



**CITY COUNCIL AGENDA**  
**April 6, 2016**

**To:** Mayor and City Council

**From:** Michael Chandler, Assistant to the City Manager

**Prepared by:** Kerry Rivers, Sustainability Programs Assistant

**Subject:** Contra Costa County Community Choice Aggregation

**Date:** March 24, 2016

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**Recommendation**

Presentation introducing Contra Costa County's plans to study the implementation of Community Choice Aggregation (CCA) and provide direction to staff.

**Background**

Assembly Bill (AB) 117, which was enacted in 2002, allows cities and counties in California to implement Community Choice Aggregation (CCA) programs. CCA is a mechanism through which electrical consumers can elect to procure electricity from an alternative supplier. The most common reason for jurisdictions to pursue CCA is to promote electricity generation from renewable energy sources. AB 117 requires existing energy utilities (such as PG&E) to remain responsible for metering, billing, transmission and distribution of the electricity.

There are currently three CCA programs in California - Marin Clean Energy (MCE), Sonoma Clean Power, and Lancaster Choice Energy. A number of cities and counties in California are in the process of implementing or studying the formation of CCA agencies, including the Bay Area counties of Alameda, Santa Clara, San Mateo, and the City and County of San Francisco. The cities of Richmond, San Pablo, El Cerrito, Lafayette and Walnut Creek have already joined MCE.

In October 2015, the Contra Costa County Board of Supervisors directed the County to research options for a Community Choice Aggregation (also known as "Community Choice Energy") program. In Contra Costa County, there are currently three options being considered: the formation of a new CCA agency in Contra Costa County; joining MCE; or partnering with Alameda on a joint program. The Board of Supervisors revisited this item again on March 15, 2016, and directed County staff to proceed to work with cities in Contra Costa County to conduct a technical study of alternatives for implementing Community Choice Energy.

To proceed with the CCA research, the County must first collect electrical demand data for each city and unincorporated area from the current electrical supplier, Pacific Gas & Electric (PG&E). Excluding the 5 agencies that have joined MCE, all eligible cities within Contra Costa have authorized the County to acquire from PG&E load data for their jurisdictions (including Martinez, see City letter to County Administrator dated 11-18-15).

The next step for the County is to perform a study to analyze electrical demand and estimate electrical rates which might be charged under CCA. The County estimates the cost of the study at approximately \$150K (to be shared among the County and the participating cities), and is requesting that interested cities contribute funds proportionate to the size of the city. Assuming all eligible Contra Costa cities agree to participate in the study, the City's contribution is estimated to be \$10K. For reference, the City of Pleasant Hill allocated an amount not to exceed \$15K toward the study.

### **Discussion**

The City will need to formally weigh in on whether or not there is sufficient interest in participating in the County's exploration of CCA. If so, the next step would be to commit to cost sharing at the April 20<sup>th</sup> Council meeting via a budget transfer from fund balance for a technical study of the three potential Community Choice Energy implementation strategies.

Additional considerations of CCA include the following:

Benefits of CCA: CCA has the potential benefits of increasing the production of renewable energy, establishing local control over the electricity supply, increasing competition and consumer choice, and reducing electricity rates.

Costs and Risks of CCA: The primary concerns with CCA are the initial start-up costs and the risk that the CCA would not compete effectively with the existing energy utility, which would threaten the financial sustainability of the program.

### **Fiscal Impact**

None at this time. A funding resolution would follow if Council expresses support for the City's participation in the technical study.

### **Attachment**

- Letter to Contra Costa County Administrator dated 11-18-15

APPROVED BY:



Interim City Manager



November 18, 2015

David Twa, County Administrator  
County of Contra Costa  
651 Pine St., 10<sup>th</sup> Floor  
Martinez, CA 94553

**Subject: Support for Electrical Load Data Request to study the feasibility of a Community Choice Aggregation Program in the County of Contra Costa**

Dear Mr. Twa,

We have reviewed your letter in which you explain the County's plan to request from PG&E, the County of Contra Costa's electric energy use data, i.e. electricity consumption and load data for all customer classes and customers located within the County's unincorporated land area and within the jurisdictions of the County, including the City of Martinez. We support this request and authorize the County of Contra Costa to receive and analyze the electrical load data on behalf of the City.

We understand that this data will be used to investigate the feasibility of electrical procurement options through a potential Community Choice Aggregation (CCA) program that could cover all or part of Contra Costa County. We understand that by making this authorization and request, the City of Martinez is not obligated to pursue any alternative electricity procurement through a CCA program in the future.

Kindest regards,

Rob Braulik  
City Manager