



Community Choice Aggregation

In the aftermath of the recent big storms, such as Sandy, Irene, and Lee, electric and gas utilities all over New York State are seeking rate increases from the Public Service Commission for “storm hardening” their infrastructure against these severe weather conditions.

- The utilities pass on these millions of dollars as rate increases to the rate payers. Electric rates in the Hudson Valley are already quite high.
- It is not unusual for Westchester homeowners to spend more than \$2,000 annually on electricity.

What can be done to help control energy costs?

In late February 2015, the New York State Public Service Commission approved implementation of the very first community choice aggregation (CCA) pilot program in New York, a cutting-edge initiative that allows municipalities to put out for bid the total amount of natural gas or electricity being purchased by local residents or small businesses effectively giving them more control to lower their overall energy costs.¹

- The Commission’s approval of this pilot program builds upon Governor Andrew M. Cuomo’s strategic Reforming the Energy Vision (REV) plan to spur clean energy innovation and investment, improve customer choice and value, and protect the environment.

Where else is Community Choice Aggregation successful?

Six states, including Illinois, Massachusetts, California, and Pennsylvania, have very successful Community Choice Aggregation programs, a/k/a Municipal Electric and Gas Aggregation.

- Developing a CCA program in New York will adapt the best practices from the most successful programs in other states.

What is Community Choice Aggregation?

Community Choice Aggregation (CCA) offers an opportunity for communities to choose their electric or gas provider and source of electricity or gas under the terms and rates that they want, rather than just accepting whatever the existing utility supplier provides.

“CCA allows cities and counties to aggregate their residential, business, and municipal electricity loads, and to purchase power—and generate power where allowed by state CCA law—on their behalf.”—Megan Matson, Local Energy Aggregation Network.²

- As a market-based energy solution, CCA is revenue supported and not reliant on taxpayer subsidies.
- CCA programs use aggregated demand to achieve local objectives, whether rate savings, reliability, greenhouse gas reduction, utility reform, or job creation. Each program reflects the values of its governing board and the communities it serves.
- All transmission, distribution, repair, and customer service functions remain with the incumbent utility.
- Customers with existing third-party supply contracts remain with those suppliers, unless they choose to opt in to the CCA supply offering.
- Under the terms of the Public Service Commission order, the Community Choice Aggregation demonstration project **may only proceed** if the new rate for supply is going to **produce future savings** for homeowners and business owners versus staying with the default utility rate.

¹ See NYS DPS Press Release, “PSC OK’s State’s First Community Choice Aggregation Pilot Program: Energy Demonstration Project in Westchester County Designed to Help Customers Lower Energy Bills” (02/26/15) ([http://www3.dps.ny.gov/pscweb/WebFileRoom.nsf/Web/C9DCDFF7232D6C4185257DF80063C456/\\$File/pr15020.pdf?OpenElement](http://www3.dps.ny.gov/pscweb/WebFileRoom.nsf/Web/C9DCDFF7232D6C4185257DF80063C456/$File/pr15020.pdf?OpenElement))

² Local Energy Aggregation Network (<http://www.leanenergyus.org/>)