Community Choice Aggregation

A Local Government Tool to
Boost the Economy and Green the Grid

March 4-6, 2019
Boulder/Denver, CO
The Evolution of the Grid

• The full stack monopoly utility of 100 years ago made sense

• One-size-fits-all: safe, reliable and affordable energy for everyone

• Mission accomplished - But times are changing

• Technology is enabling distributed energy resources and other energy innovations

• People and communities want - and can - have choice
Growing interest in residential energy choice/electric competition
Growing public interest in renewable and clean power options
Cost of renewable power is at historic lows
Local governments in search of cost efficient ways to comply with climate action goals and state mandates
Communities are increasingly concerned about energy resilience
Acknowledgement that the traditional utility model is becoming outdated
Advancements in energy innovation can be implemented locally
What is Community Choice Aggregation?

Often called “public power-light” CCA is a shared-service model between local government(s) and the investor-owned utility that allows municipalities to pool their electrical load for the purpose of reducing costs, greening the grid and boosting local economies.

How Community Choice Aggregation Works

source

CCA

buying and building electricity supply

delivery

UTILITY

delivering energy, maintaining lines, billing customers

customer

YOU

benefitting from affordable rates, local control, cleaner energy
CCA is Not Anti-Utility; It’s a Partnership

- CCA is a form of public power but not full municipalization - often called “Muni-Lite”
- The CCA handles power supply decisions, power contracting, and rate setting.
- Utility handles power transmission and distribution and manages the grid.
- Utility continues to provide customer services such as meter reading and billing, outage support and capital improvements.
- CCAs do not require public subsidies; they are self supporting through redirected electric generation revenues.
- The utility is kept whole through exit fees/cost recovery charge and service fees.
- CCA is a pro-community effort that allows for local control while allowing the utilities to continue to do what they do best.
CCA is on the Move Across the US

**Authorized in 8 States:**
- California
- Illinois
- Massachusetts
- New Jersey
- New York
- Ohio
- Rhode island
- Virginia

**Legislation Introduced:**
- Connecticut
- Maryland
- New Mexico
- Oregon

**Watch List/Potential:**
- Arizona
- Colorado
- Nevada

**Inquiries Received:**
- New Hampshire
- Washington

Source: LEAN Energy U.S. February 2019
Massive Growth in CA since 2014

2010 – One CCA
2013 – Three CCAs
2018 – Nineteen CCAs!

The CUPC projects that nearly 85% of the State will be served by non-IOU providers like CCA and DA by 2025.
Primary CCA Benefits

Enhanced Energy Choice
• Communities can decide how green they want to go
• Customers have a choice in electricity providers and power options

Affordable Energy Bills
• 3% to 10% average savings around the country
• Local rate setting

Accelerated Carbon Reduction
• Most California CCAs are exceeding State’s aggressive RPS
• Many communities are already 100% carbon free through CCA

Locally Driven, Community Energy Projects
• Economic development /Local jobs creation
• Local energy production
• Community resilience
How CCA Works

1. State passes **enabling legislation** and develops program **regulations**
2. Local governments participate by passing an **ordinance** to form a CCA authority.
3. As an **opt-out program**, the CCA becomes the default electricity provider and handles required customer noticing/enrollment.
4. Customers **always have the choice** to return to bundled utility service.
5. Customers continue to pay their bill and receive power through the utility.
6. Cities continue to receive **franchise fees**; CCAs do not affect franchise agreements.
7. CCAs are **governed locally** and **managed professionally**, similar to other municipal services such as public power, sewer and water.
8. CCAs are required to comply with state and local laws and the **Public Utilities Commission** continues to play a role.
CCAs Reach 100% Renewable Faster

We promised local renewables. Now we’re delivering.

MCE’s installed local, renewable energy projects total over 19 megawatts. Learn more about where this energy comes from.

**MCE Solar One, The Bay Area’s Largest Public-Private Solar Partnership**

MCE Solar One was conceived by the Richmond community to integrate renewable energy and solar facilities in the Chevron Modernization Project. MCE teamed up with RichmondBUILD – which has successfully graduated hundreds of students and placed an impressive 80% of its graduates into well paying jobs – to train and hire its skilled, local graduates for the project.

Environmental and Local Benefits:
- Expected to eliminate 3,234 metric tons of carbon dioxide in one year, equivalent to taking more than 680 fossil fueled cars off the road annually*
- Repurposed 60 acres of a remediated brownfield site
- Supported 341 jobs
- Maximized local economic benefits by requiring 50% local resident workforce and engaging Richmond-based contractors and supplier

For press inquiries, please contact Kalicia Pivrotto, Marketing Manager, at kpivrotto@mcescenenergy.org.

**Ten Southern California Municipalities Commit to 100 Percent Renewable Electricity**

Community choice energy program will power 9 cities and Ventura County with 100% renewables in 2019

Thursday, November 1, 2018

Contact:
Stephanie Steinbrecher, 415-977-5736, stephanie.steinbrecher@sierraclub.org

VENTURA, CA -- A total of nine cities and one county have opted to power their communities with 100 percent renewable electricity through Clean Power Alliance, a new Community Choice Aggregation (CCA) program in Los Angeles and Ventura Counties.

The cities of Culver City, Ojai, Oxnard, Rolling Hills Estates, Santa Monica, South Pasadena, Thousand Oaks, Ventura, and West Hollywood, as well as unincorporated Ventura County, have each set a 100 percent renewable electricity default through the CCA. This means all residential, business, and municipal customers will be automatically powered entirely by...
CCAs Create a Path for Local Innovation

- Microrgrids
- Local Solar + Storage
- Feed in Tariff
- Transportation Electrification

3-5 years

- Net Energy Metering
- PACE
- Energy Efficiency/DR
- EV Rebates

2-3 years

1-2 years

- Short and long term contracts
- Clean power contracts

Power Purchase Agreements → Resale to Customers

Customer Programs And Incentives

Economic Development Local Infrastructure

CCA 1.0

CCA 2.0

CCA 3.0
Examples of Local CCA Projects

- Airport Microgrid
- Advanced Energy Rebuild
- Electric Bus Fleet Conversion
- Community Solar on Brownfield Site
- EV Rebates and Incentives
- Off-Shore Wind
# CCA Results in California

<table>
<thead>
<tr>
<th>METRIC</th>
<th>RESULT (as of Q4 2018)</th>
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<tbody>
<tr>
<td># CCA Accounts</td>
<td>3.8 million accounts serving 9 million+ customers</td>
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<tr>
<td>On-Bill Savings in 2018</td>
<td>$90.2 Million</td>
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<td>NEW Renewable Generation</td>
<td>2500 MW</td>
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<td></td>
<td>- 1360 MW solar, 741 MW wind, 12 MW biogas, 360 MW storage</td>
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<tr>
<td>Carbon Emissions Reduced</td>
<td>Expected to exceed 2 million metric tons</td>
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<td>Average % Renewable (2018)</td>
<td>45% (CA IOU average = 26%-30%)</td>
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Data Source: Cal-CCA.org
Examples of Commercial CCA Customers

[Logos of various companies including Facebook, Pixar, Caltrain, Kendall-Jackson, Lean Energy, and others]
Considerations for New States

- Market structure/regulatory framework
- Utility reputation/customer satisfaction
- Ability to compete on price
- Local value beyond rate discounts
- Exit fees/departing load costs
- Resource adequacy – fair transition that avoids duplicative/costly requirements
- Open access transmission is essential in the absence of an RTO
- Access to credit and customer electrical data
- Market for renewable and carbon free resources
Now is the time to take control of your energy future...

CCA is the path forward.

Thank you!

Shawn Marshall, Executive Director

shawnmarshall@leanenergyus.org
www.leanenergyus.org