

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

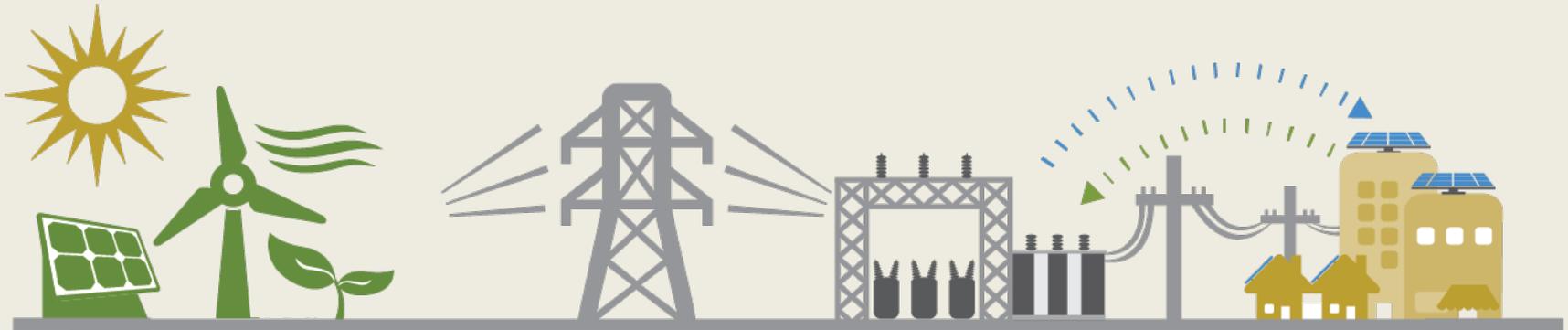
How Does CCA Work?



- 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

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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?



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