

Labor Friendly Community Choice Aggregation

How to create a Community Choice Aggregation
Agency is that is:

- Good for Workers
- Good for the Environment
- Good for Customers/Constituents

Labor Friendly CCA

- Enabled by AB 117 in 2002, Community Choice Aggregation is a system that allows local governments to procure electricity for residents and business within a geographical area
- Under AB 117, Customers are Automatically Enrolled in a new CCA energy program
- IOUs are precluded from challenging the CCA but under SB 790, IOUs can establish 3rd Party entities to contest the CCA marketing
- Electricity Procurement is the generation and/or purchase of electricity by Utilities on behalf of their customers and is an industry that is highly Unionized.

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- In California, Unions represent workers at 44 of 47 Electric Utilities, covering roughly 35,000 workers
- Electric Utilities contract out Billions of dollars of work annually to Union Represented contractors and vendors, employing 10,000-15,000 workers
- These workers earn Union scale wages and benefits; they contribute greatly to the State's economy

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- Creating a CCA agency may adversely impact those California Union workers who generate electricity and provide customer service
- These workers constitute roughly 15% of the Electric Utility workforce in the State
- These and other California workers must benefit to assure that the promises of the CCA advocates and the Green economy can be realized

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- The number of Jobs created is a critical measuring stick to be used in evaluating a CCA or any other green energy proposal
- California Unions for Reliable Electricity (CURE) is the most successful model to ensure California workers enjoy the promise of the Green Economy
- Power Projects built so far by/for IOUs under PLAs:
 1. 6,000 MW of Renewable Energy employing Union Members for 30 Million Man Hours
 2. 23,000 MW of Hi-Tech natural gas plants employing Members for 40 Million Man Hours

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- The issue of increased renewable energy is settled. SB-2 (X1) Mandates that Utilities and CCAs deliver 33% of their power from Renewable Sources to customers by 2020.
- A new CCA must also be evaluated by the type/ amount of Benefits it brings to the Community:
 1. Can a new CCA provide power with more than 33% RPS within its rate structure?
 2. Can a new CCA provide local projects with local jobs for local residents?

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Labor Friendly CCA must:

1. Procure Power from Union generated sources
2. Sign PLAs on each Power Generation Project
3. Sign PLAs on any Energy Efficiency Project or Program that the CCA operates
4. Sign Community Benefit Agreements to commit to local projects with local hiring

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The CCA Agencies established to date have not met these basic requirements:

- Marin CCA signed a power deal with Shell Energy, N.A. of Houston, TX through 2017
- Marin CCA receives most of its power from out-of-state, non-union sources
- Marin CCA relies heavily on Renewable Energy Certificates (RECs), purchasing up to 400,000 MW hours per year.

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- Sonoma CCA is trying to be better but still adopted Marin cost structure model
- Sonoma signed power deal with Constellation Energy Services Company, buying out of state power
- Sonoma CCA is purchasing more actual renewable energy but still relies on RECs for a portion of its power
- Sonoma CCA promised local projects and local jobs to local economy. But not planning local projects and will commit to only to possibly building these projects 2-3 years from today

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- RECs are “evidence” that renewable energy was generated and are “endowed with environmental attributes” (EPA definition)
- In other words, RECs are not energy – they are financial instruments traded in the energy marketplace
- Recent studies have demonstrated that buying RECs do not result in constructing new generation or even additional renewable energy
- RECs permit the ‘Greenwashing’ of fossil fuel electricity

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- Customers deserve to know the source and relative 'greenness' of energy they are purchasing
- Workers deserve fair wages and benefits when constructing and generating new green sources
- The Environment needs actual renewable energy and not RECs

A CCA that can't deliver on these promises should be called out. The marketplace needs to know the source of a CCA's power and the actual GHG emissions rate.