

# **Community Choice Energy**

Concept & Function

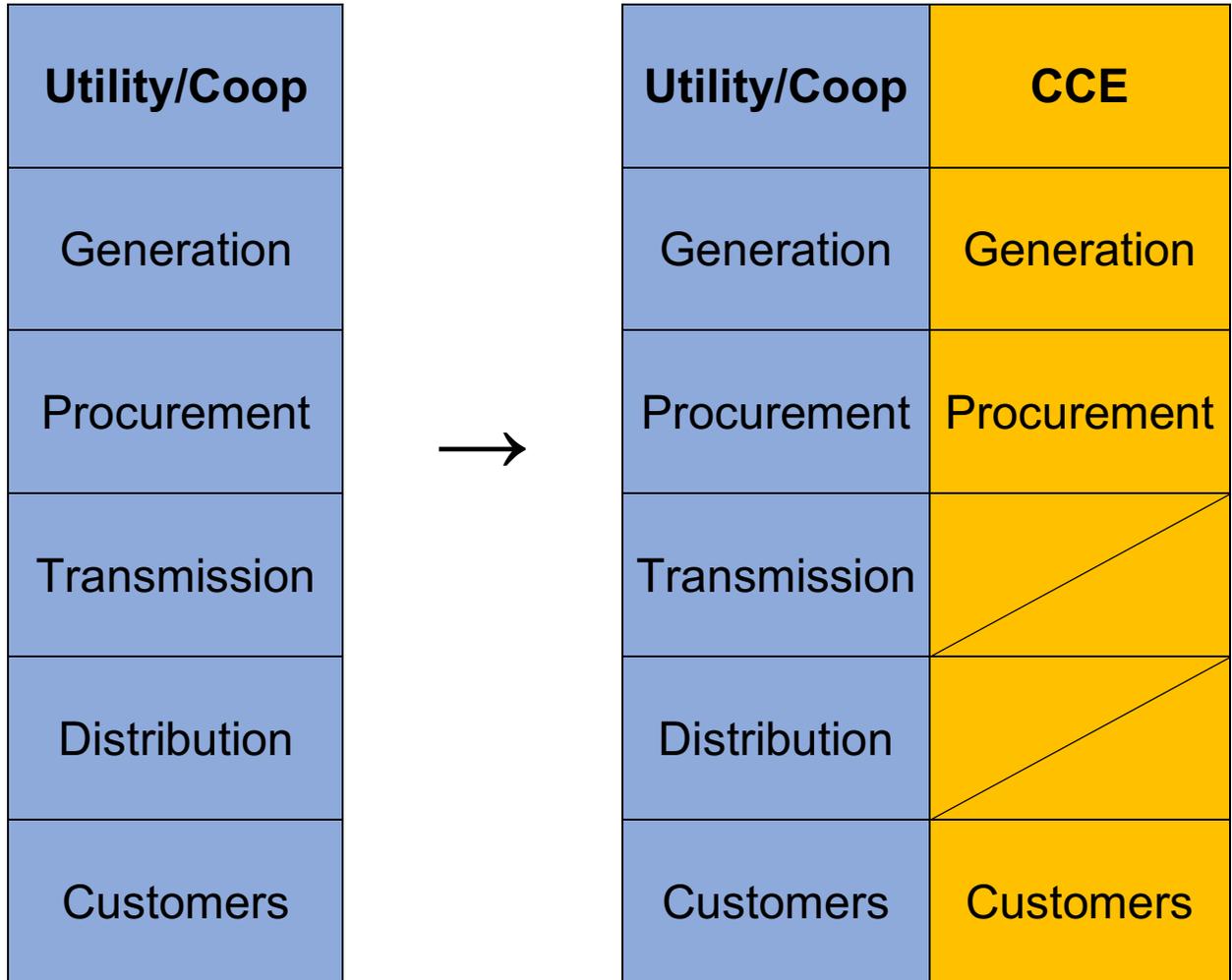
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## Part 1 – What is Community Choice Energy?

- CCE is a nonprofit energy provider that can meet community goals, provide consumer choice and enhance local control
  - States – CA, IL, MA, NJ, NY, OH, RI
  - CCE serves 2.5 million CA accounts
  - 50% CA load will be served by CCE by 2020
- Key Attributes –
  - Local government buys or generates power and sells it to customers
  - Program is optional and customers can switch
  - Utilities are partners and continue to provide transmission and distribution services for a fee
  - Surplus revenue can be used to fund energy programs or reduce rates

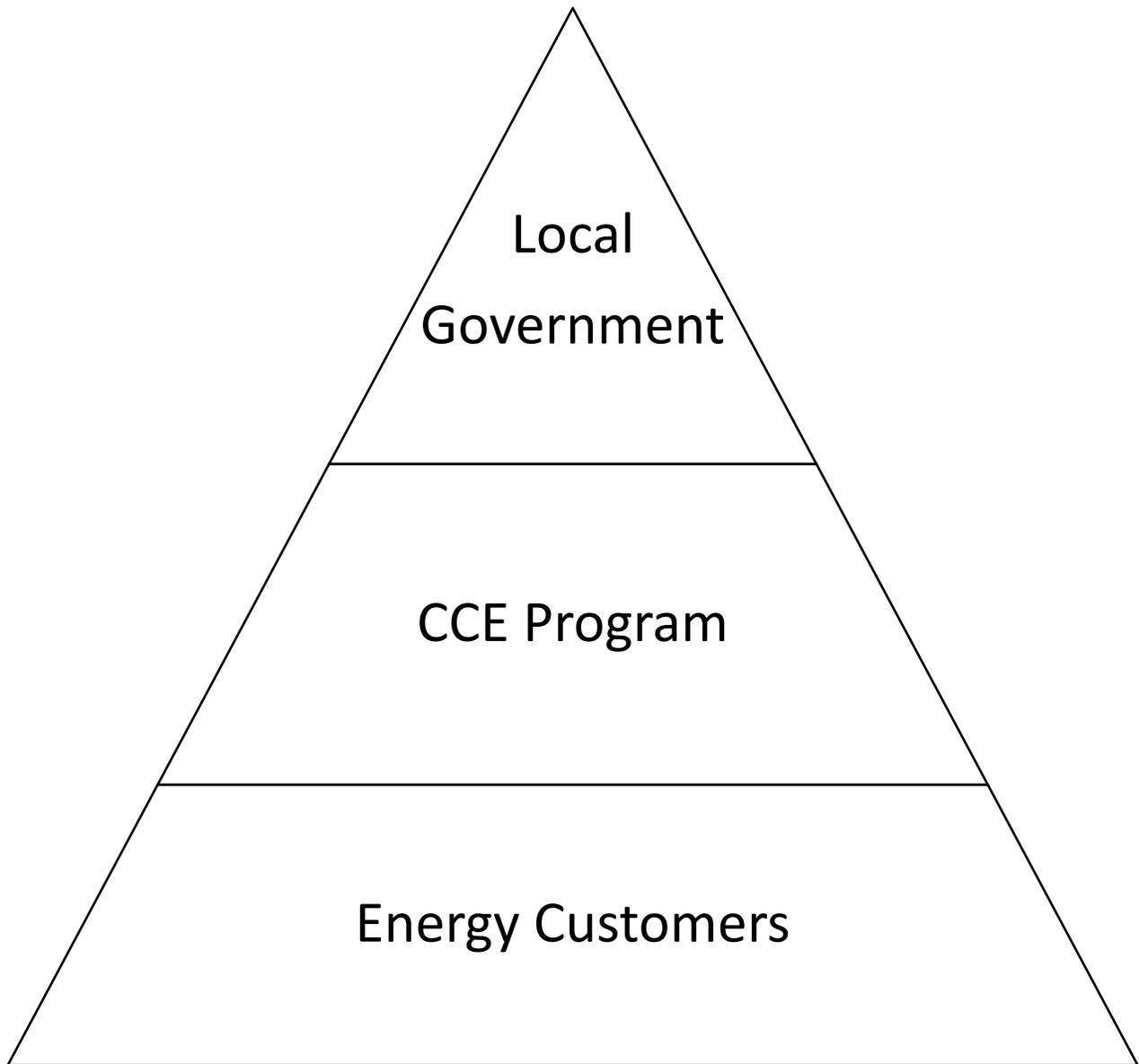
**Figure 1 – Energy Provider Functions**



## Part 2 – Organizational Structure

- Typically cities, counties and tribes are eligible to operate CCE programs, but states may take other approaches
- City Council or County Board of Supervisors acts as the board of directors and sets policy
- Energy professionals hired or contracted to run the program and purchase power, run customer programs and perform billing services
- Customers can advocate for changes through normal local government channels

**Figure 2 – Organizational Structure**



## Part 3 – Customer Programs

- CCE is an umbrella organization, and new and existing customer programs are compatible with it
- Customer programs can be offered on the same basis as the utility, or restructured to provide different incentives
- For example, rooftop solar or net energy metering is offered by the utility, but it can also be offered by CCE programs at beneficial rates
- New programs can also be offered, such as community solar

**Figure 3 – Program Offerings**

<b>Community Choice Energy</b>		
Net Energy Metering		Large Scale Wind and Solar
Energy Efficiency	Demand Response	Community Solar

## Part 4 – Competitive Rates

- CCE programs have maintained competitive or lower rates compared to utilities
- CCE is nonprofit so cost structure is different and does not include return to shareholders, high salaries, or big labor force
- Major cost reductions in renewables keep bills lower
- Rates are competitive with high renewable content
- CCE programs typically have excess revenue above costs and establish reserves

## Figure 4 – Rate Comparison

Monthly Charge	Pacific Gas & Electric	Marin Clean Energy	Percentage Difference
Residential Charge	\$104.04	\$101.43	– 2.5%
Commercial Charge	\$296.74	\$288.71	– 2.7%

Source: <https://www.mcecleanenergy.org/rates/#ResCostComparison>

Monthly Charge	Southern California Edison	Lancaster Choice Energy	Percentage Difference
Residential Charge	\$140.45	\$139.29	– 0.8%
Commercial Charge	\$162.35	\$160.83	– 0.9%

Source: <http://www.lancasterchoiceenergy.com/billing-rates/>

## **Part 5 – State Role**

- States pass legislation authorizing the creation of CCE programs and defining the ground rules
- Legislation may also need to address how CCE programs fit into the existing legal framework
- Regulatory agencies may set rules for resource planning, power content, and legal compliance
- Legislature and regulatory agencies may need to make adjustments to the law along the way

## Contact Information –

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