CCA FAQ

What is Community Choice Aggregation?
Community Choice Aggregation (CCA) is a program that enables city and county governments to pool (or aggregate) the electricity demand of their communities together for the purpose of supplying electricity. A CCA buys electricity on behalf of residential, commercial, and municipal electricity users in its jurisdiction. The electricity continues to be distributed and delivered over the existing electricity lines by the incumbent utility-which is Pacific, Gas, and Electric (PG&E) in San Mateo County.

Is a CCA a government agency or a separate organization?
CCAs are public, non-profit agencies. It is important to note that all CCAs, once they are operational, are completely ratepayer funded and are not subsidized by taxpayer dollars. These ratepayer dollars previously went to the incumbent utility (PG&E), but would now be directed to the CCA. Any surplus funds generated by the CCA can be reinvested into the community in the form of either new energy projects and programs or lower rates. Surplus funding does not go into the general funds of the member cities/counties.

Why are so many local governments looking at CCA?
CCA provide communities with more local control over their energy supply. As a result, communities can choose to increase the amount of electricity procured from renewable sources, such as solar, wind, and geothermal. CCAs can also develop innovative energy programs tailored specifically for each community and support the development of local renewable energy projects. Finally, CCAs introduce competition into the energy market. Customers in a CCA jurisdiction can choose to stay with the CCA or go back to PG&E; it offers customers a choice where none currently exists.

What are the economic advantages of CCA?
CCAs can accelerate the development of local renewable energy projects, which can result in significant local job creation. In general, renewable energy facilities provide many more jobs per unit of investment than traditional natural gas and coal plants.

What are the environmental advantages of CCA?
CCAs can choose to purchase from and develop electricity sources that are more heavily weighted towards renewable energy. The production and burning of traditional energy sources, such as coal and natural gas, releases significant amounts of GHG emissions into the atmosphere. These GHG emissions are a leading cause of climate change. Renewable energy can provide electricity with little or no GHG emissions.

How does this relate to my city's Climate Action Plan?
Many cities and counties now have "Climate Action Plans" that outline different measures that the city or county can take to reduce its GHG emissions and conserve its natural resources. In San Mateo County, electricity consumption is a significant contributor of GHG emissions. Joining a CCA is one way jurisdictions in the county can reduce their GHG emissions from electricity and meet their local climate goals.

Has this been done in other areas and what have been the results?
There are two CCA programs up and running in California: Marin Clean Energy (MCE) in Marin County and Sonoma Clean Power (SCP) in Sonoma County. Both MCE and SCP offer their customers

10-30% more renewable energy than PG&E at prices that are competitive or even lower than PG&E prices. MCE and SCP are now actively building local sources of renewable energy in their communities and beginning to offer specialized energy efficiency programs. A third CCA in the City of Lancaster will begin serving customers this year.

If a CCA was formed in San Mateo County, what would be PG&E's role?
If a CCA was to form in San Mateo County, the CCA would be responsible for buying or generating all electricity required to meet the demands of its customers. Customers who chose to opt-out of the CCA would continue to have PG&E buy their electricity. All customers, whether they are a part of the CCA or PG&E, would continue to pay PG&E *delivery* charges and receive PG&E bills. The only difference between a CCA customer and PG&E customer is the charge for the generation of energy.

If the power goes out, will PG&E still fix a CCA customer's outage problem?
Yes, PG&E will still provide the same delivery and customer services regardless of whether that home or business is a CCA customer.

If I joined a CCA, would my electricity rates go up?
A technical study will examine the impacts of a CCA on rates, but so far CCAs have generally been around 5% lower than PG&E prices. This is dependent on the customer class and the particular CCA option each customer chooses. Current CCAs offer a "default" option that is cheaper than PG&E as well as a 100% renewable energy option that is slightly more expensive than PG&E. In addition, CCAs have the added advantage of price stability. While PG&E rates change several times a year, while CCA rates have generally only changed once a year, offering some measure of rate stability for CCA customers. While there is no guarantee that CCA rates will always be lower than PG&E rates, CCAs do have the advantage of being small, non-profit agencies that pay no shareholder dividends or income taxes like investor-owned utilities (such as PG&E) do.

How does a CCA procure electricity? A CCA must submit a plan to the California Public Utilities Commission (CPUC) that specifies how it will purchase 115% of the estimated electricity demand for its area for a period of one year. Once the plan is approved, CCAs negotiate the purchase of electricity for its service area on the open energy market by entering in power purchase agreements (PPAs) with energy providers. These PPAs can be long or short term, depending on the needs of the CCA and type of energy being provided. A CCA can also sponsor a bidding process whereby project developers can bid to build new electricity sources solely for CCA customers, which also ends in a PPA. CCAs have contracts with PG&E to transmit the electricity that the CCA buys over PG&E's lines.

Do the electrons purchased or generated by the CCA actually go to my house? No, when we say that the CCA supplies power to customers, we mean that the CCA puts the same amount of electricity into the grid that its customers use. When the individual electrons from all power resources go into the grid, no one can determine which electrons go where. Think of it as depositing $100 in one ATM and taking out $100 in another. It's not the same $100 bill, but it's still your money. One can think of electricity in the same way. If you consume 500 kilowatt-hours in a month, the CCA must supply 500 kWH to the grid on your behalf. The advantage of a CCA is that what's supplied to the grid on behalf of CCA customers can be cleaner than would otherwise be the case.

How is a CCA program set up? Local governments must pass an ordinance to join a CCA program, and the CCA agency must draft an Implementation Plan that is approved by the CPUC. This is typically done after an initial technical study to determine the amount of electricity that will be required and examine if the potential CCA can price its electricity to be competitive with PG&E. The Implementation Plan outlines how the CCA will function, how it will set rates, how it will procure electricity, and how it will carry out all other functions required under CPUC regulations.

I have heard that CCAs are "opt-out" programs. What does that mean?
When a county or city decides to create or join a CCA, all customers within that jurisdiction are automatically enrolled in the CCA. However, every customer can choose to opt-out and go back to the incumbent utility (which is PG&E in San Mateo County) for *generation* service (again, power *delivery* and customer service stay with PG&E) at any time. State law requires customers receive several notifications to opt-out for free just before and just after a CCA program launches. At any time after that initial launch period, a CCA customer can still go back to the incumbent utility's service for a small fee.

What is the governance structure of a CCA?
There is no law regulating how the how the governing body a CCA should be structured, so each CCA is a little different. Most CCAs are governed under a Joint Powers Agreement by a Board of Directors. The Board of Directors is usually comprised of a representative from each member city (and the county) within the CCA jurisdiction. The Board sets the CCA's policies and electricity rates. A CCA may also have a steering committee made up of representatives from other stakeholder groups, such as local businesses and community organizations. CCAs also have a small staff to run the day-to-day operations of the program and interface with CCA customers. The CCA process is designed to be very transparent with all meetings open to the public.

If I installed solar panels on my home or business, would I need a Power Purchase Agreement to sell our excess energy to a CCA?
No. The CCA would be able to offer property owners fair market rates for their excess energy production without a Purchase Power Agreement, even if that solar installation took place before the CCA launched. CCAs have been able to offer better net metering options for customers who generate surplus electricity, and those customers would automatically be enrolled into a CCAs net metering program, unless they choose to opt-out and return to PG&E.

I want to learn more, who can I contact? For more information, please contact the Office of Sustainability at sustainability@smcgov.org.