

Community Choice Aggregation:

Overview and Introduction

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Community Choice Aggregation (CCA)

- Local government agency purchases energy for customers
- Investor owned utility provides transmission and distribution, billing and service

Where did it come from?

- Started in Massachusetts in 1997
- Cape Cod and Martha's Vineyard:
“Cape Light Compact”
- Enabling legislation in Ohio,
California, New Jersey, Rhode
Island, Illinois

California Legislation

- AB 117 (2002): Allows for CCA formation
- AB 790 (2011): Rules for IOU competition and code of conduct; Allows CCAs to become administrators of energy efficiency programs

How does it work?

- CCAs “aggregate” the demand of individual customers in their service territory and purchase energy on their behalf
- Customers are automatically defaulted in to CCA; can opt-out and return to IOU service at any time
- Customers continue to receive bills from IOUs, but with a line-item charge for electricity generation from the CCA
- IOU continues to provide service, billing, transmission and distribution
- Local Gov’ts can join other CCAs or start their own
- CPUC has much oversight

What can it do?

- Increases local control over electricity procurement
- Independent administration of EE programs
- Creates competition and choice for customers to select their energy provider
- Other possible benefits (depending on design) include:
 - Local economic activity
 - Local job creation
 - Environmental benefits (cleaner air, etc.)
 - Increased local renewable generation facilities/DG

What can't it do?

- Will NOT put the local utility out of business
- Will NOT shut down all fossil-fueled power plants overnight
- Will NOT put the local utility out of business

What's the catch?

- Significant start-up investment
- Rates must be competitive with local IOU
- IOU resistance; highly-charged politically
- *Departing load charges to recoup IOU investments on behalf of ratepayers*

How do we do it?

- Feasibility Study
- Agency Formation
- Business Plan/Implementation Plan
- Procurement
- Continuous Regulatory Engagement

Questions?