

# Community Choice Aggregation (CCA)

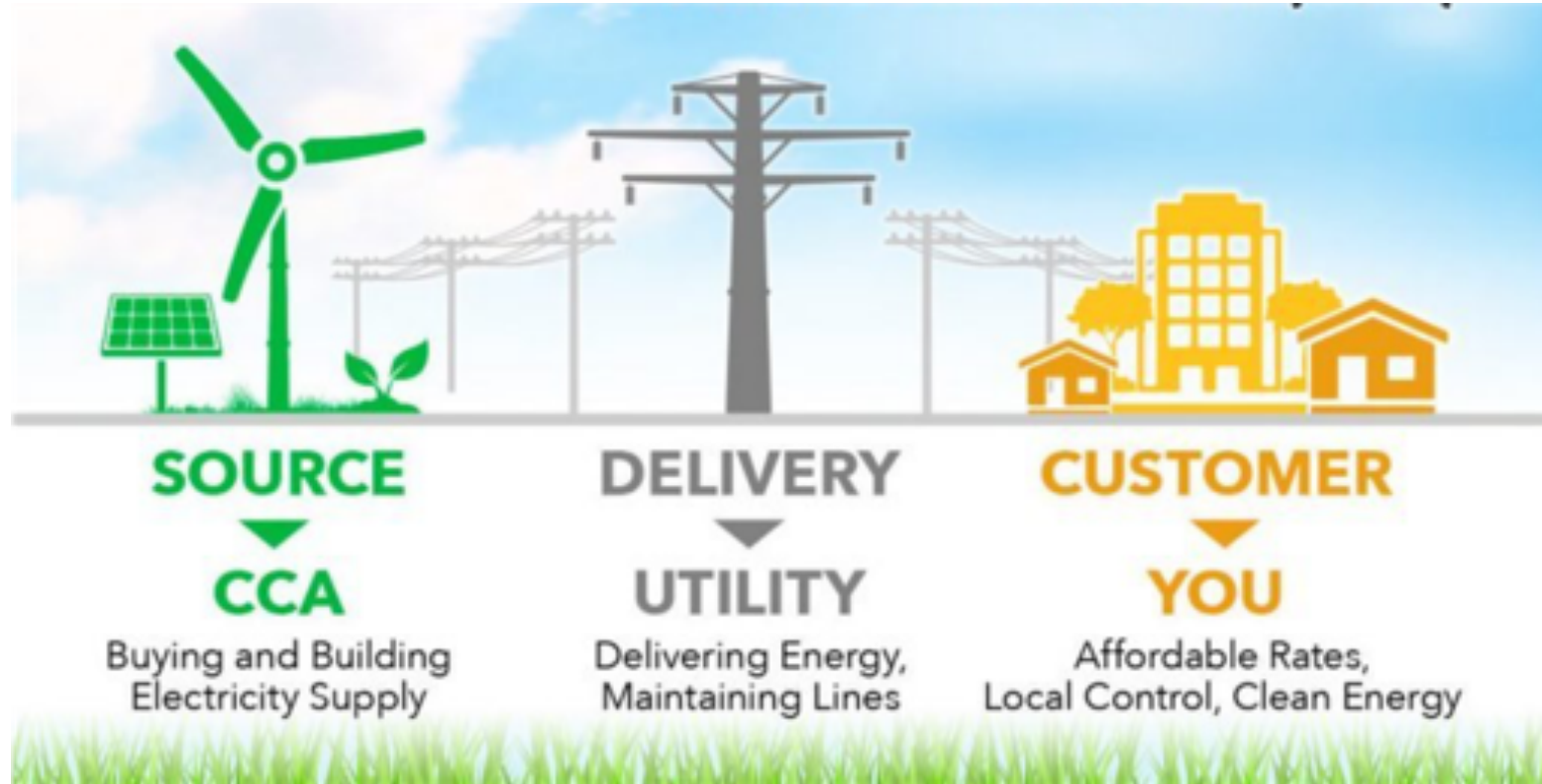
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## Impact on Low-Income Communities APRIL 2018



# Community Choice Aggregation (CCA)

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Digital Image. Technocracy. <https://www.technocracy.news/wp-content/uploads/2017/04/CCA-infograph-777x437.jpg>

# Community Benefits of CCA's<sup>1</sup>

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Alternative revenue streams to local government



Control over local energy rates and future



Cost savings to consumers



Encourage local job creation



Promote greater renewable energy use



A new, positive touchpoint with community

# California CCA's

1. Marin Clean Energy
2. Sonoma Clean Power
3. Lancaster Choice Energy
4. CleanPowerSF
5. Peninsula Clean Energy
6. Silicon Valley Clean Energy
7. LA Clean Power Alliance
8. Desert Community Energy
9. Apple Valley Clean Energy
10. Monterey Bay Community Power
11. Pico Rivera Innovative Municipal Energy
12. Redwood Coast Clean Energy
13. San Jacinto Power





# Methodology: Two-Part Study

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## PART I

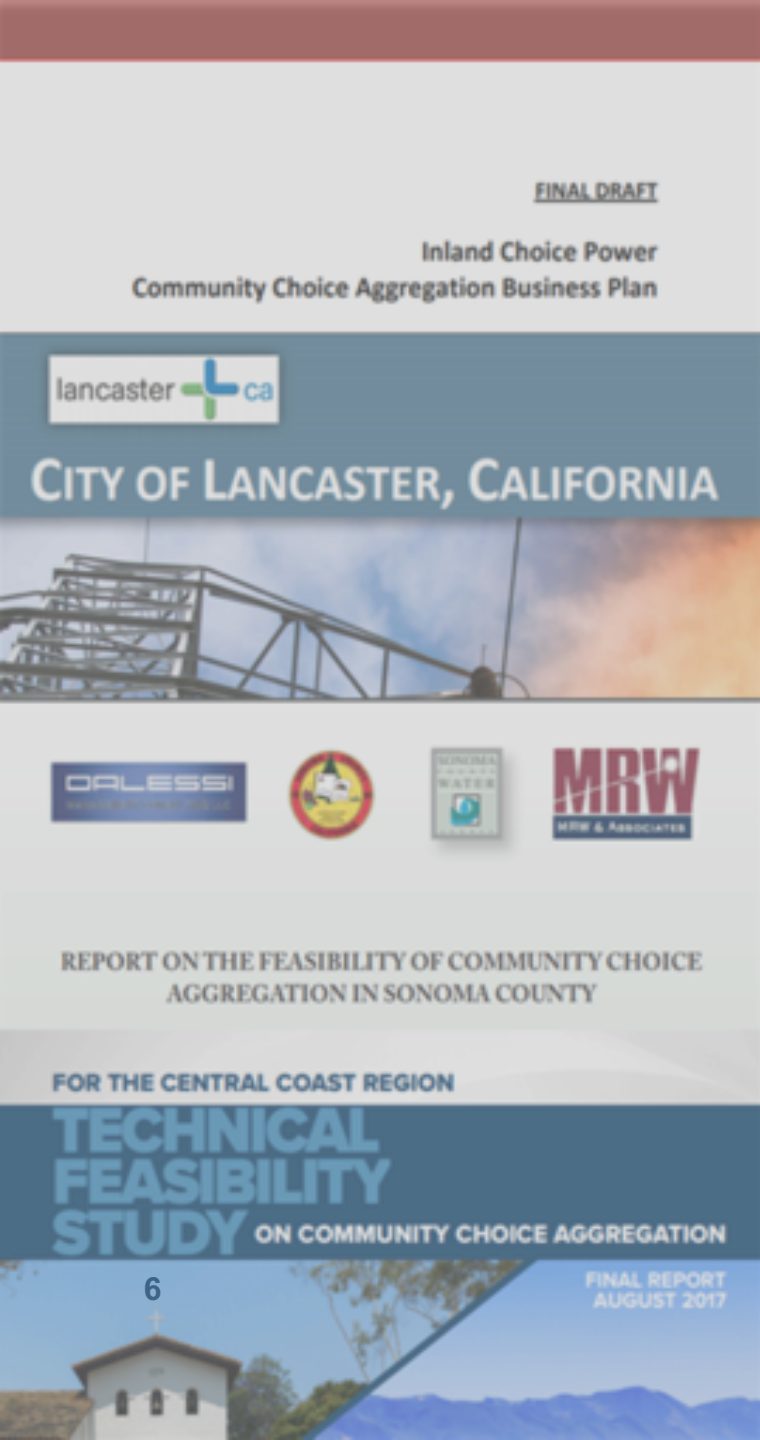
Feasibility & Implementation Study



## PART II

Deep Dive





# Requirements of Feasibility Studies

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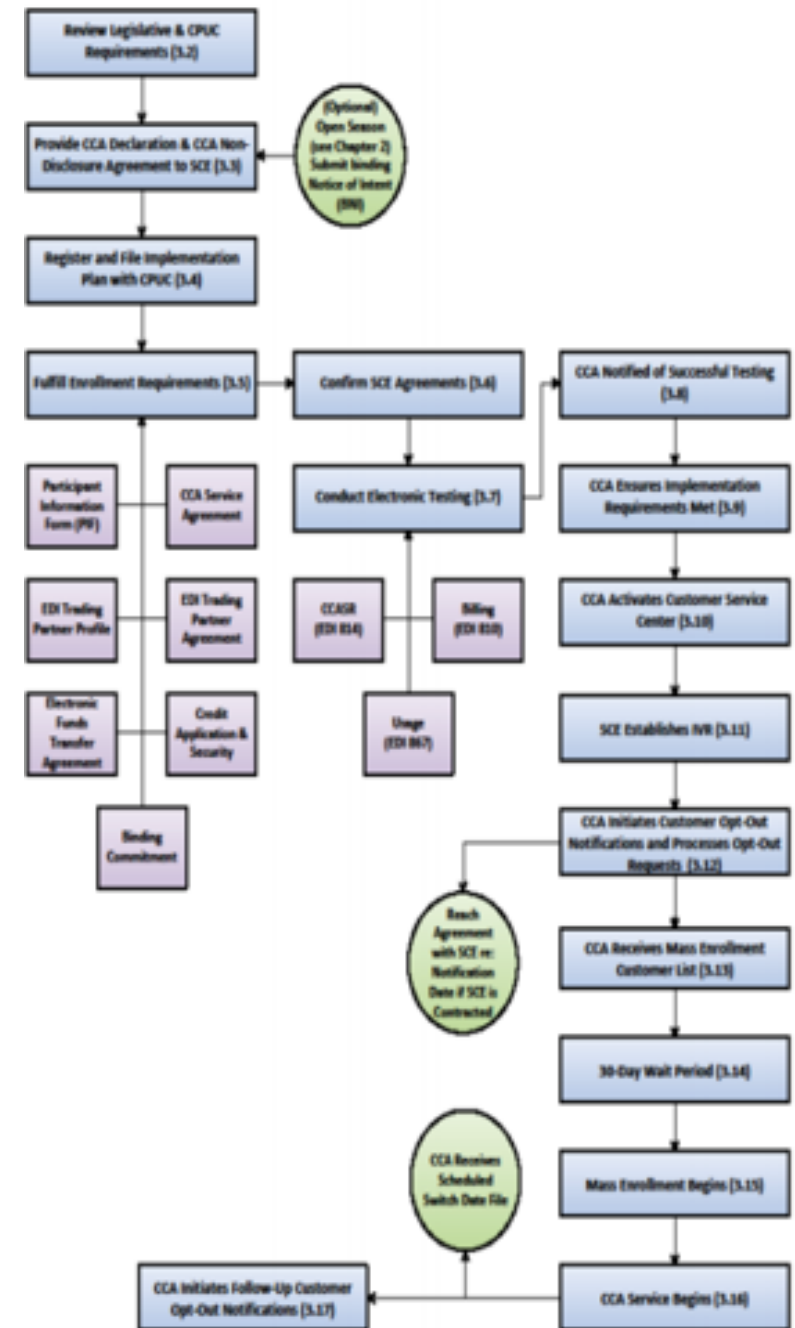
- Achieve nominal electricity cost savings.
- Increase renewable energy utilization.
- Obtain control over electric generation costs to provide a higher level of rate stability for local residents and businesses.
- The technical / feasibility study identifies pertinent specifications and requirements associated with the prospective CCA Program.
- Include the projected impacts of various clean energy and GHG reduction scenarios.
- Economic / employment component helps determine the broad effects on economy and labor in the County.

# Completion of Feasibility Studies vs. Low Income Assessments

	FEASIBILITY & IMPLEMENTATION STUDY?	LOW INCOME ASSESSMENT?
1. Marin Clean Energy	✓	No
2. Sonoma Clean Power	✓	No
3. Lancaster Choice Energy	✓	No
4. CleanPowerSF	✓	No
5. Peninsula Clean Energy	✓	No
6. Silicon Valley Clean Energy	✓	No
7. Clean Power Alliance (LA County)	✓	No
8. Desert Community Energy	✓	No
9. Apple Valley Clean Energy	✓	No
10. Monterey Bay Community Power	✓	No
11. Pico Rivera Innovative Municipal Energy	✓	No
12. Redwood Coast Clean Energy	✓	No
13. San Jacinto Power	✓	No

# PUC Requirements for Establishing CCA Service in the SCE Territory

*The CPUC does NOT require a low income assessment*



# A Deeper Dive into 5 CCA's

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lancaster  
*it's positively clear*



# Strategic Questions

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## DO CCA'S BENEFIT LOW-INCOME COMMUNITIES IN CA?

1. How will the CCA model affect low-income communities in CA?
2. Where and which low-income areas are applying for CCA?
3. Have the 13 current CCAs submitted an Economic Impact or Economic Assessment Plan?
4. Are any of the plans including a Low Income Assessment?
5. Did CCAs look at the impact in low-income communities? Why or why not?

# 2017 Statistics For Residential CARE Customers By County/City

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Community	Number Of Accounts	Percent Of Total	Annual Usage (kWh)	Annual Revenue
LOS ANGELES	93,006	32.8%	418,385,494	\$48,619,644
LANCASTER	20,429	41.5%	151,781,257	\$8,005,990
PICO RIVERA	6,801	42.2%	39,639,247	\$4,071,596
CATHEDRAL CITY	7,152	34.0%	67,092,905	\$7,772,560
SAN JACINTO	6,299	47.3%	48,657,816	\$5,837,872

# LA Clean Power Alliance

## TESTIMONIAL:

- CPA will provide greater discounts to CARE customers and the most renewable energy at a lower cost. If I'm a CARE customer getting a 35% CARE discount in my bill, I'll receive an additional 3% discount if I choose 36% renewable option. And, an additional 2.5% if I choose a tier of 50% relative to SCE's base rates. For example: in a tier 36% renewable I'll receive a 35% CARE discount + 3% f/ CPA = 38% discount all together.

2017 Statistics For Residential CARE Customers			
Number of Accounts	Percent of Total	Annual Usage (kWh)	Annual Revenue
93,006	32.8%	418,385,494	\$48,619,644



## STRATEGIC QUESTIONS

Submitted an economic impact or economic assessment plan?

No.

Plan includes a low income assessment?

Not at the moment.

Does CARE customer has to pay exit fee?

No.

Did CCA's look at the impact in low-income communities? Why or why not?

No. The driving question was "can we provide the most renewables to all people in LA, and at the lowest price point?)





- Agoura Hills
- Alhambra
- Arcadia
- Beverly Hills
- Calabasas
- Camarillo
- Carson
- Claremont
- Culver City
- Downey
- Hawaiian Gardens
- Hawthorne
- Los Angeles County
- Malibu
- Manhattan Beach
- Moorpark
- Ojai
- Oxnard
- Paramount
- Redondo Beach
- Rolling Hills Estates
- Santa Monica
- Sierra Madre
- Simi Valley
- South Pasadena
- Temple City
- Thousand Oaks
- Ventura
- Ventura County
- West Hollywood
- Whittier

# 2018 Adopted Rates:

## LA Clean Power Alliance

### Residential

Domestic / D	SCE	SCE Green Rate (50% Renewable)	SCE Green Rate (100% Renewable)	CPA Green Rate (65% Renewable)
Generation Rate	\$0.08589	\$0.10157	\$0.11724	\$0.06207
SCE Delivery Rate	\$0.11665	\$0.11665	\$0.11665	\$0.11665
Surcharges	N/A	N/A	N/A	\$0.02030
Total Costs	\$0.20254	\$0.21822	\$0.23389	\$0.19902
Average Monthly Bill (\$)	\$113.42	\$122.20	\$130.98	\$111.45

Monthly Usage: 560 kWh

Rates are current as of February 1, 2018

- CPA currently doesn't have a billing breakdown for CARE costumes.

# Lancaster Choice Energy

## TESTIMONIAL:

- The revenue generated by the City of Lancaster is invested back in the community in Electric Buses, local job and low income areas. Also, change the lights to LED and promoting Energy Efficiency.
- The impact to low-income was not driver in the decision. The main driver was can we provide the most renewables to all people in Lancaster, and at the lowest price point.

2017 Statistics For Residential CARE Customers			
Number of Accounts	Percent of Total	Annual Usage (kWh)	Annual Revenue
20,429	41.5%	151,781,257	\$8,005,990



## STRATEGIC QUESTIONS

Submitted an economic impact or economic assessment plan?

No.

Plan includes a low income assessment?

Not at the moment.

Does CARE customer has to pay exit fee?

No.

Did CCA's look at the impact in low-income communities? Why or why not?

No. The driving question was “can we provide the most renewables to all people in Lancaster, and at the lowest price point?)

# 2018 Adopted Rates



RESIDENTIAL					
DOMESTIC / D-CARE					
2018 Schedule D-CARE	SCE	SCE Green Rate (50% Renewable)	SCE Green Rate (100% Renewable)	LCE Clear Choice (35% Renewable)	LCE Smart Choice (100% Renewable)
Generation Rate (\$/kWh)	\$0.08589	\$0.09181	\$0.09772	\$0.06270	\$0.06270
SCE Delivery Rate (\$/kWh)	\$0.05020	\$0.05020	\$0.05020	\$0.05020	\$0.05020
Surcharges (\$/kWh)	N/A	\$0.00976	\$0.01952	\$0.00153	\$0.00153
Total Costs (\$/kWh)	\$0.13609	\$0.15177	\$0.16744	\$0.11443	\$0.11443
Smart Choice Premium	N/A	N/A	N/A	N/A	\$5.00
<b>Average Monthly Bill (\$)</b>	<b>\$79.61</b>	<b>\$88.79</b>	<b>\$97.95</b>	<b>\$66.94</b>	<b>\$71.94</b>

Monthly Usage: 585 kWh

Rates are current as of March 1, 2018

\*This comparison illustrates the estimated electricity costs for a typical Schedule D residential CARE customer within the jurisdiction of the City of Lancaster with an average monthly consumption of 585 kilowatt-hours (kWh). This comparison is based on billed usage from December 1, 2015 to November 30, 2016 for all applicable SCE D-CARE service accounts within the jurisdiction of the City of Lancaster and LCE's published rates as of March 1, 2018.

Generation Rate reflects the cost of producing or purchasing electricity to power your home. This rate will vary depending on your service provider and rate plan.

SCE Delivery Rate is a charge assessed by SCE to deliver electricity to your home. This rate depends on usage.

Surcharges represents the Cost Responsibility Surcharge (CRS) and Franchise Fee (FF) that are applicable to Community Choice Aggregation (CCA) customers. The CRS recovers costs of power purchase commitments that become stranded as a result of CCA initiating service. The FF recovers taxes owed to a city in exchange for allowing SCE to utilize electrical distribution lines throughout the property of the city. SCE acts as the collection agency for the FF surcharge which is levied by cities and counties for all customers.

# San Jacinto Power

## Testimonial<sup>1</sup>:

- “It’s an alternative way to buy energy,” San Jacinto City Manager Rob Johnson said. “It gives us greater cost control, and each city can set its own rates. We’re sending back to the consumers the savings we have.”
- “Anytime we can keep money in the pocket of those who earned it, that is a good thing,” he said. “Passing along savings to the public is what motivated me to support the CCA. Local control was also a benefit that drew my attention.” Councilman Scott Miller.

2017 Statistics For Residential CARE Customers			
Number of Accounts	Percent of Total	Annual Usage (kWh)	Annual Revenue
6,299	47.3%	48,657,816	\$5,837,872



## Strategic Questions

Submitted an economic impact or economic assessment plan?

No.

Plan includes a low income assessment?

Not at the moment.

Does CARE customer has to pay exit fee?

No.

Did CCA’s look at the impact in low-income communities? Why or why not?

No. The driving question was “can we provide the most renewables to all people in San Jacinto, and at the lowest price point?)



# 2018 Adopted Rates

SCE EQUIVALENT SCHEDULE	SRP RATE SCHEDULE	UNIT/PERIOD	DESCRIPTION	ADOPTED RATE
<b>RESIDENTIAL RATES</b>				
DOMESTIC (D)	DOMESTIC (D)	per kWh	All Usage	\$0.06301
DOMESTIC CARE (D-CARE)	DOMESTIC CARE (D-CARE)	per kWh	All Usage	\$0.06301
DOMESTIC PRIMARY VOLTAGE (D-PR)	DOMESTIC PRIMARY VOLTAGE (D-PR)	per kWh	All Usage	\$0.04490
TOU-D-A (Time of Use)	TOU-D-A (TIME OF USE)			
	ENERGY CHARGE (\$/kWh)			
		<b>SUMMER</b>	June 1 through September 30 4pm to 8pm Weekdays, except holidays	\$ 0.29736
		<b>OFF PEAK</b>	All hours other than Peak and Super Off-Peak	\$ 0.10246
		<b>SUPER OFF PEAK</b>	10pm to 6am all year, every 1	\$ 0.01808
		<b>WINTER</b>	October 1 through May 31 4pm to 8pm Weekdays, except holidays	\$ 0.17896
		<b>OFF PEAK</b>	All hours other than Peak and Super Off-Peak	\$ 0.06602
		<b>SUPER OFF PEAK</b>	10pm to 6am all year, every 1	\$ 0.02319
	BASELINE CREDIT	\$/kWh/METER DAY	All Usage	\$(-0.07845)

# City of Pico Rivera

## Testimonial:

- Lower rates for the residents, high renewables contract at a lower price, done in a sustainable and financially feasible way, and investments back in their community.

2017 Statistics For Residential CARE Customers			
Number of Accounts	Percent of Total	Annual Usage (kWh)	Annual Revenue
6,801	42.2%	39,639,247	\$4,071,596



## Strategic Questions

Submitted an economic impact or economic assessment plan?

No.

Plan includes a low income assessment?

Not at the moment.

Does CARE customer has to pay exit fee?

No.

Did CCA's look at the impact in low-income communities? Why or why not?

No. The driving question was "can we provide the most renewables to all people in Pico Rivera, and at the lowest price point?)





# 2018 Adopted Rates

## Pico Rivera

RESIDENTIAL					
DOMESTIC / D-CARE					
2018 Schedule D-CARE	SCE	SCE Green Rate 50% Renewable	SCE Green Rate 100% Renewable	PRIME POWER 50% Renewable	PRIME FUTURE 100% Renewable
Generation Rate (\$/kWh)	\$0.08589	\$0.09181	\$0.09772	\$0.06443	\$0.06443
SCE Delivery Rate (\$/kWh)	\$0.04512	\$0.04512	\$0.04512	\$0.04512	\$0.04512
Surcharges (\$/kWh)	N/A	\$0.00976	\$0.00153	\$0.00153	\$0.00153
Total Costs (\$/kWh)	\$0.13101	\$0.14669	\$0.16236	\$0.11108	\$0.11108
PRIME Future Premium	NA	NA	NA	NA	\$7.00
<b>Average Monthly Bill (\$)</b>	<b>\$61.44</b>	<b>\$68.80</b>	<b>\$76.15</b>	<b>\$52.10</b>	<b>\$59.10</b>

Monthly Usage: 469kWh  
Rates are current as of January 1, 2018

\*This comparison illustrates the estimated electricity costs for a typical Schedule D residential customer within the jurisdiction of the City of Pico Rivera with an average monthly consumption of 469 kilowatt-hours (kWh). This comparison is based on bill usage for all applicable SCE Schedule D-CARE service accounts within the jurisdiction of the City of Pico Rivera and Prime's published rates.

Generation Rate reflects the cost of producing or purchasing electricity to power your home. This rate will vary depending on your service provider and rate plan.

SCE Delivery Rate is a charge assessed by SCE to deliver electricity to your home. This rate depends on usage.

Surcharges represent the Cost Responsibility Surcharge (CRS) and Franchise FEE (FF) that are applicable to Community Choice Aggregation (CCA) customers. The CRS recovers costs of power purchase commitments that become stranded as a result of CCA initiating service. The FF recovers taxes owed to a city in exchange for allowing SCE to utilize electrical distribution lines throughout the property of the city. SCE acts as the collection agency for the FF surcharge which is levied by cities and counties for all customers.

# Cathedral City

## Testimonial:

- The opportunities and benefits to low income are significant for the board forming our CCA. One of the primary reasons we wanted to create a CCA was to provide local control. The community can use the funds for EV, Energy Efficiency, and other programs. The revenue from the CCA will be first put in a reserve to provide financial stability to the CCA and then investment in the local community. The community will have the opportunity to give input on how the funds will be allocated.

2017 Statistics For Residential CARE Customers			
Number of Accounts	Percent of Total	Annual Usage (kWh)	Annual Revenue
7,152	34.0%	67,092,905	\$7,772,560



## Strategic Questions

Submitted an economic impact or economic assessment plan?

No.

Plan includes a low income assessment?

Not at the moment.

Does CARE customer has to pay exit fee?

No.

Did CCA's look at the impact in low-income communities? Why or why not?

No. The driving question was "can we provide the most renewables to all people in Cathedral, and at the lowest price point?)





# Barriers to Sharing of Information

## CODE OF CONDUCT

- *Define basic concepts relevant to electric utility actions with respect to CCAs, including “marketing,” “lobbying,” “promotional or political advertising,” and “competitively sensitive information.”*
- *Require preparation and distribution of a neutral comparison of the tariffs of the utility and any CCA within that utility’s service territory.*
- *Require a separation between a utility’s marketing division and its other functional divisions, such as billing and customer service, for any utility that intends to market against actual or potential CCAs within its territory.*
- *Require utilities to provide access to information to CCAs on the same terms as it does for its independent marketing division.*
- *Prohibit utilities from speaking on behalf of a CCA or making any untrue or misleading statement about a CCA’s service. Require modified draft rules to apply tariff provisions in the same manner to similarly situated entities.*
- *Institute reporting and other documentation requirements for utilities related to their interactions with CCAs and with their independent marketing divisions.*
- *Require periodic audits of utilities to assess their compliance with the Code of Conduct.*
- *Establish a complaint procedure for use by CCAs in the event that they believe a utility is not meeting its obligations under this Code.*

### Most Pertinent:

7) An electric corporation shall provide access to utility information, rates and services to community choice aggregators on the same terms as it does for its independent marketing division.

9) An electrical corporation shall refrain from: 1) speaking on behalf of CCA a program; 2) giving any appearance of speaking on behalf of any CCA program; or 3) making any statement relating to the community choice aggregator’s rates or terms and conditions of service that is untrue or misleading, and that is known, or that, by the exercise of reasonable care, should be known, to be untrue or misleading.

# RPS & CCAs

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The Renewables Portfolio Standard (RPS) Program requires all retail energy sellers to procure 20% renewable energy by 2010.

- Original legislation (SB 1078, 2002) was 20% by 2017. Accelerated targets effective January, 2007 (SB 107, 2006).
- All RPS-obligated retail sellers must procure an incremental 1% of retail sales per year until 2010
- 20% obligation continues post-2010
- RPS-obligated entities include: Investor Owned Utilities (IOUs), Energy Service Providers (ESPs) and Community Choice Aggregators (CCAs)
- RPS procurement compliance is measured in terms of electricity deliveries, ***not signed contracts***.
- California has set a further goals of 33% renewable energy by 2020.

# Recommendations

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- 1) Ensure CCA's include low-income assessments in their economic feasibility plans.
- 2) Have a clear process for outreach to low-income individuals and families.
- 3) Allow information to be gathered from IOU's regarding low-income rates/CARE.
- 4) Clearly articulate low-income services in CCA areas.
- 5) Make renewable explicit as part of forming a CCA and not just the RPS.
- 6) The state should study and consider allowing CCAs to form in non-IOU territories.
- 7) CARE costumers should continue to be exempt from paying the exit fee to join a CCA



ANY  
QUESTIONS?



# Thank You

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# Research & Resources

## **Marin Clean Energy:**

[Light Green – Default service program](#)

[Deep Green – Optional 100% renewable energy program](#)

[Deep Green Champion Program – Local businesses, non-profits, and public agencies that choose 100% renewable energy.](#)

[Local Sol Program – Community Solar, 100% Local Solar Energy](#)

[Net Energy Metering \(NEM\) Program – Bill credit for clean power fed to the grid](#)

[Smart Charge Electric Vehicle Pilot Program – An EV pilot program that adapts the times when your car is charging in order to help relieve grid congestion and maximize renewable energy capacity in California.](#)

[Energy Efficiency Program – Rebates, technical assistance and financing for energy efficiency](#)

[Feed-in Tariff Program – Standard payment and terms for mid-scale projects \(up to one megawatt capacity\)](#)

## **Sonoma Clean Power:**

[CleanStart – Basic default service](#)

[EverGreen – Optional 100% renewable energy](#)

[NetGreen – Bill credit for clean power fed to the grid](#)

[ProFIT – Standard payment and terms for mid-scale projects \(up to one megawatt capacity\)](#)

[Drive EverGreen – A program aimed at fostering electric vehicle adoption](#)

[Energize – Demand response](#)

## **Lancaster Choice Energy:**

[Clear Choice – Basic, default service](#)

[Smart Choice – Optional 100% renewable energy](#)

[Personal Choice Program – Bill credit for clean power fed to the grid](#)

[Smart Choice Champions – Local businesses, non-profits, and government agencies that choose to buy 100% renewable energy](#)

# Research & Resources

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<b><u>CleanPowerSF:</u></b>
<a href="#"><u>Green – Basic, default service</u></a>
<a href="#"><u>SuperGreen – Optional 100% renewable energy</u></a>
<a href="#"><u>Solar Net Energy Metering – Bill credit for clean power fed to the grid</u></a>
<b><u>Peninsula Clean Energy:</u></b>
<a href="#"><u>EcoPlus – Basic, default service</u></a>
<a href="#"><u>Eco100 – Optional 100% renewable energy</u></a>
<a href="#"><u>Solar Net-metering – Bill credit for clean power fed to the grid</u></a>
<b><u>Silicon Valley Clean Energy:</u></b>
<a href="#"><u>GreenStart – Basic, default service</u></a>
<a href="#"><u>GreenPrime – 100% carbon free, 100% renewable</u></a>
<a href="#"><u>Solar Rooftop – net metering program</u></a>
<b><u>Clean Power Alliance</u></b>
<b><u>Desert Community Energy</u></b>