

FAQ: Sullivan County Community Choice Aggregation (SCCCA)

What is Community Choice Aggregation (CCA)?

CCA gives municipalities the authority to **aggregate the energy purchases of all residents and businesses as a negotiating strategy** to secure lower electricity prices for their residents and small businesses. CCAs can represent thousands of customers, so they have the potential leverage to negotiate significantly lower electric rates. CCAs can also facilitate investment in locally-sited energy generation facilities, known as distributed energy resources (DER), which the New York State Public Service Commission (PSC) and utilities operating in NYS have deemed critical to our energy future. DER projects such as community solar and wind and micro-grid projects will strengthen and stabilize the electrical grid, reduce line loss, and expand our generation capability to meet future needs.

Has this idea been implemented successfully in other locales?

CCA programs operate in 1,300 communities in six states: Massachusetts, Illinois, Ohio, California, New Jersey, and Rhode Island, where they have dramatically lowered electricity costs in their participating communities. Sustainable Westchester has already received authorization from the PSC to develop a CCA, and estimates that they will be able to offer Westchester residents rates that are five to ten percent lower than the price offered by utilities.

How is CCA being introduced in New York State?

The PSC is implementing significant changes to the state's energy policies through its initiative "Reforming the Energy Vision" or REV. CCA is one of the major new energy configurations encouraged in REV, and municipalities, utilities and non-profit organizations like Sullivan Alliance for Sustainable Development (SASD) have been invited to submit proposals for pilot projects to help shape how the initiative will be introduced state-wide. You can find more information at www.dps.ny.gov. Click on "Search" in the left-hand column, then "Search by Case Number," and enter case number 14-M-0224.

How will CCA be implemented in Sullivan County?

Key features of SASD's proposal for a county-wide CCA (SCCCA) are:

- **Lower electricity costs for consumers:** the SCCCA will negotiate lower electricity rates for Sullivan County residential and commercial electricity customers.
- **Opt-out mechanism:** Like successful CCA's across the country, SCCCA will employ an "opt-out" mechanism: county residents and small business electric customers who currently purchase their electricity through NYSEG, O&R or Central Hudson will be included in the CCA automatically unless they choose to opt out. SCCCA will be required to notify all customers of this change and provide complete pricing information.
- **Renewable energy:** the SCCCA will foster the development of distributed energy resources (DER) – from renewable technologies, especially solar and wind, in keeping with the County's Climate Smart Communities goals and the goals of the PSC's REV.
- **Energy efficiency:** the SCCCA will facilitate incorporation of energy efficiency and smart technology measures funded through monies set aside by the utilities at the direction of the PSC for this purpose.
- **Grid resiliency:** the SCCCA aligns with the goals of the micro-grid projects in Liberty and Monticello, to maximize those resources and relieve pressures on the grid.
- **Economic development and job creation:** the SCCCA emphasizes local buildout and energy efficiency strategies that will generate local jobs and economic opportunities in Sullivan County.

SCCCA will be committed to offering either 1) a default electric rate that is lower than the prevailing rate, or 2) a fixed rate that is lower than the average prevailing rate during the preceding twelve months. If an electric rate that is lower than or equal to the average previous twelve month rate cannot be negotiated through the SCCCA, the CCA will not be implemented.

What is the County's role?

If the PSC accepts SASD's proposal for a pilot study of CCA, their staff will work with SASD and the County to develop the project. The County Legislature passed a resolution of support in September 2015, committing to do the following:

1. Adopt a local law to aggregate electricity use on behalf of residential and commercial energy users in Sullivan County.
2. Work with SASD to request aggregated electricity use data from the three utilities that serve Sullivan County (NYSEG, Orange & Rockland, and Central Hudson). Municipalities have the authority to request this data per current PSC rules.
3. Work with SASD to design and establish a not-for-profit legal entity that will operate and manage the CCA.
4. Work with SCCCA to develop a request for proposals (RFP) to identify one or more professional administrators to provide project design, data analysis and legal work for the SCCCA. All contracts will be awarded by SCCCA in accordance with best practices in procurement policy.
5. Work with SCCCA to develop an RFP to solicit bids from electricity providers (ESCOs) to serve Sullivan County's CCA.
6. Work with SCCCA to request a second round of more detailed customer data from the three utilities, and safeguard this data while the price negotiation is conducted.
7. Work with SASD to inform the public about the SCCCA.

Who will run the SCCCA?

Based upon the CCAs that have been established in other parts of the country, there are a number of models for the non-profit entity that will operate and manage the SCCCA. For example, the public entity Cape Light Compact on Cape Cod, which serves all 21 towns on Cape Cod and Martha's Vineyard, has a governing board comprised of representatives from each municipality, and Barnstable County serves as the fiscal agent providing oversight. SASD is not asking the County to commit to one model at this time; rather, with the PSC's approval of our application, we will work with the County and other stakeholders to develop the best model for governance of the SCCCA.

How will the start-up be funded?

SASD is asking the three utilities that serve Sullivan County (NYSEG, Orange & Rockland, and Central Hudson) to provide start-up funding for the Sullivan County CCA from monies they are required by the PSC to set aside for this purpose. SASD is offering its services pro bono to help design and launch a county-wide CCA.

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**Sullivan Alliance for Sustainable Development (SASD)
is a non-profit 501(c)(3) organization based in Sullivan County, NY.**

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