



## Community Choice Energy Programs – FAQ

The Frequently Asked Questions (FAQ's) below answer some of the basic questions that have been identified throughout the last year of Community Choice Energy Investigation. The FAQ's will be updated as additional questions are identified and answers are researched.

### 1. What is Community Choice Energy (CCE)?

Community Choice Energy (CCE) provides residents and businesses with a choice over how and where their energy is created. Cities and counties combine (or aggregate) their electricity load (that is, the electricity used by their residents and businesses) in order to purchase and/or develop power for their community. Residents and businesses are not required to participate in a community's CCE program and may opt out.

### 2. Does CCE replace PG&E?

No. If CCE is offered, County and City residents and businesses would continue to receive services from PG&E. For example, PG&E would continue to handle the billing, meter reading, and maintenance of the distribution system that carries electricity to individual customers.

### 3. How does CCE work?

With CCE, nothing changes in the delivery and service of electricity to customers. Instead, customers have a second option for the source of their electricity.



Source: Sonoma Clean Power (with relabeling SCP to the generic term CCE)

### 4. Have other communities formed CCE programs?

Yes. Twenty-four cities and counties currently participate in three California CCE programs. Current CCE programs are:

- **Marin Clean Energy:** (Includes: Marin County and the [cities of Belvedere](#), Benicia, [Corte Madera](#), El Cerrito, [Fairfax](#), [Larkspur](#), [Mill Valley](#), [Novato](#), [Richmond](#), [Ross](#), [San Anselmo](#), [San Pablo](#), [San Rafael](#), [Sausalito](#), [Tiburon](#), and [unincorporated Napa County](#). [www.mcecleanenergy.org/](http://www.mcecleanenergy.org/))
- **Sonoma Clean Power:** (Includes Sonoma County and the cities of Cloverdale, Cotati, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, and the Town of Windsor.) [www.sonomacleanpower.org/](http://www.sonomacleanpower.org/))
- **City of Lancaster:** (Includes the City of Lancaster) [www.lancasterchoiceenergy.com](http://www.lancasterchoiceenergy.com)
- **Clean Power San Francisco:** (Includes the greater San Francisco area) [www.cleanpowersf.org](http://www.cleanpowersf.org)
- **Peninsula Clean Energy:** (Includes San Mateo County) [www.peninsulacleanenergy.com](http://www.peninsulacleanenergy.com)

In addition, as of September 2016, there are at least 28 counties and/or cities within them that are investigating or actively pursuing CCE formation. These include: Alameda, Contra Costa, Humboldt, Lake, Los Angeles,

Mendocino, Napa, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Santa Cruz/ Monterey/San Benito (Tri-County CCA), Solano, Tulare, and Ventura.

**5. What’s the difference between CCE and a City/County-owned electrical utility?**

CCE is not the same as a city/county-owned municipal electrical system. In a municipal electric utility, a city or county purchases the electric distribution system from a utility through what is called a condemnation process. The city or county can also buy electricity to deliver to homes and businesses.



With a CCE system, the utility still owns and delivers the electricity through its distribution system, but the CCE purchases electricity on behalf of local electricity customers from another source. In a CCE, customers can opt out of the CCE program if they wish to keep the utility as their electricity provider.

**6. What are the potential benefits of a CCE?**

- **Choice and competition.** CCE offers a choice of electricity providers and creates competition that encourages innovation and improved pricing.
- **More renewables.** CCE programs have the ability to buy a cleaner mix of electricity and provide consumers with energy choices that can include higher percentages of renewable energy, including electricity generated from local renewable energy facilities.
- **Local control.** Historically, electric rates are set without any input from community residents. CCE would provide more local control and accountability.
- **Energy prices.** Experience in other CCE programs indicate that electricity prices are competitive with or cheaper than those charged by the existing utility.
- **Local reinvestment.** CCEs have the potential to contribute to the local economy through direct consumer cost savings and job growth if local renewable power sources are developed. According to Sonoma Clean Power (SCP):

*In the past, \$180 million left Sonoma County each year to pay for electric generation. In our first year of operation, SCP will save our customers approximately \$6 million dollars, creating an immediate economic benefit for our community. Over time, SCP will also buy increasing amounts of power from local sources, helping support local jobs.*

- **Local energy efficiency programs.** A CCE can apply to use some of the state’s energy efficiency program funds to develop new locally based programs and incentives better targeted to the community’s needs.

**7. What are the potential risks of a CCE?**

- **Market Risks.** PG&E current and future rates are uncertain, there is also an uncertainty to the opt-out rate within the CCE area, and the credit availability for power supply.
- **Political/Regulatory Risks.** There is the risk that cost shifting could occur in the future via a higher PCIA/exit fees. Also possible shifts in CCA specific legislation could occur between now and program implementation.