

# Los Angeles Community Choice Energy (LACCE)

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GARY GERO, CHIEF SUSTAINABILITY OFFICER

COUNTY OF LOS ANGELES

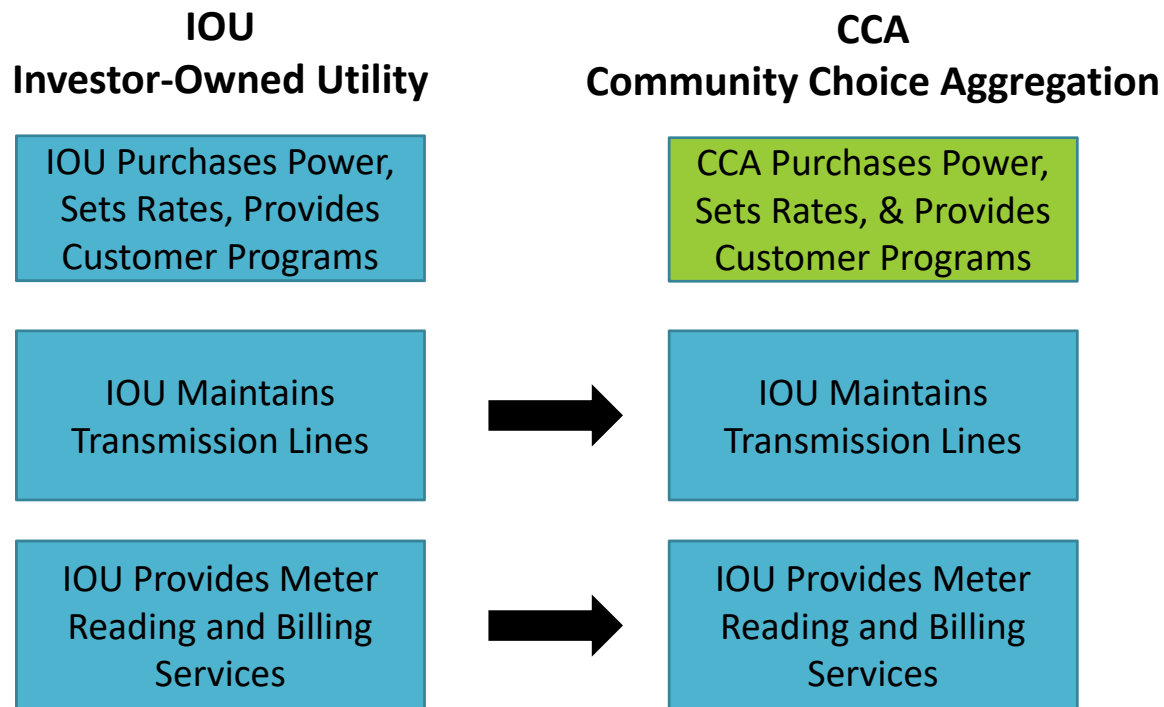
# Los Angeles Community Choice Energy Overview

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- 1. What is a CCA?**
- 2. CCA Benefits:**
  - Customer Choice and Local Control
  - Rates
  - Greenhouse Gas Emissions
  - Economic Impacts
- 3. LACCE Business Plan and JPA Formation**
  - County and Cities together
  - LA County Board of Supervisors Adoption
- 4. JPA – Governance**
- 5. Choices for Cities and Customers**
- 6. Schedule for CCA in L.A. County**
- 7. Customer Notifications and Outreach**

# Los Angeles Community Choice Energy

## Community Choice Aggregation (CCA): A Hybrid Approach to Utility Operations



# Cities in Operational CCA Programs

## Sonoma Clean Power

- Santa Rosa
- Sonoma County
- Mendocino County
- Town of Windsor
- Sebastopol
- Petaluma
- Cloverdale
- Cotati
- Town of Sonoma
- Rohnert Park
- Fort Bragg

## Silicon Valley Clean Energy

- Cupertino
- Los Gatos
- Mountain View
- Santa Clara County
- Los Altos Hills
- Los Altos
- Campbell
- Gilroy
- Morgan Hill
- Sunnyvale
- Monte Sereno
- Saratoga

## Peninsula Clean Energy

- San Mateo County
- City of San Mateo
- Atherton
- Belmont
- Brisbane
- Burlingame
- Colma
- Daly City
- Foster City
- East Palo Alto
- Hillsborough
- Menlo Park
- Half Moon Bay
- Millbrae
- Pacifica
- Portola Valley
- Redwood City
- San Bruno
- San Carlos
- Woodside
- South San Francisco

## Lancaster Choice Energy

- Lancaster
- Pico Rivera
- San Jacinto

## Marin Clean Energy

- Mill Valley
- Walnut Creek
- County of Marin
- Richmond
- Benicia
- San Rafael
- El Cerrito
- Town of Ross
- Larkspur
- Sausalito
- Town of San Anselmo
- County of Napa
- San Pablo
- Town of Tiburon
- Novato
- Belvedere
- Town of Corte Madera
- Town of Fairfax

## Clean Power San Francisco

- San Francisco

## Apple Valley Choice Energy

- Apple Valley

# Los Angeles Community Choice Energy

## CCA Benefits: Customer Choice and Local Control

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### ■ Customer Choice

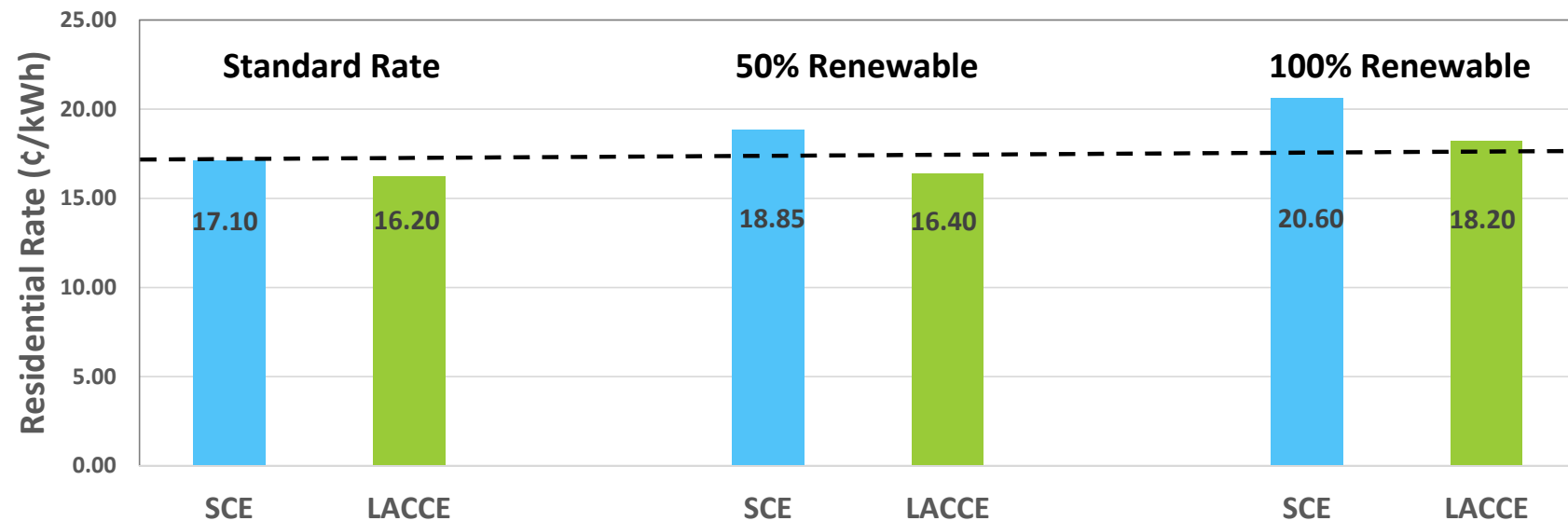
- CCAs offer customers new options (CCA rate offerings), without removing old options (SCE)
- Having both CCA and SCE products gives customers choice
- Customers may opt out of the CCA at any time and return to SCE

### ■ Local Control

- CCAs have total local control over their power supply, rates, and customer programs (e.g., energy efficiency, solar incentives, EV incentives, etc.)
- CCAs enable communities to invest locally; instead of sending money to SCE, CCA revenues can be reinvested in the local community

# Los Angeles Community Choice Energy

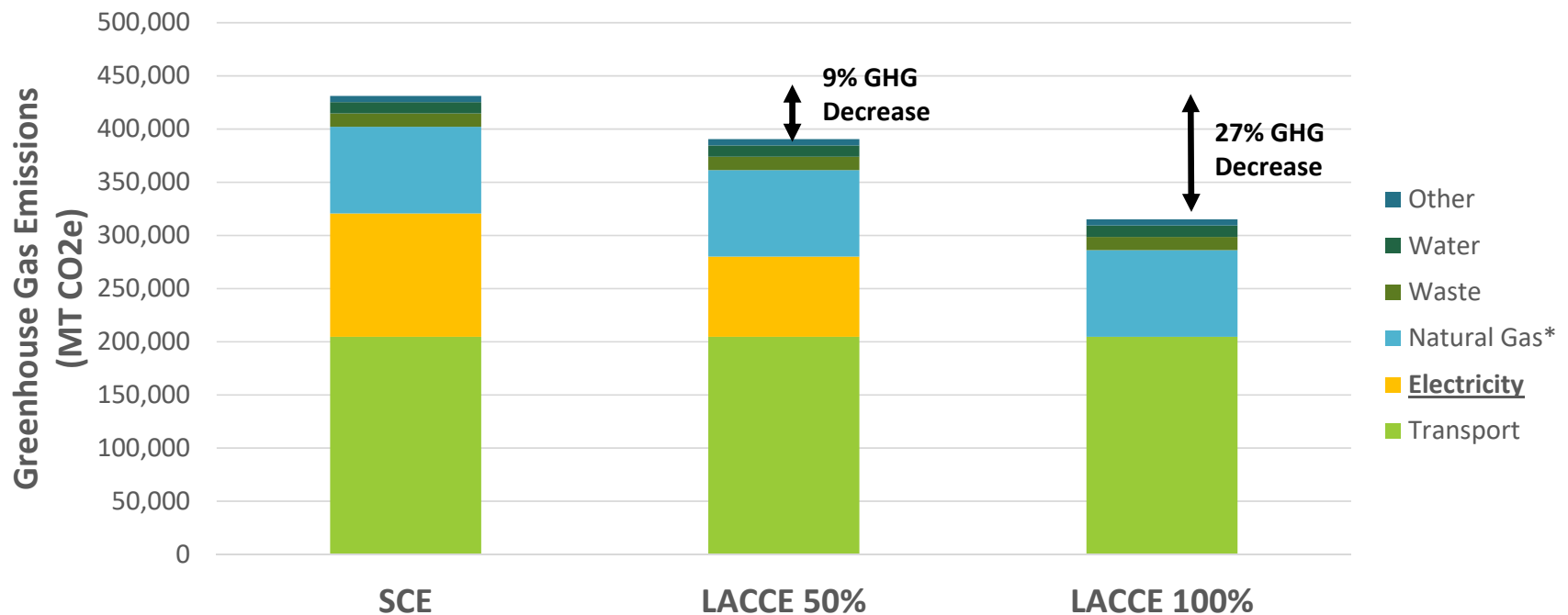
## LACCE Benefits: Rate Savings



- Rates are taken from the LACCE Business Plan
- LACCE rates include considerable financial reserve

# LACCE Benefits: GHG Emissions

## Example: Average L.A. City



\*The natural gas category refers to use for heating and cooking in buildings, not for use in electricity generation.

# Los Angeles Community Choice Energy

## CCA Benefits: Economic Development

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### ■ **Total Electricity Savings CCA vs. SCE**

- In Phase 2, a 5.3% rate reduction saves LACCE customers \$20 million/year
- This \$20 million rate reduction is estimated to create 200 new jobs in LA County.
- In aggregate, these benefits could add \$16 million to the County's economy.

### ■ **Power Supply Construction Projects**

- Construction of one 50 MW solar project in County could create 1,500 jobs during construction and 15 full-time permanent jobs.
- LACCE will need several dozen of these projects at full build-out.



# Los Angeles Community Choice Energy

## Joint Powers Agreement – Community Goals

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- **During negotiations with cities, language was included in the JPA Recitals to ensure LACCE would be a community-focused program:**
    - Ensure that low-income households and communities are provided with affordable and flexible energy options
    - Promote personal and community ownership of renewable resources, spurring equitable economic development and increased resilience, especially in low income communities
    - Provide and manage its energy portfolio and products in a manner that provides cost savings to customers and promotes public health in areas impacted by energy production

# Los Angeles Community Choice Energy

## Joint Powers Agreement – Community Goals

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- Promote supplier and workforce diversity, including returning veterans and those from disadvantaged and under-represented communities.
- Recognize and address the importance of healthy communities, including those disproportionately affected by air pollution and climate change
- Recognize the value of current workers in existing jobs that support the energy infrastructure of Los Angeles County
- Support a stable, skilled workforce through mechanisms designed to avoid works stoppages, ensure quality, and benefit local residents by delivering cost-effective clean energy programs and projects

# LA County Board of Supervisors

## LACCE Business Plan

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- **LA County Board of Supervisors approved a motion in March 2015 asking staff to conduct a CCA feasibility study for LA County**
- **Report completed in June 2016**
- **LACCE Feasibility Study/Business Plan**
  - Includes all eligible cities in LA County
  - Financially viable
  - Cheaper and greener power than SCE
  - Considerable environmental and economic benefits
  - Risks are manageable

# LA County Board of Supervisors

## Board Direction: Cities and County Together

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### ■ **September 27, 2016 Board of Supervisors Motion:**

- Following Feasibility Study, Board said like the idea but wanted to work together with cities to craft a regional program.
- Directed that staff negotiate a JPA with interested cities to create a joint cities-county program
- Ensure equitable representation for all cities
- Model after existing, successful CCAs in northern California (Marin, Sonoma, San Mateo)

### ■ **JPA Process: December 2016 – March 2017**

- Bi-weekly meetings with interested cities
- Two public workshops to get input from the community and stakeholders
- Public review and comment on draft final JPA
- Negotiations completed at the end of March
- BOS approval on April 18, 2017

# LA County Board of Supervisors

## April 18, 2017 Action

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- **On April 18, the Board of Supervisors approved a joint motion from Supervisors Shelia Kuehl and Mark Ridley-Thomas to approve:**
  - LACCE Joint Powers Agreement
  - CCA enabling ordinance
  - \$10 Million in startup funding
  - Plan for program implementation

# Los Angeles Community Choice Energy

## Joint Powers Agreement

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### ■ LACCE Governance

- Every member government gets an equal seat on the Board
- Most votes are by a majority of members present
  - Some special items require 2/3s of all members
- Option to call for a weighted vote based on load share, with the following restrictions:
  - 3 members must agree to have a weighted vote
  - Weighted votes can only follow an affirmative vote of the Board

# Los Angeles Community Choice Energy

## Joint Powers Agreement

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### ■ LACCE Standing Committees

- Executive Committee
- Finance Committee
- Community Advisory Committee

### ■ Directors and Alternates

- Primary Directors must be an elected official of that city
- City's may appoint two Alternate Directors, who may be:
  - Another elected official
  - An appointed official (Commissioners)
  - A city staff person
  - Member of the public with industry expertise

# Los Angeles Community Choice Energy

## Choices for Cities and Customers

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- Cities may choose which of the three rates their customers will be opted into when service begins
  - Base Rate: ~33% renewable – approximately 6% lower cost than SCE
  - Mid-Level: ~50-60% - approximately 4% lower cost than SCE base rate
  - Top-Tier: 100% - approximately 5% higher cost than SCE base rate
- Once customers are opted into the default rate set by their city, they will have the option to change to a rate of their preference.
- This process ensures flexibility for member cities and choice for their customers.



# Los Angeles Community Choice Energy

## Schedule

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### ■ Open enrollment period – 6 months

- No cost for cities to join

### ■ Phases

- Phase 1 – January 2018 – County municipal accounts
- Phase 2 – Q2 2018– County and city commercial and industrial accounts
- Phase 3 – Q3/4 2018– All County and city residents

# Los Angeles Community Choice Energy

## Customer Notifications

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- **LACCE is required to send four notifications to customers who will be enrolled into LACCE service:**

- Two notifications will be sent prior to service commencement, and two will be sent after service has begun.
- Customers may opt out of LACCE service and remain with SCE at no cost if they respond to one of the four notifications.
- After the notification period, customers may opt out of LACCE at anytime, provided they pay a very small administrative fee (about \$5.00)

- **In addition to the required notifications, LACCE intends to conduct an intensive outreach effort to incoming customers to ensure they are aware of the benefits of LACCE service.**

# Los Angeles Community Choice Energy

## Contact Information

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Chief Sustainability Officer

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213-974-1160

More information/documents can be found at:  
[lacounty.gov/sustainability](http://lacounty.gov/sustainability)

# Los Angeles Community Choice Energy

## Audience Q&A

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# Community Advisory Committee

## Public Workshop

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DENISE FAIRCHILD, EMERALD CITIES COLLABORATIVE

# Los Angeles Community Choice Energy

## Workshop Overview

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- 1. Community Advisory Committee Authorizing Language**
- 2. Goals for the Public Workshop**
- 3. Structure and Composition of existing CACs**
- 4. Qualifications for CAC membership**
- 5. Objectives, Duties, and Powers**
- 6. Breakout session and discussion**
- 7. Conclusion and comments**

# Los Angeles Community Choice Energy

## Authorize language for the CAC

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- **Section 5.9.1(c) of the LACCE JPA:**

- “The Board shall establish a Community Advisory Committee comprised of members of the public representing key stakeholder communities. The primary purpose of the Community Advisory Committee shall be to provide a venue for ongoing citizen support and engagement in the operations of the Authority.”

# Los Angeles Community Choice Energy

## Public Workshop Goals

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- **Solicit feedback from stakeholders and members of the community on:**
  - CAC membership criteria and process of selection
  - CAC structure and operations
  - Areas on which the CAC could provide advise and support to the LACCE program and its Board of Directors
- **Ultimately, the CAC framework will be decided by the LACCE Board based on public input, best practices in existing models, and recommendations from LACCE staff.**



# Los Angeles Community Choice Energy

## Structure and Composition of Existing CACs

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- **Size**

- The size of existing CACs ranges from 7-15 members
- Some require a specific number of members, others have range

- **Selection process**

- Open application process for community members who wish to serve on the CAC
- Members are chosen after interviews with staff and Board Members
- Members are appointed by the Board at large
- Members serve at the pleasure of the Board

- **Terms**

- Term length ranges from 3-4 years
- Terms are staggered
- Terms may be renewed, with limits

# Los Angeles Community Choice Energy

## Structure and Composition of Existing CACs

	Peninsula Clean Energy	Sonoma Clean Power	Easy Bay Community Energy
Size	7-11 Members	- 11-15 Members	9 Members
Selection	<ul style="list-style-type: none"><li>- Open application process</li><li>- All appointments made by the Board</li></ul>	<ul style="list-style-type: none"><li>- Open application process</li><li>- All appointments made by the Board</li></ul>	<ul style="list-style-type: none"><li>- Open application process</li><li>- All appointments made by the Board</li></ul>
Terms	Staggered 4 year terms	Staggered 3 year terms	Staggered 4 year terms

# Los Angeles Community Choice Energy

## Qualifications

	Peninsula Clean Energy	Sonoma Clean Power	East Bay Community Energy
Qualifications	<ul style="list-style-type: none"> <li>- Geographically diverse</li> <li>- Must have background in: electricity, community outreach, or policy advocacy</li> <li>- Must work or reside in service area</li> </ul>	<ul style="list-style-type: none"> <li>- Balanced and diverse group on the Board</li> <li>- Must have expertise in management, administration, finance, contracts, infrastructure development, renewable power generation, power sales and marketing, energy conservation, public policy development, or public relations.</li> <li>- Majority of members must represent the interests of customers as rate payers.</li> </ul>	<ul style="list-style-type: none"> <li>- No specific areas of expertise are listed.</li> <li>- Individuals sitting on the committee must represent a diverse cross-section of interests, skill sets and geographic regions.</li> </ul>

# Los Angeles Community Choice Energy

## Duties and Powers

	Peninsula Clean Energy	Sonoma Clean Power	East Bay Community Energy
Duties and Powers	<ul style="list-style-type: none"> <li>- Advisory only</li> <li>- Provide feedback on policy and operational objectives</li> <li>- Engage in community outreach</li> <li>- Assist with legislative advocacy</li> </ul>	<ul style="list-style-type: none"> <li>- Advisory only</li> <li>- Review budgets, rates, policies and programs</li> <li>- Prepare reports for the Board</li> </ul>	<ul style="list-style-type: none"> <li>- Advisory only</li> <li>- Advise the Board on all subjects related to the operation of the CCA program</li> </ul>

# Los Angeles Community Choice Energy

## Discussion Questions

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- **What should the Community Advisory Committee Do to help LACCE achieve its key objectives to increase:**
  - Clean energy access and affordability
  - Public health outcomes
  - Local economic development
  - The inclusion of low-income communities in the LACCE program
- **What are some guiding principles that should govern the advisory committee?**
- **How should the committee be constituted to meet its proposed roles?**

# Los Angeles Community Choice Energy

## Breakout Session

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- **Groups sessions to discuss CAC formation and the discussion questions**
- **Reconvene to report out on the discussion**
- **LACCE staff will record the discussion to include it in the final report produced by the workshop**

# Los Angeles Community Choice Energy

## Comment Card and Input

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- Please fill out the provided comment card to give feedback on the public workshop. Please include any issues you wish to address related to the formation of LACCE's Community Advisory Committee.
- Comments may also be submitted to: [Sustainability@lacounty.gov](mailto:Sustainability@lacounty.gov)