

# Community Choice Aggregation (CCA) Update

Presentation To: Newark City Council Work Session  
October 27, 2016



Michael Pretto  
Senior Consultant

# Discussion Overview

---

- Status of East Bay Community Energy Authority (EBCE) agency formation and outreach
- Newark's participation and concerns to date
- JPA agreement provisions recently adopted by Alameda County BOS
- Key issue: Can EBCE, as now configured, meet consumer, city, and stakeholder expectations?
- Next steps

# Community Choice Aggregation in Alameda County

---

- Board of Supervisors established a Steering Committee in 2015; ten meetings to date
- Councilmember Hannon represents Newark
- Initial briefing to City Council by County staff and consultants on April 14, 2016
- Presentation to City Council by City Attorney Benoun on July 14, 2016
- Letters on behalf of City to County Counsel on July 25, 2016 and to Supervisor Valle on September 29, 2016

# Community Choice Aggregation

## A Brief Recap

- AB117 allows residents and businesses in local communities to obtain their electricity supply from sources other than PG&E through Community Choice Aggregation (CCA)
- Electric service basics:
  - Two main components: (1) the electricity you use for your lights, appliances, computers, etc., and (2) the equipment (wires, substations) needed to deliver that electricity
  - Today, PG&E supplies and bills for both of these components
  - Under the CCA model, a separate community-based entity would supply the electricity component
    - PG&E would act as the CCA's billing agent and customers would continue to receive a single bill
    - PG&E would continue to maintain wires and respond to outages

# Key Aspects of CCAs

- AB117 was an outgrowth of the 2000 energy crisis, but it took some time for the concept to take hold
- In 2010, the Marin Energy Authority\* (a JPA comprised of Marin County and its cities) began supplying electricity to Marin residents and businesses. Sonoma Clean Power\*\* (Sonoma County and its cities) also began service in 2013.
- Their main selling points:
  - Local control of electricity supply
  - Emphasis on developing local renewable power projects
  - Higher percentage of renewable and carbon-free supply than PG&E
  - Rates competitive with PG&E

# A CCA Illustration\*

## How Local Energy Aggregation Works



\*from the Alameda Co. CCA website

# Marin Clean Energy/PG&E Bill Illustration



## ENERGY STATEMENT

[www.pge.com/MyEnergy](http://www.pge.com/MyEnergy)

Account No: 0051683301-9

Statement Date: 10/01/2013

Due Date: 10/22/2013

### Service For:

PAT A CAN  
5905 FRESNO AVE  
RICHMOND, CA 94804

### Questions about your bill?

24 hours per day, 7 days per week  
Phone: 1-866-743-0335  
[www.pge.com/MyEnergy](http://www.pge.com/MyEnergy)

### Local Office Address

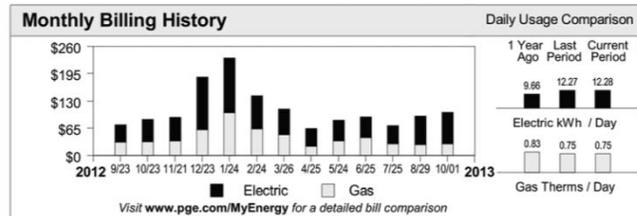
1100 S 27TH ST  
RICHMOND, CA 94804

### Your Account Summary

Amount Due on Previous Statement	\$94.84
Payment(s) Received Since Last Statement	-94.84
Previous Unpaid Balance	\$0.00
Current PG&E Electric Delivery Charges	\$43.33
MCE Electric Generation Charges	32.10
Current Gas Charges	28.20

**Total Amount Due by 10/22/2013** **\$103.63**

MCE's charges appear on the customer's PG&E bill



### Important Messages

Your charges on this page are separated into delivery charges from PG&E and generation or procurement charges from an energy provider other than PG&E. These two charges are for different services and are not duplicate charges.

**Electric power line safety** PG&E cares about your safety. Be aware of your surroundings and keep yourself, tools, equipment and antennas at least 10 feet away from overhead power lines. If you see an electric power line fall to the ground, keep yourself and others away, call 9-1-1 and then PG&E at 1-800-743-5000.



# Current Developments outside Alameda County

- Continued interest in forming CCAs
  - Clean Power SF went “live” in May 2016
  - City of Lancaster has begun operations
  - San Mateo County and its cities formed Peninsula Clean Energy, which went “live” on October 1, 2016
  - Cities in Santa Clara County (except San Jose), plus Santa Clara County, have formed Silicon Valley Clean Energy, which is ramping up
  - Multiple other efforts in progress
- PG&E 2016 ERRAs\* rates and PCIA eroded the Marin and Sonoma price advantage; CPSF’s price advantage is minimal
  - Primary issue is PCIA (Power Charge Indifference Adjustment) charged by PG&E to CCA customers
  - September 29, 2016 CPUC decision orders formation of a working group on PCIA reform and for parties to submit recommendations as petitions to modify existing decisions

# Current CCA Residential Bill Comparisons

## Marin Clean Energy vs PG&E

	PG&E	MCE Light Green	MCE Deep Green
% Green	30%	50%	100%
Cost*	\$92.37	\$91.91	\$96.54

## Sonoma Clean Power vs. PG&E

	PG&E	SCP Clean Start	SCP Evergreen
% Green	30%	36%	100%
Cost**	\$120.39	\$119.43	\$137.29

## SF Clean Power vs. PG&E

	PG&E	SF Green	SF Super Green
% Green	30%	50%	100%
Cost***	\$66.42	\$66.38	\$72.12

## Peninsula Clean Energy vs. PG&E

	PG&E	Eco Plus	Eco 100
% Green	30%	50%	100%
Cost****	\$87.31	\$85.15	\$89.60

\*Based on 463 kwhr/month and rates as of Sept 1, 2016

\*\*Based on 510 kwhr/month and rates as of Mar 24, 2016

\*\*\*Based on 267 kwhr/month and rates as of Mar 1, 2016

\*\*\*\*Based on 445 kwhr/month and rates as of Sept 22, 2016



# Current CCA Residential Bill Comparisons (Cont.)

## ➤ Observations:

- All CCA “default” rates are currently at or below PG&E.
- SCP Clean Start was 6.7% below PG&E – but PG&E 2016 rate changes reduced Sonoma’s advantage.

## ➤ And more generally:

- Even with increase in 2016 PG&E PCIA, a CCA portfolio is likely to be cheaper and greener than PG&E. By how much and by what type of green product will depend on the CCA board’s procurement policy, PCIA developments, and market developments.

# Status of Alameda County CCA-related Actions\* as of October 2016

- Technical feasibility study completed by MRW and reviewed by Steering Committee; formally accepted by County BOS on October 4, 2016
- Joint Powers Agreement also adopted by County BOS on October 4 based on input from Steering Committee, city attorneys and submittals from cities and the public. Current target for cities' JPA participation/approvals is December 2016
- County staff and CCA consultants are making presentations to each City Council
- Newark has expressed a number of concerns with certain provisions of the Joint Powers Agreement

# Reasons for Opting Into EBCE

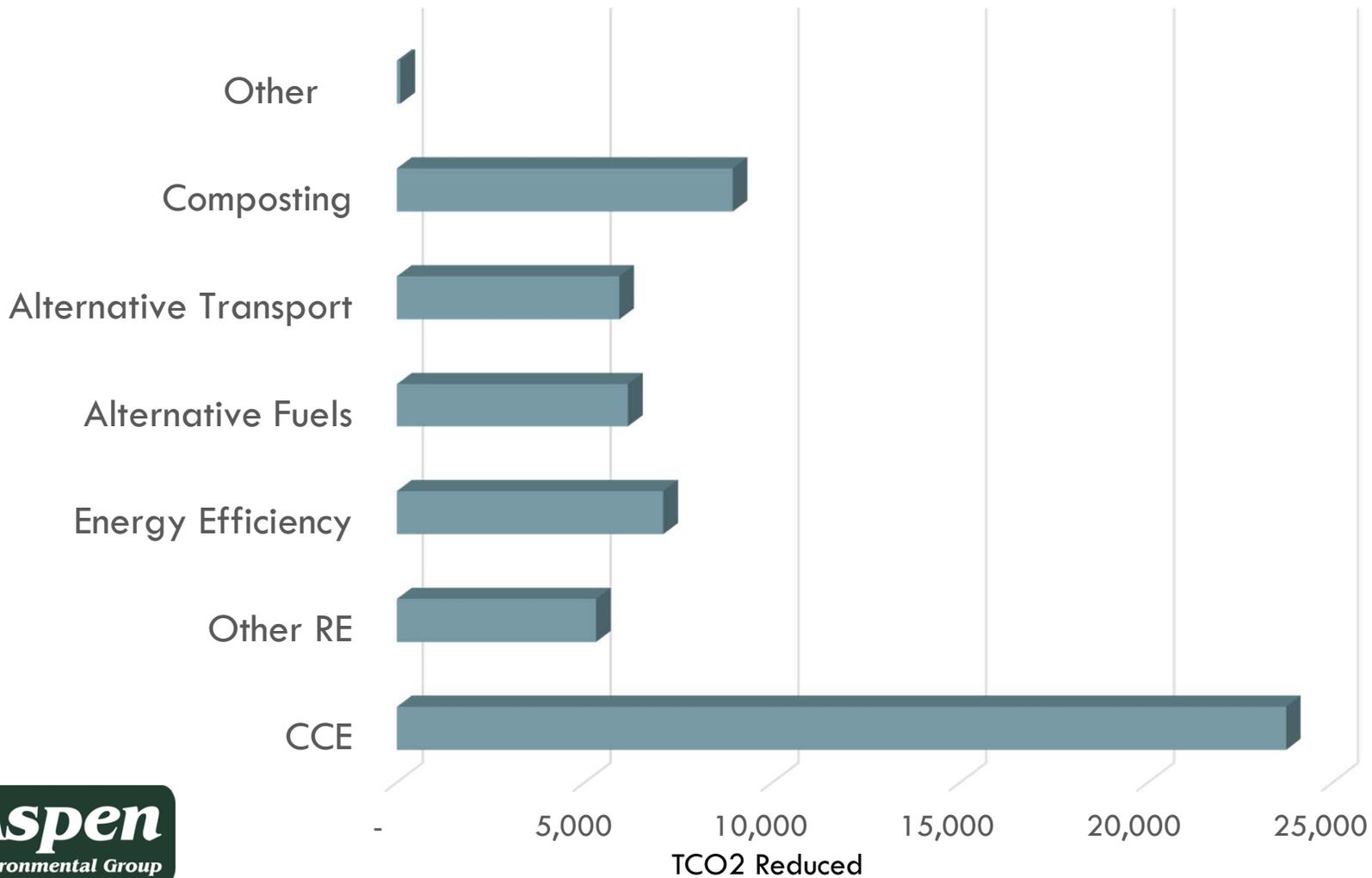
- Residents and businesses have a choice of energy provider
- From a climate action plan (CAP) perspective, GHG reduction opportunity from this program is much greater than from any other likely CAP program (City of San Mateo example on next slide)
- Decisions about energy supply will occur locally based on local considerations. PG&E's energy supply portfolio has been shaped by regulatory and economic factors that favor large, remote renewable and nonrenewable projects
- EBCE rates likely to be competitive, and consumers can opt back to PG&E if EBCE rates are ultimately not competitive
- No financial risk to city

Illustration from

# City of San Mateo CAP



## City of San Mateo CAP Options



# Reasons for Deferring Participation in EBCE

---

- Risks outweigh potential benefits
  - Competitiveness is not totally assured - identified in MRW study
  - Savings identified in MRW study do not materialize; consumers opt back to PG&E
  - Additional GHG reductions not worth the additional cost; customers opt back to PG&E

---

Thank You

Questions?