Committee: Senate Finance Committee

SB 660: Electric Industry – Community Choice Aggregation

Position: Favorable

Hearing Date: March 5, 2019

Community choice aggregation (CCA) is an energy procurement tool that allows local governments to aggregate the electricity demand of customers within its jurisdiction and use this bulk buying power to secure lower energy costs, higher amounts of renewable energy, or both.

Using CCA, a locality can negotiate a better deal with the power provider that already serves customers in the area, or switch to a different provider. Either way, customers continue to receive service from their existing transmission and distribution provider; the only change they see is in the company providing the energy itself. Customers also continue to receive a single utility bill as before, making the transition seamless.

The power provider selected through a CCA program must meet the mandatory minimum levels of renewable energy set forth in the state’s renewable portfolio standard; however, under CCA the locality can choose to require its provider to deliver a higher percentage of renewable energy. Alternatively, it may make a higher percentage of renewable energy optional for customers who want to pay a little more.

Success in other states

In California, at least 20 counties are expected to participate in PPA programs by the end of 2018.¹ The first of these was in Marin County, where eight municipalities joined forces in 2008 for the purpose of implementing a CCA program that would help them achieve significant greenhouse gas reductions. The municipalities created a public agency called Marin Clean Energy that today supplies customers with a choice of 50% renewable energy, 100% renewable energy, or 100% locally sourced

solar energy. Additional communities have joined the program since its founding, and it now serves more than 470,000 customers.²

Six other states have adopted CCA enabling legislation and have active programs.³ In 2014 New York became the most recent state to authorize CCA programs.⁴ New York’s fourth CCA plan was approved in March of 2018 for seven upstate communities. Customers are guaranteed savings, and the plan prioritizes local renewable generation.⁵ The CCA plan also allows participants to subscribe to a community solar project, either one built and operated by the CCA or contracted for with a third-party developer.⁶

CCA offers significant benefits to community members, including:

- Potentially lower rates
- Rate stability through use of long-term contracts
- Allows a locality to buy renewable energy in excess of state RPS requirements
- Enables local control of electricity generation
- Engages and empowers consumers
- Expands consumer choice
- “Opt-out” approach produces high rates of participation while ensuring the program is voluntary
- Can spur local jobs and renewable energy development
- Can be tailored to include community solar programs
- Contract with provider can include a fee paid to the locality to support local renewable energy or energy efficiency programs
- Does not affect customers’ rights to net meter their solar facilities

² [https://www.mcecleanenergy.org](https://www.mcecleanenergy.org)
³ E.g., Massachusetts Acts 1997, Chapter 164, [https://malegislature.gov/Laws/SessionLaws/Acts/1997/Chapter164](https://malegislature.gov/Laws/SessionLaws/Acts/1997/Chapter164); New Jersey 2003 Assembly Bill 2165, [https://www.njleg.state.nj.us/2002/Bills/PL03/24_.HTM](https://www.njleg.state.nj.us/2002/Bills/PL03/24_.HTM); Rhode Island 2002 House Bill 7786, [http://webserver.rilin.state.ri.us/BillText02/HouseText02/H7786Baa.htm](http://webserver.rilin.state.ri.us/BillText02/HouseText02/H7786Baa.htm)
⁴ [https://www.nyserda.ny.gov/All-Programs/Programs/Clean-Energy-Communities/Clean-Energy-Communities-Program-High-Impact-Action-Toolkits/Community-Choice-Aggregation](https://www.nyserda.ny.gov/All-Programs/Programs/Clean-Energy-Communities/Clean-Energy-Communities-Program-High-Impact-Action-Toolkits/Community-Choice-Aggregation)