

## **CCE Meeting Summary and Next Steps June 20, 2016**

On June 20, 2016, the Encinitas City Council Subcommittee on Community Choice Energy (CCE) convened a public meeting to which representatives were invited from all North County cities, i.e., Del Mar, Solana Beach, Carlsbad, Oceanside, Vista, San Marcos, Escondido, and Poway. Elected officials and/or staff from Del Mar, Solana Beach, Carlsbad, Escondido, Oceanside, and Poway attended (see attached attendance list) along with a SANDAG representative and members of the public.

The purpose of the meeting was to provide education about forming a Community Choice Energy Joint Powers Authority (JPA). Representatives of three energy organizations were invited to provide written answers to questions prepared by the Subcommittee in advance, and to make brief presentations at the meeting. This was followed by an open question and answer exchange among participants. The PowerPoints that were presented, along with the written responses to the Subcommittee's questions are posted on the City website at <http://www.encinitasca.gov/subcommittees>.

Based on our work to date, **the Subcommittee recommends moving forward with a technical study, if we can engage at least three other jurisdictions, at least one larger than the City of Encinitas.** Aside from the advantage of sharing the cost of the study (estimated to range from \$150,000 - \$200,000), the consultants identified a number of benefits from having a JPA that serves a larger customer base than Encinitas. More partners means more customers and a broader foundation on which to spread overhead expenses and risk. It also can allow for a more diversified portfolio of product offerings.

There are examples of RFPs for technical studies and lists of what topics should be included, so it should not be difficult to put together a template. What will be more challenging is to determine the **appropriate cost-sharing arrangement and timeline.** Encinitas invites other cities to indicate their interest in joining in such an initiative so we can begin working on these details. Encinitas expects each city to contribute some financing and staff to fund and manage the procurement and review. To participate, each City must pass a non-binding resolution expressing its interest in exploring CCE (a sample of that resolution is attached). Each city must follow passage of this resolution with a letter to SDG&E requesting the load data for that city.

The critical next step is to **develop clear goals and priorities.** This is best accomplished through both internal dialog among the partners and outreach to the public and key stakeholders. Based on the first public meeting hosted by the CCE Subcommittee, **reducing GHG emissions and lowering costs to customers are the top objectives.** A CCE that offers more than one "product" can address both these goals – one option allows consumers to pick the lowest cost service; another option would allow consumers to buy energy considerably higher in renewable mix, possibly at a higher price. The JPA could offer additional products as determined by market assessment.

Other points of interest from the consultants and other participants in the meeting:

- There are no CCEs yet in SDG&E's service area. The PCIA ("exit fees") from SDG&E may be lower than other utilities due to its lower stranded assets.
- SDG&E has requested CPUC permission to form an independent marketing arm to lobby against CCEs. Since such a unit would have available the full resources of Sempra shareholder funds, some speakers advocated that cities express to the CPUC their opposition to this request.
- Education and outreach are vital and should start as early as possible. Once we identify cities interested in partnering with Encinitas, we should work on public engagement in parallel with the feasibility study.