



City of Newark

**Alameda County**  
**Community Choice Aggregation Energy Program**

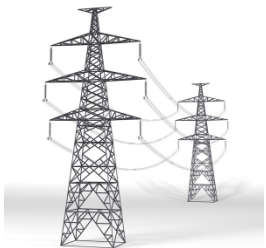
July 14, 2016

# What is “Community Choice Aggregation?”



## Joint Powers Authority that purchases:

- electricity on behalf of its customers
- wholesale electricity contracts and/or operates own electrical power generating plants



**This electricity is transmitted to the customer by PG&E**

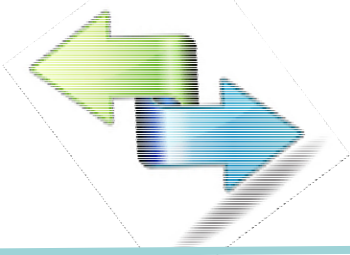


**All metering, billing, and customer service remains with PG&E**



**Purchases only electricity – not gas**

# Customer's Perspective



**Transmission should be seamless**



**By State law, customer should receive two “opt out” notices**



**Opt-out notices should compare PG&E rates with projected CCA rates**



**INVOICE**

**If customer does not opt-out, then the customer is automatically enrolled and will receive PG&E invoices with line-items for CCA electricity and transmission fee**

# What are the benefits of a CCA?



**Increased renewable energy (e.g., solar and wind)**



**Less greenhouse gas emissions**



**Competitive electrical rates**



**CCA is controlled locally by a publicly accountable Board of Directors**

# Process for Creation of a CCA



## Public process includes:

**1** Adoption of Ordinances to establish Joint Powers Authority



**2** The Authority must adopt an implementation plan approved by the CPUC



**3** The Authority must sign a contract for energy delivery with PG&E

# Progress Made on Proposed CCA

 **1.32**  
million

County allocated \$1.32 million to explore CCA creation



County retained a consultant to assist formation



The County assembled a 40 member steering committee, consisting of City, labor, and environmental representatives

**JPA** 

County Counsel drafted JPA

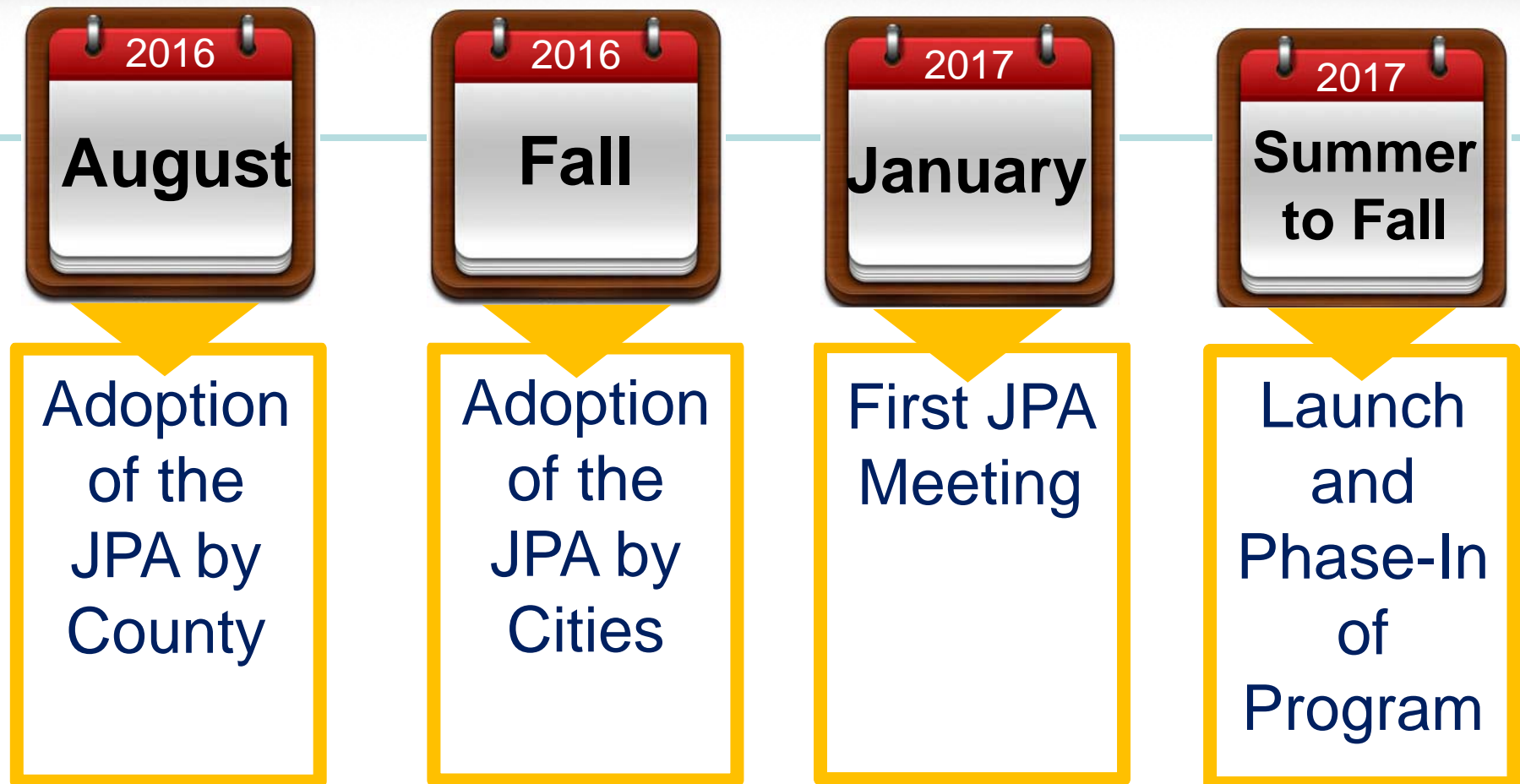
FEEDBACK

Steering Committee and City Attorneys provided feedback



Cities are now providing policy comments to County

# Implementation Timeline



# Policy Consideration #1

## Advisory Committee

**Draft JPA calls for the creation of a “Community Advisory Committee” consisting of 9 members who “represent a diverse cross-section of interests and skill sets” to advise the Board on all matters relating to the CCA.**

Does not specify how the committee members are selected

Does not ensure equitable geographic representation



# Policy Consideration #2

## Advisory Committee Chair

Serving as “Ex Officio Board Member”

**A future JPA draft will mandate the Advisory Committee Chair to serve as an “Ex Officio Board Member”. This person will not have voting rights but would attend Board meetings and can provide comments.**

This provision could allow an unelected community member to influence Board’s decisions

# Policy Consideration #3

## Voting Process

**Draft JPA calls for two types of voting:**

### **1** “Percentage Vote”

- A “Percentage Vote” is a vote in which each Director receives one equal vote
- A simple majority is needed to pass
- Immediately after the “Percentage Vote” any two Directors could ask for a “Voting Shares Vote”

### **2** “Voting Shares Vote”

- A “Voting Shares Vote” means each Director’s vote is weighted based on energy consumption

# Policy Consideration #3

## Voting Process (continued)

**If each agency joins, then the voting shares would be weighted as follows:**

Oakland	24.88%
Fremont	16.18%
Hayward	10.11%
Berkeley	8.48%
Pleasanton	6.55%
San Leandro	6.40%
Unincorporated	6.37%

Livermore	6.17%
Union City	4.30%
Dublin	3.68%
Newark	3.20%
Emeryville	2.52%
Albany	0.71%
Piedmont	0.41%

# Policy Consideration #4

## Supermajority Votes

**Draft JPA provides that it may be amended by only 2/3 vote. Also, any amendments to voting provisions require a 3/4 vote.**

These supermajority provisions tend to preclude amendments not supported by a significant portion of agencies

# Policy Consideration #5

## *Early Termination Costs*

**Prior to launch, Authority will provide agencies with a report comparing the estimated greenhouse gas emissions rate, amount of renewable energy, and total electrical rates. Agencies can withdraw within 30 days if:**

Authority cannot provide total electrical rates that are equal to or lower than PG&E

Authority cannot provide electricity that has lower greenhouse gas emissions

Authority uses less renewable energy than PG&E

# Policy Consideration #5

## Early Termination Costs

Prior to launch, Authority will provide agencies with a report comparing the estimated greenhouse gas emissions rate, amount of renewable energy, and total electrical rates. Agencies can withdraw within 30 days if:

- This provision allows agencies to withdraw prior to program launch and without any penalty, if the Authority cannot provide total electrical rates that are lower than PG&E.
- However, agencies can only withdraw within the 30-day period and only under these conditions if the Authority cannot provide electricity that has lower greenhouse gas emissions than PG&E.
- Authority uses less renewable energy than PG&E.

# Policy Consideration #6

## Withdrawal Costs After Launch

If a City wants to leave at some point after start-up, then the City “shall” be responsible for:

**1** Any “damages” arising from their membership

**2** Specific “losses” incurred by the Authority as a result of the withdrawal, including losses from resale of contracted power

Current language could impose significant liability on cities if a city withdraws

County cannot provide estimate of any withdrawal costs

City Attorneys are working with County Counsel to limit withdrawal liability

# Policy Consideration #7

## Join *After* Launch

If agency joins *after* launch, then:

**1** Authority could charge a “membership fee”

**2** Admission would be voted upon

**3** Authority could impose “any condition”

Benefit to join early since initial members do not pay costs

Could be burdensome to join after launch



# Questions?





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