What is Community Choice Aggregation?

Community Choice Aggregation is a strategy that puts control of choosing energy supply in local hands. It is a municipal model for procuring energy that replaces the utility as the default supplier of electricity and/or natural gas for virtually all homes and businesses within a jurisdiction. By pooling demand, communities build the clout necessary to negotiate a fixed-rate, potentially lower pricing with private suppliers. Communities are also able to choose cleaner energy while developing distributed energy resources including local renewable energy projects and shared renewables such as community solar, energy efficiency, demand response, energy management, and microgrid projects. More than five million customers nationwide are served by Community Choice Aggregation programs in seven states: New York, California, Illinois, Massachusetts, Ohio, New Jersey, and Rhode Island.

Which communities can participate in Community Choice Aggregation in New York State?

All towns, cities, and villages are eligible to participate. If a community chooses to pursue Community Choice Aggregation, local government officials must hold a public hearing to discuss the opportunity, pass a local law authorizing the municipality's participation, and communicate the details to their residents and small businesses.

Who does the legwork for aggregating the customers and finding the right energy service providers?

Community Choice Aggregation will often start with a local group, local nonprofit, or elected official(s) building interest within their communities. The next step is to select a Community Choice Aggregation Administrator to oversee and administer the aggregation program. The Administrator may be a municipality, local development corporation, nonprofit organization, private firm, or other third party.

What is the role of the Community Choice Aggregation Administrator?

The Administrator is the entity authorized to bid the total amount of electricity and/or natural gas being purchased by participating consumers. The Administrator is responsible for program organization, administration, procurement, and communications, unless otherwise specified. They also play a critical role in developing and implementing a strategy for incorporating distributed energy resources, including renewable energy and energy efficiency, into the Community Choice Aggregation program. Each participating municipality may sign an agreement with the Administrator for that Community Choice Aggregation.

What types of customers may participate in Community Choice Aggregation?

All customers of electricity and natural gas utilities are able to participate. However, depending on the utility provider, some commercial and industrial customers will have to opt-in rather than being included on an opt-out basis. The service classes that are eligible to be included on an opt-out basis are listed by utility in Appendix C of the New York Public Service Commission (PSC) Order on Community Choice Aggregation.

Do any Community Choice Aggregation programs already exist in New York State?

Yes. As of May 2016, more than 110,000 households and small businesses receive their electricity supply through Westchester Power, a Community Choice Aggregation consisting of 25 municipalities in Westchester County. Nearly all participating municipalities have set the 100 percent renewable energy supply option as their default option for residents and small businesses. The rates they are paying for this green option are lower than their default rates were prior to Community Choice Aggregation.

What about the local utility provider? Where do they fit in?

The existing utilities continue to deliver reliable power, maintain power lines, and respond to service outages. They are required by law to provide the same customer service to all residents regardless of whether or not they are in the Community Choice Aggregation program. Customers will still receive only one bill each month, directly from the utility, that will reflect the change in supplier.

What is the financial responsibility for participating municipalities?

Administration and operation costs incurred by the Community Choice Aggregation program may be covered through an administration fee paid by customers per kilowatt-hour (kWh) or therm. This fee is negotiated with the energy service provider that will be selected during the Community Choice Aggregation Administrator’s competitive procurement process. The utility may charge additional fees for customer-related data.

Is Community Choice Aggregation considered “green”?

Depending on local needs and priorities, communities may elect to provide a 100 percent renewable energy product as the default supply mix. This choice will significantly increase the environmental benefits of the Community Choice Aggregation program, but may cost somewhat more than a nonrenewable product. Other Community Choice Aggregation programs may
provide customers with power supply mix options. For example, a Community Choice Aggregation program may offer a basic option, a green option, or something in between. In this case, individual customers are given full discretion over which option they choose. In either case, the Community Choice Aggregation Administrator may seek prices for a range of product types and then decide which option is best to meet local needs. To make green claims about the CCA’s electricity, the ESCO electric service agreement should provide that the ESCO will retire renewable energy certificates (RECs) on behalf of the Municipality in a New York State Generation Attribute Tracking System (NYGATS) Account (with reports on such retirements to the Municipality) in a manner that is compliant with the environmental attributes and delivery rules of the New York Public Service Commission Environmental Disclosure Program. The electrical energy associated with the renewable energy certificates must be consumed at retail in New York State.

**What are distributed energy resources and how can they be integrated into a Community Choice Aggregation program?**

Distributed energy resources are local renewable energy projects including shared renewables such as community solar, energy efficiency, demand response, energy management, and microgrid projects. These and other innovative initiatives under Reforming the Energy Vision (REV) optimize system benefits, target and address load pockets/profiles within the Community Choice Aggregation zone, and reduce cost of service for participating customers. The Community Choice Aggregation Administrator may seek a proposal that demonstrates a compelling plan to market and develop financed distributed energy resources to a wide segment of Community Choice Aggregation customers. Energy service companies (ESCOs) may form partnerships to provide a turnkey capacity to design, finance, build, operate, and maintain distributed energy resources facilities within the term of a proposed supply agreement, and plan to transition meaningful levels of Community Choice Aggregation to distributed energy resources within that time period.

**What is needed before implementing a Community Choice Aggregation program?**

The PSC Order on Community Choice Aggregation sets forth the requirements, terms, and conditions under which Community Choice Aggregation programs can proceed through implementation. The Order requires that a Community Choice Aggregation Implementation Plan, Data Protection Plan, and Local Law authorizations be filed with and approved by the PSC. Once these documents have been filed, the PSC will determine whether they comply with the requirements and issue an approval. A template for a Community Choice Aggregation Implementation Plan is included in NYSERDA’s [Community Choice Aggregation Toolkit](#).

**Does my community need to pass a local law to enable Community Choice Aggregation?**

Yes. Each municipality intending to implement a Community Choice Aggregation program must pass legislation to exercise its Municipal Home Rule Law authority after holding a public hearing. A template for a Local Law is included in NYSERDA’s [Community Choice Aggregation Toolkit](#).

**What is the purpose of a Community Choice Aggregation Implementation Plan?**

The Implementation Plan helps municipal officials, Community Choice Aggregation teams, NYSERDA, and the PSC clearly understand the goals, milestones, and deliverables. It also defines the roles and responsibilities of project partners as well as the Community Choice Aggregation’s approach to public engagement, outreach, and education.

**What is a Data Protection Plan?**

The Data Protection Plan describes how the Community Choice Aggregation Administrator will ensure the same level of consumer protections, including low-income customers, as currently provided by utilities and ESCOs. Utilities are developing a model Data Security Agreement to be approved by the PSC that will form the basis for these requirements. The Data Security Agreement is the standard agreement that all Community Choice Aggregations will have to sign with the distribution utility. Community Choice Aggregations must also file a Data Protection Plan, which will explain what steps will be taken to implement the agreement and otherwise protect personal data.

**How will account numbers and related information be kept confidential?**

The agreement between the participating municipalities, Community Choice Aggregation Administrator, and ESCOs will contain data security provisions for all parties to protect the privacy of account level data.

**How can communities join together to form a Community Choice Aggregation program?**

Cities, towns, and villages may wish to join together to pool demand and build market clout. In Community Choice Aggregation programs where one local government serves as the Administrator, other participating local governments may wish to enter into an Inter-Municipal Agreement with the municipal Administrator to create a Community Choice Aggregation program. Where the Administrator is a third party such as a nonprofit organization, private company, or local development corporation, municipalities may enter into a Memorandum of Understanding, contract, or other agreement with the Administrator to commit to participate in the program subject to certain terms and conditions. Templates for Memorandum of Understandings and Inter-Municipal Agreements are included in NYSERDA’s [Community Choice Aggregation Toolkit](#). These documents are not required, but may be useful.
How can Community Choice Aggregation Administrators procure the energy supply bid?

Electricity and natural gas suppliers should be selected through a competitive procurement process, using an energy procurement request for proposals or bids. Each municipality participating in Community Choice Aggregation should designate a liaison who will review the draft request for proposals and provide input to the Community Choice Aggregation Administrator prior to publication.

How are Community Choice Aggregation programs funded?

The PSC authorized Community Choice Aggregation programs to collect a rate-based administration fee, which covers organization's expenses for communications and outreach assistance, customer service, support to municipalities, and legal fees associated with managing the program.

Will the same ESCO be used for both electric and natural gas procurement?

Possibly. ESCOs may have the opportunity to submit bids for either or both, and the Community Choice Aggregation Administrator has the freedom to choose the same ESCO. However, the Administrator is not required to choose any ESCO if responses to request for proposals are not satisfactory.

How much will I save?

Even though Community Choice Aggregation programs are well positioned to achieve lower, fixed-rate electricity prices for participating consumers, savings are not guaranteed. That being said, the program may be designed so that it will not go forward unless the supplier’s price is less than last year’s utility price. However, there is no guarantee that the utility price will be lower than the Community Choice Aggregation price for the entire term of the Community Choice Aggregation’s supply contract.

What if I don’t want to participate?

Participation is up to you. Every customer that currently receives energy from their utility will be given full advanced notice of the program’s initiation and clear instructions on how they can opt-out. There will be online, phone, and mail (pre-paid postcard) options. Customers will have 30 days from the time they receive the opt-out notification. After that point, those customers that did not opt-out will be automatically migrated to the Community Choice Aggregation program.

Will my taxes go up?

No. Taxpayer or public funding is not needed to run a Community Choice Aggregation program.

How will customers currently getting net metering credits be affected?

Customers with rooftop solar or a community solar subscription will not be affected by participation in CCA.

If customers opt out after the contract has commenced, how will that affect their service?

Service will not be interrupted. The account will be transferred back to the utility at the end of the following billing period.

Will customers be informed at the end of the first contract that they may be switched to a new supplier, and then be given another chance to opt-out?

Yes. All participating customers will receive notification of the change along with the new price and all of the opt-out methods.

Is my community eligible for technical assistance and grant funding through NYSERDA’s Clean Energy Communities Program?

In addition to providing tools, resources, and technical assistance, NYSERDA’s Clean Energy Communities Program provides recognition and grants of up to $250,000 to communities that complete four out of the 10 High Impact Actions. Community Choice Aggregation is one of the High Impact Actions. To demonstrate completion of this action, the applying jurisdiction must submit a copy of the adopted legislation authorizing the municipality’s participation in an opt-out Community Choice Aggregation program. In addition, the applying jurisdiction must submit a copy of an executed electric service agreement between the applying jurisdiction and an ESCO to supply electricity to participating customers on an opt-out basis that is a 100 percent renewable clean energy product mix. Visit nyserda.ny.gov/cec for more information. For technical assistance to support the implementation of Community Choice Aggregation, municipal officials can email cec@nyserda.ny.gov with questions.