



## FREQUENTLY ASKED QUESTIONS OCTOBER 2024

### What is Community Choice Aggregation?

Community Choice Aggregation (CCA) enables local governments to pool (or aggregate) the electricity demand of their communities together for the purpose of supplying electricity to their residents.

- A CCA like Pioneer Community Energy (Pioneer) procures electricity on behalf of residential, commercial, and municipal electricity users in its service territory.
- The electricity is distributed and delivered by the incumbent investor-owned utility over existing electricity lines.
  - The investor-owned utility in Pioneer’s territory is Pacific Gas and Electric (PG&E).
- Pioneer is responsible only for the generation component of the utility bill. Transmission and distribution and gas are still handled by PG&E.
  - Because PG&E handles transmission and distribution through its poles and lines, customers remain are customers of both Pioneer and PG&E.
  - Customers still have access to PG&E programs like California Alternate Rates for Energy (CARE), Family Electric Rate Assistance (FERA), and Medical Baseline in addition to the programs Pioneer has created to meet the unique needs of the communities it serves.
  - CCA customers have a choice in energy options, including Pioneer’s Green100 - the only electricity product in the region that provides a totally renewable option. (PG&E does not offer a 100% renewable product.)

### Are CCAs government agencies?

CCAs are public, not-for-profit agencies. Once a CCA is operational, it is completely ratepayer funded and *not* subsidized by taxpayer dollars.

- Pioneer’s Governing Board has prioritized ratepayer savings, As such, Pioneer provides significant savings, and these savings are reinvested into the communities we serve in the form of new energy projects, goods and services, programs, and lower rates.
- These ratepayer dollars otherwise would go to PG&E.

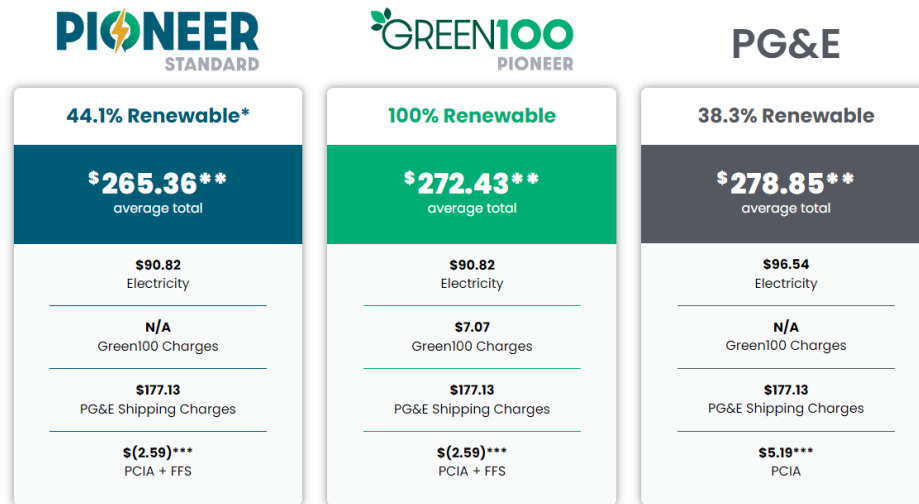
### How does joining Pioneer impact a local government’s General Fund?

The only upfront cost to join Pioneer is the cost of the Impact Assessment Study (IAS), which we split equally with the local government. Once established, there is no impact on the General Fund of member agencies, as Pioneer is completely ratepayer funded.

### How do Pioneer's rates compare to PG&Es?

Both Pioneer's Standard generation rate and Green100 rate are less than PG&E's standard rate. In addition, Pioneer's Standard product has a higher concentration of renewable energy than PG&E's standard product.

### Residential Electricity Rates\*



\*As reported to the California Public Utilities Commission and Pioneer's Board of Directors.

### How does a local government join a CCA?

Several steps are necessary to join a CCA:

- Pioneer and the local government typically partner to conduct an initial Impact Assessment Study (IAS), a technical study to:
  - 1) Determine the amount of electricity that will be required, and
  - 2) Examine the financial feasibility, including whether or not the CCA can price its electricity to be competitive with PG&E.
- After deciding to join, local governments must pass an ordinance to join Pioneer.
- Depending on the findings of the IAS and once the governing body approves joining a CCA, the CCA drafts an Implementation Plan that is submitted to the California Public Utilities Commission (CPUC) in December. The CPUC has 90 days to approved or deny the plan.
  - The Implementation Plan outlines how the CCA will function; how it will set rates; how it will procure electricity; and how it will carry out all other functions required under CPUC regulations.

Throughout the process, the local government and Pioneer work collaboratively to inform customers and other interested parties and to allow for public comments and opportunities to answer important questions.

### What are the economic advantages of joining Pioneer?

Pioneer operates efficiently and offers a rate that is a discount to PG&E - saving customers money. Additionally, Pioneer is committed to community reinvestment and can assist in and accelerate the development of local renewable energy projects, which can result in significant local job creation in the areas it serves.

### Has CCA been done in other areas?

There currently are 25 CCA programs serving roughly 200 communities throughout California, with more than 14 million customers and 14,000 MWs of energy Power Purchase Agreements (PPA) signed.

### What happens in the event of a power outage?

Since PG&E owns all assets (power poles and lines) associated with transmission and distribution of electricity, PG&E still provides the same customer services to CCA customers, including addressing power interruptions.

### Why are so many local governments looking at CCA?

Local governments are finding several compelling reasons for joining a CCA including:

- **Ratepayer savings.** CCAs like Pioneer generate ratepayer savings that stay in the community. Total savings for Pioneer customers from 2018 through 2023 exceed \$85 million, with an additional \$22 million anticipated in 2024.
- **Choice.** CCAs introduce competition and choice into the energy market. Customers in a CCA territory can choose to stay with the CCA or go back to PG&E.
- **Local control:** Pioneer's Governing Board is comprised of elected representatives from its member agencies, with equal voting power for all members. This provides local governments with increased control over their energy supply and a choice for power that they otherwise would not have.
  - As a result, communities can choose to increase the amount of electricity procured from renewable sources like solar, wind, and geothermal.
  - With Pioneer, local communities can choose the energy efficiency programs that best meet the unique needs of its residential and business communities.
- **Rate stability and transparency.** PG&E rates change several times a year. Pioneer's Board typically adjusts rates once a year, offering an increased measure of rate stability for customers.
- **Community re-investment.** Pioneer is committed to reinvesting in the communities we serve through local renewable energy projects, programs, and goods and services.

### How does CCA affect customer electricity rates?

Before a local government joins Pioneer, an IAS is conducted to examine the effects of a CCA on rates. Data shows that, to date, Pioneer rates have been lower than PG&E's. Important to note:

- For 2024, Pioneer's default product is an average of 7% less than PG&E's generation rate.
- Pioneer's 100% renewable energy product is an exclusive offering. PG&E does not offer a comparable renewable product.
- Pioneer offers customers greater rate stability. PG&E rates change several times a year; Pioneer rates generally only change once a year.

While there is no guarantee that CCA rates will always be lower than PG&E rates, CCAs do have the advantage of being small, not-for-profit agencies that pay no shareholder dividends or income taxes like investor-owned utilities (like PG&E) do.

### Who are the members of Pioneer Community Energy?

Pioneer is a CCA comprised of several like-minded local governments. We currently serve unincorporated Placer and El Dorado counties, the cities of Auburn, Colfax, Grass Valley, Lincoln, Loomis, Nevada City, Placerville, and Rocklin, and the Town of Loomis.

### **What is the role of PG&E in areas served by Pioneer?**

The respective roles of Pioneer and PG&E are well-defined. In short, Pioneer provides the generation (electricity) needed to meet the demands of county or city residents and businesses, and PG&E handles the transmission and distribution (delivery) of that electricity.

- The only difference between a Pioneer customer and PG&E customer is the cost of the generation of energy.
- All customers, whether they are a part of Pioneer or PG&E, continue to pay PG&E delivery charges and receive PG&E bills.

### **How do CCAs support local Climate Action Plans?**

Pioneer allows its member agencies greater control over the energy they choose and can be instrumental in helping local governments meet ambitious climate change goals.

- CCAs can develop innovative energy programs tailored specifically for each community.
  - CCAs can choose to purchase from and develop electricity sources that are more heavily weighted towards renewable energy, which can provide electricity with little or no greenhouse gas (GHG) emissions.
- CCAs support the development of local renewable energy projects.
- Pioneer provides the only 100% renewable energy option in the region (Green100) which helps members who choose it fulfill their individual Climate Change Action Plans. For example, the Cities of Auburn, Grass Valley and Nevada City chose Pioneer's Green100 rate for all municipal operations.
  - Green100 is offered exclusively by Pioneer. PG&E does not offer a comparable product.
  - Green100 helps local governments avoid expensive capital investment associated with meeting Climate Action goals.

### **Why do CCAs require an automatic opt-in? Is there a way to opt-out?**

California law requires that all customers in a CCA territory be automatically enrolled in the CCA to ensure fair and equal access to the benefits Pioneer and other CCAs offer. This also allows for a higher degree of certainty as the CCA procures the needed power supply.

It is important to remember that customers can opt out of a CCA at no cost starting at least 60 days prior to a CCA service launch and any time thereafter. Additionally, state law requires that customers receive several notifications to opt-out immediately before and just after a CCA program launches.

### **What is the governance structure of a CCA?**

There is no law regulating how the governing body of a CCA must be structured, so each CCA is unique.

- Most CCAs, including Pioneer, are governed under a Joint Powers Agreement by a Board of Directors.
- The Pioneer Board of Directors is comprised of a representative from each member in our service area.
  - The Board sets the CCA's policies and rates.
  - Each member has equal voting weight.
- Pioneer has a small staff to run the day-to-day operations and interface with CCA customers.
- A CCA may also have a steering committee comprised of representatives from other stakeholder groups, such as local businesses and community organizations.

The CCA process is designed to be very transparent with all meetings open to the public.

### **How do CCAs interact with municipal utilities like Roseville Electric, Liberty Utility, or Tuolumne Public Power?**

To date, the focus of the CPUC has been in building the CCA infrastructure within the territories of California's three main investor-owned utilities: PG&E, Southern California Edison, and San Deigo Gas & Electric. Municipal utilities currently are not part of the scope.

### **Can solar customers join a CCA?**

Yes. Solar customers are enrolled automatically into a CCA's Net Energy Metering (NEM) program and can benefit from more stable and competitive rates for the electricity they use.

- With Pioneer, solar customers avoid large, annual electric generation true-up bills by paying monthly when their consumption exceeds their generation.
- CCAs often offer better net metering options for customers who generate surplus electricity. For example, Pioneer pays solar customers ½-cent more for Net Surplus Compensation (NSC) than PG&E.
- Enrollment with Pioneer does not change customers' PG&E transmission and delivery rate.

### **Do solar customers need a Power Purchase Agreement to sell excess energy to a CCA?**

No. A CCA can offer property owners fair market rates for their excess energy production without a Purchase Power Agreement, even if that solar installation took place before the CCA was launched. Historically, CCAs offer better net metering options for customers who generate surplus electricity.

### **How does Pioneer reinvest in the communities it serves?**

Pioneer reinvests in a variety of ways, including through new energy projects, programs, or lower rates. From 2018 through 2023, Pioneer has saved its customers more than \$85 million, with an additional \$22 million in anticipated savings in 2024.

- Instead of going to corporate headquarters or shareholders, we invest in job-creating programs and energy sources like procurement with Placer County Water Agency, El Dorado Irrigation District, and Sierra Pacific Biomass plant in Lincoln.

### **Where can I find more information about Pioneer Community Energy?**

To learn more, visit [PioneerCommunityEnergy.org](http://PioneerCommunityEnergy.org) or call 1-844-YES-PIONEER.