

## 2014 Council Study Issue

### ESD 14-02 Community Choice Aggregation

**Lead Department** Environmental Services Department

**Sponsor(s)** Sustainability Commission

**History** 1 year ago: 2 years ago:

1. **Scope of the Study**

a. What are the key elements of the study?

In development of Sunnyvale's Draft Climate Action Plan (CAP), it was identified that electricity use was the 2nd largest factor (after transportation) in GHG emissions in the city. The draft CAP identifies that significantly shifting energy consumption away from traditional electricity and natural gas would achieve over 50% of the targeted emission reduction goal. This can be done by creating or joining a Community Choice Aggregation (CCA) program. CCA is a system enabled by State legislation, which allows cities and counties to aggregate the buying power of individual customers in order to secure alternative or renewable energy supplies.

This study would evaluate and quantify multiple unknowns including:

- Which communities would likely join and partner in a South Bay CCA
- Costs and risks to the City should Sunnyvale participate in the establishment in a CCA
- Which actions of the draft CAP that might be assigned and implemented through the charter of a CCA to facilitate emission reductions for the City
- How would a CCA best be established (what agency or founding of an agency could lead the effort) and framework that would guide CCA establishment

b. What precipitated this study?

This study was proposed by the Sustainability Commission. The City created a Sustainability Commission CCA Subcommittee that has been researching CCA programs since August 2012. The Subcommittee performed extensive research on CCA and created a presentation that was provided to staff in preparation for a prospective informational meeting with the City Council in conjunction with the draft Climate Action Plan.

The Subcommittee has been following the progress of cities in Marin County who have been participating in a CCA for over 2 years and have experienced better than predicted results [add a couple examples of their success – e.g., higher than expected participation, better than expect cost of energy]. The Sonoma County Water Agency, after issuing RFPs for its planned CCA, has found that response and costs associated with establishing its CCA for Sonoma County are more attractive than forecast. The City and County of San Francisco has initiated operation of its CCA, CleanPowerSF.

The Subcommittee has found that the potential for the City of Sunnyvale to make a major reduction of GHG emissions through establishment and participation in a CCA appears strong.

c. Is this a multiple year project? No Planned Completion Year 2014

2. **Fiscal Impact**

a. Cost to Conduct Study

i. Level of staff effort required (opportunity cost)

Major  Moderate  Minor

ii. Amount of funding above current budget required \$30,000

Will seek budget supplement  Will seek grant funding

iii. Explanation of Cost:

The cost associated with this study would be a preface to a full feasibility study on CCA. Based on early research, a full study is expected to cost between \$250,000 and \$300,000. This funding is likely to be recoverable should an entity proceed with implementing a CCA. The cost of the full study can be shared among multiple cities, this study issue would identify potential cost sharing partners interested in participating in the establishment of a CCA in the South Bay, identify the costs and risks Sunnyvale might have if it participated and develop a comprehensive outline of how a CCA would be established. An outside consultant would likely be engaged.

b. Costs to Implement Study Results

No cost to implement.

Unknown. Study would include assessment of potential costs.

Some cost to implement. Explanation:

3. **Expected participation in the process**

Council-approved work plan

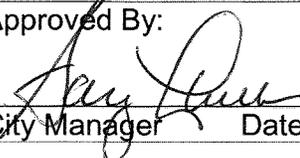
Council Study Session

Board/Commission Review by: Sustainability Commission

4. **Staff Recommendation**

a. Position: Support

b. Explanation: Staff recommends supporting this study. Community Choice Aggregation (CCA) is one action in the draft Climate Action Plan that can achieve more emission reductions than all other actions combined. It is a model that has been successfully implemented in Marin and soon to go into effect in Sonoma County and San Francisco. CCA offers an opportunity for community choice, has the potential to create permanent local jobs, fund local renewable energy projects, including accelerating local solar installations, and help fund energy efficiency programs for the community. If a grant is not awarded, a budget modification would be needed to fund the study.

Reviewed By:	Approved By:
	
10-2-13	10/8/13
Department Director	City Manager
Date	Date