**Staff Report Item 9**

**TO:** East Bay Community Energy Board of Directors

**FROM:** Bruce Jensen, Alameda County Community Development Agency

**SUBJECT:** Joining CalCCA as an Affiliate Member

**DATE:** April 12, 2017

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**Recommendation**

Approve resolution authorizing $1,500 for an affiliate membership in California Community Chioice Association (CalCCA), a new trade organization representing the interests of existing and emerging Community Choice Aggregation programs (CCA) in California.

**Background and Discussion**

CalCCA is a new California trade association representing the interests of California's community choice electricity providers in the legislature and at relevant regulatory agencies, including the California Public Utilities Commission, California Energy Commission and the California Air Resources Board. CalCCA's voting members are the operating CCAs in California that pay dues on a sliding scale determined by program size. Emergent CCA programs and local governments interested in community choice may join as affiliate members for a flat fee of $1,500/year. Affiliate members have access to educational sessions and materials and may attend CalCCA business meetings as non-voting members.

CalCCA's current "operational" members include:

- Apple Valley Choice Energy (launched April 1)
- Clean PowerSF
- Lancaster Choice Energy
- MCE Clean Energy
- Peninsula Clean Energy
- Redwood Coast Energy Authority
- Silicon Valley Clean Energy
- Sonoma Clean Power

CalCCA's current "affiliate" members include:

- Central Coast Power (counties of Santa Barbara, San Luis Obispo, Ventura)
- City of Corona
- City of Hermosa Beach
- City of San José
- County of Los Angeles
- County of Placer
- Valley Clean Energy

Staff recommends that EBCE accept CalCCA's invitation to join the Association as an affiliate member. Once operational, it is recommended that EBCE consider becoming a full voting member of the Association. For more information, please visit www.cal-CCA.org.

Attachment 9A - Resolution authorizing CalCCA membership application
Attachment 9B - CalCCA Quarterly Update - January 2017
Attachment 9C - CalCCA Monthly Newsletter February 2017
Attachment 9D - CalCCA Informational Slide Show
Attachment 9E - CalCCA Affiliate Member Application
Attachment 9F - CalCCA Comments to CPUC *En Banc* Hearing on February 1, 2017

**Attachment ___**

**RESOLUTION EBCE R-2017-4**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY AUTHORIZING AFFILIATE MEMBERSHIP IN CAL-CCA**

**THE BOARD OF DIRECTORS OF THE EAST BAY COMMUNITY ENERGY AUTHORITY DOES HEREBY FIND, RESOLVE, AND ORDER AS FOLLOWS:**

Section 1. The East Bay Community Energy Authority ("Authority") operates pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs ("CCA Program") in Alameda County.

Section 2. Cal-CCA is a California trade association representing the interests of California's CCA Programs in the legislature and at relevant regulatory agencies, including the California Public Utilities Commission, California Energy Commission, and California Air Resources Board.

Section 3. Operating CCA Programs in California may become voting members of Cal-CCA's, on a sliding scale determined by program size. Emergent CCA Programs and local governments interested in CCA Programs may join as affiliate members for a flat fee of $1,500 a year.

Section 4. Affiliate members have access to educational sessions and materials and may attend Cal-CCA business meetings as non-voting members.

Section 5. The Board hereby authorizes EBCE staff to accept Cal-CCA's EBCE offer to join the Cal-CCA as an affiliate member and to submit payment of $1,500 to Cal-CCA annually to maintain such membership until such time as the EBCE becomes an operational CCA Program, when EBCE staff will return to the Board to consider becoming a full voting member of the Cal-CCA.

**ADOPTED AND APPROVED this ____ day of _____, 2017.**

_____
Chair

**ATTEST:**

_____
Secretary

# CalCCA

California Community Choice Association

**Cal-CCA.org**

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# CCAs Created by the Legislature

- 2000 Energy Crisis prompted interest in greater transparency and local control
- AB 117 (2002, Migden): enabled energy choice through local government-based entities
- SB 790 (2011, Leno): established a CCA 'bill of rights' and allowed CCAs to administer efficiency programs

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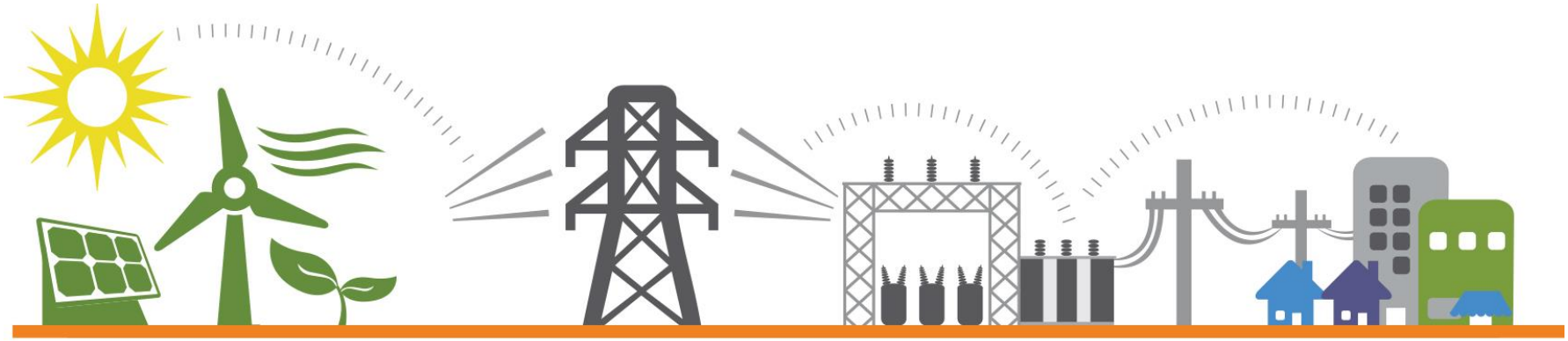
# How Community Choice Works



**generation**

buys cleaner energy sources

**delivery**

delivers energy, maintains the grid

**customer**

cleaner energy, local control and competitive rates

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# Operating Programs Overview

| CalCCA Members | Customer Accounts | Peak Load | Minimum RPS (2017) | Uses Unbundled RECs? | Annual Load 2016 GWh | Annual Load Projected 2017 GWh |
|---|---|---|---|---|---|---|
| MCE | 255,000 | 520 MW | 55% | 0 - 3% | 2,102 | 2,743 |
| Sonoma Clean Power | 235,000 | 512 MW | 43% | None | 2,330 | 2,550 |
| Lancaster Choice Energy | 52,000 | 132 MW | 35% | 8% | 590 | 595 |
| CleanPowerSF | 73,000 | 93 MW | 35% | None | 220 | 520 |
| Peninsula Clean Energy | 300,000 | 660 MW | 50% | None | n/a | 3,800 |
| **CalCCA Member Totals** | **915,000** | **1,917 MW** | **48% (avg)** | **1% (avg)** | **5,242** | **10,208** |

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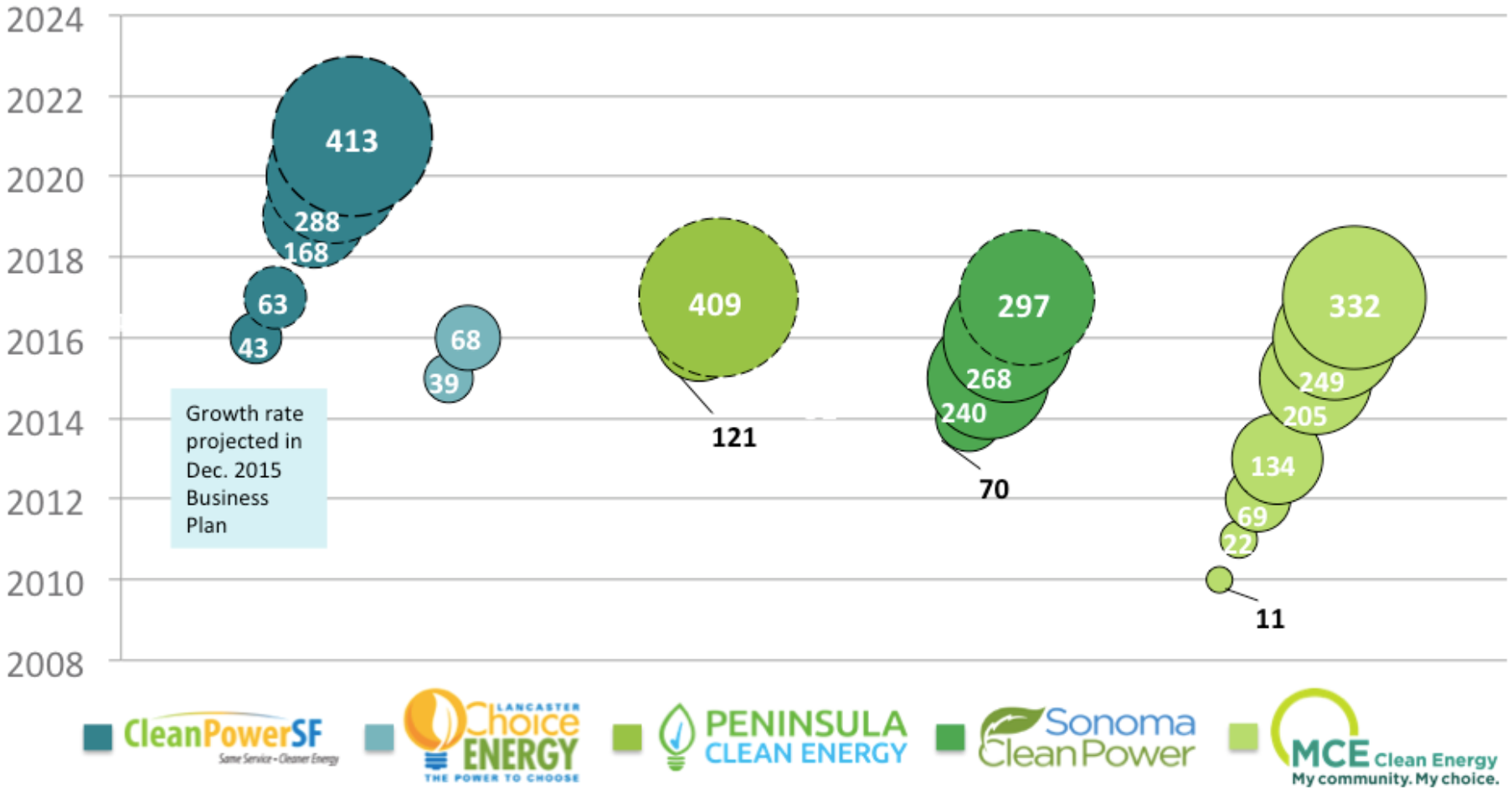
# CCA Program Growth and Development (Average Annual MW Served)



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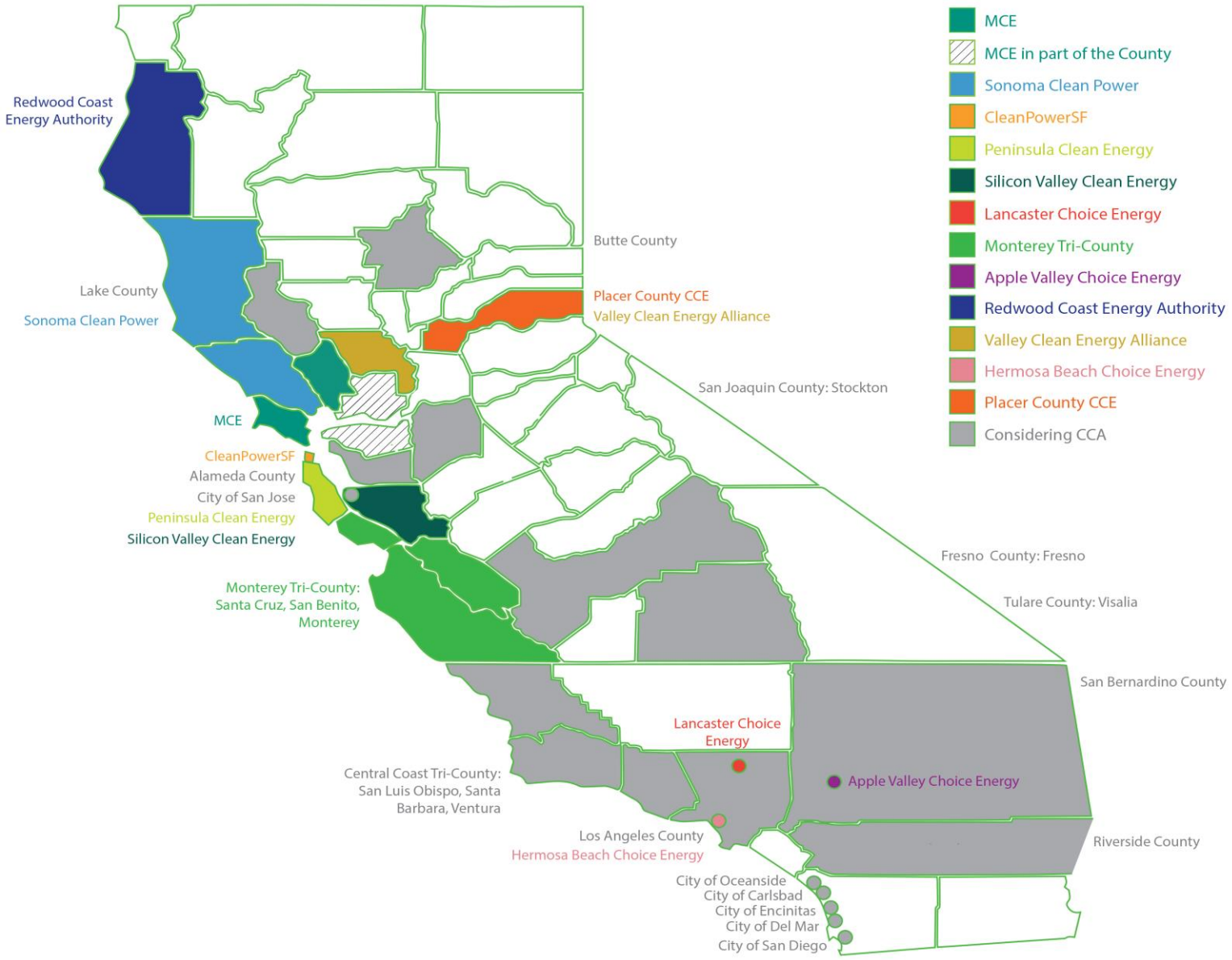
# Statewide CCA Developments



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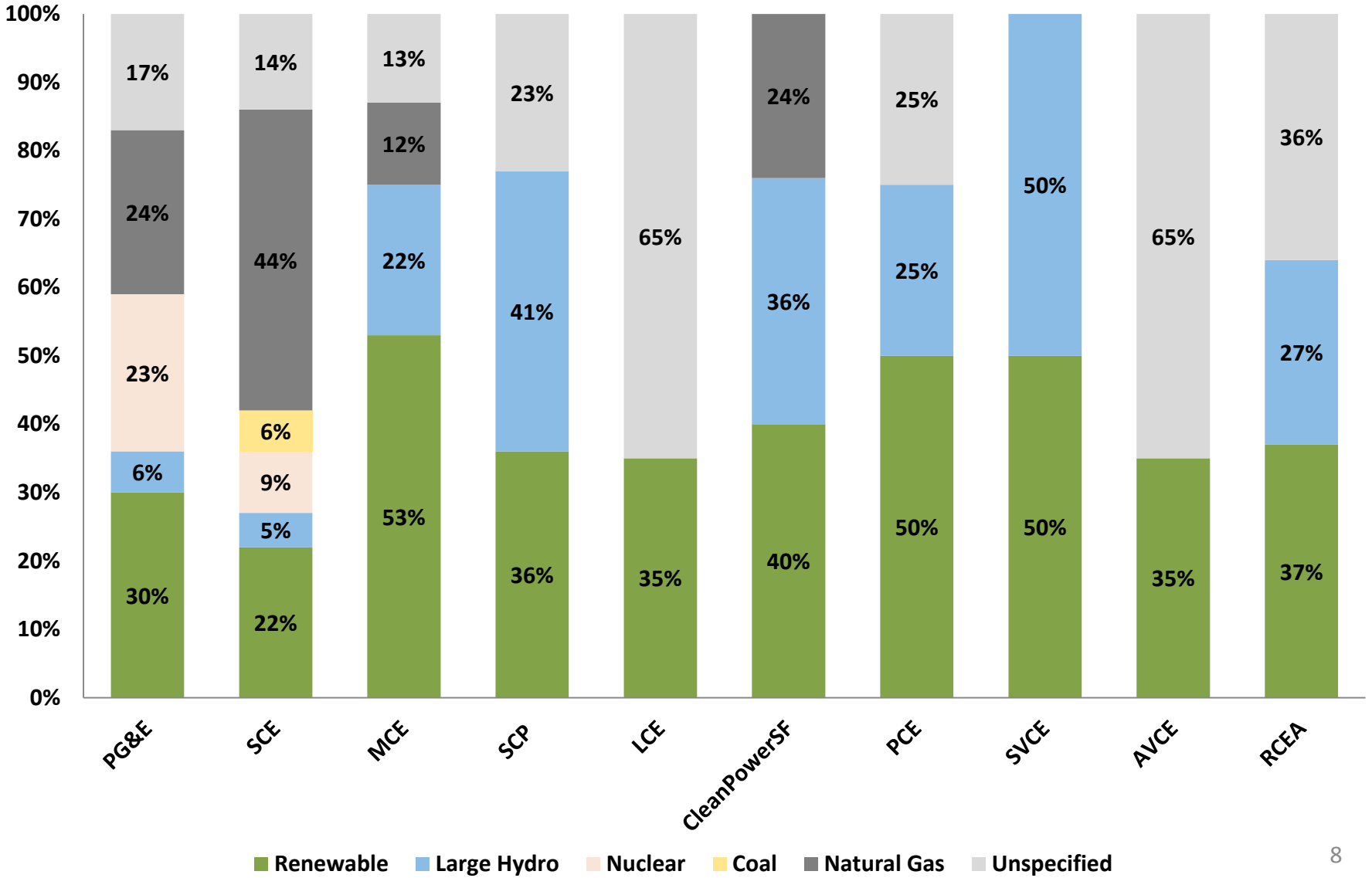
# Programs Launching in 2017

| CalCCA Members | Customer Accounts | Annual Load (GWh) | Minimum RPS | Uses Unbundled RECs? |
|---|---|---|---|---|
| Apple Valley Choice Energy | 29,000 | 235* | 35% | 8% |
| Silicon Valley Clean Energy | 243,000 | 2,600* | 50% | None |
| Redwood Coast Energy Authority | 60,000 | 730* | 37% | None |
| **Totals** | **332,000** | **3,565** | **46% (avg)** | **<1% (avg)** |

*Represents a partial year due to enrollment process

# Snapshot of CCA Portfolios in 2016 (or forecast for 2017 for new programs)



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# Building California Renewables

- Over $1 billion in construction to date
- Majority of spending on projects with project labor agreements
- Constructing renewables quickly
- Takes 3-4 years of operations to create a diverse long-term portfolio

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# CCA Construction of New California Renewables as of January 2017

| | Project Size (MW) | Resource | Resource Provider/Project Name | Location | Service Start Date | Contract Length (Years) |
|---|---|---|---|---|---|---|
| MCE | 1 | Solar | San Rafael Airport | San Rafael, Marin Co. | 2012 | 20 |
| | 1.6 | Biogas | G2 Energy / Hay Road Landfill | Vacaville, Solano Co. | 2013 | 18 |
| | 4.8 | Biogas | Genpower / Lincoln Landfill | Lincoln, Placer Co. | 2013 | 20 |
| | 1.9 | Biogas | G2 Energy / Ostrom Road Landfill | Wheatland, Yuba Co. | 2013 | 18 |
| | 1 | Solar | Dominion / Buck Institute of Research on Aging | Novato, Marin Co. | 2016 | 25 |
| | 0.3 | Solar | Rawson, Blum & Leon / Cost Plus Plaza | Larkspur, Marin Co. | 2016 | 20 |
| | 1 | Solar | North Solar Solar Partners / Freethy Industrial Pk. #1 | Richmond, Contra Costa Co. | 2016 | 20 |
| | 1 | Solar | North Solar Solar Partners / Freethy Industrial Pk. #2 | Richmond, Contra Costa Co. | 2016 | 20 |
| | 0.5 | Solar | REP Energy / Cooley Quarry | Novato, Marin Co. | 2017 | 20 |
| | 1 | Solar | REP Energy / Cooley Quarry | Novato, Marin Co. | 2017 | 20 |
| | 3.6 | Biogas | Waste Management / Redwood Landfill | Novato, Marin Co. | 2017 | 20 |
| | 10.5 | Solar | MCE / Solar One | Richmond, Contra Costa Co. | 2017 | 25 |
| | 20 | Solar | Dominion / RE Kansas Solar | Stratford, Kings Co. | 2015 | 3 |
| | 23 | Solar | Dominion / Cottonwood Solar | Stratford, Kings Co. | 2015 | 25 |
| | 99 | Wind | EDP Renewables / Rising Tree III | Mojave, Kern Co. | 2015 | 3 |
| | 30 | Solar | Recurrent Energy / Mustang Solar Power Project | Leemore, Kings Co. | 2018 | 15 |
| | 100 | Solar | Recurrent Energy / Tranquility 8 | Tranquility, Fresno Co. | 2018 | 15 |
| | 105 | Solar | sPower / Antelope Expansion 2 | Lancaster, Los Angeles Co. | 2018 | 20 |
| | 42 | Wind | Terra-Gen / Voyager Wind III | Mojave, Kern Co. | 2018 | 12 |
| | 125 | Wind | Terra-Gen / Los Banos Wind | Los Banos, Merced Co. | 2018 | 12 |
| | 40 | Solar | First Solar / Little Bear Solar | Mendota, Fresno Co. | 2020 | 20 |
| | 80 | Solar | EDF Renewables / Desert Harvest | Desert Center, Riverside Co. | 2020 | 20 |
| SCP | 1 | Solar | Cloverdale Soventix | Cloverdale, Sonoma Co. | 2017 | 20 |
| | 1 | Solar | VacaSolar Millenium | Petaluma, Sonoma Co. | 2017 | 20 |
| | 1 | Solar | Petaluma Solar Millenium | Petaluma, Sonoma Co. | 2017 | 20 |
| | 12.5 | Solar | Pristine Sun LLC | Multiple sites, Sonoma Co. | 2017 | 20 |
| | 70 | Solar | Recurrent Energy / Mustang Solar Power Project | Leemore, Kings Co. | 2016 | 20 |
| | 46 | Wind | NextEra / Golden Hills | Livermore, Alameda Co. | 2018 | 20 |
| LCE | 10 | Solar | sPower / Western Antelope Dry Ranch | Lancaster, Los Angeles Co. | 2016 | 20 |
| PCE | 200 | Solar | Frontier Renewables / Wright Solar Park | Santa Nella, Merced Co. | 2018 | 20 |

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# CCA Job Creation & Union Labor Support

- 2,800+ California jobs supported by MCE since 2010
- 80 jobs created by Lancaster Choice Energy since 2015
- 1.2 million union labor hours created through MCE renewable projects in 2016

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# CCA Constructed Renewables Supporting Union Labor or Local Workforce Development

| Project Name | Location | Load (MW) | CCA | Labor |
|---|---|---|---|---|
| Wright Solar Park | Merced County | 200 | Peninsula Clean Energy | Union |
| Tranquility Solar | Fresno County | 100 | MCE | Union |
| Recurrent Tranquility 8 Solar | Fresno County | 100 | MCE | Union |
| Rising Tree Solar | Kern County | 99 | MCE | Union |
| Recurrent Mustang Solar | Kings County | 70 | Sonoma Clean Power | Union |
| Recurrent Mustang Solar | Kings County | 30 | MCE | Union |
| Cottonwood Solar | Kern and Kings County | 23 | MCE | Union |
| RE Kansas Solar | Kings County | 20 | MCE | Union |
| Solar One | Richmond | 10.5 | MCE | RichmondBUILD |
| Western Antelope Dry Ranch Solar | LA County | 10 | Lancaster Choice Energy | Union |
| Lincoln Landfill | Placer County | 4.8 | MCE | Union |
| Ostrom Landfill | Yuba County | 1.9 | MCE | Union |
| Hay Road Landfill | Solano County | 1.6 | MCE | Union |
| Buck Institute Solar | Novato | 1 | MCE | Union |
| San Rafael Airport Solar | San Rafael | 1 | MCE | Marin City Community Development Corp |

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# Customer Serving Programs

- Responsive to local needs
  - Low-income retrofits
  - Electric vehicle focus (incl. CARE customers)
  - Fuel switching


- Rapid development (3-12 months to deploy)
- Low cost to implement programs

DriveEverGreen

# CCA Customer Program Elements

| | CleanPowerSF | Lancaster Choice Energy | Peninsula Clean Energy | MCE | Sonoma Clean Power |
|---|---|---|---|---|---|
| Balanced Payment Plan | *In development* | ✓ | | | *In development* |
| Battery Storage Rate | | | | ✓ | |
| Customer Load Shifting | | | | ✓ | ✓ |
| Demand Response | | | *In development* | *In development* | ✓ |
| Electric Vehicle (EV) Rate | ✓ | ✓ | ✓ | ✓ | ✓ |
| EV Bus Program | | ✓ | | | |
| EV Incentives | | | | ✓ | ✓ |
| EV Load Shifting | | | | ✓ | ✓ |
| Energy Efficiency (EE) | | *In development* | | ✓ | ✓ |
| Low-Income & Multifamily EE | | | | ✓ | |
| Feed-In Tariff | *In development* | | *In development* | ✓ | ✓ |
| Fuel Switching Gas to Electric | | | | ✓ | ✓ |
| Low Income Solar Incentives | ✓ | | | ✓ | |
| Net Energy Metering | ✓ | ✓ | ✓ | ✓ | ✓ |
| On Bill Repayment | *In development* | | | ✓ | *In development* |

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# Customer Serving Rates

- All low-income ratepayers continue to receive discounts
- Preferred net metering rates
- Rates set to minimize impact of IOU fees and guard against rate shock
- Local boards made up of elected officials who are ratepayers

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# Serving Low-Income (CARE) Customers

| | Lancaster Choice Energy | CleanPowerSF | Peninsula Clean Energy | MCE | Sonoma Clean Power |
|---|---|---|---|---|---|
| % CARE customers by account | 46% | 14.1%[1] | 18.6%[1] | 16.1% | 18% |
| % CARE customers by MWh | 25% | NA | NA | 6.4% | 16% |

[1] Eligible CARE accounts, CCA enrollment not yet completed in service area

# Value for Underserved Communities

**MCE**

- $1.7 M/year for Low-Income Tenants & Families (LIFT) energy efficiency
- $75,000 allocated for 150 low-income solar rebates
- $100,000 contracted with RichmondBUILD solar and energy efficiency job training academy
- $85,000 allocated to Rising Sun Energy Center to train San Pablo and El Cerrito youth for green collar jobs
- MCE Community Power Coalition partners with Communities for a Better Environment, the Greenlining Institute, Grid Alternatives, and local community environmental justice organizations to ensure inclusive programs and policies

**Sonoma Clean Power**

- Electric vehicle purchase and lease discounts for CARE customers
- 30% of electric vehicle rebates allocated for low-income customers
- Property Assessed Clean Energy (PACE) financing for home retrofits and solar
- Free Do it Yourself Toolkit for home efficiency retrofits in all public libraries

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# Value for Underserved Communities

**CleanPowerSF**

- $2M allocated for solar rebates for underserved residential customers
- Larger rebates for low-income customers
- 20-40% more for environmental justice neighborhoods
- 500% more for CARE customers
- GRID Alternatives local job training, focusing on underserved communities

**Lancaster Choice Energy**

- Focus on low-income customers with California HERO and California first to offer Property Assessed Clean Energy (PACE) financing
- Partnering with Antelope Valley Transit Authority to convert to all-electric bus fleet in three years
- AVTA provides free local transit to seniors

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# Regulatory and Legislative Issues

- CCAs must procure all energy and resource adequacy for customers.
- CCA paradigm means there is a need for more vigilance to protect against IOU shifting cost recovery from generation to delivery

# Thank you.

cal-cca.org

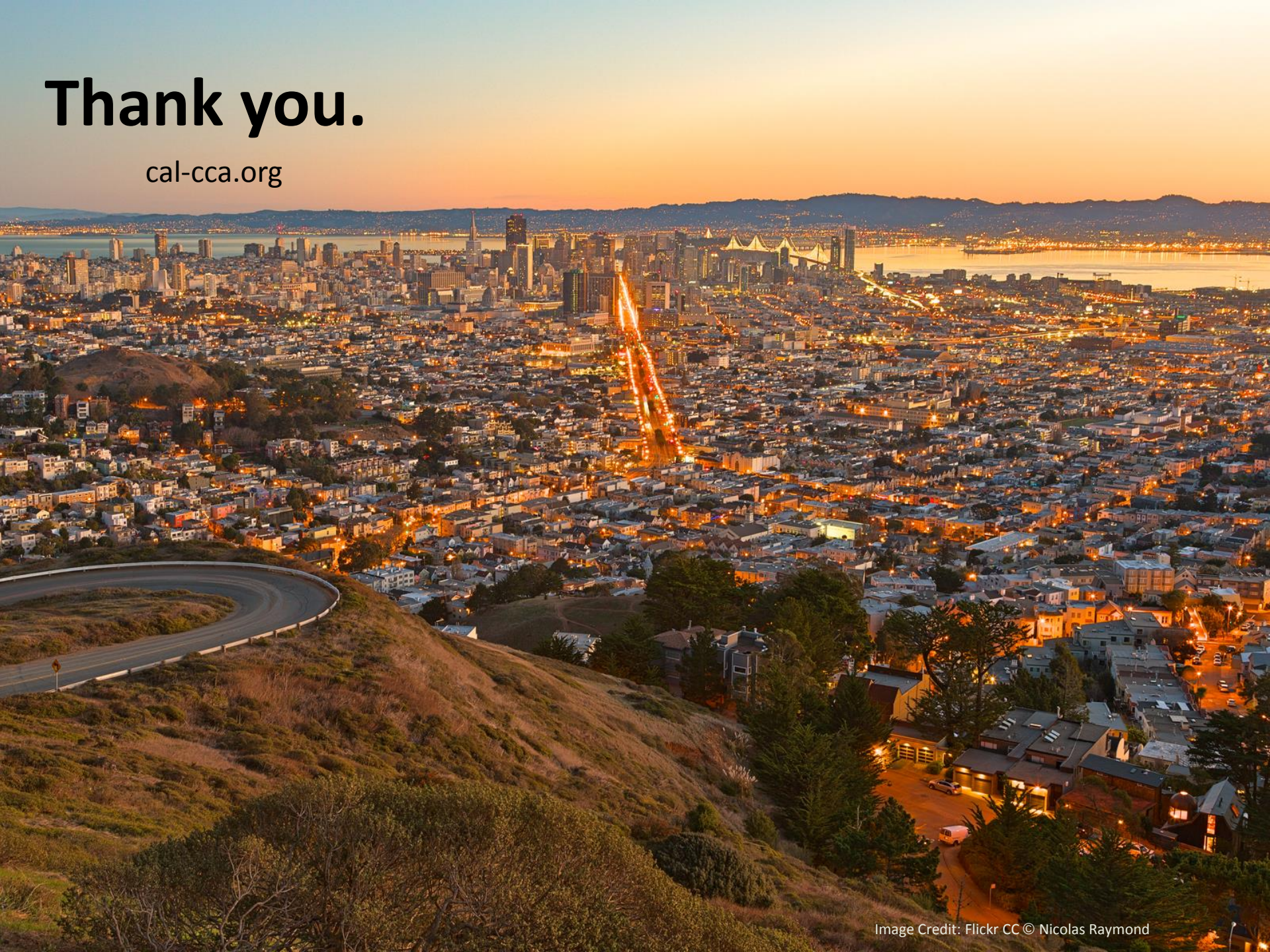

Image Credit: Flickr CC © Nicolas Raymond

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## AFFILIATE MEMBERSHIP APPLICATION

*Applications are welcome from any incorporated California city, town or county, or JPA representing more than one of these local governments. Affiliate Members have access to educational sessions and materials and may attend CalCCA business meetings as non-voting members.*

*The applicant listed below is requesting membership in CalCCA as an Affiliate Member. The applicant is prepared to pay the applicable membership dues, which are currently set at $1,500 annually. Invoice for dues will be provided after membership approval by the CalCCA Board.*

Agency Name: _____

Tax Identification Number: _____

Address: _____

City: _____State: _____ Zip Code: _____

Phone: _____ Fax: _____

Website: _____

*The entity listed above is designating the following person to serve as their primary point of contact for all distribution of information. It is the responsibility of the Affiliate Member to keep the primary point of contact current at all times.*

Primary Contact Name: _____

Title: _____ Phone: _____

Email: _____

***The information contained in this membership form is accurate and complete.***

Signature: _____

Name: _____

Date: _____

Please submit completed application via email to info@cal-cca.org

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cal-cca.org

# California CCA Quarterly Update | January 2017

*California Community Choice Association (CalCCA) represents the interest of California's community choice electricity providers in the legislature and at the relevant regulatory agencies. Each Community Choice Aggregator (CCA) chooses the sources of electricity while the utility continues to provide electric delivery services. CCA was enabled by Assembly Bill 117 in 2002, to allow local municipalities to take control of their energy supply.*

*CalCCA currently has seven operational members serving as its Board of Directors including: MCE, Sonoma Clean Power (SCP), Lancaster Choice Energy (LCE), CleanPowerSF, Peninsula Clean Energy (PCE), Silicon Valley Clean Energy (SVCE), and Apple Valley Choice Energy; and four affiliate members: The Cities of Davis and Corona, the counties of Los Angeles and Placer, and Central Coast Power representing the counties of Santa Barbara, San Luis Obispo, and Ventura.*

## MCE

*Launched in 2010, MCE serves more than 255,000 customers in Marin County, Napa County, and the cities of Benicia, El Cerrito, Lafayette, Richmond, San Pablo and Walnut Creek. MCE offers Light Green 50% renewable energy and Deep Green 100% renewable energy products.*

### 2,800+ California Jobs Supported

In 2016, MCE's new renewable projects have created more than 1.2 million union labor hours. MCE's sustainable workforce policy outlines support for local businesses, union members, training and apprenticeship programs, and support for green and sustainable businesses. MCE has committed over **$1.6 billion to build 813 MW of new California renewables.**

### 20 MW of New Local Renewable Projects

MCE has 4.27 MW of new solar online in its local service area, with another 12 MW under construction. MCE's 10.5MW solar project in Richmond is located on a brown field site and has a 50% local hire requirement. A local 3.6 MW waste-to-energy project is also under construction.

### MCE Wins 2016 Green Power Leadership Award

The Center for Resource Solutions presented MCE with a Green Power Leadership Award at the annual Renewable Energy Markets conference, recognizing MCE's leadership in the development of green power markets by championing renewable energy in California.

## SONOMA CLEAN POWER (SCP)

*Sonoma Clean Power (SCP), launched in 2014, serves approximately 450,000 customers in Sonoma County. SCP offers CleanStart 36% renewable energy and EverGreen 100% local, renewable energy.*

### CPUC Certifies SCP's Plan to Serve Mendocino County

In December 2016, the CPUC certified SCP's Second Revised and Updated Implementation Plan. Under this revised plan, SCP will deliver service to **Mendocino County** starting in June 2017.

### Drive EverGreen Program Pairs Electric Vehicles and 100% Renewable Energy

SCP has concluded its successful Drive EverGreen electric vehicle purchase/lease pilot. The pilot allowed customers to: 1) get an electric car by receiving SCP EV Incentive Certificates; 2) choose between discounted EV chargers or a "Juice Plug" through a program partner; 3) choose to drive on 100% renewable energy by opting up to 100% local renewable energy through SCP. During the Drive EverGreen program, SCP received almost 600 applications and distributed $480,000 in EV Incentive Certificates, 26% of which were issued to **low-income customers.**

## LANCASTER CHOICE ENERGY (LCE)

*LCE began service in 2015 to 55,000 customers in the city of Lancaster, located in east Los Angeles County. LCE offers ClearChoice 35% renewable energy and SmartChoice 100% renewable energy to its customers, with approximately half of customers eligible for low-income energy programs. Lancaster is aiming to be the nation's first zero net energy city.*

### LCE and sPower's First 10MW Local Renewable Energy Project is Operational

In December 2016, Lancaster and sPower, an independent energy producer, announced that a new utility-scale solar project is operational. This resource is the city's first project and will serve up 10MW of renewable energy through a 20-year power purchase agreement with LCE. The project is expected to power over 1,800 local homes.

### LCE Completes its First Year of Net Energy Metering (NEM)

In October 2016, LCE celebrated its first full year of service to customers and conducted its first annual 'true-up' for over 3,500 NEM customers. LCE's overproducing solar panel customers received just over $59,000 back, which is **234% more** than they would have received had they remained under the Southern California Edison (SCE) NEM tariff.

### LCE Pursues Three Local Solar Site Developments

LCE is currently working to develop three sites for 3MW solar energy projects. This 9MW of local power will contribute to LCE's power portfolio.

# CLEANPOWERSF

*Launched in 2016, CleanPowerSF serves approximately 75,000 customers in San Francisco. CleanPowerSF offers Green 35% renewable energy and SuperGreen 100% Green-e certified renewable energy.*

## GoSolarSF

In Spring 2017, CleanPowerSF customers will be eligible for new financial incentive levels to assist with the cost of installing solar panels on residential and commercial rooftops across San Francisco.

## Service and Enrollment

CleanPowerSF has an opt out rate of approximately 2.4% with enrollment in SuperGreen, its 100% renewable product, at approximately 2.5%. Education and outreach to the public about CleanPowerSF continues at community group meetings, street fairs, and events. In Spring 2017, CleanPowerSF will enroll eligible NEM accounts.

# PENINSULA CLEAN ENERGY (PCE)

*Launched in October 2016, PCE serves customers in San Mateo County, including all 20 cities and unincorporated areas. PCE currently serves 78,000 accounts, and will serve up to 300,000 accounts when enrollment is completed in April 2017. PCE offers ECOplus 50% renewable energy and ECO100 100% renewable energy products.*

## Robust Response to Request for Renewable Energy

PCE launched and concluded its 2016 Request for Offers ("RFO") for renewable resources. With this RFO, PCE is expanding its purchase of clean, renewable energy for the residents and businesses of San Mateo County. PCE received a prolific response from a wide variety of projects, creating opportunities to procure cost-effective renewable energy for customers.

# SILICON VALLEY CLEAN ENERGY (SVCE)

*Launching in April 2017, SVCE will serve customers in Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill, Mountain View, Saratoga, Sunnyvale and the unincorporated parts of Santa Clara County.*

## Launch Set for April 2017

SVCE is preparing to launch service in April 2017 and customers will receive their first notifications in late January.

## Hedging Supply Prices

In December, SVCE sought to lock supply prices with six different suppliers to meet 100% of its energy needs in 2017 and 2018, 80% in 2019, 65% in 2020 and 50% in 2021. Most of these efforts were successful, securing a cost-competitive energy supply for SVCE customers.

# CCA STATEWIDE

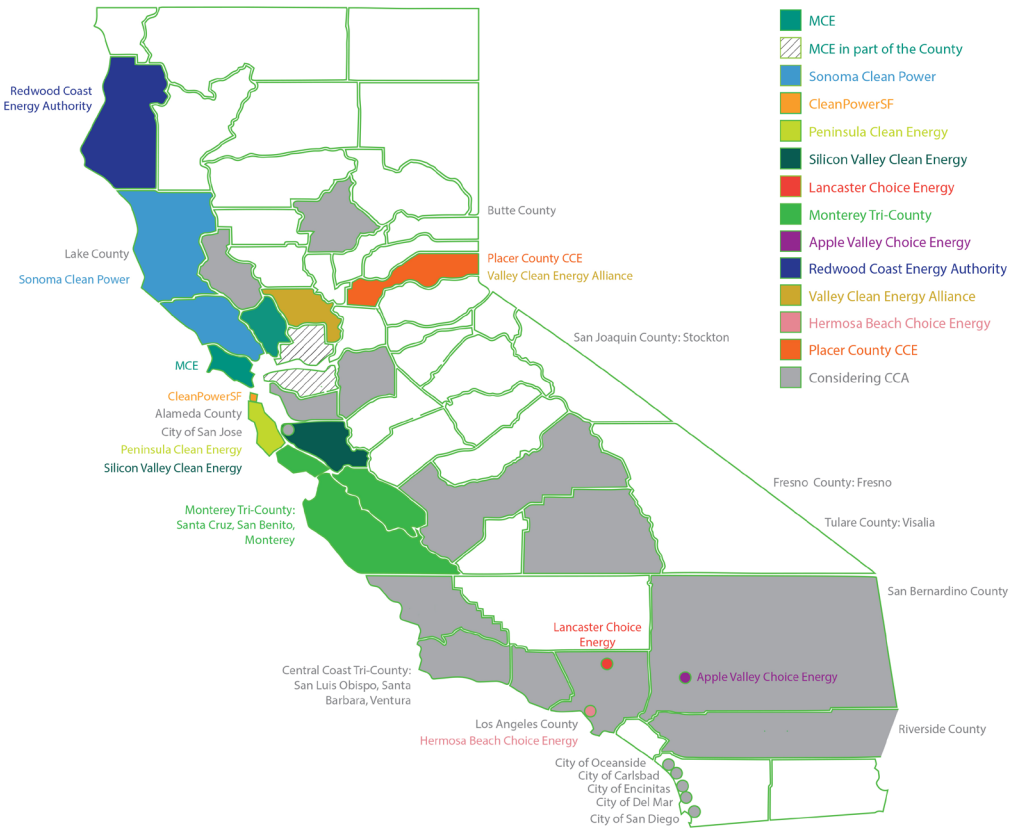
CCAs are forming in over 80 jurisdictions across California. This map highlights service area of fully operational CCAs as well as jurisdictions considering joining a CCA or creating their own.

» In December 2016, the San Jacinto City Council approved their CCA implementation Plan and submitted it to the CPUC. The City of San Jacinto will be serving retail electric service customers as San Jacinto Power.

» The City of Davis and Yolo County will begin serving customers in Fall 2017 or early 2018 as Valley Clean Energy Alliance.

» Hermosa Beach Choice Energy will begin serving customers in the City of Hermosa Beach in late 2017.

» Redwood Coast Energy Authority will begin serving the county of Humboldt; the cities of Arcata, Blue Lake, Eureka, Fortuna, Rio Dell, and Trinidad in May 2017.



CalCCA
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# CalCCA News

VOLUME: 1 FEBRUARY 2017

## Welcome from the Board President

I am honored to personally welcome you to CalCCA. Thank you for joining us in our developing efforts this year. In this first edition of our Member Newsletter, I am pleased to reach out to you with some important updates. The CalCCA Board is growing and now consists of eight voting Operational Members including Apple Valley Choice Energy (Joseph Moon), Lancaster Choice Energy (Cathy DeFalco), Sonoma Clean Power (Geof Syphers), MCE (Dawn Weisz), Peninsula Clean Energy (Jan Pepper), Redwood Coast Energy Authority (Matthew Marshall) and Silicon Valley Clean Energy (Tom Habashi).

CalCCA's other memberships are expanding as well. We now have seven Affiliate Members, including: the Cities of Corona, Hermosa Beach, and San Jose; the Counties of Los Angeles and Placer; Central Coast Power representing the Counties of Santa Barbara, San Louis Obispo, and Ventura; and Valley Clean Energy representing the City of Davis and the County of Yolo. Seven Partner Members have also joined CalCCA, including: Bayshore Consulting Group, Braun Blasing McLaughlin & Smith, Intersect Power, Pacific Energy Advisors, River City Bank, Solar Electric Solutions, and ZGlobal.

Since the launch of California's first CCA in 2010, community choice has become a key tool for local governments striving to reduce community greenhouse gas emissions and contribute to California's climate action goals. Over 500,000 customers buy CCA energy supply which guarantees more renewables and more choice for customers. The number of customers served is expected to more than double in 2017 as new CCAs start service throughout the state.

We are looking forward to the important work ahead!

Sincerely,
Barbara Hale, CalCCA Board President, CleanPowerSF

### Save-the-Date: May 4th CalCCA Affiliate and Operational Member Mixer

*CalCCA will be hosting its first Affiliate and Operational Member Mixer May 4, 2017 in the later afternoon in Long Beach, CA. Details are still developing and input is welcome! Please contact info@cal-cca.org to make your suggestions.*

### Upcoming CalCCA Subcommittee and Discussion Group Meetings*

***New CCA Directors Call:***
**Friday, March 3rd, 9AM-10AM**

•

***Legislative Discussion Group:***
**Thursday, March 9th, 3PM-3:30PM**

•

***Regulatory Discussion Group:***
**Thursday, March 30th, 10AM-11AM**
**Please contact info@cal-cca.org for more information regarding these meetings.**

**Note, these meetings will be open to CalCCA members only starting in March so thank you for being a member, and supporting the growth of CCA coordinative efforts!*

## CalCCA Regulatory Update

### Protest to SDG&E Plan to Market Against CCAs

On November 21, 2016, San Diego Gas and Electric (SDG&E) filed an Advice Letter at the California Public Utilities Commission (CPUC). Approval of the letter by the CPUC would authorize SDG&E to market against CCAs through a functionally separate affiliate. This has wide implications beyond San Diego County because a successful anti-CCA marketing agency could create a template to enable anti-CCA marketing efforts throughout the state. On December 12, 2016, CalCCA submitted its first formal regulatory filing protesting SDG&E's plan to market against CCAs. The protest argued that SDG&E had not separated its anti-CCA marketing activities from the rest of its operations, giving SDG&E an unfair advantage. Additionally, the protest pointed out that SDG&E had begun marketing efforts against CCAs without the CPUC approval that is required. After CalCCA's protest was submitted, the CPUC rejected SDG&E's marketing plan. Therefore, SDG&E cannot currently market against CCAs. On January 27, SDG&E submitted its third Advice Letter to market against CCAs; CalCCA is evaluating its next steps for action.

*(Continues on next page)*

### Possible Increase to CCA Bond Obligation

The Commission has re-opened an old proceeding primarily to address the bond that CCAs must post in order to begin service. On December 22, 2016, CalCCA submitted a Motion for Party Status and participated in the Prehearing Conference on February 16, 2017 (proceeding R.03-10-003).

### CalCCA Actions against Potential Cost Increases to CCA Customers

On January 6, 2017, CalCCA filed a formal protest regarding non-bypassable charges stemming from tree mortality. SB 895 (2016) allowed investor-owned utilities to procure biomass energy resources to mitigate wildfire risk. The bill allowed the IOUs to allocate the costs of this procurement among all customers, which may result in increased rates for CCA customers. CalCCA is awaiting further CPUC action in this proceeding (proceeding A.16-11-005).

CalCCA also filed a Motion for Party Status on January 18 in the proceeding addressing PG&E's proposal to retire the Diablo Canyon Power Plant and allocate the costs for replacement procurement among all customers, including CCA customers who do not contract for power from Diablo Canyon. CalCCA is participating in the proceeding and has already joined as a cosignatory to the Joint Intervenors' Testimony that was served on January 27 (proceeding A.16-08-006).

### CPUC Holds First CCA *En Banc*

On February 1 the CPUC held its first ever CCA *En Banc* to examine the benefits and challenges accompanying large scale expansion of CCAs in California. CalCCA Directors Hale, Syphers, and Weisz each participated in one of the three panels which examined a wide range of issues including reliability and supply, customer-facing matters, and future opportunities and obstacles. Board members Jan Pepper and Joseph Moon spoke regarding the benefits of their programs. Several CCA Board members, community members, union representatives, and state and local representatives also attended to voice their strong support of CCAs. CalCCA submitted informal written comments on the *En Banc* on February 23.

### Meetings with CPUC Leadership

CalCCA Board Members met with CPUC Commissioner Carla Peterman and General Counsel on January 18, the CPUC Office of Governmental Affairs on January 25, and CPUC Commissioners Randolph and Rechtschaffen and CPUC Energy Director Ed Randolph, on February 15 to discuss a variety of CCA related matters and to introduce CalCCA. Meetings with new CPUC Commissioner Guzman Aceves and President Picker are currently in the process of being scheduled for March. ■

## CalCCA Legislative Update

CalCCA had two successful days of lobbying in Sacramento in late January and had tremendously positive interactions with key legislators and staff regarding the most important issues facing CCAs. In addition, the CalCCA Board of Directors presented a comprehensive CCA briefing to almost 50 state legislative staff members and committee consultants. The briefing lasted 90 minutes and many staff stayed later to ask more questions which reflects the growing interest in CCAs in Sacramento. Another lobbying day is scheduled for February 28. ■

## Member Milestones Coming Up Next

- **March:** CleanPowerSF initiates Request for Offer for specified renewable energy and establishes a growth plan.
- **April:** Silicon Valley Clean Energy and Apple Valley Choice Energy begin to serve customers. Peninsula Clean Energy finalizes its enrollment of an estimated 300,000 customers.
- **May:** Redwood Coast Energy Authority begins to serve customers.
- **June:** Sonoma Clean Power begins service in Mendocino County ■

*CalCCA Board Members and Representatives on a lobbying day in Sacramento. (From left to right): Geof Syphers, Dawn Weisz, Tom Habashi, Barbara Hale, Jason Caudle, and David Burruto.*

CalCCA
California Community Choice Association

**Board Officers**
*Barbara Hale,* CleanPowerSF
President

*Geof Syphers,* Sonoma Clean Power
Vice President

*Dawn Weisz,* MCE
Secretary

*Tom Habashi,* Silicon Valley Clean Energy
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*Joseph Moon,* Apple Valley Choice Energy

*Jason Caudle,* Lancaster Choice Energy

*Jan Pepper,* Peninsula Clean Energy

*Matthew Marshall,* Redwood Coast Energy Authority

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(*Santa Barbara, San Louis Obispo, and Ventura County*)
City of Corona
City of Hermosa Beach
City of San Jose
County of Los Angeles
County of Placer
Valley Clean Energy
(*City of Davis and Yolo County*)

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February 23, 2017

Re: CalCCA Informal CCA *En Banc* Hearing Comments

## Introduction

CalCCA would first like to thank CPUC Commissioners and staff for taking the initiative to host the February 1st *en banc* hearing to explore CCA issues. We are heartened by the CPUC's growing awareness of the role CCAs can play in meeting state objectives in an efficient manner tailored to local communities, as well as the important role the Commission must play in this future.

CalCCA Members have demonstrated that they are treating State statutory clean energy goals and other regulatory requirements as a floor, with most of our members exceeding minimum compliance standards. We will continue to defend our statutorily-defined role as the sole entity responsible for procuring generation on behalf of our customers. CalCCA Members take this obligation very seriously, and will work with our governing boards to develop integrated resource plans that maximize grid value, environmental benefits, and protect customers.

Thanks to California's robust market for renewables and the proliferation of distributed energy resources, for-profit utilities no longer have the burden of procuring the majority of the State's load. This is the intended result of nearly two decades of legislation, policy, and investment – which will continue to reduce GHGs and customer costs. We encourage the Commission to continue to support partnership between local communities and incumbent utilities, without disrupting this growing market with unnecessary regulation. A natural friction arises in that CCAs seek to maximize societal benefit while IOUs have a fiduciary responsibility to their shareholders; this natural tension lends well to a critical role for the CPUC to ensure that the interests of California are protected. In addition, the CPUC has ongoing important work to ensure a safe grid, and to set and enforce clear standards to achieve climate goals in the most economically efficient manner.

CalCCA appreciates the opportunity to submit these informal comments, which will address factual inconsistencies as well as larger themes.

## CCAs are not DA providers with a Different Structure

While both CCAs and DA providers were conceived to provide a cost-effective service and reliable alternative to the incumbent monopoly, they are

fundamentally different business models. CCAs are not-for-profit local government agencies that offer service to all customers in a discrete geographical area. CCAs are required by law to serve all residential customers in their jurisdiction; they cannot and do not "cherry pick" more lucrative energy consumers.

CCAs are governed by a board of local elected officials who oversee decisions regarding procurement, budgets, and rates, and are directly accountable to the people who elected them. CCA board meetings are public meetings that follow the Brown Act requirements for public noticing and public decision-making. These elected officials, who represent both bundled and non-bundled customers, are motivated to maintain equitable treatment between both. Lastly, as CCAs value rate stability and not economic profit, they procure resources on a long-term basis and are committed to serving customers in perpetuity.

**IOUs Advertise and Provide GHG Information to Customers**

Professor Borenstein stated that it "isn't looked well upon if IOUs advertise". However, IOUs can – and do – frequently engage in extensive print, radio, and television advertising. CPUC Code of Conduct Rule 8.1.1 describes various forms of marketing that is allowed without restrictions. The CPUC's Code of Conduct protects ratepayers from IOU marketing against a CCA program until they have established a functionally and physically separate division funded by shareholders. The CPUC also ensures the accuracy of marketing claims. These two Commission policies arose as a reaction to PG&E's conduct in opposition to the formation of the first CCA, Marin Clean Energy.

A representative from The Utility Reform Network (TURN) made several misstatements about GHG disclosure requirements. The Commission does not prevent IOUs from providing GHG information to customers. For-profit utilities and CCAs may choose to have their retail GHG emissions audited by a third party for marketing purposes. In 2014, SCP and PG&E both used The Climate Registry (TCR) to audit emissions under an identical protocol. The result showed that SCP's base level portfolio produced 48% fewer GHG emissions than PG&E's. MCE also uses TCR methodology to track and report emissions. CleanPowerSF and MCE require third-party "green-e" certification for all resources in its 100% renewable retail products. In addition, the CPUC requires and oversees the disclosure of energy sources using the California Energy Commission's Power Content Label methodology. Incumbent IOUs and CCAs in their territory develop joint mailers to provide a side-by-side comparison of energy portfolios and applicable rates. The Commission requires that these be issued four times a year.

CalCCA agrees with TURN that RPS percentages alone do not directly reflect GHG emissions. As such, we will continue to support implementation of legislation such as AB 1110 that calls for uniform disclosure of GHGs by all LSEs. We would also support GHG intensity being reflected on Joint Mailers and would welcome the opportunity to work with the CPUC and stakeholders to implement such a requirement.

The TURN representative also expressed concern that PG&E's rate calculator on their website does not work if you are a CCA customer, like he is. The CCA community was heartened to hear PG&E agree that PG&E is responsible for providing a working rate calculator for all customers, as this is funded through the delivery charges that PG&E collects from every customer. We look forward to working with the CPUC to ensure that the IOUs provide this functionality for all customers.

**CCAs Reduce – and do not Exacerbate – the Likelihood of Future Grid Crises**

A number of comments at the *en banc* hearing suggested that the growth of CCAs could lead to another "energy crisis" similar to 2000-2001. The root cause of that crisis was a market design that forced all ESPs to procure power through the spot market, and prohibited the large IOUs from engaging in long-term contracting. By decentralizing energy procurement activities, the growth of CCAs reduces the risk of a future crisis. Indeed, the legislation enabling CCA formation, AB 117 (2002), was a direct result of the electricity crisis and the Legislature's desire to prevent future crises. Specifically, to prevent a repeat of 2000-2001, the State implemented policies and programs to diversify risk from large for-profit utilities and ensure continued reliability. These programs include resource adequacy, distributed generation, and community choice aggregation. CCAs comply with the same reliability (resource adequacy) and environmental mandates (RPS, storage) applicable to all other CPUC-jurisdictional LSEs. Parties accurately noted that CCAs are growing – this success is a direct result of legislative action and CPUC support to reduce risk.

**CCA Procurement is Significant, Transparent, and Growing Rapidly**

CCAs take a long-term approach to procurement, recognizing that a prudent, risk-minimizing portfolio requires a mix of short, mid-term, and long-term assets. The contention advanced at the *en banc* hearing that CCAs do not develop new "steel in the ground" projects or support grid stability and reliability is demonstratively false. As a result of CCAs' long-term planning, CCAs are able to adapt to both short- and long-term changes in the electricity sector, including changes in demand resulting from energy efficiency and DERs and changes in grid needs for integration, storage and ramping as energy sources evolve. CCA contracting is subject to the approval and oversight of elected board members through a public process subject to state and local transparency laws. The same process is utilized when the CCA governing board approves its Integrated Resource Plan (IRP).

We question whether the TURN representative's stated preference to develop new resources is prudent in the current environment, where IOUs have significantly more capacity than they need for reliability, and more RPS than they need for compliance. Relying solely on new resources would be economically inefficient and harmful to ratepayers. However, if the legislature codifies a preference for new resources, CCAs will comply.

Moreover, CCAs have been contracting for new, long-term renewables. As CleanPowerSF noted, CCA solicitations for power resources have been met with an overwhelming response of offers. Credit does not appear to be an impediment to CCA procurement, including long term contracts. Further, there has been a diverse selection of counterparties who are doing business with CCAs. The theme of CCAs emerging as the dominant force in procurement was accurately highlighted by project developers, financiers, and organized labor representatives. Below is a list of new renewable projects in California built with contracts from CCAs.

| | Project Size (MW) | Resource | Resource Provider/Project Name | Location | Service Start Date | Contract Length (Years) |
|---|---|---|---|---|---|---|
| MCE | 1 | Solar | San Rafael Airport | San Rafael, Marin Co. | 2012 | 20 |
| | 1.6 | Biogas | G2 Energy / Hay Road Landfill | Vacaville, Solano Co. | 2013 | 18 |
| | 4.8 | Biogas | Genpower / Lincoln Landfill | Lincoln, Placer Co. | 2013 | 20 |
| | 1.9 | Biogas | G2 Energy / Ostrom Road Landfill | Wheatland, Yuba Co. | 2013 | 18 |
| | 1 | Solar | Dominion / Buck Institute of Research on Aging | Novato, Marin Co. | 2016 | 25 |
| | 0.3 | Solar | Rawson, Blum & Leon / Cost Plus Plaza | Larkspur, Marin Co. | 2016 | 20 |
| | 1 | Solar | North Solar Solar Partners / Freethy Industrial Pk. #1 | Richmond, Contra Costa Co. | 2016 | 20 |
| | 1 | Solar | North Solar Solar Partners / Freethy Industrial Pk. #2 | Richmond, Contra Costa Co. | 2016 | 20 |
| | 0.5 | Solar | REP Energy / Cooley Quarry | Novato, Marin Co. | 2017 | 20 |
| | 1 | Solar | REP Energy / Cooley Quarry | Novato, Marin Co. | 2017 | 20 |
| | 3.6 | Biogas | Waste Management / Redwood Landfill | Novato, Marin Co. | 2017 | 20 |
| | 10.5 | Solar | MCE / Solar One | Richmond, Contra Costa Co. | 2017 | 25 |
| | 20 | Solar | Dominion / RE Kansas Solar | Stratford, Kings Co. | 2015 | 3 |
| | 23 | Solar | Dominion / Cottonwood Solar | Stratford, Kings Co. | 2015 | 25 |
| | 99 | Wind | EDP Renewables / Rising Tree III | Mojave, Kern Co. | 2015 | 3 |
| | 30 | Solar | Recurrent Energy / Mustang Solar Power Project | Leemore, Kings Co. | 2018 | 15 |
| | 100 | Solar | Recurrent Energy / Tranquility 8 | Tranquility, Fresno Co. | 2018 | 15 |
| | 105 | Solar | sPower / Antelope Expansion 2 | Lancaster, Los Angeles Co. | 2018 | 20 |
| | 42 | Wind | Terra-Gen / Voyager Wind III | Mojave, Kern Co. | 2018 | 12 |
| | 125 | Wind | Terra-Gen / Los Banos Wind | Los Banos, Merced Co. | 2018 | 12 |
| | 40 | Solar | First Solar / Little Bear Solar | Mendota, Fresno Co. | 2020 | 20 |
| | 80 | Solar | EDF Renewables / Desert Harvest | Desert Center, Riverside Co. | 2020 | 20 |
| SCP | 1 | Solar | Cloverdale Soventix | Cloverdale, Sonoma Co. | 2017 | 20 |
| | 1 | Solar | VacaSolar Millenium | Petaluma, Sonoma Co. | 2017 | 20 |
| | 1 | Solar | Petaluma Solar Millenium | Petaluma, Sonoma Co. | 2017 | 20 |
| | 12.5 | Solar | Pristine Sun LLC | Multiple sites, Sonoma Co. | 2017 | 20 |
| | 70 | Solar | Recurrent Energy / Mustang Solar Power Project | Leemore, Kings Co. | 2016 | 20 |
| | 46 | Wind | NextEra / Golden Hills | Livermore, Alameda Co. | 2018 | 20 |
| LCE | 10 | Solar | sPower / Western Antelope Dry Ranch | Lancaster, Los Angeles Co. | 2016 | 20 |
| PCE | 200 | Solar | Frontier Renewables / Wright Solar Park | Santa Nella, Merced Co. | 2018 | 20 |

## CCAs Comply with the Same Regulatory and Legislative Requirements as Other LSEs

Professor Borenstein noted that IOUs feel they're held to "implicit standards", and a representative from SDG&E seemed to imply that procurement mandates are not applied uniformly to all LSEs.

CalCCA will refrain from conjecturing on what any implicit standards may be. It is critical to note that CCAs do not circumvent the State's environmental mandates. As California-based load serving entities, CCAs are subject to the same resource adequacy, renewable portfolio standard, and emissions performance standards as all other LSEs. The current State-mandated standards are the floor from which all CCAs may operate, and in practice CalCCA Members are going far above and beyond the minimum required environmental performance. This is due to a focus on creating societal benefits, and oversight by a governing board who demand that CCAs meet additional local requirements. For clarity's sake, a table of non-exhaustive compliance requirements for CCAs is included in Appendix-1 of these comments.

We do agree with the representative from SDG&E that procurement mandates are not always applied uniformly. The recent BioRAM Decision is an example of this: although CCA customers will pay for this procurement through non-bypassable charges, CCAs were prevented from being able to engage in this procurement for our customers despite having bark beetle infestations in our territories. The unfortunate result is that our customers are paying for, but not receiving, the local environmental benefits and reduced risk of fire-hazard created by the mandates.

**CalCCA Members Actively Protect Their Customers and Advocate on Their Behalf**

The Office of Ratepayer Advocates (ORA) signaled in the panel that it views its responsibility as being an advocate for all ratepayers, bundled and non-bundled. This is encouraging, as CalCCA views ORAs mission to be a critical check on the investor owned power industry in California. The CCA community hopes to coordinate with ORA going forward to determine the best way for all consumers to be protected while allowing for community choice and responsibility in energy provision. This directly aligns with the interests of our board members, who are accountable to both bundled and un-bundled customers.

We share the frustration expressed regarding the lack of a Time-of-Use (TOU) bill comparison tool for CCA customers. CCAs are required to rely on IOUs to provide billing services, and are therefore dependent on IOUs to provide the same quality of billing services to all customers. As the funds for these services come from distribution charges, we feel our customers deserve equitable treatment. The lack of a TOU bill comparison tool for CCA customers is an example of this issue. In response, CCAs have advocated at the Commission and directly to PG&E to that end. We remain hopeful that this tool will be developed in the near future and would welcome any role we can play in assisting in that development.

**CalCCA Members Meet and Exceed Long-term Contract Requirements and Perform Integrated Resource Planning**

Given the significant discussion on CCA's ability to enter long-term contracts, we would like to clarify that – as agencies committed to perpetual service in our jurisdictions – CCAs will meet or

exceed long-term contracting requirements stipulated in SB 350. Indeed, CalCCA Members have never expressed resistance to complying with long-term contracting requirements. However, it is narrowly true that a CCA may be challenged to meet long-term contract requirements in its early days of operations. This is a practical implementation challenge CalCCA is working to overcome.

CalCCA looks forward to working with the CPUC and other parties to develop a robust long-term procurement paradigm through the Integrated Resource Plan (IRP) process. Using the IRP to manage all utility procurement will allow the CPUC to establish guidelines to accurately track all procurement activities. While the IOUs will have their IRP reviewed and approved by the CPUC, CCAs will follow the guidelines the CPUC establishes as each CCA seeks approval of its IRP through its public process with its local governing board. Given our increasing role in statewide procurement and ability to enter into contracts for resources more quickly than an IOU, CalCCA expects its members to play an important role in securing resources needed to meet environmental objectives and reliability needs.

**Indifference Should be the Focus of the Power Charge Indifference Adjustment**

A Southern California Edison representative made an unsupported statement that the existing Power Charge Indifference Adjustment (PCIA) does not result in indifference for bundled customers. The highly volatile PCIA has ballooned in the past two years and now represents over one third of the generation component of CCA customers' bills in PG&E's service territory. Without clear reasoning and a chance for fact finding, the notion that this charge is too low is unfounded.

In addition, SCE put forth the notion that earlier CCAs have a better environment to depart than later CCAs, suggesting costs are pushed off to later CCA creation. This notion is not true; the PCIA is calculated pro-rata, and only applied to the customers who depart. There is no competitive advantage from a cost-allocation standpoint to develop a CCA sooner rather than later. This statutorily-required principle of indifference is, in fact, exactly what the PCIA is designed to ensure.

**Other Non-Bypassable Charges (NBCs)**

In addition to the PCIA, CCAs are required to pay NBCs for capacity via the Cost Allocation Mechanism (CAM). The imposition of these charges results in double-payment by CCA customers. Standards are needed to ensure equal treatment of CCA customers compared to bundled customers.

**CCAs' Role in Energy Efficiency**

We agree with NRDC's comments that CCAs are well poised to deliver programs tailored to their local customers. CalCCA Members have a demonstrated track record of providing programs that meet the unique needs of their communities. When MCE first launched energy efficiency (EE)

programs, it was directed to focus on gaps and hard-to-reach market sectors. These areas are often overlooked, as they tend to have relatively low total-resource-cost (TRC) results. MCE launched its multifamily and small commercial programs in late 2012, and has since demonstrated success with high levels of program participation, competitive TRC results, and positive feedback from participants. MCE's recently-approved Low-Income Tenants and Families (LIFT) pilot provides $1.75 million per year in Energy Savings Assistance Program (ESAP) funding to address EE needs from disadvantaged and hidden communities. Meeting the objectives of Senate Bill (SB) 350 will require capturing energy efficiency in these untapped and overlooked markets.

CPUC policies and regulations should be reconsidered to empower and enable CCAs to continue innovating in these hard-to-reach market sectors. A prior CPUC Decision on CCA Energy Efficiency (D. 14-01-033) put CCAs on equal footing with IOUs for TRC requirements and reporting obligations. MCE's existing portfolio is less than 1% of PG&E's, and CCA portfolios do not include statewide programs that produce high savings with relatively low administrative burdens. Instead, CCAs focus on downstream programs, which achieve savings through direct assistance to thousands of discrete customers to take actions that reduce energy use.

To facilitate continued successes, CPUC policies should empower and enable CalCCA Members to continue innovating in hard-to-reach market sectors. One aspect the Commission could assist in is reducing administrative burden. While CCAs administer a distinct portfolio of programs within a smaller service area, they endure the same level of administrative burden as the larger IOUs. The unfortunate result is to discourage innovation, as designing and launching new programs is more resource-intensive. We would welcome the opportunity to work to develop a framework to ensure fiscal responsibility while not stifling innovation.

**CCAs' Role in Integrated Distributed Energy Resources**

CCAs are well poised to integrate delivery of a diverse suite of resources that can reduce greenhouse gas emissions. CCAs operated by a single entity (such as a city or county) can directly coordinate with other applicable departments to provide customers with expanded conservation options. Multi-member CCAs can leverage connections with member jurisdictions, funding from outside agencies, and internal revenue to provide customers with multiple resource conservation options beyond energy efficiency. With an emphasis on greenhouse gas reduction, CCAs have already demonstrated their capacity for innovation in the areas of building and transportation electrification. MCE's LIFT pilot includes an element focusing specifically on heat pumps, and MCE's Business Plan discusses integrated delivery of energy efficiency and demand response strategies to provide maximum opportunities for load shaping and shifting through a single customer interface. Sonoma Clean Power's (SCP) recent electric vehicle (EV) pilot program resulted in over 200 new EVs on the road. Notably, 30% of program funds went to CARE customers, a significantly higher percentage than the 18% of customer accounts that are enrolled in CARE. SCP is now evaluating that program to inform best practices for future EV programs not only in SCP's service area, but across the state.

This type of flexible, non-critical load will be an important tool in integrating more renewables and meeting SB 350 goals. To most efficiently achieve these goals, EV programs should be geared towards customer classes based on location, with corresponding marketing and outreach.

Distributed energy resources – from rooftop solar to EV chargers – must provide maximum value to the grid to cost-effectively meet SB 350 goals. This will require a granular assessment of distribution grid conditions. As discussed at the *en banc* hearing, CCAs were recently granted access to IOU data that will allow them to build a map of "hot spots" on the grid where these DERs will provide the most benefit. Maps like these, coupled with insightful customer information (e.g. those interested in EE), will be extremely valuable to the effort to achieve state goals.

**CCAs and Innovation**

Commissioner Peterman expressed her interest in having the lessons learned with these innovative CCA programs shared with the greater community. CCAs have the ability to respond quickly and pilot new programs to test their effectiveness, such as SCP's EV program. Within the CCA community, CalCCA Members regularly share ideas on successful programs and are eager to share this knowledge beyond CCAs. For example, Peninsula Clean Energy (PCE) is exploring innovative ideas with local entrepreneurs to help support the grid with increased penetration of renewables.

**CCAs' Role in Land Use Planning**

President Picker noted that CCAs are able to add value in land use planning. As government entities, CCAs can engage with local planning officials as peers. This presents the opportunity to develop and implement zoning regulations and guidelines that unlock more potential for local implementation of state policy goals. This could be done, for example, by implementing zero net energy requirements for new homes (as done in Lancaster), streamlining the permitting process for EV chargers in targeted areas, or changing building codes to replace gas water heaters with electric. CalCCA looks forward to partnering with the Commission to develop successful policies to effectuate fuel switching.

**CCAs' Role in Rewarding Disadvantaged Communities**

Local communities are stronger when they embrace their most vulnerable members. The volatility of the PCIA and the application of the PCIA to California Alternative Rates for Energy (CARE) and medical baseline customers present an on-going threat to low-income and disadvantaged communities. CCAs work to collaborate with these communities, to integrate their perspectives into our approaches, and respond to their needs in our advocacy and programs. As the most mature CCA, MCE has made the most progress to date. MCE's solar program offers

rebates exclusively to low-income customers in partnership with Grid Alternatives. $80,000 has been allocated to-date, resulting in more than 150 low income installations and contributing to nearly $1 million in customer bill savings. Additionally, the partnership between MCE and RichmondBuild has supported approximately $100,000 for energy efficiency and solar job training. MCE places a high emphasis on local workforce opportunities, and partners with the Marin City Community Development Corporation to provide workforce re-entry opportunities in its energy efficiency programs. MCE is requiring a minimum of 50% Richmond residents to be hired in building its 10.5 MW solar installation at a brownfield site in Richmond.

**CCAs and the Role of Provider of Last Resort**

The CCA model has been designed where the IOUs are the Providers of Last Resort and significant ratepayer protections have been put in place through CPUC decisions, implemented through Rule 23. The Provider of Last Resort role becomes operative under three scenarios: 1) the enrolled CCA customer opts-out; 2) the CCA decides to cease operations; or 3) the customer does not pay for CCA service.

Under the CCA model customers have choice. While CCAs become the default suppliers in their areas for customers they have offered service to, those customers still have the option of opting out under state law, and returning to the Provider of Last Resort, the IOU, at any time. The rates charged those returning customers protect bundled customers from cost shifting.

Under Rule 23, CCAs that voluntarily cease operations must provide one-year advanced notice to the CPUC and IOU and such CCAs are responsible for all costs arising from the termination. The customers of CCAs that are involuntarily terminated are required to pay Transitional Bundled Commodity Service, which the Commission established to protect bundled customers from any cost shifting that may result from CCA customers returning to bundled service.

The disorderly, abrupt termination of CCA service scenario is not realistic and the Commission acknowledged this in D.05-12-041. If termination of service happens at all, it will likely happen gradually, with customers opting out due to higher bills over a longer period of time. The CPUC should be proactive, and share and promote procurement best practices to support CCA durability. The RPS program requires a significant amount of long-term contracting, which will provide some protection to CCAs and their customers from market price volatility (market price shocks).

As we noted at the *en banc* hearing, perhaps the greatest threat to CCAs on-going attractiveness to customers, and therefore viability, is a large swing in the PCIA. The PCIA has proven to be highly volatile and impossible to predict. The CPUC needs to be careful that regulation not be the cause of massive CCA market disruption.

Finally, a CCA customer may be returned to the IOU for service due to non-payment of the CCA charges on the electric bill. After a CCA pursues a notice and collection process, which includes outreach to the customer, the CCA may return the customer to the IOU. The CCA has no authority

to disconnect service. If the IOU disconnects service to the customer for non-payment of the IOU charges on the electric bill, the IOU notifies the CCA after-the-fact.

**Conclusion**

CalCCA is committed to helping California advance its clean-energy goals, serving low-income communities, and being responsible, law-abiding actors on the California grid. We see significant potential in a future founded on local responsibility joined with CPUC coordination, support, and oversight. There are many energy system challenges that require new approaches. From accessing hard-to-reach components of the community, including the low-income segment, to coordinating with local planners, locally-governed CCAs are poised to address challenges that may be more difficult for large investor owned utilities.

CCAs take our statutory obligation to procure for our customers very seriously. We look forward to working with the Commission to develop clear policy standards that protect all ratepayers and shape the future of the grid, without stifling the ability of new business models to help achieve California's goals.

Respectfully Submitted,

Barbara Hale
CalCCA President

**Appendix 1: Non-exhaustive Sample of CCA Compliance Requirements**

| Report | Frequency | Entity |
|---|---|---|
| Resource Adequacy (Load Forecast-Year-Ahead) | Annual | CEC / CPUC |
| Resource Adequacy (Compliance Demonstration: System, Local, Flexible) | Monthly | CPUC |
| Resource Adequacy (Year Ahead Compliance Demonstration: Local, System) | Annual | CEC / CPUC |
| Resource Adequacy (Historical Load Data) | Annual | CEC / CPUC |
| Resource Adequacy (Load Forecast Updates) | As Needed | CEC |
| IEPR - Demand Forecast | Biennial | CEC |
| IEPR - Resource Plans Update | Biennial | CEC |
| Power Source Disclosure | Annual | CEC |
| QFER 1306B | Quarterly | CEC |
| Officer Certification | Annual | CAISO |
| Annual Retail Sales Report | Annual | CARB |
| Wind Power Purchases: Form 1386 | Quarterly | CEC |
| RPS Report | Annual | CPUC |
| RPS Closing Report | As Requested | CEC / CPUC |
| EIA 826 | Monthly | FERC |
| EIA 861 | Annual | FERC |
| WREGIS REC Retirement Report | Annual | WREGIS |
| AMI Data Privacy Audit | Triennial | CPUC |
| AMI Data Privacy Report | Annual | CPUC |
| Energy Storage Tier 2 Advice Letter | Biennial | CPUC |
| GHG Emission Performance Standard Advice Letter | Annual | CPUC |

**Addendum to CPUC Background Paper on Community Choice Aggregators**

| Subject | Commission Background Paper Language | Existing Practice | Relevant Statute and Commission Decision |
|---|---|---|---|
| Energy Storage | N/A | The Commission directed CCAs to procure energy storage commensurate with 1% of their 2020 annual peak load. The project installation should occur no later than the end of 2024, consistent with the requirement for IOUs. | Public Utilities Codes Section 2836(a)(1), D.13-10-040 |
| Renewable Portfolio Standard | "While the CPUC 'approves' these plans for IOUs, the CPUC only 'accepts' RPS plans for CCAs" (page 7). | As retail sellers, CCAs submit reports to both the CPUC and the CEC for RPS compliance. CCAs submit procurement plans to the CPUC consistent with statutory requirements. D.05-11-025 determined that CCAs should follow similar steps but not the same steps for RPS implementation purposes because the utilities are fully regulated by the Commission. The CPUC reviews the procurement plans to ensure that each CCA's portfolio content category is accurate.<br><br>The CEC verifies RPS procurement for each 3-year compliance cycle. Retail sellers report their RPS WREGIS and e-tag claims annually to the Energy Commission. | Public Utilities Code Section 399.13(a)(5)(A)-(F), D.05-11-025 |
| Integrated Resource Planning | "If the CPUC finds that the CCAs' renewable integration needs are best met through long-term procurement commitments for resources, CCAs are also required to make long-term commitments" (page 7). | CCAs can exercise their self-provision enabled by statute by making long-term commitments to satisfy renewable integration needs. The characteristics of these needs have yet to be defined by the Commission. As long as the renewable integration proposals satisfy the statutory requirements in Section 454.51(d)(1)-(4), the Commission should approve these proposals.<br><br>Additionally, beginning on January 1, 2021, 65% of a retail seller's RPS procurement must be from contracts of 10 years or more from eligible energy resources. This requirement also applies to CCAs, because CCAs are retail | Public Utilities Code 454.51, 399.13(b) |

| | | | |
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| | | sellers. | |
| Resource Adequacy | "If significant numbers of bundled customers move to CCAs with their associated load, it could become difficult to use the utilities as a conduit for procurement for such purposes; potentially IOUs may be unwilling to procure capacity beyond their own customers' needs" (page 6-7). | As currently implemented, CAM should be balanced to maximize CCAs' ability to determine the generation resources used to serve their customers, in accordance with Section 380(b)(4). The Commission has also not clearly defined specific resource attributes that provide long-term reliability. This lack of clarity makes it difficult for CCAs to make informed procurement decisions to satisfy long term reliability needs and realize the market value for those resources.<br><br>Additionally, Section 366.2(a)(5) provides CCAs the sole responsibility for generation procurement activities on behalf of their customers, unless otherwise expressly authorized by statute. | Public Utilities Code Section 380(b)(4), 366.2(a)(5) |
| Energy Efficiency | "MCE undertakes residential, commercial and financing programs" (page 10). | In addition to residential, commercial, and financing programs, MCE's Low-Income Families and Tenants (LIFT) program was recently approved by the Commission. | D.16-11-022 |
| Transportation Electrification | "If the CPUC and IOUs develop rates that encourage electric vehicle charging at times of day that are beneficial to the grid, but CCAs do not adopt those or similar rate structures, we may lose the opportunity for electric vehicles to help integrate renewables and make the grid more efficient" (page 10). | All CCAs have electric vehicle rates that mirror those of the IOUs. Additionally, existing CCAs have demonstrated interests in deploying electric vehicles to improve renewable integration. Sonoma Clean Power recently provided additional rebates to encourage its customers to purchase electric vehicles. Lancaster Choice Energy is working with the Antelope Valley Transit Authority to replace its entire fleet with electric buses. | |
| Transportation | "CCA customers could | To-date, the Commission has directed the IOUs to conduct | D.16-01-023, D.16- |

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| Electrification | be eligible for both IOU programs and CCA programs. This presents additional opportunities for customers but may be confusing for some as there is currently no mechanism to ensure CCA and IOU programs are complementary rather than duplicative. As a result, there is a risk that CCA customers will pay for electric vehicle programs offered by the IOU and also pay for similar programs offered by their CCA" (page 10). | cost recovery for updating the distribution infrastructure. CCAs only provide generation services, and their programs will not be duplicative of approved IOU programs that upgrade distribution infrastructure. CCAs have also shown willingness to collaborate with IOUs, demonstrated by the settlement between PG&E, MCE and Sonoma Clean Power. | 01-045, D.16-12-065 |
| Time-of-Use (TOU) Rates | "For example, PG&E's software tool can only produce rate comparisons for bundled customers. In addition, there is a question about allocation of costs for the rate comparison tool." | IOUs are the default billing and metering service providers to unbundled customers, as required by Section 366.2(c)(9). The Commission has also determined in D.04-12-046 that costs already reimbursed in the utility revenue requirements cannot be charged to CCAs, including billing system costs, and costs associated with customer services. The costs for the rate comparison tool should be recovered through the distribution function, consistent with the statute and Commission precedent. | Public Utilities Code 366.2(c)(9), D.04-12-046 |
| Low Income Programs | "One concerns that has been raised is that CCAs could "cherry pick" customers by creating geographic boundaries that avoid low income or | There is no market incentives for CCAs to avoid serving low income or underserved neighborhoods. Current discount programs for income qualified households, such as CARE and FERA, are funded through the distribution function, not generation. | |

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| | otherwise underserved neighborhoods. However, there is no evidence that this has happened with existing CCAs" (page 12). | Additionally, CCAs have also demonstrated their commitment to low income customers. MCE recently received $1.7 million per year for its Low-Income Families and Tenants pilot. MCE has also instituted a 50% local hire requirement for its development of a 10.5 MW solar facility at a brownfield at the Chevron refinery in Richmond, a disadvantaged community identified by CalEnviroScreen 2.0. Sonoma Clean Power recently completed an electric vehicle pilot program, and 30% of the program funds went to CARE customers, who represent 18% of SCP's accounts. | |
| Renewable Energy | "Staff has not evaluated whether CCAs can both be more green than IOUs and also provide lower rates" (page 13). | There are many publicly available documents that demonstrate CCAs' greener portfolios and lower rates. The links below contain rate comparison tools with information about renewable content of each electricity rate product provided by individual CCAs.<br><br>CleanPowerSF: http://sfwater.org/index.aspx?page=997<br><br>Lancaster Choice Energy: http://www.lancasterchoiceenergy.com/your-options/<br><br>MCE: https://www.mcecleanenergy.org/your-energy-choices/<br><br>Peninsula Clean Energy: http://www.peninsulacleanenergy.com/residents/residential-rates/<br><br>Sonoma Clean Power: http://sonomacleanpower.org/your-options/ | |