



Community Choice Aggregation Program Summary Overview

CITY OF LAKE ELSINORE COUNCIL MEETING

February 27, 2017

What is Community Choice Aggregation (CCA)?

ANSWER

AB 117 allows local governments to provide electricity to customers as an alternative to the current energy provider (SCE)

HOW LOCAL ENERGY AGGREGATION WORKS



source

delivery

customer

CCA

Buying and building
electricity supply

UTILITY

Delivering energy,
maintaining lines,
billing customers

YOU

Benefitting from
affordable rates, local
control, cleaner
energy

Why are jurisdictions participating in CCA's?

ANSWER

- **Creates local control over programs, rates, power supply/generation options**
- Provides customers with choices
- Lower / competitive rates and greener mix, if desired
- Creates favorable economic development opportunities by offering energy at reduced rates



The concept is NOT new

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OPERATIONAL CCA'S

MCE Clean Energy (includes Marin and Napa County and parts of Contra Costa Solana Counties)

Sonoma Clean Power (includes Mendocino County)

Lancaster Choice Energy

Clean Power San Francisco

Peninsula Clean Energy (San Mateo County)

Pico Rivera Innovative Municipal Energy

Redwood Coast Energy Authority (Humboldt County)

Silicon Valley Clean Energy (Santa Clara County)

Town of Apple Valley

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2018 LAUNCH

City of San Jacinto

City of Solano Beach

Coachella Valley

East Bay Community Energy (Alameda County)

Los Angeles Community Choice

Monterrey Bay Community Power

City of Rancho Mirage

Sierra Valley Energy (Placer County)

Riverside County unincorporated

Valley Clean Energy Alliance (Yolo County, Cities of Davis and Woodland)

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EXPLORING

Butte County

City of Corona

City of Hermosa Beach

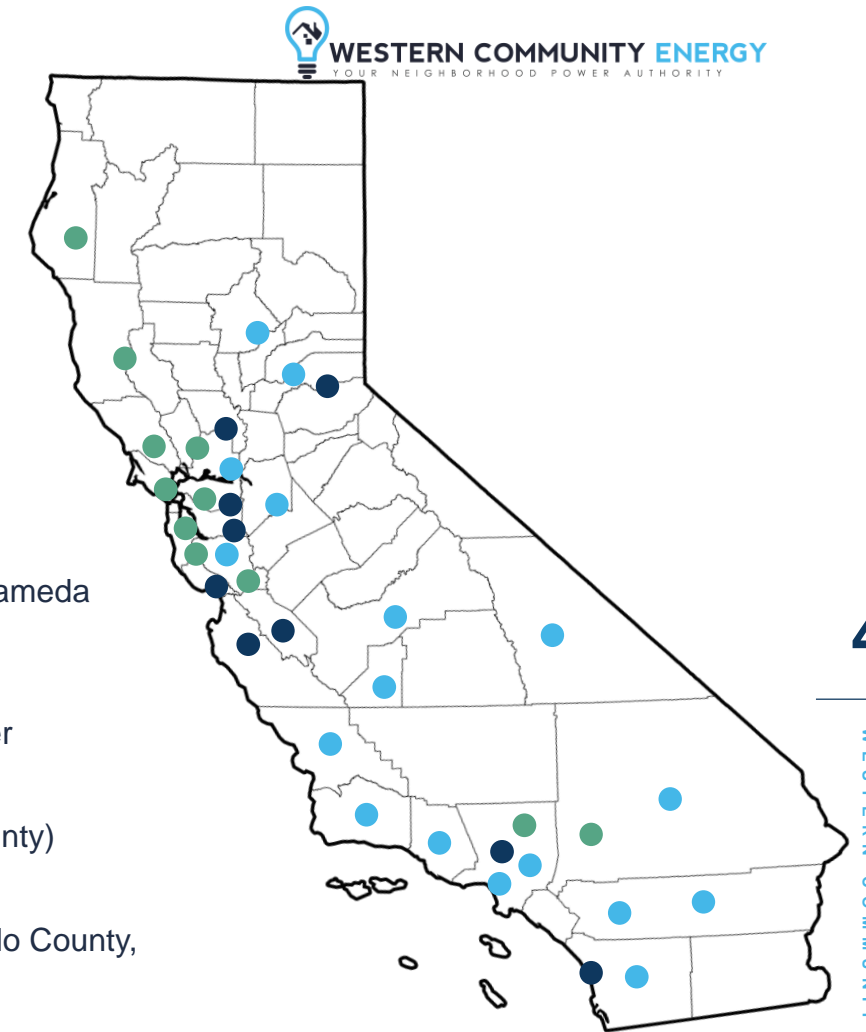
City of San Jose

Inyo County

Kings County

Nevada County

WRCOG



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WESTERN COMMUNITY ENERGY

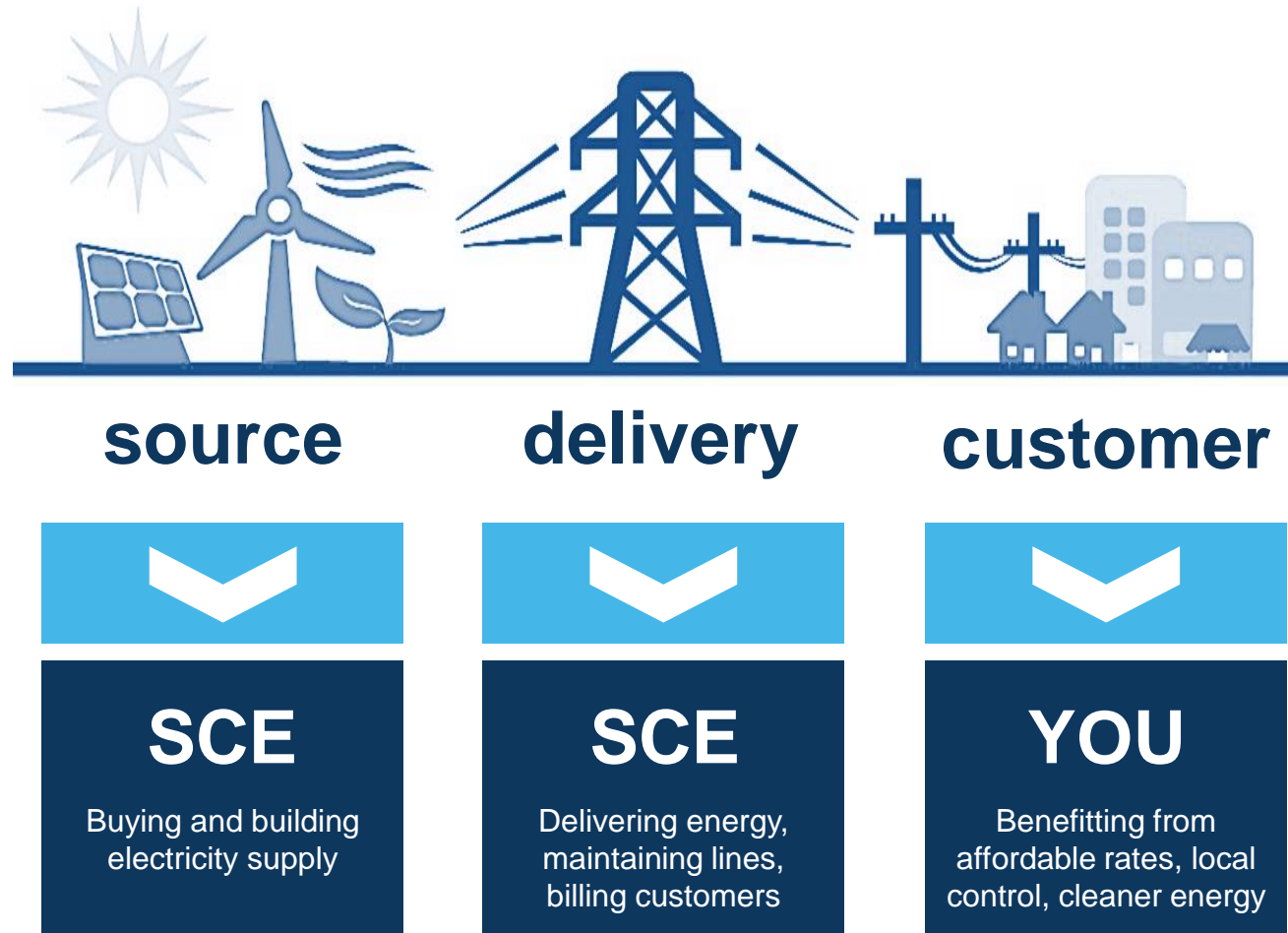
San Diego County

San Joaquin County

Tri-County (San Luis Obispo, Santa Barbara, and Ventura Counties)

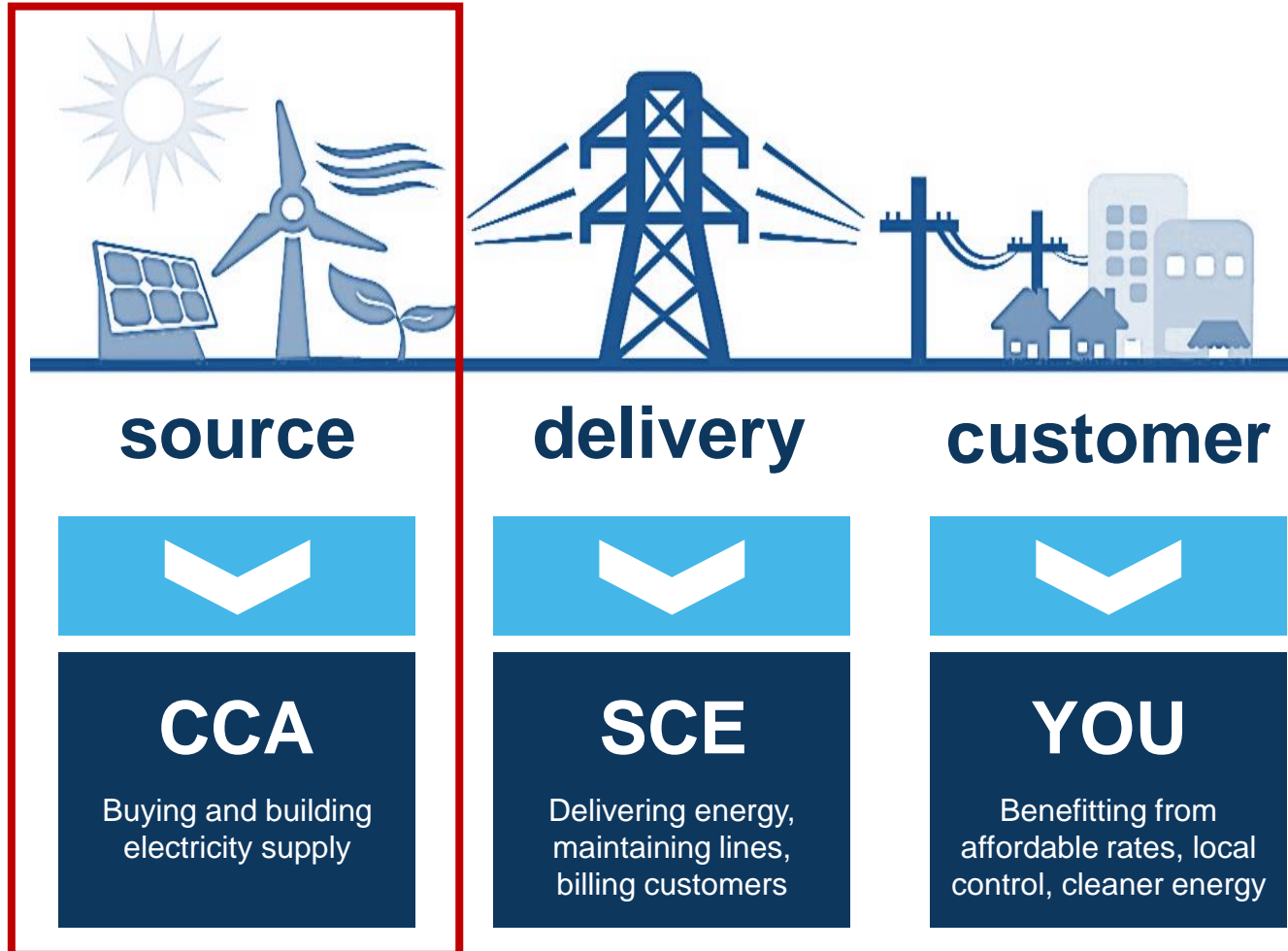
Current process for how electricity gets to **you?**

HOW LOCAL ENERGY AGGREGATION WORKS



What would a CCA **do**?

HOW LOCAL ENERGY AGGREGATION WORKS





Do CCA's save money for consumers?

ANSWER

- Marin and Sonoma County (SCP) residents saved \$6 million in utility costs combined in 2014
- City of San Rafael saved \$47,000 in its municipal facility utility costs the first year (3% savings from PG&E)
- SCP was net positive in 60 days. After 18 months, reserve built up to \$36 million
- For WCE (our) region, feasibility study indicates that savings to consumers could be up to approximately \$30 million annually depending on the number of jurisdictions participating

What are the potential residential savings?

ANSWER

~2% Savings – Residential

\$16.83 per year = **\$2,474,336** for 147,000 residential units

\$16.83 per year = **~\$306,000** for Lake Elsinore residential units (~18,000)

~4% Savings – Residential

\$33.66 per year = **\$4,948,673** for 147,000 residential units

\$33.66 per year = **~\$612,000** for Lake Elsinore residential units (~18,000)

Is it worth the effort?

ANSWER

- Yes


~2% Savings in 10 years = \$24+ million (residential only)

~4% Savings in 10 years = \$49+ million (residential only)



What would my bill look like if I was a CCA customer?

ANSWER



SOUTHERN CALIFORNIA
EDISON
An EDISON INTERNATIONAL® Company

P.O. Box 300
Rosemead, CA
91772-0001
www.sce.com

Your electricity bill

SMITH, JOHN / Page 1 of 8

For billing and service inquiries call 1-800-974-2356,

Date bill prepared: Mar 31 '17

1234 LANCASTER STREET
LANCASTER, CA 93536-6203

1 **Customer account** X-XX-XXX-XXXX

Your account summary

Previous Balance	\$134.59
Payment Received 03/10	-\$134.59
Balance forward	\$0.00
Your new charges	\$115.38
Total amount you owe by Apr 19 '17	\$115.38

Summary of your billing detail

Service account	Service address	Billing period	Your rate	New charges
2 X-XXX-XXXX-XX	1234 LANCASTER STREET LANCASTER, CA	Feb 28 '17 to Mar 29 '17	DOMESTIC (SCE)	4 \$79.02
3 X-XXX-XXXX-XX	1234 LANCASTER STREET LANCASTER, CA	Feb 28 '17 to Mar 29 '17	DOMESTIC	5 \$36.36
				6 \$115.38

Details of your new charges

7 Your rate: DOMESTIC (SCE)
Billing period: Feb 28 '17 to Mar 29 '17 (29 days)

Delivery charges	29 days x \$0.03100	\$0.90
Basic charge		
Energy-Winter		
Tier 1 (100% of baseline)	305 kWh x \$0.08291	\$25.29
Tier 2 (101% to 400%)	263 kWh x \$0.16838	\$44.28
CCA cost responsibility surcharge		
PCIA	568 kWh x \$0.00920	\$5.23
DWR Bond Charge	568 kWh x \$0.00549	\$3.12
CTC	568 kWh x -\$0.00034	-\$0.19
Other charges or credits		
Generation Municipal Surcharge		\$0.39
Subtotal of your new charges		\$79.02
Your new charges		\$79.02

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Your Delivery charges include:

- \$9.15 transmission charges
- \$47.32 distribution charges
- \$0.01 nuclear decommissioning charges
- -\$0.69 conservation incentive adjustment
- \$8.66 public purpose programs charge
- \$5.78 new system generation charge

Your overall energy charges include:

- \$0.72 franchise fees

(Continued on next page)

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Rotating outage Group N001

Details of your new charges

LANCASTER CHOICE ENERGY

Your rate: DOMESTIC
Service Account: X-XXX-XXXX-XX
Billing period: Feb 28 '17 to Mar 29 '17 (29 days)

Generation Charges	
13% MARKET DEMAND ADJ - ALL	-\$0.20
10% MARKET DEMAND ADJ GENERATION	547.18 KWH @ 0.07082
GENERATION	20.59 KWH @ 0.07454
ENERGY SURCHARGE	\$0.16
Sub-Total of LCE Generation Charges	\$36.36
Your New Charges	\$36.36

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Proforma Summary

Revenue and Expenses Summary (millions)	CY 2019	CY 2020
Total Electric Sales Revenues	\$126.0	\$133.1
<i>Operating Expenses</i>		
Power Supply	\$93.2	\$101.3
SCE Fees, Billing and Data Management	\$2.7	\$2.7
Staffing, General & Admin	\$1.5	\$1.4
Debt Service	\$2.1	\$0.2
Total Operating Expenses	\$99.5	\$105.6
Operating Reserves	\$8.4	\$9.0
CCA Program Surplus	\$18.1	\$18.5
Cumulative Program Surplus	\$26.7	\$45.2

- Revenues include rate savings of 2% vs. SCE 2018 rates



How will it work? Must all residents and businesses participate?

ANSWER

- Per state law, CCA is an “opt out” program – once City joins, it is joining on behalf of its residents and businesses
- CCA required to notify consumers 2 times prior to program launch and 2 times after program launch
 - Provides consumers an opportunity to opt out if they wish
 - After that, customers can still opt out at any time
- **Customers can opt-out / join at any time**

RESIDENTIAL			
DOMESTIC / D-CARE			
2017 Schedule D-CARE	SCE	AVCE Core Choice (35% Renewable)	AVCE More Choice (50% Renewable)
Generation Rate (\$/kWh)	\$0.07477	\$0.06443	\$0.06443
SCE Delivery Rate (\$/kWh)	\$0.05830	\$0.05830	\$0.05830
Surcharges (\$/kWh)	N/A	\$0.00034	\$0.00034
Total Costs (\$/kWh)	\$0.13307	\$0.12307	\$0.12307
More Choice Premium	N/A	N/A	\$2.00
Average Monthly Bill (\$)	\$82.50	\$76.30	\$78.30

Monthly Usage: 620 kWh
 Rates are current as of June 1, 2017
 *This comparison illustrates the estimated electricity costs for a typical Schedule D residential CARE customer within the jurisdiction of the Town of Apple Valley with an average monthly consumption of 620 kilowatt-hours (kWh). This comparison is based on billed usage from December 1, 2015 to November 30, 2016 for all applicable SCE D-CARE service accounts within the jurisdiction of the Town of Apple Valley and AVCE's published rates as of April 1, 2017.

RESIDENTIAL			
DOMESTIC / D			
2017 Schedule D	SCE	AVCE Core Choice (35% Renewable)	AVCE More Choice (50% Renewable)
Generation Rate (\$/kWh)	\$0.07477	\$0.06443	\$0.06443
SCE Delivery Rate (\$/kWh)	\$0.12926	\$0.12377	\$0.12377
Surcharges (\$/kWh)	N/A	\$0.01359	\$0.01359
Total Costs (\$/kWh)	\$0.20403	\$0.20179	\$0.20179
More Choice Premium	N/A	N/A	\$2.00
Average Monthly Bill (\$)	\$146.09	\$144.48	\$146.48

Monthly Usage: 716 kWh
 Rates are current as of June 1, 2017
 *This comparison illustrates the estimated electricity costs for a typical Schedule D residential customer within the jurisdiction of the Town of Apple Valley with an average monthly consumption of 716 kilowatt-hours (kWh). This comparison is based on billed usage from December 1, 2015 to November 30, 2016 for all applicable SCE Schedule D (non-CARE) service accounts within the jurisdiction of the Town of Apple Valley and AVCE's published rates as of April 1, 2017.

Will I be able to compare CCA vs. SCE rates?

ANSWER

- Yes
- Annual statement provided to customers
 - Prepared mutually by the CCA and the utility (SCE)
 - Provides comparison of energy bills
 - Annual rate comparisons will be posted on WCE's website

What are additional CCA benefits?

ANSWER

- **Enhance existing SCE Programs:**

1. Income Qualified Programs
2. Comprehensive Mobile/Manufactured Home Program
3. CARE and FERA program outreach and incentives
4. Demand Response outreach programs
5. Flex Alert outreach
6. Commercial/Municipal Direct Install Programs

- **Develop new Energy programs, initiative pilots:**

1. Incentive and support electric vehicle (EV) and EV infrastructure deployment
2. Develop and pilot Innovative energy measures/projects:
 - a) Energy Storage (Batteries)
 - b) Thermal Storage (Ice, natural gas)
 - c) Existing building Weatherization products
3. Micro-grid development/support
4. Zero Net Energy incentives/development/support
5. School and Community Energy outreach/education programs
6. LED Holiday Light Exchange Programs
7. Residential LED Light exchange program

What are the **risks**?

ANSWER

- Legislation and regulatory changes
- Increased energy costs
- Decrease in SCE generation charges

How can the risks be **minimized**?

ANSWER

- Active engagement with State agencies
- Due diligence in contract management and oversight
- Creation of a rate stabilization fund



What are start-up the costs?

ANSWER

- ~\$4 million
- WRCOG will cover these costs or WCE (once established) can take out a loan
- Start-up costs would be recouped by revenues realized during the first year of operation and would be returned to WRCOG or applied towards loan repayment



How do cities **join**?

ANSWER

- Council action to join the JPA
- Council holds public hearing for CCA ordinance

What are City staff **impacts**?

ANSWER

- Provide information at front counters
- Direct any phone calls to WCE staff

What happens **next**?

ANSWER

- Once a few cities have joined the JPA (~2.2 m MWh)
- Staff begins to engage outreach to the Community
- Conduct 1st WCE Board meeting
- Adopt Implementation Plan at 2nd WCE Board meeting
- Staff submits Plan to CPUC



Next steps and draft timetable

July 2017	DEVELOP AND BEGIN IMPLEMENTING MARKETING STRATEGY
Ongoing	DETERMINE WHO IS "IN"
Ongoing	FORM NEW JPA HOUSE AND THE CCA
March 2018+	JURISDICTIONS PASS ORDINANCE TO JOIN
April 2018	ESTABLISH INITIAL GOVERNING BOARD
April 2018	DEVELOP IMPLEMENTATION PLAN FOR CPUC FILING
May – Sept. 2018	TRANSMIT OPT-OUT NOTICES TO CCA CUSTOMERS
October 2018	POTENTIAL LAUNCH PHASE 1 (~170,000 accounts)



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