



COMMUNITY CHOICE AGGREGATION

August 11, 2016

Public Works Commission



Background

How Local Energy Aggregation Works



source



CCA

buying and building
electricity supply

delivery



UTILITY

delivering energy,
maintaining lines,
billing customers

customer



YOU



Basic Program Features

- Certified and regulated by California Public Utilities Commission (CPUC)
- Cities participate by passing an “opt-in” ordinance to make program available to residents



Customer Impacts

- CCA becomes default electric provider
 - Customers can opt-out and return to the investor-owned utility at any time
- CCA electric generation charges appear as new line item on the customer bill

ENERGY STATEMENT		Account No:	1234567890-1
www.pge.com/MyEnergy		Statement Date:	10/01/2013
		Due Date:	10/22/2013
Service For: MARY SMITH 1234 STREET AVENUE SAN RAFAEL, CA 94804	Your Account Summary Amount Due on Previous Statement: 82.85 Payments Received Since Last Statement: 82.85 Previous Unpaid Balance: 50.00 Current PGE Electric Delivery Charges: 536.32 MCE Electric Generation Charges: 342.81 Current Gas Charges: 527.20 Total Amount Due: \$109.33		
Questions about your bill? 24 hours per day, 7 days per week Phone: 1-866-743-0335 www.pge.com/MyEnergy	Total Amount Due \$109.33		
Local Office Address 750 LINDARC STREET, STE 100 SAN RAFAEL, CA 94901			
Page 1			
Important Messages Your charges on this page are separated into dollars other than PGE. These two charges are for different electric power line safety PGE cares about your antennae at least 10 feet away from overhead power away, call 9-1-1 and then PGE at 1-866-743-0000			

ENERGY STATEMENT		Account No:	1234567890-1
www.pge.com/MyEnergy		Statement Date:	10/01/2013
		Due Date:	10/22/2013
Details of MCE Electric Generation Charges 10/01/2013 – 11/01/2013 (31 billing days) SERVICE FOR: 1234 STREET AVENUE Service Agreement ID: 0123456789 ESP Customer Number: 0123456789			
10/01/2013 – 11/01/2013			
Rate Schedule: RES-1			
DEEP GREEN - TOTAL	508.000000 kWh @ \$0.0100	\$5.08	
GENERATION - TOTAL	508.000000 kWh @ \$0.07400	\$37.58	
		Net charges	\$42.67
Energy Surcharge		\$0.14	
Total MCE Electric Generation Charges		\$42.81	
Service Information		Total Usage	608.000000 kWh
Additional Messages For questions regarding your charges on this page, please contact your Third Party Energy Service Provider.			
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Benefits

- Provides choice to customers
- Increased renewable resources & reduced greenhouse gas emissions
- More local control over energy management
- Lower rates, including for more renewable energy



Sample Rate Comparison

- Marin Clean Energy vs. Pacific Gas & Electric

508 kWh
E-1/Res-1

	PG&E	MCE Light Green	MCE Deep Green	MCE Local Solar
	22%	50%	100%	100%
Delivery	\$44.37	\$44.37	\$44.37	\$44.37
Generation	\$49.50	\$40.13	\$45.21	\$72.14
PG&E Fees	-	\$6.27	\$6.27	\$6.27
Total Cost	\$93.87	\$90.77	\$95.85	\$122.78



Risks

- Required start-up capital
- Rate competitiveness amid market fluctuation
- Customer opt-out rate
- Regulatory changes



- Three administrative models
 - Multi-city Joint Powers Authority – *most common*
 - e.g. Sonoma Clean Power, Marin Clean Energy
 - Single City/Enterprise Fund
 - e.g. City of Lancaster
 - Commercial-managed service – *none in operation*
 - e.g. CA Clean Energy



Background

- **April 2015:** City Council adopted resolution authorizing City to participate in CCA Feasibility Study
- **September 2015:** Los Angeles Board of Supervisors authorized funding to complete feasibility study
- **July 2016:** Draft Los Angeles County Business Plan and Feasibility Study released



- Analysis of technical & financial viability of starting a local CCA
 - Includes costs (start-up, short-term, and long-term), benefits & risks
 - Availability of sufficient green energy supplies
- Comparison of end-user monthly rates for the CCA vs. proposed Southern California Edison (SCE) rates



Estimated Rates

Rate Class	SCE – 33% Renewable	CCA – 33% Renewable	CCA – 50% Renewable	CCA – 100% Renewable
Residential	17.1	16.2	16.4	18.2
Commercial (GS-1)	16.6	15.7	15.9	17.7
Commercial (GS-2)	15.8	15.0	15.2	16.9
Commercial (GS-3)	14.5	13.8	13.9	15.5

Estimated rates are in cents



Administration

- Should individual cities join, recommended governance by Joint Powers Authority
 - Agency would be operated under the terms of a joint powers agreement, adopted by all JPA members
 - Target completion by December 2016
- JPA Board of Directors would manage all CCA programs
 - Make-up of Board of Directors would be determined by JPA agreement & JPA members



Timeline

- Recommending phased approach for CCA roll-out

Phase	Start	Eligibility
Phase 1	January 2017	LA County Facilities within Unincorporated Area
Phase 2	July 2017	All customers in Unincorporated LA County
Phase 3	To be determined	Individual cities



ALTERNATIVES



- Three administrative models
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 - e.g. Sonoma Clean Power, Marin Clean Energy
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1. Pursue Joining LA County JPA

- Would need to work with LA County General Counsel & other interested cities to develop joint powers agreement

Benefits	Risks
Feasibility Study/Implementation Plan already completed	Less local control for individual cities
Economies of scale	Start-up challenges
Early adopters can shape JPA/CCA	



2. Pursue Creation of Smaller JPA

- Would need to identify & work with other cities to complete Business Plan/Feasibility Study & JPA

Benefits	Risks
More local control for individual cities	Would have to undertake Business Plan/Feasibility Study & JPA from the beginning
Still some economies of scale	Up-front costs



3. Develop Single-City CCA

- Would need to complete Business Plan/Feasibility Study & JPA

Benefits	Risks
Most local control for the City	Would have to undertake Business Plan/Feasibility Study & JPA from the beginning
	Large up-front investment – staff time & costs
	City resources to



Recommendation

- Continue to work with LA County to develop CCA
- Engage early in the process to provide most influence in the development of the CCA
 - Goal to join Phase 3 of CCA roll-out



Next Steps

- Seeking direction from Commission:
 - 1) Continue to work with LA County to develop CCA
 - 2) Identify potential local partners to explore smaller CCA JPA
 - 3) Explore individual city CCA
 - 4) Do not pursue a CCA



QUESTIONS?