AD-HOC COMMUNITY POWER COMMITTEE MEETING

AGENDA

Friday, August 7, 2020, 8:00 AM Virtual Zoom Meeting

TO JOIN THE MEETING:

- The public may join the meeting online by visiting www.zoom.us/join or by calling the toll-free # (888) 475-4499 and entering the Meeting ID: **858 5592 8244**.
- If you encounter any issues accessing this meeting, please call 603-757-0622 during the meeting.

Members:

Peter Hansel, Chair
Councilor Mike Giacomo
Dr. Ann Shedd
Paul Roth
Dan Belluscio
Jeffrey Titus

Staff:

Rhett Lamb, ACM/Community Development Director
Mari Brunner, Planner

1. Call to Order and Roll Call
2. Approval of July 8, 2020 Meeting Minutes
3. Overview of Community Power Options in New Hampshire – Henry Herndon, Clean Energy NH
4. Community Power Consultant
    a. Update on RFP Process
    b. Proposal Review Committee – Evaluation Criteria
5. New Business
6. Next Meeting: Friday, September 4, 2020 at 8:00 am
7. Adjourn

City of Keene
New Hampshire

Ad Hoc Community Power Committee
MEETING MINUTES

Wednesday, July 8, 2020 **8:00 AM** **Virtual Zoom Meeting**

Members Present:
Chair Peter Hansel
Dr. Ann Shedd
Paul Roth
Councilor Mike Giacomo
Dan Belluscio
Jeff Titus

Staff Present:
Rhett Lamb, Assistant City Manager and Community Development Director

Members Not Present:

1) **CALL TO ORDER/ROLL CALL**

Mr. Lamb called the meeting to order at 8:02 AM. He introduced himself and Mari Brunner, Planner, and said they would be sharing the responsibilities of staffing the group. He said that the committee's task is to help write a plan for Community Power. Mr. Lamb conducted roll call. Each committee member stated his or her location and whether anyone else was present in the room with them.

2) **ELECTION OF CHAIR AND VICE CHAIR**

Mr. Lamb stated that the first order of business is to elect a Chair, and noted that a Vice Chair is not typically needed for an Ad Hoc committee. If a Vice Chair is needed later on they will handle it at that time. Dr. Shedd nominated Peter Hansel to be the Chair. Mr. Lamb asked Peter Hansel if he is willing to accept the nomination; Peter responded in the affirmative. Paul Roth seconded the nomination, which was approved unanimously by a roll call vote.

Chair Hansel read a statement regarding the authority of the committee to hold a remote meeting, pursuant to Executive Order #2020-04.

3) **ADOPT RULES OF PROCEDURE AND REVIEW OF LAWS GOVERNING PUBLIC MEETINGS – CITY ATTORNEY, THOMAS MULLINS**

City Attorney Thomas Mullins reviewed NH RSA 91-A, the right to know law in NH. It has two major components, one of which relates to requirements for public meetings and public participation in meetings. The other component relates to public access to governmental records. The law requires that a public body meet certain requirements for meetings, such as posting public notice of the meeting at least 24 hours in advance. The notice must be published in a couple of different places and include the location of where the meeting is going to take place. During the COVID-19 State of Emergency, meetings can take place remotely as long as they meet certain provisions, such as providing public access to participate in the meeting by phone.

Mr. Mullins explained that, in order for the public body to conduct any business, there has to be a quorum of the public body present at the meeting. Motions must be seconded and votes taken by roll call. He referred to the Rules of Procedure that were provided to each member prior to the meeting. A proposal is on the table to adopt these Rules of Procedure at this meeting.

Other requirements with respect to the operation of the meeting is that all business of the body is supposed to happen in a public context. Also included in the packets are the conflict of interest materials, a handout on public meetings to summarize previous discussion and the text of RSA 91-A.

Chair Hansel asked if there are any questions and if the committee wants to adopt the rules now.

Dr. Shedd made a motion to adopt the Rules of Procedure as presented in the agenda packet. Mr. Roth seconded the motion. The motion passed unanimously by a roll call vote.

Mr. Mullins exited the meeting.

Elizabeth Dragon, City Manager addressed the committee. She welcomed the group and thanked everyone for volunteering to serve on the committee. She stated that the City is excited about this opportunity to save the taxpayers' dollars while also moving the City towards its energy goals. She noted that Community Power is one of the only ways to reach the City's green energy goals. She said she will be following along with the committee's work and will be available at any time to answer questions.

4) ANTICIPATED PROJECT TIMELINE

Mr. Lamb addressed the draft timeline included in the agenda packet. He explained the objective of this committee is the preparation of a Community Power Plan, which is what the timeline is built around. There are several key components to the timeline:

1. The first is establishing this committee and holding these initial meetings.
2. The next significant component is to issue a request for proposals for a community power consultant. Staff has already prepared a RFP which is currently under review. Using City processes and purchasing guidelines and requirements, the City could issue the RFP in the 2nd or 3rd week in July. At roughly the same time the City will create a proposal review committee, usually 3 to 4 staff people that would be charged with evaluating, ranking and making a recommendation to City Council.
3. Moving on to August, the consultant proposals will be submitted to the City. The proposal review committee would meet and review applications and possibly do interviews. A recommendation to City Council would be made by the end of August.
4. After another Community Power Committee meeting, there is a date of September 10th set, the staff review committee would present their recommendations to the City Council Finance, Organization and Personnel Committee to recommend the hiring of a Community Power Consultant. If that goes successfully, City Council would vote on a recommendation for a contract with that consultant on September 17th.
5. By late September or early October, the selected consultant would be on board and helping to prepare the Community Power Plan. The Consultant would attend committee meetings and present their information that they have prepared to date at each one of the meetings.
6. In November, the committee would seek feedback on a draft plan. One of the key elements of the Community Power Plan process is getting public input and the public meetings and how we would promote this idea to the community. Recognizing that public input is a key component on the plan itself, even before we start talking to power providers, we need to make sure the public is on board with this process.
7. A public meeting would be held in the month of December. We chose December because there are other really significant projects that are being run out of the Community Development Department in the fall. This includes our land use code update project and preparing the energy plan which is the work of the Energy and Climate Committee. All of these projects are coming due sometime around the November, December or January time frame.
8. With the public meeting process completed, we would move towards submitting a final Community Power Plan to City Council in the 3rd week of January with a vote following shortly after.

Chair Hansel asked if there were any questions from the members. Dr. Shedd would like to clarify that the RFP is going out to energy brokers. Mr. Lamb stated that in most cases, these companies are both qualified to prepare these

Community Powers Plans and be the energy broker on behalf of the City. Effectively, it is a two-part contract where in the initial phase of the contract, the responsibility of the consultant is to prepare that Community Power Plan and work towards its adoption. The second phase of the contract would then be to be the broker for the preparation for the contract with an energy supplier. That consultant would also end up being the administrative end of the Community Power Program, so yes, they are brokers in addition to being the consultant who helps prepare the plan and administer the program.

Chair Hansel asked if there is anyone who knows of cases where the broker and consultant are different entities. Ms. Brunner stated that every community that she has reached out to has hired one entity to handle everything as a full service back office. There is a group in NH called Community Power NH that is working on a different sort of model with a joint back office. She thinks they would be hiring a broker just to provide broker services but others would provide the back office services. That model is being explored right now.

Mr. Lamb commented that Keene is in conversation with other communities in NH that are also taking the track that the City is. Londonderry is a community that has pursued this already. They already hired a consulting service and are moving toward a community power plan. It is also the model that we are watching out of MA under separate statutory authority. Where one consultant is used for both aspects of preparation and contracting.

Chair Hansel asked if there were any other questions. Dr. Shedd commented her concern is that it is not until October that this committee discusses local goals to include in the plan. She hopes that between now and October this committee will be able have some discussion around the goals that are evolving out of the renewable energy plan that the ECC is working on so that they will be ready to assure that two are in alignment. Not only in the terms of near term goals but also in terms of long term goals.

5) **MEETING SCHEDULE**

The group agreed that regular, monthly meetings will be scheduled for the first Friday of each month. Ms. Brunner will send out a committee schedule through the end of the calendar year.

6) **COMMUNITY POWER PROGRAM OVERVIEW**

Mr. Lamb commented that the route Keene is taking has created an opportunity to really change the way electricity is bought and paid for and to influence the market for electricity in a way that has the potential to create an opportunity for more renewables and manage costs for citizens. So much of what we do around energy in the City of Keene is to influence people's choices, to make sure they have options, to make sure the opportunity is there to make a choice that is economical for them and has the benefit of renewable or green energy to meet those renewable goals. To be able to give better options to individuals to where they could actually save money by making a greener choice – that's a game changer with the respect to the potential for a higher percentage of renewables leading to that 100% goal in 2030. Mr. Lamb said that the first step in this is to bring the consultant on board so that we have very clear steps in preparing this Community Power Plan.

Ms. Brunner referred to the article on page 25 of the packet. She stated that the City is currently working with a fellow from the UNH Sustainability Institute, Carly Peruccio. Ms. Peruccio has recently done a lot of work putting together some background information on Community Power. Her background is in audio producing. She created an audio explainer on community power. Ms. Peruccio also interviewed Carole Collins from the city of Greenfield, MA. Over a period of 5 years, Greenfield saved over 1 million dollars with Community Power. Once all of that is up and live on the website, Ms. Brunner will send out the link to those materials. These should be available in about a week.

Chair Hansel commented that a concern – and an opportunity – is that the City of Keene is charting new territory in the state if NH. He said that staff mentioned some experiences with MA, which is a totally different regulatory environment. Hopefully the City can get out in front and set some standards in NH and rely on Clean Energy NH and others to help us navigate that. That will be a good question for our consultants to make sure they are very familiar with NH environment.

Mr. Lamb thinks that a key component in all of this will be the public outreach that we do, both in terms of gaining input and making sure that we find a way to explain this idea in a way that folks can understand reasonably. That's a key aspect of what this consultant is going to do for us. He encouraged committee members to check out the Community Power website that Mari mentioned as soon as it goes public. He thinks the audio explainer is a really interesting way to do outreach that's a little different and will hopefully gain the trust and interest of folks who want to look at their electricity purchases differently.

Chair Hansel asked if there are any other comments. He noted that one thing he knows will come up in the process is how and if we are going to coordinate with the communities around us and with the County in general.

Ms. Brunner commented that she thinks that is definitely a question for this committee to consider. The Committee talked about how NH and MA are a little bit different. One of the key ways that NH's law is exciting is it allows municipalities to partner with any other local jurisdiction, including municipalities and counties. The City could for example join with Sullivan County or The Town of Peterborough or the Town of Harrisville. It allows for a lot of flexibility that way. One thing to keep in mind is that each individual community that decides to participate does have to create their own Community Power Plan. There is also a difference in the way the program gets adopted. The City of Keene is fortunate to have a city government structure that allows us to be more flexible in the terms of timing of getting a program up and running. With the towns, they have to approve this program at town meetings. One of the goals the Energy and Climate Committee (ECC) has talked about is creating this Community Power Plan and getting a program launched that other communities could then choose to join. Each of those individual communities would still have to create their own plan and approve at their town meetings before they could join.

Chair Hansel said this gives him a little more information. This now raises the issue in regards to our time frame. If we intend to have this whole process approved by the City Council in late January/early February, that probably does not give towns the opportunity to piggyback off Keene's program for this year. It would probably be another year before they could present to their town meeting.

Ms. Brunner agreed but said that she is unsure of the schedule for other towns. If they are proactive and were already working on it right now, maybe they could join in 2021. It would be difficult with the City not having the program details figured out first.

Chair Hansel asked if there are any other questions or comments.

Mr. Roth stated that he would want to task the consultant with providing an option for other communities to join the program as part of the deliverable. He would like to have an option down the road to have other people join using a process or contract that we could hold them to.

Mr. Lamb stated that is a good point. That would be something to include in the CPP itself to investigate. In terms of the contract, most of the contracts with a power provider are going to be on a 2-3 year basis. It would be unlikely that we would be bringing another partner on board in the middle of that contract. But there is no reason why the CPP itself can't make recommendation with respect to being open to collaborating with the County or with other towns.

Mr. Roth also stated that in his experience with contracts, mostly with hospitals, there is a vehicle where you can add on accounts and remove accounts. This is a little more complicated than a hospital, but that might be an option. There might be a model that's out there somewhere.

Mr. Lamb stated that would be a great addition. We can definitely plug that in to the RFP.

Dr. Shedd commented that the ECC has talked about the fact that most of the commercial customers for electricity in NH are already on competitive energy supply. The HB 286 definitely excludes customers who are already on competitive supply. But as their contracts reach their end point, she would like there to be a mechanism specified for

how customers, even within Keene, can become part of the contract with the CPP program. It's going to be important to specify.

7) **DRAFT COMMUNITY POWER CONSULTANT RFP**

Ms. Brunner referred everyone to page 18 of the packet where the RFP Scope of Services starts. She mentioned that the draft that was shared with the committee is an earlier draft of the RFP, which is currently being reviewed by various people including the City Attorney. This is a slightly outdated draft but all of the major components are there. She asked for feedback on the scope of services, and asked if anything is missing or should be included. She said she already made a note to make sure the consultant is familiar with NH's regulatory environment as well as making sure the consultant is considering how the other communities can join this program.

Chair Hansel asked if any members have comments.

Dr. Shedd said that, if the City us looking to increase Keene's share of renewables in the mix above the 19% or 20% that is the current renewable portfolio standard, then "renewable energy" will need to be defined. She said that the ECC has been discussing potential definitions, and the most recent one that was brought to the committee was shared by member Cary Gaunt, Director of Sustainability for KSC. The definition she shared is from the Association for the Advancement of Sustainability in Higher Education, an academic consortium working on sustainability. Their definition is quite specific. She said it would be important, as Cary pointed out, to align the City's definition of renewable with that of other major businesses and organizations.

Chair Hansel commented that is a good point and he is not sure that is addressed in this scope of work, and asked whether it should be specifically addressed.

Ms. Brunner stated that the first major task of the consultant would be to work with the committee to define what the local goals of a Community Program are for Keene. This could be the area where the committee articulates what the goals should be in terms of what type of energy we are trying to get and what's included within the definition of renewable. She said that another option with Community Power is you can offer a default option, for example, an option that has 50% renewable energy. You can also give people a 2nd option that they would have to choose to elect which could increase the percentage of renewables or have more green renewable sources that are considered to be the most environmentally beneficial. There's a lot of opportunity and flexibility with this law to craft a program that meets local goals. A big role for this committee will be to define what those goals are.

Mr. Belluscio referred to an earlier discussion about commercial accounts that already have a competitive energy supplier in place and therefore will not be a part of this program. Once their contracts with competitive energy suppliers expire, they could then join. How does the RFP address who is included or might not be included at the start of this? He asked if there is a summary that analyzes the current electricity load in Keene. He said it will be important to know what percentage of Keene's load is actually going to be available for this option and how many customers have contracts that would preclude them from joining initially, and how many might be able to join later.

Chair Hansel commented that this raises a good question about what kind of information we can get from our power provider, Eversource, on that type of breakdown of energy users in the city.

Ms. Brunner stated that this issue is currently being discussed at the legislative level as well as in the Public Utility Commission (PUC) rulemaking process. The consultant would consider everybody who is currently on the default Eversource supply to be part of the City's electricity load. The customers on default supply would automatically be opted into this program and would be given an opportunity to opt out before the program launches. They would be allowed to opt out at any time during the program without any penalties or fees. On the flip side, anyone who's not on Eversource's default energy supply would not be automatically opted in, but could choose to opt in without any penalties or fees. It is a matter of who would be opted in by default. The goal of the consultant would be to get that information. The City would work with them on that so they can provide a good estimate based on who is on the default supply, of who would most likely be getting energy from this program.

Chair Hansel commented that with his experience with Filtrine, if your facility currently has a solar installation and you want to get the net metering benefit from that solar installation you cannot have a 3rd party contract. You would have to go directly with the default energy.

Ms. Brunner stated that her understanding is that anyone that has solar or is part of the Electric Assistance Program can still participate in the Community Power Program. The City would just have to define how net metering would work within our specific program.

Mr. Roth pointed out that the people that have already chosen a 3rd party would automatically be opted out. So, it would be part of the consultant's job to make it easy for them to opt in. The strategy would be that all those 3rd parties be encouraged to opt in and be part of the opening deliverable.

Mr. Lamb commented he thinks that is a great idea. The more we can do in advance of going out for procurement, the better. Part of the attraction to an energy provider is the amount of electricity in this contract. The more we could partner with businesses that are currently on their own 3rd party contracts, to bring them into this system, the more attractive it might be in the marketplace to get a better price.

Councilor Giacomo brought up Ms. Brunner's comment about different levels of renewables that would be potentially possible and creating multiple different tiers that people could opt into. The whole point of this is to get a better rate and to allow us down the road to transition to this 100% green goal. It there anything stopping us from putting a requirement into this in which the default be the higher percentage renewables? He said he feels like it's going to be a lot harder to pull back from that and then try to increase the price afterwards vs. negotiating with the higher portfolio to begin with. He said the program could include an option for people to opt down to a cheaper option.

Ms. Brunner said Councilor Giacomo brings up a great point. She said it would probably be best to start out with trying to offer the greenest option possible while still offering savings. She brought up the example of Greenfield again. Their default option is 100% renewable and that is still less expensive than the default option offered by the utility. There is an option to opt up to 100% local renewable energy. Other communities have an option to opt down to a cheaper option. There's a lot of flexibility here. The key here, depending when the consultant goes out to bid, is that Keene could potentially offer a 100% renewable option that would still be cheaper that the default Eversource supply. We should look into this. Councilor Giacomo stated that we are serious about this goal for 100% renewables so let's have that be the default if possible.

Chair Hansel agreed. He asked if there are any other comments, and said committee members could email feedback to either Ms. Brunner or Mr. Lamb.

8) NEW BUSINESS

Ms. Brunner stated that this agenda item is an opportunity if any committee members have specific topics they would like to add to the next meeting's agenda. She said committee members can speak up now or email staff or the chair after the meeting. Mr. Lamb added that members can contact the Chair directly if there are items they want to see added to the next month's agenda.

9) **NEXT MEETING**

The next meeting is scheduled for Friday, August 7th at 8:00 AM.

There being no further business, Chair Hansel adjourned the meeting at 9:16 AM.

Respectfully submitted by,
Amanda Burdick, Minute Taker

Reviewed and edited by Mari Brunner, Planner

May 2020

COMMUNITY CHOICE AGGREGATION

The Solsmart Issue Brief was written by The Cadmus Group and edited by The Solar Foundation

What is Community Choice Aggregation (CCA)?

A community choice aggregation is a local governmental entity, enabled by state legislation, that provides municipalities greater control over their energy supply. The structure of a CCA will vary by electricity market context, but, as detailed below, a CCA generally enables a local government to pool the electricity demand of customers within its jurisdiction to procure power from an alternative supplier, while the electric utility continues to provide transmission and distribution services.[1,2] This allows a community to benefit from cost efficiencies that are a result of bulk purchasing and local control, while avoiding the financially challenging task of purchasing and maintaining utility infrastructure.[3]

The most common reason for establishing a CCA is the possibility of obtaining more competitive electricity rates. However, a growing number of local governments are establishing CCAs as a way to increase the percentage of their electricity supplied by solar and other renewable energy sources. Therefore, CCAs can be an important tool for local governments that seek to make solar, battery storage, wind, and related technologies a greater part of the energy mix.

Source: Kate Costa

Source: Shutterstock

The SolSmart program can provide no-cost consultations and technical assistance to help local governments learn more about considerations for CCA formation and how to pursue this option. Learn more at SolSmart.org.

How Community Choice Aggregation Works

A CCA effectively "aggregates" the electicity demand of many customers (residential and non-residential) in order to produce electricity from an alternative supplier.

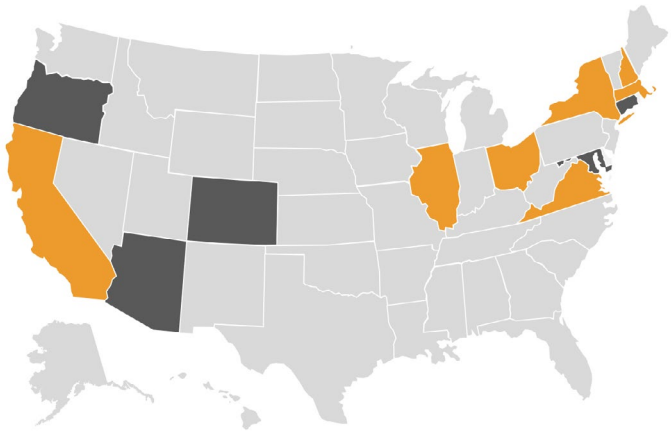
CCA customers "switch" from an incumbent investor-owned utility to a local government supplier with a green power product. The CCA purchases electricity and RECs from an alternative supplier. The investor-owned utility remains responsible for transmission and distribution.

Specific program structures may vary. Source: Eric O'Shaughnessy, Jenny Heeter, Jeff Cook, and Christina Volpi, "Status and Trends in the U.S. Voluntary Green Power Market (2017 Data)," National Renewable Energy Laboratory, October 2018. https://www.nrel.gov/docs/fy19osti/72204.pdf.

Enabling CCAs

As of December 2019, CCAs have been authorized via state-level enabling legislation in nine states and are being investigated in an additional five states, as outlined below.[4,5]

Where CCAs have been Enabled



CCA Enabled

- California
- Illinois
- Massachusetts
- New Jersey
- New York
- Ohio
- Rhode Island
- Virginia

Investigating CCA

- Arizona
- Colorado
- Connecticut
- Maryland
- Oregon

The structure and role of a CCA will largely depend on whether it is operating in a regulated or deregulated market context. CCAs are more common in states with deregulated electricity markets since utilities have already divested ownership in generation activities, and their role as a transmission and distribution company is well established. In states with regulated markets, utilities are permitted to maintain jurisdiction over all grid functions, including generation, transmission, and distribution within the power market. Retail customers do not have a choice of providers and are only able to purchase electricity from the local utility. In this market context, CCAs act more like competitors to the utilities.[6] Currently, all states with enabling legislation have deregulated electricity markets, with the exception of Virginia and California.[7] Virginia has a regulated electricity market; however, it does not yet have any active CCAs, and California is unique in that it has a partially deregulated electricity market.

For more information on the enabling legislation in each state, please see the table below:

STATE	ENABLING STATUTE
CALIFORNIA	**Assembly Bill 117** and **Senate Bill 790**
ILLINOIS	Electric Service Customer Choice and Rate Relief Law of 1997 **House Bill 362**
MASSACHUSETTS	Utility Restructuring Act of 1997 **Acts 1997, Chapter 164**
NEW JERSEY	Government Energy Aggregation Act of 2003 **Assembly Bill 2165**
NEW YORK	Implementation of a pilot program approved by the Public Service Commission in **2014**.
OHIO	Ohio Restructuring Act of 1999 **Senate Bill 3**
RHODE ISLAND	Utility Restructuring Act of 1996 **House Bill 7786**
VIRGINIA	**House Bill 1590**
NEW HAMPSHIRE	**SB 286**

Adapted from: "Program Details," Environmental Protection Agency, Accessed January 2020. https://www.epa.gov/greenpower/community-choice-aggregation

HOW UTILITIES WORK

The traditional functions of a utility are typically divided into three categories:

1. **Generation** – Owning and operating facilities to generate electricity.
2. **Transmission** – Owning and operating the power lines and other infrastructure (poles, transformers, etc.) to carry electricity across long distances.
3. **Distribution** – Owning and operating similar infrastructure to distribute electricity to end-use customers.

The transmission and distribution (T&D) system is a natural monopoly, meaning it does not make economic sense for more than one company to build and maintain the expensive T&D network. As a result, public utility commissions regulate utility prices and service for T&D in all states. With regard to generation, however, there are two types of markets in the U.S. — regulated and deregulated.

In regulated, or "vertically-integrated" electricity markets, utilities are permitted to maintain jurisdiction over all grid functions. A vertically-integrated utility can own power plants, but does not necessarily generate all the power that it sells — it may contract with other generators. The utility will still be the sole option for where retail energy customers can purchase electricity.

In states with deregulated electricity markets, or "retail competition" states, utilities are not permitted to invest in electricity generation assets and as a result, mostly function as "transmission and distribution companies." In these states, energy customers may select an energy provider other than the utility (this is known as "retail choice"). In cases where the electricity customer does not select a retail electricity provider, they will receive "default service" or "basic service" from the utility, which is typically purchased from the wholesale market. CCAs allow for a community to go out into the market and procure an alternative supplier on behalf of all residents.

Adapted from: "Pathways to 100". Cadmus Pathways to 100: An Energy Transformation Primer for U.S. Cities, https://cadmusgroup.com/papers-reports/pathways-to-100-an-energy-supply-transformation-primer-for-u-s-cities/

Source: Chris Collins

Process for Establishing

Local governments are key to implementing community choice aggregation programs once enabling legislation is passed. While the process may vary from state to state, generally a local jurisdiction will take some or all of the following steps:

1. CONDUCT RESEARCH	The process often starts with initial research, conducted by municipal staff, to learn about CCA and its potential role. This may include a feasibility study, independent research, and meetings with energy supply companies for guidance.[8] Local governments can also consult the SolSmart technical assistance team for resources and additional support.
2. LOCAL APPROVAL	A city or county must gain local approval to authorize the CCA. Local approval requirements vary from state to state and can include referenda, simple majority vote of elected bodies, or other local decision-making bodies. Additionally, if multiple municipalities pursue a joint CCA, they must each individually authorize the CCA by majority vote.[9]
3. ENGAGE A BROKER	A local government may choose to issue an RFP for an energy broker to assist in the design, implementation, and monitoring of the aggregation plan. The energy broker will act as an intermediary between energy suppliers and the CCA to arrange contracts between the two.[10] The energy brokers are compensated once a supplier has been selected, as they are often paid by the supplier through a small fee per kWh consumed.[11] A local government may also retain an energy consultant to advise, manage, and vet responses from energy suppliers and brokers, and support community stakeholder engagement and strategic planning.
4. CREATE A PLAN	The municipality and energy broker will develop a CCA plan that demonstrates how the CCA will be reliable and how it will provide universal, equitable access to all users. To fully describe how the CCA will develop and operate, this plan will outline key topics, such as the organizational structure, financial plan, rate setting process, the load forecast and resource plan, customer rights and responsibilities, and the procurement process.[12]
5. PLAN APPROVAL	The CCA plan must be affirmatively voted on at a city council or town meeting. Additionally, the plan must be submitted to the Department of Public Utilities or equivalent relevant body for review and approval before proceeding.[13]
6. SELECT SUPPLIERS	The municipality or energy broker will issue an RFP for energy suppliers asking for different supply and term options. The competitive environment created by the RFP may lead to more favorable rates.[14] The CCA will then enter a power purchase agreement (PPA) with one or multiple energy suppliers. PPAs may be long or short term, although contracts with longer terms may offer more price stability.[15] Either way, the best practice is to build a diverse energy portfolio to minimize risk.[16]
7. NOTIFY CUSTOMERS	Once contractors have been selected and contracted, all affected customers are notified of the supply change and must be offered the opportunity to opt out before enrollment in the CCA begins.[17]
8. ENROLLMENT	Customers who do not opt out will automatically be enrolled in the CCA after a chosen timeframe. The electricity will be distributed and billed through the original utility. The delivery charges will be paid to the utility while the power charges are paid to the supplier.[18]

CCA Models

CCA program models may vary in a number of ways. Some common points of differentiation include enrollment, renewable energy supply mix, and supply selections.

Enrollment: Participation in a CCA is always voluntary, but depending on the state statute, enrollment may occur on an opt-in or opt-out basis. Most CCAs have opt-out provisions, which means customers are automatically enrolled and given the opportunity to opt out of the CCA and remain with the utility. Although it is uncommon, some CCAs have opt-in provisions, which places the responsibility for enrollment on the customer and, for this reason, often results in lower participation rates.[19]

Renewable Energy Power Mix: CCA programs will often provide several power supply mix options that vary in renewable energy content and price.[20] In some cases, the CCA product will be cleaner, and possibly cheaper than the utility mix. For example, Somerville Community Choice Electricity (Somerville CCE) offers a standard product that contains 10% more renewable energy than the Massachusetts Renewable Portfolio Standard at a lower cost than the local utility (Eversource). The program also offers a 100% local renewable energy product, which is comprised of MA Class 1 Renewable Energy Certificates equal to 100% of a customer's electricity consumption. At the time of this writing, the price of this offer is 13.2 cents/kWh, which results in a customer paying an additional $10 per month on average for the 100% Local Green product as compared to the standard product.[21] A comparison of Somerville CCE program rates and Eversource's 2020 Basic Service rates can be seen below:

Source: Mia Behm

SOMERVILLE CCE PROGRAM RATES AND COMPARISON WITH EVERSOURCE

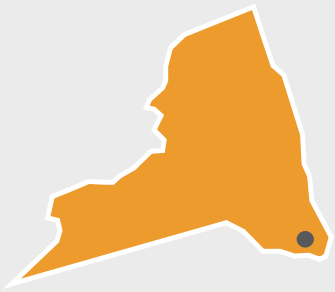
PROGRAM	Somerville CCE Program			Eversource
PRODUCT	**Somerville Local Green**	**Somerville 100% Local Green**	**Somerville Basic**	**Current Eversource Utility Basic Service (Supply Services Only)**
% RENEWABLE ENERGY	Extra 10% MA Class I	Extra 100% MA Class I	No extra renewable energy	No extra renewable energy
RESIDENTIAL	0.105/kWh	$0.132/kWh	$0.102/kWh	$0.124/kWh
SMALL BUSINESS	$0.105/kWh	$0.132/kWh	$0.102/kWh	$0.119/kWh
LARGE BUSINESS	$0.105/kWh	$0.132/kWh	$0.102/kWh	$0.133/kWh NEMA
DURATION	January 2020 through November 2020			Residential and Small Businesses: January 2020 through June 2020 Large Businesses: January 2020-March 2020

Adapted from: "Electricity Rates". Somerville CCE, Accessed January 2020. https://cce.somervillema.gov/electricity-rates/

How to Use CCA to Increase Solar Deployment

Like community solar and utility-sponsored green power programs, CCA is a mechanism that enables increased access to solar and other renewable energy for residents and businesses that may not have had access otherwise.[22] Through a CCA, a municipality can increase solar deployment through a variety of methods, including procurement practices, incentives offered for solar installations, and the purchase of solar renewable energy certificates (RECs). A few of these approaches are highlighted in the examples below:

Sustainable Westchester, New York



In February 2015, the New York State Public Service Commission (PSC) selected Sustainable Westchester, a consortium of Westchester County local governments, to launch New York State's pilot CCA program. The program, which serves 20 participating municipalities, offers customers the choice between a basic supply and a 100% renewable energy supply, both of which are lower cost than the average basic supply from default utilities. Of the 20 participating municipalities, 14 have selected the 100% renewable energy supply as their default supply.

More recently, in March 2018, the PSC decided to allow CCA and community solar to be offered as a single program in New York State. As a result, Westchester Power is now offering a new Solar For All program, which allows customers to subscribe to a portion of electricity produced by a solar installation. The installation will generate electricity that is delivered to the local grid, resulting in the generation of bill credits that customers will use to offset their electricity bills. The combination of CCA and community solar present in this and future programs supports the deployment of solar, decreasing the costs of customer acquisition and making solar development projects more financially viable.

MCE (formerly known as Marin Clean Energy), California

Launched in May 2010, MCE procures electricity on behalf of member communities located in Contra Costa, Marin, Napa, and Solano counties. While Pacific Gas and Electric (PG&E) offers a 39% renewable energy product, MCE currently offers customers three different service options, including the Light Green 60% Renewable Energy service, the Deep Green 100% Renewable Energy service, and the Local Sol 100% Locally-Produced Solar Energy service.[23]

To incentivize solar installations and other renewable energy projects within the service area, MCE developed the Feed-In Tariff (0-1 MW)[24] and FIT Plus (>1-5 MW) programs. These programs have resulted in several successful projects coming online, including the 1 MW Novato Cooley Quarry community solar farm, which will help supply Local Sol customers with 100% solar energy.[25]

Additional incentives for solar include a $900 solar rebate for residential customers who qualify for the Single-Family Affordable Solar Home (SASH) program, as well as solar discounts available through SunShares, a group purchasing program that makes solar more affordable for residents in the Bay Area.[26]

Cambridge Community Electricity Program, Massachusetts

The Cambridge Community Electricity program, established in 2017, is a city-run aggregation program that offers Cambridge residents and businesses the opportunity to purchase greater amounts of renewable energy and potentially achieve cost savings. The program offers two options, including a Standard Green product containing the minimum amount of renewable energy required by the state, and a 100% Green Plus option. [27]

To support the development of local solar, the program has added a small $0.002/kWh charge to both options, which will contribute to the development of a new solar project in the City of Cambridge. Once this project is developed, it is anticipated that the renewable energy generated by the array will feed into the CCA.

Benefits and Challenges

Benefits

Implementing a CCA can provide several benefits to communities, both in terms of renewable deployment and realized economic benefits.

- **Competitive and Stable Rates:** The most popular reason for establishing a CCA is that rates may be more competitive than basic services rates offered by the utility.[28] Additionally, the selection of longer-term PPAs can provide customers with price stability.[29]
- **Cleaner Energy Supply:** CCAs give local communities more control over their energy supply, which gives them the power to increase the percentage of their electricity supplied by solar and other renewable energy.[30] For communities located in states with a renewable portfolio standard, it provides the opportunity to purchase energy with a higher renewable content than the state RPS, or to match 100% of the supply with renewable energy certificates.[31]
- **Local Control:** CCAs allow communities to be directly involved in energy-related decisions and set their own priorities.[32] A tangential benefit of local control is greater consumer protection, because the model allows the local government to vet suppliers on behalf of residents.[33]
- **Economic Benefits**: Aside from the transmission and distribution charges that continue to be paid to the utility, ratepayer revenue generated from the CCA remains within the community, rather than being disbursed throughout the utility's service area. These revenues can be utilized to develop local renewable energy projects, which provide many benefits to the community, including job creation.[34]

Challenges

- **Utility Rate Uncertainty:** While competitive rates are one of the most attractive reasons for establishing a CCA, it is possible that after the contract has been executed, the utility's basic service rates drop below that of the CCA.[35] This was a major issue in Illinois, where CCA is referred to as Municipal Electricity Aggregation (MEA). MEA was popular from 2011-2013, when it could provide lower rates to customers compared to the incumbent utilities.[36] However, many MEAs shut down in 2014 and 2015 when the competing utility contracts expired, and the price advantage declined or even turned into a disadvantage. This resulted in about 100 MEAs returning customers to utility "default" or "basic" service.[37]
- **Renewable Energy Procurement:** Procuring greater amounts of renewable energy has become a key driver for many municipalities interested in establishing a CCA. However, the ability to do so will vary across states and electricity market contexts. In deregulated states, CCAs procure electricity via a short-term contract with a supplier, which limits the ability to procure local renewables that typically require longer-term contracts. As such, CCAs in deregulated states have largely relied on purchasing unbundled RECs to achieve greater amounts of renewable energy.[38]
- **Negative Public Response:** It is possible that some residents and/or businesses may not support the creation of a CCA. Common arguments against the CCA model are that it is a form of government overreach or a poor use of public resources.[39]
- **Administrative Costs:** Although the energy broker, which is paid by the supplier, handles much of the administrative responsibilities associated with a CCA, local government staff will still need to put resources toward monitoring the supplier and handling the public response.[40]

Source: Lucia Bourgeois

For information on how to address these challenges and implement a successful CCA program, please see the recommended resources listed below.

Exit Fees in California

California's electricity market was briefly deregulated in the 1990s but returned to a regulated market after the California electricity crisis of 2000-2001 resulted in blackouts and the financial collapse of the state's largest investor-owned utilities (IOUs). Now, CCAs are the only alternative to buying electricity from the utility.[41] California's first CCA was established in 2010. Since that time, the load served by CCAs has grown rapidly, and is expected to continue growing. This has resulted in legal and operational issues with the state's IOUs.[42] One major issue associated with CCAs is how the utility will pay for the power they procured to serve these customers prior to their departure to the CCA.[43] The Power Charge Indifference Adjustment (PCIA) is an exit fee that "permits an IOU to charge a customer the cost of buying energy on the customer's behalf when that customer ends service."[44] PCIAs are supposed to prevent the costs of procuring power for customers who have left the utility from shifting to customers who remain with the utility. In October 2018, the California PUC voted to adopt a new methodology for calculating exit fees that will result in higher costs for CCA customers.[45]

Achieving SolSmart Designation with Community Choice Aggregation

Establishing a community choice aggregation can help communities achieve designation under the SolSmart program, which has recognized over 350 communities for making it faster, easier, and more affordable to go solar. CCA formation can support achievement of SolSmart designation under the following credits:

- U-6: Provide residents with community choice aggregation/energy that includes solar PV as a power generation source.

For more information about how the SolSmart program can help communities meet their solar and CCA objectives, visit **SolSmart.org.**

Recommended Resources

- **LEAN Energy US — Local Energy Aggregation Network**

  This website, sponsored by the nonprofit Local Energy Aggregation Network, gives an overview of CCAs, as well as a breakdown of how they function in each state. Those interested in bringing CCAs to their state or community can learn more about what has already been done in places across the country.

- **Community Choice Aggregation: Challenges, Opportunities, and Impacts on Renewable Energy Markets — National Renewable Energy Laboratory**

  This report from NREL outlines the opportunities and challenges associated with CCA, and provides an overview of the current CCA market status and the impact of CCAs on renewable energy markets. Those interested in leveraging CCA to achieve renewable energy goals can learn more about how CCAs in different contexts can procure greater amounts of renewable energy than the state renewable energy portfolio standard.

- **Institutional Renewable Energy Procurement: Guidance for Purchasing and Making Associated Environmental Impact Claims — The Boston Green Ribbon Commission**

  This guidebook, produced by the Boston Green Ribbon Commission, gives municipalities and other stakeholders guidance for purchasing renewable energy and making the associated environmental impact claims. Those interested in CCAs and their interaction with renewable energy can use this guidebook to learn about renewable energy certificates.

- **Community Choice Aggregation Landing Page — New York State Energy Research and Development Authority**

  This website gives municipalities and other interested parties access to documents that can be used in the process of implementing a CCA. This includes templates for legislation, inter-municipality agreements, and opt-out forms. While this information is specific to New York State, it can serve as a useful starting point for communities outside of New York.

- **Start a Community Choice Aggregation Program — Metropolitan Area Planning Council**

  This document, developed by the Metropolitan Area Planning Council, outlines the steps a municipality would take to implement CCA, as well as details regarding the overall timeline and key implementers. While this information is specific to Massachusetts, it can provide a foundational understanding of the process for communities outside of Massachusetts.

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DRAFT Community Power Consultant Proposal Review Form

Name of Company/Firm:

Name of Reviewer:

Total Score for this proposal: _____

5	4	3	2	1
Significantly exceeds standards, strong positive evidence of having worked above the level required and no negative evidence	Above the standard required, strong positive evidence and no negative evidence	Up to the standard required, some positive evidence and little negative evidence	Below the standard required, little positive evidence and some negative evidence	Significantly below the standard required, no positive evidence and strong negative evidence
Evaluation Criteria	**Reviewer Notes**			**Score**
Compliance with RFP Response Requirements *(Listed on page 5 of the RFP under Section 2 of the "Terms and Conditions").*				
Cost Proposal				
Project Understanding				
Relevant Community Power Experience of Firm / Project Manager / Team				

Relevant NH-based Experience of Firm / Project Manager / Team		
Capacity to Meet City's Schedule		
Effort and Care in Preparing Proposal		
Innovation and Creativity		
References		
Firm Location		

Overall Comments: