

## COMMUNITY CHOICE AGGREGATION OREGON FACT SHEET

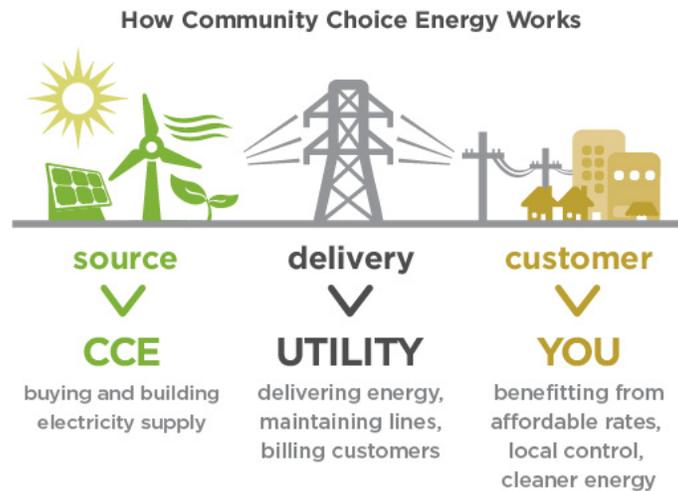
### **Background**

As energy supply continues to evolve, communities and ratepayers are asking for more flexibility and choice than is available in the existing Investor Owned Utility business model. Whether its a more direct and intentional carbon reduction approach, focused assistance to disadvantaged communities or improved economic development strategies, communities are looking for options and greater local control. Enter Community Choice Aggregation.

The following provides a brief overview of the Community Choice Aggregation (CCA) model and how it works. For more information, please visit [www.leanenergyus.org/oregon](http://www.leanenergyus.org/oregon).

### **What is Community Choice Aggregation?**

Community Choice Aggregation, sometimes referred to as "Community Choice Energy or Municipal Aggregation," is a local energy model, authorized by State statute, that allows cities, counties or groups of them to aggregate their electric load for the purpose of procuring power that is cheaper and greener than that provided by the investor-owned utility (IOU).



The first CCA statue was implemented in Massachusetts in 1999 and currently exists in seven states including Illinois, Ohio, California, Rhode Island, New Jersey and New York – with several other states currently exploring the model. CCA is structured as a partnership between local governments and their local utility with the local governments assuming responsibility for power procurement and local energy programs while the utility retains control of power transmission and delivery, grid maintenance and consolidated customer billing.

### **What Are the Benefits of Community Choice Energy?**

CCA brings local control, customer choice and competition into the electricity marketplace.

While CCA's are slightly different from state-to-state, their core benefits are consistent: 1) more affordable electric rates, 2) local control and local economic development, 3) customer choice where there often is none, and 4) the ability to rapidly reduce greenhouse gas emissions by ramping up the use of carbon free and renewable power.

### **How are CCA's funded?**

CCAs are funded by existing ratepayer revenues; they do not rely on public subsidy.

### **Who is Eligible to Participate?**

Once a local City Council or Board of Commissioners adopts a CCA ordinance authorizing CCA for their area, all residential, commercial, industrial and agricultural customers are automatically enrolled with the option to opt-out and return to bundled IOU service at any time. Please note that customers served by a municipal utility, rural electric co-op, peoples utility district or direct access are not eligible for CCA service.

### **Is the Utility Replaced or Financially Harmed?**

No. CCAs work in partnership with utilities. In states that are already open to retail electric choice, the electric generation and power transmission functions are already split between power suppliers and utilities. In states that are only partially deregulated (like Oregon) utilities are "kept whole" through cost recovery surcharges and exit fees paid to the utility to cover the costs associated with a CCA's departing load.

### **What about Rate-Setting and Customer Billing?**

Unlike an investor-owned utility such as Portland General Electric that has its rates approved by the Oregon Public Utilities Commission, a CCA has rate-setting authority through its Board of Directors or other authorized body. CCA electric generation rates can be designed to absorb utility exit fees, serve different customer classes (e.g. commercial, low income), and align with local goals whether to maximize rate savings, include higher levels of clean power, and/or support local jobs and economic development. Even though a CCA sets its own rates, the utility continues to handle customer billing and bill collection. Electric generation revenues are then transferred (via daily electronic transfer) to the CCA's operating account.

### **What About Rooftop Solar, Energy Efficiency and other Energy Programs?**

Each state, county and city are unique. The CCA model can be adapted to local needs and programs. The Energy Trust of Oregon does an excellent job in providing these services and incentives to ratepayers served by the Investor Owned Utilities. A primary goal for an Oregon CCA statute would be access to the existing Energy Trust of Oregon energy efficiency and renewable energy assistance programs.

### **Where else is this type of program being used?**

Examples of CCA programs around the country include:

- Monterey Bay Community Power (CA) <https://www.mbcommunitypower.org/>
- Northeast OH Public Energy Counsel (OH) <https://www.nopecinfo.org/>
- Cape Light Compact (MA) <https://www.capelightcompact.org/>
- Westchester Smart Power (NY) <http://www.westchesterpower.org/>

### **Where Can I Learn More?**

For more information, please visit [www.LEANenergyus.org](http://www.LEANenergyus.org) or contact Alan Hickenbottom, Oregon Project Manager - [alan.hickenbottom@leanenergyus.org](mailto:alan.hickenbottom@leanenergyus.org) 503-703-0602