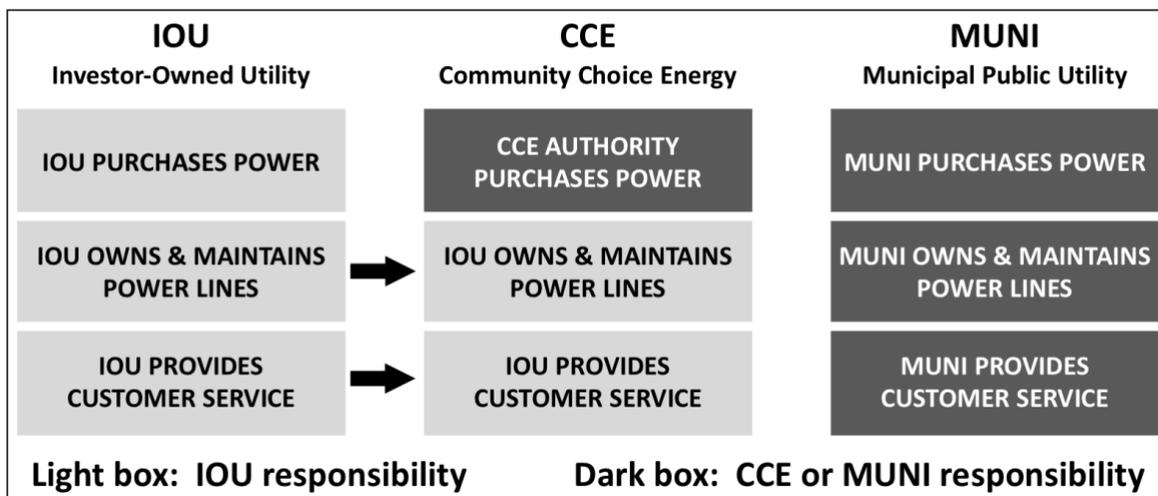


## Community Choice Energy (CCE) — A Good Option for Colorado Communities

### WHAT IS COMMUNITY CHOICE ENERGY?<sup>1</sup>

- CCE would allow cities and counties, or groups of cities and counties, that are served by an investor-owned utility (Xcel or Black Hills), to choose alternative wholesale electricity suppliers on behalf of their residents, businesses, and municipal facilities.
- Electricity would still be delivered by the utility, which would continue to own and operate its power lines and manage customer service and billing. This differs from a municipal utility, which is responsible for all functions performed by an investor-owned utility, not just the electricity supply. **See graphic below.**
- Individuals would be able to opt out of the CCE and purchase their electricity from the utility as traditional "bundled service" if they wish. Typical CCE opt-out rates in California are 5-10%.

#### *Functions Performed by an IOU, a CCE, and a Municipal Electric Utility.*



With CCE, the community chooses electricity suppliers but does not own or operate power lines.

### CURRENT STATUS OF CCE IN COLORADO

- House Bill 21-1269 authorized the Public Utilities Commission (PUC) to investigate how CCE would work best in Colorado by inviting broad stakeholder input on a series of questions about CCE impacts and design considerations, including lessons learned from other CCE states. The proceeding is ongoing and a report to the legislature is due by Dec. 15, 2022.
- Comments filed in the PUC proceeding by interested participants, plus invited expert presentations to the Commission, already make it clear that authorizing CCE in Colorado would provide communities with a viable and potentially beneficial option for them to consider and evaluate.
- If CCE is authorized in Colorado, the enabling legislation would direct the PUC to conduct a Rulemaking to establish the specific regulations under which CCE will operate, and to address specified high-level principles when developing the regulations.

<sup>1</sup> CCE is also known as "Community Choice Aggregation" (CCA), or by other names that all mean the same thing.

## A FEW KEY FACTS AND COMMON MISCONCEPTIONS

- **CCE has nothing to do with "retail choice" or "deregulation"** as in the 14 states where individuals can shop among dozens of retail electricity providers. Colorado is considering the "wholesale, opt-out" model of CCE, where the electricity supplier choice is made at the community level. "Retail choice" has downsides that are not relevant to CCE.
  - **By design, CCE cannot harm low-income or any other customers.** Any customer can opt out of the CCE for any reason and purchase their electricity from the utility as they do now, if they wish.
  - **CCE is for communities of all sizes.** Some medium to large cities may form their own CCE Authority that is governed by their City Council; however, the norm in some states is for multiple cities and/or counties to form a "Joint Powers Authority" to share administration and to combine their purchasing power, which is governed by a Board of elected officials from each of the member jurisdictions.
  - **There are many different reasons why CCE might appeal to a community.** CCE gives local governments more choice and control over their energy sources, energy costs, energy programs, and local jobs and economic development. CCE lets communities keep more of their energy dollars local.
  - **CCE would likely accelerate the clean energy transition.** CCE enabling legislation will specify that state renewable energy and emissions reduction policies that apply to investor-owned utilities will also apply to CCEs. In the last decade, California CCE programs have purchased more than twice as much renewable energy as is required under state mandates ([source](#)).
  - **Colorado will benefit from the experiences of other CCE states.** The PUC investigatory proceeding ([22I-0027E](#)) has provided much expert information on how to optimize a CCE program, including addressing pitfalls that other states have identified or overcome. It will be easier for Colorado to achieve the same or better success that is seen in California and other CCE states.
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## REASONS TO SUPPORT A CCE OPTION IN COLORADO

- **CCEs are nonprofits**, so there are no shareholder interests to serve. Savings are passed on to customers, and more energy dollars remain in the community for economic development and jobs.
- **CCE is a proven model** that is implemented in 10 states. It is very successful and growing quickly in California ([cal-cca.org](#)), which is a regulated state with monopoly utilities similar to Colorado.
- **Lower prices AND cleaner electricity** are a win-win for many CCEs in California and could be in Colorado too. Customers of Marin Clean Energy can have 100% renewable energy TODAY, at lower cost than the utility's 31% renewable product. ([mcecleanenergy.org/rates/](#))
- **CCEs are laboratories of innovation** that learn from each other and often provide innovative energy programs that utilities don't offer because they are less profitable.
- **Competition benefits everyone**, including communities that choose to remain with the utility. When communities have a choice, competition provides the pressure that drives utilities to prove that a community doesn't need CCE to achieve its energy goals. Competition drives down costs and increases innovation. Competition is the American way.
- **Communities deserve to have a choice.** CCE is a local decision, and it might be a good fit for some communities but not for others. Either way, choice is better than choiceless.
- **There are no meaningful downsides to enabling CCE!** CCE is simply an option that communities can evaluate in the context of their own priorities and goals.