

Our mission

To inspire, align, and mobilize action in response to the climate crisis. We work with business, government, youth and the broader community to advance practical, science-based solutions for significant greenhouse gas emission reductions.

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June 16, 2017

Subject: Retail Choice – Comments of the Center for Climate Protection

Thank you for the opportunity to comment. Our comments are limited to addressing the reasons for our long-standing support for Community Choice Aggregation (CCA), why we believe that the robust growth of CCAs with strong greenhouse gas (GHG) reduction and local clean energy development goals is important to achieving State policy goals on these fronts, and why we believe a “sweet spot” for choice exists.

Our support for CCA stems from analyses the Center conducted in 2008 as part of the 2008 Community Climate Action Plan (CAP). In that plan a CCA energy portfolio was presented that demonstrated the power of CCA to reduce GHGs to a far greater extent than any other measure in the CAP (See: <https://coolplan.org/ccap-report/source-material/1A%20Energy.pdf>).

Further evaluations carried out in the California Energy Commission funded Sonoma County Renewable Energy Secure Communities (RESCO) project (2009-2013) provided further confirmation that CCA can serve as the single most powerful tool available to local governments to reduce GHGs that are accountable to their service territories. RESCO showed that increasingly localized energy resource portfolios offer increasing benefits on several respects including local economic activity and in terms of GHG reductions.

The key results of that effort are here:

<https://climateprotection.org/wp-content/uploads/2010/08/RESCO-Task-5-Analysis-and-Modeling-1-18-13-FINAL.pdf>.

More recently the Center has commissioned two white papers on the economic impact of local renewables purchasing by CCAs, one in 2016 with the City of San Jose as a case study, and one just published focusing on the Central Valley. The studies both show opportunities for substantial economic impact of CCAs that emphasize local

renewable energy procurement. They are available for download here: <https://climateprotection.org/our-work/reports/>

We are now seeing much of what we had hoped for with CCAs becoming a reality with the emergence of now eight CCAs in California, all offering portfolios with higher proportions of renewable portfolio standard (RPS) eligible renewable energy than their incumbent utility with further options for voluntary opt-up to 100 percent RPS-eligible renewable energy. Much of that power is currently procurement of remote resources but all of the CCAs have plans to localize their portfolios over time. This is occurring now at MCE and SCP, the first two CCAs in the State.

As the electricity system evolves toward a more decentralized model, CCAs are uniquely positioned to take advantage of their status as local retail electricity providers that are very closely linked to local government in the case of joint powers authorities, or *are* local governments in the case of single jurisdiction CCAs. These local governments, exercising their status as CCAs or collaborating closely with their CCA in a JPA, have abilities to optimize local clean energy resource deployment by virtue of their purview over local planning, permitting, code enforcement, etc.

We encourage the CPUC to engage with the newly formed association of CCAs, CalCCA, to work out ways to ensure that CCAs are producing the results on GHGs and other factors that organizations like ours expect, and that maintain the relative autonomy, flexibility, and opportunity for innovation that CCAs currently benefit from under CCA law.

The overarching question posed in the En Banc is: what is the best degree of retail choice in the retail electricity market? In our view, too little choice has been the experience for a long time under the regulated monopoly utility model, too much choice and market deregulation may leave consumers confused and at a loss, and risk another meltdown along the lines of the 2000/2001 experience.

We believe there is a “sweet spot” of retail consumer choice and it is best embodied in the opportunities presented by Community Choice Aggregation. Community Choice agencies are demonstrating stability and accountability and by their existence necessarily introduce significant retail consumer choice in a sector that has not had much choice for about one hundred years. Many other benefits evident in

the seven years of operational CCA activity exist such as local economic benefits, lower rates, innovation, private sector opportunity, and enhanced public participation opportunities.

We appreciate the CPUC holding the Retail Choice En Banc and posing the questions as you have. We look forward to engaging with the CPUC and other stakeholders to help answer those questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Ann Hancock", with a long horizontal flourish extending to the right.

Ann Hancock
Executive Director

A handwritten signature in black ink, appearing to read "Woody Hastings", with a long horizontal flourish extending to the right.

Woody Hastings
Renewable Energy Manager