

Community Choice Aggregator (CCA)

Assembly Bill 117 was enacted in 2002. The bill authorized California cities and counties to develop their own local agencies to serve the aggregated electrical loads within their jurisdictions. A city, county or joint powers authority (JPA) comprised of any combination of cities and counties may establish a CCA. A CCA for El Dorado County (EDC) would be governed by the Board of Supervisors. If a JPA is created to include Placerville and/or South lake Tahoe, the governing board would be composed of city council members and county supervisors.

CCA's purchase electricity and manage power supply portfolios to meet the electrical requirements of energy consumers within their jurisdiction. CCA's can be established in areas served by Investor Owned Utilities (IOU). For EDC the IOU's are Pacific Gas and Electric (PG&E) and Liberty Utilities (LU). A CCA can also purchase, develop, own, and operate electric generation facilities.

CCA's have the option to determine the source of electricity. It can be generated by traditional (fossil fuel) methods and it can include a mix of electricity generated by renewable (solar, wind, etc.) methods. CCA's have the option to offer tiered services based upon the mix of sources for generating electricity.

A potential name for an EDC CCA is Sierra Energy.

Responsibilities of a CCA:

1. Supplying energy to customers and coordination with host utility(ies).
2. Energy supply and portfolio management. The CCA determines the energy required to fulfill the electric load. Three components of the energy portfolio are:
 - a. Electricity supply requirements: Purchasing electricity can come from multiple sources or from a central market operated by the California Independent System Operator (CalISO). The CCA is required to meet the electric supply needs of its customers.
 - b. Generating capacity: All electricity serving entities are required to maintain levels of capacity to meet system wide demand for electricity to ensure the stability of the electrical grid managed by CalISO.
 - c. Renewable Energy: Renewable Portfolio Standards (RPS) require all electric serving entities to include minimum levels of renewable energy in their energy supply portfolio.
3. Utility interface and customer billing. CCA customers are billed by the host utility. The host utility provides the CCA with meter data. The CCA uses its rate structures to compute the energy charges and then transmits the billing data back to the host utility. Customers continue to pay their host utility. The host utility continues its responsibility for collection of payments.

Potential Benefits of a CCA program:

1. Lower electricity cost
2. Local control over exposure to supply cost volatility
3. Job growth from staffing requirements and investment in new energy generation projects within the county.
4. Economic growth in new spending as an offset to reduced electric costs.
5. Environmental benefits if the CCA expands use of renewable sources.
6. Public goods funds are a fee added to all electric bills. The funds are controlled by the California Public Utilities Commission (CPUC). There is no correlation between where the funds are collected vs. where the funds are dispersed. Often these funds are allocated to more urban communities. These funds may be more available to our county by having a local CCA.

7. Local energy focus can support energy needs in the county.

Potential Concerns:

1. Power Charge Indifference Adjustment (PCIA) is a charge sanctioned by the CPUC to offset costs of the host utility caused by the formation of a CCA. Host utilities have long term electricity purchasing contracts based upon their expected load. The PCIA is an offset to cover the hosts losses on un-needed contracts.
2. Future regulatory changes required as new CCA's are created to solve unanticipated issues.
3. In a recent Sacramento Bee article, a PUC spokesperson expressed caution about new energy programs when he referred to telephone deregulation in the last century.

Suggestions:

1. BOS should identify what department should manage a CCA.
2. Join the California Community Choice Association as an affiliate member for \$1500 annually.
3. Attend The Business of Local Energy Symposium. The event is June 5, 2018 in Sacramento. "A day long event about accelerating CCA adoption, sharing best practices, and creating more benefits for our communities."
4. SMUD is interested in working with a local neighboring CCA. They have offered to recommend an independent consultant to help develop the CCA. SMUD is interested in providing electricity to EDC and may also be able to offer billing and customer service support.