

5.B Community Choice Aggregation Program Activities Update



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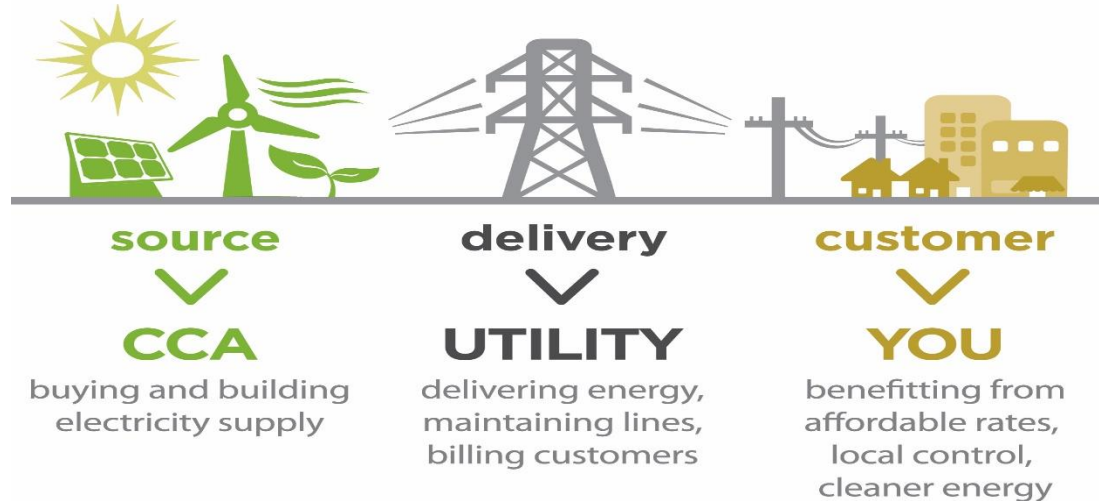


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What is Community Choice Aggregation (CCA)?

- AB 117 allows local governments to provide electricity to customers within their jurisdiction that are currently served by SCE

How Local Energy Aggregation Works



Why are jurisdictions looking at forming CCA's?

- Provides customers with choices
- Allows for provision of electricity often at a lower rate
- Creates local control over programs, rates, power supply / generation options
- Creates favorable economic development opportunities by offering energy at reduced rates

CCA activity in California: What's the status?

● Operational CCA/CCEs

MCE Clean Energy (*includes Marin and Napa Counties, parts of Contra Costa and Solano Counties*)
 Sonoma Clean Power
 Lancaster Choice Energy
 Clean Power San Francisco
 Peninsula Clean Energy (*San Mateo County*)

● 2017 Launch

East Bay Community Energy (*Alameda County*)
 Mendocino County (*as member of Sonoma Clean Power*)
 Redwood Coast Energy Authority (*Humboldt County*)
 Silicon Valley Clean Energy (*Santa Clara County*)
 Town of Apple Valley

● 2018 Launch (anticipated)

Contra Costa County
 Monterey Bay Community Power (*Monterey, Santa Cruz and San Benito Counties*)
 Los Angeles County (*Phase 1*)
 Placer County
 Valley Clean Energy Alliance (*Yolo County and City of Davis*)

● Exploring / In Process

Butte County
 City of Hermosa Beach
 City of Pico Rivera
 City of San Jacinto
 City of San Jose
 Fresno County
 Inyo County
 Kings County
 Nevada County
 Riverside County

San Diego County
 San Joaquin County
 San Luis Obispo County*
 Santa Barbara County*
 Solano County
 Ventura County*
 *Central Coast Tri-County



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Map source: Lean Energy

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CCA joint region feasibility study

Coachella Valley

11 jurisdictions
108,000 accounts

San Bernardino County

25 jurisdictions
518,000 accounts

Western Riverside

18 jurisdictions
335,000 accounts



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What was examined in the Study?

- Energy use and customers
- 20-year customer account forecast
- CVAG, SBCOG, WRCOG profiles
- Combined savings
- Load analysis
- Implementation / start-up costs
- Governance structures
- Operational structure options
- Economic impact
- Greenhouse gas reductions

The Bottom Line

Using conservative numbers and assumptions, the Feasibility Study indicates a CCA – at any of the geographies examined – being favorable.

- Combined Savings (1st full year):
 - **4.9% savings with a 33% renewable mix** (compared to SCE's current 28% renewable mix) **CVAG = 4.4%** **WRCOG = 4.4%** **SBCOG = 4.6%**
 - **3.8% savings with a 50% renewable mix** (11.2% lower than SCE's 50% Green Rate)
 - **5.7% higher with a 100% renewable mix** (9.4% lower than SCE's 100% Green Rate)

Still very early in the process..

1. Determine CCA size and governance
2. Determine who is "in"
3. Form new JPA or modify existing JPA(s) to house the CCA
4. Establish governing board
5. Jurisdictions pass ordinances to join
6. Identify staffing needs and implement in-house / outsource to fit needs
7. Develop financing plan
8. Develop implementation plan for CPUC filing
9. File SCE paperwork agreements
10. Give SCE CCA customer metrics to begin testing
11. SCE data testing
12. Transmit opt-out notices to CCA customers
13. Launch CCA

What will the CCA geographical and governance structure be?

- Two County Scenario
 - New JPA created (COGs are involved)
 - New JPA created (COGs are not involved)
- One County Scenario
 - New JPA created (COGs are involved)
 - New JPA created (COGs are not involved)
- Sub-Regional Scenario (for each COG-area)
 - New / amending existing JPA (COGs are involved) *Admin. & Finance SELECTED*
 - New JPA (COGs are not involved)
- Individual Jurisdiction - Individual jurisdiction creates new CCA

What's been happening, recently?

1. RFP released for CCA Operations.
2. Administration & Finance Committee's preference for a subregional (western county) CCA looking likely as:
 - SBCOG no longer involved
 - CVAG likely to pursue a separate CCA for the Coachella Valley. Staff is interested in sharing costs for joint-tasks and consultant support.
3. Riverside County unincorporated is pursuing a stand alone CCA
4. City of San Jacinto is exploring joining the City of Lancaster's CCA
5. City of Corona is preparing a feasibility study

Moving forward (Direction from Ad Hoc and Admin. Committees)

1. Create a separate JPA for the potential new CCA
 - Focus on Western Riverside County



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Requested Action:

1. Direct the Executive Director to move forward with the development of a Community Choice Aggregation Program focused on the Western Riverside subregion.

Note: This recommendation is only to focus the geographic area of a potential CCA on the western Riverside County subregion, recognizing the many steps that still need to occur before any final decision on CCA formation is made.

Prior Actions:

April 20, 2017:

TAC received report.

April 12, 2017:

Administration & Finance Committee 1) concurred with the CCA Ad Hoc Committee recommendation that the Executive Committee direct the Executive Director to move forward with the development of a Community Choice Aggregation Program for the Western Riverside subregion; 2) received report on the draft Joint Powers Agreement; and 3) concurred with the CCA Ad Hoc Committee recommendation to direct the Executive Director to hire a Community Choice Aggregation Director.