Community Choice Aggregation

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AGENDA

- What is Community Choice Aggregation
- How does it work
- What are the benefits/risks
- Where is CCA being implemented
- What is the formation process
- What are the next steps
Community Choice Aggregation (CCA)

- AB 117 passed in 2002, gives California cities and counties the ability to aggregate the electric loads of residents, business, and public facilities to facilitate the purchase and sale of electrical energy in a more competitive market.

- CCA leverages the market power of group purchasing and local control.

- CCA allows local government to become an energy purveyor and to purchase electrical energy on the wholesale market from any source.
How is Electricity Supplied?

Three components:
1. Generation
2. Transmission
3. Distribution and Billing
How Does CCA Work?

- Local governments become energy purveyors – Step 1
  - Purchases electrical energy on the wholesale market
  - Chooses the source of energy
  - Sets rates

- Investor Owned Utility – Step 2 & 3
  - Delivers electricity
  - Bills customers
How Does CCA Work?

**source**
SCP
provides electricity when you are not generating

**delivery**
PG&E
delivers energy, repairs lines

**customer**
YOU
generate electricity, consume electricity

Source: Sonoma Clean Power

PowerButte A Place for Clean Energy
### CCA Benefits and Risks

#### Benefits
- Local Control
  - Set Rates (potentially lower)
  - Local economic development tool
  - Chose sources of electricity
  - Local renewable construction
  - Customer program priorities

#### Risks
- IOU Response to increasing CCAs
- Cost Responsibility
  - Surcharge could offset benefit
- Legislative Climate
Where are the CCAs in California?

Sonoma County – Sonoma Clean Energy

Marin County – Marin County Clean Energy

City of Lancaster – Lancaster Choice Energy
CCA Formation Process

Three Phase Process:

- **Phase I – Feasibility Analysis**
  - Definition of objectives
  - Outreach to other jurisdictions
  - Outreach to other stakeholders
  - Formation of Steering Committee
  - Selection and contract for consultant services, if necessary
  - Procurement of load data analysis
  - Preparation of feasibility study, including identifying benefits, risks, and draft implementation plan
  - Public outreach
CCA Formation Process

- **Phase II – Adoption of Resolution of Intent**
  - Adoption of a resolution of participating local governments
  - Preparation of Implementation Plan
    - Details on operational structure, sources of electricity, rate setting, etc.
  - California Public Utilities Commission Approval of Implementation Plan and Cost Responsibility Surcharge

- **Phase III – Enrollment**
  - Enrollment of customers, opt out provisions
  - Transfer of customers to new supplier
The Power of CCA

- Responsive to *local* economic goals.
- Offers consumers a choice where none currently exists.
- Revenue supported, *not* taxpayer subsidized.
- Stable, often cheaper, electricity rates.
- Allows for rapid switch to cleaner power supply and significant GHG reductions.
- Creates localized revenue stream to be used on additional energy projects/programs.
Potential Next Steps

- Discuss the CCA concept with local jurisdictions, surrounding counties, businesses, & other stakeholders.
- Detail the tasks associated with the formation process.
- Determine potential costs and responsibilities associated with the tasks.
- Provide all findings to the Board of Supervisors for final consideration prior to commencing with the implementation process.
Questions?