



## BEYOND SUPPLIER DIVERSITY REPORT

10.4.2018



## COMMUNITY CHOICE AGENCIES

## AREA SERVED\*

Apple Valley Choice Energy (AVCE)**	Town of Apple Valley
CleanPowerSF (CPSF)	San Francisco
Clean Power Alliance (CPA)	Los Angeles, Ventura
Desert Community Energy**	Cities of Palm Springs, Palm Desert, Cathedral City
East Bay Community Energy (EBCE)	Alameda
King City Community Power**	King City
Lancaster Choice Energy (LCE)	City of Lancaster
MCE	Marin, Napa, Contra Costa, Solano
Monterey Bay Community Power (MBCP)	Monterey, Santa Cruz, San Benito
Peninsula Clean Energy (PCE)	San Mateo
Pico Rivera Innovative Municipal Energy (PRIME)	City of Pico Rivera
Pioneer Community Energy (Pioneer)	Placer
Rancho Mirage Energy Authority	City of Rancho Mirage
Redwood Coast Energy Authority (RCEA)	Humboldt
San Jacinto Power (SJP)	City of San Jacinto
San Jose Clean Energy (SJCE)	City of San Jose
Silicon Valley Clean Energy (SVCE)	Santa Clara
Solana Energy Alliance (SEA)**	City of Solana Beach
Sonoma Clean Power (SCP)	Sonoma, Mendocino
Valley Clean Energy**	Yolo

\*County jurisdiction unless otherwise specified

\*\*Did not contribute content to this report

## ADDITIONAL ACRONYMS

CAC	Community Advisory Committee	MW	Megawatt
CARE	California Alternate Rates for Energy	NEM	Net Energy Metering
CCA	Community Choice Aggregation	PG&E	Pacific Gas & Electric
CEC	California Energy Commission	PLA	Public Labor Agreement
CPUC	California Public Utility Commission	PA	Power Purchase Agreement
DAC	Disadvantaged Community	PPP	Public Private Partnership
EV	Electric Vehicle	RFP	Request for Proposals
FERA	Family Electric Rate Assistance	SFPUC	San Francisco Public Utilities Commission
FIT	Feed in Tariff		
GO 156	General Order 156, "Supplier Diversity"	WMDVLGBTBE	Women, Minority, Disabled Veteran, Lesbian, Gay, Bisexual, Transgender Business Enterprise
IOU	Investor Owned Utility		
JPA	Joint Powers Authority		
LDBP	Local Development Business Plan		

## EXECUTIVE SUMMARY

In preparation for the California Public Utilities Commission's 2018 Supplier Diversity en banc, CalCCA has written this report to provide context on the efforts Community Choice Aggregation (CCA) agencies have undertaken which are aligned with and complement the intent and spirit of General Order (GO) 156. In their role as public, not-for-profit agencies, CCAs share a commitment to inclusion and representation of our diverse communities through democratic governance and intensive community engagement. Intimately in touch with the pulse of our respective communities, CCAs can use program design and implementation to further our commitments to our most vulnerable and disadvantaged community members. These efforts are aligned with, complement, and go beyond the CPUC's GO 156 supplier diversity efforts to ensure equity in this industry.

California's operational CCAs were asked to provide case studies to inform this report. Fifteen agencies responded to the request, with various levels of detail. Of the 19 CCAs in California, ten launched in 2018 and four launched in 2017. As a result, many of our newest members are still establishing themselves and look forward to sharing their fuller experiences in a future update. Therefore, this is not a comprehensive report, but rather an initial compilation to establish best practices and learn from each other as we set priorities, enact policies, and build programs that benefit our constituents. It is our intent for this to become a living document to be updated as CCAs continue to grow and learn how to best serve our communities.

## INTRODUCTION

As not-for-profit, public agencies formed by local advocacy and molded by community mandates, CCAs demonstrate transparency and responsiveness due to their governance structure, nimbleness in establishing new programs, and a collaborative spirit that is indicative of a new era of community-sensitive energy policy and procurement.

In this report, we highlight CCA efforts which are aligned with the spirit of General Order (GO) 156, the CPUC's Utility Supplier Diversity Program. CCAs are well suited for these efforts due to a focus on public access and representation, equity and inclusion, and direct connections to diverse communities.

### GENERAL ORDER 156

GO 156 is a California Public Utilities Commission (CPUC) program that encourages California investor-owned utilities (IOUs) to provide a fair proportion of total utility contracts and subcontracts to businesses that meet diversity qualifications. To qualify, business enterprises must be at least 51% WMDVLGBTBE – women, minority, disabled veteran and/or LGBT-owned business enterprises. Given that California's economy is sustained by a growing "minority" demographic, GO 156 is an effort to reflect this diversity by increasing utility contracting with non-traditional (i.e., not white, straight, male) business owners, thereby ensuring energy investments include a more diverse and representative supply of contractors.

Supplier diversity, according to the Greenlining Institute, "promotes economic development in diverse communities, and by increasing competition and diversity in the supply chain, generates a better return on investment for companies that meaningfully engage in it."<sup>1</sup> For business owners facing barriers due to identity politics, these investments provide important economic stimuli to include non-traditional market actors to ensure that the wealth of our IOUs is shared with those who have been historically underrepresented and excluded from these industries.

At its heart, Supplier Diversity is about access, inclusion, and representation. While institutionalizing these objectives through GO 156 has helped measure and track diversity in utility contracting, this is only the beginning of addressing inequities and injustices in our industry. CCAs are uniquely poised to take this further, by prioritizing equity and inclusion in a wide range of our planning and policy decisions, then putting policy into practice through programs to reduce energy- and transportation-related greenhouse gas emissions in our built environment and bring underrepresented community members into the energy workforce. CCAs create a powerful, nimble, and responsive opportunity to address community needs through clean energy access, jobs and economic benefits, and healthier environments.

### EQUITY IN COMMUNITY CHOICE: HISTORICAL CONTEXT

Equity has always been central to CCA. This is reflected by the fact that the CCA movement actually began in California's Central Valley, not in Marin County as many believe.

MCE was fortunate to become the first CCA to launch, but it came at a steep cost. Some imagine that the concentration of resources in Marin was key to allowing this effort to survive. However, MCE's initial structure was substantially built on the foundation of a CCA in the central valley, led by the Kings River Conservation District (KRCD) which spanned Fresno County, Kings County, and Tulare Counties.<sup>2</sup> Kings County consistently ranks among the lowest in per capita income, median household income, and median family income in California. According to the 2012–2016 American Community Survey 5-year estimates, the median household income is as low as \$30,556 (Parlier City), \$35,531 (Corcoran City), and \$38,008 (Dinuba City).

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<sup>1</sup> Chen, Stephanie and Goodman, Paul. "2015 Supplier Diversity Report Card: Total Spending Remains High, but Progress has Stalled." July 2015. [greenlining.org/wp-content/uploads/2015/12/2015-SDRC-to-post-spreads.pdf](http://greenlining.org/wp-content/uploads/2015/12/2015-SDRC-to-post-spreads.pdf)

<sup>2</sup> Communities in the JPA included: Kings County and the cities of Clovis, Corcoran, Dinuba, Fresno, Kerman, Kingsburg, Lemoore, Hanford, Parlier, Reedley, Selma, and Sanger.

Led by KRCD, fourteen jurisdictions formed the San Joaquin Valley Power Authority (SJVPA) on November 15, 2006 after three years of feasibility analysis and preparation. In 2007, SJVPA was the first to have a CCA implementation plan certified by the CPUC.<sup>3</sup> Despite this achievement, SJVP suspended its efforts in June 2009 after facing a number of setbacks, largely due to its incumbent utility's efforts to derail the plan. On June 25, 2007, KRCD filed a complaint for alleged illegal IOU marketing against its CCA effort and use of ratepayer expenditures to stifle the CCA program. It was reported that this extended to threatening members with financial liability, insisting on a \$140 million bond, aggressively encouraging withdrawal from the JPA, and initiating an early opt-out provision to encourage customers to leave before program details had been established.<sup>4</sup>

This barrage was not without expense. With staff in the single-digits of local government planners and assistants, the private bankrolling of campaigns to undermine CCA sapped precious time, attention, and resources away from the structural effort of forming and launching a new program. After many months of costly deliberations at the CPUC and ultimately a lack of utility compliance with the settlement agreement, KRCD was forced to suspend its CCA.<sup>5</sup>

Although KRCD's CCA efforts were not privileged with the statutory code of conduct protections that later became established through Senate Bill 790, their presence is still largely felt. SJVPA's foundational documents, including their JPA agreement, implementation plan, initial power supply RFP, and power supply agreements, became the templates used to launch MCE. In following with that example, MCE continues to provide access to these documents to help newly forming CCAs to navigate the startup process more easily, thereby increasing the cost-effectiveness for launching a program. The partnership, spirit of collaboration, and sharing of best practices between KRCD and MCE later became the basis for what is now known as CalCCA. MCE's formation, and the CCAs that followed, have all been built on the groundwork laid in the Central Valley.

The intent of Supplier Diversity is the proactive engagement of historically excluded groups into the utility industry. CCAs are positioning themselves to advance this effort, by giving special consideration to not just business owners, but also those who are not in ownership or leadership positions. To this end, CCAs seek to develop policies and programs that are developed with the engagement and for the benefit of our low-income communities. With a similar intent as set forth in GO 156, CCAs can use their positions as mission-driven entrepreneurial government agencies to help make our industry more inclusive of the most historically excluded in all phases of decision-making, to ensure that widespread adoption of carbon-mitigating technologies provides an equitable and just transition for all our communities.

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<sup>3</sup> Letter from California Public Utilities Commission to San Joaquin Valley Power Authority authorizing their Implementation Plan. April 30, 2007. <http://www.cpuc.ca.gov/WorkArea/DownloadAsset.aspx?id=5882>

<sup>4</sup> Halstead, Richard. Marin Independent Journal, "Energy hearing draws litany of complaints about PG&E tactics" November 11, 2010. [www.mercurynews.com/2010/11/11/energy-hearing-draws-litany-of-complaints-about-pge-tactics](http://www.mercurynews.com/2010/11/11/energy-hearing-draws-litany-of-complaints-about-pge-tactics)

<sup>5</sup> Even more recent efforts to propose a Community Choice feasibility study for similar communities in the San Joaquin Valley have been prevented from moving forward. In March 2018, the California Choice Energy Authority applied for party status and proposed a CCA Feasibility Study to be a pilot as part of the CPUC's Order Instituting Rulemaking to Identify Disadvantaged Communities in the San Joaquin Valley and Analyze Economically Feasible Options to Increase Access to Affordable Energy in those Disadvantaged Communities (Rulemaking 15-03-010). After attempting to present this proposal at public meetings multiple times without acknowledgement, CCEA ultimately withdrew the pilot. [docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M213/K824/213824045.PDF](https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M213/K824/213824045.PDF)

## CASE STUDIES

While the universal access requirement and opt-out structure ensures equality in CCA energy access, it does not guarantee equity. In other words, CCAs have the opportunity to serve all, but must not rest there if they are to address historical inequalities due to socio-economic striation, or the additional linguistic, cultural, and geographic barriers that challenge certain segments of our communities. Given their public governance, missions, and direct connection to the community, many CCA equity efforts are self-motivated and as diverse as the communities they serve. The following sections elaborate on how CCAs have worked toward equity and diversity through procurement, policy, and program priorities. This is not a summary of all CCA efforts, but rather a selection of case studies to illustrate the nature and potential of these efforts.

## PROCUREMENT AND CONTRACTING

The basic function of load serving entities is to meet electric demand with associated load. Ensuring a responsible and appropriate electricity supply is essential to meeting local, regional, and statewide goals. The associated environmental benefits of a low-carbon grid is well documented elsewhere. For the purposes of this report, we will focus instead on the social benefits of appropriate procurement and contracting.

### Supplier Diversity

GO 156 certified suppliers are listed in a Clearinghouse database to provide easy access to qualified contractors. IOUs and CCAs can both access this data. MCE is now using the clearinghouse to identify potential bidders for supplier solicitations. In addition, in 2018, MCE began requesting that contractors voluntarily disclose their GO 156 certification status as well as efforts to work with Disabled Veterans Business Enterprises (DVBE) and Lesbian, Gay, Bi-sexual, Transgender Business Enterprises (LGBTBE) for power purchase agreements (“PPA”), Feed-in-Tariffs (FIT), and customer programs contracting. From this survey, MCE found that 23% of respondents either self-identified as certified under GO 156 or use subcontractors that are certified under GO 156. MCE also found that 100% of respondents with labor-related jobs pay prevailing wage. 77% of respondents have initiatives in place to promote diversity, and 45% of respondents support or use apprenticeship programs.

In looking at ways CCAs may advance supplier diversity, it is important to highlight a central tension between GO 156 and Proposition 209. GO 156 seeks to collect information on personal identities, including if business owners self-identify as women, minority, disabled veteran, or LGBT. As public agencies, CCAs comply with California Proposition 209, which reads “[t]he State shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.”<sup>6</sup> This goes on to define the State to include “any city, county, city and county...or any other political subdivision or governmental instrumentality of or within the State,” which extends to CCA public agencies.

Essentially, this means that CCAs can ask to collect voluntary information for GO 156 reporting purposes, but cannot use this information for preferential treatment in the decision-making purposes. MCE, specifically, collects this information in an optional questionnaire to measure whether their procurement practices are facilitating workforce diversity within the confines of Proposition 209.

### Renewable Energy Development

Between photon and electron lies an ocean of potential. For new CCAs, Local Development Business Plans (LDBP) are a map to assess the landscape, take inventory of their local resources, and identify investment opportunities to provide direct and indirect economic benefits to local economies, job seekers, businesses and residential customers providing local jobs through clean energy projects and programs. Once

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<sup>6</sup> California Constitution Article 1, Section 31(a)

established, a CCA can move beyond the planning stage and focus instead on implementation. LDBPs seek to create a strategy for implementing these plans, which often look at the potential for a wide range of programs including demand response, energy efficiency, electric vehicles, community solar, microgrid development, and Feed-in Tariffs (FIT). Some of these are further described below. With innovative partners and creative approaches, these projects can be a multi-faceted opportunity that exceed the sum of their parts.

### **Feed-in Tariffs (FIT)**

Feed-in Tariffs (FIT) are standard offer contracts that offer attractive rates to incentivize private developers to finance local renewable energy projects in communities where they otherwise might not be built. While each CCA has a slightly different FIT structure, they all attempt to catalyze local job creation associated with the construction, operation, and maintenance of these projects.

Given high demand, MCE's FIT has recently expanded. It now offers a total program capacity of 45 MW on a first-come, first-served basis for projects sized up to 5 MW. Besides MCE Solar One (described below), there are seven other smaller-scale projects already built, largely through MCE's 20-year term standard offer FIT contract, totaling 8.26 MW of local capacity. These projects relied on local labor, workforce development partners, and trade unions. There are additional financial incentives for smaller projects to encourage urban infill projects to access the ancillary benefits of multiple land uses.

Sonoma Clean Power has fully subscribed its FIT queue, completing 2 MW of new capacity, with an additional 4 MW in process. In the spirit of this local investment, SCP has spent more than 25% of all income inside its territory – on services, energy, reliability and normal operating costs such as rent and salaries. Beyond FIT, SCP has to date entered into long-term contracts for 56 MW of renewable energy within its service territory.

### **Power Purchase Agreements (PPAs) and Public Private Partnerships (PPPs)**

Power Purchase Agreements (PPA) and Public Private Partnerships (PPP) are exciting frontiers since CCAs – as public agencies – can engage the private sector to leverage additional community benefits. CCAs can work with IOUs, as is the case with East Bay Community Energy and PG&E through the Oakland Clean Energy Initiative, which will replace an aging electricity generator running on jet fuel with newer, reliable sources of clean energy. CCAs can also engage more broadly with the private sector.

In the northwest corner of California, Redwood Coast Energy Authority (RCEA) has two PPAs for 23.25 MW with local biomass generators. One of these projects had previously been shuttered and was only able to come back online due to RCEA's contract. These contracts support about 50 employees as well as sources of local baseload renewables in a rural community with 28% of customers on CARE.

RCEA is also contributing matching \$6 million in funds to a \$5 million grant awarded by the California Energy Commission (CEC) to develop a 2.25 MW solar microgrid at the Arcata-Eureka Airport, in partnership with the Schatz Energy Research Center at Humboldt State University. Further, RCEA is leading a consortium of partners to develop a 100–120 MW wind project off the Coast of Humboldt County. A technical advisory committee of local stakeholders were a part of the process to select the private partners who will eventually develop the project. RCEA's ocean lease application submitted to the Bureau of Ocean Energy Management included over twenty letters of support from stakeholders such as local advocacy nonprofits, trade unions, tribes, and state politicians.

MCE, meanwhile, lead the development of MCE Solar One, a 10.5 MW project located at the Chevron refinery in Richmond on a 60-acre remediated brownfield site. The project, operational and providing solar power to MCE since 2017, was built with a 50 percent local hire requirement in a diverse community with high unemployment rates and many underserved and marginalized communities. Local non-profit partner RichmondBUILD trained multiple cohorts of students to work on the project. RichmondBUILD's students are all low income, predominantly minority, and some of whom have a history with the justice

system.<sup>7</sup> Training and hiring a local workforce guaranteed the associated benefits of this project reached vulnerable community members. MCE invested time and funds in training over a two year period before breaking ground on the project in order to ensure access to the jobs by a wide range of local residents. The project also hired union workers from the United Brotherhood of Carpenters and Joiners of America (UBC) and Laborers Union (Local 152); International Brotherhood of Electrical Workers (IBEW) (Local 302); IBEW (Local 1245); Laborers Union (Local 324); Operating Engineers (Local 3) and Steamfitters (Local 342).

As laid out in MCE's 2018 Open Season Request for Offers, if a local renewable energy project is located within MCE's service area, the seller must certify that 100 percent of employees hired during construction are paid at least prevailing wage and at least 50 percent of the construction work-hours from its workforce (including contractors and subcontractors) are obtained from permanent residents who live within the same county. If this project is in Contra Costa County, the seller must certify that it complied with MCE's project labor agreement (PLA) and the Letter Agreement between MCE and IBEW Local 302. If a project is in another MCE community, then applicants are required to enter into PLAs of similar scope and requirements.

CleanPowerSF, which provides CCA service to residents and businesses in San Francisco, has a "Social Impact Program" that encourages private sector partners to include community benefits programs in bids for anticipated contracts of \$5 million and above. Contractors can demonstrate their commitment to the San Francisco community either through financial contributions, volunteer hours, or in-kind contributions – at zero additional cost to ratepayers. Social impact partners have supported local nonprofits and schools and invested millions of dollars in education, workforce development, economic development, environmental justice, and innovations in corporate social responsibility. For example, one partner provided funding for ECO<sub>2</sub>school, the Center for Climate Protection's youth leadership program. The program aims to engage students and at-risk youth at underserved schools with educational activities, including energy literacy and leadership workshops.

Both Monterey Bay Community Power (MBCP) and Peninsula Clean Energy (PCE) have a goal of 20 MW of new local renewables development. To that end, PCE is coordinating CCA involvement in the CPUC's proceeding to develop green tariff programs to serve disadvantaged communities (R.14-02-007).

At the statewide level, larger scale efforts for new development helps share the wealth even further. MCE has committed approximately \$2 billion to support roughly 924 MW of new California renewable energy projects. Of the 924 MW, 803 MW (37 contracts) have contract lengths 12 years or longer while around 120 MW represent short-term contracts that accelerated the delivery of energy, bringing projects online several years earlier than anticipated. The majority of these projects have created job growth in the Central Valley and the inland corridor, the very communities where median household incomes can average \$30,000 to \$40,000 per year.

Statewide, PCE has contracts for 300 MW of new solar power which is supporting job creation in disadvantaged communities. This includes nearly \$1 billion for developing the Wright Solar Project in Merced County and Mustang Solar Project in Kings County. Both projects are located in DACs that rank above 85% in CalEnviroScreen 3.0. Combined, Wright and Mustang are supporting the creation of nearly 800 union jobs within Merced and Kings Counties and contributing millions of dollars within their local economies.

With ten new CCAs serving customers in 2018, aggregators are joining forces on procurement for improved economies of scale. MBCP and Silicon Valley Clean Energy, for example, issued joint requests for offers (RFOs) that resulted in new wind energy contracts totaling 200 MW for terms of 15 to 20 years. The

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<sup>7</sup> City of Richmond, RichmondBUILD Academy. <https://www.ci.richmond.ca.us/1243/RichmondBUILD>

two CCAs are also expected to sign contracts for 278 MW of new solar plus 85 MW of storage for planned projects in capacity in Kings and Kern counties.

## CCA AUTONOMY AND PRIORITIES

CCAs are not-for-profit public agencies governed by a Board of Directors or Council composed of elected officials representing the community voice in agency decisions. In meetings open to the public, these Boards democratically vote on agency policy, approve programs, and set generation rates for electric service. With their autonomy and public mandate, these governing bodies have the flexibility and sovereignty to set the priorities and direction of the agency to reflect community values and concerns, infusing CCAs with a unique sensitivity to local community affairs. Here, we will discuss some of the sustainable policies and rate setting design practices that make CCAs responsive to community needs.

### COMMUNITY-MINDED POLICIES

When CleanPowerSF launched in 2016, they adopted San Francisco Public Utilities Commission (SFPUC) policies on community benefits and environmental justice. The Environmental Justice Policy affirms and commits CleanPowerSF to “the goals of environmental justice to prevent, mitigate, and lessen disproportionate environmental impacts.”<sup>8</sup> This policy has a triple bottom line analysis to guide decision-making by balancing economic, social equity, and environmental goals. CleanPowerSF also adopted the SFPUC’s Community Benefits Policy, which invites the public for input in designing and implementing projects to benefit the community.<sup>9</sup> By embedding these values in CCA practice early on, these policies help determine resource allocation and which community programs to support.

MCE’s Sustainable Workforce and Diversity Policy makes it an agency priority to support sustainable workforce opportunities, local economic sustainability, and diversity inclusion through contracting and agency initiatives. This extends to support for fair compensation, local renewable development, union labor, training and apprenticeship programs, local businesses, creating California jobs, and workforce initiatives in low-income and DACs.

Similarly, PCE’s Sustainable Workforce Policy, requires prevailing wages for any facilities contracted for via power purchase agreements, multi-trade project labor agreements on proposed projects, and the use of State of California approved apprenticeship programs.<sup>10</sup> This policy is applicable to PPAs with third parties, PCE-owned generation facilities, FIT projects, energy efficiency projects, PCE’s procurement of services and supplies, and direct hiring. PCE is currently reviewing this policy to ensure it meets evolving best practices to help ensure inclusive staffing, inclusive supply chains, and anti-discrimination measures in its overall business practices.

### RATE DESIGN

CCAs can use rate design for community benefit, by setting prices to influence customer behavior and be sensitive to low-income needs, whose energy costs are a larger proportion of their household budgets. In other words, through rate savings a CCA can have an immediate contribution to the economic resiliency of our most financially vulnerable community members. Like municipal utilities, CCAs tend to be less costly to operate because they do not pay shareholder profits or pay corporate sector executive salaries and bonuses. CCAs can pass this rate savings along to the customers and communities they serve.

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<sup>8</sup> Environmental Justice Policy, SFPUC Commission Resolution No.09-0170, October 13, 2009. <https://sfwater.org/modules/showdocument.aspx?documentid=3686>

<sup>9</sup> Community Benefits Policy, SFPUC Commission Resolution No.11-0008, January 11, 2011. <https://sfwater.org/modules/showdocument.aspx?documentid=3676>

<sup>10</sup> Peninsula Clean Energy Policy 10, December 15, 2016. <https://www.peninsulacleanenergy.com/wp-content/uploads/2017/01/PCE-Policy-10-final-1.pdf>

For Pioneer Community Energy, equity means helping low-income and hard-to-reach communities. To do so, they promote the CARE discount for eligible residents while offering rates that are currently an average of 7.5% less for residential accounts and 9% less for commercial accounts, compared to the rates of the incumbent utility. This is especially impactful for small businesses and local schools. In one instance, these lower rates saved a local high school more than \$8,000 in the first six months of Pioneer's operation. Pioneer estimates it has saved low-income customers an additional \$740,000 above the existing CARE discount.

Similar to Pioneer, with rate-savings in mind, RCEA has designed rates to meet a goal of providing \$2 million in annual savings to customers. PCE, meanwhile, offers all customers a 5 percent discount on basic generation services to secure affordability for all customers.

Rather than providing a monthly savings on electric bills, MBCP's innovative rate design offers a 3 percent rebate on generation charges for all customers. This rebate is credited to residential customers on their December bill, providing needed relief on some of the highest bills of the year due to the holiday season. Small to medium commercial customers see a credit on June and December bills. Large commercial customers see a credit quarterly. MBCP estimates it will provide over \$3 million in rebates to 270,000 customers in its first 9 months of operation (MBCP initiated service in March). As another opportunity for community benefit, customers can elect to re-invest the 3 percent rebate in local energy projects and lowering greenhouse gas emissions through tri-county community foundations, strengthening inter-community feedback loops.

There are also options to build in financial assistance for CCAs that offer a 100 percent renewable or GHG-free option. For example, LCE offers its 100 percent renewable energy option 'Smart Choice' to CARE customers at a 50 percent discount. The Clean Power Alliance supplies its 100 percent renewable option to CARE customers at the same rate they would have paid for Southern California Edison's base product in jurisdictions that have selected to enroll customers at the 100 percent renewable option by default.

### NET ENERGY METERING (NEM)

Thoughtful rate design can also increase accessibility to distributed energy resources by providing incentives and assistance through net energy metering (NEM). MCE, PCE, SCP, and RCEA all have NEM cash out options that credit overgeneration at retail rates plus \$0.01 per kilowatt hour. MCE, PCE and RCEA also provide an annual NEM cash-out option to customers that generate \$100 or more in credit. SVCE compensates NEM customers at the full retail value of excess generation, up to \$5,000 per year. SVCE paid over \$150,000 to over generating solar customers in its most recent annual cash-out. LCE built its NEM option to include an annual cash out at double the compensation rate of Southern California Edison. In this spirit, San Jose Clean Energy also plans to offer an advantageous NEM rate.

Rates can also create positive inter-community feedback loops between customers who have technological or financial resources and those who don't. For example, MCE's NEM customers can choose to transfer their excess NEM credits to MCE's low-income solar rebate program to fund residential solar in communities that may not otherwise have access to this technology. Similarly, customers who choose MCE's 100 percent renewable option agree to pay a premium for their usage. Half of this premium is allocated to MCE's Local Renewable Energy Reserve Fund, creating a direct relationship between those able to pay a bit more for their usage and job training for individuals seeking work in the green-collar economy. This reserve fund was first used in the pre-development costs of MCE Solar One, which is now the Bay Area's largest public-private solar partnership and a model for how local projects can yield local jobs in a disadvantaged community.

In another effort to reduce barriers to solar adoption, RCEA's Public Agency Solar Program allows member agencies and community services districts access to technical assistance and project management services to advance solar projects. This program begins with energy efficiency retrofits and then extends to

assessing the feasibility of the investment, including connecting qualified agencies to the CEC's low-interest loans for rural renewable energy infrastructure.

## COMMUNITY ENGAGEMENT

Whereas CCA governing bodies represent a top-down approach to community input and priorities, CCAs have created additional communication channels that allow for a bottom-up approach to community engagement and feedback. Commonly, CCAs have chosen to form Community Advisory Committees (CAC) for this purpose. CACs are usually composed of members of the public that represent different sectors of the community served by their CCA. Membership requirements vary by agency, but typically are structured to ensure wide representation of various facets of identity and location of their customer demographic. This may mean ensuring representation of certain socio-economic factors, commercial industry, or simply that each jurisdiction is represented on the committee. CACs meet regularly to provide input, feedback, and recommendations to staff and/or their respective boards. In EBCE's case, a CAC representative even holds a non-voting seat on the Board of Directors. CACs also educate the public about Community Choice, strategies for carbon emissions, and opportunities provided through a CCA's programs. Currently, CleanPowerSF, CPA, EBCE, MBCP, PCE, RCEA, SCP, SJCE and Valley Clean Energy have CACs.

In some cases, CACs form after years of sustained grassroots advocacy prior to launch, as they have in San Jose. Other times, CCAs have taken advantage of pre-existing structures, as was the case for CleanPowerSF, which inherited access to the San Francisco Public Utility Commission's 17-member CAC, as well as a 7-member power-specific subcommittee.

While a popular model, CACs aren't the only form of community engagement. SVCE receives community input from three major groups: 1) Customer Program Advisory Group (CPAG), 2) Member Agency Working Group (MAWG), and 3) Customer and Industrial customers through a quarterly "Watts for Lunch" (WFL) series. The CPAG consists of at least one volunteer from each of SVCE's 13 member communities to provide guidance on residential programming. The MAWG is comprised of sustainability and public works managers from each member community to provide operational guidance and input for municipal related programs. The WFL is an ad hoc group of large commercial, industrial, and municipal representatives learning about and sharing experiences with major technology segments key to decarbonization, such as building electrification, energy storage, and electric vehicles.

MCE has a Community Power Coalition that meets on a bimonthly basis. Formed in 2014, this collective of advocacy organizations is focused on the interests of underrepresented and historically marginalized constituencies through collaborations with local partners and open dialogue with communities. As of 2018, Community Power represents 31 local organizations working on issues ranging from conservation and sustainability to environmental justice. Member organizations include GRID Alternatives, Asian Pacific Environmental Network (APEN), Communities for a Better Environment (CBE), and The Greenlining Institute, for example. It meets regularly to discuss regulatory and legislative issues, provide feedback on procurement and programs, build community awareness, and hear updates on the Community Choice movement.

Beyond formalized groups, CCAs can support community engagement in other ways. For example, PCE has funded grants of up to \$10,000 each to support local nonprofits successfully working with low-income residents, seniors, customers eligible for Medical Baseline discounts, and customers who communicate primarily in a language other than English. One of these grant partners works primarily in East Palo Alto (ranking 85-95% percentile in CalEnviroScreen 3.0) where there is a significant Pacific Islander population, so they've translated informational materials into Tongan and Samoan. The success of this outreach grant process has recently been replicated by SVCE, which recently awarded \$75,000 to community organizations to support engagement in difficult to reach communities. MBCP has a partnership with Univision to provide program information to Monterey Bay agricultural workers. Staff also

provides information about billing and rates on a bi-weekly basis to over 250 underserved agricultural workers to better learn what their needs are from a CCA.

CCAs are a natural continuation of a pre-launch relationship, whereby constituents engage with elected officials about the opportunities afforded through Community Choice. The stories are many, but to briefly elaborate to illustrate the point, consider San Francisco. In 2004, San Francisco established and elected to implement a CCA through the SFPUC in consultation with the San Francisco Local Agency Formation Commission (SF LAFCo) and with input from the public. After many years of engagement and deliberation, CleanPowerSF launched in 2016 with the vocal support of environmental groups, including the Sierra Club, and labor organizations, such as the Northern California District Council of Laborers representing 15 union locals advocating for a robust build-out of local renewable resources.

As an extension of local planning departments, early CCA staff often rely on established resources provided by their jurisdictions such as Climate Action Plans. For example, true to public form, PCE uses the San Mateo County Community Vulnerability Index to set parameters for programs and policies to benefit low to moderate income customers broadly and disadvantaged communities specifically.

Extensive public participation in a CCA origin story is common. Combined with Board direction, this top-down/bottom-up engagement ensures that community representation and values are incorporated into a CCA's formation, priorities, decision-making process, and program development.

## PROGRAM DEVELOPMENT

Beyond their central mandate of power procurement, CCA programs are where priorities, constraints, and concerns are visibly expressed through customization of offerings. CCA programs often result from the direct influence of local advocates and community interests, establishing a foundation of commitment to serve the public through grassroots communication for responsive programs. Customized, localized programs reflect the adaptability of these agencies to go the extra mile despite local constraints to best serve different rural, suburban, and urban environments.

While new CCAs are fully occupied with getting off the ground, they can later begin to invest in their programs. As CCAs develop strategies and structures for future programs, they need data, funding, and time. It is important to develop a strong reserve target to ensure resilience while also seeking public-private partnerships and grant funding opportunities to drive program options. Funding for subsequent programs comes either from local and state-level grants, CPUC administered funding, or from CCA earned revenue. In any case, the investment of resources and staff time reflects commitments to a more holistic community benefit than just decarbonizing California's electric supply. Here, we will touch on CCA efforts in workforce development to create pipelines to green-collar careers, investments in low-income solar programs, complementary strategies for the "electrification of everything," and other incentive programs to mobilize outreach and partnerships.

## WORKFORCE DEVELOPMENT

Creating employment opportunity in the field of sustainability is key to securing a just transition to a clean energy economy. This is especially true in areas where the fossil fuel industry has long been a source of work and income for generations of families. To ensure these workers aren't left behind in a decarbonized energy future, training programs are needed to re-tool community members with the skills needed to enter the green economy.

MCE has supported various workforce development training and career pathways through the construction of local solar projects, direct installation of energy efficiency measures, and even call center staffing. In Marin, MCE has partnered with the Marin City Community Development Corporation (MCCDC) since 2012 to train at least 62 disadvantaged community members and connect them to solar installation and energy

efficiency jobs. In Contra Costa County, MCE has partnered with nonprofit partner, Rising Sun Energy Center, to train local youth to provide no-cost energy savings and water assessments in the Cities of Richmond, El Cerrito, and San Pablo. MCE has also worked with nonprofit partner RichmondBUILD to train students with construction, numeracy, and literacy skills, later connecting them with related jobs for large scale solar installation and an LED streetlight retrofit project in Richmond. In Pittsburg (ranking 85–95% percentile in CalEnviroScreen 3.0), MCE helped coordinate the presence of a new call center, then partnered with Future Build East County and Calpine to train students on call center basics, call handling, energy data and more. Graduates were offered positions at the new call center. Finally, MCE has recently been approved for an additional \$2.24 million for workforce development activities for 2019 through 2025.

CCAs can offer white-collar job opportunities as well. For example, RCEA offers internships for local students and recent graduates and hosts 1–2 AmeriCorps Civic Spark fellows each year. Both opportunities offer professional development experience and are funded through multiple avenues, including CCA revenue. EBCE has established two Senior Fellowship positions for post undergraduates starting their careers.

## GRID ALTERNATIVES

As the largest nonprofit solar installer in the United States, GRID Alternatives makes solar technology accessible to low-income communities while also providing hands-on installation experience for job seekers and community volunteers. Their profile, mission, and state-wide resources makes them a key partner for established and forming Community Choice programs.

This partnership can take shape in many ways. Some CCAs choose to provide gap funding for low-income single family homes (CleanPowerSF, MBCP, MCE), others for multifamily housing (MCE). Since 2012, MCE has allocated \$345,000 toward low-income solar rebates helping to build 98 systems, totaling nearly 207 kW of new rooftop solar. GRID Alternatives reports that program participants will save over \$2 million on monthly utility bills and eliminate over 4,000 metric tons of GHG emissions. To help build trust in communities, other CCAs have offered to co-market GRID's no-cost solar programs (MCE, RCEA, SCP). To this end, Sonoma Clean Power has sent mailers to qualified customers to increase program participation, while RCEA has chosen to begin promoting GRID by advertising match funding for low-income solar projects through their 2018 rebate catalog.

## ELECTRIC VEHICLE (EV) PROGRAMS

Examples of program customization are clear in CCA's existing approaches to promoting electric vehicles. SCP was the first CCA to work on EVs. Starting in 2015, SCP's DriveEV program has been providing cash incentives of between \$2,000 and \$4,000 to create a very large total discount for low-income customers. In a competitive, winner-take-all solicitation, local EV car dealers are asked to offer their deepest discounts to SCP customers. Combined with these discounts, SCP has leveraged over \$10 million in EV discounts with approximately \$2 million of SCP funds. The program is disproportionately utilized by CARE and FERA customers because of the intensive outreach to these sectors. Related to DriveEV, SCP also provides free EV charging hardware and the option to participate in a Demand Response program using the car chargers provided by the program.

Lancaster Choice Energy (LCE) has focused on public transportation, leading to Antelope Valley Transit Authority's first fully electric bus system and providing free rides to seniors. The 83 electric buses system have been built within the City of Lancaster at the Build Your Dreams Manufacturing facility. This leading-edge technology requires training that create valuable, highly-skilled jobs. LCE incentivized this transition to an all-electric fleet by offering a special generation rate designed for the fleet's needs. The City of Lancaster also operates 14 free public EV stations and will be expanding to add 30 more by 2019. Given the low-income sensitivity of their demographic (roughly 40%), many of these charging stations are offered for use at no charge to the customer.

MCE has MCEv, a three-year \$1.5 million program for incentivizing charging infrastructure as well as for new or used vehicles. MCEv builds upon PG&E's existing charging program by covering the gap cost of charging equipment in projects of 10+ ports and covering the full cost of charger installation for sites ineligible for PG&E's program given space constraints that don't allow for 10 ports. In addition, MCEv will offer a low-income qualifying rebate for up to \$3,500 for a new or used EVs, helping low-income communities access funds for cleaner vehicles.

PCE is developing an income qualified rebate for used plug-in hybrids. This rebate is combined with used car financing and outreach with community-based organizations focused on increasing EV adoption in low-income communities. PCE hopes to provide access to affordable plug-in vehicles for low-income residents, facilitate 100 plug-in hybrid electric vehicles sales, and deliver significant cost savings to participants by reducing transportation costs. PCE is also launching a technical assistance program to assist school districts in DACs with applications to the CEC for electric bus grants.

RCEA owns and operates 14 EV charging stations in Humboldt County and has participated in numerous alternative transportation and advanced fuel readiness studies, including a Zero-Emission Vehicle Implementation Study and the North Coast Plug-In Electric Vehicle Readiness Plan. These efforts have been funded through CEC grants. Now with CCA revenue, RCEA plans to offer charging station site host incentives via a rebate catalog, as well as match funding for a high-volume charging cluster that participates in PG&E's EV Charging Network program.

CleanPowerSF is developing a transportation electrification program in concert with other city departments, including SF Environment and San Francisco Municipal Transportation Agency. Since the City and County of San Francisco has a transit-first policy, the related CCA programs will likely focus on this aspect of transportation electrification.

MBCP currently sets aside 2 percent of gross revenue for energy programs focusing on transportation electrification, building electrification, and distributed energy resources. In fiscal year 2018-19, MBCP has allocated roughly \$850,000 in EV incentives for low-income and public agencies. MBCP plans to invest roughly \$3 million in EV infrastructure for Level 2 and DC fast chargers in the next three years and is supporting local ordinances for streamlined permitting to maximize these adoptions.

## ENERGY EFFICIENCY

The cleanest and least expensive energy is the energy you don't use. The nega-watt is an important component to decarbonizing our grid and supporting social equity. Not only does it have zero GHG emissions, but installing efficient measures also saves money, reduces grid strain, and improves the quality of life in our homes and businesses.

Lancaster Choice Energy is located in the high desert, resulting in a significant electrical demand for air conditioning. The median income in Lancaster is \$49,000 and 48% of LCE's customer base is on CARE. Additionally, LCE's programs must align with the City of Lancaster's Net Zero City goals. To reach these goals without financially impacting customers, LCE recently secured an EPIC grant from the CEC for Zero Net Energy (ZNE) affordable housing to provide eligible homeowners with highly efficient, ZNE homes. LCE hopes to incorporate the homes into a future microgrid, dispatchable on demand. In a win-win scenario, homeowners will have minimal energy charges and LCE will control the microgrid as part of its overall portfolio (i.e., load arbitration). This arbitration will support keeping costs down for all customers. Dependent on the success of this initial effort, LCE may replicate it with all future affordable housing developments.

On top of its ZNE efforts, in Fall 2018 LCE will launch Energy Advisor, a residential energy efficiency program that provides a self-audit and reporting mechanism to identify household upgrade needs and opportunities. They will also launch their Small Commercial Direct Install, which will offer no-cost

upgrades such as LED lighting and weatherization to qualifying small businesses. This helps cover the gap for small businesses that cannot afford electrical upgrades and may not be aware of simple measures, such as LEDs.

SCP provides free multilingual Do-It-Yourself (DIY) energy efficiency toolkits for home retrofits, and makes them available at local libraries so that all residents have equal access at no cost. The toolkits include light bulbs, insulation strips, water efficiency fixtures, and other tools to make homes more energy efficient. These have been so popular, SCP has had to increase the number of toolkits in circulation. To raise public awareness, SCP also lends a portable induction cooktop to interested customers so they can experience electric induction cooking prior to making a significant purchase.

Similar to SCP's DIY kits, RCEA's Board recently approved an internally-funded Residential Energy Services Program through which customers can receive a \$75-value customized energy efficiency kit in the mail. The program targets hard-to-reach, especially rural, customers that may not otherwise be able to access other RCEA and IOU services. To further engage hard-to-reach customers, RCEA also offers initial efficiency assessments and final ratings to qualified customers for rebates through the Home Upgrade Program. To incentivize quick implementation, RCEA provides a refund of the service fee (\$500 for single family homes) when customers complete a qualifying project within one year. RCEA also assists local educational agencies in accessing California Proposition 39 funding for energy efficiency and renewable energy upgrades for their facilities.

MCE's Multifamily Energy Savings Program offers complimentary walk-through energy assessments and technical assistance to identify energy and water saving opportunities while providing cash rebates to implement upgrades, assisting with contractor bid solicitations, training operations and maintenance staff, and offering a free direct install of efficient equipment. A recent addition to the Multifamily program is the Low Income Families and Tenants Pilot Program which provides an additional \$1,200 per unit for multifamily properties with tenants at or below 200% Federal Poverty Guidelines. It also offers electric heat pumps at no cost. MCE also offers a multi-measure Small Commercial Energy Savings Program, which targets restaurants, retail, office and other non-residential properties to offer technical assistance, cash incentives, and turn-key contracting and procurement at low or no cost to customers.

Pioneer Community Energy also operates a PACE program that has financed improvements on 2,400 properties for almost \$99 million, aggregating an estimated greenhouse gas savings of more than 24,000 tons CO<sub>2</sub>e. SVCE has a Bay Area Air Quality Management District grant to implement a heat pump water heater retrofit program in existing buildings. Within this grant, SVCE has set aside a proportional allocation of projects dedicated to CARE and FERA customers, enabling them to participate with no customer contribution.

## WILDFIRE REBUILD SUPPORT

In October 2017, Sonoma County lost 5,800 homes due to wildfires. SCP's Advanced Energy Rebuild Program was built in partnership with the local Builders Exchange, the Bay Area Air Quality Management District, and PG&E in response to these fires. This program provides up to \$17,500 to homeowners of destroyed homes who choose to rebuild their homes to be energy efficient, all-electric, gas-free, include EV charging or have solar plus storage. The program has trained hundreds of local architects, engineers, contractors, and homeowners on the methods and principles of zero carbon design and going beyond "net zero." In conjunction, SCP has been awarded approximately \$10 million by the California Energy Commission to promote electrification in the built environment.

In 2018, MCE partnered with the Bay Area Air Quality Management District, Napa County, BayREN, and PG&E, to administer up to \$1 million for electrification and solar rebates for single family homes affected by the 2017 and 2018 wildfires in Napa County. Homeowners who are starting to rebuild can access up to \$12,540 in incentives for electrification measures, like high performance attics and walls, efficient

windows, heat pump water and space heaters, smart thermostats, EV charging, or solar plus storage. This process braids multiple funding sources through one application process. An additional 20 percent incentive is provided to income-qualified households.

## CONCLUSION

By virtue of the magnitude of utility contracts, GO 156 rightly identifies Supplier Diversity as a key venue to create wealth opportunities for those who have often been excluded from them. Beyond the inclusion of business owners, we must complement diverse procurement with strategies that support overall development of skills and resources needed for a just transition to a clean energy economy. CCAs are uniquely poised to identify and address needs.

Unlike investor-owned utilities (IOUs), CCAs are governed by local public officials who are close to the communities they serve. As a result of their proximity, they are best able to guide their respective agency's formation, policies, procurement, and rate design with community priorities. Given the public nature of their role, they can further align CCAs with the objectives laid out by their corresponding town, city, and county governments, further integrating CCAs into the social fabric of a community.

While governing bodies represent top-down community involvement, directly soliciting public participation and feedback provides bottom-up representation. CCAs solicit feedback in a different ways, seeking representation through Community Advisory Committees and putting extra emphasis on overcoming linguistic barriers through nonprofit partners. By incorporating community voices directly in the public process, a CCA can further the GO 156 goals of inclusion by ensuring decisions are designed with community benefit in mind, especially for our most disadvantaged sectors.

Lastly, program development is a fertile opportunity for equity, inclusion, and diversity. Through agency revenues and external grants, CCAs can express community priorities by investing in workforce development, low-income residential solar installations, transportation electrification, energy efficiency, and wildfire resiliency to deliberately address systemic social inequity that exacerbates the barriers and challenges marginalized communities face. Each community is shaped by unique circumstances, therefore requiring a customized approach to addressing local inequalities.

As public not-for-profit agencies, CCAs have a rich opportunity to develop policies, programs, and procurement at the ground-level with input from grassroots partners and direction from community representatives to continue in the spirit of GO 156 by positively engaging traditionally excluded groups to ensure a diverse set of community interests benefit from our industry. We owe a debt of gratitude to the Central Valley communities who formed the San Joaquin Valley Power Authority, whose bold leadership to advocate for affordable rates, local jobs, and community benefits is the good work continued by all CCAs today.