



Community Choice Energy (CCE) in the East Bay

Brief Discussion of Goal and Policy Statement to Date

Alameda County CCE Steering Committee
February 3, 2016



Goals of the CCA (draft), as approved by the Committee and as enumerated in the Technical Feasibility Study RFP:



1. Overall rates and customer bills that are lower or competitive with those offered by PG&E for similar products.
2. Differentiated energy options (e.g. 33% or 50% qualified renewable) for default service, and a 100% renewable content option in which customers may “opt-up” and voluntarily participate.
3. An electric supply portfolio with a lower greenhouse gas (GHG) intensity than PG&E, and one that supports the achievement of Alameda County’s Climate Action Plan greenhouse gas reduction goals and comparable goals of all participating jurisdictions.
4. An energy portfolio that prioritizes the use and development of local renewable resources and minimizes the use of unbundled renewable energy credits.
5. An energy portfolio that incorporates energy efficiency and demand response programs and has aggressive reduced consumption goals.
6. A program that demonstrates quantifiable economic benefits to the region (e.g. union and prevailing wage jobs, local workforce development, new energy programs, and increased local energy investments).
7. A program that promotes personal and community ownership of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities and communities of color, which are most impacted by climate change.
8. An administering Agency that is financially sustainable, responsive to County and regional priorities, and well managed.

According to the October 2015 Survey, Committee members suggested that the following three Policy issues should be addressed first: “East Bay Community Energy should offer...”



2. An electric supply portfolio with a lower greenhouse gas (GHG) intensity than PG&E
3. An electric supply portfolio that has a higher renewable energy content than is offered by PG&E and also meets or exceeds the State's renewable portfolio standard
4. An electric supply portfolio and CCE program offerings that support the achievement of city and county Climate Action Plan goals

The following roughly tie for fourth, but are key to the CCE's life:

1. Overall rates and customer bills that are lower than or competitive with those offered by PG&E
12. An administering Agency that is financially sustainable, responsive to County and regional priorities, and well managed

Statement of Goals from the Sonoma Clean Power Resource Plan, Page 6, lightly edited:



- Reducing greenhouse gas emissions related to the use of power in Sonoma County and neighboring regions;
- Providing electric power and other forms of energy to customers at a competitive cost;
- Carrying out programs to reduce energy consumption;
- Stimulating and sustaining the local economy by developing local jobs in renewable energy;
- Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources;
- “...Promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar, wind, and biomass energy production... purchase of [non-local] renewable power and use of [unbundled] renewable energy credits is intended only as a transitional method to decrease regional greenhouse gas emissions; local renewable projects are the preferred method.”
- [As described in Chapter 2, SCP has already implemented overarching policies to address the use of "unbundled renewable energy credits", i.e. Category 3 RECs, through limiting Category 3 REC use to only that allowed under the California’s Renewable Portfolio Standard (RPS) requirements.]

Ideas to Consider for Present and Future Policy Discussions:



1. Our current statement of goals and policy concepts is simple, overarching and would allow substantial flexibility for a JPA Board to deal with the intricacies of a CCE startup and ongoing operations.
2. Even well after startup, Sonoma Clean Power's Resource Plan appears to have adopted a similar philosophy and style for its goals and policies. This suggests that simplicity also helps in implementation beyond the basic planning. EBCE may choose a more or less detailed approach.
3. The Survey results indicate a strong preference to address issues of GHG reduction and strong renewable energy portfolio first, along with ensuring good program administration and competitive costs. Staff suggests that any Committee conversation begin with these issues, and then weave other issues into the policy fabric in subsequent discussions.

Ideas to Consider for Present and Future Policy Discussions:



4. Each stated goal or policy, when implemented, has an associated cost that must be supported by a CCE revenue stream. Agency administration, power purchases, renewable versus nonrenewable energy, GHG reduction, local renewable energy development, local job creation, preference for union jobs, and reduction of billing rates – all of these have a great value and also a price associated with them.
5. In some cases, these goals and policies may be gently at odds with each other. One goal may not be in perfect harmony with another goal. Not only is this true for practical implementation, but it is also true in terms of costs. Emphasizing one goal may result in a trade-off with one or more other goals, and may require a JPA board to balance costs against one another. Balancing cost competitiveness against implementation of CCE goals/policies will be the Board's ongoing challenge and mandate.
6. Staff believes it premature at this time to be overly proscriptive or to draft policy documents, given that we cannot predict our study results or market conditions when we go out to bid. We can, however, discuss these issues, articulate preferences and offer written feedback to the eventual Board for their use in crafting/implementing JPA policies. Tonight, let's open the conversation and see what areas of consensus or divergence exist, and work through those as the program evolves.

In summation, the Committee may wish to consider:

- a. Is there anything that needs to be further said about how we achieve these goals – thoughts, ideas and concerns?
- b. What are the committee’s thoughts on the question of cost competitiveness and how that affects EBCE goals 2-4? Are we ok with generation rates/power products that are more expensive than PG&E?
- c. Subsequently, what are the committee’s thoughts with respect to costs and trade-offs so that implementation best serves the broadest number of community members, understanding the wide range of socioeconomic and policy preferences that exist in our County?
- d. What are the committee’s thoughts with respect to prioritization of goals and implementation over time?

We also have Mark Landman, recent Chair of SCP, with us to discuss how their similar goals have manifested (or not) so far, and any thoughts about phased implementation and trade-offs that SCP has had to deal with since their program launch.