

# Community Choice Aggregation Demonstration Program

Frequently Asked Questions (Last revised July 7, 2015)

## **Q 1. What is Community Choice Aggregation (CCA)?**

ANSWER: Community Choice Aggregation is a municipal or countywide energy procurement model that enables communities to put out for bid the total demand for electricity and natural gas of participating homes and small businesses and purchase energy on their behalf. Aggregating consumers on a large scale creates the market clout necessary to negotiate lower rates with private suppliers. CCA is currently available in six states: California, Illinois, Massachusetts, Ohio, New Jersey, and Rhode Island. New York will be the seventh. Over five million customers nationwide are served by a CCA program. Most programs have grown steadily and shown customers consistent savings. Sustainable Westchester has been authorized by the New York State Public Service Commission (PSC) to implement the first CCA program in the state in Westchester County.

## **Q 2. What types of customers may participate in this pilot program?**

ANSWER: The PSC has limited participation to residential and small commercial accounts for electricity and natural gas that are not presently taking supply under a contract with a third party supplier (commonly called “ESCO s” in New York State). Small commercial customers are generally those with peak electric demands less than 10 kilowatts (kW).

## **Q 3. Who is Sustainable Westchester?**

ANSWER: Sustainable Westchester (SW) is a non-profit 501(c)(3) consortium of Westchester County local governments founded to generate equitable and ecologically responsible economic growth through innovative, participatory, and replicable initiatives. Member municipalities collaborate on ecologically sustainable programs that stimulate the local economy and secure the health and well-being of Westchester residents now and in the future. For the CCA program, Sustainable Westchester will act as the manager, coordinator, and administrator on behalf of any of its member municipalities who join the CCA program.

## **Q 4. What about ConEd/NYSEG? Where do they fit in?**

ANSWER: The existing utilities continue to deliver reliable power, maintain power lines, and respond to service outages. They will still provide the same customer service to all residents regardless of whether they are in the CCA program. They are required by law to do so. Customers will still receive only one bill each month, and it will still come directly from ConEd/NYSEG. The new bill will reflect the change in supplier and new, lower supply rate.

## **Q 5. Which communities may participate?**

ANSWER: All Westchester cities, towns and villages are eligible to participate in the program. Sustainable Westchester has been presenting the CCA program to communities countywide and walking elected officials through the process of enabling their residents’ enrollment. If they

choose to pursue CCA, communities are encouraged to hold a public hearing to discuss the opportunity, pass a local law authorizing the municipality's participation, and communicate the details of CCA to their residents and small businesses.

**Q 6. Do we need a local law?**

ANSWER: Yes, under New York State home rule, a city/town/village authorizes itself to join the demonstration program by adopting a local law. This action does not commit to the city/town/village to joining, but merely enable doing so. The law gives the municipality control over the conditions under which it will participate. It also gives the city/town/village full flexibility to take advantage of future statewide CCA opportunities (i.e. local procurement incentives, energy efficiency fund, etc...).

**Q 7. What else do communities have to do to be part of the program?**

ANSWER: After adoption of the local law, the municipality, assisted by Sustainable Westchester, will inform the local utility (ConEdison or NYSEG). Thereafter, Sustainable Westchester will prepare an energy procurement bid and manage that process on behalf of all the aggregated municipalities. Assuming we receive a compliant bid, Sustainable Westchester will inform the municipalities. At this point, the municipality has a choice of whether to proceed by signing a tri-party agreement with Sustainable Westchester and the chosen energy supplier(s) or not. Should the municipality proceed, it will, again assisted by Sustainable Westchester, inform the ConEdison or NYSEG supply customers in its jurisdiction of the new offering. At that point a 20 day opt out period begins, for any customers who do not wish to take advantage of the new offering. Once the 20 day opt-out period closes, the program goes into effect at the next billing period. Sustainable Westchester will manage the communication between the utility and new energy supplier on behalf of its member municipalities.

**Q 8. Is my community participating?**

ANSWER: As cities, towns, and villages adopt the local law and notify Sustainable Westchester of their intent to participate in CCA, we will post the list of participating communities on the [Sustainable Westchester website](#). Please check there to see if your city/town/village has passed a CCA local law. If you don't see your community listed, please contact your elected officials to make sure they have had Sustainable Westchester in for a public presentation.

**Q 9. How much may I save?**

ANSWER: We expect most customers participating in a CCA program will experience a four (4%) to five percent (5%) savings on their utility bills.

**Q 10. What if I don't want to participate?**

ANSWER: Absolutely your choice. Every household and small business that currently receives their energy supply from ConEd/NYSEG will be given full advanced notice of the program's initiation and given clear instructions on how they can opt out. There will be online, phone, and mail (pre-paid postcard) options. Customers will have twenty 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 CCA program. This is largely a formality, however. Customers will still have the ability to opt out at any time with no penalties whatsoever.

**Q 11. How will the CCA program impact Westchester residents?**

ANSWER: Most customers will not notice any change. The only difference would be that the electricity delivered to the home or business would be cheaper and potentially from cleaner and/or local sources of power. The way you pay your bill now will stay exactly the same. Over time, customers will notice that their rates remain more stable, and that they have greater access to renewable energy, local generation, and energy efficiency programs.

**Q 12. Will my taxes go up?**

ANSWER: No, there is no taxpayer or public funding required to run this CCA program. In fact, the New York State sales tax you pay on your monthly electric and gas bill should go down if you are in the CCA program.

**Q 13. What if I don't have natural gas at my home/business?**

ANSWER: You will still be enrolled for your electricity supply and receive the same rates for electricity as all other residents in your municipality, including those that are also buying their natural gas through CCA.

**Q 14. Is CCA green?**

ANSWER: Sustainable Westchester is committed to seeking use of power from renewable sources, in ways that do not significantly raise the bottom line price.

**Q 15. What choices will the consumer have under CCA?**

ANSWER: Sustainable Westchester intends to solicit energy bids that offer at least three (3) different energy supply options. The first will be a default rate that per the Public Service Commission order must "save them money." The second is likely to fixed rate for an energy supply. And the third is likely to be a "green product" that is up to 100% carbon free and derived from renewable energy sources (solar, wind, hydropower, etc). In most other CCA programs, the carbon-free rate option is usually slightly higher than the default rate. In the other states that offer CCA, nearly half of the over 5 million CCA households or businesses purchase renewables as part or all of their procurement mix. Each individual household or business will be able to choose which rate they want to buy, the default, fixed or carbon-free rate.

**Q 16. What is the financial responsibility for the municipalities or the County?**

ANSWER: There is no financial risk to local governments. Administration and operation costs incurred by the CCA program will be covered through a small fee paid by customers per kilowatt-hour (kWh) or therm. Compliant bids must save residents money after this administration fee has been calculated into the bid, relative to what the customer would have spent per kWh or therm in the prior year when buying supply from his utility.

**Q 17. How will Sustainable Westchester go about procuring the energy supply bid?**

ANSWER: Electricity and natural gas suppliers will be selected by a competitive bidding process, using a energy procurement request for proposals (RFP). Each municipality participating in CCA will designate a liaison who will review the draft Energy Procurement RFP and provide input to SW's Energy Procurement Committee on the RFP prior to publication. Only bids that beat the average utility price over the last year or guarantee sub-utility rates 24/7 will be considered compliant bids. Compliant bids will be evaluated based on rates, fixed term length, carbon-free options (100% renewables, no nuclear), and strict credit requirements.

Suppliers may bid on electricity, natural gas, or both. The winning supplier(s) will then negotiate a contract with each participating municipality.

**Q 18. How is Sustainable Westchester qualified to manage the CCA process?**

ANSWER: The organizational structure of Sustainable Westchester has been designed for just such a decision-making mechanism. The Board of Directors is made up of elected municipal officials in Westchester County, and professionals in the sustainability sector (primarily energy). In addition, Sustainable Westchester has assembled an Energy Procurement Committee consisting of experts in the field, each with vast experience in the New York supply markets. This Committee will act in an advisory role, on a volunteer basis, throughout the process. Sustainable Westchester has also been openly soliciting feedback from member municipalities to ensure that procurement decisions will sufficiently represent the interests of residents countywide.

**Q 19. How is the Sustainable Westchester CCA program funded?**

ANSWER: As mentioned above, PSC has authorized Sustainable Westchester 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. This fee will likely be a tenth of a penny per kilowatt-hour of electricity and half a penny per therm of natural gas. When the details are finalized, all administration fees will be fully disclosed.

**Q 20. What other New York Counties/Communities are exploring CCA?**

ANSWER: As of February 2015, Westchester is the only county in the state authorized to implement a CCA program. However, communities throughout New York, such as in Sullivan, Ulster, and Monroe Counties, are keeping a close eye on our Westchester pilot. They plan to submit CCA proposals of their own to the Public Service Commission based on our experience in Westchester..

**Q 21. Will each municipality have to hire a consultant or broker to help them with the bidding process?**

ANSWER: No. Sustainable Westchester will be conducting the bidding process on behalf of all the participating municipalities in unison. A primary mission of Sustainable Westchester is to provide such shared services to all member municipalities, which chose to participate in this program.

**Q 22. Will the same ESCo be used for both electric and natural gas procurement?**

ANSWER: Maybe. It is the intention of Sustainable Westchester to release the RFP for both electric and natural gas simultaneously, in which case ESCos will have the opportunity to submit bids for either or both.

**Q 23. How will account numbers and related information be kept confidential?**

ANSWER: Yes. Privacy has been and remains a top priority for Sustainable Westchester, PSC, ConEd and NYSEG, and all the participating municipalities. The agreement between the participating municipalities, Sustainable Westchester and the ESCo will contain non-disclosure language for all parties to protect the privacy of account level data.

**Q 24. Will the winning supplier be able to assign the contract to a new supplier?**

ANSWER: Only with the approval of Sustainable Westchester and the participating municipalities. This will likely be a mutually reflexive clause in the contract requiring approval of all other parties for any significant change to the agreement.

**Q 25. What happens if customers fail to pay their bills? Can the supplier force other customers (or municipalities) to pay for such losses?**

ANSWER: It will be up to the distribution utility, as usual, to collect on delinquent accounts. No other stakeholder (i.e. Sustainable Westchester, other customers, municipalities) will be held responsible.

**Q 26. How will customers currently getting net metering credits be impacted?**

ANSWER: There will be no effect; customers with rooftop solar will continue to get paid net metering credits at the retail rate.

**Q 27. Once terms of a draft contract have been worked out, will towns (or customers) have a chance to review it before their future energy procurement is tied to those terms?**

ANSWER: Yes. The draft contract will be presented to the municipalities, posted on their website, as well as the Sustainable Westchester website.

**Q 28. What will be the form of input to the RFP and subsequent contract?**

ANSWER: Sustainable Westchester will hold a webinar or Google hangout to explain the details and solicit comments.

**Q 29. If customers opt out after the contract has taken effect, how will that effect their service?**

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

**Q 30. 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?**

ANSWER: Yes. All participating households and small businesses will receive notification of the change along with the new price and all of the opt-out methods.

**Q 31. Who covers the termination penalty should Sustainable Westchester decide to terminate the contract prior to its end date?**

ANSWER: In that highly unlikely event, the city/town/village will be responsible for fulfilling the terms of its contract.

**Q 32. Could Sustainable Westchester or town board member assets be encumbered in any way should a lawsuit against Sustainable Westchester occur?**

ANSWER: No. Sustainable Westchester has an insurance policy protecting against such an outcome.

Got more questions? Contact Leo Wiegman, Executive Director, Sustainable Westchester

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