

CCE Meeting Summary

On May 16, 2016, the Encinitas City Council Subcommittee on Community Choice Energy (CCE) convened a public meeting to which representatives were invited from all North County cities including: Del Mar, Solana Beach, Oceanside, Vista, San Marcos, Escondido, and Poway. Elected officials and/or staff from Del Mar, Solana Beach, Carlsbad, Oceanside, and Poway attended (see attached attendance list) along with a SANDAG representative and members of the public.

The purpose of this meeting was to share information and explore potential interest in forming a Joint Powers Authority (JPA) to form a regional CCE program. It was understood that this was a very preliminary, exploratory discussion and no commitments were expected or made, other than interest in continuing the discussion.

Encinitas Environmental Commissioners Bissonette and Wang gave an overview of what Community Choice Energy is, and some recent developments (see presentation posted at <http://www.encinitasca.gov/subcommittees>). Each city briefly explained the status of renewable energy initiatives and climate action planning in their cities. This was followed by a discussion of potential goals for a CCE JPA and each city indicated its relative priorities, understanding that none of the representatives were in a position to speak for their cities on any official basis since these questions had not yet been considered by most jurisdictions.

In brief, Solana Beach is the most advanced in this area, having recently commissioned and received a technical study¹ by California Clean Power, a for-profit organization. That technical study is now being peer reviewed. SB is proceeding with an RFP for establishing a CCE program, and is interested in exploring how a possible JPA might fit in with their strategy.

Del Mar anticipates adopting a Climate Action Plan (CAP) in June with a binding commitment to have 100% renewable energy by 2035, consistent with the City of San Diego CAP. They see CCE as an essential strategy to achieve that goal and recognize their need to take a regional approach due to the small size of their city.

Carlsbad has completed its General Plan Update and is interested in a regional approach to GHG reduction. Oceanside and Poway are at earlier stages of exploring their climate strategies.

The City of Encinitas adopted a CAP in 2011 and recently assigned a staff member 75% time to oversee update and implementation of the plan. CCE is an important strategy recommended by the Environmental Commission and being explored through this Subcommittee.

¹ [https://solanabeach.govoffice3.com/vertical/Sites/%7B840804C2-F869-4904-9AE3-720581350CE7%7D/uploads/Item C.1. Report \(click here\) 05-11-16\(1\).pdf](https://solanabeach.govoffice3.com/vertical/Sites/%7B840804C2-F869-4904-9AE3-720581350CE7%7D/uploads/Item%20C.1.%20Report%20(click%20here)%2005-11-16(1).pdf)

Commissioners Bissonette and Wang reviewed the steps necessary to proceed with a CCE, starting with a Council resolution authorizing the exploration, acquisition of load data from the utility, development of an implementation plan, and submission to the CPUC for approval. None of these steps commits a city to forming a JPA.

In terms of goals, the starting assumption is that any CCE, to be viable, has to offer a product at least as good as the local utility, SDG&E. From that baseline, possible goals include: reducing GHG emissions through a higher renewable energy content; offering consumers energy at a lower price than the utility; generating revenue/reducing costs to the City; offering choices for customers at different price points; and stimulating local production by structuring net metering fees. On a very preliminary basis, each City identified its priorities or interests, and all included reducing GHG emissions and lowering energy costs to consumers. Meeting attendees recognized that for a JPA to be successful there will have to be a consensus among the parties on goals and priorities.

The group then considered possible risks to a successful CCE program. Commissioners Bissonette and Wang explained the Power Cost Indifference Adjustment (PCIA), often referred to as “exit fees,” which present a significant regulatory risk identified and noted that the existing CCEs have managed to absorb increased PCIA fees, and that as more CCEs are formed, the political and regulatory landscape may evolve.

The meeting concluded with a *tour de table* asking each city to indicate its interest in continuing to explore a JPA for CCE. Encinitas proposed to invite some CCE consultants or energy service providers to the next meeting to give the group a more in-depth understanding of the resources needed and options available to develop a technical study and feasibility assessment. The group supported the idea of including the for-profit approach taken by Solana Beach among the options to be considered.

The City of Encinitas agreed to schedule the next meeting before the end of June, and to invite the cities that were not represented at the first meeting (San Marcos, Vista, and Escondido) as well as those that were in attendance. Then each city could work within its own system to gain Council support of further engagement and the whole group would reconvene in September to take stock of where everyone is at that point.

All the participating cities indicated an interest in being included in the follow-on discussion and expressed appreciation to Encinitas for convening the group.