

Community
Choice
Aggregation
(CCA)
Feasibility
Study

CCWG
7/17/19



**Department of Economic
Development**

**Office of Sustainability
Conservation Section**

Background



CHULA VISTA Climate Action Plan

Adopted by City Council • September 2017

2017



Preparing for Community Choice Aggregation Feasibility Study:

- Funds included in FY2019 Budget
- Directed by City Council to initiate CCA Feasibility Request For Proposals



2 Clean Energy Sources

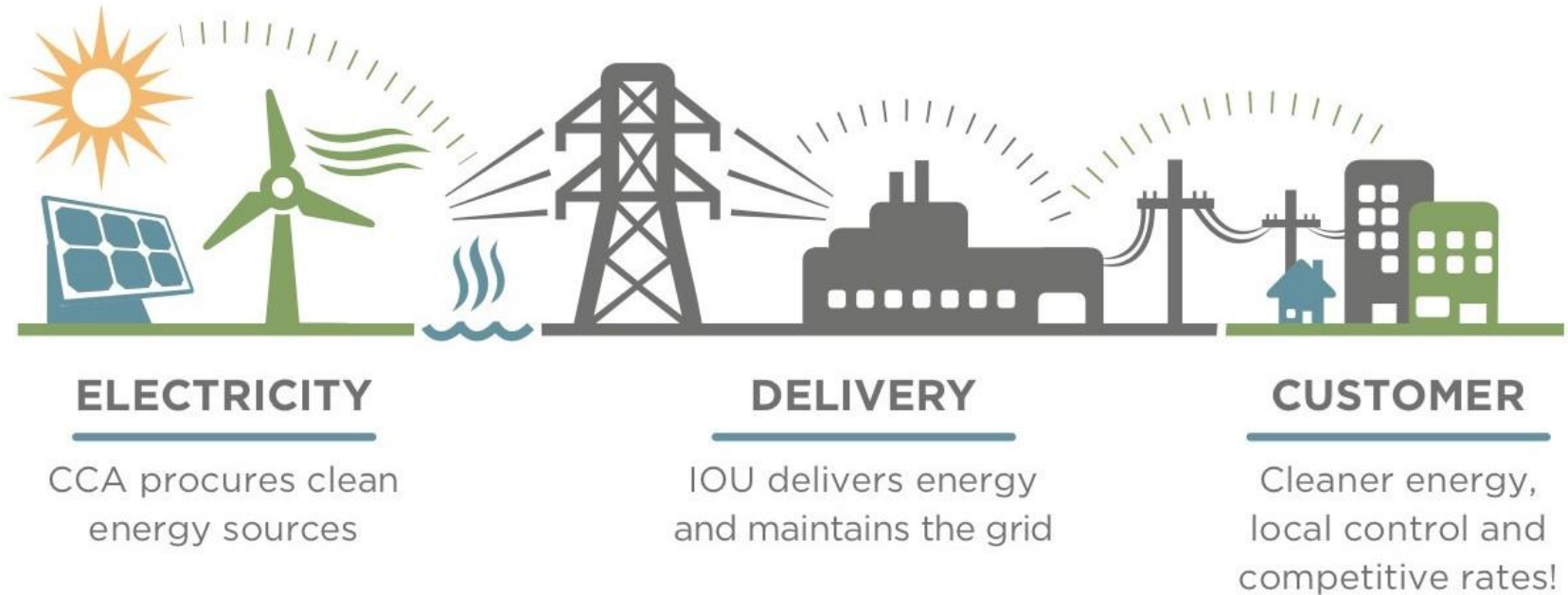
- A) Incorporate solar photovoltaic into all new residential and commercial buildings
- B) Provide more grid-delivered clean energy (up to 100%) through Community Choice Aggregation or other mechanism

Background



Climate Action Plan set goal to achieve 100% clean electricity by 2035

Background



- Community Choice Aggregation (CCA) overview from CAL-CCA
- Allows communities to purchase power to meet their electricity needs
- Default opt-in but customer can opt-out
- Investor Owned Utility (IOU) still distributes energy

- Serving Customers
- Implementation Plan Filed
- Considering CCA

Redwood Coast Energy Authority:
Humboldt County, water district & 7 cities

Sonoma Clean Power:
Sonoma & Mendocino Counties

MCE: Marin & Napa Counties,
1 city in Solano County, Unincorporated
Contra Costa County & 13 cities

CleanPowerSF: San Francisco County

East Bay Community Energy:
Unincorporated Alameda County & 11 cities

Peninsula Clean Energy:
Unincorporated San Mateo County & 20 cities

San Jose Clean Energy: City of San Jose

Silicon Valley Clean Energy:
Unincorporated Santa Clara County & 12 cities

King City Community Power: City of King City

Monterey Bay Community Power:
Unincorporated Monterey, San Benito & Santa
Cruz Counties & 16 cities

Morro Bay
San Luis Obispo Co.
San Luis Obispo

Lancaster Choice Energy: City of Lancaster
Apple Valley Choice Energy: City of Apple Valley

Pico Rivera Innovative Municipal Energy: City of Pico Rivera

San Jacinto Power: City of San Jacinto

Clean Power Alliance: Unincorporated Ventura County & 7 cities,
Unincorporated Los Angeles County & 22 cities

Desert Community Energy: Cities of Palm Springs, Palm Desert & Cathedral City

Rancho Mirage Energy Authority: City of Rancho Mirage

Solana Energy Alliance: City of Solana Beach

Pioneer Community Energy:
Unincorporated Placer County & 5 cities

Valley Clean Energy Alliance:
Yolo County & cities of
Woodland & Davis

Butte Co.

Lake Co.

San Joaquin Co.

City of Stockton

Fresno Co.

City of Hanford

Tulare Co.

Kings Co.

San Luis Obispo Co.

San Luis Obispo

Santa Barbara Co.

City of Santa Paula
Westlake Village

San Bernardino Co.

City of Palmdale
City of Baldwin Park
City of Commerce

City of Pomona

Western Community Energy: 7 cities

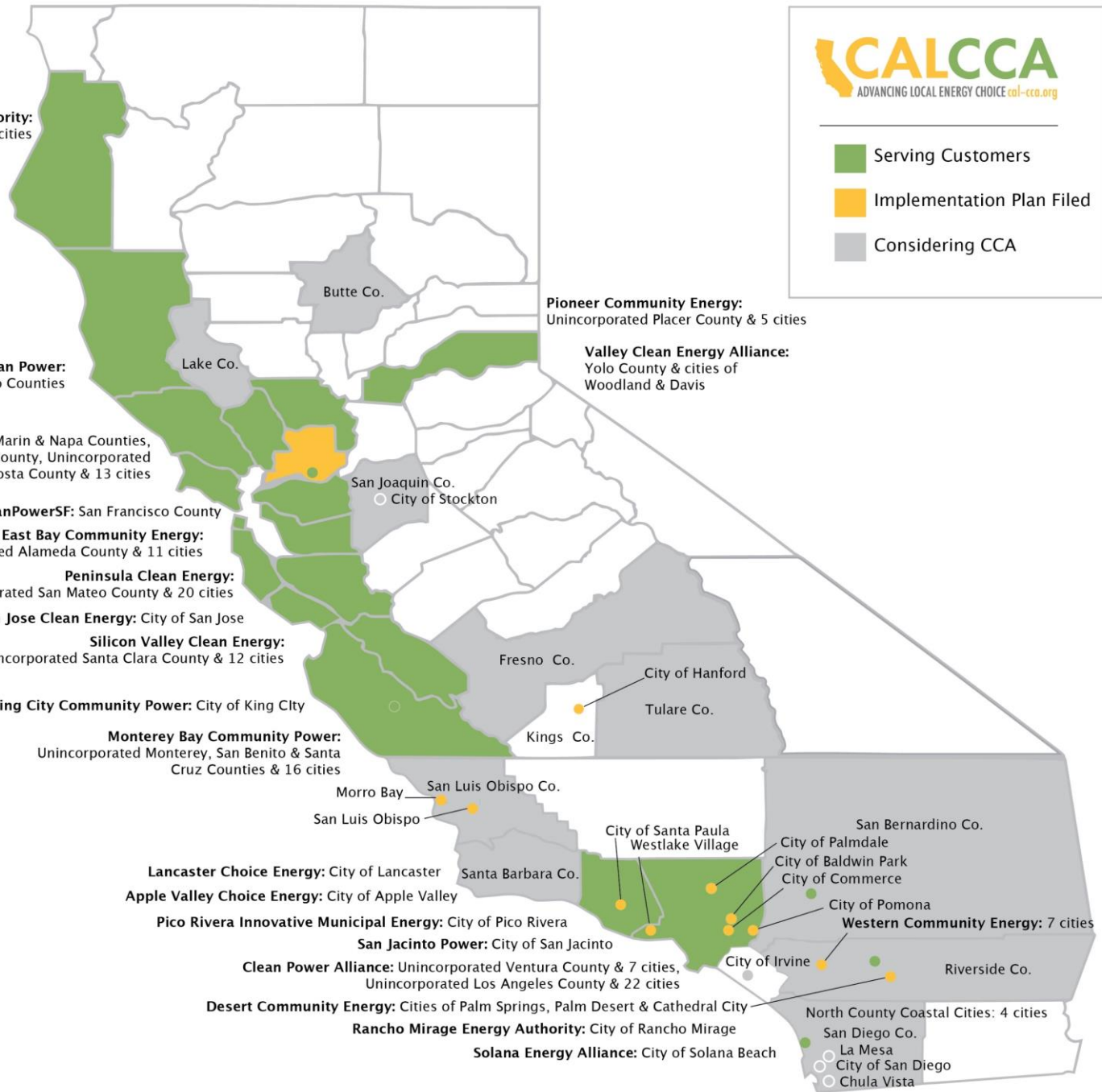
City of Irvine

Riverside Co.

North County Coastal Cities: 4 cities

San Diego Co.

La Mesa
City of San Diego
Chula Vista



STUDY CONSTRUCT

- 3-City Partner Joint Powers Authority (JPA)
- Chula Vista-only CCA (Enterprise)
- 4 Power Supply Portfolios Evaluated

Exhibit ES-2 Partner CCA Resource Portfolios				
	% Renewable ¹ at Launch (2021)	% Renewable in 2030	Meets 100% Renewable by 2035	Estimated Average Annual GHG Reductions (MT Co2)
Scenario 1: SDG&E Equivalent Renewable Portfolio	46%	60%	No	0
Scenario 2: 50% Renewable at Launch, with 100% by 2035 Portfolio	50%	86%	Yes	55,261
Scenario 3: 75% Renewable at Launch, with 100% by 2030 Portfolio	75%	100%	Yes	127,832
Scenario 4: 100% Renewables Portfolio at Launch	100%	100%	Yes	173,106

¹Renewable includes only RPS eligible resources. All eligible renewable resources are greenhouse gas free in this study.

GOVERNANCE GUIDING PRINCIPLES

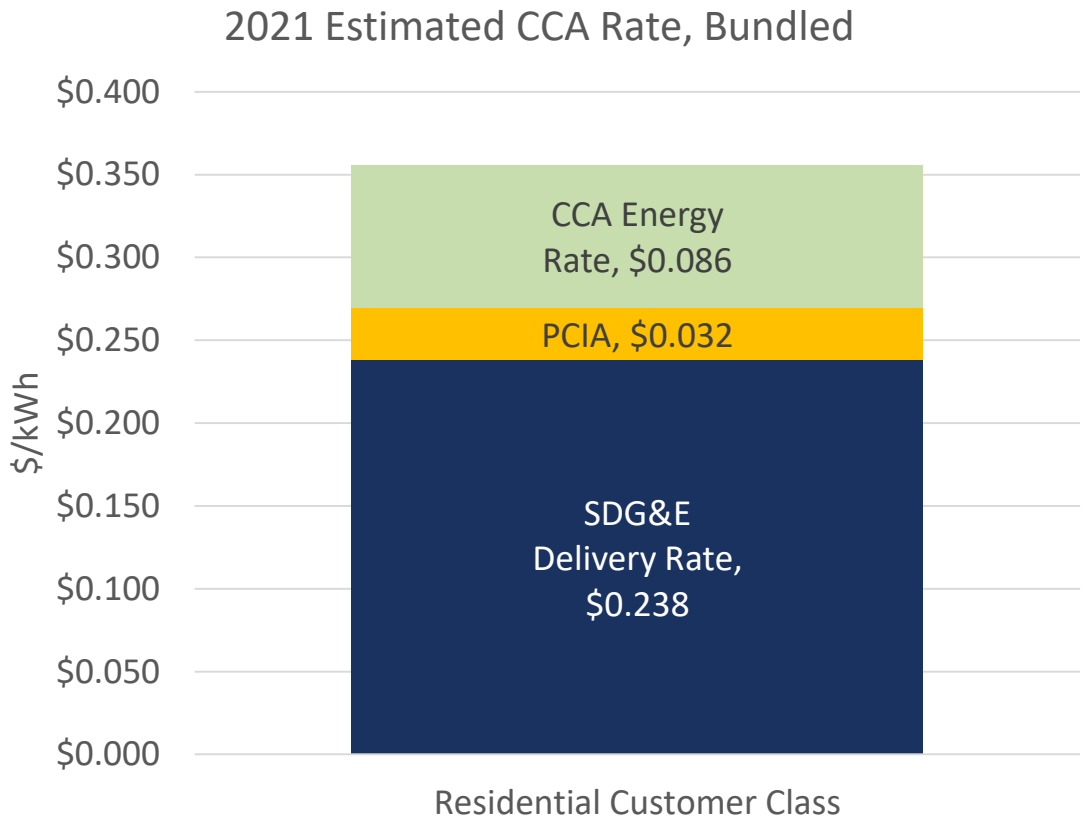
Guiding Principles

- **Help Achieve Climate Action Plan Goal of 100% Renewable by 2035**
- **Provide Consumer Choice**
- **Obtain Local Control**
- **Limit General Fund Liability**

WHAT MAKES UP THE ESTIMATED CCA RATE?

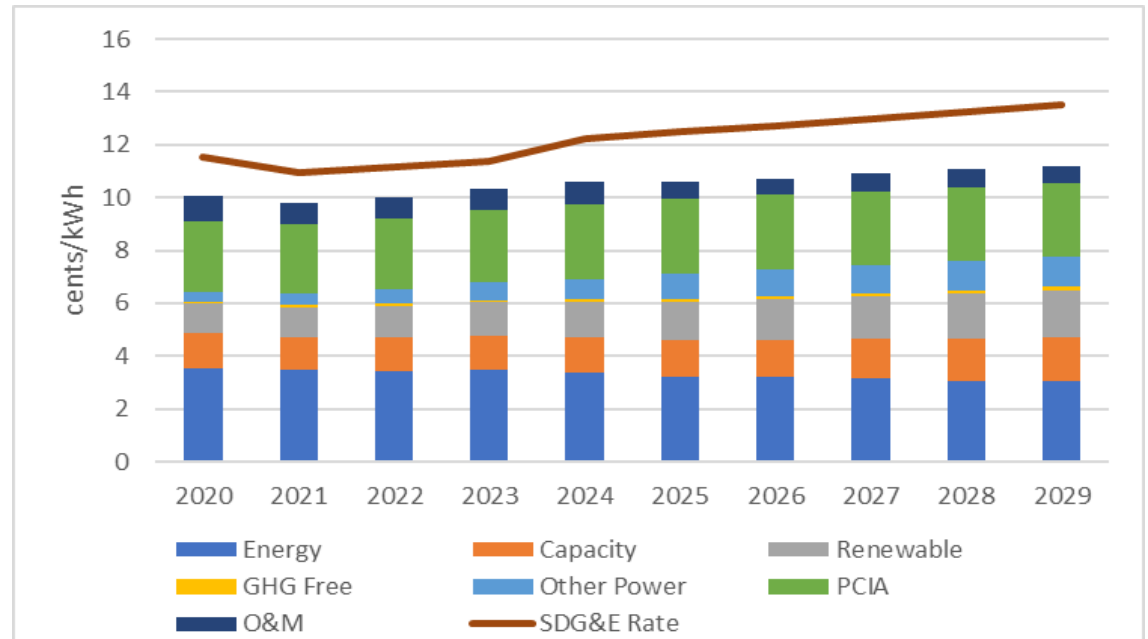
CCA Residential Rate Includes:

- SDG&E Transmission and Delivery (68%)
- PCIA “Exit Fee” (9%)
- CCA Energy Cost (23%)

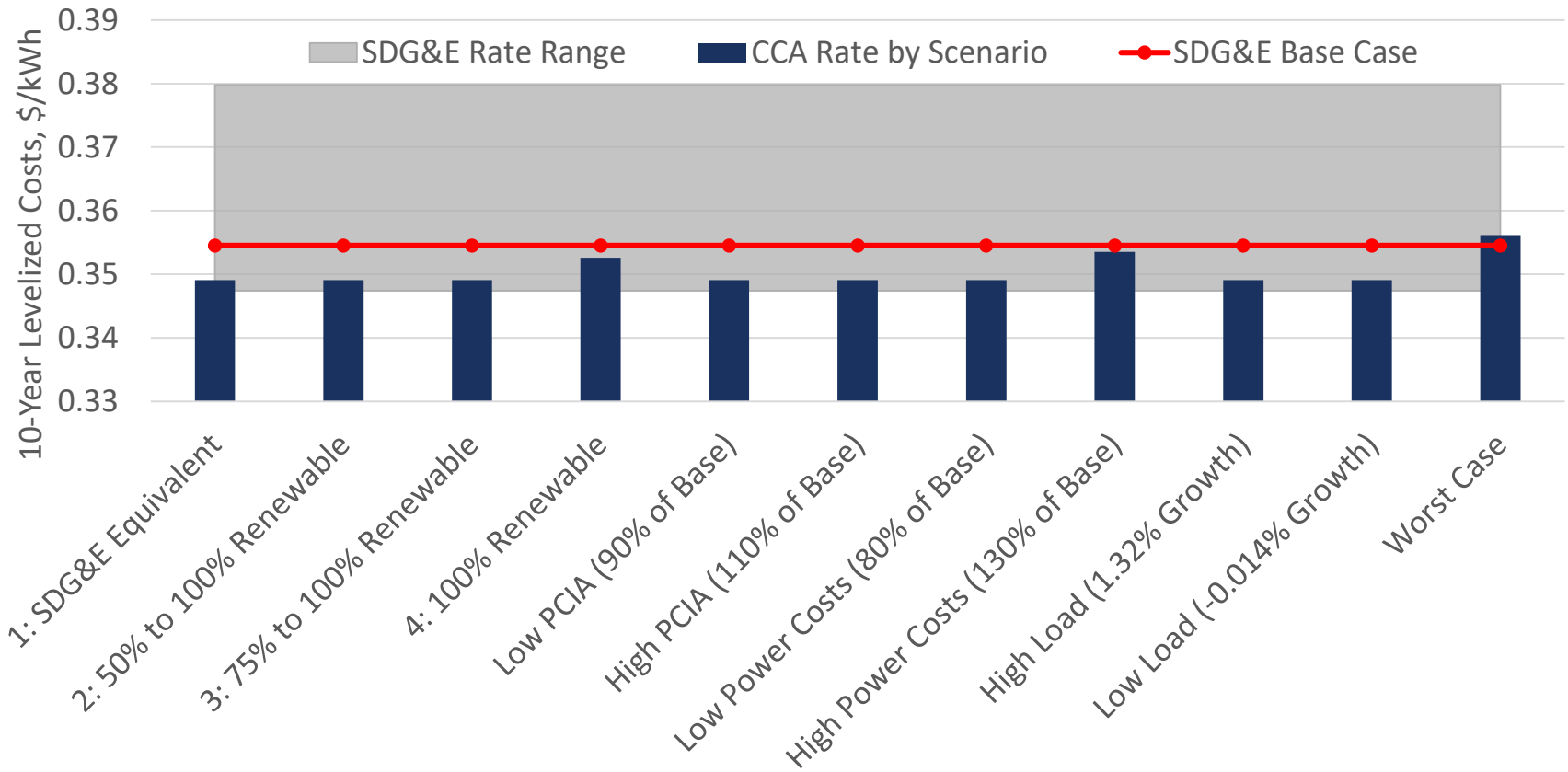


CCA CUSTOMER COSTS VS. SDG&E: ENERGY ONLY

- 2% Rate Discount
- 1% Rate Discount for 100% Renewable Energy





RISKS: BUNDLED RATE COMPARISON



GOVERNANCE OPTIONS

- **Enterprise** – Each City Operates Its Own CCA
- **Partner CCA** – A 3-City CCA Program with Chula Vista, La Mesa, and Santee
- **Enterprise JPA** – Cities Each Have Their Own CCA but Join with Other Jurisdictions or Form a JPA of CCAs; Administration Costs are Shared but Power Supply Procurement is Unique to Each CCA Member
- **Regional CCA** – Join the City of San Diego-Led Efforts to Form a SDG&E Regional CCA Through JPA Agreements Between Each Jurisdiction
- **Other JPA Option** – Partner with Operational CCA, Solana Energy Alliance (SEA)

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- ✓ **Council Requests CCA Feasibility Study – December 2018**
 - ✓ **City Staff Enters into Contract with EES Consulting – January 2019**
 - ✓ **SDG&E Data Provided – April 2019**
 - ✓ **Draft Report July 1st**
 - ✓ **Sustainability Commission July 8th**
 - **Final Report to City Council – July 23rd**
 - **Return to City Council – August 13th**
 - **Public Outreach July/August**
 - **Decision needed to join the City of San Diego Sept/Oct 2019**