal electricity power, which will power the 530,000 homes, which is three times the electric load here in Marin County. So that again you know continues to show PG&E's commitment to renewable energy, including solar power, which we're very proud of and we will continue to be very aggressive and .... |
| Ontario   | And just today we also, not today, a couple of days ago – we also filed an additional contract, a photovoltaic contract, located in Tehachapi near the San Gabriel Mountains. It's a single axis photovoltaic tracker that is going to provide roughly 230 megawatts of solar capacity. I think that's 592 gigawatt hours of electricity, roughly, roughly half of the county of Marin and about two-and-a-half times that of the city of Novato.  |
| Josh  | And I know there were a couple of questions on what needed to be approved by the PUC and that would be item one A, Mr. Mayor. And item 5. And that really concludes what we've been talking about. Mr. Mayor, you also asked at our last meeting about city load and if you look on page 5, it gives you a good breakdown of the residential, small-medium commercial and large commercial. And the rest of the mix.   |
| Ontario   | And anything going forward I'd be happy to answer any questions you have about specific community features that might make, that might affect the partnership and how we go forward.   |
| Mayor   | OK. Could you?   |
| Woman Speaker<br>(sitting next to Mayor,<br>not introduced).<br>Councilmember Pat<br>Eklund | I want to apologize for coming in late but we had a community meeting that was set up late last week, I believe on Friday, to look at - into - have a community discussion about the tragic incident at the San Marin and San Carlos where a nine year old girl was killed and her father lost his leg and may lose his second leg from a drunk driver. And the church was absolutely packed, people were very concerned. Anyway, so – I thought we were going to start at seven so I apologize for being a little bit late.   |
| Mayor   | That's all right.  |
| Eklund  | [Inaudible] So...  |
| Mayor   | PG&E just finished their presentation and I was going to open it up to questions from or comments from the audience first, unless you want to ask  |



|              |  |
|--------------|--|
|              | questions now and then ask questions later.  |
| Eklund       | I have some questions, but when do you think is the appropriate time to do that?   |
| Mayor        | Now or [inaudible]. You can do it now, you can do it after the public speaks.  |
| Eklund       | I'll ask a few questions now then. I don't want to take too much time up but one of the things at the last meeting I had a map and I didn't bring it of like Vintage Oaks and I'm sure that there's other areas in Novato that would really lend itself for solar but the, for whatever reason, especially the commercial properties, may not want to install it because then they'd be considered by the PUC as a provider of electricity and then would have to be regulated by the PUC and a lot of people in the commercial world is not interested in doing that. So one of the things that I've been talking with some people in the community about is well what if PG&E were to construct this solar on these commercial buildings, especially when you get a large amount of space like Vintage Oaks or even in the parking lot for example, where there's a lot of solar, and it actually can benefit some people with their cars getting protected from the Genentech and some others. Even PG&E has their own facility parking lot in San Francisco where they have that. I really didn't see that on the chart. And you know where PG&E would work with the city to identify large locations for PG&E to construct the solar and to operate it. You'd own it. Is that something that PG&E is willing to pursue? |
| Ontario      | [Inaudible] [Refers gestures to Chris Warner]  |
| Chris Warner | Chris Warner for PG&E. Yes indeed. I think as I mentioned last time, this is certainly an option we'd be willing to look at. It does depend upon the site and also making available the permits and the approvals to actually use the site. But one of the elements of a solar photovoltaic proposal we have pending before the CPUC right now is to look at what we call community-based solar, where PG&E could potentially own solar facilities that are located on rooftops or other sites that are owned by other third party owners. So that's something that – that although it may not be specifically here in this matrix — it is something we're open to discussing.   |
| Eklund       | Oh, so it's not in the matrix. So it's not number....  |
| Chris        | I know.  |
| Eklund       | ...not number 4?   |
| Chris        | It's actually [inaudible].   |
| Ontario      | We refer to it in I believe is it 3D? I believe it's 3D. I believe it's 3D. It's the PG&E's 500 mega watt solar programs. We do refer to it. We don't hash   |

|                          |  |
|--------------------------|--|
|                          | it out in detail but we do say that we will assist the city of Novato in identifying specific sites for potential qualifying third party projects as well as doing that for this individual program.   |
| Eklund                   | I guess it would be helpful if it included like PG&E owned...  |
| Josh                     | OK.  |
| Eklund                   | I didn't see that. Thanks.   |
| Chris                    | OK. That's part of that 500 megawatts. That certainly is; part of that proposal. We can make that more clear.  |
| Eklund                   | And, and this chart you had something starting in 2010, January of 2010. And I wasn't clear as to why something would be starting in 2010 if you don't have to get PUC approval.   |
| Chris                    | Right, that's...   |
| Eklund                   | That's items number 3 and 4 and – and number 9.  |
| Josh                     | And items 3 and 4 would, once we decide to move forward on the partnership we would be immediate. We'll make that, we'll make that note in our, in our corrections. I actually had updated but I got it in a little late but those two are switched to immediately starting once the partnership starts.   |
| Woman Speaker<br>(Staff) | Three and four?  |
| Josh                     | Just three and four, correct.  |
| Eklund                   | And also....   |
| Josh                     | And also, and also nine, yes.  |
| Ontario                  | From a data standpoint we've already started on that work. We've already started putting together the quantitative underpinnings for those kinds of programs. So the work is ongoing and as soon as the partnership, we could start rolling those things out. Sample letters identifying customers, doing those joint mailers.   |
| Eklund                   | And then I know for myself. You know, I don't have readily available cash to do some of the things I'd love to do, solar on my roof, solar hot water heater, whatever. Your number nine – you talk about marketing and promoting installation of solar-powered water heaters for homes and commercial buildings but I was interested in what kind of a loan program can you offer, the residences as well as commercial, if any. I know that |

|              |   |
|--------------|---|
|              | there's rebates available but sometimes people can't have ready cash in order to install some of those things. So, do you have a loan program or is that something we could set up?   |
| Josh         | Well that's something that I know that we're actually talking to – I know that Mr. Nation is not here tonight whose also working on this project with us. He's been meeting with local Novato-based banks on a program that, that kind of would revolve exactly around what you are speaking of right now. I think that's the challenge is finding out where this funding would come from, but we would absolutely be the facilitator to find that, that monetary loaning – that monetary loaner, and basically take advantage of that.   |
| Eklund       | Because I remember, this goes back a ways – my mom and dad who – my mom, now. My dad passed away, unfortunately. But they live in Terra Linda and they got a loan, a no-interest loan from PG&E to insulate their walls, albeit probably back in the 70s when I was still living there, when I was younger. But, I remember that they put, you know, the holes in the house and filled in with the insulation. That was a no-interest loan for two years that PG&E offered. Why can't PG&E offer a no-interest loan for some of these other improvements since you've done it in the past, why can't you do it now? Because banks obviously charge interest and if you're going to do that, if you're going to go that route, then you might as well get a home equity loan so that then, theoretically you could be able to deduct the interest. I'm not a tax attorney but... But why can't you do those no-interest loans on some of these other programs? Or have you looked toward it. |
| Chris Warner | One of the issues that we have in front of the California Public Utilities Commission is how to allocate these, these dollars, these funds we've had for energy efficiency. And one question the Commission has asked us is, is there a way to do, to leverage retrofits, via some sort of on-bill financing or some sort of loan program similar to what you're talking about. And they have asked us to look at it on a pilot basis. The issue is though, whether zero interest is what is the key barrier to these retrofits, versus some other issue such as identifying and matching homeowners with lenders and with the contractors. So, it's a way of saying to you yes, indeed a zero interest loan is one option to look at, but from the standpoint of marketing and getting people to retrofit their homes, it's not necessarily the only barrier or the only incentive that could be offered. But definitely it's an option that we are being asked to look at by the CPUC.    |
| Eklund       | Believe me. It is an issue to me.   |
| Chris Warner | Yes.  |
| Eklund       | I consider myself you know, a normal person and I think that if somebody looked at doing the loan through a bank or doing one from PG&E, I'm sure that that's what convinced my mom and dad to insulate their house. I have a   |

|         |  |
|---------|--|
|         | couple of other questions but I will ask them after the public comment.  |
| Mayor   | OK. I just --, I may have a few right now, before we hear from the public. But let me just try to understand this. Item number one as an example. Energy efficiency. Can you tell me, just above your chart on page 5 you say that you anticipate 550 megawatt hours per year of savings in the first two years. Can you tell me how many customers that equals and how much energy efficiency per customer that equals? I mean, how do you get to that number, when you're laying out a program?  |
| Ontario | The way these numbers are set up is that we broke the data down actually using energy efficiency programs that they'd fit into, so one could be the mass market so the general energy efficiency programs to all customers. Another one would be the local government partnership program that's run by the Marin County Energy Partnership. The third category is third party programs – programs that we have [inaudible] earlier that are targeted towards individual businesses. And the fourth kind is target markets. What we did there is we took, we took penetration rates for energy efficiency programs and identified how we could enhance those programs by targeting to specific customers and we escalated that through the partnership period. It's a pretty conservative estimate because what it's set up to say, for a customer type for mass market, for example. They traditionally will say, let's say, 3,000 megawatt hours. If we think we can get a two percent improvement in that by targeting new customers, and customers that would otherwise have not been served, we quantified it. We kind of quantified it that way. And then we took that throughout the program period. And in reality what would happen is we would identify customers that have not had mass market programs but that would be eligible and customers that have a certain threshold of usage we would then connect those customers with programs directly by having our service and sales personnel contact them or with the letters we referred to earlier. Does that answer your question? |
| Mayor   | Well, I'm not sure. We have a lot of residential customers here in Novato, it's mostly a suburban city. And what I'm trying to get to is, in that two year period how many homes would you expect to do something on the energy efficiency front? What would the cost be, who would pay for it? Is the consumer paying for this? Is PG&E paying for it?  |
| Ontario | Well it's coming from the public goods charge.   |
| Mayor   | So the, there is an incentive coming from PG&E.  |
| Ontario | Correct.   |
| Mayor   | OK. For all of the energy efficiency that you're trying to achieve in that house or ?  |

|                |   |
|----------------|---|
| <p>Ontario</p> | <p>For the programs that are described here in the savings structure, these are programs that are – these are savings that are coming from the public goods charges. These would be things as simple – may be as simple as compact fluorescent light bulbs and as complex as weatherization, appliance change-outs, those sorts of things. So it sort of runs the gamut of complexity. As it stands here, the way it's structured is that these come from public goods charges. There is a potential for additional program penetration once additional financing mechanisms comes along. But the way it's structured now, it does not – it sort of says, assume that the status quo exists. What conservatively can we achieve by more specifically targeting our programs? That's what that does. If we were to be more aggressive, we could say assume that there is a financing mechanism and that we've succeeded in identifying customers who could do these programs but do not have the financial wherewithal to do them. That would be an enhanced penetration rate. But I didn't feel comfortable doing that as it stands now for this sort of conservative estimate.</p>   |
| <p>Mayor</p>   | <p>And is my calculation anywhere near accurate that this – 550 megawatt hours is about two percent of the load for Novato?</p>   |
| <p>Ontario</p> | <p>It's a little bit more than 2.5, yes. Novato's total can be [inaudible] megawatt hour usage is about 280,000 megawatt hours.</p>   |
| <p>Mayor</p>   | <p>OK. So in – let me drop down then to item number three, solar PV facility to city, residential and customer. So in that program, who is paying for the solar PV.</p>   |
| <p>Ontario</p> | <p>The customers are. What we're looking to do and for this example residential is the easiest to explain, is because of the tiering system in our rates, tiers one and two are capped. So they're paying roughly 12 cents per kilowatt hour. As you go to tiers three, four and five, those tiers are higher, between 25 and 45 cents per kilowatt hour. The cost of what it would take solar will depend on the capacity factor, the installation costs and those sorts of things, but roughly, you know, let's say 25 cents per kilowatt hour – what we're looking to do is to identify customers that have energy costs that exceed the cost of the solar and we're going to match them with a local installer who can do the solar. What that does is it says to a customer, if you're paying 27 cents per kilowatt hour for electricity, why not do solar for 25 cents a kilowatt hour? That incentive is what we're looking to do. And by matching those customers and by having the city also stand there and say we support this, it gets away from the idea of why does PG&amp;E want you to use less. And that's a problem we see a lot of and it's really an impediment to having customers do these kinds of what we think are common sense sorts of activities.</p> |
| <p>Mayor</p>   | <p>Do you know how many customers are in that boat?</p>   |

|              |   |
|--------------|---|
| Ontario      | Actually, because of, because of the nature of Novato's housing stock which is a little bit older and it doesn't – it's older housing stock and sort of more disparate, there are quite a few customers, I don't know the number, there are quite a few customers that are in tiers four and five. There's significant penetration there. But as you go and do energy efficiency, the number of customers in tiers four and five will decrease.   |
| Mayor        | Right.  |
| Ontario      | So what we're looking to do is to actually do energy efficiency first because it's cheaper and then to identify the customers who even after energy efficiency are in tiers four and five. The assumption here is that there are over 1,000 customers at first glance that would be in tier five. And another couple thousand customers that would be in tier four. And then again using, using a similar sort of small penetration rate for those customers. That's how we derive the numbers from the solar program. So when we identify a customer that can do solar economically, we assume that they will not do it actually. We say, just a small portion of those customers will do it. If they, if it proves to be successful and more customers do it, you know ten percent, twenty percent as opposed to two percent, then the savings from that program will increase as well as the percentage of renewable power supplied by Novato customers. |
| Chris Warner | And Ontario, isn't that a – isn't our projection of solar PV a fairly large increase compared to what has already been installed in Novato in terms of solar PV?  |
| Ontario      | It's a reasonable large increase. As, we saw a spike, once when California's solar initiative came, as you see on figure three, we sort of gave you an idea of the count – when the California solar initiative came, we saw a spike in applications as a new program came in. Once, when the new program sort of lost some of its luster, fewer customers but still a lot of customers joined, 50, 60, customers. What we're looking at here, is trying, is, is, a significant increase over 50, probably 75 or 80 customers looking at it in the first year. That's in combination with the California Solar Initiative. So as Chris is saying, it is an increase above what we have currently, but it's not as ambitious as we hope it can be. Going forward.  |
|              |   |
| Ontario      | I would imagine going forward in an ideal situation we would have a couple of hundred customers per year identifying the fact that they can actually save money going solar and doing solar under this kind of program.   |
| Mayor        | OK. And then on program 7 and 9. Are these similar situations in which the customer is paying for the device?   |

|                |   |
|----------------|---|
| <p>Ontario</p> | <p>7, 7 and 9, yes they are. For 7, it'll make the most sense from a financial standpoint if the customers are replacing the boiler. So let's say there's a hospital that's replacing a boiler anyway, if they partner with us and our staff to identify a boiler that would be efficient, they would be doing that at the change-out point. From a financial standpoint it doesn't make as much sense to replace the boiler strictly for the remission reductions. But if you were to come to the end of the useful life of a boiler, that replacement would make great financial sense and great environmental sense. For 9, depending on the nature of the installation and the size of the installation, it – the payback period would vary. It may be a relatively short payback period or maybe a longer payback period, depending on the actual water usage habits of the facility. If it's a facility that has sort of a flat water usage characteristic and they were able to leverage a smaller system, there would be a shorter payback period. For a facility that has a sort of spiky system that – a spiky water use distribution that may need a larger system, there'd be a longer payback there. But that would be related to natural gas costs as opposed to electricity costs.</p> |
| <p>Mayor</p>   | <p>Now basic existing program that I'm familiar with where under Marin's green business program, the business has a third party come out and do a lighting analysis and they have lighting changed out at roughly it seems to be half the cost. How's that financed? Is that financed through the public goods portion of PG&amp;E's money?</p>   |
| <p>Ontario</p> | <p>Yes it is.</p>   |
| <p>Mayor</p>   | <p>So you're paying that vendor?</p>  |
| <p>Ontario</p> | <p>Well the customer---</p>   |
| <p>Mayor</p>   | <p>Subsidy.</p>   |
| <p>Ontario</p> | <p>-- the customer is contributing to the public goods charges. Those charges then being re-allocated to those vendors, who are targeting those residences.</p>   |
| <p>Mayor</p>   | <p>Is that program tied only to the green business program? Or can any customer call and avail himself of that service?</p>   |
| <p>Ontario</p> | <p>It would depend on the individual program. The program is structured such that individual programs would be targeted to the audiences that would be most receptive to those programs. For those kinds of change-outs, the providing energy retrofits that you reference --</p>   |
| <p>Mayor</p>   | <p>Right.</p>   |
| <p>Ontario</p> | <p>Those would be targeted to generally small or medium commercial. For larger commercial customers there are change-out programs in what are</p>   |

|                              |  |
|------------------------------|--|
|                              | called direct install programs. So we'd come out, with a part depending on the nature of the business. We'd install that part for some fraction of the actual cost and we would receive – the customer would receive the benefit of having less energy usage and the same for us. The programs are structured such as they would appeal to a variety of different customer types depending on the nature of the program.   |
| Mayor                        | And do you have programs that do the same thing in the residential sector for like older furnaces and older refrigeration configurations, those kind of [inaudible].   |
| Ontario                      | I don't believe there's a direct install program. I think there are rebates that are targeted to residential customers. The energy stars which are programs where customers are incented to do those changes at the end of useful lives. I think that there's a possibility we can develop tools to help the customers do the analysis, because it is sort of a complex analysis, taking the capital cost of a replacement unit- let's say a refrigerator. Taking the energy savings and then, if you want to to quantify the environmental benefits of making that change, we could put together tools that would be useful to customers in doing that. |
| Mayor                        | I have other questions but I think that I'll open it up to the public.   |
| Staff Member (woman)         | Just one question. As PG&E noted in their letter, they mentioned they have offered us one half time equivalent, the city manager is most interested in PG&E providing the funding for the city to hire a position, not for PG&E to supply a full time equivalent - I kind of wanted to make you aware of that.   |
| Eklund                       | Yeah, I had some discussions with them about that and have some other ideas as well.   |
| Mayor                        | OK, so now is the time for public comment. And who wants to go first?  |
| Brant Miller (public person) | My name is Brant Miller and I've got a fairly simple question for PG&E. That was a laudable list of generalities that you offered up. But I don't have a really good sense of what your commitment is. And I think that can be measured in terms of the costs – the internal costs that you intend to absorb in pursuing this, and in terms of the cash outlays to third parties that you're proposing to make in order to pursue this. Can you give us a feeling for those numbers on an annual basis?  |
| Ontario                      | Are you referring to sort of distribution of public goods charges because I think that --  |
| Brant                        | Well you said you were going to make half a man available. That's got a cost associated with it. Obviously a source of funding is public use charges but I have to ask how much money is going to be PG&E's and how much of  |



|                                      |   |
|--------------------------------------|---|
|                                      | it is going to be public use? What's PG&E's investment in this program is the question I am asking?   |
| Ontario                              | What's the funding? I'm not sure I have available [inaudible].  |
| Chris Warner                         | I think what you're asking is are PG&E's shareholders providing any of the cost here versus the public goods charge and I think the answer is a half of the – the half staff person would be contributed strictly by the shareholders, it would not be by ratepayers. This would be part of PG&E's contribution to the program. In terms of half a person if you cost that out, you know, fully loaded, I don't know what we've estimated it as, but between 50 to 75 grand a year. The other dollars that are available on a generalized basis we have a program in front of the CPUC that I think is approximately \$1.8 billion for 3 years in terms of energy efficiency, and what we're talking about here in these various programs is trying to leverage some of those dollars proportionate to Novato's initiatives and needs so that Novato gets its fair share if not more of those dollars. Does that help answer your question? |
| Brant                                | Yes it does, thank you.   |
| Ontario                              | A secondary standpoint is also to use data to make sure those dollars stretch further. So instead of spending one dollar in initiatives, it's spend 50 cents and get the same effects that you get spending twice as much.  |
| Bram                                 | Can I ask you a question of you, please. It's obvious that this proposal is in the hands of the public. Is it on your website or how's it been distributed?   |
| Eklund                               | It is on the website. Is it as part of the agenda?  |
| Second woman speaker<br>(Staff)      | [inaudible]. I thought it was but apparently it's not. But we'll make sure it is. It was supposed to be. We'll put on the website.  |
| Eklund                               | I guess if it isn't now, but it will be.  |
| Second speaker                       | I've only got one or two but I'll make sure it's on the website tomorrow, or a day later. Tomorrow.   |
| Mayor                                | Anyone else speaking?   |
| Woman (public person) (Marla Fields) | I have a question for PG&E which is how many of the – maybe this is some of the information not yet on the website but – how many of these proposals require CPUC authorization? Of that, what is the risk that that won't ever come, and also what is your anticipated time frame for how long that would take to get through the regulation process?  |
| Josh                                 | Yeah, we mentioned that. It is, two of those times would have to go through   |

|                       |  |
|-----------------------|--|
|                       | to get PUC approval.   |
| Woman (public person) | Only two?  |
| Josh                  | Only two. And that is item number 1B and item 5.   |
| Woman (public person) | And so...  |
| Josh                  | And that would probably take, Chris, how long?   |
| Chris Warner          | Well again, as Josh had said, one [inaudible].   |
| Josh                  | One second, 1A, 1A, I'm sorry.   |
| Eklund                | 1A.  |
| Chris Warner          | One thing that we have from California Public Utilities Commission is a strong encouragement for local government partnerships and so as Josh pointed out, we would expect that we can go move forward and seek approval in about a six month period for a customized approach on these particular initiatives. The other initiatives as Josh mentioned are very much in tune with our existing customer energy efficiency programs that the CPUC has authorized for our system-wide. And what we're talking about is actually leveraging those existing programs that are already approved.   |
| Bob (public person)   | <p>Hi, Bob Spofford from Sustainable San Rafael. I find the whole progress on this seems a little frustrating in a sense. Because we go all the way back to the city council vote on Marin Clean Energy, you know, it was set up as sort of an either/or kind of proposition. In other words could PG&amp;E put together a truly competitive proposal that dealt with this really substantive issue of a much higher level of renewable energy. And that's all sort of in abeyance sort of maybe, some day, somehow, depending on CPUC approvals.</p> <p>So, everything that's being discussed tonight are basically efficiency programs. Some of them sounding, you know, reasonably substantive, some of them frankly sounding like sort of PR and mailing out brochures and things. But that's not an either/or kind of proposition, or it shouldn't be. I mean we should be able, you know, if PG&amp;E is offering these kind of things, great – are they saying that if we participate or if Novato participates with the MEA on the very substantive things that they're rolling ahead with especially the AB811 area, that it's an either/or deal? I mean that doesn't – I mean that just sounds sort of petty. So not really sure what, what's on the table here at this point.</p> <p>The other thing I do get frustrated about is, I sit in on all this stuff that's going on at both the technical committee at the board level of the MEA and</p> |

|  |  |
|--|--|
|  | <p>they're, like, several generations ahead of where these kinds of proposals are. I mean I don't know if you've been paying attention to AB811, we're talking real money. Sonoma County has dedicated one hundred million dollars to AB811 funding. The county's plan is also one hundred million dollars because they think the market is there for one hundred million dollars and on a roll-in basis they think they've got the banks lined up to finance it. I mean the appeal of doing this on your real estate tax bill is enormous. It isn't a totally done deal yet but I mean that's, like real money. That's like big time programs. In fact at the last board meeting, the big discussion was how to structure at the county so it doesn't fall into the same trap that happened in Palm Desert and Berkeley, which are the only two places which have these AB811 programs up and running. Because what happened there was, everybody in town wanted to put solar PV on their roof as a fashion statement. And if you look at all the ways you can spend that money, PV is probably the least cost-effective. You get the least bang for your buck out of putting PV on your roof versus all the things that improve the energy efficiency of your house or doing solar hot water or things like that. So the county program has reached the point of saying how do we structure this so that people don't scarf up all the money to put PV on their roof, and we keep most of the money flowing into ...[inaudible] [END OF DVD, cuts off speaker]</p> |
| <p>[SECOND VIDEO CLIP BEGINS HERE]</p> |  |
| <p>Bob (public person)</p>             | <p>... programs while deferring participation in MCE, but I think it can be done. But it's like this world by its own is like several generations behind what point is really going on in the efficiency world, and it's worth getting plugged into that. So that's what I encourage.</p>  |
| <p>Chris Warner</p>                    | <p>Just a comment Bob. I was at that board meeting as well, and I think AB 811 is something very exciting and potentially promising among different local governments. PG&amp;E is playing a facilitator role right now with the ABAG group of governments on AB 811 because as Dawn Weisz pointed out at the MEA meeting one of the key issues for MEA is where are they going to get the money to loan, and the issue for the banks will be what kind of creditworthiness does MEA have in order to back up any loans. ABAG has a set process for issuing bonds to basically take out any bridge financing that's used for something like AB 811. Similarly we're working with Sonoma to help them facilitate their program. They have existing cash that they're using from their bond proceeds, and we'd be happy to work with Novato. I think it's incorrect to basically say PG&amp;E is not in the forefront on AB 811. We've been working in the Legislature in terms of some of the amendments to AB 811 that local governments are looking at, and we've been very much in the forefront with the Association of Bay Area Governments looking at this as a potential promising additional avenue to provide capital for these retrofits. In terms of electric vehicles again PG&amp;E is in the forefront of a proceeding at the CPUC that's looking at exactly that.</p>  |

|                          |  |
|--------------------------|--|
|                          | <p>What's called the smart grid technology that would be made available to create standardized charging stations and fast charging options for residents and other customers because you just can't just have a vendor like Cullen come out and offer a charging station that isn't compatible with the mass market electric vehicles that are going to come out. We are actually partnering right now with many of the electric vehicle manufacturers both foreign and domestic to look at how can we make sure our electric charging infrastructure that we can provide is standardized and will meet the needs of our customers once the electric vehicles start coming into market. In fact we're participating in a workshop at the California Public Utilities Commission in a couple of weeks now that will examine exactly that issue of what can we do to make sure the electric charging facilities for these electric vehicles are standardized and are available when they're needed so that they're compatible with the vehicles that people may buy. So we agree Bob, these are very much things that are in the forefront, and I think we've had previous discussions in Novato and other local governments on some of these things. But we do happen to believe in an old fashioned way that customer energy efficiency from the very beginning – basic stuff — retrofitting your home and your boiler if you're business and retail outlets and looking at what's your savings at the margin. That's the first priority, what we call the loadin order that we have to get those things done. So we don't want to ignore those basic fundamental changes in energy efficiency even while we're looking at some of these high technology developments.</p> |
| <p>Woman<br/>(Staff)</p> | <p>This is a point on AB 811 it's not at all clear that MEA would run the AB 811. It's more likely to be the county. As PG&amp;E said ABAG is looking at AB 811 programs. The state is looking AB 811 programs. So it's highly unlikely that Novato would lose out on being able to participate in AB 811 programs just by virtue of not being with the MEA.</p>   |
| <p>Mayor</p>             | <p>Let me ask you this question. Suppose Novato city council –</p>   |
| <p>Eklund</p>            | <p>Are you finished with public comment?</p>   |
| <p>Mayor</p>             | <p>No, but I don't want to lose this thought. Suppose the Novato city council decided to join MEA for the energy efficiency program only and not the CCA because I'm told — I haven't seen this in writing — but that's a possibility, would Novato also be able to continue doing energy efficiency partnerships with PG&amp;E at the same time?</p>  |
| <p>Chris Warner</p>      | <p>I think it depends on what — where Novato is putting, which basket they're putting their eggs in. And I think it's as you noted before, the MEA charter does not allow a sustained customer energy efficiency commitment by MEA or MEA members if MEA members are not also legally committed to a</p>   |

|   |  |
|---|--|
|   | community choice aggregation. There's what's known as the poison pill provision that was put in the charter that says that if a member joins MEA and later decides not to support CCA they're immediately terminated from the MEA program. So we certainly would be, be interested in continuing to work with Novato if you're putting your eggs in the basket of a green partnership with PG&E, but we do have concerns about your ability to — based on the charter as it's now written with MEA — to actually be able to participate in energy efficiency programs in MEA if you're not at the same time binding yourself to this CCA program.  |
| Mayor   | I guess my question was, if we could, would PG&E still be also interested in forming a partnership with Novato on energy efficiency.   |
| Chris Warner  | I think we're always interested in working with any local government on energy efficiency. I think the issue is really where Novato is putting its time and commitment at that point in time. If you're putting it into MEA and we believe that that would not be a sustainable energy efficiency program as MEA is now constituted the question would come back is Novato putting its time and effort into energy efficiency with PG&E.   |
| Mayor   | Continuing with public comment. Any more commenters?   |
| Woman<br>(Public Speaker)<br><br>Barbara George,<br>WEM | Let me just follow up with the last question. If PG&E – if Novato votes to join the Marin Energy Authority, and implement CCA, will PG&E form a local government partnership with Novato?  |
| Chris Warner  | Again I think I answered the question. We're always interested in working with local governments. We have to see what Novato would be requesting at that point in time.  |
| Woman<br>(Public Speaker)<br><br>Barbara George,<br>WEM | If Novato does form a partnership with PG&E does that mean that it would be taken out of the partnership that it currently has with Marin or would it be part of the Marin Energy Watch as well as having the Novato local government partnership?   |
| Chris Warner  | I'll defer to my colleagues, but I believe the way it would work is that — it's not clear that we would in any way be not continuing with a partnership with the county. In fact other local governments might ask for a similar partnership with us. However what may occur is a different allocation of the funds that we have available for the entire county. So for example if Novato takes a, comes up with a program that looks to be more effective than what the county is currently undertaking, then we may very well recommend that some of those dollars be allocated in Novato there might be fewer dollars available to the county. It doesn't mean the county partnership wouldn't |

|  |   |
|--|---|
|  | continue.   |
| <p>Woman<br/>(Public Speaker)</p> <p>Barbara George,<br/>WEM</p> | <p>So this money for Novato is just what it would have gotten if it stayed with the county partnership then?</p>  |
| <p>Chris Warner</p>  | <p>No, I think what we're really saying is that if Novato comes up with a more effective program than we're currently seeing in the county then PG&amp;E really on behalf of our customers in the county is obligated to look at what might be a more effective program, and that might result in more dollars being allocated to Novato than they might have proportionally or impliedly been receiving under the existing local government partnership that's administered as I understand it 100 percent by the county.</p>  |
| <p>Woman<br/>(Public Speaker)</p> <p>Barbara George,<br/>WEM</p> | <p>Okay, you said something before about the energy efficiency funds from the public goods charge that Novato might get more than its fair share. Now can PG&amp;E move energy efficiency money around at will?</p>   |
| <p>Chris Warner</p>  | <p>No, we have programs that are approved on an every three-year basis that are approved by the CPUC and part of that is that all of our customers and all our interveners including you, Barbara, that participate in these programs make recommendations regarding how the overall program should be focused. And as part of that the CPUC adopts very broad guidelines to us. We do have a certain amount of flexibility as you know under those guidelines to really come up with an optimum local government partnership program overall.</p>  |
| <p>Woman<br/>(Public Speaker)</p> <p>Barbara George,<br/>WEM</p> | <p>In other words you can give an extra amount to Novato, and somebody else is going to lose out somewhere else. Because there is a limited pot of funds, is that right? And you would be fund shifting. Would you have to notify the CPUC about the fund shifting?</p>   |
| <p>Ontario</p>   | <p>From a local government partnership perspective it's driven by savings and not ideologically distributing money to whoever, based upon where they are. It's sort of savings. For example, the East Bay Energy Watch is one of the highest performing local government partnerships and they get more than you would suspect that they would get because they drive savings. From the standpoint of all of our customers in the service territory, we're sort of obligated, we are obligated to give money to the most effective partnerships. Moving back from LGPs and onto more broad energy efficiency, getting more than your fair share is having significant penetration in the mass market, or target market sectors. So if more customers do energy efficiency programs in the county then they are getting more than their fair share</p> |

|   |  |
|---|--|
|   | because they are participating more. It's not a matter of you know allocating money necessarily from that standpoint.  |
| Woman<br>(Public Speaker)<br><br>Barbara George,<br>WEM | Are you using the energy efficiency public goods funds for all of these marketing programs, the community outreach, the direct mailers, media outreach, solar PV? I mean, you would be driving the additional penetration and so it does seem to me that PG&E is deciding that Novato would get more money.  |
| Ontario (to Josh)                                       | Is this separate funding?  |
| Josh  | Yes, it's all separate.  |
| Ontario   | This is separately funded, but I think that there's opportunity for some marketing outreach dollars to be used broadly throughout the service territory. And I think that using Novato as a pilot for some of those things, for example, some of the solar marketing might be used or should be used in other parts of the service territory especially if it's effective. That — some portion of that may be covered by something else but broadly those funds would be differently — would be separated out.   |
| Chris Warner  | I think it's important to point out that PG&E would be willing to work with any local government in Marin, and we made that clear. In fact as we've offered to work with the City of San Rafael, and we have worked with the City of San Rafael, and they have some very good programs in the city that we work with them on. We would work with any local government in Marin that would like to basically leverage and enhance, and as Ontario said the criteria is really energy savings. It's not population. It's not fair share or unfair share. It's actually the effectiveness of the programs in terms of achieving energy savings. |
| Ontario   | For example in the City of Hayward we have, we're looking at partnerships that are similar, doing things that are similar. So Hayward is obviously not involved in any CCA. It's just a matter of identifying areas where the city has demonstrated capacity to do these sort of things and asked us to do those kinds of things affirmatively.  |
| Barbara George,<br>WEM<br>(Public Speaker)              | Well I'm asking about Marin cities in particular. If a Marin City decides to join CCA would you do extra energy efficiency programs with them?   |
| Chris Warner  | Again Barbara I think I've answered that. We would be happy to work with any city in Marin that wants to basically achieve greater savings through energy efficiency programs.   |
| Mayor   | Is there anyone else that wants to speak from the public?  |

|                                  |   |
|----------------------------------|---|
| Man<br>(Public Speaker)          | I'd like to speak briefly.  |
| Mayor                            | Okay.   |
| Ken Stevens<br>(Public Speaker)  | Ken Stevens, 32 Bauer Drive in Novato. We were at a meeting here in this very room about a month ago, and council member Eklund asked PG&E to produce a written proposal. Am I to understand that it is just now coming out? They were promising it in a week, and t's just now coming in, is that true?  |
| Ken Stevens<br>(Public Speaker)  | At any rate there was a number of speakers that was warning everybody that PG&E is going to drag their feet until it becomes too late. You know right now we have what, eight days before it's too late to join without a penalty. It's come to fruition. PG&E's dragging their feet.   |
| Ken Stevens<br>(Public Speaker)  | To follow up on that we have an opportunity here to change the way we get our energy.   |
| Ken Stevens<br>(Public Speaker)  | PG&E has wonderful ideas about you know conserving energy, changing our light bulbs, giving fairs at Pini and all that stuff. And I applaud them for it. That's mostly stuff they should be doing anyway. We have an opportunity to change the way we buy energy. PG&E is not going to change the way they generate energy. They'll throw up with a few solar panels and stuff, but they're not going to open up their dams. They're not going to shut down their nuclear power plants. It's just not going to happen. We can have both. So we can have clean energy and we can have conservation of energy. In fact they should go hand in hand. It's a winner. PG&E is just shoveling us the same old stuff. That's it.   |
| Brant Miller<br>(Public Speaker) | I changed my mind. Maybe I will say something. I live in a modest Novato home. About 90 percent of my electric energy is Tier 1. The rest of it is a little bit of Tier 2. I pay about nickel a kilowatt hour for generation. I have a real hard time understanding how Marin CCA is going to do anything positive for me, and I suspect a whole bunch of other people in Novato here are in the same situation. In fact I'm one of the customers if you look at Marin CCA's business plan, it says they can jack my rates up and force me back onto PG&E. You know they've got the ability to adjust the tier structure. Now Supervisor McGlashan says oh heck let's jack up the rates up on the top and we'll give you an even better deal. I guess what that shows is just that they've got so much flexibility that there's no way any of us can have any idea of what they're actually going to do. Because of that I see them as a dangerous organization. I've been watching them on cross the last few months. I've been watching them decide how to point the energy procurement out to bid. The package they put out is a total muddle. They've got a set of terms and conditions attached to it that's appropriate for intermittent sale of energy by generally small producers, but they're telling |



|  |  |
|--|--|
|  | <p>you that they're going out to provide a primary service contract. The terms and conditions are not even a satisfactory starting point from what they're talking about. They've got a table in there where the bidders are going to come back with a complete spectrum of costs versus class of user, and then they've asked for a total. They haven't asked themselves or explained to the bidders how they're going to deal with it if the usage between the classes of users drift. They basically over specified the package. The thing is absolute chaos and Novato has made the right decision to stay well away from it until such time that you can see where this is going to end up. If that costs you another \$30,000 to join at that point, if it's a real good deal, pay the \$30,000. In the meantime don't take the risk.</p>  |
| Mayor                                      | <p>Okay, anyone else before I bring it back to the council with the Commission?</p>  |
| Barbara George,<br>WEM<br>(Public Speaker) | <p>Well I just wanted to say once again on the onbill financing that you — you know, you asked about the PG&amp;E loan program. That was in the heyday when PG&amp;E's programs were great which is 30 years ago. That's when they did great programs. Since then they've gone really downhill, and they, I mean you saw him waffle around about how, you know, the upfront cost is not the major barrier. Well, we know it's the major barrier with the residential programs and with the commercial programs, and the other utilities have provided an on-bill financing program in commercial. None of them have agreed to do it in residential. It's being done in residential programs in - the place that it's modeled after is a Connecticut program — a friend of mine has been working on this for years you know. I mean this has been an issue at the CPUC since 2002 when the state's Power Authority tried to get them to do it and they refused then. So here we are seven years later. That's how long it takes, and PG&amp;E is now considering maybe doing a small pilot only in commercial. So you're not going to see any loans, any low interest or zero interest loans in residential for a long time, not from this company.</p> |
| Mayor                                      | <p>Okay. I'm going to bring it back to committee. Do you have a more questions?</p>  |
| Eklund                                     | <p>Yes.</p>  |
| Mayor                                      | <p>Okay, go.</p>   |
| Eklund                                     | <p>I wanted to ask like AB 811. I've been a big supporter of that. And how come it isn't in the chart. You know it's in the narrative but it's not in the chart. Because, because the chart you know on page 3 and 4 of the letter. And so it's a little confusing to me as to what exactly your proposal consists of. I know it's the whole written document but I [inaudible] better in the chart.</p>   |

|                   |  |
|-------------------|--|
| Chris Warner      | If you would like us to put it in the chart to be consistent with what we have in the body of the proposal we'd be happy to do that.   |
| Eklund            | Okay, that would help me out a lot because I wasn't sure [inaudible], and I've been [inaudible] adamant that we need to participate in it. We just need to find the financing mechanism. That's why I hope PG&E would help us do it. So that's why I wondered why that wasn't in the chart. This public goods charge. You said that, Ontario, you said that every three years an agreement is made with the county and you give them some money. And is it based on so much money per city? How is that money that you give to the county developed? Is it based on population, the energy use? So that if Novato wanted to take that public goods charge money to use within our community. I've been on the city council since 1995, and I have never heard of the county saying that they got money for Novato to help with energy efficiency stuff. I don't know what they've done for Novato, and maybe you can help me to understand what have they done. And you know it's a couple of questions. So I guess you know, is the money – how is the money determined that you give to the county? How is it, you know, divided up you know is it by city, population, or is it \$50,000 for each city or whatever and then what have they done with this. And they've been having getting this money for quite a few years, but it's every three years that you said apparently. So if you can help me understand that, that would be great. |
| Ontario           | The money is not directly related to population necessarily. It's for a smaller city they will receive a smaller portion. For a Novato, [inaudible] in a Novato local government partnership you will receive an allocation that would likely be somewhat in proportion to your size relation to Marin, but as you go forward that proportion that you will receive will be directly related to the program savings. So if the City of Novato were to structure a local government partnership such that they were very successful, they will receive additional funds.  |
| Josh (to Ontario) | How does the county, when we give money straight to the county, it's a partnership now, what requirements does it have to get you know into spreading that?  |
| Josh (to Eklund)  | So isn't that what your question is? Because basically what happens is that we give the Marin Energy Watch — I believe it's called — the LGP that we have with the county — we give them a certain amount of money, and I believe the county, correct me if I'm wrong Chris or Ontario, spends it on different programs throughout the county.   |
| Eklund            | So how much money would they give to Novato, and what have they done to Novato for the past six years?   |

|              |  |
|--------------|--|
| Ontario      | The money is not specifically allocated to a city again. What they choose, how they choose to allocate it throughout the partnership is a choice made by the administrator. So what I suspect is that the partnership may have believed that there are significant savings to be found in southern Marin. They have made that sort of choice. That's a choice that I'm not privy to, and their performance implementation plan, the PIP, we would be able to see what sort of, what their broad....  |
| Eklund       | So do you have copies of that?   |
| Chris Warner | That's – exactly — I was going to say we'd be happy to make available to you their program implementation plan and proposals for going forward so you can look at the kinds of programs and the geographic diversity or targeting that they have on those programs, because as a county they are responsible to their constituents generally as to what they're doing. We look at each county or each local government partnership based as Ontario said on its overall merits. To the extent there might be a program in the East Bay that shows a greater savings potential than Marin County can show then that tells us to put more money into the East Bay program. But from the standpoint of — once the money comes to the county the county is the one that basically has determined how to make sure its programs are fair and effectively implemented throughout the county. |
| Eklund       | So can we get a printout of their PIPs?  |
| Chris Warner | Yes.   |
| Eklund       | For like the past two different grant periods or whatever you call it?   |
| Ontario      | I made that request already. We will be glad to provide you copies.  |
| Eklund       | And how much money have you given them?  |
| Ontario      | I think it's \$3.1 million.  |
| Eklund       | Over the three year term? \$3.1 million each year?   |
| Ontario      | That's the [inaudible]. Three years. It's roughly \$1 million per year.  |
| Eklund       | So has any city asked for that public goods charge money to come to the city instead of the county?  |
| Ontario      | We've seen larger local government partnerships separate into smaller ones as cities or a collection of cities see that their allocation of funds might not be as appropriate for a larger geographic area. It's not necessarily unique. We have to make sure that that's the most useful and most eq – not equitable – the most efficient utilization of those funds. It's not, the city can't come in  |

|              |  |
|--------------|--|
|              | and say we want the money, just so we have local control. They have to want the money and have a tangible plan that's going to be effective in getting energy savings. Once there's a demonstrated capacity to do that I think we would...   |
| Chris Warner | To that issue I think it's important that we understand that this isn't a formula allocation based on geography or population and to the extent that a program is county-wide or even broader than county-wide and shows economies of scale and efficiencies then it's natural that that could show better savings bigger bang for the buck, based on that broader program. So, from the county standpoint to the extent that the county basically says look, we're going to be more efficient and effective than a smaller local government at providing the savings. It's a bit of a competitive issue. We really look at it, what's the biggest bang for the buck from the standpoint of the savings.   |
| Eklund       | Then if we enter into this local government partnership thing which is going to require PUC approval on 1A, is that the precursor for us to say hey look at the – we would like to get some of that public goods money, so that then we can do like a loan program or energy efficiency, or....  |
| Josh         | I think there are a couple of steps involved before that.  |
| Eklund       | Uh huh.  |
| Josh         | I think first off we would want the city to sit down with the county and as we would come in as moderators and let the two of you discuss how that money is being allocated. Is it being allocated in your city and if so how much, and what is the energy savings results. And then based on that conversation, this committee or the council would decide if they wanted to move forward in requesting from us to break away and create that element, their own LGP. And that's when we'd go to the PUC. But I think what we would want first and foremost is for the city and the county to sit down together and find out where that money is going, what results have they harbored and is the city of Novato, is that what they want to be done with that money, because it's absolutely the call of the city to put the county on the ropes of basically saying; what, what, what have you been doing with this money and what results have become of this. |
| Eklund       | Because if your emphasis is in southern Marin, Novato is the second largest city in the county. And, you know, I never heard of it so I just am really surprised about this public goods charge. I'm learning — slow, but learning. Actually I have a couple other questions. Does a no-interest loan, is that something PG&E can put on this chart, number one? And does that require PUC approval? Like what you did 30 years ago for my mom and dad. A lot of people took advantage of that, so it wasn't just my mom and dad. I mean a lot of people took advantage of that.   |

|              |   |
|--------------|---|
| Chris Warner | <p>That would require CPUC approval. Doesn't mean it couldn't be done. But again, one of the issues is, is that more effective than the other programs? Now, Barbara says well gee it is, she's assumes it's more effective and therefore we ought to spend a lot of money on that but there's been a lot of review and a lot of looking at the CPUC in terms of allocating these public goods charge monies as among different programs. And we'd have to get CPUC approval but it is doable.</p>  |
| Eklund       | <p>And is that something that you'd be willing to put in here to explore whether it makes sense for Novato or not because I just have to go on my own intuition is that you know, if I wanted to put in a different type of water heater or solar, I'm not sure I would go for a, an equity line on my home, especially given the market right now. But, if someone offered me a no interest loan like what you did for my mom and dad I'd jump on it. So, I figured that there's probably a lot of other people like myself in this situation, but I could be wrong.</p>   |
| Chris Warner | <p>We'd put everything on the table. We would look at everything. My hesitance here is because I know that there are grant programs out there. There is an increased energy efficiency tax credit through the federal stimulus package. There's a lot of assistance for these energy efficiency retrofit costs that are out there, that in some ways are to put it bluntly cheaper than even a zero interest loan because they're grants or they're direct-install programs or there are tax credits that basically if you're middle income or above you would get the insulation or the weatherization or the retrofit for basically for free, it'd be an offset to your taxes. So.</p> <p>But again, if you want us to look at a zero interest loan as one option, we would look at it.</p>   |
| Josh         | <p>And I think that's also the responsibility of that part-time staffer is to search and find and really explore the different rebate programs and tax credit programs that, that Chris was talking about.</p>  |
| Eklund       | <p>Well then that gets when I – when we first starting exploring this I asked well one of the biggest challenges that the city has is lack of staff, that can't explore grant availability, you know. I mean it's – and then you almost have to be an expert on how to write a grant application in order to be competitive. But, the reason we were looking at a point 5 FTE was to do just that. Was to, you know, apply for grants for the city, work with, like a public works department, to identify you know the streetlights, the type of streetlights and how can we convert to LED and some of the other things that other cities are doing. We just don't have the staff to do that. It wouldn't be someone who is coordinating, it would be somebody actually be on the ground doing some of this stuff. And the proposal — t's not specific you say FTE equivalent. Is PG&amp;E receptive to actually helping to fund the person within the city, not to push paper, not to coordinate but to actually</p> |

|              |   |
|--------------|---|
|              | work with you on the technical aspects of how to implement some of this stuff and to apply for grants and stuff like that.  |
| Ontario      | I think that that's a question, but one of the other ways to think about it is, how efficient would it be to do that versus having a collection of experts who'd be willing to do that with an interface. For example where there are data issues or issues around, surrounding targeting customers and using data to target customers, I might be the person from PG&E who would be that, that connection. When it comes to LED streetlights, you have a person there who's an expert on the tariffs and those structures. I think the way it's structured now, it's to utilize those experts, to have a collection of experts, sort of led by Josh as the quarterback. And my perspective is that I think that'd be most efficient going forward.   |
| Josh         | And we do have individuals that do specialize in grant writing, and searching out those programs that you may be referring to.  |
| Eklund       | You do have that?   |
| Josh         | We do absolutely. And we would be, we would definitely be lending that as part of that half-time person.  |
| Eklund       | And you know my thinking here is that, like, we want to convert the streetlights, I mean you'd have to spend some time with our public works department and we don't have the staff really or the time for them to do this kind of stuff. So that's why we were really, looking to get a halftime FTE to do some of this.   |
| Chris Warner | Well streetlights are a great example. Because of the opportunity for LED streetlights and because of the stimulus funds that are out there and because of the fact that it's a no-brainer in terms of energy efficiency savings, we have a focus group right now within PG&E that does focusing on providing what amounts to turnkey, kind of contracting services to local governments throughout our service territory who would like to basically go out and do streetlight replacement. So when Ontario says that in some ways it's a lot better for you to have our specialists so that if you say, I want your person on streetlights to come talk to our public works department, it's a lot better to probably focus on doing that because we can immediately identify the person, have them come out, talk with your public works person, see what kind of plan we could put together and then go execute, than it is to allocate a half of a body to you, where it may not be a person that has immediate experience in the specialty. |
| Eklund       | And then, how do we enforce something like this? You know, I guess we would both sign something, you know the city and PG&E, but how would we measure performance over time? Are you going to be sending us like semi-annual reports or you know, how are we going to measure the   |

|              |  |
|--------------|--|
|              | performance and what you know like if you're not performing as you had anticipated, is, what kind of leverage will we have?  |
| Ontario      | I think Josh said it best that a partnership is not a partnership without results. And as Josh said there's going to be a website and there are going to be mechanisms to sort of post energy savings on websites. I think that having semi-annual check in every six months would be really efficient, for at least the interim, the beginning part of the partnership, to say by six months we've done this. That holds our feet to the fire. If we haven't achieved any savings or if we haven't done the things we said we're going to do, then that's a reason to step back and look at the partnership. Going forward, we have ways to identify the customers who we've targeted. We'll take those customers and see which customers have done, have done the programs we suggested. We can quantify those savings. So I think that there is – the partnership is structured so that it's transparent going forward so that we can both look at the partnership and see if there are things we can improve on.           |
| Eklund       | So then we'd want some sort of a legal document between the city and PG&E, like an MOU or [inaudible].   |
| Chris Warner | It could be an MOU. It really depends on what you as a city would like. But to the extent that it's a memorandum of agreement that we have with the city with reporting requirements, with measurement and verification, follow-up, with the ability of the city to come and ask us questions, examine our results. We think that would be fairly typical in a partnership approach like this and we would welcome that because as Ontario said, we don't want to enter into this if we're not going to achieve tangible results for you. Takes two to tango. You need to basically be willing to set objective goals for us and say here's what we want PG&E to deliver in the next six months in tangible results. You don't want to just say PG&E go out and do this and then we'll tell you later whether it works or not. You need to be willing to say we want this, that and the other thing as your priority activities over the first six months and then we'll set another set of milestones in the next six months. |
| Eklund       | [inaudible, background noise]  |
| Mayor        | On item 12 you talk about your renewable standard and where are you now on that?   |
| Chris Warner | We're contracted for over 20% in terms of renewables. We have a, a, already in place 20% goal in terms of deliveries by 2013 under state law. That's by the way renewables and we make this distinction I know people sometimes don't accept this but because we also look at our greenhouse gas emissions. We are over 50% greenhouse gas emissions free, taking into account that amount of renewables today which is like about 13, 14%, with over 20% contracted, and then our nuclear and hydro are zero-emitting from a greenhouse gas standpoint. The state is moving toward a 33% goal by  |

|              |   |
|--------------|---|
|              | 2020. One of the things that we are heavily involved in with renewables developers, particularly those in the desert area, and we talked earlier tonight about our recent contracts with BrightSource Energy and with, what's the other, we have another big contract we just announced Thursday.   |
| Ontario      | [inaudible]   |
| Chris Warner | Those renewables developers are not having an easy time right now nationwide because of the economic recession, because of the inability to get equity investment. So we're working hand in glove with those major renewable developers to try to get them through this economic bad time so that they can go ahead with their renewable projects particularly solar thermal and solar PV. But, we also have a back-stop on that and that is this 500 megawatt utility-owned solar PV program that we're proposing at the CPUC which would try to locate fairly commercial scale, large scale solar PV facilities closer to our load so that we don't have to worry about the desert siting or building additional transmission lines to provide that power to customers. And finally, we're working at the state level with the Legislature and at the federal level with the federal government and the Congress to try to remove some of the barriers that the renewables developers say they have to siting in the desert, for example, large solar thermal facilities, to getting long-distance transmission facilities built. That's a little bit of a long-winded answer to your question, but what I want to emphasize is that our CEO Peter Darbee has been almost singularly focused this year on working with everyone to get renewables, renewable energy further on a fast-track because he recognizes and we recognize that you can't just wave a wand and say we're going to get to 33%. You have to go through all these hard decisions to get renewable projects financed, developed, scaled-up, sited and in operation. Does that help? |
| Mayor        | Yeah, it does. You say you're contracted for 20%. What are you actually delivering right now?   |
| Chris Warner | I think it's at 15%.  |
| Ontario      | Yeah, 15%.  |
| Chris Warner | Yeah, 15%.  |
| Mayor        | I think at this point we should discuss.  |
| Eklund.      | OK.   |
| Mayor        | Where we go next.   |
| Eklund       | OK.   |



|   |   |
|---|---|
| <p>Barbara George,<br/>WEM (public speaker)</p> | <p>I would like to offer one thing and PG&amp;E's had a long time to present. I represent the person who's been involved in these proceedings, I know quite a bit about it. And I know a lot about CCA, which is the other thing we're discussing tonight. So I think I'd like to say just a very quick thing about the energy efficiency programs under CCA. The law that was passed in 2002 provides for community choice aggregators to obtain the public goods charge, money. There is a provision for them to apply to administer the, cost-effective, energy efficiency. And that's actually available to any party, not just community choice. So, Ms. Eklund, if you wanted to get that money and give out zero interest loans, you could do that right now, even without joining MEA. And I think that's what you really need to look at because this company has not done that since 1982. And they have resisted every attempt by ratepayer advocates like myself to get them to do that. Their residential programs are very small.</p> <p>One of the reasons why you're not seeing much in the way of energy efficiency programs from PG&amp;E is because their residential budget is basically just handing out CFLs at these fairs that they put together. And very little else. And local government partnerships in fact were not allowed to do residential programs, they're only doing commercial programs. And so you wouldn't see any of those things happening out of that local government program. And when you're talking about – this pretty little picture that Mr. Warner painted about how it would be when you're a partner with them – I'd like to just tell you what happened at the last round of partnerships, in the '06 – '08 programs. The county submitted its proposal in May, along with other local government partnerships. PG&amp;E promised to have meetings with the county and they were supposed to have the programs approved by the end of the year. They had one meeting in August. They cancelled the next meeting. And nobody, none of the partners heard from PG&amp;E until February of the year the programs were supposed to begin.</p> <p>In February PG&amp;E informed the partners that their budgets were slashed by 60%. They had no say in that. They had no say about what they could do in their programs anymore because PG&amp;E just tossed their proposals in the trash. And they didn't sign those partnerships until September, late September of 2009. In other words they missed the entire summer program when a lot of people are interested in doing energy efficiency. That they lost customers. They lost staff. And the whole point is that the cities had signed up with these partnerships instead of fighting for independent energy efficiency. And that's what PG&amp;E wanted. PG&amp;E wanted local government partners that they could control and they did control them and when the local governments didn't make a fuss about getting their own energy efficiency money, PG&amp;E just didn't care anymore.</p> <p>And currently there are similar problems with the current energy efficiency programs. The partnership proposal that was put in has not been fully funded. PG&amp;E told the partners that oh, we're not sure that we believe you're going to do a good program and we'll fund the first two years of your three</p> |
|---|---|

|        |  |
|--------|--|
|        | <p>year program. And then you're out of luck, you know? Maybe if you play ball, we'll give you a third....</p>   |
| Mayor  | <p>[interrupts] ... I'd like to put this back with the committee. I'd like to put this on the table tonight.</p>   |
| Eklund | <p>I guess that's why you know I asked the question about enforceability and what type of measures can we put in here in order to make sure that there's progress because if there isn't progress then I'd have some concerns about that. But I personally, there's, I think I've mentioned most of the items that I would want to see added to this chart. And also I think that we need to have some discussion about the enforceability and I think we need to get, take it to the city council and see what they have to say about it.</p>   |
| Mayor  | <p>OK, well I don't think it's ready for the city council. Not by a mile. Let me tell you why. It sounds delightful to listen to. But what I see and I think about it I take item number one. Item number one is going to achieve 5,500 megawatt hours per year reduction and I want to know how specifically that's going to be achieved. And I want to know on a year by year basis when we're getting those reductions and from what sectors of your ratepayers. So that we have something we can track and check off. They got a megawatt from that guy and they got this. And they're on target. And I want to know what that program costs. What percentage of it's paid by PG&amp;E. What funding source of PG&amp;E is being used to pay for it. How much is expected to be paid by customers. How much is expected to be paid by Novato, either through soft costs, or direct costs or whatever – on all 12 items I want to know that kind of thing.</p> <p>So this is kind of like what you begin with when you are putting together a program. There's no work program here. There is nothing to measure, there's nothing to hold their feet to the fire over. If it were the MEA sitting here I'd say the exact same thing. There is no contract here. There's no obligation on their part to us and there's no penalty as you pointed out to them for not doing it. There's, there's, right now just goals. It would be nice if we could go achieve this by this means...</p> |
| Eklund | <p>Right, but — .</p>  |
| Mayor  | <p>And — you can take it to the council if you want.</p>   |
| Eklund | <p>But I think, yeah, I – this chart needs to be — have a little bit more specifics in it. I think that we both agree on that. But in order to get the attorney to start working on a contractual arrangement, an MOU, or whatever mechanism it is, assuming that the rest of the council even agrees to having performance measures in here, we need to get input from our colleagues. And you know I think it's important to check in with our colleagues to make sure that you know that we get all of their input as well.</p>   |

|              |   |
|--------------|---|
|              | So I agree with you and that's why I brought up the issue of performance measures, reporting, like, contractual obligations. We need to have something in here that – so we can measure how well our partnership is working. I don't know. If you think that they should do a draft and then come back here and then we go to city council? |
| Mayor        | I'd be willing to go to the council for a check-in if we put simultaneously on the same agenda a presentation by MEA on their non CCA program they say they're offering us.   |
| Eklund       | That – the JPA agreement has not been changed. Until the JPA agreement is changed...  |
| Mayor        | Well that may part of the presentation when they make it.   |
| Eklund       | I'll believe it when I see it in writing because the last time Dawn was here, no JPA agreement language has been discussed by the board. That's what she said.  |
| Mayor        | [inaudible]   |
| Eklund       | Because I had a laundry list--  |
| Mayor        | That's my deal.   |
| Eklund       | -- of JPA agreements that – you know, I think it's important for us to go to the council and get their input. I mean if I wasn't on this committee I would want to be able to suggest, you know, things that I knew about and maybe they have some ideas that you weren't aware of.   |
| Mayor        | I couldn't agree more.  |
| Eklund       | So....  |
| Mayor        | As long as we have an opportunity for MEA to present at the same time.  |
| Eklund       | You see our charge from the council is to discuss with PG&E.  |
| Mayor        | But I don't think it's right.   |
| Eklund       | So, I don't know. Does PG&E – have you heard enough where you can maybe modify this to include more specifics with performance measures?  |
| Chris Warner | I think we can try to add to whatever additional specificity you're looking for, including reporting, including performance measures, including —   |
| Josh         | Energy breakdown.   |

|               |  |
|---------------|--|
| Chris         | Yeah, a breakdown, as the mayor asked, in terms of where are the savings are expected to come from. We'd be happy to do that.  |
| Eklund        | And one of the things that, you know, the PUC approval and the start date. That I – you know I think at some point, you know. Hopefully we'll get enough specifics so that then we can at least go to the council, get their input. I think it's important to do that, you know. Because I think we are all a team, you know. Our charge was work with PG&E, can't you get an agreement, or, you know, an identification, what this partnership thing looks like, and then bring it back to council. |
| Mayor         | I think they're one round away from that.  |
| Eklund        | OK.  |
| Mayor         | They just said they could do it.   |
| Staff Member  | Currently we just have it tentatively scheduled for July 14 <sup>th</sup> .  |
| Eklund        | OK, so then our first meeting in July would be, July 2nd.  |
| Staff Member  | 6th.   |
| Eklund        | 6th. For this committee.   |
| Staff Member  | [inaudible] We need to be ready. Which is three weeks?   |
| Eklund        | Right. And so then we could still keep with the July 14 schedule. OK.  |
| Staff (?)     | [inaudible] We could change it.  |
| Eklund        | No, that's fine.   |
| Chris Warner  | We'll do our best.   |
| Eklund        | So, do you need us to go through other specifics? I think I was pretty clear.  |
| Chris Warner? | Pretty clear. [inaudible] We got good input.   |
| Staff Member  | In order to be ready for the July 6th meeting, we would absolutely have to have it by June — well July 1st.  |
| Chris Warner  | That's a holiday.. We'd have to have it overnight.   |
| Staff         | Well, yeah, I mean, we'd probably need it by June 29th.  |
| Chris Warner  | Right. OK.   |

|              |  |
|--------------|--|
| Eklund       | And then to get it, keep it on the 14 <sup>th</sup> it could go forward with that document, any comments that we have, independent of that.  |
| Eklund       | OK. I'm comfortable with that.   |
| Mayor        | OK. Next item. Comments from staff.  |
| Eklund       | Did we do the application? OK, then I'm going to raise it with the council when it comes out.  |
| Staff Member | Council already approved us applying for the grant.  |
| Eklund       | I really think that there is nowhere in that application we have solar and I thought that we had discussed that the last time.   |
| Staff Member | Let me explain. The council has... we've gone to council with a few, about three or four recommendations, based on research that Kathy had done plus on the recommendation of ICLEI.   |
| Eklund       | I read that. It's more general but [CD skipped]  |
| Staff Member | [CD skipped] [inaudible]...efficiency, conservation. It's very likely that that will come up which will give us flexibility to do any program. We're not being specific about anything at this point other than that we will develop strategy. |
| Mayor        | [inaudible] within [inaudible]days.  |
| Staff Member | Right.   |
| Eklund       | OK.  |
| Mayor        | Anything else from Staff? Anything from committee members?   |
| Eklund       | Not that I can think of.   |
| Mayor        | OK.  |
| Eklund       | Only that we missed you at the meeting earlier.  |
| Mayor        | Well then, we're adjourned until July 6th.   |
| Eklund       | 6th.   |
| Mayor        | OK.  |
|              | END OF TAPE  |

