

# Community Choice Aggregation Considerations for Elected Officials & City Managers

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# What is CCA?

- Allows cities, counties, and JPAs to buy and/or generate electricity for residents and businesses within their jurisdictional areas
- AB 117 (Migden, 2002)
- Public Utilities Code 366.2

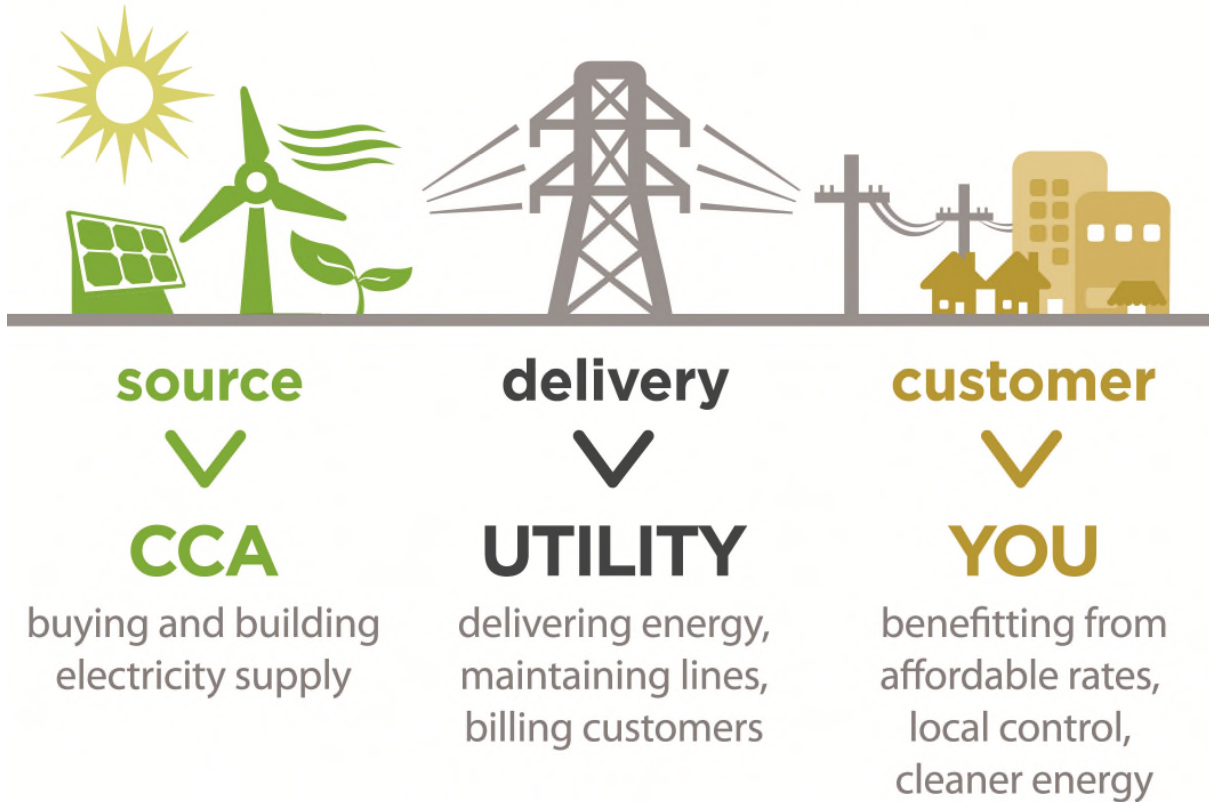


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# How does it work?

## How Local Energy Aggregation Works



# Why is CCA important?

- Retail electricity is a natural monopoly. Consumers don't have choice in who they buy from (PG&E, SCE, SDG&E).
- CCA passed in 2002 to allow communities to purchase wholesale power and/or generate local power and introduce competition in the power markets.
- Alternative to formation of a municipal-owned utility



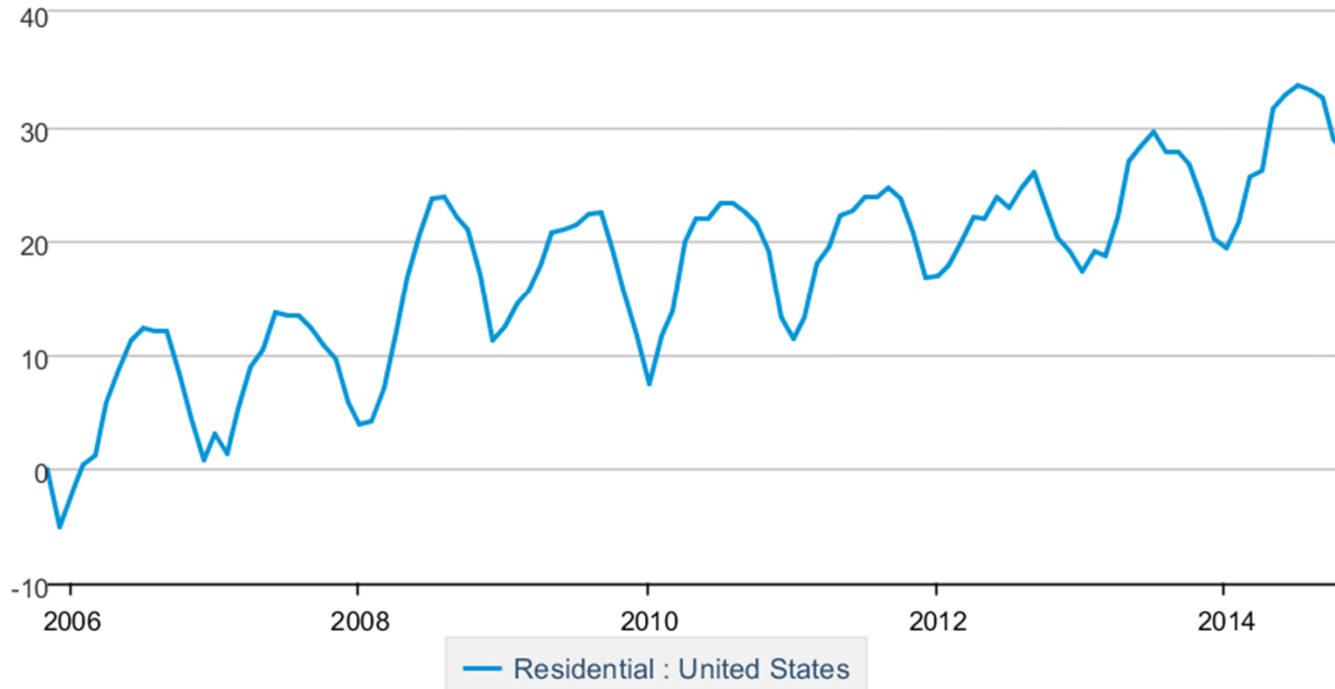
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# Average retail price of electricity, monthly

Indexed to Nov 2005 as percent

Percent



Source: U.S. Energy Information Administration



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# Reasons to Form

- Provide residents with lower energy rates (generation) than the IOU
- Allow customers to purchase higher renewable power content
- Economic development tool (street lights, development agreements, etc.)
- Local control
- Develop local power sources (distributed generation)
- Offer energy efficiency, conservation and climate change programs



# Structure

- CCA structure can be individual city or county, (enterprise fund), joint powers authority (JPA) or by special legislation (Sonoma County Water Authority)
- In-house management, consultants, turn-key models



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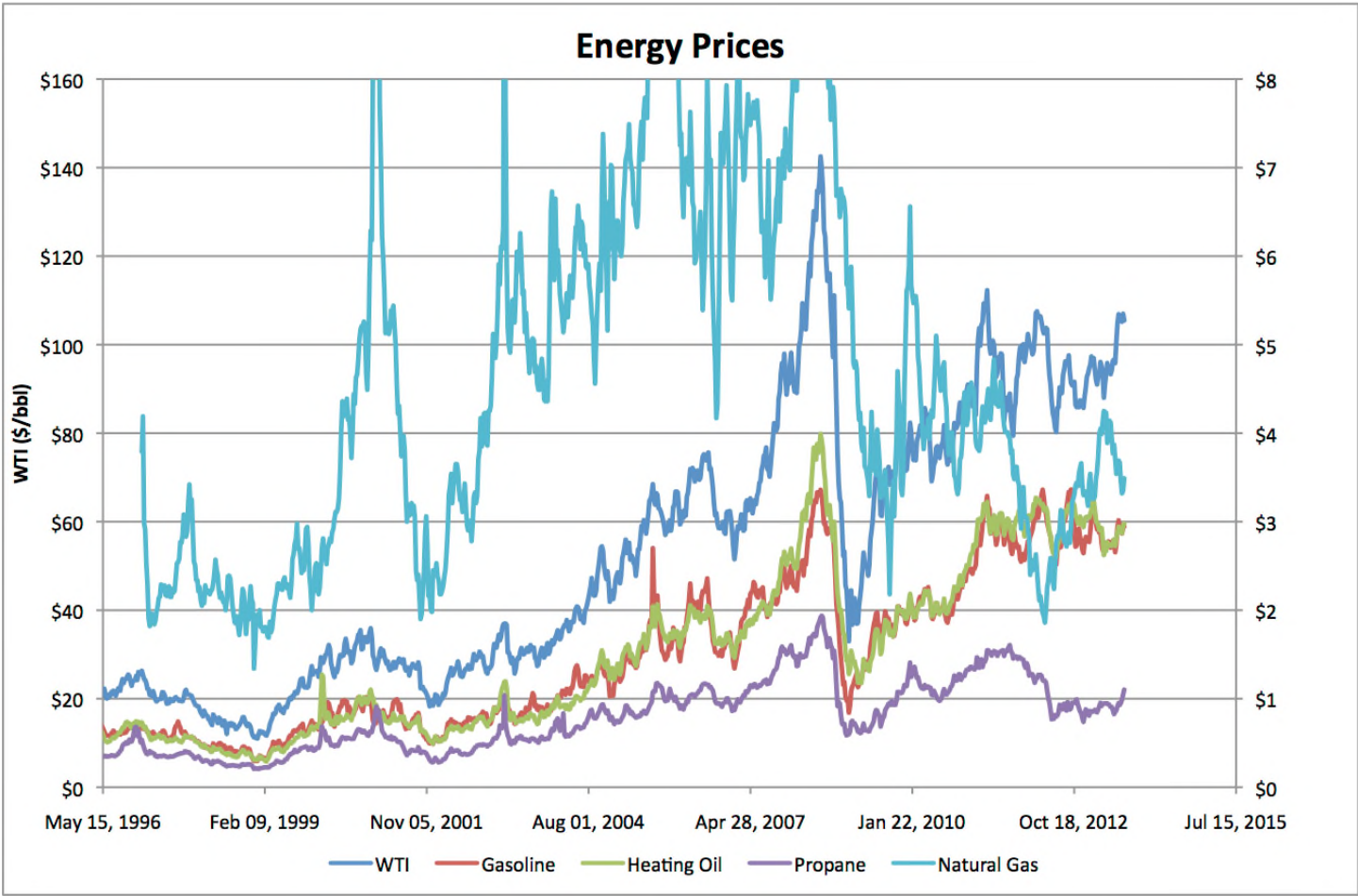
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# Considerations

- Size of load
- Energy costs
- Renewable content
- Planning efforts
- Management
- Commodity procurement







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# Legal Issues

- Enterprise fund v. JPA
- Creditworthiness
- Liability & risk management
- CEQA
- Power purchases
- Rate setting
- Contract obligations
- Regulatory compliance reporting



# Regulatory Issues

- CPUC registration timelines for CCAs
- Procuring resource adequacy
- IOU exit fees
- IOU Code of Conduct - prohibition on lobbying against CCAs



# Steps

- Feasibility study
- Pass ordinance
- Form enterprise fund or JPA
- CPUC approved implementation plan
- Buy power!



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# Technologies

- Solar
- Wind
- Geothermal
- Fuel cells
- Waste to energy
- Battery storage
- Biogas
- Mini-hydro
- CHP
- Hydrogen



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