Frequently Asked Questions (FAQ)

On March 15, 2016, the Contra Costa County Board of Supervisors (Board) directed County staff to work with interested cities within the County to conduct a technical study of options for potentially implementing Community Choice Energy (CCE) within the participating jurisdictions. On August 16, 2016, the Board approved a contract with MRW & Associates to complete the technical study. The three options that will be evaluated and compared in the technical study are as follows:

- Form a new Joint Powers Authority (JPA) comprised of the County and interested cities within Contra Costa County for the purpose of Community Choice Energy

- Form a new JPA comprised of interested cities in Contra Costa County and Alameda County and its participating cities for the purpose of Community Choice Community

- Join the existing Community Choice Energy JPA established in Marin County, known as MCE Clean Energy (MCE)

These CCE alternatives will be compared to the option of remaining with existing electricity service from Pacific Gas and Electric (PG&E).

This set of FAQs provides general information on Community Choice Energy and how it works. It is not intended to suggest that one of the models described above is preferable to another. The determination of which model will be adopted, if any, will be made by the County's Board of Supervisors and city councils within Contra Costa County following the completion of the technical study.

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1. **What is Community Choice Energy (CCE)?**
   Community Choice Energy enables a County and/or cities within a County to pool the electricity demand of participating communities' homes, businesses, and municipal facilities to buy and/or develop electric power on their behalf. 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 Contra Costa County.

2. **How does CCE work?**
   The CCE operates as a not-for-profit public agency. The governing board of this public agency would be comprised of local elected officials representing the participating communities. Based on the values of these participating communities, the CCE can choose what type of electricity to purchase and where the electricity originates (or is produced) geographically. If they choose, CCEs

have the ability to establish local energy efficiency programs and adopt policies to support rooftop solar and other renewable technologies and strategies.

3. **What is meant by “Community Choice”?**
   Unlike other services such as phone, cable, and internet, owners of homes and businesses do not currently have a choice of electricity supplier. CCE introduces competition into the retail electricity market. CCE provides consumers a choice of electricity providers.

4. **Is CCE something new?**
   CCE is currently available in seven states including California, New York, Illinois, Massachusetts, Ohio, New Jersey, and Rhode Island. CCE was first authorized under California State law in 2002. MCE Clean Energy (MCE), was established in Marin County in 2010 and was the first CCE program in California. Sonoma Clean Power (SCP) launched in 2014, and the City of Lancaster began its own program in May 2015. The City and County of San Francisco rolled out its program in May 2016. Peninsula Clean Energy (San Mateo County) begins serving customers in October 2016 with several other programs to follow in 2017.

5. **What other California Counties/Communities are exploring CCE?**
   Many communities in California are exploring CCE, including the cities of San Jose and San Diego, Alameda County, Los Angeles County, Monterey County, San Benito County, San Luis Obispo County, Santa Barbara County, Santa Clara County, Santa Cruz County, Yolo County and the City of Davis.

6. **How will customers be affected if a CCE is created in Contra Costa County?**
   Day-to-day, most customers will not notice any change other than a CCE line item on their utility bill that replaces PG&E electric generation charges with the CCE's electric generation charges.

7. **How are CCE programs funded?**
   CCE formation requires an initial start-up investment. This initial investment is usually a loan from public or private sources and is typically repaid once the CCE program becomes operational. After operation begins, the CCE is self-funded

through ratepayer revenues.

8. **Are all cities in the County required to participate?**
No. Each city decides whether it wishes to participate in a CCE program.

9. **Would customers have to participate in a CCE if they are in the service area?**
No. Although the CCE would become the default service provider of electricity for the County and any participating cities, customers always have the choice to purchase their energy from PG&E. Prior to the beginning of a CCE's operation, all electricity customers will receive at least four "opt-out" notices during a sixty-day period at which time anyone can opt-out of the program at no cost. There is an additional sixty-day period after the start of the program during which any customers can opt out at no cost. After that, customers may still opt out for a nominal fee. After opting out, the customer is prohibited from returning to the CCE for a period of one year.

10. **Will taxes increase?**
No. A CCE does not have the ability nor the authority to tax and has no impact on taxes. A CCE is completely funded by revenues generated by the sale of electricity to CCE customers.

11. **What about PG&E? Where do they fit in?**
PG&E remains an important partner in any CCE program. Under a CCE, PG&E continues to deliver reliable power, maintain the power lines, respond to service outages, and handle customer billing. Under its agreement with the State, PG&E is guaranteed an annual shareholder return to reliably deliver power and to build and maintain power lines. Per statute and codified in the CCE/Utility Service Agreement, PG&E must fully cooperate with any community that wishes to form a CCE program.

12. **How would a CCE's rates compare to current rates?**
The experience of CCEs in California to date suggests that rates will be competitive with PG&E. Although there is no guarantee, Community Choice Energy programs in California have frequently offered lower rates than the investor-owned utility (IOU) competitors for comparable products. However,

occasionally CCE rates have been higher than IOU rates.

13. **How would a County/Regional CCE be structured?**
A CCE operates as a non-profit public agency with a publicly accountable Board of Directors made up of elected officials from participating communities. Most CCEs use a common legal structure for municipal public entities called a Joint Powers Authority (JPA). The JPA is a separate public entity from the cities and county that created the JPA. Since CCEs operate in a competitive environment, they have an incentive to keep administrative costs to a minimum – typically at 5-6% of its total operating budget.

14. **How is a CCE program set up?**
Local governments must pass an ordinance to join a CCE program, and the CCE agency must draft an Implementation Plan that is approved by the California Public Utilities' Commission (CPUC). This is typically done after an initial technical study to determine the amount of electricity that will be required and to examine a CCE's ability to be cost competitive with PG&E. The Implementation Plan outlines how the CCE 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.

15. **Isn't renewable power more expensive than regular electricity? Wouldn't a CCE's rates be higher?**
Wholesale prices for electricity generated from renewable sources have been trending down in recent years. So far, CCEs have been able to offer their customers electricity at competitive rates. Rate projections for PG&E and CCE alternatives will be included in the technical study.

16. **Do the electrons purchased or generated by the CCE actually go to my house?**
No, when the CCE supplies power to customers, the CCE puts the same amount of electricity onto the grid that its customers use. When the individual electrons from all power resources go onto the grid, no one can determine which electrons go where. If you consume 500 kilowatt-hours in a month, the CCE must supply 500 kWh to the grid on your behalf. The advantage of a CCE is that what it supplies to the grid on your behalf can be both cleaner and less expensive than

what PG&E is putting on the grid.

17. **If I installed solar panels on my home or business, would I need a Power Purchase Agreement to sell my excess energy to a CCE?**
    No. This is called net energy metering (NEM), and the CCE 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 CCE launched. Larger solar projects that are "in front of the meter" can also be facilitated under a CCE's feed-in-tariff program, which uses a standard power contract with set prices to buy all the power generated from that facility on behalf of CCE customers.

18. **Are there other websites/resources I can check out?**
    For information on existing CCE programs see:
    - MCE Clean Energy - www.mcecleanenergy.org
    - Sonoma Clean Power - www.sonomacleanpower.org
    - Peninsula Clean Energy - www.peninsulacleanenergy.com
    - CleanPowerSF - http://sfwater.org/index.aspx?page=748

For general information about CCEs, see Clean Power Exchange at http://cleanpowerexchange.org/

For information about LEAN Energy US see http://www.leanenergyus.org/