



Department of  
Environmental  
Conservation



Climate Smart  
Communities

# Community Choice Aggregation: Updates on Progress in New York State

*This webinar will begin shortly*

June 9, 2016

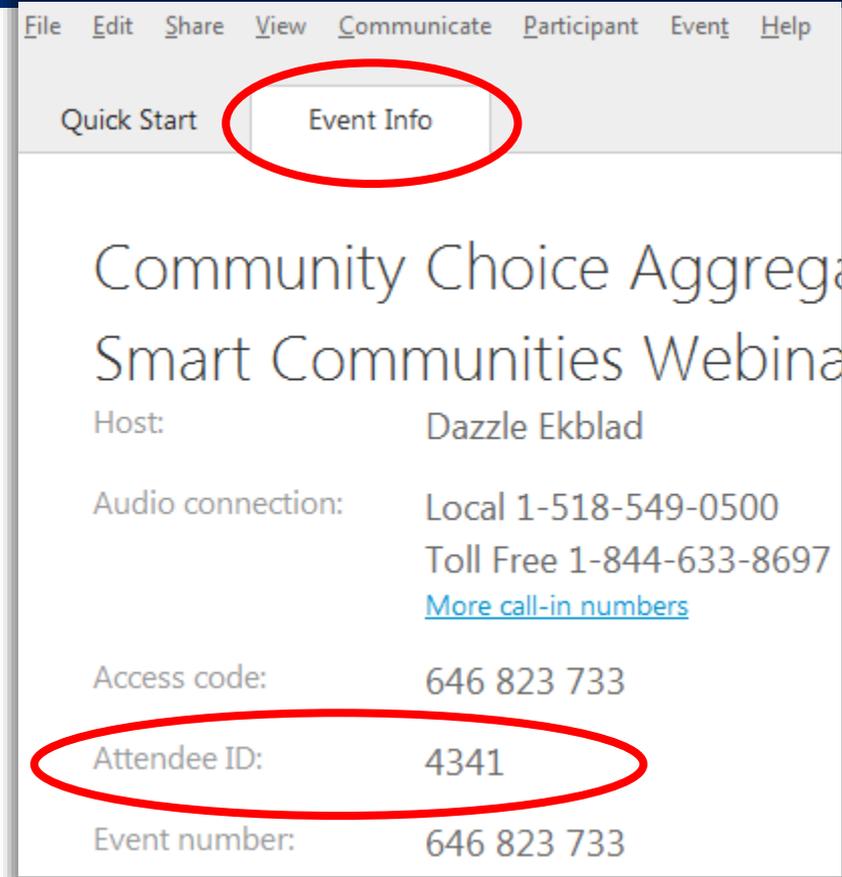
# Welcome!

Today's topic: *Community Choice Aggregation*

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## Community Choice Aggregation Smart Communities Webinars

Host: Dazzle Ekblad

Audio connection: Local 1-518-549-0500  
Toll Free 1-844-633-8697  
[More call-in numbers](#)

Access code: 646 823 733

**Attendee ID: 4341**

Event number: 646 823 733

# Today's webinar topic:

*Community Choice Aggregation*

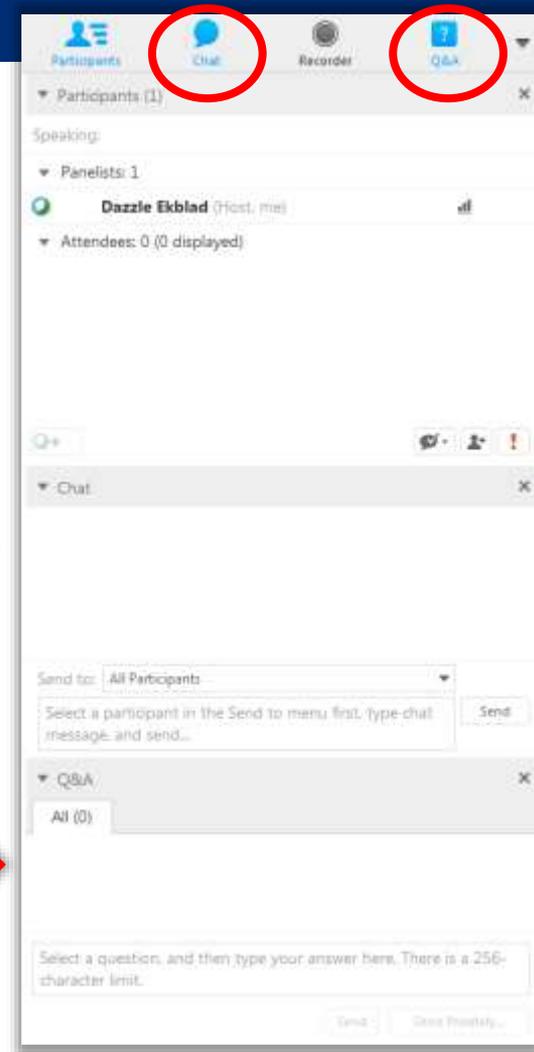
## Problems or technical questions?

*Use WebEx chat*



## Content questions for speakers?

*Use WebEx Q&A*



# Agenda

- I. **Introduction & Announcements** – Dazzle Ekblad, NYSDEC
- II. **CCA Overview: Context, Benefits & Opportunities** – Jennifer Metzger, Co-director, Citizens for Local Power
- III. **PSC Order & Rules for Establishing CCAs in NYS** - Kelly Connell, Office of Clean Energy, NYS Department of Public Service, and Ted Kelly, Office of General Counsel, NYS Department of Public Service
- IV. **Case Studies & Guidance on Forming a CCA** - Jennifer Metzger
- V. **Q & A** – Dazzle Ekblad



# Upcoming Events

- Various in June: Consolidated Funding Application (CFA) Workshops across NYS; see schedule at <http://regionalcouncils.ny.gov/>
  - Deadline to apply for [CSC Grants](#) via CFA: **July 29, 2016**
- June 10, 10:30 AM: CSC Webinar on CSC Grants
- June 13-15: [Clean Energy Economy Conference](#) & Energy Expo in Utica
- June 17: [North Country Climate Reality Conference](#), Queensbury

# Aggregate Purchase Initiative

- Organized by DEC & OGS
- Open to any authorized user of state contracts
- Orders for Chevy Volts will be aggregated into one large bid to bring down purchase price
- Deadline EXTENDED: **June 15, 2016**
  - Vehicle deliveries in fall 2016
  - Contact Brendan Woodruff at [brendan.woodruff@dec.ny.gov](mailto:brendan.woodruff@dec.ny.gov) for more information



# CSC Certification Announcements

- Newest version (v4) of the CSC Certification Workbook is available by emailing [climatechange@dec.ny.gov](mailto:climatechange@dec.ny.gov)
- Today's webinar potentially relates to several different certification actions; for example, implementation of CCA could create eligibility to earn points for these actions:
  - **# 9.1** – Create a climate change education, outreach & engagement program, focusing on mitigation and/or adaptation (4 pts)
  - **# 10.1** – Report on progress annually (4 pts)

# CCA Overview: Context, Benefits & Opportunities

Jennifer Metzger, Citizens for Local Power

# Community Choice Aggregation: A Path to Local Power

**Jen Metzger**

**Co-Director, Citizens for Local Power**

<http://www.citizensforlocalpower.com/>  
[localpowerny@gmail.com](mailto:localpowerny@gmail.com)



# Who we are



- Dedicated to transitioning to a locally-based clean energy economy in the Mid-Hudson Region.
- Undertakes research, education, advocacy, and project coordination at local to state levels.
- Supports community engagement in energy decision-making to strengthen local economies, mitigate climate change, and increase resilience.

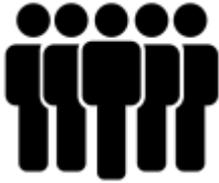
# The Vision

An equitable, sustainable energy economy that provides green jobs and renewable ownership opportunities to our residents and businesses, and a more resilient energy system with greater democratic control.

**THE KEY: Community Choice Aggregation (CCA).**

*This is a moment of unprecedented opportunity.*

# CCA in a Nutshell



Municipalities or groups of municipalities can pool the buying power of residents & businesses to:

- **Secure alternative energy supply contracts;**
- **Develop energy programs tailored to community needs and goals.**

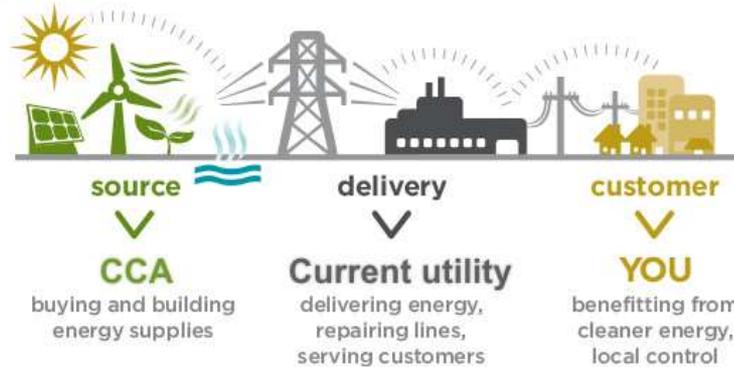
Replaces the utility as the default **supplier** of electricity.

Utility remains responsible for **delivery** (poles & wires) and billing.

# CCA in a Nutshell

The CCA recovers administrative costs through the rates, not taxes.

## How CCA Works



# The Evolution of CCA

CCA  
"1.0"

**1990s:** bulk purchasing to reduce costs/stabilize rates for fixed terms

**2000s:** greening supply through purchase of RECs

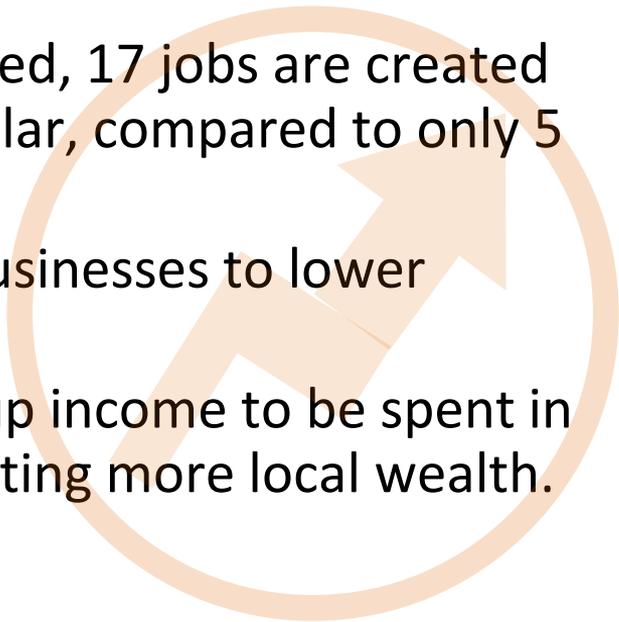
CCA  
"2.0"

**2010s:** Local clean energy investments to capture economic/jobs benefits and increase resilience

# Potential Benefits of CCA

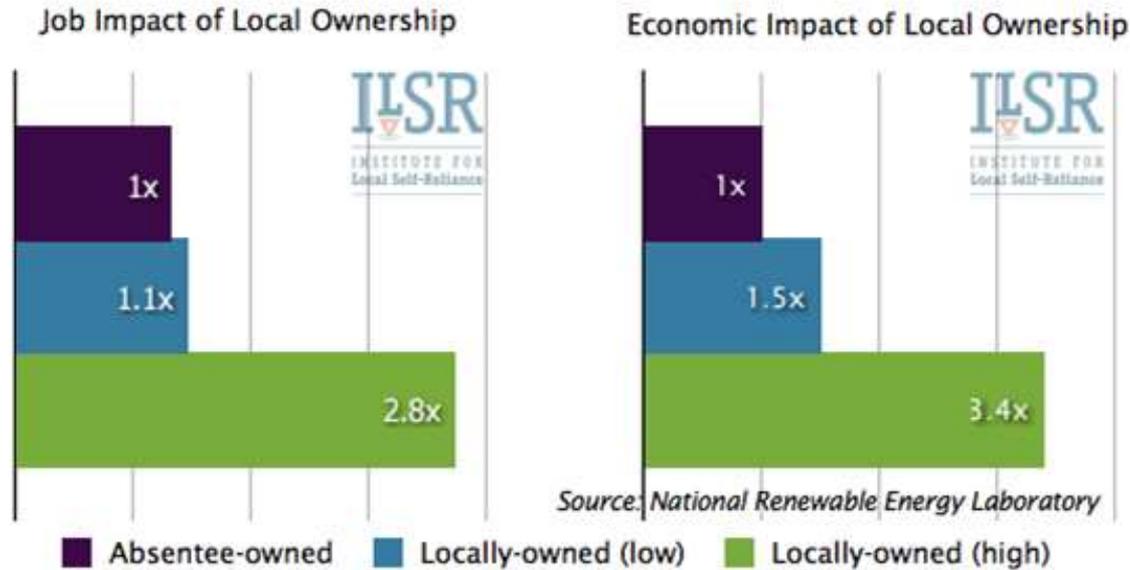
- Reduce climate-destabilizing GHG emissions
- Facilitate local economic development
- Stabilize energy costs
- Reduce customer bills

# CCA: Economic Development Opportunity

- New York depends on energy imports for 92% of its energy requirements.
  - For every \$1 million invested, 17 jobs are created due to efficiency, 14 for solar, compared to only 5 for natural gas.
  - Facilitate investment by businesses to lower energy costs.
  - Lower energy costs frees up income to be spent in the local economy, generating more local wealth.
- 

# Local Ownership = Greater Economic Impact

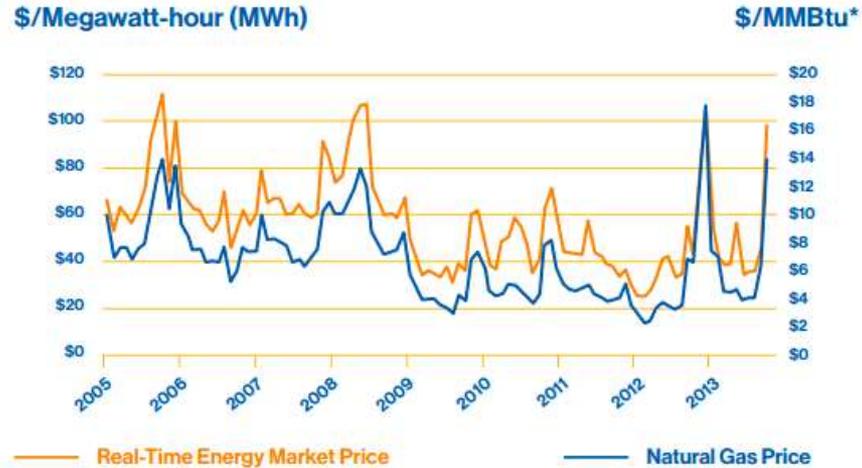
Fig. 2 Local Ownership Means More Jobs & More Local Economic Impact



# Fossil Fuel Price Volatility

## Natural gas and wholesale electricity prices are linked

Because of New England's heavy reliance on this single fuel source, natural gas typically sets the price for wholesale electricity.



\*MMBtu stands for Millions of British thermal units

# CCA Comes to New York

- CCAs exist in over 1,300 hundred communities in six states, including MA, CA, NJ, OH, IL, and RI.
- **On April 21, 2016, New York became the 7th state to enable CCA. The first CCA in the state, Westchester Power, has got its first supply contracts.**
- NYS PSC Order sets out CCA design standards and principles for developing and implementing CCA programs.

# PSC Order & Rules for Establishing CCAs in NYS

Kelly Connell & Ted Kelly, DPS



# Reforming the Energy Vision

## Reforming the Energy Vision

Community  
Choice  
Aggregation

**New York State Department of Public Service  
Kelly Connell & Ted Kelly**



Reforming the  
Energy Vision

# Overview of presentation

1. New York's Reforming the Energy Vision
2. Community Choice Aggregation (CCA) Framework Order Rules
3. Westchester Power CCA Pilot Program Overview

## ***Reforming the Energy Vision – REV***

REV is Governor Andrew Cuomo's strategy to build a cleaner, more resilient and affordable energy system for all New Yorkers.

***REV places clean, locally-produced power at the core of New York's energy system,*** protecting the environment by reducing greenhouse gas emissions & increasing our use of renewable energy.



# Reforming the Energy Vision...

## How do CCA's fit into REV?



Educate, encourage, and empower customers...



...localized animating markets for distributed energy resources...



... in order to drive toward higher efficiency, lower environmental impacts and increased affordability.



# Acronyms

CCA - Community Choice Aggregation

DER - Distributed Energy Resources

EE - Energy Efficiency

ESCO - Energy Service Company

RPF - Request for Proposal

RECs - Renewable Energy Credits

REV - Reforming the Energy Vision

# CCA Framework Order Goals

- Increase the ability of individuals and communities to manage their energy usage
- Facilitate wider market-based deployment of clean energy
- Increase the benefits of retail competition for the mass market

# CCA Framework Order Rules - Eligible Municipal Governments

- The three types of municipalities under New York State law eligible to form a CCA are:
  1. Villages
  2. Towns
  3. Cities
- The Role of the County



# CCA Framework Order Rules - Scope of CCA Programs

- CCA programs will be allowed to aggregate electric supply, gas supply, or both.
- CCA programs may aggregate or integrate into their programs energy efficiency and distributed energy resources.

# CCA Framework Order Rules - Customer Eligibility

- All customers will be eligible
- A customer can be enrolled on an opt-out basis if their service class is listed in Order.
- ESCO customers or customers that have placed a freeze or block on their account can be enrolled on an opt-in basis.

Company	Electric Opt-Out Service Classes	Gas Opt-Out Service Classes
Central Hudson Gas & Electric Corporation	SC 1 Residential Service; and SC 2 General Service	SC 1 Residence Rate; and SC 2 Commercial and Industrial Rate
Consolidated Edison Company of New York, Inc.	SC 1 Residential and Religious; SC2 General - Small; SC 8 Multiple Dwellings - Redistribution; SC 12 Multiple Dwelling - Space Heating; and SC 13 Bulk Power - Housing Developments	SC 1 Residential and Religious Firm Sales Service; SC 2 General Firm Sales Service; and SC 3 Residential and Religious-Heating Firm Sales Service

# CCA Framework Order Rules - Customer Eligibility - cont.

- The CCA Administrator
  - Can choose to apply opt-out treatment to a more limited class of customers, to only allow certain classes of customers to opt-in, or both.
  - Can determine whether eligible customers who move into a municipality should be enrolled on an opt-in or opt-out basis.

# CCA Framework Order Rules - Customer Outreach and CCA Development Process

NYSERDA will be available as a technical consultant to assist municipalities and CCA Administrators through:

- Individual consultations
- CCA toolkit describing best practices and including model documents such as customer outreach materials and contracts.

# CCA Framework Order Rules - Implementation Plan

- Include a description of the program and its goals
- Plans for value-added services (e.g., installation of DER or other clean energy services) that will be included in an RFP
- A public outreach plan
- Drafts of written communications with its residents, including opt-out letters.

# CCA Framework Order Rules - Data Protection Plan

The Data Protection Plan must:

- Describe how the CCA Administrator will ensure the same level of consumer protections, including low income customers, as currently provided by utilities and ESCOs.

# CCA Framework Order Rules - Municipal Home Rule Law

- Each municipality intending to implement a CCA program must exercise its Municipal Home Rule Law authority, after holding a public hearing on notice.

# CCA Framework Order Rules - Filing and Approval Process

- Once the Implementation Plan, Data Protection Plan, and certifications of local authorization have been filed, the Commission will determine whether they comply with the requirements of the Order and issue an approval.

# CCA Framework Order Rules - Opt-Out Process

- Provide information and education to potential CCA members over no less than a two month period.
- The mailing of an opt-out letter must be preceded by the filing of Implementation and Data Protection Plans and certifications of local authorization.
- Customers must be permitted by the selected ESCO to opt-out and return to utility service any time before the end of the third billing cycle after enrollment without penalty.

# CCA Framework Order Rules - Municipal Contracts with ESCOs and Other Providers

- The terms of the contract must comply with applicable requirements for ESCO service
- CCA programs are not limited to contracting with only one ESCO
- Termination charges after the 3 month grace period will be subject to the contract
- Contracts should not restrict the installation or use of distributed energy resources or energy efficiency products

# CCA Framework Order Rules - Clean Energy Integration, Funding, and Collections

- Municipalities will not be permitted to allocate a portion of the CCA customer payments to a clean energy or public benefit fund

# CCA Framework Order Rules -

## Provision of Customer Data

- CCA Administrator may request **aggregated data** after Commission approval of its Implementation and Data Protection Plans and certifications of local authorization.
- Once contracts with ESCOs have been entered into and executed, **customer-specific contact information** can be requested for all eligible customers.
- **Detailed customer information** can be requested for eligible customers who did not opt-out once the initial opt-out period has closed.

# CCA Framework Order Rules - Annual Reporting

- Will include:
  - Number of customers served
  - Number of customers cancelling during the year
  - Number of complaints received by the CCA liaison
  - Commodity prices paid
  - Value-added services provided during the year
  - Administrative costs collected

# Sustainable Westchester- Overview



Fixed rate supply contracts:

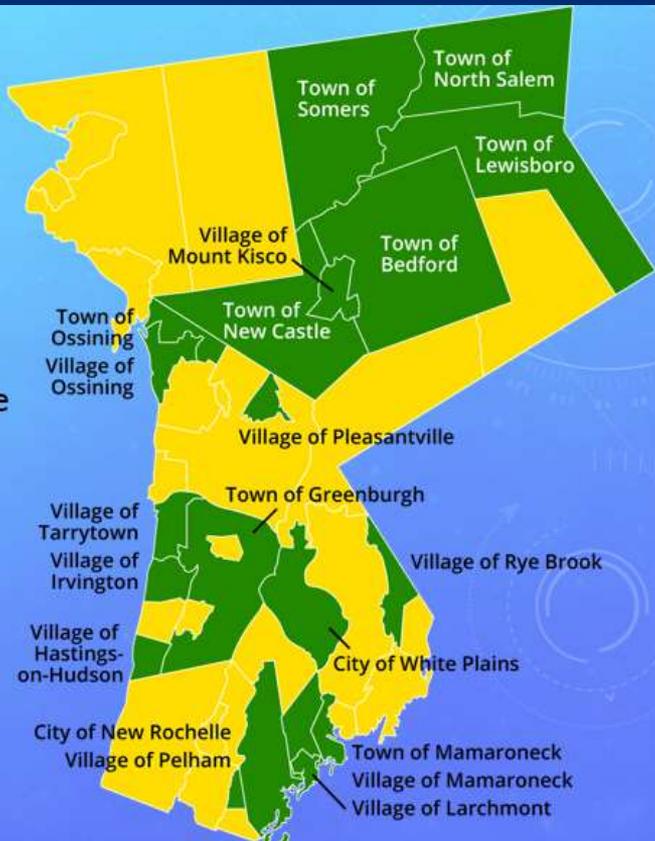
- ConEd : 32 months (ConEd Solutions)
- NYSEG: 36 months (Constellation)

5.5-10.5% savings vs. 12-mo. avg. utility supply rate

Free opt-out at any time with no penalty

14 of 20 communities selected 100% Renewable  
(Green-e certified RECs) default

Contract provides for future renewable  
development and efficiency programs



# CCA Framework Order

**THANK YOU!**

Kelly Connell: [Kelly.Connell@dps.ny.gov](mailto:Kelly.Connell@dps.ny.gov)

Ted Kelly: [Theodore.Kelly@dps.ny.gov](mailto:Theodore.Kelly@dps.ny.gov)

# Case Studies and Guidance on Forming a CCA

Jennifer Metzger, Citizens for Local Power

# Existing CCA Models

- 1) 3rd party consultant as CCA administrator
- 2) Inter-municipal organization as CCA administrator
  - **Cape Light Compact (MA)**
  - **Sustainable Westchester (NY)**
- 3) Public authority as CCA administrator
  - **Sonoma Clean Power (CA)**
  - **Marin Clean Energy (CA)**

# 3rd party consultant as CCA administrator

- Common to early-model CCAs.
- A municipality enables CCA; hires a consultant to design and implement the program, including public outreach, opt-out notifications, RFP and supplier selection, customer relations.
- Tend to be focused on lower rates & longer supply contracts; can also support renewables via REC purchases.
- To date, few of this type have offered other energy services to customers beyond bulk procurement.

# Inter-municipal organization as CCA administrator

- Municipalities form an intermunicipal membership organization (or use existing organization) to administer CCA.
- Municipal members represented on Board of Directors, which sets goals and policy.
- Staff and other admin./program costs are recovered through rates; supplemented by SBC in some states.
- Services can include: negotiating supply contracts; advocating for customers; education and outreach; DER services.

# Ex: Cape Light Compact

- First CCA, formed in 1997 via intermunicipal agreement between 21 towns and 2 counties.
- Procure power; historically strong focus on energy efficiency programs, public education, consumer advocacy.
- In 2007, established Cape & Vineyard Electric Cooperative as separate institution to promote investment in local renewable energy.

# Authority as CCA administrator

Can do everything that an inter-municipal non-profit can  
PLUS:

- Can acquire, lease, manage and own property
- Can issue revenue bonds (repaid by revenues generated by investment)

# Ex: Marin Clean Energy & Sonoma Clean Power

- Goals of reducing GHG emissions, stabilizing energy costs, and capturing local economic benefits of clean energy.
- Several rate options, including a rate that supports local renewable development.
- Feed-in tariffs to support local renewable investments.
- Other energy programs and customer services.

# No one size fits all

The form that CCAs take in New York will reflect the goals, needs, resources, and creativity of the communities that create them.

# Getting Started with CCA

1. Identify resources and stakeholders
2. Community planning & goal setting
3. Draft formation documents
4. Resources to help communities
5. Procurement contracts
6. Local energy planning
7. Key considerations

# Identify resources and stakeholders

- Identify stakeholders in the community to lead the effort
- What existing organizations might serve as CCA administrator?

# Community planning & goal setting

- Hold public information forums and workshops
- Create steering committee for CCA formation
- Set CCA goals
- Identify institution to be CCA administrator

# Draft formation documents

- Develop outreach plan
- Draft model local law
- Draft Implementation Plan and Data Protection Plan for submission to PSC.

# Resources

- NYSERDA technical assistance & toolkit
  - Customer outreach materials, model solicitations & contracts
- Websites:
  - <http://www.citizensforlocalpower.com/>
  - <http://sustainablewestchester.org/community-toolkits/cca>
  - <http://www.localpower.com/>
  - <http://sonomacleanpower.org/>
  - <https://www.mcecleanenergy.org/>
  - <http://www.capelightcompact.org/>

# Procurement contracts

- Develop RFPs for energy supply and/or DER services (NYSERDA toolkit templates)
- Options:
  - Local Administrator
  - Hire a consultant

# Local energy planning

- Identify best local distributed energy opportunities
  - Renewable generation
  - Energy efficiency
  - Demand response
- Develop CCA programs
- Work with NYSERDA & other NYS programs
  - REV Demo Projects, Clean Energy Fund
  - Utility
  - 3rd party service providers

# Key considerations

1. What are your CCA goals and priorities?
1. Do you want to create your own local institutional capacity, or do you want to hire a consultant as CCA administrator?
1. Do you want to prioritize local economic development, and how?

# Climate Smart Communities Webinar

*Thanks for joining us!*

Webinar slides and recordings will be posted at

<http://www.dec.ny.gov/energy/84359.html>.

**Contact email:** Office of Climate Change  
[climatechange@dec.ny.gov](mailto:climatechange@dec.ny.gov)

