

ANALYTICAL REVIEW OF THE FEASIBILITY STUDY FOR A COMMUNITY CHOICE AGGREGATION PROGRAM IN THE CITY OF SAN DIEGO



Environment Committee
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TOPICS

- **Study's Conclusions and FBEI's Analysis**
- **Two Critical Pending Pieces of Information**
- **Recommendations**

STUDY'S CLAIMS OF FEASIBILITY FAIL IN FOUR KEY AREAS

- I. Climate Action Plan (CAP)
 - A. 100% Renewables
 - B. Greenhouse Gas (GHG) Reduction
- II. Lower Consumer Utility Rates
- III. Economic Benefits
- IV. Financial Stability

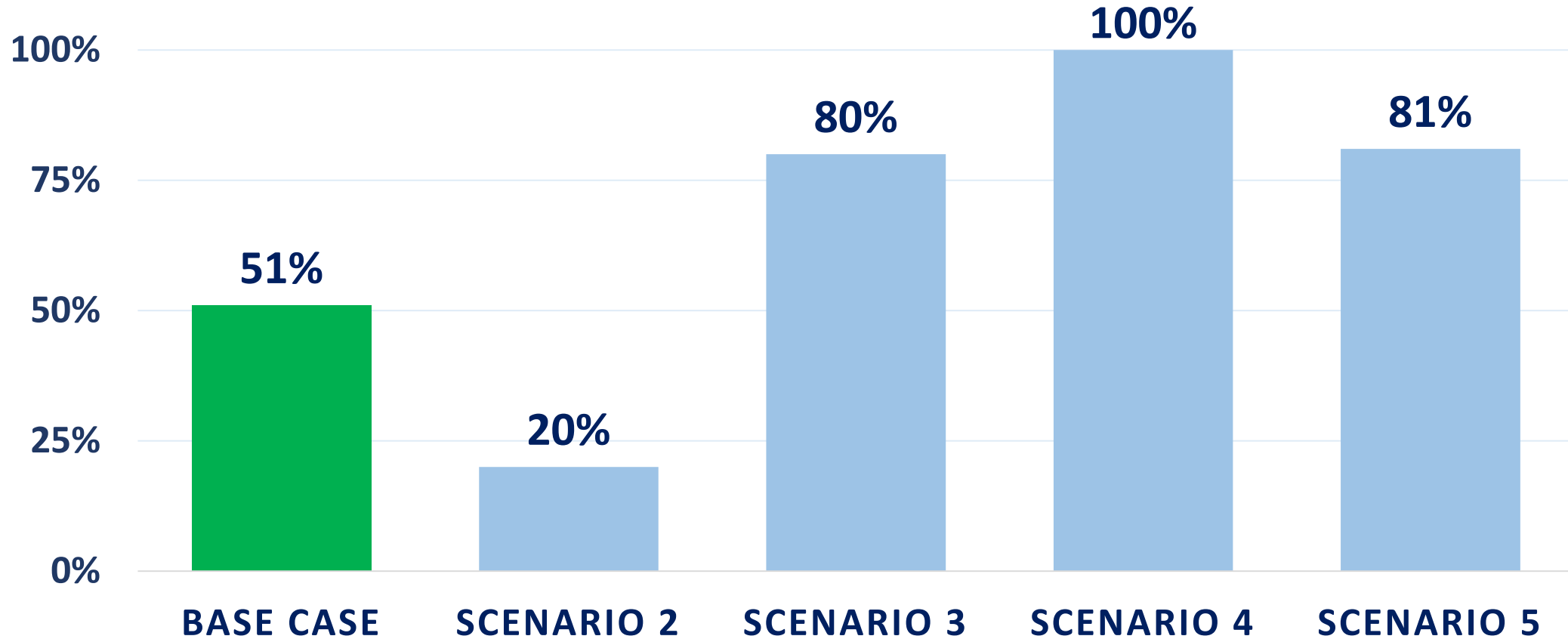
FEASIBILITY CLAIMS

IA. Climate Action Plan (CAP)
100% Renewables

*Fails to Achieve 100%
Renewable Goal for 2035*

CCA PLANS VERSUS 2035 CAP GOAL

PERCENT OF RENEWABLE ENERGY



Source: Feasibility Study Table 2; FBEI

FEASIBILITY CLAIMS

IB. Climate Action Plan (CAP) Greenhous Gas (GHG) Reduction

Fails to Prove Case for Actual Reduction

- *Need long-term contracts*
- *City just takes a larger share of existing supply*

FEASIBILITY CLAIMS

II. Lower Consumer Utility Rates

*Fails to Credibly Prove
Lower Utility Rates*

RATE COMPARISONS: BASE CASE VERSUS SDG&E

ANNUAL AVERAGES FOR ALL CUSTOMERS

	2022		2023		2024		2025		2026	
	CCA	SDG&E	CCA	SDG&E	CCA	SDG&E	CCA	SDG&E	CCA	SDG&E
Average \$/kWh	0.1368	0.1345	0.1368	0.1390	0.1368	0.1436	0.1368	0.1484	0.1368	0.1535
CCA Rate Premium/(Savings)		1.72%		-1.55%		-4.73%		-7.83%		-10.85%
Annual Percent Change in Rates			0.0	3.3	0.0	3.3	0.0	3.3	0.0	3.4

Source: Feasibility Study Table 23; FBEl

FEASIBILITY CLAIMS

III. Economic Benefits

Fails to Credibly Show Economic Benefits

- *Consumer rate savings – Improbable*
- *Hypothetical solar plant – 11 Operational Jobs*

FEASIBILITY CLAIMS

IV. Financial Stability

Shows Sizable Risk to City

- *Negative net present values 9 out of 11 cases*
- *-\$47 million to -\$2.8 billion*

TWO CRITICAL PIECES OF INFORMATION

- I. California Legislation on 100% Renewable Mandate
- II. California Public Utilities Commission (CPUC) Decision on Exit Fees

SUMMARY AND RECOMMENDATIONS

- CCA: High costs, limited benefits, and many unknowns and risks
- City should exercise caution
- Wait for outcome on state legislation and CPUC decisions
- Need much more evidence of viability of CCA
- Little green, but more red