BOARD OF SUPERVISORS

Community Choice Aggregation

Briefing

Authority

- AB 117 signed into law in 2002, as a result of the California Energy Crisis of 2000-2001
- Gave Cities and Counties the ability to purchase and sell electricity by aggregating customer loads

What is a CCA

Local governments become energy purveyors

- Purchase electrical energy on the wholesale market
- Chooses the source of energy
- Sets its own rates
- Not responsible for delivery of electricity (still delivered by Investor Owned Utility

Investor Owned Utility

- Delivers electricity, charges a Cost Responsibility Surcharge
- Bills all customers (CCA customers receive one bill)
- Provides customer service

Process to Establish CCA

Three Phase Process:

Phase One – Feasibility Evaluation

- Definition of objectives
- Outreach to other jurisdictions to join CCA
- Formation of steering committee
- Selection and contract for consultant services
- Procurement of load data analysis
- Preparation of feasibility study, including identifying benefits, risks, and draft implementation plan
- Public outreach

Process to Establish CCA

Phase Two

- Adoption of a resolution of participating local governments
- Preparation of Implementation Plan, including Statement of Intent
  - Details on operational structure, sources of electricity, rate setting, etc.
- California Public Utilities Commission Approval of Implementation Plan, including establishing Cost Responsibility Surcharge

Phase Three

- Enrollment of customers, opt out provisions
- Transfer of customers to new supplier

Benefits/Risks

Potential Benefits

- Customer choice/local accountability for selection of energy sources
- Reduced energy costs
- Increased price stability
- Environmental benefits if procured from renewable/low emission sources
- Greater opportunity to influence energy efficiency

Potential Risks

- Effect of reaction of IOUs
- Cost Responsibility Surcharge can offset rate benefits
- Long-term power purchase agreements with shifting market forces
- Rates could be higher
- Legislative Climate could reduce benefits of CCAs

Organization of CCA

Organizational Options:

- Establish for only customers in unincorporated County
- Establish with other jurisdictions in Santa Barbara, Ventura and/or San Luis Obispo County through a Joint Powers Authority
- Set up through a phased approach with just SCE or PG&E or set up both at the same time

Estimated Costs/Staffing

Costs

- $1.3 – 2 million based on the experiences/budgets for Alameda, Sonoma and Marin Counties for Phase I

Staffing

- 2-4 FTE for Phase I

Potential Funding Sources

- General Fund Loan
- Bank Loan
- Grant from a foundation
- Air Pollution Control District

Next Steps

If the BOS decides to pursue formation of a CCA:

- Determine source of funding for CCA set up process
- Identify staff /department who will take the lead in the feasibility phase
- Outreach to other jurisdictions regarding participation in CCA
- Outreach to potential members of a JPA
- Prepare RFP for consultant assistance with process
- Prepare feasibility study
- Begin public outreach and marketing

Staff Recommendation

- Receive and file this briefing on CCA
- Find this action is not a project under CEQA

End of Presentation