

CCA Update

Community Choice Aggregation

Municipal Sustainable Energy Forum

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Questions for Discussion

- 1. Which states have enacted enabling legislation for CCAs? Why these states and not others?
- 2. Among the states where CCAs are authorized, where have they been established? Why have no CCAs been launched in some states many years after having been enabled?
- 3. In which states have CCAs proliferated? Why these states?
- 4. Where have CCAs flourished? Where have they failed, or been unstable? Why?

Questions for Discussion, cont.

- 5. What roles do a state's regulatory and market structures play?
 - a. the degree to which its energy markets have been deregulated
 - b. retail competition
 - c. rate structures--decoupling of IOU revenue from generation
 - d. state mandates for renewable energy, decarbonization, emissions reduction

Questions for Discussion, cont.

- 6. Political dynamics
 - a. the influence of IOUs over state legislature, governor, regulatory agency
 - b. image/reputation/approval rating of IOUs among public and lawmakers
 - c. popular support for transition to clean energy

Questions for Discussion, cont.

- 7. What is the primary motivation for enabling, and then establishing, CCAs?
 - a. Lower rates
 - b. Greener sources of generation
- 8. Role of exit fees or PCIA (Power Charge Indifference Adjustment)

Introduction

CCAgregation, CCEnergy, CCElectricity

Local governments take control of two important components of the energy system—

- a. procurement
- b. pricing for the generation element of rates

Incumbent utility remains responsible for delivery—transmission and distribution—and most customer service—billing

CCAs advances local autonomy, accountability, transparency; can be instrumental in accelerating transition to clean energy, reducing rates

- CCA Progress by State

- <https://www.leanenergyus.org/cca-by-state>



Authorized in 10 States:

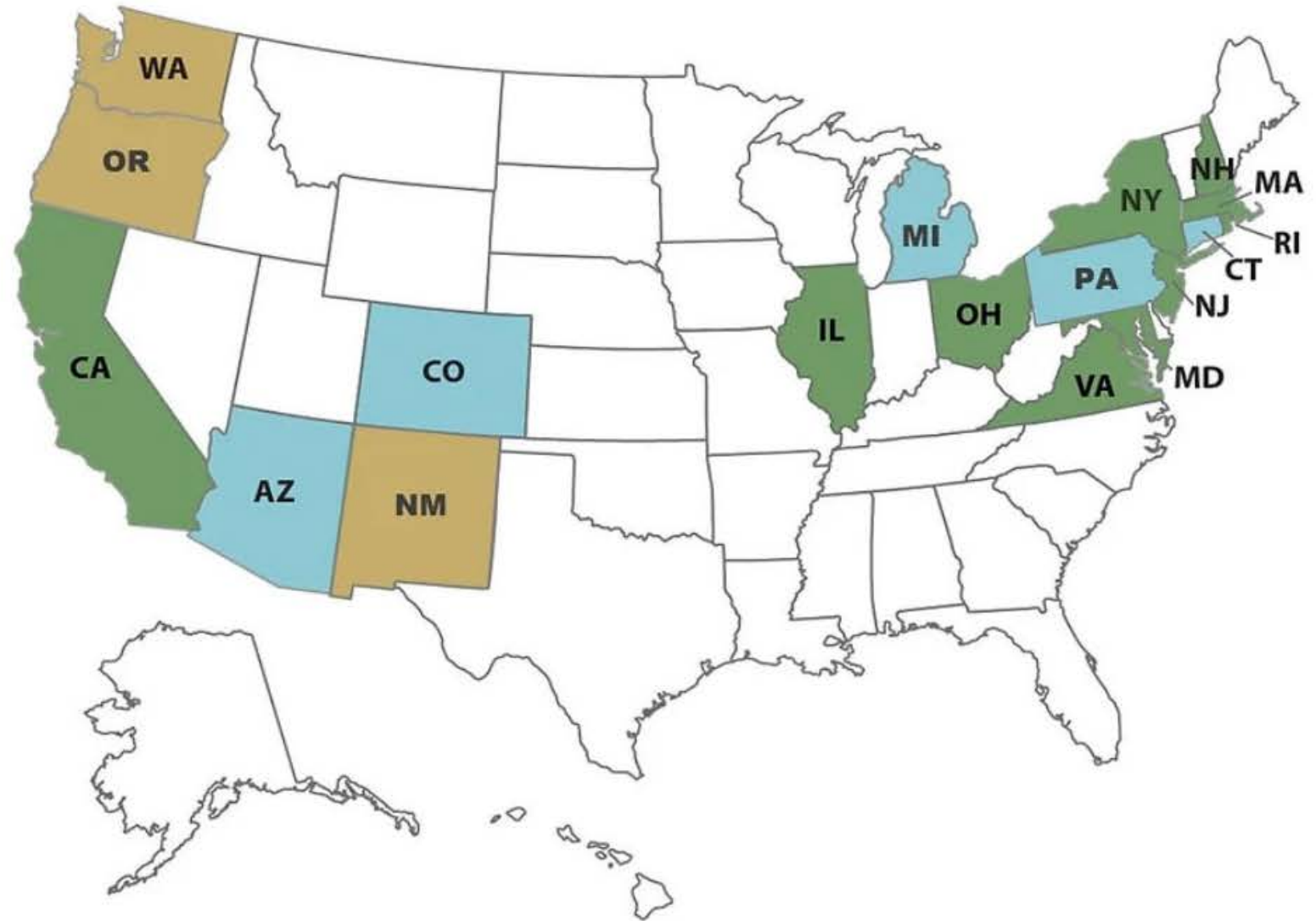
- California
- Illinois
- Maryland (Montgomery Co. Pilot)*
- Massachusetts
- New Hampshire*
- New Jersey
- New York
- Ohio
- Rhode Island
- Virginia*

Actively Investigating:

- Arizona
- Colorado
- Connecticut
- Michigan
- Pennsylvania

Watch List/Potential:

- Oregon
- Washington
- New Mexico



Illinois

- Community Choice is called Municipal Electricity Aggregation (MEA) in Illinois. MEA became wildly popular from 2011 to 2013 because it offered very significant savings to customers. But when savings largely disappeared in 2014-15 many MEAs ceased or suspended operations. Nevertheless, Illinois still has hundreds of MEAs and a strong base of political support.
- As of April, 2022, retail prices had doubled and some CCAs were seeing a gap between their pricing and the default pricing, forcing some to let their contracts expire and send customers back to the IOU. There is concern this could lead to political trouble and closure of many CCAs in Illinois. Price spikes can catch CCAs off guard if they are not hedged.

Maryland

Montgomery County Pilot Program approved by Legislature in 2021

- Challenges as of August, 2022:
- Montgomery County is served by 3 different utilities which serve portions of the county, and also serve outside the county. What are the implications for the customers outside of the county?
- A County law will need to be passed to establish a CCA, however under state law, municipalities within a county can opt in or out of county laws, with exception of taxation and public health. Will enough municipalities opt in to keep the CCA viable?
- Once the County law is established, the PUC will need to review and approve
- Apartment and building associations have their own aggregation programs on behalf of their residents, what will happen to their programs?

Massachusetts

- Massachusetts enacted the nation's first community choice legislation in 1997. The country's oldest municipal energy aggregator (MEA) is Cape Light Compact, which also launched in 1997. As of January 2021, the state has approved 168 MEAs, which represents almost half of the state's municipalities.
- Historically most of the Commonwealth's aggregators have focused on rate savings rather than environmental benefits. But many new MEAs are offering and emphasizing renewable energy options.

Massachusetts, cont.

- Boston's CCE program launched in February, 2021. Residents are automatically enrolled unless they opt out. Three rates are offered to consumers: Optional Basic, Standard and Optional Green 100, ranging from \$0.10959 to \$0.14764 per kilowatt-hour. The Green 100 option is entirely supplied by renewable resources.

New Hampshire

- The state's first CCA program is set to launch in May, 2023 with an initial wave of ten communities: [The Community Power Coalition of New Hampshire](#) (CPCNH) announced their base electric rate of 15.8 ¢ per kilowatt-hour, which will generate \$5.8 million of dollars in savings for electric customers in these New Hampshire communities in the first three months alone.

New Jersey

- Community Choice came to the Garden State in 1999 as part of the electricity deregulation movement. It was followed by a more specific Government Energy Aggregation Act in 2003, but an opt-in requirement and cost cap stymied the growth of GEAs. Subsequent legislation removed these barriers and the first GEA programs launched in 2012.
- New Jersey's experiment with an opt-in aggregation demonstrated that CCAs really need to be designed as opt-out programs in order to succeed. a business.

New York

- New York has an ambitious renewable energy vision. As of January, 2023, hundreds municipalities have launched or are pursuing CCAs to achieve local energy goals.
- One unique feature of the New York electricity market is that IOUs are not allowed to offer stable electricity prices. Generation charges fluctuate monthly, and can range from as low as 3 cents/kWh to 15 cents/kWh. CCAs, on the other hand, can offer stable prices and can guarantee those rates for one or more years, depending on the duration of the supply contract they enter into.

New York, continued

- Since its launch in May, 2016, [Westchester Power](#) has grown to 29 communities accounting for 145,000 Westchester electric customers, representing 40% of the county residents.
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- [Joule Community Power](#)'s first program launched in 2019 and now serves 56 communities/800,000 customers with \$18 million in electricity cost savings in 2022. New initiatives include an Energy Storage for Social Equity project in Rochester and a Community Solar project in Southampton.

Ohio

Ohio was among the first states to authorize Governmental Electricity Aggregation (GEA) as part the Energy Choice Act of 1999 (SB3). More than 250 communities in Ohio have switched to municipal aggregation for both gas and electricity.

Clean Energy Columbus began service in June, 2021 and is the third largest energy aggregation program in the nation.

Rhode Island

- Rhode Islanders are free to choose electricity from a variety of competing companies. Some offer lower rates, others focus on greener energy or long-term price stability. The state's first CCA program is set to launch in May of 2023, with 6 communities participating.
- CCA was enabled through the Utility Restructuring Act of 1996. The Act was amended in 2002 by House Bill 7786 to give municipalities the ability to set up “opt out” programs. Before 2002, less than 1% of customers had chosen alternative electricity providers.

Virginia

- Community Choice Aggregation is called municipal aggregation in Virginia. Since 1999, counties and cities have been able to establish a municipal aggregation for electricity service. However, no community choice programs for residents or businesses have been formed.
- In 2022, the Loudoun County finance committee anonymously agreed to explore CCA. They will look carefully at the legal and financial aspects/issues. The county is home to a large concentration of data centers. Many believe a CCA program in will enable a dramatic drop in commercial emissions.
- Virginia Clean Energy is working in Arlington County and Alexandria on initial outreach and education. These communities are considering a feasibility study for a multi-jurisdictional JPA.

Arizona

- SB 1522 was introduced in 2023, to establish a community choice energy study committee.
- Advocacy groups in Arizona are working to build momentum to enact enabling legislation.
- <https://www.azmirror.com/2022/06/20/by-allowing-community-choice-energy-arizona-could-take-advantage-of-its-solar-potential/>
- <https://az4cc.org/>

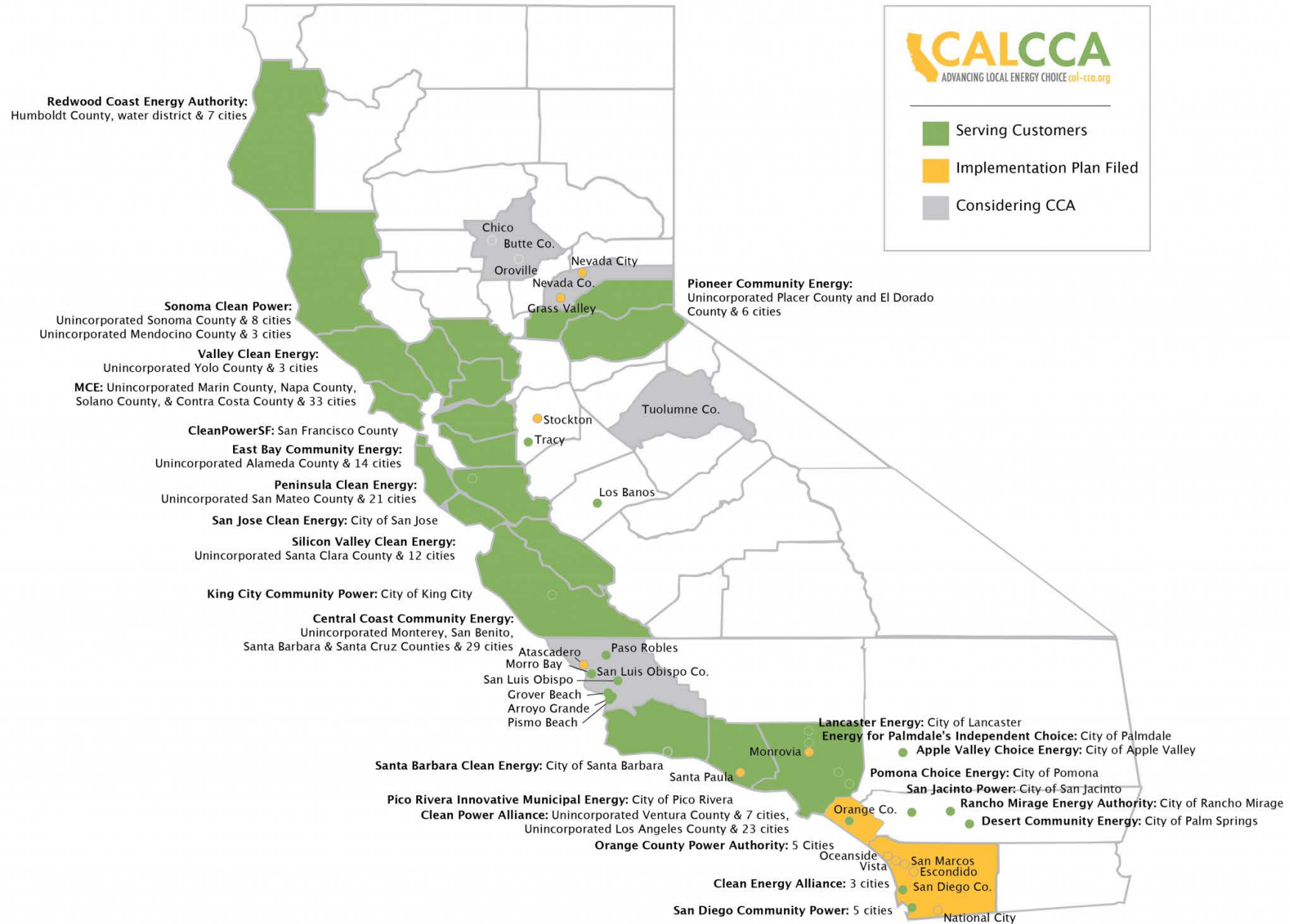
Colorado

- Colorado communities may soon be empowered to chart their own energy and climate futures. Thanks to the work of State Representative Edie Hooton and the passage of Colorado HB21-1269, the Colorado Public Utilities Commission is conducting an investigation to determine if the Colorado legislature should authorize Colorado cities and counties to offer community choice electricity.—Gerald Braun
- <https://www.dailycamera.com/2022/08/16/guest-opinion-gerald-braun-community-choice-electricity-is-a-better-way-to-meet-21st-century-challenges/>

California

- There are currently 25 operational CCA programs in California serving more than 11 million customers, and with many more in progress, those numbers are set to grow. --CalCCA
- CCAs in California focus on the rapid transition to highly renewable and/or greenhouse gas-free sources of electricity generation while keeping rates at or below what investor-owned utilities charge. California's focus on the environmental benefits that CCAs can deliver distinguish it from other states where a focus on lower rates has been the primary driver of the growth of CCAs. -LEAN Energy

CALIFORNIA CCAs



The California Community Choice Association's mission is to support the development and long-term sustainability of locally-run CCA electricity providers throughout California.

Areas of Service:



* Not all towns/cities within a county are served by the local CCA program. Please visit individual agency websites for more detailed service area information. To learn more about CalCCA please visit our website at cal-cca.org.

CalCCA Members	Customer Accounts	Participation Rate (%)	Annual Load 2019 (GWh)	Annual Load 2020 (GWh)	Annual Load 2021 (GWh)	Annual Load 2022 (forecast GWh)
Apple Valley Choice Energy	25,544	87%	235	258	261	256
Central Coast Community Energy	444,300	95%	2,992	3,272	4,655	4,991
Clean Energy Alliance	59,919	92%			428	650
Clean Power Alliance	1,001,719	96%	8,986	11,116	10,727	10,943
CleanPowerSF	384,337	96%	2,706	2,922	2,946	2,870
Desert Community Energy	32,843	85%		379	432	451
East Bay Community Energy	672,356	95%	5,819	5,797	6,386	6,519
Energy for Palmdale's Independent Choice	42,409	92%				45
Lancaster Energy	52,039	90%	546	588	617	589
MCE	580,998	87%	5,148	5,257	5,285	5,494
Orange County Power Authority	246,710	80%				2,369
Peninsula Clean Energy	309,414	97%	3,600	3,402	3,302	3,379
Pico Rivera Innovative Municipal Energy	17,044	94%	212	224	219	216
Pioneer Community Energy	159,072	86%	1,154	1,209	1,175	1,738
Pomona Choice Energy	41,590	92%		49	342	411
Rancho Mirage Energy Authority	15,303	96%	272	280	276	282
Redwood Coast Energy Authority	60,147	92%	636	638	631	650
San Diego Community Power	735,859	97%			2,041	5,535
San Jacinto Power	14,722	90%	159	167	171	170
San Jose Clean Energy	351,463	98%	3,016	4,264	4,041	3,929
Santa Barbara Choice Energy	40,142	94%			33	310
Silicon Valley Clean Energy	277,415	96%	3,984	3,853	3,726	3,848
Sonoma Clean Power	230,699	87%	2,502	2,240	2,264	2,243
Valley Clean Energy	62,521	90%	682	707	755	730
CalCCA Member Totals	5,858,565	92%	42,649	46,622	50,713	58,618

Note: Table provides a snapshot of CCA accounts/load as of October 2022 (figures for 2022 are projections). Energy for Palmdale's Independent Choice numbers are pending. Cells without figures indicate the CCA was not yet operational in that year.

California, cont.

- Unlike the process in many other states, communities in California need not hold a referendum to start or join a CCA. Local elected officials authorize participation in a CCA by a simple majority vote.
- When it began delivering electricity in April 2017, Silicon Valley Clean Energy was the first California CCA whose default offering was 100% GHG-free.
- Clean Power Alliance is currently California's largest CCA and serves approximately 3 million customers and 1 million customer accounts across 31 communities throughout Southern California.

Western Community Energy

a cautionary tale

- Six smaller cities in western Riverside County
- Launched in 2020, failed in 2021, chapter 9 bankruptcy, deregistered, returned customers to Southern California Edison
- Pandemic—high rates of non-payment, state moratorium on collection
- Financial impact especially acute because many residents are low-income
- Heat storms in August 2020 caused energy prices to skyrocket, caused severe losses
- WCE was unable to obtain financing to rescue and shore it up

Thank you!

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