

## **Priority Guiding Principles:**

### **City of San Diego Community Choice Aggregation (CCA) Feasibility Study**

**Adopted December 10, 2015 by the City of San Diego Sustainable Energy Advisory Board**

## **Recommended Guiding Principles**

**1. Model CCA launch as an opt-out program to optimize the purchasing power of the CCA.**

**2. Consider available information including the third party sponsored CCA feasibility study funded by Protect Our Communities Foundation.** To the extent deemed necessary, consider findings of the current CCA feasibility study funded by a third party non profit regarding the cost-benefit relative to business as usual and other relevant consumer cost competitive factors such as effect of utility stranded costs on ratepayers.

**3. Evaluate economic development potential of CCA.** The following economic development potential factors should be evaluated in the CCA feasibility study:

- a) Use of local labor with an emphasis on investment in under-resourced communities;
- b) Consideration for livable wage and benefits, and training and certification requirements;
- c) Any impacts on current job market, and establishment of a jobs transition program for anyone negatively impacted by CCA establishment; and
- d) Sourcing from local businesses and supplier contracting policy.

Evaluative criteria for power purchasing and investment should include benefit of these factors.

**4. Evaluate ability of CCA to achieve greenhouse gas emission reduction targets.** City of San Diego is setting forth goals to achieve state and federal requirements for greenhouse gas reductions. Achieving these goals is a critical benefit to citizens of San Diego.

**5. Evaluate a resource plan that follows the state loading order with an emphasis on local implementation.** The CCA program should encourage local energy efficiency programs and distributed generation renewable energy sources. The CCA program should promote and enhance consumers' ability to meet their own energy needs through investment in building- and site-based renewable energy and energy storage on homes, businesses and integrated into the utility distribution system.

**6. Evaluate ability to achieve 100 percent local renewables by 2035.** The CCA program should develop a strategy to make San Diego a net energy producer. The ideal is that distributed generation (rooftop and parking lot solar), energy efficiency, and compatible storage are heavily promoted to push electric energy up out of the neighborhoods into the rest of the local grid, storage, and eventually out of the City. Local energy use and generation goals will be set and data will be monitored by official community planning area and customer class to measure progress in achievement of goals and to ensure incentives and resources are provided equitably to all communities throughout the city.

**7. Evaluate a business and implementation phase-in plan to achieve targets identified to the Recommended Minimum Performance Table (below).** Evaluate plans similar to "Sonoma Clean Power" CCA that phase-in geographic areas, customers use groups and locally generated renewable energy resources to achieve the goal of producing all CCA energy from renewables generated within and on developed land or land designated for urban development within the City of San Diego CCA boundary.

## Recommended Minimum Performance Criteria

The table below is an evaluative tool. It does not set up a rigid pass fail criteria, but rather establishes recommended minimum performance criteria. We propose that the table below can be used as a guidance document in defining potential CCA scenarios for evaluation. Each criterion shall be assessed for likelihood of feasibility and associated risk while showing compliance with state laws.

If the goals set forth in the table are not considered achievable at the benchmark points noted, then the feasibility study should indicate when or under what circumstances they would be able to be achieved in relation to the other goals. The primary function assigned the CCA in the CAP is to achieve 100% renewable energy by 2035. The Guiding Principles qualify the 100% renewables and greenhouse gas goal achievement with a number of additional economic and environmental goals.

**Recommended Minimum Performance Table**

<u>Category</u>	<u>Subcategory</u>	<u>1-3 Years</u>	<u>3-5 Years</u>	<u>5-10 Years</u>	<u>10+ Years</u>
<u>Environmental</u>	<u>GHG Reductions</u>		<u>Meet CAP thresholds</u>		<u>Meet CAP thresholds</u>
<u>Environmental</u>	<u>Renewables Percentage</u>	<u>Minimize Non-Local RECs</u>	<u>Minimize Non-Local RECs</u>	<u>Minimize Non-Local RECs, On-track to have no RECs by 2035</u>	<u>100% Renewable Energy by 2035 not from RECs</u>
<u>Environmental</u>	<u>Local DG</u>				<u>50% local DG by 2035</u>
<u>Environmental</u>	<u>Energy efficiency / DR deployment</u>			<u>Establish program(s) to meet CAP targets and the CA Long Term Energy Efficiency Strategic Plan</u>	
<u>Financial</u>	<u>Operating reserve</u>	<u>Sufficient to establish operations</u>	<u>Enough capital to invest in local projects/programs</u>		
<u>Financial</u>	<u>Cost of purchased energy (PCIA and electricity)</u>	<u>Not substantially different than IOU</u>	<u>Not substantially different than IOU</u>	<u>Not substantially different than IOU</u>	<u>Not substantially different than IOU</u>
<u>Economic</u>	<u>Impact on Markets and Jobs (labor, home builders, solar - big &amp; small, energy storage)</u>	<u>No negative effect on local jobs</u>	<u>Positive impact on local jobs</u>	<u>Substantial positive impact local jobs by 2035</u>	<u>Substantial positive impact local jobs by 2035</u>
<u>Economic</u>	<u>Rates to consumer (social cost)</u>	<u>Baseline offering not more than IOU</u>	<u>Baseline offering not more than IOU</u>	<u>Program should show high likelihood of reduced rates for baseline offering</u>	<u>Program should show high likelihood of reduced rates for baseline offering</u>