

1. Agenda

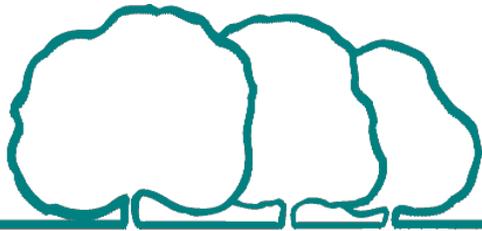
Documents:

[FEBRUARY 6, 2017 CCE ADVISORY COMMITTEE AGENDA \(PDF\).PDF](#)

2. Presentation

Documents:

[FEBRUARY 6, 2017 PRESENTATION ON WORK PLAN ELEMENTS AND SCHEDULE \(PDF\).PDF](#)



City of Woodland

**COMMUNITY CHOICE ENERGY
TECHNICAL ADVISORY COMMITTEE
FEBRUARY 6, 2017 - 6:00 P.M. – 8:00 P.M.**

**Woodland Community and Senior Center – Meeting Room 2
2001 East Street, Woodland CA**

Agenda

1. Welcome and Roll Call
2. Public Comment
This is an opportunity for members of the public to comment on subjects related to Community Choice Aggregation (Community Choice Energy) that are not on the agenda.
3. Meeting Notes Approval
4. Informational Report on CPUC Community Choice Aggregation En Banc Hearing
5. Discussion of Work Plan Elements and Schedule
6. Adjourn

NOTICE: Individuals who need special assistance or a disability-related accommodation, including auxiliary aids or services, in order to participate in this meeting should contact Reyna Piñon, Conservation Coordinator, at least 1 working day before the meeting. Reyna may be reached at (530) 661-2063 or by emailing reyna.pinson@cityofwoodland.org.

Discussion of work plan elements and schedule

Tom Flynn

CCE Technical Advisory Committee Meeting

February 6, 2017

What's our task and how do we accomplish it?

- Purpose of CCE Technical Advisory Committee
 - Evaluate the benefits and risks of CCE participation*
 - Provide recommendations to the City Council regarding such participation (i.e., the decision about whether to participate in a CCE program by early 2017)**
- How do we accomplish this assignment?
 - Perform evaluation (both quantitative and qualitative)
 - Summarize findings/recommendations in a report
 - Provide report to the City Council by Summer 2017

* Keep limited to specific CCE participation options under consideration (rather than a general treatise on CCE participation benefits/risks)

** This timing is from the City Council resolution creating the CCETAC; likely needs adjustment

Discussion topics

- Framework for evaluation (possible report outline)
- Information and expertise needed to perform evaluation
- Schedule for performing evaluation and producing report

Framework for evaluation (possible report outline)

- City objectives relevant to evaluation
- Background / introduction to CCA concept
- Context / current environment
- CCA participation options to evaluate
- Comparative criteria to use in evaluation
- Information / expertise needed to perform evaluation
- Community outreach plan / stakeholder input
- Schedule
- Other considerations

What City objectives are relevant to CCA participation?

Why is the City considering CCA participation? What are the City's objectives and goals? CCA participation could help the City achieve which of its objectives and goals?

- 2020 Climate Action Plan
 - Increase proportion of energy obtained from renewable resources
 - Objective 2: Obtain 40 MW of electricity from renewable sources
 - Strategy E-6 lists CCA as a mechanism for increasing the amount of renewable energy
 - Actions listed include: promote installation of solar; promote expansion of community solar opportunities; explore opportunities for establishing a countywide or regional CCA that obtains all or a high proportion of its power from renewable sources.
- 2035 CAP
- Economic development (competitive rates & green) – see general plan update
- Others?

Background / introduction to CCA concept

- Community Choice Aggregation was created in California by AB 117 (2002), which authorized local governments to aggregate customer electric load and purchase electricity for customers.
- CCAs are governmental entities formed by cities and counties to procure electricity for their residents, businesses, and municipal facilities.
- When a CCA launches, investor-owned utility (IOU) electricity customers in the designated service area are automatically opted-in to CCA service, and have to opt out to continue to be served by the IOU (unlike ESPs, which can cherry-pick their customers).
- In contrast, if a city or county decides to municipalize under state law, there is no opt-in-or-out – the entire jurisdiction takes service from the new publicly owned utility.
- A CCA purchases power for its customers (same for ESPs).
- CCA rates are not regulated by the CPUC (same for ESPs) and instead are regulated by the CCA following its own public process (unlike ESPs) – and as a result are typically lower than IOU rates.

Context / current environment

- California's GHG emission reduction goals...must do more than increase RPS to achieve GHG reduction goals
 - Only 20% of GHG emissions derive from electric generation
 - 80% derive from transportation, heating with natural gas, agriculture and large industrial operations
- Emerging trends in California – energy industry is undergoing a rapid transformation
 - Growth in customer choice
 - Growth in use of DERs
 - Growth in CCAs
- Likely CCA growth in next few years is significant (80% of statewide IOU load could go to CCAs and DA)
 - A number of new CCAs have formed in California in recent years (cite numbers)
 - There is a potential for significant additional CCA growth (cite projections)
 - Closer to home, VCEA has formed and is working toward commencement of service
- Regulatory paradigm is being challenged
 - Central planning vs. decentralized planning

CCE participation options to evaluate

- Status Quo (PG&E)
- Join VCEA
 - Scenarios: prior to commencement of service vs. after commencement of service
- Join another CCE already in operation (e.g., MCE, SCP)
- Others options?

Comparative criteria to use in evaluation (i.e., weighting and scoring the options)

- **Rate Competitiveness**
 - Level of anticipated ratepayer savings under range of future scenarios
 - Accretion of financial reserves for energy investment, financial and risk management
- **Governance and Local Control**
 - Weight of individual vote in governing board decisions
 - Complexity, contentiousness & transparency of decision making process
 - Ability of community to interact with governing board
 - Directing energy investments to meet local objectives
 - Adoption of planning, management and business practices consistent with local objectives
 - Flexibility to adopt to evolving market, regulatory, legislative conditions
- **Risk and Mitigation**
 - Startup risk
 - Customer opt out risk
 - Operating risk (excluding market and counterparty risk)
 - Market and counterparty risk
 - Incumbent utility opposition risk
 - Legislative and regulatory risk
 - Host entity risk
 - Management of unwinding contracts and partnerships
 - Management of CCA shutdown

Information / expertise needed to perform evaluation

- Final report (dated 7/27/16) from Davis/Yolo County Technical Study did not include Woodland
- A consulting firm performed that study (The Energy Authority or “TEA”)
- A quick rerun of that study should be performed that includes Woodland (would have a much narrower scope/focus)
- TEA has already built the pro forma model and could provide updated pro forma (since 9/8/16)
- Woodland should engage TEA to assist the CCETAC in performing evaluation including the exercise of weighting and scoring the matrix

Community outreach plan / stakeholder input

- City Council established its fourteen-member CCETAC to include a broad range of stakeholders
 - Interested community members who represent a mix of expertise or special interest in electric utility systems and policy
 - Expertise or special interest in local economic and environmental issues
 - Large energy users
 - Knowledge of the community
- City Council's decision will allow for public comment
- Is additional community outreach necessary? YES

Schedule

Date	Meeting	Potential Action – Woodland Plan A	Potential Action – Woodland Plan B	Potential Action – Woodland Plan C
Mon, 2/6	CCE Adv Comm			
Tues, 2/7	City Council			
Tues, 2/14	VCEA JPA Bd			
Tues, 2/21	City Council			
Wed, 2/22	CCEAC			
Mon, 3/6	CCEAC			
Tues, 3/7	City Council			
Tues, 3/14	VCEA JPA Bd			
Mon, 3/20	CCEAC			
Tues, 3/21	City Council	CCEAC report		
Mon, 4/3	CCEAC			
Tues, 4/4	City Council		CCEAC report	
Tues, 4/11	VCEA JPA Bd			
Mon, 4/17	CCEAC			
Tues, 4/18	City Council	CCEAC recommendation		CCEAC report
Mon, 5/1	CCEAC (?)			
Tues, 5/2	City Council	Reso to request JPA membership	CCEAC recommendation	
Tues, 5/9	VCEA JPA Bd	Acceptance of Woodland in JPA		
Mon, 5/15	CCEAC (?)			
Tues, 5/16	City Council	Reso to join VCEA; Ordinance 1 st reading	Reso to request JPA membership	CCEAC recommendation
Tues, 6/6	City Council	Ordinance 2 nd reading		
Tues, 6/13	VCEA JPA Bd		Acceptance of Woodland in JPA	
Tues, 6/20	City Council		Reso to join VCEA; Ordinance 1 st reading	Reso to request JPA membership
Tues, 7/4	City Council cancelled			
Early July		VCEA Imp Plan		
Tues, 7/11	VCEA JPA Bd			Acceptance of Woodland in JPA
Tues, 7/18	City Council		Ordinance 2 nd reading	Reso to join VCEA; Ordinance 1 st reading
Late July			VCEA Imp Plan	
Tues, 8/1	City Council			Ordinance 2 nd reading
Tues, 8/8	VCEA JPA Bd			
Late Aug				VCEA Imp Plan

Other considerations

- In the meantime should Woodland increase its participation in VCEA activities?
 - Ex officio participation on VCEA advisory committee
 - Participate in evaluation/selection of CEO and vendors