

Community Choice Aggregation: A Path to Local Power

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CCA in a Nutshell



Municipalities or groups of municipalities can pool the buying power of residents & businesses to:

- **Secure alternative energy supply contracts;**
- **Develop energy programs tailored to community needs and goals.**

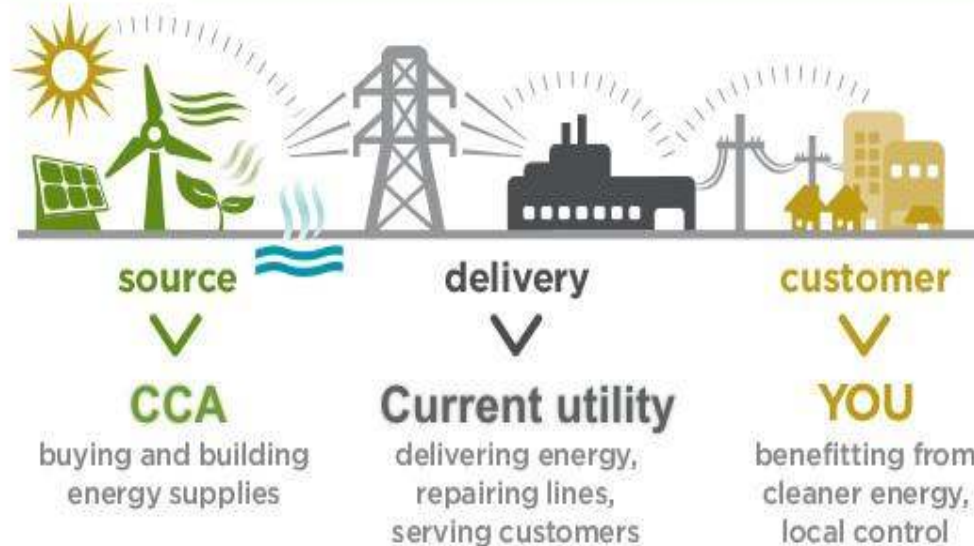
Replaces the utility as the default **supplier** of electricity.

Utility remains responsible for **delivery** (poles & wires) and billing.

CCA in a Nutshell

- The CCA recovers administrative costs through the rates, not through taxes.

How CCA Works



The Evolution of CCA

**CCA
“1.0”**

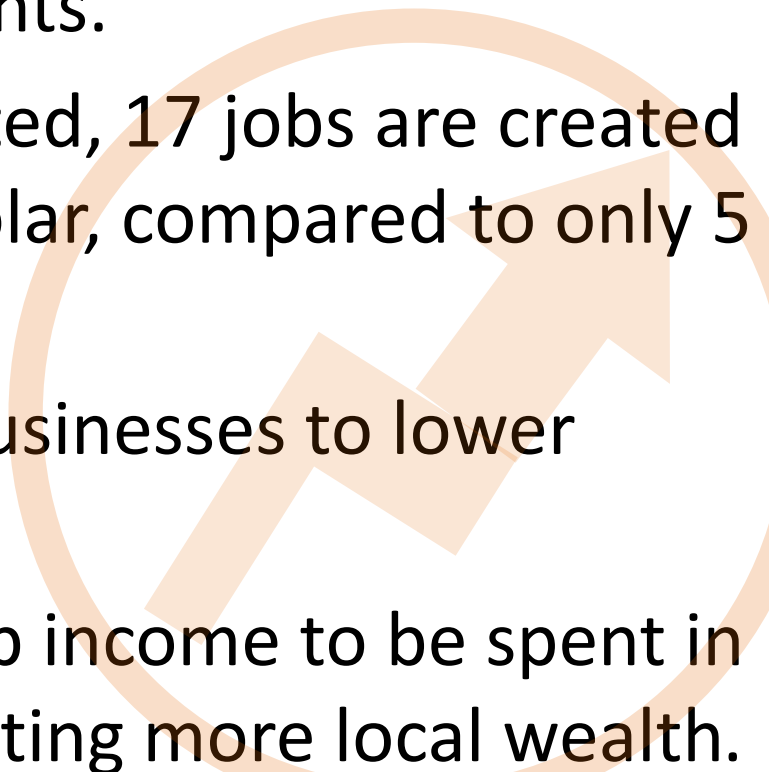
1990s: bulk purchasing to reduce costs/stabilize rates for fixed terms

2000s: greening supply through purchase of Renewable Energy Certificates (RECs)

**CCA
“2.0”**

2010s: Local clean energy investments to capture economic/jobs benefits and increase resilience

Local economic benefits

- New Yorkers depend on energy imports for 92% of their energy requirements.
 - For every \$1 million invested, 17 jobs are created due to efficiency, 14 for solar, compared to only 5 for natural gas.
 - Facilitate investment by businesses to lower energy costs.
 - Lower energy costs free up income to be spent in the local economy, generating more local wealth.
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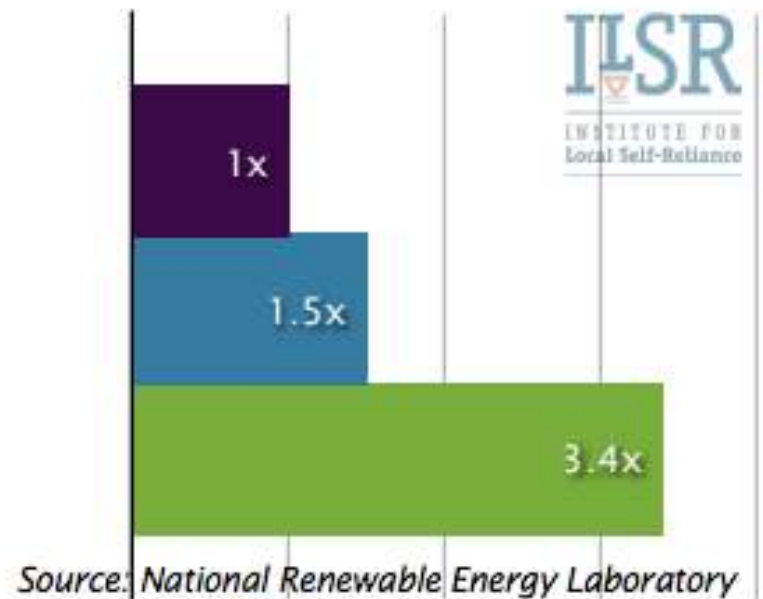
Local Ownership = Greater Economic Impact

Fig. 2 Local Ownership Means More Jobs & More Local Economic Impact

Job Impact of Local Ownership



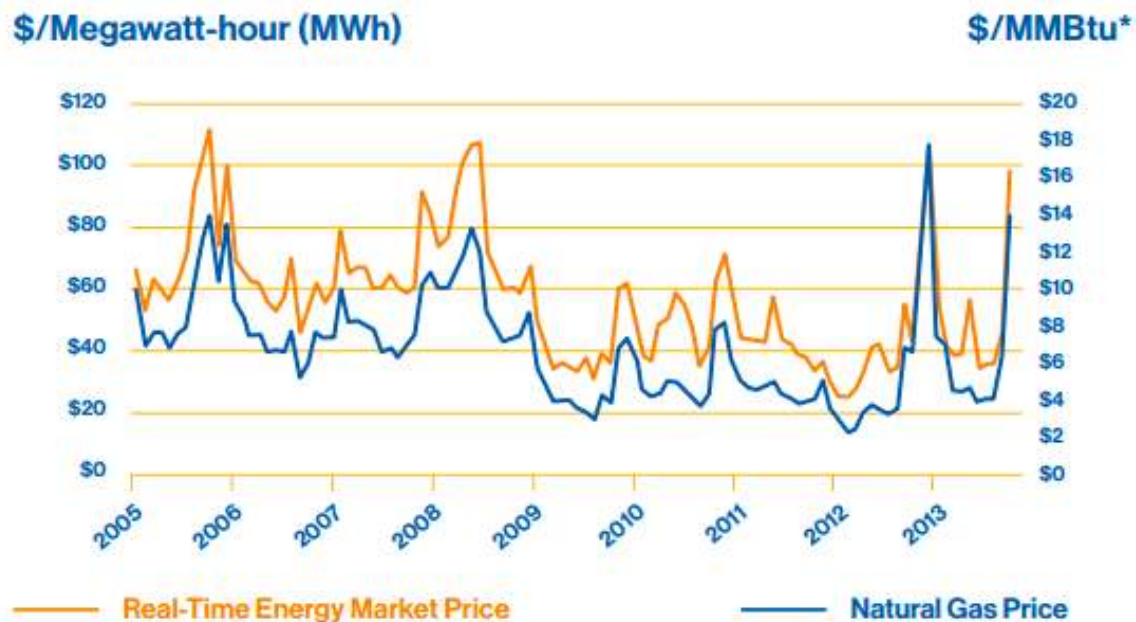
Economic Impact of Local Ownership



Renewable Energy: A hedge against fossil fuel price volatility

Natural gas and wholesale electricity prices are linked

Because of New England's heavy reliance on this single fuel source, natural gas typically sets the price for wholesale electricity.



*MMBtu stands for Millions of British thermal units

The diversity of CCAs

- 1) Bulk procurement, using 3rd party CCA administrator
- 2) Inter-municipal organization as CCA administrator
 - **Cape Light Compact (MA)**
 - **Westchester Power (NY)**
- 3) Public authority as CCA administrator
 - **Sonoma Clean Power (CA)**
 - **Marin Clean Energy (CA)**

Aggregated Solar Procurement: Cape Light Compact

- First CCA, formed in 1997 via inter-municipal agreement between 21 towns and 2 counties. Under an Administrative Services Agreement with Barnstable County, CCA staff are county employees but independent of County gov.
- Historically strong focus on energy efficiency programs, public education, consumer advocacy.
- In 2007, established Cape & Vineyard Electric Cooperative as separate institution to promote investment in local renewable energy. **Installed 28 MW of solar by end of 2014.**

Direct renewable procurement: Marin Clean Energy

Light Green



50% Renewable Energy

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Deep Green



100% Renewable Energy

[SIGN UP FOR DEEP GREEN](#)

Local Sol



100% Local Solar Energy

[SIGN UP FOR LOCAL SOL](#)

Sonoma Clean Power



*PG&E fees are calculated by Sonoma Clean Power using rate data provided by PG&E effective on January 1, 2015.

California CCA solar programs

- Power purchase agreements
- Feed-in-Tariff program for projects of up to 1 MW.
(CCA purchases the power at an above-market rate to support local development and jobs.)
- Enhanced net-metering incentives for customers.
- Shared solar in multifamily housing.

CCA in New York

- **On April 21, 2016, New York became the 7th state to enable CCA.**
- Enabled as part of REV initiative. NYS PSC Order sets out CCA design standards & principles for developing/ implementing CCA programs.
- The CCA Order is meant to be a start; regulatory framework is evolving and pilots are encouraged.

CCA and local solar in NY

- CCAs are not load-serving entities (LSEs); Order empowers them to negotiate contracts with ESCOs.
- To become LSEs, a CCA would have to register as an ESCO. This is a possibility to be explored with PSC.
- Otherwise, CCAs *may* be able to require local procurement as part of an ESCO contract for supply.

Energy mapping & planning is key

Goal is to reduce over time the quantity of energy procured through the retail energy market by reducing energy consumption and producing more of it locally.

To get there, the CCA can:

- **Study the energy landscape unique to our area.**
- **Acquire data from the utility.**
- **Map the distributed resource potential.**
- **Identify opportunities for DER that are most cost-effective for customers.**

CCA in NY:

Customer programs/services

- Aggregated procurement of customer-sited solar
- Facilitate community solar development
- State-level working group exploring financing & program support for CCA

Advantages of a local energy program

- **Utilize local knowledge of potential solar sites and customers**
- **Connect customers with local clean energy providers, contributing to local jobs & economy**
- **Enlist local partners in education & outreach**
- **Efficiently harness State/Fed funding.**

Forming a CCA in Ulster County

In July 2016, CLP facilitated creation of a Working Group of interested municipal officials to develop a plan for a 2.0 model of CCA in Ulster County.



Forming a CCA in Ulster County

- The work of the group has been informed by contributions of outside experts in local program creation/administration.
- Looking to create an Local Energy Development Corporation (LDC) as CCA admin. structure.