



**Coachella Valley Association of Governments
Ad Hoc Working Group
Community Choice Aggregation**

**Monday, April 17, 2017
10:30 am to 12:30 pm**

**CVAG office
73-710 Fred Waring Drive, Suite 200 Conference Room
Palm Desert**

MEETING AGENDA

- A. Introductions
- B. Community Choice Aggregation – Examples from Existing CCAs
- C. Review of Proposals Received (RFP) for CCA Implementation and Operations
- D. Governance Structure Discussion
 - 1. Recommendation to Energy & Environment Committee (for May 11 meeting)
- E. Next Steps
- F. Set regular meeting date

Lunch will be served

Attachment:

- 1. For your information. *Recap and Summary of Community Choice Aggregation Conference in San Diego, March 10, 2017*



MEMORANDUM

TO: Tom Kirk, Executive Director, Coachella Valley Association of Governments

FROM: Benjamin Druyon, Management Analyst, Coachella Valley Association of Governments

SUBJECT: **Recap and Summary of Community Choice Aggregation Conference in San Diego**

DATE: March 13, 2017

On Friday, March 10 you and I attended the San Diego Community Choice Energy Forum for 2017. The attached agenda lists speakers and topics but generally the subject matter included how to form a CCA; the options associated with running a CCA; and the benefits, challenges and opportunities associated with CCAs. The audience consisted of various like-minded individuals from the government sector as well as private companies who were either in the process of implementing a CCA or already operating one. It is clear that MANY areas of California are considering setting up a CCA, some as individual cities and more as groups of cities through existing Joint Powers Agreements or by forming new JPAs.

Notes from the meeting:

- There was general consensus that feasibility studies were not very useful as predictive tools but panelists understood why they were undertaken; to demonstrate to decision makers that the CCA makes economic sense. Until power is actually purchased, there is no way predict how much money rate payers could save.
- Some steps for setup:
 - Start now! Don't wait.
 - Currently historically low commodity prices
 - Low water mark for cost of renewables
 - Little competition with I.O.U.'s for renewable needs
 - Typical startup costs are in the ballpark of \$1 to \$3 million
 - Find a Maestro to orchestrate the effort
 - Designate champions for each participating jurisdiction
 - Define goals (cleaner power than I.O.U., local investment, etc.)
- Have a Game Plan:
 - Consider phased approach
 - More than one panelist suggested that rates should be kept just below Edison's, or any Investor Owned Utility's (IOU), rates, even if greater savings can be generated. This allows the CCA to generate a reserve which can be used to leverage other resources, build solar, provide energy efficiency incentives, etc. One panelist indicated they kept rates at 1% less than the IOU for the first 2 years
 - Reserves should be planned accordingly (collect money over time or set aside early?)
 - CCA's balance power purchases by taking advantage of short-term, market power with long-term contracts that create some certainty for a higher price
 - Another panelist suggested rates can be set to absorb the exit fee (PCIA fee) and be lowered by .25% compared to utility

- Shared program savings to keep costs lower
- Must do prior to launch:
 - Implementation Plan begin from day one
 - Signed Service Agreements with I.O.U. Note that these are boilerplate agreements and if a CCA tries to change them the IOU could spend months negotiating a new service agreement.
 - Establish banking arrangements, for example with a local bank(s) early in the process.
 - Consider arrangements for jurisdictions to front startup costs. The up-front costs can be paid back as revenue start coming in. Pay back times are typically very quick (e.g. 2 years)
 - RFP for Power Supply
- Look for Potential Partners:
 - I.O.U.'s
 - Banks
 - Data Management
 - Scheduling Coordinator
 - Consultants
 - Legal Support
- Things to Consider:
 - Use lessons learned from other CCA's; don't learn lessons other CCA's have already learned
 - Plagiarize successful documents (don't recreate the wheel)
 - Walk before you run
 - Use focus & discipline
 - Run the CCA as a business
 - Be flexible to adapt to market changes
 - Mass Market as an Energy Company
 - Build Identity & Brand
 - Know customer base
 - Consider all feedback
 - There will always be opposition
 - Lots of polling prior to formation
 - Need a great website for promotion
 - Work with I.O.U.'s whenever possible
 - Work with private energy developers
 - Assess cost benefit of a diverse portfolio using local power
 - Economies of scale do matter
 - Outsourcing is acceptable and common

WELCOME!

Community Choice Energy is a proven model for increased consumer choice, local control, clean energy, and competitive rates. San Diego is ready to learn. We have assembled a team of experts from around the state and right here in our hometown to walk you through the nuts and bolts, challenges, and opportunities of Community Choice so you can make informed decisions about the best solutions for your community.

AGENDA

8:00	Registration and Breakfast
8:30	Welcome and Introduction Nicole Capretz – Executive Director, Climate Action Campaign Blair McNeill – Vice President of Market Development, Renovate America
9:00	Panel 1: What is Community Choice Energy, How It Works, and Where It's Successful Moderator: Cecilia Aguillon – Director of Market Development, Kyocera Int'l Solar Energy Shawn Marshall – Co-founder and Executive Director, LEAN Energy US Rick Bishop – Founder and Executive Director, Western Riverside Council of Governments Gary Gero – Chief Sustainability Officer, County of Los Angeles Jamie Tuckey – Director of Public Affairs, MCE
10:30	Mid-Morning Break and Snacks
11:00	Panel 2: How to Develop a Community Choice Energy Program Moderator: Erika Morgan – Executive Director, San Diego Energy District Dave Pine – Vice President, San Mateo County Board of Supervisors Tom Habashi – CEO, Silicon Valley Clean Energy Colin Miller – Program Manager, Local Clean Energy Alliance Drake Welch – Vice President, Calpine Energy Solutions
1:00	Lunch & Keynote Speaker R. Rex Parris – Mayor, City of Lancaster
2:00	Panel 3: Community Choice Energy: Benefits, Challenges, and Opportunities Moderator: Nilmini Silva-Send – Assistant Director, USD Energy Policy Initiatives Center Barbara Hale – Assistant General Manager, San Francisco Public Utilities Commission Ann Hancock – Executive Director and Co-Founder, Center for Climate Protection Ty Tosdal – Attorney, Tosdal Law Firm Michael Gelfand – President, Owner of Terra Vista Management (Operator of Campland on the Bay) Gus Luna – Senior Vice President Origination & Development, Terra-Gen LLC
3:15	Networking and Refreshments This open-ended period is intentionally unstructured and agenda-free to give you plenty of opportunity to interact with the speakers and your colleagues.