



Community Choice Energy - Frequently Asked Questions

1. What is Community Choice Energy?

Community Choice Energy (“CCE”) enables a local jurisdiction to pool the electricity demand of participating communities' homes, businesses, and municipal facilities to buy and/or develop electric power on their behalf. The electricity continues to be distributed and delivered over the existing electrical infrastructure by the incumbent utility, which is Pacific Gas and Electric (“PG&E”) in Concord.

2. How does Community Choice Energy work?

The CCE operates as a not-for-profit public agency. The governing board of this public agency would be comprised of local elected officials representing the participating communities. Based on the values of these participating communities, the CCE can choose what type of electricity to purchase and where the electricity originates (or is produced) geographically. CCEs have the ability to establish local energy efficiency programs and adopt policies to encourage rooftop solar and other renewable technologies and strategies to complement the existing programs offered by the incumbent utility.

3. What is meant by ‘community choice’?

Unlike other services, such as phone, cable, and internet, residents and businesses do not currently have a choice of electricity supplier. The intent of CCE is to introduce competition into the retail electricity market. CCE provides consumers a choice of electricity providers in addition to the incumbent utility.

4. Is Community Choice energy new?

CCE is currently available in seven states including California, New York, Illinois, Massachusetts, Ohio, New Jersey, and Rhode Island. CCE was first authorized under California State law in 2002. As of 2017, there are nine operational community choice agencies in California, including [MCE](#) (2010), [Sonoma Clean Power](#) (2014), [Lancaster Choice Energy](#) (2015), [CleanPowerSF](#) (2016), [Peninsula Clean Energy](#) (2016), [Silicon Valley Clean Energy](#) (2017), [Apple Valley Choice Energy](#) (2017), [Redwood Coast Energy Authority](#) (2017), and [Pica Rivera Innovative Municipal Energy](#) (2017).

5. What other California communities are exploring Community Choice Energy?

In addition to the operational community choice agencies, many communities throughout the State are exploring Community Choice Energy Programs. Clean Power Exchange established and maintains an [Interactive Map](#) of the evolving development of Community Choice in California.

6. How will customers be affected by Concord joining MCE?

Most customers will not notice any change other than a CCE line item on their utility bill that replaces PG&E electric generation charges with the CCE's electric generation charges.

7. How are Community Choice Energy programs funded?

The formation of a CCE requires an initial start-up investment. This initial investment is usually a loan from public or private sources and is typically repaid once the CCE program becomes operational. After

operation begins, the CCE is self-funded through ratepayer revenues. The City did not need to raise a start-up investment as the City Council chose to join an existing, established program – MCE.

8. Do all customers have to participate in a Community Choice Energy if they are in a service area?

No. Effective April 2018, MCE will become the default service provider of electricity for Concord; however, customers always have the choice to purchase their energy from PG&E. Prior to the beginning of a CCE's operation, all electricity customers will receive at least four "opt-out" notices during a 60-day period when anyone can opt-out of the program at no cost. Once the program is operational, then there is an additional 60-day period during which any customers can opt-out at no cost. After that, customers may opt-out for a nominal fee. After opting-out, the customer is prohibited from returning to the CCE for a period of one year.

9. Will taxes increase?

No. A CCE does not have the ability, nor the authority, to tax and has no impact on taxes. A CCE is completely funded by revenues generated by the sale of electricity to customers.

10. How is PG&E involved?

PG&E remains an important partner in any CCE program. Under a CCE, PG&E continues to deliver reliable power, maintain the power lines, respond to service outages, and handle customer billing. Under its agreement with the State, PG&E is guaranteed an annual shareholder return to reliably deliver power and to build and maintain power lines. Per statute and codified in the CCE/Utility Service Agreement, PG&E must fully cooperate with any community that wishes to form a CCE program.

11. How do a Community Choice Energy's rates compare to current rates?

CCEs in California have historically offered rates that are competitive with PG&E. Although there is no guarantee, Community Choice Energy programs in California have frequently offered lower rates than the investor-owned utility ("IOU") competitors for comparable products. However, occasionally CCE rates have been higher than IOU rates. You may review a sample cost comparison of MCE and PG&E by visiting: <https://www.mcecleanenergy.org/rates/>.

12. Isn't renewable power more expensive than traditional electricity?

Wholesale prices for electricity generated from renewable sources have been trending down in recent years. To date, CCEs have offered their customers electricity at competitive rates. Rate projections for PG&E and CCE alternatives were analyzed as part of the technical study.

13. How is a Community Choice Energy structured?

A CCE operates as a not-for-profit public agency with a publicly accountable Board of Directors made up of elected officials from participating communities. Most CCEs use a common legal structure for municipal public entities called a Joint Powers Authority ("JPA"). The JPA is a separate public entity from the cities and county that created the JPA. Since CCEs operate in a competitive environment, they have an incentive to keep administrative costs to a minimum – typically at 5- 6% of its total operating budget.

14. How is a Community Choice Energy Program established?

Local governments must pass an ordinance to join or establish a CCE Program, and the CCE agency must draft an Implementation Plan that is approved by the California Public Utilities' Commission ("CPUC"). This is typically done after an initial technical study to determine the amount of electricity that will be required and to examine a CCE's ability to be cost competitive with PG&E. The Implementation Plan outlines how the CCE will function, how it will set rates, how it will procure electricity, and how it will carry out all other functions required under CPUC regulations. On June 13,

2017, the City Council adopted Ordinance No. 17-8, approving the Marin Clean Energy Joint Powers Agreement and authorizing the implementation of the CCE program.

15. Do the electrons purchased by Community Choice Energy actually go to my property?

No. When the CCE supplies power to customers, the CCE puts the same amount of electricity onto the grid that its customers use. When the individual electrons from all power resources go onto the grid, no one can determine which electrons go where. For instance, if you consume 500 kilowatt-hours in a month, then the CCE must supply 500 kWh to the grid on your behalf.

16. If I install solar panels, do I need a Power Purchase Agreement to sell my excess energy to a Community Choice Energy?

No. This is called net energy metering ("NEM"), and the CCE would be able to offer property owners fair market rates for their excess energy production without a Purchase Power Agreement, even if that solar installation took place before the CCE launched. Larger solar projects that are "in front of the meter" can also be facilitated under a CCE's feed-in-tariff program, which uses a standard power contract with set prices to buy all the power generated from that facility on behalf of CCE customers. For more information on MCE's NEM program, please visit: <https://www.mceccleanenergy.org/solar-customers/>.