

October 28, 2015

Honorable Members of the Rules Committee

Re: Item H.3.b Community Choice Aggregation Update

Item H.3.b on today's Rules Committee agenda is a request to move the Community Choice Aggregation Update on the Transportation and Environment Committee from November to February. We ask that if the Rules Committee approves the recommendation, then they also ensure that there be no further delays. We anticipate that in their upcoming report, staff will provide the Transportation and Environment Committee options from which the City Council can take action on a San Jose Community Choice Energy program.

Community Choice Aggregation, also known as Community Choice Energy (CCE) is a program adopted by the State of California in 2002. A CCE will enable the City to purchase and/or generate electrical energy for the City's businesses and residents at rates competitive with PG & E, while PG & E would continue to provide transmission and billing. A CCE can support the City's Green Vision goals as well to move towards meeting the State's new renewable energy targets. One of the primary goals of a CCE is to reduce greenhouse gas emissions in response to the climate change crisis by purchasing and/or generating more renewable energy than is available through PG&E. A CCE could get the City much closer to its goal of 100% renewable energy. Also, using retained revenues the City could implement complementary programs, like advanced energy efficiency conservation programs and innovative green building strategies. Studies have found that CCE programs are the most effective way for local jurisdictions to reduce greenhouse gas emissions because, as opt-out programs, they can dramatically increase the use of renewable energy by businesses and residences throughout the community.

The Environmental Services Department memo on today's agenda indicates that staff needs to perform additional analysis of recent CCA developments in California. San Jose has been monitoring CCA developments in California since 2011 when the City performed an in-depth study of CCE. Since then, Marin County and Sonoma County have demonstrated a proven track record of successful programs and Lancaster started their program this year. San Mateo County and the Monterey Bay Tri-Counties; San Francisco; and the Silicon Valley Community Choice Partnership (which includes Cupertino, Mountain View, Sunnyvale, and the County of Santa Clara), are all to moving forward with plans to establish CCEs. In February, it will be time for San Jose to consider its options on moving forward on CCE.

Ruth Merino

Chair, San Jose Community Energy

sanjosecommunityenergy.org

cc City Council

Norberto Duenas

Kerrie Romanow