



# SIERRA CLUB

## ANGELES CHAPTER

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August 4, 2017

Board of Directors  
Los Angeles Community Choice Energy Authority ("LACCE")  
525 S. Hewitt Street  
Los Angeles, CA 90013

**RE: Proposed Changes to Draft Implementation Plan**

Dear LACCE Board Members:

The Sierra Club has adopted a list of values for Community Choice Energy programs (see attached resolution) and submits the following comments in consideration of these values. We look forward to working with LACCE to incorporate these values.

Although this is intended to be an initial plan that is to be amended in January 2018, this initial plan sets the tone for the entire CCA moving forward. We urge the Board to ensure that this plan embodies the values in the attached document. We also would like to suggest some changes that remove unnecessary limitations and provide more flexibility for the agency to develop in a way that is most beneficial to the residents and businesses it will serve, while achieving Sierra Club's values.

**Prioritize the Development of Local Renewable and Distributed Energy Resources**

The plan's stated objectives are: "The LACCE Authority's primary objectives in implementing this Program are to provide cost competitive electric services; reduce electric sector greenhouse gas emissions ("GHGs") within the County; stimulate renewable energy development; implement distributed energy resources; promote energy efficiency and demand reduction programs; and sustain long-term rate stability for residents and businesses through local control. The prospective benefits to consumers include increased renewable and other low-GHG emitting energy supplies, stable and competitive electric rates, and the opportunity for public participation in determining which technologies are utilized to meet local electricity needs." (p. 1)

However, Sierra Club notes that no funds have been allocated for new program development during the first ten years of the LACCE budget. This budget and plan should be amended to prioritize the development of local renewable and distributed energy resources, such as energy efficiency, demand response, energy storage, electric vehicle managed charging, local renewable generation, and microgrids.

**Support clean energy workforce development**

The plan should support clean energy workforce development, prioritizing union jobs and community benefit agreements, collaborating with community organizations to prioritize renewable and distributed energy resources deployment especially in disadvantaged communities.

### **Transparency and Inclusive Participation**

Robust participation by the public is key to the success of LACCE. It is unfortunate that the community was only given limited time to read, analyze and formulate input on a 106-page document. We request that in the future the public be given more time to respond to documents.

### **Phase-in Timeline**

We are concerned about the small number of customers in Phase 1. We believe that such small roll-out will negatively impact LACCE's viability and resources to invest in its program offerings. The small roll-out is unprecedented in how few accounts and percentage of the County's electrical load are planned for the first phase. Other Community Choice programs in California successfully start with a larger first phase. We recommend a stronger first phase to ensure LACCE has the revenue necessary to invest in its program, pay down its debt, and build up its reserves.

### **Monthly Cash Flow Tables**

Sierra Club requests that these tables be removed. The tables are not required by law and would unnecessarily limit LACCE to the low revenue situation predicted by the minimum Phase 1 roll out.

### **Program Options**

Sierra Club supports LACCE moving forward with a 50% renewable default option, and a 100% premium option.

### **Data Management Services**

Sierra Club suggests that "processing data from distributed energy resources" be added to the list of data management services as it will be essential to integrating local energy resources.

### **Communications and Outreach Services**

Sierra Club suggests that these services include multilingual capabilities.

We appreciate the opportunity to comment on this matter, and we look forward to continue working with you in making LACCE a success.

Sincerely,

David Haake, Jim Stewart, Yvonne Watson, for the Angeles Chapter, Sierra Club

Sarah K. Friedman, Sierra Club My Generation Campaign

# **Goals of Community Choice Energy Programs**

**Approved by CNRCC, April 30, 2017**

**Resolution:** Sierra Club California supports Community Choice energy/aggregation (CCE or CCA) programs that aim to:

- Prioritize the development of local renewable and distributed energy resources<sup>1</sup>;
- Maintain transparency and inclusive participation of community stakeholders in its decision-making process;
- Provide competitively-priced electricity to customers;
- Achieve local governments' climate action plan and greenhouse gas reduction goals;
- Exceed the Renewable Portfolio Standard and minimize the use of unbundled renewable energy credits;
- Use effective risk-management practices and long-term power procurement strategies to hedge risk using a diversity of energy suppliers, technologies and products;
- Balance clean energy development with protecting our wild places and habitats by prioritizing investments in sustainably-sited renewable energy projects;
- Plan for long-term financial viability through Integrated Resource Planning, in-house fiscal management, transparent rate setting, and policies that build CCA financial reserves, prohibit the transfer of CCA funds to municipal general funds, and protect the municipal general funds from CCA program liabilities;
- Generate clean energy jobs, prioritizing union jobs and community benefit agreements, and economic growth through local renewable and distributed energy resource development;
- Collaborate with community organizations to prioritize renewable and distributed energy resources deployment and personal and community ownership, especially in disadvantaged communities;
- Improve public health in areas impacted by pollution from fossil fuel power generation;
- Leverage local government land use authorities (in zoning, building codes, transportation, etc.) to support these goals.

Chapters should advocate implementing these goals to the maximum extent feasible, given local political considerations.

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<sup>1</sup> Such as energy efficiency, demand response, energy storage, electric vehicle managed charging, local renewable generation and microgrids.