

Community
Choice
Aggregation
(CCA)
Feasibility
Study

City Council
2/19/19



**Department of Economic
Development**

**Office of Sustainability
Conservation Section**

Background



CHULA VISTA Climate Action Plan

Adopted by City Council • September 2017

2017



Preparing for Community Choice Aggregation Feasibility Study:

- Funds included in FY2019 Budget
- Directed by City Council to initiate CCA Feasibility Request For Proposals



2 Clean Energy Sources

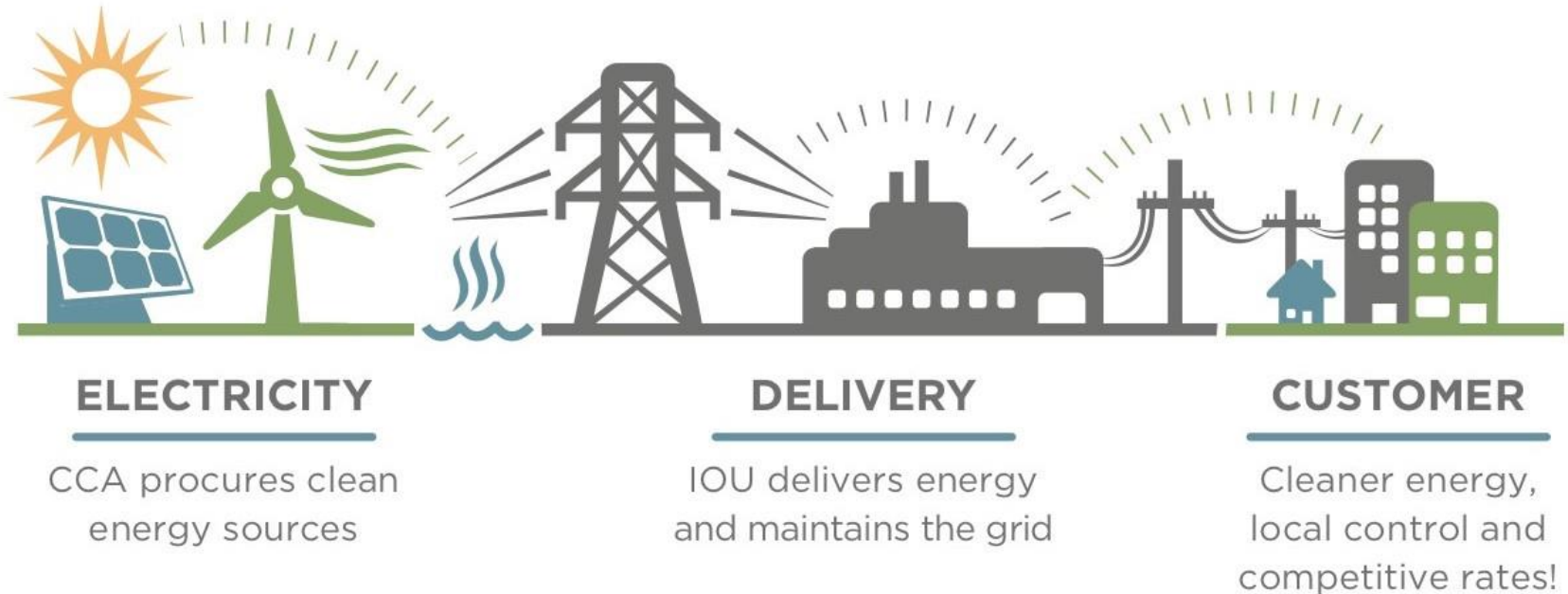
- A) Incorporate solar photovoltaic into all new residential and commercial buildings
- B) Provide more grid-delivered clean energy (up to 100%) through Community Choice Aggregation or other mechanism

Background



Climate Action Plan set goal to achieve 100% clean electricity by 2035

Background



- Community Choice Aggregation (CCA) overview from CAL-CCA
- Allows communities to purchase power to meet their electricity needs
- Default opt-in but customer can opt-out
- Investor Owned Utility (IOU) still distributes energy



- Serving Customers
- Implementation Plan Filed
- Considering CCA

Redwood Coast Energy Authority:
Humboldt County, water district & 7 cities

Sonoma Clean Power:
Sonoma & Mendocino Counties

MCE: Marin & Napa Counties,
1 city in Solano County, Unincorporated
Contra Costa County & 13 cities

CleanPowerSF: San Francisco County

East Bay Community Energy:
Unincorporated Alameda County & 11 cities

Peninsula Clean Energy:
Unincorporated San Mateo County & 20 cities

San Jose Clean Energy: City of San Jose

Silicon Valley Clean Energy:
Unincorporated Santa Clara County & 12 cities

King City Community Power: City of King City

Monterey Bay Community Power:
Unincorporated Monterey, San Benito & Santa
Cruz Counties & 16 cities

Morro Bay
San Luis Obispo

Lancaster Choice Energy: City of Lancaster

Apple Valley Choice Energy: City of Apple Valley

Pico Rivera Innovative Municipal Energy: City of Pico Rivera

San Jacinto Power: City of San Jacinto

Clean Power Alliance: Unincorporated Ventura County & 7 cities,
Unincorporated Los Angeles County & 22 cities

Desert Community Energy: Cities of Palm Springs, Palm Desert & Cathedral City

Rancho Mirage Energy Authority: City of Rancho Mirage

Solana Energy Alliance: City of Solana Beach

Pioneer Community Energy:
Unincorporated Placer County & 5 cities

Valley Clean Energy Alliance:
Yolo County & cities of
Woodland & Davis

Fresno Co.
City of Hanford
Tulare Co.
Kings Co.

Santa Barbara Co.

City of Santa Paula
Westlake Village

City of Palmdale
City of Baldwin Park
City of Commerce

City of Pomona

Western Community Energy: 7 cities

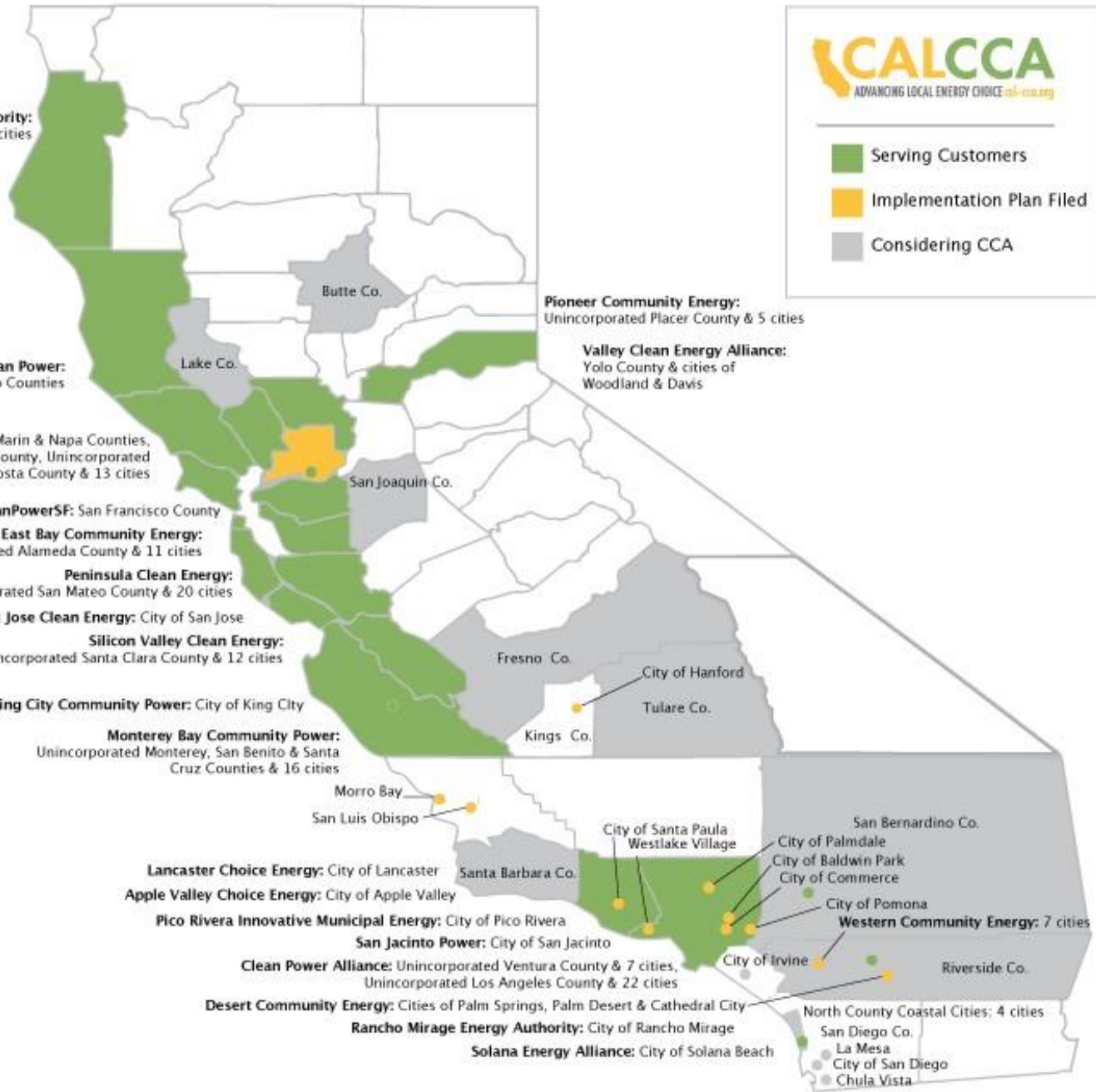
City of Irvine

Riverside Co.

North County Coastal Cities: 4 cities

San Diego Co.
La Mesa
City of San Diego
Chula Vista

San Bernardino Co.



CCA Benefits & Risks

Potential Benefits

- Local control – Power purchased, rates, possible programs, support electric vehicles
- Cleaner environment – Can purchase more renewable energy
- Local power, local jobs – Can reinvest revenue back into communities
- Economic Development – Can attract business through lower rates



CCA Benefits & Risks

Potential Risks

- Power procurement – Accurately forecasting energy demand and supply
- Regulatory landscape - Rate charges (power charge indifference adjustment (PCIA), California Public Utility Commission (CPUC) contracts & regulations (possible push needed notice to join existing CCA from 1 to 3 years)
- Customer opt-out – Residents who do not want to participate
- Competing priorities – Higher renewables cost more, build financial reserves vs. invest in local projects



CCA Structure

Governance Options

- Sole city – More local control but more staff and financial requirements
- Joint Powers Authority (JPA) – Work with other jurisdictions to spread resource requirements and serve to financially protect individual jurisdictions
 - Engaging with City of San Diego and others in the region to discuss potential of a regional JPA



Feasibility Study



- First step in Community Choice Aggregation (CCA) is to conduct a feasibility study
- Based on data from SDG&E
- Evaluate potential environmental and economic impacts of a CCA program

Feasibility Study



**CITY OF
LA MESA**
JEWEL of the HILLS



- Partnering with City of La Mesa & City of Santee
- Aligned timelines and goals
- Reduce costs for all jurisdictions
- Each City will be studied individually, no commitment to work together past feasibility study

Feasibility Study



- RFP closed in December, 2018
- Engineering and management consulting firm that has been serving the utility industry since 1978
- Prepared CCA documents for 5 Cities, 3 Counties and 3 Associations of Governments

Feasibility Study

Milestone/Activity	Month (from start of contract)								
	1	2	3	4	5	6	7	8	9
Notice to Proceed	█								
Submit Data Request to SDG&E	█								
SDG&E Fulfills Data Request		█	█						
Receive, Process, and Validate Data				█					
Task 1 Load Study Forecast				█	█				
Task 2 Rate Analysis and Comparison				█	█				
Task 3 Supply Scenario Analysis					█	█			
Task 4 Pro-Forma Analysis					█	█			
Task 5 Sensitivity Analysis					█	█			
Task 6 Regulatory and Risk Analysis					█	█			
Task 7 Governance, Management, and Funding					█	█			
Task 8 Economic Impacts					█	█			
Draft Feasibility Report							█		
Final Feasibility Report								█	
Presentation to CCA Partners									█
Presentation to Public									█

- NDA for data request already filled with SDG&E
- San Diego CCA JPA is looking for commitments from cities in summer

Next Steps

- Receive San Diego Gas and Electric (SDG&E) data
- EES work with Cities to produce draft study
- City staff and stakeholder review draft and provide feedback
 - City staff to host two workshops (one in the east and one in the west)
- Staff bring final study back to City Council for adoption and seek guidance on further action.



Questions?

“Together we can build a world we want, a world we’re proud to leave our children and grandchildren.”

– Ban Ki-moon

Cory Downs

Sustainability Specialist

(619) 476-2442

cdowns@chulavistaca.gov

