



**NYSERDA**

# Community Choice Aggregation

A High-Impact Action for the Clean Energy Communities Program

Communities and Local Government Team at NYSERDA

# Clean Energy Communities Program

Provides **rewards and recognition** to city, town, village, and county governments that demonstrate clean energy leadership

**STEP 1:** Earn the **Clean Energy Communities** designation by completing **4 out of 10 high-impact actions** (one of which is Community Choice Aggregation)

**STEP 2:** Access **grant funding**, up to \$250K with no local cost share, to support additional clean energy projects

**Dedicated and knowledgeable local coordinators** are available to assist communities as they implement high-impact actions i.e. free on-demand technical support, decision support, step-by-step guidance, case studies, model ordinances, RFPs, etc.

# 10 High-Impact Actions

1. Benchmarking
2. Clean Energy Upgrades
3. LED Street Lights
4. Clean Fleets
5. Solarize
6. Unified Solar Permit
7. Energy Code Enforcement Training
8. Climate Smart Communities Certification
9. **Community Choice Aggregation**
10. Energize NY Finance



# Community Choice Aggregation

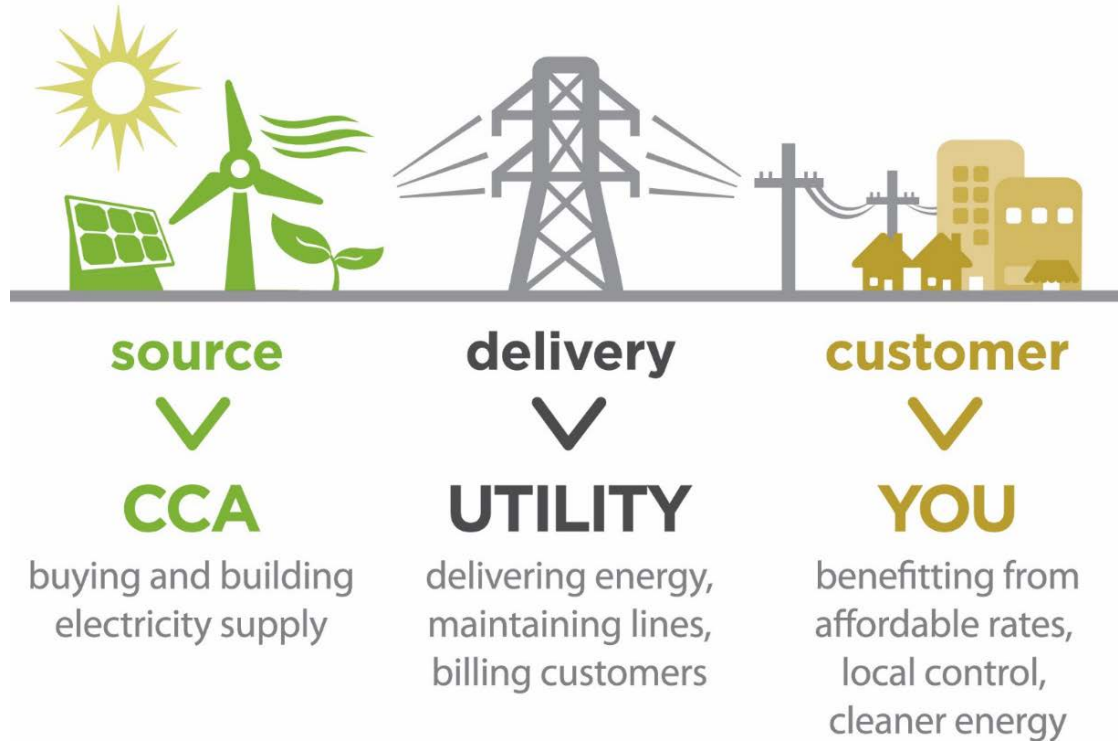
- Community Choice Aggregation (CCA) is a municipal energy procurement model that replaces the utility as the default supplier of electricity for virtually all homes and small businesses within your jurisdiction. The utility remains responsible for energy delivery and billing.
- CCA puts control of choosing energy supply in local hands. By pooling demand, communities build the clout necessary to negotiate lower rates with private suppliers, and are able to choose cleaner energy.
- A CCA can allow whole communities to participate in the clean energy economy by ensuring that a greater percentage of electricity is coming from renewable sources.
- CCA has the potential to simultaneously deliver lower monthly bills and cleaner energy for your constituents.

# CEC Requirements

To earn credit for the Community Choice Aggregation action under NYSERDA's Clean Energy Communities (CEC) Program, the municipality must submit the following documentation to NYSERDA at [www.nyserra.ny.gov/cec](http://www.nyserra.ny.gov/cec):

- Submit a copy of the adopted legislation authorizing the municipality's participation in an opt-out CCA program.
- Submit a copy of an executed electric service agreement between the applying jurisdiction and an Energy Services Company (ESCO) to supply electricity to participating customers on an opt-out basis that is a default 100% renewable clean energy product mix. The ESCO electric service agreement should provide that the ESCO will retire renewable energy certificates (RECs) on behalf of the Municipality in a New York State Generation Attribute Tracking System (NYGATS) Account (with reports on such retirements to the Municipality) in a manner that is compliant with the environmental attributes and delivery rules of the New York Public Service Commission Environmental Disclosure Program. The electrical energy associated with the renewable energy certificates must be consumed at retail in New York State.
- For communities that are already part of a CCA, executing a new contract or an addendum to the electric services agreement or a new contract after August 1, 2016 shall be counted as a new action.

# How CCA Works



# Eligible Municipal Governments

Three types of municipalities under New York State law eligible to form a CCA are:

- Villages
- Towns
- Cities

County governments may act as CCA administrator but are not authorized to create a CCA independently of villages, towns and cities within the county.

It is not required that communities participate in NYSERDA's Clean Energy Communities program in order to pursue CCA.

# Scope of CCA Programs

- CCA programs may aggregate electric supply, gas supply, or both.
- CCA programs may aggregate or integrate into their programs energy efficiency and distributed energy resources like solar.
- Municipalities are not permitted to allocate a portion of the CCA customer payments to a clean energy or public benefit fund.



# Customer Eligibility

- All customers are eligible.
- A customer can be enrolled on an opt-out basis if their service class is listed in the relevant PSC Order. This means these customers may be automatically enrolled.
- ESCO customers or customers that have placed a freeze or block on their account can be enrolled on an opt-in basis.

The CCA Administrator can:

- Choose to apply opt-out treatment to a more limited class of customers, to only allow certain classes of customers to opt-in, or both.
- Determine whether eligible customers who move into a municipality should be enrolled on an opt-in or opt-out basis.

# The Municipality's Role

- The process of planning for a CCA program will vary with each municipality and program.
- In some cases, a non-profit, consultant, or other third party may develop a plan and solicit municipal members.
- In other cases, municipal officials, on their own initiative or based on requests from residents, may develop their own plan for a CCA program and either implement it themselves or engage a third party to support them.
- Municipality will remain ultimately responsible for ensuring that the CCA program is operated in compliance with legal requirements, that it serves the interests of its residents, and that customer information is appropriately protected.

# Administrative Costs

- CCA Administrators will be permitted to collect funds, through the supply charge, to pay for administrative costs associated with running the CCA program.
- Because most CCA customers will receive a single bill from the utility, any CCA customer payments to the CCA Administrator will have to be negotiated as part of the contract and built into the per kWh rates.
- Therefore, the payments to the CCA Administrator for CCA administrative purposes will be processed and remitted by the ESCO. Negotiations may include costs incurred before selection of the CCA Administrator.

# NYSERDA's Role

NYSERDA is available as a technical consultant to assist municipalities and CCA administrators through:

- Individual consultations
- CCA toolkit describing best practices and including model documents such as customer outreach materials and contracts.
- For assistance, send an email to [cec@nyserda.ny.gov](mailto:cec@nyserda.ny.gov)

# NYS Public Service Commission's Role

The Public Service Commission (PSC) Order on CCA sets forth the requirements, terms, and conditions under which CCA programs can proceed through implementation. The PSC Order requires that the following documents be filed with and approved by the PSC:

- A CCA Implementation Plan
- Data Protection Plan
- Local Law authorizations

Once these documents have been filed, the PSC will determine whether they comply with the requirement of the PSC's CCA Order and issue an approval.

# CCA Implementation Plan

- Includes a description of the program and its goals
- Plans for value added services (e.g. installation of DER or other clean energy services) that will be included in an RFP
- A public outreach plan
- Includes drafts of written communications with its residents, including opt-out letters

# CCA Data Protection Plan

The Data Protection Plan must:

- Describe how the CCA Administrator will ensure the same level of consumer protections, including low income customers, as currently provided by utilities and ESCOs.
- Utilities have developed a model Data Security Agreement which has been approved by PSC that will form the basis for these requirements.
- The Data Security Agreement is the standard agreement that all CCA Administrators will have to sign with the distribution utility.
- CCA Administrator must also file a Data Protection Plan, which will explain what steps will be taken to implement the agreement and otherwise protect personal data.

# Municipal Approval

- Typically, the process starts with the municipality expressing interest in CCA by passing a non-binding resolution. This step is optional.
- Each municipality intending to implement a CCA program must pass legislation - exercising its Municipal Home Rule Law authority - after holding a public hearing.
- CCA programs where a third party acts as CCA administrator, municipalities may enter into a Memorandum of Understanding (MOU) with the CCA administrator to commit to participate in the CCA program subject to certain terms and conditions.
- Where a municipality acts as CCA administrator, municipalities may enter into Inter-Municipal Agreements (IMA) with participating municipalities to create a CCA program.



# Opt-Out Process

- The Department of Public Service's order requires CCA Administrators to provide information and education to potential CCA members over no less than a two month period.
- The mailing of an opt-out letter must be preceded by the filing of Implementation and Data Protection Plans and certifications of local authorization with the Public Service Commission.
- Customers must be permitted by the selected ESCO to opt-out and return to utility service any time before the end of the third billing cycle after enrollment without penalty.

# Energy Supply Contracts

- The terms of the contract must comply with applicable requirements for ESCO service.
- CCA programs are not limited to contracting with only one ESCO.
- Termination charges after the 3 month grace period will be subject to the contract.
- Contracts should not restrict the installation or use of distributed energy resources or energy efficiency products.

# Provision of Customer Data

- CCA administrator may request aggregated data after Commission approval of its Implementation and Data Protection Plans and certifications of local authorization.
- Once contracts with ESCOs have been entered into and executed, customer-specific contract information can be requested for all eligible customers.
- Detailed customer information can be requested for eligible customers who did not opt-out once the initial opt-out period has closed.
- Data fees may apply.

# Annual Reporting

The CCA administrator shall provide an annual report including:

- Number of customers served
- Number of customers cancelling during the year
- Number of complaints received
- Commodity prices paid
- Value-added services provided during the year
- Administrative costs collected

# Project Snap Shot – Westchester Power CCA



- Initiated by the non-profit Sustainable Westchester in 2016, the Westchester Power CCA supplies approximately 115,000 electrical customers in 27 participating municipalities in Westchester County.
- 24 municipalities opted to provide 100% renewable energy to eligible customers within their jurisdictions.

## Results:

- 500 million kWh of 100% renewable power.
- Approximately \$15 million in cost savings over three years.
- Cut the carbon footprint by 400,000 tons.

# Tools and Resources

## **Public Service Commission (PSC) CCA Order**

The PSC Order on CCA sets forth the requirements, terms, and conditions under which CCA programs can proceed through implementation.

## **Template CCA Authorizing Legislation**

This template legislation may be used as a resource by municipalities in developing their own authorization for participation in a CCA program.

## **Template Inter-Municipal Agreement (IMA)**

This sample IMA may be used as a resource by municipalities to participate in a specific CCA program where the CCA Administrator is a municipal government.

## **Template Memorandum of Understanding (MOU)**

This sample MOU may be used as a resource by municipalities to participate in a specific CCA program with a third-party CCA Administrator.

# Tools and Resources (cont.)

## Template Implementation Plan

CCA programs are authorized subject to the Public Service Commission's approval of the CCA Implementation Plan, Data Protection Plan, and certifications of local authorization. It is intended that this template be used as a resource in designing a CCA Implementation Plan. The purpose is to clearly define the CCA Program goals, milestones, and deliverables, while also defining the roles and responsibilities of each project partner. It also addresses the CCA approach to public engagement, outreach, and education.

## Template Opt-out Letter

This is intended as a resource for municipalities in fulfilling the Commission's requirement that an opt-out letter be sent to all eligible customers providing information and education prior to commencement of the CCA. The opt-out letter is subject to Department of Public Service Staff approval

## Technical Support

Dedicated and knowledgeable local Clean Energy Coordinators are available to help municipal officials implement Community Choice Aggregation. To access this support, please send an email to [cec@nyserderda.ny.gov](mailto:cec@nyserderda.ny.gov)



# The Bottom Line

Local government officials that implement Community Choice Aggregation can expect to:

- ✓ Be well positioned to secure lower energy prices locally
- ✓ Exercise more local control over energy resources
- ✓ Increase the percentage of renewables in the fuel mix



# Contact

*Communities and Local Government*

*New York State Energy Research and Development Authority (NYSERDA)*

*Email: [cec@nyserda.ny.gov](mailto:cec@nyserda.ny.gov)*

[www.nyserda.ny.gov/cec](http://www.nyserda.ny.gov/cec)