

What is Community Choice Aggregation (CCA)?

When California deregulated the energy market in 1997, many Californians switched to alternative energy providers. Following the energy crisis of 2000-01, consumer choice of electricity providers was suspended. As a response to the closing of the open market, Assembly Bill 117 was passed in 2002 to establish Community Choice Aggregation, also known as Community Choice Energy (CCE), which offers an opportunity for Californians to choose their electric provider and the source of their electricity.

What are the advantages of forming a CCA?

Advocates of consumer choice, renewable energy, and local decision-making often refer to CCA as “energy democracy”. With a CCA, local governments can provide their constituents with a choice of what energy resource they wish to support through their energy purchases. This can directly result in the reduction of GHG emissions and a reduction of monthly energy rates for customers.

Who can establish a CCA in California?

Any city, county, or combination thereof in California is eligible to form a CCA if located in an Investor Owned Utility (IOU) territory. Cities and counties that are part of a Publicly Owned Utility (POU) or served by a special district are not eligible as they are already governed by a local board.

How do CCAs partner with Investor Owned Utilities (IOUS)?

CCAs provide electric generation, which is the source of power, but IOUs, such as Pacific Gas & Electric and Southern California Edison, continue to provide electric delivery and billing services just as they always have. IOUs still own and read the electric meter, send monthly bills, and provide the same maintenance and other repair services they always have.

What are the different models of CCA?

There are currently two operational models of CCA in California:

- *Joint Powers Authority* — a JPA is an independent, public agency that operates the CCA on behalf its member municipalities. JPAs are a common legal structure in California for the administration of cooperative multi-jurisdictional programs. MCE, Peninsula Clean Energy, and Sonoma Clean Power have successfully implemented CCA under this model.
- *Single Jurisdiction* — a city or county individually establishes and operates a CCA as an enterprise fund within the municipality. This model has the same benefits of the JPA model, but differs in that the City (or County) retains full program autonomy and all revenue. Lancaster Choice Energy and Clean Power SF have successfully implemented CCA under this model.

What are some of the steps for forming a CCA?

- *Declaration to Pursue* — this is an official declaration sent to the service area IOU and the California Public Utilities Commission (CPUC). [link]
- *Ordinance* — each city and/or county to be a member of the CCA must pass a local ordinance or resolution to make membership official and to pursue the formation of the legal entity. [link]

- *Establishing a Legal Entity* — depending on the desired model, the city or county needs to legally form a JPA or establish a division within the local city or county government to administer the CCA program.
- *Feasibility Study* — a feasibility study is not required by law but can assist a community in understanding its electricity needs and what energy resources and rates to consider. Feasibility studies are not required by law.
- *Implementation Plan* — An Implementation Plan must be filed with and certified by the California Public Utilities Commission (CPUC) in prior to launching service.
- *Other Steps Include* — Entering into a service agreement with the local Investor Owned Utility (IOU), securing energy supply, data management services and electricity scheduling services, and noticing customers according to the statutory noticing requirements.

How long does it take to form a CCA?

As of September 2016, there are four operational CCAs in California serving customers: CleanPowerSF, Lancaster Choice Energy, MCE and Sonoma Clean Power. Peninsula Clean Energy will begin operation in October 2016. Each had varying timelines for formation given obstacles unique to their areas. Locations considering CCA should plan for a timeline of 1-3 years depending on the degree of support and interest within the community.