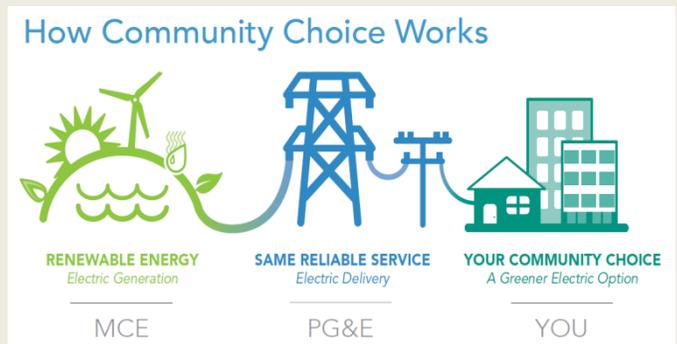




Community Choice Energy

What is Community Choice Energy?

In 2002, the [State of California passed AB 117](#), enabling public agencies and joint power authorities to form a Community Choice Aggregation. Community Choice Aggregations allow a city, county, or group of cities and counties to pool electricity demand and purchase/generate power on behalf of customers within their jurisdictions in order to provide local choice. CCEs work with PG&E to deliver power to its service area. The CCE is responsible for the electric generation (procure or develop power) while PG&E is responsible for electric delivery, power line maintenance, and monthly billing.



Why is the City of Lafayette Interested in Community Choice?



Currently, energy used in Lafayette’s homes, business, and municipal buildings is provided by Pacific Gas and Electric Company (PG&E). Lafayette residents do not presently have an alternative electricity provider beyond PG&E. The City is interested in offering Lafayette residents and businesses another option when it comes to energy providers. PG&E generates electricity from a mix of non-renewable resources (e.g., natural gas) and renewable resources (e.g., biomass, geothermal, solar, and wind) and is currently working to add more renewable energy to its power mix under California’s renewable portfolio standard. Through this statewide renewable portfolio standard, PG&E is on track to have 33-percent renewables by the end of 2020.

Approximately 89% of all housing in the City was built before 1979, and since these homes were built prior to Title 24 Standards, they are less energy efficient than newer construction. In 2010, residential and commercial energy use in Lafayette accounted for 22% of overall community-wide greenhouse gas (“GHG”) emissions. Due to the older housing stock and amount of GHG emissions caused by energy use, Lafayette could significantly reduce GHG emissions through energy conservation, energy efficiency, and the use of renewable energy sources.

The City finds importance in giving residents and businesses more options for renewable energy procurement in Lafayette beyond PG&E.

What CCEs currently exist?

Hundreds of CCEs exist nationwide in California, Illinois, Massachusetts, New Jersey, Ohio, and Rhode Island. CCEs serve approximately 5-percent of customers in America. In California, there are currently four CCE’s serving customers: [MCE](#), [Sonoma Clean Power Authority](#), [Lancaster Community Choice](#), and [CleanPowerSF](#).

At this time, Sonoma and Lancaster are not accepting new members outside of their existing service area. MCE has expressed interest in expanding and is accepting letters of intent from jurisdictions outside of its current service area. Three Contra Costa cities have already joined MCE: Richmond, El Cerrito, and San Pablo. In addition, Walnut Creek and Oakley have sent letters of intent to join MCE and Walnut Creek has allocated up to \$20,000 to complete a feasibility study.

Other CCE programs in California currently being studied and under development:

- ✓ [Alameda County](#)
- ✓ [San Diego Energy District](#)
- ✓ [San Luis Obispo Clean Energy](#)
- ✓ Sunnyvale, Cupertino, Mountain View, Santa Clara County, Santa Monica, Redondo Beach, Torrance, Beverly Hills, Palos Verdes Estates, Malibu, among many other communities are all studying Community Choice as well.

Community Choice Energy Options

Lafayette’s Community Choice Subcommittee began exploring whether or not a CCE is feasible for Lafayette, and if so, the type of CCE the City should pursue. Over the past year, the Subcommittee has been gathering background information, conducting research, and engaging the public in order to answer those questions. The Subcommittee has organized a number of presentations and reviewed a variety of options including joining an existing CCE, creating a Lafayette CCE, or helping to create a Contra Costa County CCE.

The Task Force investigated a number of questions while evaluating the potential options, including: rate volatility, financial liabilities, impact to GHG emissions, impact to customers, control over governance, time frame and impact to local jobs.

At this time, the Task Force determined that sending a letter of intent to join MCE is the most practical option for Lafayette.

About MCE Clean Energy

Although MCE was formed in 2008, it began serving customers in 2010 and has since expanded to serve 170,500 customers.



Its service area includes all of Marin County (the 11 incorporated cities, and all of the unincorporated areas), unincorporated Napa County, and the cities of Benicia, El Cerrito, Richmond, and San Pablo. MCE aims to address climate change by reducing energy related greenhouse gas emissions and securing energy supply, price stability, energy efficiency, and local economic and workforce benefits.

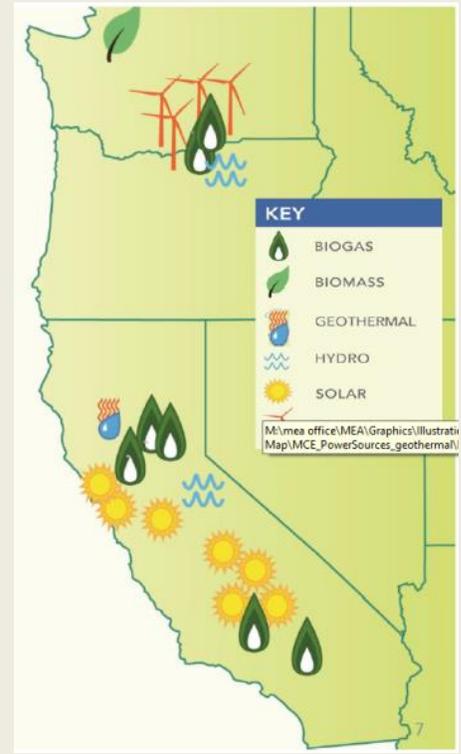
Through MCE, Lafayette customers are automatically enrolled in the 50% renewable energy program (“Light Green”) and will have the ability to “opt-up” to the 100% renewable energy program (“Deep Green”) or to “opt-out” and continue to purchase power from PG&E. Customers who choose to remain in MCE will benefit from affordable rates, local control, additional programs, and a more renewable power source. Currently, the default Light Green MCE program provides power at less expensive rates than PG&E.

Is Electricity from MCE Cleaner?

Through acquiring electricity from renewable sources, MCE is able to offer services ranging from 50% renewable to 100% renewable or 100% local solar, in comparison to PG&E's 27% renewable energy. Since 2013, MCE has led to energy efficiency savings of 1,373 MWh of electricity, 27,232.55 therms of natural gas, and 5,304,556 gallons of water.

Benefits for MCE Customers:

- ✓ **Customer Choice:** Joining MCE will provide Lafayette residents and businesses with more choice in both their energy provider and the degree to which their energy comes from renewable sources.
- ✓ **Competitive Electricity Rates:** MCE customers are currently receiving rates that can be slightly lower than PG&E rates (depending on the customer's renewable energy choice).
- ✓ **Renewable Incentive Programs:** MCE offers a number of renewable incentive programs.
- ✓ **Access to PG&E Programs:** All MCE customers will maintain access to programs provided by PG&E.
- ✓ **Support of Community Programs and Projects:** As a non-profit public agency, MCE allocates a portion of revenues to local projects and programs within its service area.
- ✓ **Direct governance:** Lafayette will have a board seat and help govern MCE.



How will customers be impacted if Lafayette joins a CCE?

Day-to-day, most customers will not notice any difference other than a line item for the electric generation of the CCE on their PG&E utility bill. It is likely that customers will notice that their electric generation rates become more stable and that there are more clean energy projects that arise throughout the community.

Will taxes increase?

A CCE does not have the ability to tax and therefore will have no impact on taxes.

Isn't renewable energy more expensive than regular electricity?

Once the initial investment is made for renewable energy, the "fuel" (wind, sun, etc.) is free.

For more information about MCE, visit their [website](#).

Provide Feedback: You can direct questions, comments, and feedback to Megan Canales at (925) 299-3242, MCanales@ci.lafayette.ca.us or Julia Koppman Norton at (925) 299-3202, JNorton@ci.lafayette.ca.us.

Other Resources

- August 10, 2015 - City Council [Staff Report](#)
- January 25, 2016 – City Council [Staff Report](#)