

Los Angeles Community Choice Energy (LACCE)

Public Meeting

March 3, 2017

Los Angeles Community Choice Energy

Welcome

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County of Los Angeles

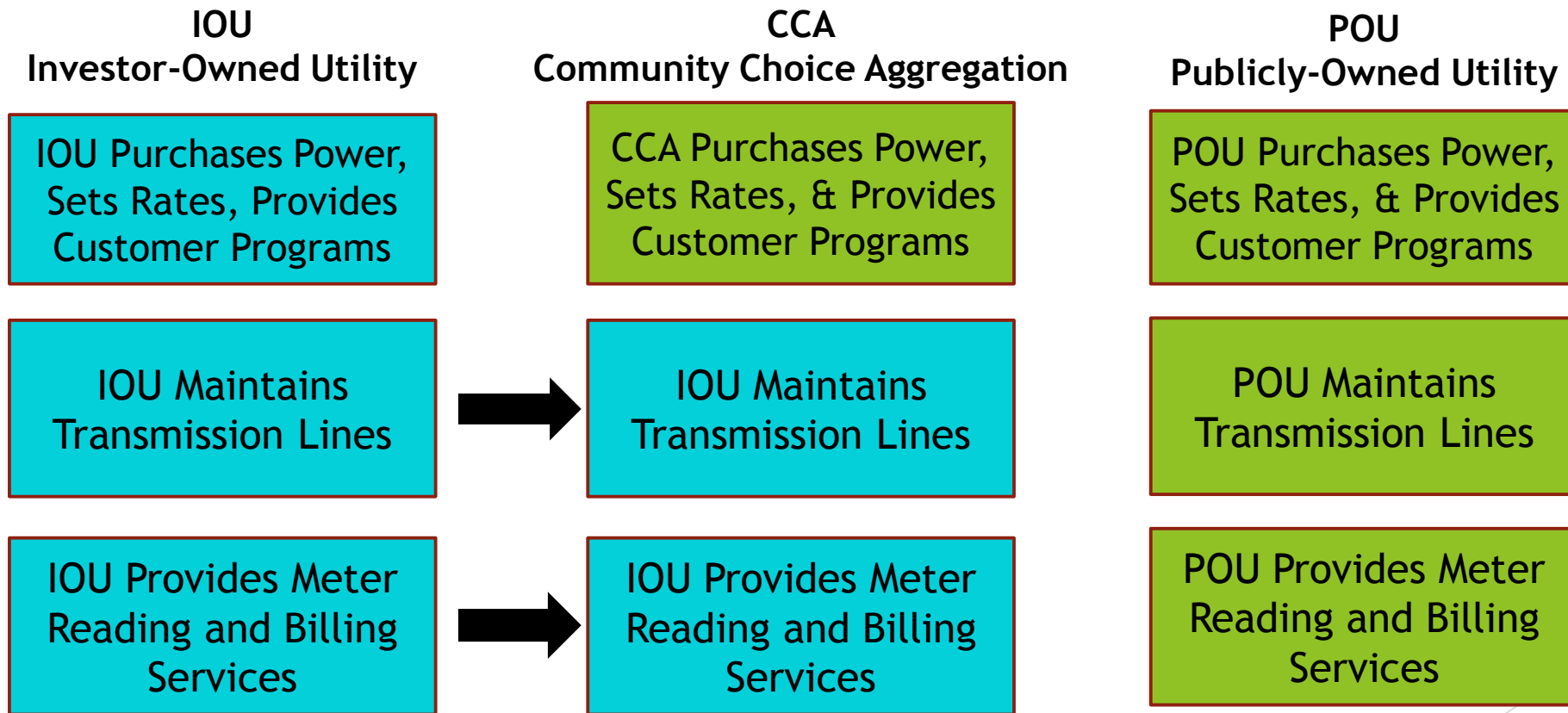
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Today's Agenda

- ▶ Brief Overview of LACCE
- ▶ Technical Discussion with County's expert consultants
- ▶ Review of the Draft Joint Powers Agreement
- ▶ Overview of the Schedule
- ▶ Questions & Answers

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Community Choice Aggregation (CCA): A Hybrid Approach to Utility Operations



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Potential LACCE Program Offerings

1. Green Tiers (cities may choose their own default option):
 - A. 30% renewables
 - B. 50% renewables
 - C. 100% renewables

2. Customer Programs
 - A. Net Energy Metering/Feed In Tariffs
 - B. Energy Efficiency and Demand Response
 - C. Electric Vehicle Programs
 - D. Business Development rates

3. Local Renewable Energy Resource Development / Distributed Energy Resources (DER)

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LACCE Benefits: Rates

| Indicative Rate Comparison in ¢/kWh | | | | | | |
|--|------------------|------------------------|---------------|------------------------------|----------------|-------------------------------|
| Rate Class | SCE Bundled Rate | LACCE RPS Bundled Rate | SCE 50% Green | LACCE 50% Green Bundled Rate | SCE 100% Green | LACCE 100% Green Bundled Rate |
| Residential | 17.1 | 16.2 | 18.85 | 16.4 | 20.6 | 18.2 |
| Small Commercial | 16.6 | 15.7 | 18.35 | 15.9 | 20.1 | 17.7 |
| Medium Commercial | 15.8 | 15 | 17.55 | 15.2 | 19.3 | 16.9 |
| Large Commercial | 14.5 | 13.8 | 16.25 | 13.9 | 18 | 15.5 |
| Small Public Authority | 12.6 | 12 | 14.35 | 12.1 | 16.1 | 13.4 |
| Large Public Authority | 10.4 | 9.9 | 12.15 | 10 | 13.9 | 11.1 |
| Small Industrial | 13.1 | 12.4 | 14.85 | 12.6 | 16.6 | 14 |
| Medium Industrial | 11.7 | 11.1 | 13.45 | 11.2 | 15.2 | 12.5 |
| Large Industrial | 7.5 | 7.1 | 9.25 | 7.2 | 11 | 8 |
| Total LACCE Rate Savings Over SCE Standard Rate | | 5.4% | | 4.1% | | -6.3% |
| Savings Over Comparable SCE Rate | | 5.4% | | 13% | | 12% |

- Rates are taken from the LACCE Business Plan
- LACCE rates include considerable financial reserve

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LACCE Benefits: Economic Development

■ Total Electricity Savings

- A 5.4% rate reduction saves LACCE customers \$20 million/year
- This \$20 million rate reduction is estimated to create 200 new jobs in LA County.
- In aggregate, these benefits could add \$16 million to the County's economy.

■ Power Supply Construction Projects

- Construction of one 50 MW solar project in County could create 1,500 jobs during construction and 15 full-time permanent jobs.
- LACCE will need many of these local energy generation projects at full build-out.

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LACCE Benefits: Customer Choice and Local Control

■ Customer Choice

- CCAs offer customers new options (CCA rate offerings), without removing old options (SCE)
- Having both CCA and SCE products gives customers choice

■ Local Control

- CCAs enable communities to invest locally; ratepayer funds can be used to support local projects instead of being sent to SCE
- CCAs have local control over their power supply, rates, and customer programs (e.g., energy efficiency, solar incentives, EV incentives, etc.)

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Introductions and Discussion

- ▶ New additions to the LACCE consultant team
 - ▶ **Barbara Boswell** - former Executive Director of Lancaster Clean Energy (LCE)
 - ▶ **Bill Carnahan** - former Executive Director of the Southern California Public Power Authority (SCPPA)

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LACCE Joint Powers Agreement (JPA)

Overview

- ▶ Negotiating Process
- ▶ Recitals
- ▶ Governance
 - ▶ Board of Directors
 - ▶ Voting Structure
 - ▶ Special Voting
- ▶ Committees

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LACCE JPA Negotiating Process

- ▶ In December 2016, we held a public workshop to get ideas and input on elements of an LACCE JPA
- ▶ Since January 2017, the County has held negotiating sessions with interested cities every two weeks
- ▶ Over 50 cities expressed interest in participating in LACCE, and dozens actively participated in the JPA negotiations
- ▶ Cities were encouraged to bring up any issue or point of contention they wished. Many did and we held robust discussions.
- ▶ The draft JPA reflects the broad consensus of the County and cities.

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Cities Expressing Interest in LACCE

| | | |
|---------------|----------------------|-----------------------|
| Agoura Hills | Hawthorne | Paramount |
| Alhambra | Hermosa Beach | Pico Rivera |
| Artesia | Hidden Hills | Redondo Beach |
| Baldwin Park | Huntington Park | Rolling Hills Estates |
| Bell | Industry | Rosemead |
| Bell Gardens | Inglewood | San Dimas |
| Beverly Hills | La Mirada | San Fernando |
| Bradbury | La Verne | Santa Clarita |
| Calabasas | Lakewood | Santa Fe Springs |
| Carson | Lawndale | Santa Monica |
| Cerritos | Long Beach | Sierra Madre |
| Claremont | Lomita | South El Monte |
| Commerce | Lynwood | South Pasadena |
| Compton | Malibu | Torrance |
| Covina | Manhattan Beach | West Covina |
| Culver City | Monterey Park | West Hollywood |
| Diamond Bar | Montebello | Westlake Village |
| Duarte | Norwalk | Whittier |
| El Segundo | Palmdale | |
| Glendora | Palos Verdes Estates | |

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LACCE JPA: Recitals

- ▶ The starting point of negotiation was the Recital language used in the JPA that governs East Bay Community Energy (EBCE) in Alameda County
- ▶ Most of the EBCE language was kept, but some modifications were made based on discussions with cities
- ▶ The LACCE Recitals reflect the County and cities commitment to lower cost, greener, and more local energy, and stable and skilled local workforce.

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LACCE JPA: Recital Examples

- ▶ Develop an electric supply portfolio with overall lower greenhouse gas (GHG) emissions than SCE, and one that supports the achievement of the parties' greenhouse gas reduction goals and the comparable goals of all participating jurisdictions
- ▶ Recognize the value of current workers in existing jobs that support the energy infrastructure of Los Angeles County and Southern California (e.g. union and prevailing wage jobs, and local workforce development). The Authority, as a leader in the shift to a clean energy, commits to ensuring it will take steps to minimize any adverse impacts to these workers to ensure a "just transition" to the new clean energy economy
- ▶ Ensure that low-income households and communities are provided with affordable and flexible energy options, including the provision of energy discounted rates to eligible low-income households

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LACCE JPA: Board of Directors

- ▶ Each member of the JPA shall appoint a Director, who must be an elected official or member of the governing board of that jurisdiction
- ▶ Members are allowed to appoint up to two Alternate Directors.
- ▶ Alternate Directors may be:
 - ▶ Elected official
 - ▶ Appointed official (commissioners)
 - ▶ Staff member
 - ▶ Member of the public, provided they meet certain qualifications

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Alternate Director: Member of the Public

- ▶ Any alternate Director that is a member of the public must have demonstrated knowledge in energy-related matters through significant experience in either:
 - ▶ 1) an electric utility or company, agency, or nonprofit providing services to a utility
 - ▶ 2) a regulatory agency or local government body overseeing an electric utility or a company, agency, or nonprofit providing services to such an agency
 - ▶ 3) an academic or nonprofit organization engaged in research and/or advocacy related to the electric sector.

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LACCE JPA: Voting Structure

- ▶ One member, one vote.
- ▶ Most items require a simple majority of the Directors present to vote in the affirmative for approval.
 - ▶ Some items require a 2/3s majority vote.
- ▶ Directors may ask for a “weighted vote” in which a members’ voting share is weighted based on the size of their electricity load.
- ▶ To initiate a weighted vote, at least three Directors must request it.

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LACCE JPA: Special Voting Requirements

- ▶ Specific items require a supermajority of Directors (2/3) to vote in the affirmative for approval:
 - ▶ Change the designation of the Treasurer or Auditor of the Authority
 - ▶ Issue bonds or other forms of debt
 - ▶ Exercise eminent domain
 - ▶ Amend of the JPA
 - ▶ Adopt or amend the bylaws
 - ▶ Remove a member for cause

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LACCE JPA: Committees

- ▶ Permissive language is included to allow the LACCE Board to form any other committees it deems necessary
- ▶ Negotiations resulted in two required, standing committees
 - ▶ Executive Committee
 - ▶ Finance Committee

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LACCE JPA: Permissive Committee Language

▶ Section 5.9:

- ▶ **Commissions, Boards and Committees.** The Board may establish any advisory commissions, boards and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

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LACCE JPA: Standing Committees Executive Committee

- ▶ **Executive Committee.** The Board shall establish an executive committee consisting of a smaller number of Directors. The Board may delegate to the Executive Committee's such authority as the Board might otherwise exercise, except that the Board may not delegate authority regarding certain essential functions, including but not limited to, approving the fiscal year budget or hiring or firing the Executive Director, and other functions as provided in the Operating Policies and Procedures. The Board may not delegate to the Executive Committee or any other committee its authority under Section 3.2.12 to adopt and amend the Operating Policies and Procedures.

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LACCE JPA: Standing Committees Finance Committee

- ▶ **Finance Committee.** The Board shall establish a finance committee consisting of a smaller number of Directors. The primary purpose of the Finance Committee is to review and recommend to the Board:
 - ▶ A funding plan;
 - ▶ A fiscal year budget;
 - ▶ Financial policies and procedures to ensure equitable contributions by Parties;
 - ▶ Such other responsibilities as provided in the Operating Policies and Procedures.

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JPA and Enrollment Schedule

- ▶ **March 13, 2017** - Written comments due from the public
- ▶ **By end of March 2017** - County and cities meet to review public comments, make revisions to the LACCE JPA based on those comments, and make any other changes as needed.
- ▶ **April 2017** - LACCE JPA, enabling ordinance, and supporting Board report presented to Board of Supervisors (date tbd) and cities begin process of adopting enabling ordinance and JPA to join LACCE.
- ▶ **Fall 2017** - Initial LACCE participants finalized.

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Implementation Schedule

- ▶ To ensure a smooth launch and rollout, the LACCE team has had discussions with SoCal Edison to determine the best approach.
- ▶ Phased rollout:
 - ▶ Phase 1, January 2018 (about 2,000 accounts)
 - ▶ Los Angeles County municipal facilities
 - ▶ Phase 2, July 2018 (about 200,000 accounts)
 - ▶ City municipal facilities
 - ▶ City and County commercial and industrial customers
 - ▶ Phase 3, January 2019 (about 1.5 Million accounts)
 - ▶ City and County residential customers

QUESTIONS & ANSWERS

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Contact Information

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More information/documents can be found at:

<http://green.lacounty.gov/wps/portal/green/lacce>