



Community Choice Aggregation

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What is CCA?

- Community Choice Aggregation (CCA) is an alternative to an investor-owned utility (IOU) energy supply system. A local CCA purchases electricity and the IOU transmits the electricity for individual customers within a defined jurisdiction. The CCA chooses the power generation source on behalf of the customers. By aggregating purchasing power, a CCA is able to create large contracts with power generators on behalf of the individual customers within their jurisdiction. Unlike the IOU, the CCA is lean, nimble and not-for-profit. The goals of CCAs are to lower costs for consumers and/or allow local entities greater control of their energy mix, including offering “greener” generation portfolios than IOUs. Currently CCAs are available in the states of California, Massachusetts, Ohio, Illinois, New Jersey, New York, and Rhode Island.

How CCAs Function in Electricity Distribution

- Assembly Bill 117 was enacted in 2002. The bill authorized California cities and counties to develop local agencies to serve the aggregated electrical loads within their jurisdictions. Cities, counties and joint power authorities (JPA) may establish a CCA.
- CCAs purchase electricity and manage power supply portfolios.
- CCAs have the option to determine the source of electricity and the mix of sources (non-renewable and renewable).
- CCAs may offer multiple options to consumers as to the mix of sources.
- Investor Owned Utilities (IOUs'), PG&E and Liberty Energy provide transmission, system maintenance, billing and customer service.
- Local governing bodies can create a CCA with approval from Board of Supervisors and/or Council Members.
- The population within the CCA boundary is automatically included upon formation; however, the option to opt out upon formation and on an annual basis thereafter is provided.

CCA Responsibilities

- Supply electricity to customers and coordinate functions with IOUs.
- Energy supply and portfolio management. The CCA determines the energy needed to fulfill the electric load. Three components of the energy portfolio are:
 - Electricity supply requirements: Purchasing can come from multiple sources or a central market operated by the California Independent System Operator (CalISO).
 - Generating capacity: All electricity serving entities are required to maintain levels of capacity to meet demand to ensure the stability of the grid managed by CalISO.
 - Renewable Energy: Renewable Portfolio Standards (RPS) require all electric serving entities to include minimum levels of renewable energy in their energy supply portfolio.

CCA Responsibilities (cont'd)

- Utility Interface and customer billing:
 - CCA customers are billed by the IOU
 - IOU provides meter data
 - CCA uses its rate structure to compute energy charges and transmits the billing data back to the IOU
 - Customers pay the IOU
 - IOU is responsible for collection of payments

Forming a CCA

- Conduct a feasibility study
- Submit a Declaration to Pursue to the IOU and CPUC
- Create a JPA or an agency within the local government
- Develop an implementation plan that requires CPUC approval

Potential Benefits of CCA

- Lower electricity cost
- Job creation from staffing requirements and potential private investment in local energy generating projects
- Economic growth:
 - Cost savings will most likely be returned to the local economy. Supporting local business and adding tax revenue
 - Competitive advantage for business attraction and expansion
- Local control over exposure to supply cost volatility
- Environmental benefits if the CCA expands use of renewables
- The CPUC collects public goods funds for public purpose programs from fees added to all electric bills. The funds are dispersed for energy efficiency programs, renewable energy, public interest research and services for low income customers. There's no correlation of where they are collected vs. dispersed. A CCA may have more influence in acquiring the funds for their service area.
- A CCA can focus on energy needs unique to our county

Potential Concerns of CCA

- Power Charge Indifference Adjustment (PCIA) is an exit fee sanctioned by the CPUC to offset costs of the IOU caused by the formation of a CCA. IOUs have long term electricity purchasing contracts. The PCIA is an offset to cover IOU losses on un-needed contracts.
- Potential regulatory changes to solve unanticipated issues related to CCAs.
- The County is served by two IOUs: PG&E on the West Slope and Liberty on the East, and no CCAs have been formed in the Liberty service area to date.

Power Generation Considerations

- CCAs determine the mix of renewable vs. non-renewable sourced electricity. Will the new CCA focus on cost savings, 100% renewables, a combination of the two?
- Will EDC be interested in developing locally sourced electricity? Will this complicate the initiative of creating a CCA?

CCAs within the PG&E service area

- Clean Powers SF
- East Bay Community Energy
- Marin Clean Energy
- Monterey Bay Community Power
- Peninsula Clean Energy
- Pioneer Community Energy
- Redwood Coast Energy Authority
- Silicon Valley Clean Energy
- Sonoma Clean Power
- Valley Clean Energy

CCA examples

- Marin Clean Energy offers four rate plans
 - PG&E (opt out): Includes 33% renewables with an average residential cost of \$104.04/month
 - MCE Light Green: 55% renewables with an average residential cost of \$101.43/month
 - MCE Deep Green: 100% renewables with an average residential cost of \$105.94/month
 - MCE Local Solar: 100% local renewables with an average residential cost of \$134.80/month

CCA examples

- Pioneer Community Energy (Placer County JPA)
 - Overall projected savings 9% over PG&E
 - Residential 7.5%
 - Commercial 8-9%
 - Agriculture 7.5-11%
 - Street & Outdoor lighting 9%
 - These savings increased significantly after a March 2018 PG&E increase was approved by the CPUC. Pioneer's board decided to maintain their current rates.

Recommendation

CEDAC recommends the Board direct staff to explore the feasibility of forming a CCA in El Dorado County, including:

1. Continuing advisory discussions with Pioneer Energy, Lancaster Choice Energy and other CCAs
2. Contact the cities of Placerville and South Lake Tahoe and determine their level of interest in participating in a JPA CCA
3. Develop an RFP for a Feasibility Study to include:
 - Receipt and review of PG&E Load Data and forecast
 - Complete Rate Analysis
 - Provide Supply Scenarios
 - Provide options for energy efficiency and demand reduction
 - Review Economic Impact Analysis for direct and indirect employment creation
 - Sensitivity Analysis for changes in energy market prices, PG&E generation rates, PCIA exit fess, renewal developments, policy changes, etc.
 - Perform Pro-Forma review to assess cost-benefit analysis to support creating a CCA
 - Risk Analysis review of risk-mitigation measures relating to financial and regulatory risks
 - Identify costs and finance options for forming a CCA
4. Return to the Board with the proposals and cost estimates received for the Feasibility Study and request further direction on how the Board would like to proceed