



Prepared by: **Good Energy, L.P.**

CCA Feasibility Study – Initial Economic Analysis Report

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Prepared for: City of Rialto, California

Good Energy, L.P.
232 Madison Avenue
Third Floor
New York, NY 10016
(212) 792-0222
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TABLE OF CONTENTS

P. 5	Overview
	Purpose of Study
	Scope
	Results Overview
P. 9	Economic Analysis
	Key Factors Affecting Savings
	Savings Summary – Community Wide
	Savings Summary – Domestic Classes
	Savings summary – Commercial Classes
P. 16	CCA Study Considerations
	Economic Development Opportunity
	Phased in Approach – Sensitivity Analysis
	On-going Analysis
	Outsourced Model
	Renewable Energy
	Marketing Efforts and Strategies
P. 22	Appendix

GLOSSARY

Ancillary Services—charges associated with balancing and managing regional system load

CAISO—the California Independent System Operator, the entity which maintains transmission grid operations for system reliability and coordination of electric generation dispatch

CCA – Community Choice Aggregation as enabled by California A.B. 117

CPUC—California Public Utility Commission. The state agency which governs, among other items, electric utilities and administers regulations

CRS—Customer Responsibility Surcharge, the charge imposed by Southern California Edison on accounts participating in a CCA

CTC—Competitive Transition Charge, a component of the CRS charge

Direct Access, or DA—Direct Access customers, the estimated 12-17% of statewide electric load that is permitted to select an Electric Service Provider. Customer choice via DA was capped at its current level in 2001.

Domestic—the rate class associated with residential electric accounts

DWRBC—Department of Water Resources Board Charge, reflecting the cost of long term bonds supporting utility purchases. Expected to expire in 2022.

Energy—the wholesale cost of electricity itself, driven primarily by the cost of fuel. It is adjusted by the Load-Following premium and Basis from its wholesale cost to establish a weighted energy price.

ESP—Electric Service Supplier. An electric supplier that a customer contracts with directly (through Direct Access) for the electric supply portion of the local utility's services. Prices contract terms are negotiated and not subject to CPUC approval.

JPA—Joint Powers Authority

KW—kilowatt, the unit of measure for the amount of electricity required by the account during a single moment. Typically used to determine the greatest period of electricity demand for commercial accounts.

KWh—kilowatt-hour, the unit of measure for an account's usage and billing indicating the volume of energy consumed.

Load-factor—the relationship between the volume of energy used in a month and the maximum demand of an electric account.

GLOSSARY (cont'd)

PCIA—Power Cost Indifference Amount the charge levied to CCA participants to offset the settlement costs of SCE's forward power purchases.

Rate Class—the published schedule of charges applicable to customers within a defined user group (i.e. small commercial)

RA—Resource Adequacy, or costs associated with keeping generation available for system reliability to meet monthly demand.

REC—Renewable Energy Credits, or the costs for certificates purchased from renewable generators required to comply with California state-required renewable energy standards.

RMCE—Rancho Mirage Choice Electric

SC—Schedule Coordination or Schedule Coordinator

SCE—Southern California Edison, the local utility

Transmission—charges associated with reserving capacity on high voltage transmission lines operated by California Independent System Operator (CAISO)

WREGIS-- Western Renewable Energy Generation Information System (WREGIS) is an independent, renewable energy tracking system for the region

OVERVIEW

Purpose and Scope of the Study

The study is designed to conduct a community-wide review of electricity usage, the costs that ratepayers, on average, pay Southern California Edison for electric generation charges and a comparison to estimated market costs quoted at the time of publication. The foundation to an effective community-wide CCA program is to assess the fundamental economic value-proposition. This preliminary assessment indicates the scope of savings opportunity in Rialto.

As background, in 1994, the California Legislature passed Assembly Concurrent Resolution No. 143 (Resolution Chapter 148) of the Statutes of 1994 authorizing certain customers within the state's investor-owned utility jurisdictions to select an alternative electric service provider (ESP). As open-access to select an ESP was being phased in, an electricity crisis plagued the state during 2000-2001 which caused the Legislature to halt any additional customer choice. Customers who had already chosen an ESP, estimated to be 17% of the state's eligible customer load however, were allowed to continue under this format, effectively creating winners and losers in electricity costs within any given community. In 2002, the Legislature subsequently enacted Assembly Bill 117, which authorized local governments to implement CCA programs through which to manage their electric supply on a community level, providing equal opportunity to all eligible customers within their jurisdiction.

This preliminary assessment is designed to gauge the scope of savings opportunity in Rialto for eligible electric accounts. The scope of this report analyzed electricity accounts in the following rate schedules:

- Domestic (single family, multi-family and CARE residential accounts)
- GS-1
- GS-2
- GS-3
- TOU-8 (PRI) and TOU-8(SEC)

The assumptions used to establish market pricing are intentionally conservative and reflect current market and regulatory conditions. It is likely a fully-functional CCA which employs competitive procurement techniques can result in more competitive prices and greater savings for participants.

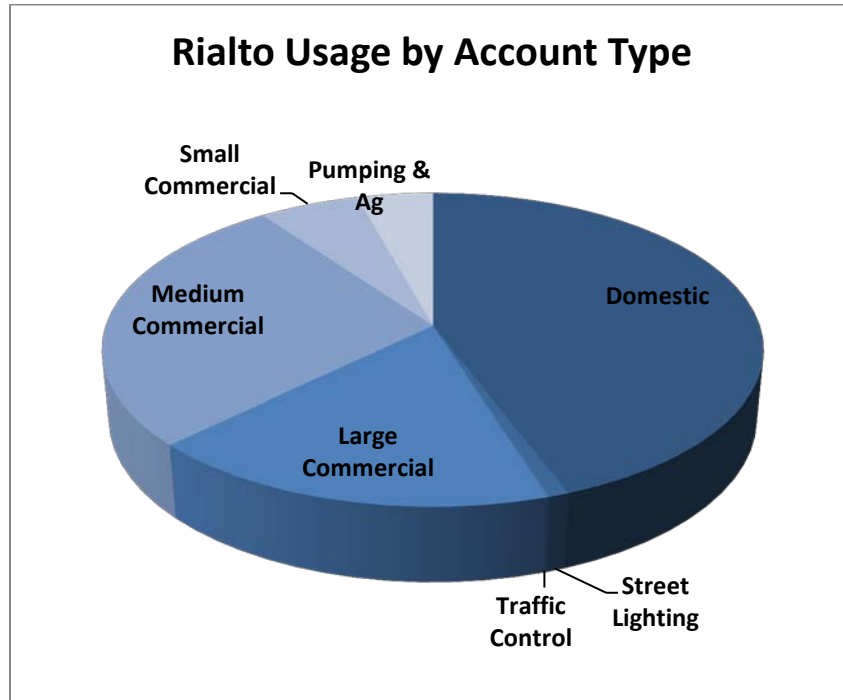
As discussed below, our assessment identifies where the estimated savings opportunities for the city's electric consumers to save money on electric generation charges compared to the applicable Southern California Edison (SCE) supply costs. It also estimates which types of accounts have the greatest savings opportunities. This detailed segmentation allows Rialto to develop the program in stages, focusing on the greatest magnitude of savings first and phasing in additional participants thereafter.

Methodology

This study represents an initial economic analysis of the electric usage for eligible customer accounts within the corporate limits of the Rialto. Good Energy was granted agency by city representatives to receive and review summary electric usage data from SCE. The summary data includes total usage for each applicable utility rate schedule for the calendar year 2015. We have assumed the usage patterns in this time period represent typical annual consumption.

The economic analysis is limited to the Generation Charge portion of SCE's bill. SCE's charges for distribution, metering and maintenance of each account are non-bypassable under CCA rules. Customers pay the same rates for electric distribution, whether on SCE supply or a CCA program.

The table below illustrates the volumetric distribution of electric usage among the applicable customer types:



The Large Commercial customers represent SCE's rate schedule TOU-8. This schedule applies to all customers whose monthly maximum demand has exceeded 500 kW in any three months during the preceding 12 months. These are typically the largest electric consumers. Market prices for these users will vary according to the individual account's usage pattern, which can vary widely. A detailed review of representative TOU-8 usage patterns appears in the Economic Analysis section.

The Small Commercial group consists of three SCE rate schedules:

- GS-1—Accounts with <20 kW peak demand for any 3 months during a year (i.e., small one or two-person office space)

- GS-2—Accounts with annual peak demands of 20kW to 200kW (i.e., small retail or commercial office building, convenience store)
- GS-3—Accounts 200-500 kW (i.e., large department store, light manufacturing, warehouse)

The Street Lighting and Agriculture accounts represent less than 5% of total electric usage and are not considered material to the overall results. Since the resulting market analysis for these accounts will not have a material impact on the community-wide opportunity, they were excluded from the study.

The following notes provide additional details on the methodology and assumptions used to prepare the initial economic analysis:

- 1) For Residential and GS-1 customers, cost and savings calculations based on average customer account profile (i.e., class average load profile per SCE website)
- 2) For the large customer schedules representing more than 5% of total load, calculations were performed as follows:
 - a. TOU-8
 - i. Analyzed TOU-8-PRI and TOU-8-SEC
 - ii. Excluded the Direct Access accounts from the analysis
 - iii. For both TOU-8-PRI and TOU-8-SEC modeled savings using Option B tariff rates as majority of account volumes are under Option B rate (Option B is optional rate with lower energy rate and summer demand charge)
 - b. TOU-GS-2: Option B
 - i. Customers on TOU-GS2B and TOU-GS2B-AE
 1. Captures about 86% of all TOU-GS2 prior to any excluded load (see list of excluded load data types below)
 2. Any customer on rate for any part of the year was included in the analysis
 3. The following accounts were excluded:
 - a. Direct Access
 - b. Missing demand data
 - c. Customers with less than 12 months of data
 - ii. Modelled savings using Option B tariff rates
 - c. TOU-GS-3: Option B and CPP
 - i. All GS-3
 - ii. Accounts on rate for any part of the year were included in the analysis
 - iii. Excluded Direct Access accounts
 - iv. Modelled savings using Option B tariff rates
- 3) Billing determinants for TOU-8, TOU-GS2, and TOU-GS3 Schedules
 - a. Used the 2015 annual load profile provided on the SCE website
 - i. Annual profile developed using a three-year average of historical rate group load profiles
 - b. Load profiles used to determine:
 - i. Allocation of usage to each applicable time period (i.e., summer on-peak, summer mid-peak, etc.)

- ii. Determination of summer on-peak kW and summer mid-peak kW to calculate summer on-peak and mid-peak kW charge
 - iii. Determination of monthly usage and monthly max kW for each customer to determine the various time-of-use billing determinants for each class
- 4) Loss Factors range from 1% to 6.5% and were applied for the following rate classes:
 - a. TOU-8-SEC: Secondary
 - b. TOU-8-PRI: Primary
 - c. GS-2: Primary
 - d. GS-3: Primary
 - e. Domestic: Secondary
- 5) Supply Costs (\$/kWh)
 - a. Used tariff rates and the billing determinants to determine the total supply portion of the bill
- 6) Market Costs (\$/kWh)
 - a. Determined monthly market cost using the 2017 energy forwards for SP-15
 - b. Additional supply costs components (e.g., load following, line losses, supplier margin, basis, ancillary services, and RECs)
 - c. Resource adequacy (RA) reported by CAISO in 2015 stated in \$/kW-month
 - i. RA rates are multiplied by account kW demand
 - 1. Additional RA costs associated with required 15% reserve margin and lower costs associated with load diversity (i.e., coincident to non-coincident) are assumed to off-set each other
 - d. Calculated a weighted market cost (\$/kWh) for each account using monthly market costs, RA costs, customer usage and monthly demand
- 7) Cost Responsibility Surcharge (CRS)
 - a. Per tariff dated June 1, 2016 and composed of DWBC and PCIA
- 8) Compared Supply Cost with the sum of Market Cost and CRS for each customer to determine potential net savings for each account

Results Overview

The results of the initial economic analysis are encouraging for the establishment of a CCA in Rialto. Overall, the study indicates savings for residential and significant segments of the commercial customers within the city. The community-wide savings that can be achieved via a comparison to market prices are in the range of \$2.5 million annually.

Entire Class - Positive Savings Only**			
SCE Rate Schedule	Payment(\$)	Positive Savings (\$)	Positive Savings (%)
Domestic	\$6,662,219	\$832,694	12.50%
Domestic-CARE	\$6,609,466	\$1,422,169	21.52%
TOU-GS-1	\$1,713,322	\$282,545	16.49%
TOU-GS-2	\$2,819,926	\$228,975	8.12%
TOU-GS-3	\$1,782,227	\$187,268	10.51%
TOU-8-SEC	\$927,741	\$58,561	6.31%
TOU-8-PRI	\$532,334	\$39,157	7.36%
TOTALS		\$3,051,370	14.50%

**Domestic-CARE customers are exempt from PCIA and DWRBC charges, thus having a greater savings percentage*

This estimate of potential community-wide savings should be used to gauge the magnitude of the economic opportunity for participating accounts when compared to current SCE electric supply rates. This estimate necessarily includes several caveats which are discussed in more detail in the Economic Analysis section. Initial results, however, provide promise that significant economic opportunity exists to continue development of a CCA program for the eligible participants in the City of Rialto.

Overall, the Domestic and GS-1 (small commercial) rate classes demonstrate consistent market savings when compared to the corresponding SCE generation charges. However, the larger commercial classes represent a mixed bag of savings for some customers, while others may achieve a lower rate by remaining on the utility supply. This is examined in detail in the Economic Analysis section. Good Energy recommends that a CCA program include a detailed evaluation of commercial customers' load patterns to determine the most economic option.

ECONOMIC ANALYSIS

The following sections provide additional detail on each rate schedule analyzed for this project. In each case, a number of factors and assumptions contribute to the overall results, which are discussed below.

Also important to note: a CCA's rates are not required to conform to the same structure as the utility. All of the analyses for this report have been developed in comparison to the corresponding utility rate schedule. Good Energy proposes, however, that an ensuing CCA should evaluate developing its own rate structure which is designed to optimize the usage characteristics of the participating accounts. In doing so, additional efficiencies may be achieved to increase the savings opportunities for participants.

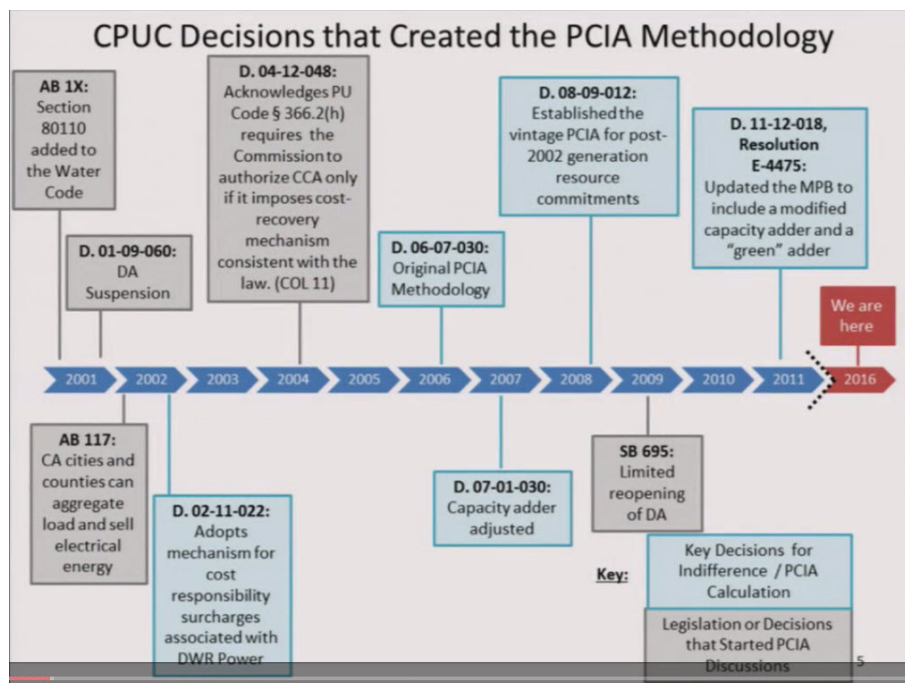
Key Factors Affecting Savings

- **Market Prices**—the market price of electricity and resource adequacy represents the single most significant determinant of cost. Market prices have proven to be volatile over time, so fixing the cost for a significant period of time (e.g., two to five years) provides a hedge against this volatility. Market electric prices change daily and reflect seasonal differences. The costs used in this analysis are indicative of forward open market prices at the time of publication and are subject to change.
- **Customer Usage Patterns**—Customer usage, both the volume and the profile (i.e., during which hours, days of the month) impact the overall price
- **Utility CRS Charges**—a major factor in the savings estimate is the imposition of the Customer Responsibility Surcharge, which is determined by SCE prior to the implementation of the CCA program. Our analysis has accounted for the CRS charges in all estimates using the current published SCE CRS rates. Since such charges are reset periodically, the actual rate of savings will be determined once CRS is established and then annually, thereafter.

Important note: the largest components of the CRS charge, the Power Cost Indifference Amount (PCIA) and DWRBC that Rialto customers would be assessed under a CCA program is expected to decline over time. The utility assigns a “vintage” which signals the fact that it will no longer be purchasing electricity for the participating accounts in Rialto's program. As SCE's previous electric contracts expire over time, the PCIA charges are expected to decline until participants in the city's program are no longer obligated to mitigate their share of the utility's forward purchase obligations. This effect is demonstrated by the larger savings achieved by CARE customers, who are already exempt from such charges.

The PCIA is the subject of significant scrutiny by the California Public Utilities Commission and various intervenors in utility rate cases. For example, in SCE's most recent rate forecast (CPUC Case 15-05-007, CPUC Decision 15-12-033 December 17, 2015) numerous parties submitted testimony calling for more transparency in the PCIA's annual calculation. Specifically, some CCAs have challenged the methodology and

transparency of data inputs. As a result, the CPUC conducted a workshop addressing concerns over the PCIA in March, 2016. This signals an ongoing movement to create more transparency and predictability surrounding PCIA costs for communities considering development of a CCA program. The estimates in this report include the current SCE published PCIA values.



- **Opt-out Rate**—the number and type of customers participating in the program have an impact on prices which can be negotiated in the market. This analysis has not included an assumed opt-out rate. California and national statistics have demonstrated typical opt-out rates in the single digits.
- **Regulatory Changes**—the analyses in this study are based upon the applicable laws and regulation in place at the time of preparation and changes may increase or decrease savings opportunities
- **Administrative and Start-up Costs**—this analysis is limited to an estimate of market prices compared to the corresponding SCE generation charges at the time of publication. A fully-developed CCA design and implementation plan will also need to account for administrative costs, which are not included in this analysis.

Estimating administrative and start-up costs at this stage is difficult to ascertain, since several undetermined factors can affect such costs. One way to mitigate such costs is to develop the CCA program in parallel with other communities during similar stages of evaluation. Good Energy works with several such scenarios to develop a consortium of communities to increase the buying power of the group, while still maintaining each community's ability to maintain its own program characteristics.

Good Energy has observed that existing CCAs in California have borne significant start-up and administrative costs which are not typical in markets where local government aggregations are common. We are confident that by adopting best-in-class practices for program design and operation, such costs can be mitigated, providing the community with a more flexible and streamlined program.

Savings Summary—Domestic Customer Accounts

The table below summarizes the number of accounts in the two primary customer rate schedules: Domestic (single and multi-unit) and the Domestic CARE accounts. The CARE subsidy is applied on the delivery services segment of the SCE bill. At this time, Domestic-CARE accounts are exempt from certain Customer Responsibility Surcharges (namely, the DWRBC and PCIA elements), thus increasing the savings estimate for Domestic-CARE accounts.

Rate Schedule	# of Accounts	Usage kWh/Account	Est Annual Savings	Ann Savings/Account
Domestic	12,498	7,084	\$832,694	\$66.63
Domestic-CARE	13,626	7,033	\$1,422,169	\$104.37
Totals	26,124	7,058	\$2,254,863	\$86.31

*Domestic S/M includes single and multi-residential accounts

The Domestic class of customer represents the majority of the accounts in Rialto, representing 89% of the total accounts, and 38% of the total electricity usage. The Domestic accounts demonstrate the greatest savings. Although each customer's result will vary with the individual usage pattern, SCE's application of a single load profile across the entire class provides a greater level of certainty regarding savings. In such classes, the "load factor effect" (discussed below) does not apply. While more investigation and analysis is required to fully flesh out the details of a CCA program, this study indicates the greatest opportunity lies in the residential accounts and should receive the highest priority in the deployment of Rialto's program.

As previously noted the Domestic-CARE customers are exempt from the assessment of certain utility exit charges within the Customer Responsibility Surcharge (specifically, the PCIA and DWRB charges), and therefore have a larger estimated savings opportunity. As noted earlier in this report, the assessment of exit fees is under much scrutiny by the California Public Utilities Commission and key CCA stakeholders throughout the state.

Savings Summary—Commercial Classes

Demand-metered vs. Scalar-metered Accounts

The savings result presented above for domestic accounts is based upon. For the most part, the meters used in domestic accounts do not record demand, or the amount of electricity used during the hour of greatest usage. While SCE is in a multi-year program to install so-called "smart" meters in all of its accounts which would, among other data points, record each home's individual peak demand, the rate structure currently applied is scalar. A scalar

rate structure applies a single load profile to all the accounts and uses the overall load profile for the bill calculations. In this structure, the volume of electricity used per month is the primary bill determinant.

The commercial classes evaluated (GS-1, GS-2, GS-3, TOU-8), utilize demand recording meters. The rate structures applied to the commercial classes have a rate structure where the amount of monthly peak demand sets one component of the bill and the volume of electricity consumed sets another portion. As a result, accounts with a higher “load factor” (the proportion of electricity relative to the monthly peak demand) pay a lower effective rate per kilowatt-hour. In essence, the utility rate structure rewards a higher load factor with a lower effective rate.

For this reason, calculating a rate class-average savings estimate is more complex. Some customers, by virtue of their load profiles, will achieve clear savings under the market pricing of a CCA program. Other customers will be better off remaining on the utility rate structure.

Impact of Resource Adequacy

The demand-determined component of the bill is primarily the cost of *resource adequacy* (RA), which reflects the cost of reserving enough generation capacity on the electric grid to satisfy peak electric demand each month. Unlike electric energy, which is transacted daily and hourly throughout the California electric grid, RA is transacted in “odd lots” at comparatively infrequent intervals. The cost of generating capacity to satisfy RA requirements is less transparent than the electricity component. For this reason, this analysis has erred on the side of being conservative when applying market RA costs. It is very likely we have understated the savings potential by assuming RA costs on the higher end of the range. However, since this is an early evaluation, we feel this is the best approach. During subsequent phases, Good Energy can refine these estimates to narrow the range of variability in savings estimates.

To develop a reasonable savings analysis, Good Energy has prepared estimates for all the accounts in rate classes GS-2, GS-3 and TOU-8 SEC. Customer accounts in these rate schedules represent the majority of the non-residential electric consumption in Rialto.

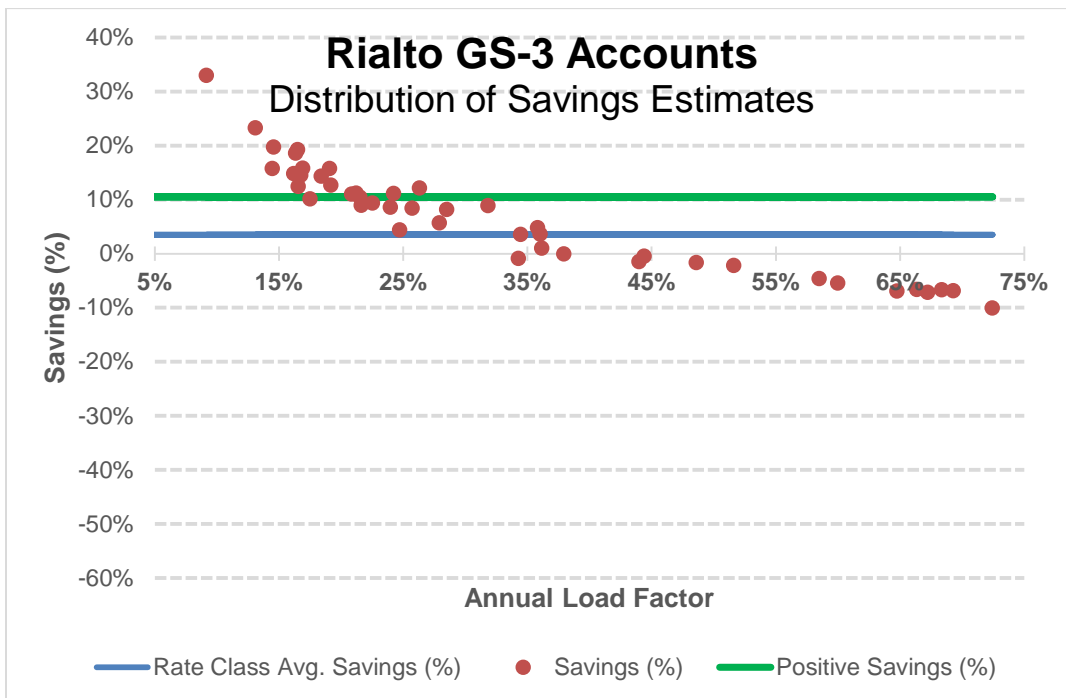
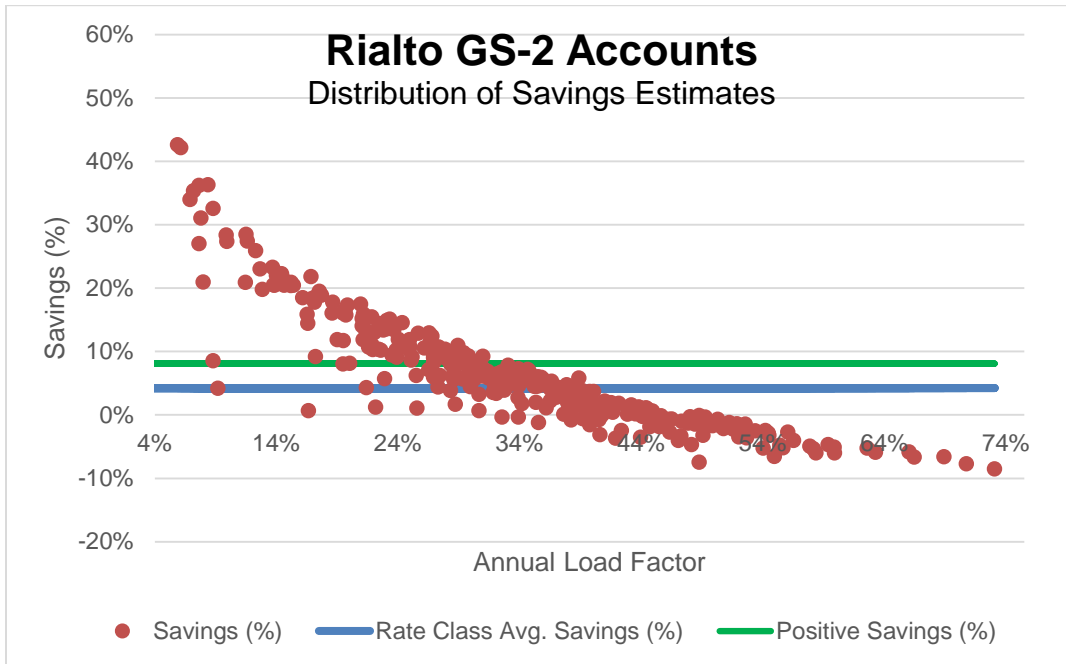
The table below illustrates two approaches to savings estimates for these classes. The first evaluates the entire class, which renders a flat to slightly negative savings percentage. The second set of data summarizes only the positive-savings accounts, resulting in a greater percentage of savings for this sub-set.

Entire Class**				
SCE Rate Schedule	Volume	Payment(\$)	Savings (\$)	Savings (%)
Domestic	96,595,894	\$6,662,219	\$832,694	12.50%
Domestic-CARE	95,831,028	\$6,609,466	\$1,422,169	21.52%
TOU-GS-1	24,564,379	\$1,713,322	\$282,545	16.49%
TOU-GS-2	67,331,541	\$4,261,337	\$181,271	4.25%
TOU-GS-3	51,224,345	\$3,204,916	\$112,378	3.51%
TOU-8-SEC	43,498,831	\$2,503,711	-\$127,454	-5.09%
TOU-8-PRI	33,045,285	\$1,758,055	-\$172,327	-9.80%
TOTALS			\$2,531,276	9.48%

Entire Class - Positive Savings Only**			
SCE Rate Schedule	Payment(\$)	Positive Savings (\$)	Positive Savings (%)
Domestic	\$6,662,219	\$832,694	12.50%
Domestic-CARE	\$6,609,466	\$1,422,169	21.52%
TOU-GS-1	\$1,713,322	\$282,545	16.49%
TOU-GS-2	\$2,819,926	\$228,975	8.12%
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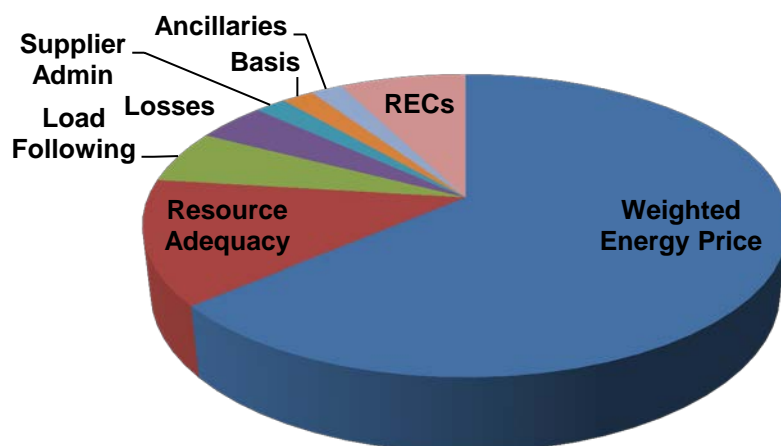
This illustrates the importance of evaluating various customers' load profiles in order to determine the potential for savings through participation in a CCA program. Good Energy recommends that during program design and implementation phases, resources be included to calculate an individual account's potential for savings before entering the program. Good Energy regularly performs these analyses in its program management services. Such analyses can be web-based for small and medium commercial accounts, and individually performed by our analysts for larger and multiple-account customers.

The scatter plot graphs below illustrate the varying rate of savings among various account types extracted from the summary data provided by SCE. As noted above, the conservative nature of the assumptions in this analysis likely understates the savings potential for these classes.



Components of Market Cost

Market costs are built up from several components. Some, like the electric energy itself, is largely set by fuel costs and supply/demand relationships. Other components, such as renewable energy credits, are more driven by regulatory requirements. The graph below gives an overview of the relationship of these components. Note that this is an example for illustration purposes only. A power contract which bundles all of the components together takes into consideration the load served, obligations of the parties to the contract, regulatory requirements and customer service functions as well. Such contracts are complex and unique from other commercial transactions. Good Energy has negotiated literally thousands of such contracts on behalf of our customers.



- Energy—the wholesale cost of electricity itself, driven primarily by the cost of fuel. It is adjusted by the Load-Following premium and Basis from its wholesale cost to establish a weighted energy price.
- Resource Adequacy—costs associated with keeping generation available for system reliability to meet monthly demand
- Transmission—charges associated with reserving capacity on high voltage transmission lines operated by the California Independent System Operator
- Ancillary Services—charges associated with balancing and managing regional system load
- Renewable Energy Credits (RECs)—costs required to comply with California state-required renewable energy standards.

CCA STUDY CONSIDERATIONS

The results of the initial economic analysis demonstrate clear opportunity for developing a CCA program within Rialto. Moving forward with a program structured with low administrative costs allows the opportunity for individual communities to join a Rialto-led program to achieve mutual benefit. We have listed some of these benefits below:

- Developing a municipal-led CCA provides resources at the regional and local levels that can operate very efficiently and without incurring significant overhead costs.

Using this approach, Good Energy manages more than 200 such programs throughout the United States.

- The key to developing an effective municipal-wide program is for the municipality to establish the overall structure and demonstrate to individual communities how participation will benefit *their* constituents.
- A one-size-fits-all approach does not create the local support necessary to create an effective buying consortium. For example, some communities may want to emphasize renewable sources, while others may prefer the most cost effective power supply. Good Energy manages buying consortia consisting of hundreds of communities with this flexibility. Overall, these programs have saved their constituents more than \$150 million since 2012.

A municipal-led CCA, based upon the economics of the electric load in the community alone, has the potential to deliver significant value to the region. We look forward to meeting with your representatives to discuss the contents of this report and possible next steps for development.

Economic Development Opportunity for Rialto

CCA opens Direct Access to all commercial and residential accounts within the municipal boundaries as delineated by SCE. Some commercial usage in Rialto is already on Direct Access. In our estimation, the DA segment of load in the jurisdiction only encompasses a few businesses, as many of the accounts are served by one Electricity Service Provider (ESP) contract. Businesses of all sizes are interested in Direct Access for the following reasons: price stability, product diversity, rate control, and the potential for enhanced renewable products. As was evidenced by the three small rounds of Direct Access lotteries a few years back, there is significant pent-up demand for utility supply choices.

CCA provides an economic incentive for businesses to move to Rialto. Recognizing the potential for power costs savings, coupled with the Ontario and San Bernardino International Airports in close proximity and poised to grow significantly, Rialto would be strategically placed to attract new businesses with its competitive utility rates and nearby airline hubs. Launching a CCA program early in the region could provide Rialto with a distinct economic advantage, compared to other jurisdictions. Furthermore, early implementation of a CCA program would give the municipality an option to act as the lead agency with other member participants paying fees to participate in Rialto's program. The new entity would have myriad ways to provide potential revenue to defray early startup costs.

Phased-In Approaches - Sensitivity Analysis (Pre-Launch)

As mentioned earlier in the economic analysis section, Good Energy recommends that during the program design and implementation phases, resources be included to calculate an individual account's potential for savings before entering the program. As positive savings for individual participants will vary greatly, it is paramount that a program consultant conducts sensitivity analyses to determine an optimal launch schedule for all participants. There are actual account holders who do not have positive savings at this time.

A phased roll out of the CCA program for eligible participants is something Good Energy has over a decade of experience conducting for communities. Good Energy regularly performs these analyses to stress test for participant inclusion before actual launch. Current CCAs in California have phased in account types at the domestic and commercial designation level. We believe that many of the commercial account rate classes, domestic classes, and direct access customers need to be phased in after careful consideration.

On-Going CCA Program Analysis

Once a program is active, Good Energy continues to provide on-going customer support. We have developed web-based tools known as “rate calculators” to automate the process for account holders seeking to understand their opportunity.

Outsourced Model

The completely outsourced Community Choice Aggregation service model is the national standard for operating CCA programs. In fact, over 95% of all programs utilize the services of a turn-key consultant for all developmental and operational aspects. However, in California, the first CCA efforts have established power authorities staffed by community employees and a basket of subcontractors to operate CCA programs. This approach has, in effect, created a mini-utility and may not be able to incorporate all of the efficiencies available in the marketplace.

In the fully-outsourced model, community executives still have the exclusive and final authority over procurement decisions recommended by the consultant. Consultants are incentivized to operate successful programs, as their fees are linked to the longevity and participation levels of a CCA program. Good Energy has almost a decade of experience in areas of CCA evaluation e.g., technical feasibility assessment and organization, implementation, administration and operation.

Renewable Energy & CCA

The economic analysis of renewable energies is not part of this feasibility study. As the degree of commitment to renewable energy initiatives by the community can only be ascertained through goals set forth in public policy, Good Energy believes this discussion is best had upon discovery of the initial results via base rate comparisons.

The California state-mandated Renewable Portfolio Standards (RPS) is in a state of transition as the state moves to increase the required renewables from 33% to 50%. Any CCA program is bound to the same RPS compliance levels as the investor-owned utility (SCE). Any CCA program launched by Rialto will adhere to these requirements.

Building a relationship between a newly formed CCA and its participants, at the outset, is critical. Many early stage CCA programs have tried to implement too many initiatives, resulting in consumer confusion. As a program progresses, CCA may be a way for a community to meet local environmental goals through renewable generation development, renewable purchases (RECs) and demand side management through energy efficiency. Many CCAs in California and around the nation have successfully rolled out these goal-driven objectives.

Of note in southern California is the impact of the “duck curve” on hourly pricing. The phenomenon is created by the impact of solar output coupled with traditional generation resulting in an oversupply of power during the afternoon. This dip is followed by a sudden ramp up of traditional base load generation and peaker plants in the late afternoon to meet demand as the solar generation fades away. In a subsequent stage of analysis, beyond the scope of this study, Good Energy will make recommendations around rate structures designed to maximize savings during the oversupply hours of the day caused by this phenomena.

Finally, Good Energy firmly believes that the evolution of storage could significantly transform renewable effectiveness in California.

Marketing Efforts and Strategies

A comprehensive marketing plan is critical to the success of Rialto's CCA program. Though several other states are engaged in community aggregation, CCA is in its relative infancy in California. Good Energy's client communities have experienced extraordinary results in Illinois and Massachusetts, successfully building consortia of more than 200 municipalities and counties, including over 600,000 homes combined.

Building consensus has been a hallmark of Good Energy's success since we began developing community aggregation programs, whether between municipal representatives, organizations (e.g., environmental groups) or ratepayers – the direct beneficiaries of the program. Nowhere was this more evident than in Illinois, where implementation of an aggregation program required the successful passage of a voter ballot referendum in each municipality, in effect, an “all or nothing” scenario. Consensus building required, among other things, dynamic outreach to all of the groups mentioned above, so that the goals of the CCA were effectively communicated and understood. Good Energy worked closely with municipal leaders to design the most strategic marketing efforts, in many cases, utilizing the most transparent and personable avenues available, not only to effectuate the successful passing of referendums, but also to subsequently reduce opt-out rates (approximately six percent) once the program had launched. In this way, maximum savings paired with maximum

contract protections for account holders within participating communities were achieved, these savings largely being redirected back into local economies.

As mentioned above, Good Energy works closely with community leaders in building a broad approach to community awareness and education about the program. As with the majority of our program management services, our awareness and education strategies are developed IN-HOUSE, in coordination with community representatives.

Examples include the following:

1. USPS Mail Campaigns
2. Local Radio/TV Spots
3. Web-based Infomercials
4. Local Cinema Screen Advertisements
5. Newspaper Interviews and Advertisements
6. Municipal Newsletters
7. Voluntary Municipal Polls – using the Rialto municipal website, mail drop-off or dedicated call-in telephone number to host an informal poll of residents
8. Development and Online Hosting of Dedicated Online Sites
 - a. Illinois: www.munienergychoice.com - this site has since been integrated into <http://goodenergy.com/Community-Energy-Aggregation/illinois>
 - b. New Jersey: www.NJGEA.com – this site has since been integrated into <http://goodenergy.com/Community-Energy-Aggregation/new-jersey>
 - c. Massachusetts: <http://masscea.com/> and <http://goodenergy.com/Community-Energy-Aggregation/massachusetts>
9. Social Media – Facebook, Twitter
10. Dedicated 24/7 Call Center
11. Billboard Signage
12. Informational Flyers and Palm Cards
13. Public Hearings
14. Community Meetings, both government and organization-hosted, i.e., Chambers of Commerce, Rotary Clubs, Churches, Environmental Groups, Senior and Age-Restricted communities, etc.

Examples of these various strategies are included on the following pages.

Each region has unique characteristics and trends that must be considered when an outreach campaign is developed. For instance, Good Energy has come to understand, via its Illinois experience that seniors and residents of age-restricted communities are among the most engaged constituents in their communities. Good Energy regularly presents at age-restricted communities not only to educate residents, but as a *de facto* form of consumer protection. A transparent approach is the most effective in explaining all aspects of the program, no matter the size of the audience. Indeed, Good Energy's experience in the utility industry has frequently resulted in the firm being able to secure utility support during public meetings. In Massachusetts, 24 municipalities, represented by 35 different representatives


were queried on a bi-weekly basis for several months to better understand the population characteristics of the different participating cities and towns, and how to best build an outreach program. Two interesting observations about the market came to light - the regional country music station had the highest listenership in the area overall, making this an unexpected outlet for five, 10, and 30 second CCA advertisements, and secondly, certain partner communities had substantial foreign language speaking constituencies, particularly Portuguese. Nevertheless, no less than six foreign language speaking segments of the population were identified as having significant presence. The broadest inclusion for all segments of the population, specifically those who were non-native English-speaking, was of paramount importance. Consequently, Good Energy had the vast majority of our awareness campaign materials professionally translated and/or subtitled for each of the six languages. This included our informational video, as well as numerous radio spots on foreign language stations.

Good Energy has learned that marketing campaigns, in one form or another, do not end once a program has fully launched. Participants need to be periodically reminded via media press releases, municipally-hosted website pages, as well as Good Energy's own dedicated online site and social media pages, about the status of the value it provides to the participants and the community.

APPENDIX – MARKETING and PUBLIC INFORMATION EXAMPLES

PALM CARDS - FAQs


Serve as convenient handouts for the public and as a quick reference for municipal representatives

<h3>Save on your Electricity Bills</h3>  <p>New Jersey Government Energy Aggregation</p>	<h3>Answers to FAQs</h3> <ul style="list-style-type: none"> ⦿ Savings achieved by using bulk purchasing power similar to that of a big box store. ⦿ Savings range from 7-14% (over \$100 annually) on supply portion of bill. ⦿ Fixed rate for duration of contract term. ⦿ Your utility continues to deliver electricity. ⦿ Same quality of service from your utility. ⦿ No installation required. ⦿ May keep Budget Billing. ⦿ Automatic enrollment unless you choose to Opt-Out. ⦿ No obligation to participate – two notifications to Opt-Out. ⦿ Residents already with a Third Party Supplier are excluded, but may Opt-In. ⦿ No Early Cancellation Fees. <p>It's that simple! For more information: NJGEA.COM or (855)777-7414</p>
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FLYER (2-sided) – PROGRAM OVERVIEW TRANSLATED INTO SIX LANGUAGES, MASSACHUSETTS


<p>Lowering Electricity Prices Using the Bulk Purchasing Power of Your Communities</p> <p>COMMUNITY ELECTRICITY AGGREGATION</p>  <p>Participating Communities Acushnet • Attleboro • Carver Dartmouth • Dedham • Dighton Douglas • Dracut • Fairhaven Fall River • Freetown • Marion Mattapoisett • New Bedford Northbridge • Norton • Plainville Rehoboth • Seekonk • Somerset Swansea • Westford • Westport</p>	<p>Bajando el precio de la electricidad usando el poder de adquisición masiva de sus comunidades</p> <p>COMMUNITY ELECTRICITY AGGREGATION</p>  <p>Comunidades participantes Acushnet • Attleboro • Carver Dartmouth • Dedham • Dighton Douglas • Dracut • Fairhaven Fall River • Freetown • Marion Mattapoisett • New Bedford Northbridge • Norton • Plainville Rehoboth • Seekonk • Somerset Swansea • Westford • Westport</p>	<p>Lowering Electricity Prices Using the Bulk Purchasing Power of Your Communities</p> <p>COMMUNITY ELECTRICITY AGGREGATION</p>  <p>Participating Communities Acushnet • Attleboro • Carver Dartmouth • Dedham • Dighton Douglas • Dracut • Fairhaven Fall River • Freetown • Marion Mattapoisett • New Bedford Northbridge • Norton • Plainville Rehoboth • Seekonk • Somerset Swansea • Westford • Westport</p>
<p>Lowering Electricity Prices Using the Bulk Purchasing Power of Your Communities</p> <p>COMMUNITY ELECTRICITY AGGREGATION</p>  <p>Participating Communities Acushnet • Attleboro • Carver Dartmouth • Dedham • Dighton Douglas • Dracut • Fairhaven Fall River • Freetown • Marion Mattapoisett • New Bedford Northbridge • Norton • Plainville Rehoboth • Seekonk • Somerset Swansea • Westford • Westport</p>	<p>تخفيض أسعار الكهرباء باستخدام قوة برنامج الشراء الضخم لمجتمعكم المحلي</p> <p>COMMUNITY ELECTRICITY AGGREGATION</p>  <p>المجتمعات المحلية المشاركة أكوشنيت • آتلبرو • كارفر دارتموث • ديدهام • دighton دوغلاس • دراكت • فايرهايفن فال ريفر • فريتاون • مارين ماتابويسيت • نيو بيدفورد نورث بريدج • نورثون • بلانفيل ريهوبوث • سيكونك • سومرست وانسي • ويستفورد • ويستپورت</p>	<p>Giảm giá điện bằng cách Dùng sức mua số lượng lớn Trong các cộng đồng Của quý vị</p> <p>COMMUNITY ELECTRICITY AGGREGATION</p>  <p>Các cộng đồng tham gia Acushnet • Attleboro • Carver Dartmouth • Dedham • Dighton Douglas • Dracut • Fairhaven Fall River • Freetown • Marion Mattapoisett • New Bedford Northbridge • Norton • Plainville Rehoboth • Seekonk • Somerset Swansea • Westford • Westport</p>

DIGITAL AD – REDIRECTS TO PROGRAM WEBPAGE

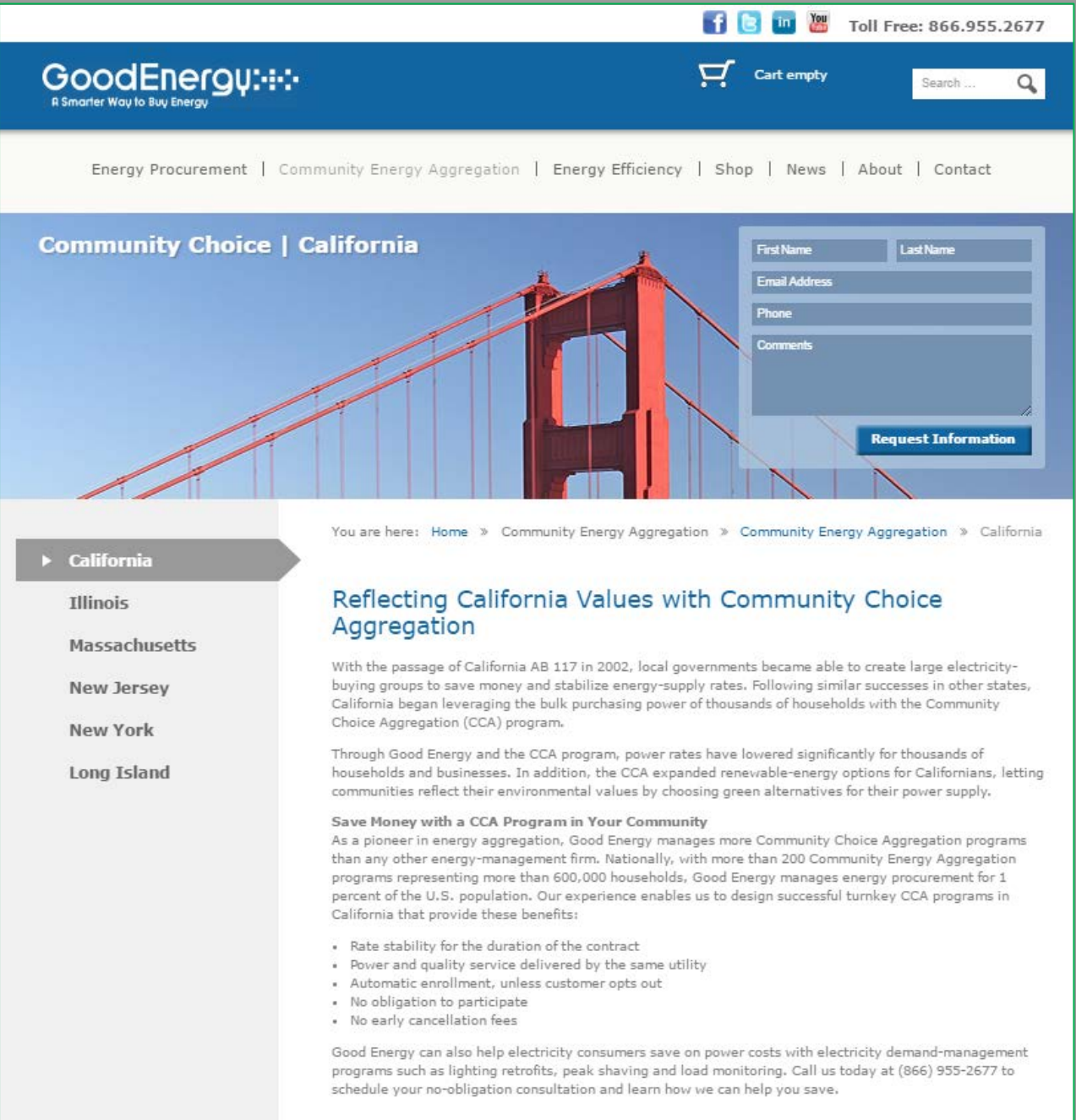
<p>MASS CEA Community Electricity Aggregation</p>	<p>Learn how 23 communities in southeastern Massachusetts are taking action to save you money on your electricity bill and protect you from volatile electricity prices.</p>	<p>CLICK TO LEARN MORE!</p> 
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PRINT AD AND POSTCARDS (pre-referendum), ILLINOIS


<p>Vote YES to Savings on Your Electricity Bill!</p> <p>Vote YES on March 20th</p>	 <p>Paid for by Committee for Municipal Electricity Choice</p>	<p>Plug into Electricity Savings by voting YES on the regional Electricity Savings ballot question for your county</p> <p>Illinois residents can now vote to give their municipality the authority to choose an alternative electricity supplier for their community. This group approach usually results in greater savings than Ameren customers can normally achieve on their own.</p> <p>Vote YES to receive these benefits:</p> <ul style="list-style-type: none"> • Savings up to 20-25% or more on your current electricity bill • No installation or home visit required • Continue to receive one bill from Ameren • Ameren will support you in the event of an outage <p>On March 20th, vote YES on the Electricity Savings ballot question and become part of the largest electricity buying group in Central & Southern Illinois</p> <p>To learn about savings for your county: Call 618-465-6030 or 309-245-4566 Or visit www.munienergychoice.com</p>
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<p>Vote YES to Save Money on Your Electricity Bill!</p> <p>Vote YES on November 6th</p>		<p>Many Ameren communities are now saving an average of 28% on their electricity bill (supply).</p> <p>Join them by voting YES on the Electricity Savings ballot question on November 6th.</p> <p>Same quality service from Ameren.</p> <p>Continue to receive one bill from Ameren.</p> <p>Vote Yes Save up to 28%. It's that simple!</p> <p>Be part of the largest electricity buying group in Central & Southern Illinois.</p> <p>To learn about savings for the City of Madison: Call 217-422-0099 or 618-465-6030 Or visit www.munienergychoice.com</p> <div data-bbox="1104 1386 1429 1638"> <p>Committee for Municipal Electricity Choice 418 Main Street, Suite 633 Peoria, IL 61602</p> <p><small>PRESORT STD. U.S. POSTAGE PAID PEORIA, IL PERMIT 6000</small></p> <p><small>PUBLIC QUESTION(S) CITY OF COUNTY Shall City or County have the authority to arrange for the supply of electricity for its residential and small commercial retail customers who have not opted out of such a program?</small></p> <p><input checked="" type="radio"/> YES <input type="radio"/> NO</p> </div> <p><small>*Paid for by the Committee for Municipal Electricity Choice</small></p>
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GOOD ENERGY DEDICATED CALIFORNIA CCA WEBPAGE



The screenshot shows the Good Energy website's dedicated California CCA page. The header features the Good Energy logo, social media icons, a toll-free number (866.955.2677), a shopping cart icon indicating an empty cart, and a search bar. A navigation menu includes links for Energy Procurement, Community Energy Aggregation, Energy Efficiency, Shop, News, About, and Contact. The main banner area displays the title 'Community Choice | California' over a background image of the Golden Gate Bridge. To the right of the banner is a contact form with fields for First Name, Last Name, Email Address, Phone, and a large text area for Comments, followed by a 'Request Information' button. Below the banner, a breadcrumb trail reads: 'You are here: Home » Community Energy Aggregation » Community Energy Aggregation » California'. A left sidebar lists various states: California (highlighted), Illinois, Massachusetts, New Jersey, New York, and Long Island. The main content area is titled 'Reflecting California Values with Community Choice Aggregation'. It contains two paragraphs of text explaining the CCA program and its benefits. Below the text is a bulleted list of benefits, followed by a paragraph about additional services like demand-management programs.

GoodEnergy 
A Smarter Way to Buy Energy

Energy Procurement | Community Energy Aggregation | Energy Efficiency | Shop | News | About | Contact

Community Choice | California

First Name Last Name
Email Address
Phone
Comments
Request Information

You are here: [Home](#) » [Community Energy Aggregation](#) » [Community Energy Aggregation](#) » [California](#)

► California

- Illinois
- Massachusetts
- New Jersey
- New York
- Long Island

Reflecting California Values with Community Choice Aggregation

With the passage of California AB 117 in 2002, local governments became able to create large electricity-buying groups to save money and stabilize energy-supply rates. Following similar successes in other states, California began leveraging the bulk purchasing power of thousands of households with the Community Choice Aggregation (CCA) program.

Through Good Energy and the CCA program, power rates have lowered significantly for thousands of households and businesses. In addition, the CCA expanded renewable-energy options for Californians, letting communities reflect their environmental values by choosing green alternatives for their power supply.

Save Money with a CCA Program in Your Community

As a pioneer in energy aggregation, Good Energy manages more Community Choice Aggregation programs than any other energy-management firm. Nationally, with more than 200 Community Energy Aggregation programs representing more than 600,000 households, Good Energy manages energy procurement for 1 percent of the U.S. population. Our experience enables us to design successful turnkey CCA programs in California that provide these benefits:

- Rate stability for the duration of the contract
- Power and quality service delivered by the same utility
- Automatic enrollment, unless customer opts out
- No obligation to participate
- No early cancellation fees

Good Energy can also help electricity consumers save on power costs with electricity demand-management programs such as lighting retrofits, peak shaving and load monitoring. Call us today at (866) 955-2677 to schedule your no-obligation consultation and learn how we can help you save.

GOOD ENERGY DEDICATED MASSACHUSETTS CCA WEBPAGE FOR 23 MUNICIPALITIES AGGREGATED UNDER SOUTHEAST REGIONAL PLANNING & ECONOMIC DEVELOPMENT DISTRICT (SRPEDD)

MASS CEA

Community Electricity Aggregation

- Home
- Participating Communities**
- How do I join the program?
- How do I leave the program?
- Have you received multiple opt-out letters?
- Opt-Out Period
- Savings Calculator
- Frequently Asked Questions
- Contact

Participating Communities

Attleboro	Douglas	Mattapoisett	Seekonk
Acushnet	Dracut	New Bedford	Somerset
Carver	Fairhaven	Northbridge	Swansea
Dartmouth	Fall River	Norton	Westford
Dedham	Freetown	Plainville	Westport
Dighton	Marion	Rehoboth	

The Cities and Towns listed above are participating in the Southeast Regional Planning and Economic Development District ([SRPEDD](#)) Community Electricity Aggregation Program. The program was formed to leverage bulk purchasing power by creating a large buying group with the goal of purchasing electricity at a better rate and preferential terms than currently available through default service.

Any business or household that currently purchases electricity from the default Basic Service of either Eversource or National Grid will automatically be included in the program. **If you are currently enrolled in National Grid's Green Up Program you will NOT be enrolled automatically and must contact the supplier, Con Ed Solutions, at 855-788-9885 to enroll.**

To understand how the program will work feel free to explore the [FAQ](#) section

INFORMATIONAL VIDEO TRANSLATED INTO SIX LANGUAGES, MASSACHUSETTS



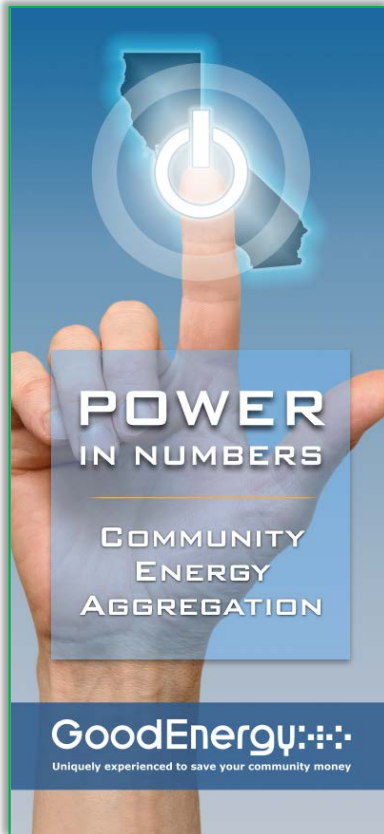
HYPERLINKS

- [MASSCEA - Community Electricity Aggregation Information \(Arabic\)](#)
- [MASSCEA - Community Electricity Aggregation Information \(English\)](#)
- [MASSCEA - Community Electricity Aggregation Information \(French\)](#)
- [MASSCEA - Community Electricity Aggregation Information \(Khmer\)](#)
- [MASSCEA - Community Electricity Aggregation Information \(Portuguese\)](#)
- [MASSCEA - Community Electricity Aggregation Information \(Spanish\)](#)
- [MASSCEA - Community Electricity Aggregation Information \(Vietnamese\)](#)

BILLBOARD SAMPLES - ILLINOIS




FLYER (2-sided) – PROGRAM OVERVIEW



**POWER
IN NUMBERS**

**COMMUNITY
ENERGY
AGGREGATION**

GoodEnergy 
Uniquely experienced to save your community money

Community Energy Aggregation, "CEA", (or Community Choice Aggregation as it is known in California), began in 2002 with the passage of California AB 117. CEA empowers local governments to create large electricity buying groups in pursuit of cheaper and more stable energy supply rates. Hugely successful in other states, savings are achieved by leveraging the bulk purchasing power of thousands of households. CEA programs provide for local control of rates resulting in significantly reduced energy supply costs for ratepayers. CEA also allows for increased renewable energy options.

Managing more CEA programs than any other energy management firm, Good Energy uses its national experience to design and implement the most successful turnkey CEA programs.

Program Benefits

- Rate stability for the duration of the contract term
- Utility continues to deliver the power
- Same quality of service from the utility
- Enrollment is automatic unless customer opts-out
- No obligation to participate
- No early cancellation fees

About Good Energy

Good Energy, LP is an energy management and consulting firm working in all deregulated energy markets nationally on behalf of public and private clients, and is the industry leader in CEA program design and implementation. Working collaboratively with communities and energy buying groups of all sizes, Good Energy applies innovative, out-of-the-box thinking to build turnkey aggregation programs and procurement strategies that optimize end-user savings and security for the long term.


To learn more contact Good Energy:

(877) 601-5900
california@goodenergy.com
goodenergy.com/ca

GoodEnergy 
Uniquely experienced to save your community money


Lowering Electricity Prices Using the Bulk Purchasing Power of Your Communities

COMMUNITY ELECTRICITY AGGREGATION



Participating Communities

Acushnet • Attleboro • Carver
Dartmouth • Dedham • Dighton
Douglas • Dracut • Fairhaven
Fall River • Freetown • Marion
Mattapoisett • New Bedford
Northbridge • Norton • Plainville
Rehoboth • Seekonk • Somerset
Swansea • Westford • Westport



Community Electricity Aggregation


Our community is participating in a bulk purchasing program designed to save you money on your electricity bill and protect you from volatile electricity prices.

Benefits:

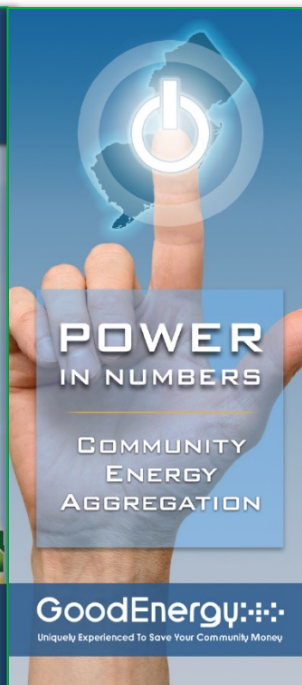
- The goal is to provide savings on your electric bills beginning winter 2015/16
- Rate stability
- Leave the program at anytime without penalty

Features:

- Automatic enrollment
- Ratepayers may opt-out and remain with their current supplier
- Continue to call your utility with any service issues
- Continue to receive a single bill from your utility
- Keep Budget Billing
- Renewable energy options available




For more information:
Call: (844) MASSCEA (627-7232)
Email: info@masscea.com
Website: masscea.com
Or call New Bedford Energy Now (NBEN)
(508) 991-6193



**POWER
IN NUMBERS**

**COMMUNITY
ENERGY
AGGREGATION**

GoodEnergy 
Uniquely Experienced To Save Your Community Money

Community Energy Aggregation (CEA), or Government Energy Aggregation, as it is known in New Jersey, empowers local governments to create large electricity buying groups in pursuit of cheaper and more stable energy supply rates. CEA programs began in 2003 with the passage of the Government Energy Aggregation Act. The purpose of this legislation was to ensure that the benefits of energy deregulation were passed onto residential businesses by providing local governments the ability to aggregate energy accounts within their municipal boundaries in order to obtain competitive bids from third party suppliers (TPS). Aggregating accounts together creates economies of scale, enabling participating governments to achieve greater savings for their constituent ratepayers versus what could normally have been achieved by the individual customer.

Program Benefits

- Savings vs. other commercially-available contract rates
- Fixed rate for duration of contract term = budget stability
- Utility continues to deliver the power
- Same quality of service from the utility
- Budget billing programs remain in place
- Enrollment is automatic unless customer opts-out
- No obligation to participate. Residents already in contract with a TPS are excluded, but may opt-in
- No early cancellation fees
- Demand management resources to help reduce energy consumption

A comprehensive, well-run CEA program is more than just a procurement moment. The process begins long before procurement happens, and never really ends. Good Energy continuously updates communities on the benefits of our programs so that participation is optimized, ensuring a maximum amount of savings remain in the local economy.

Good Energy runs more CEA programs than any other energy management firm, using national experience and local expertise to design and implement the most successful turnkey initiatives, tailored to the needs of your community.

For information, phone: 855.777.7414
email: njgea@goodenergy.com
or visit www.goodenergy.com/nj