

Community Choice Aggregation –

Butte County Feasibility Study



Agenda



- What is Community Choice Aggregation?
- Background - how did we get here today?
- What are the potential benefits and risks?
- Contract with EES: what are the details?
- Requested actions.

What is Community Choice Aggregation?



- Passing of AB 117 in 2002
- Community Choice Aggregation (CCA) would purchase power on the open market from any source
- CCA sets the rates/sells the energy
- The Investor Owned Utility (IOU)/PG&E still plays a key role
- Residents would have a choice

Background - how did we get here today?



- Local Actions:
 - Local businesses support
 - Butte County General Plan 2030 includes performing a feasibility study as one actions (COS-A3.1)
 - Priority Action included in the Economic Development Strategy
- On June 24, 2016, staff received Board direction
- A Request for Proposal was put out in October 2016
- Interviews were conducted in February 2017 with both of the firms that submitted proposals
- EES Consulting, Inc. was selected



Benefits and Risks



Benefits

- Local Control
 - Set rates
 - Promote economic development
 - Energy source choice
 - Could create a local revenue stream for future power projects
- Potential for lower energy rates
 - Energy costs are low right now

Risks

- Power Charge Indifference Adjustment (PCIA) surcharge
 - “Exit fee” charged to CCA customers for exiting an IOU
 - Cost could offset savings due to lower electricity costs
- Customer participation
- Power procurement risks

Contract with EES



10 month contract to include the following activities:

- Load Analysis and Forecast (review historic energy usage and forecast a 5 and 10 year forecast)
- Rate Analysis (three costs – costs of energy utilizing a range of power supply portfolios, cost of transmission and the PCIA)
- Energy Procurement and Environmental Impact (strategies on energy procurement)
- Economic Impacts (analysis on the impacts on the local economy – jobs, local spending, etc.)

Contract with EES – continued



- Sensitivity Analysis (program will be analyzed under a variety of conditions - changes in energy costs, changes in the PCIA, opt out rates, new policies, etc.)
- Implementation Model Analysis (JPA, joining an existing CCA, CCA operated by a TPA)
- Pro Forma Analysis (cost and revenue analysis)
- Risk Analysis (discuss the various risks that do exist and strategies that could be used to mitigate those risks)
- Community engagement (educating stakeholders via public meetings and social media)

Requested Actions



Seeking the following today:

- Approve contract and authorize the chair to sign.