CCA Residential Customer Cost Savings in California

Calpine Community Energy

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Introduction

Community Choice Aggregators (CCAs) provide California residents and businesses with an alternative to traditional Investor-Owned Utilities (IOUs) by allowing local control over electricity procurement. Since their establishment, CCAs have grown to serve over 14 million customers across the state, representing 36% of the eligible load in California (see Figure 1).

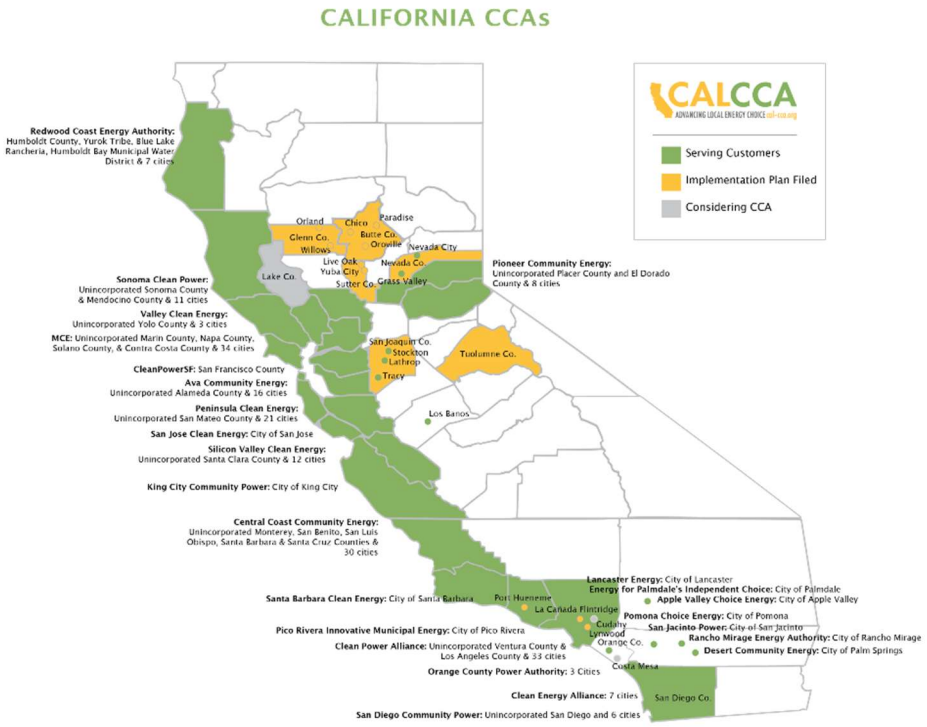

Figure 1. Map of active and emerging Community Choice Aggregator (CCA) service areas across California, sourced from Cal CCA's interactive mapping data.

CCA Contributions to Renewable Energy

CCAs in California have emerged as some of the most active renewable energy procurers. According to CalCCA, California's CCAs have contracted more than 18,000 megawatts of new clean generation capacity since the establishment of the first CCA in 2010.[1] At the national level, National Renewable Energy Laboratory (NREL)[2] reports that 63% of the nearly 10 million customers nationwide who purchased more renewable energy than mandated, were CCA customers. Notably,

[1] CalCCA: Impact

[2] Voluntary Green Power Procurement | Energy Systems Analysis | NREL

CCAs have fully active programs in just 8 states, underscoring the significant role they play in driving the clean energy transition.

CCA's Rates

While CCA's role in accelerating their state's clean energy transition is well documented, there has been limited analysis of the cost saving opportunities for CCA customers. To quantify these potential savings, we used information provided by the Joint Rate Comparisons (JRCs) published by IOUs and CCAs jointly, over the past decade. JRCs provide annual side-by-side comparisons of CCA and IOU rates, as illustrated in Figure 2 below. Our analysis focused exclusively on the basic residential rates.[3]

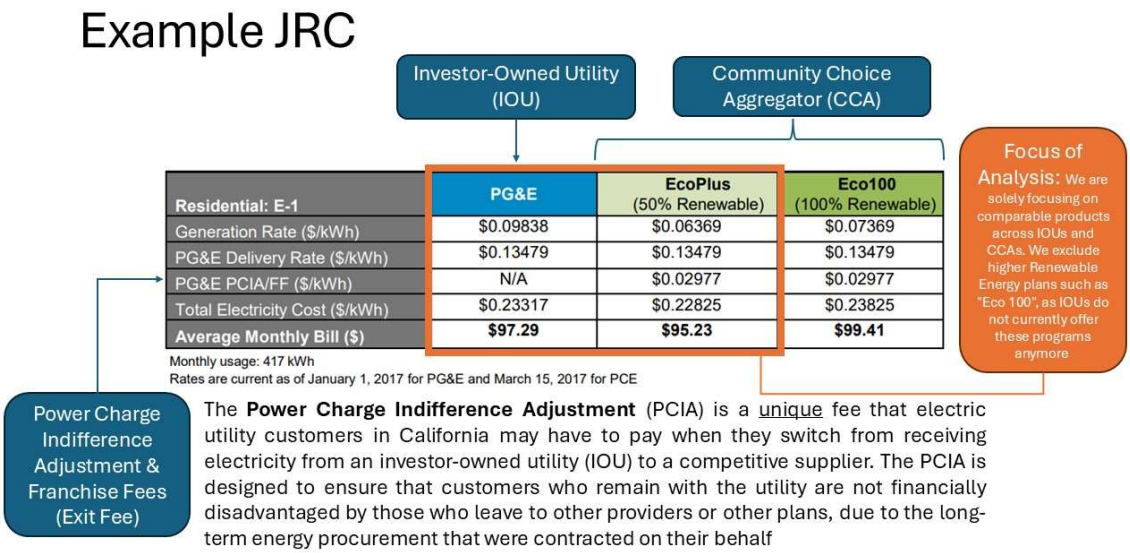

Figure 2. *Example of a Joint Rate Comparison (JRC), which presents a side-by-side view of residential rate components for a CCA and IOU, including generation charges, delivery fees, PCIA fees,[4] and average monthly bills.*

Based off the information provided in these JRCs, we quantified the weighted average of the rate differentials, depicting the potential savings across the state. Over a ten-year period, CCAs have, on average, offered lower basic residential rates than their incumbent utilities, nine out of the ten years. The only exception to this trend occurred in 2021, when IOUs briefly offered lower rates than CCAs. This was the result of PCIA charges reaching their highest level in a decade that year.

[3] Basic rates refer to the cheapest rate offered by CCA and IOU, allowing for a consistent comparison between equivalent service offerings

[4] PCIA fees change depending on customer move in/ enrollment date, for the purpose of this study we used the most recent PCIA rate

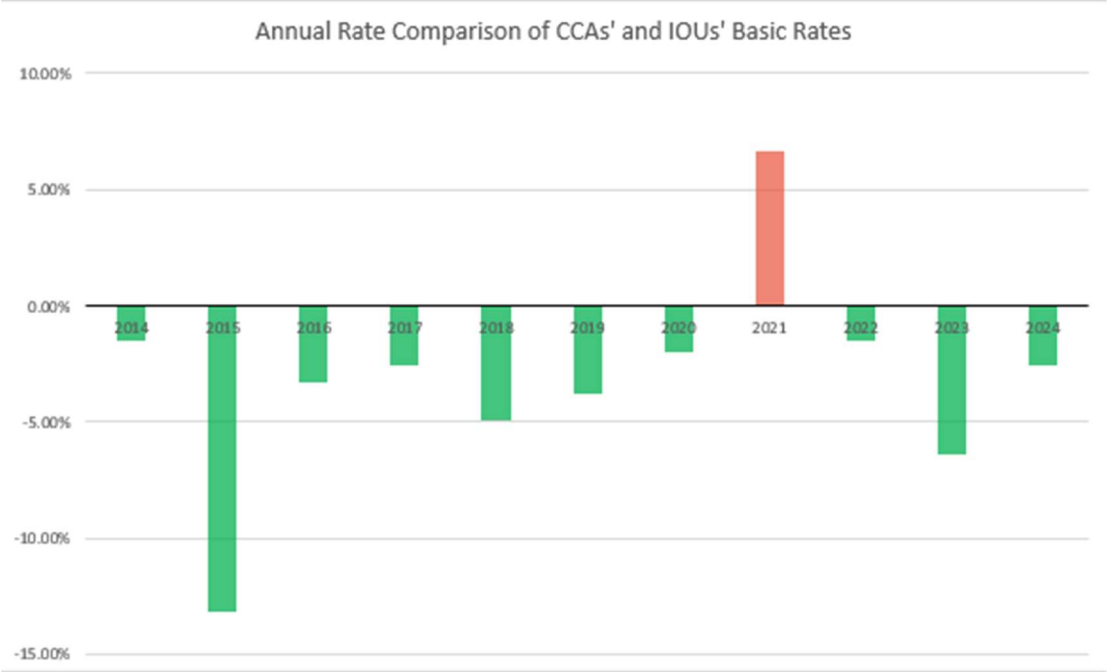

Figure 3. Weighted average of residential rate differentials between CCAs and IOUs across California between 2014 through 2024. Negative values indicate years when CCAs offered lower rates, and vice versa.

From 2014 through 2024, we find that on average, CCAs' basic rates were 2% cheaper than their incumbent IOUs' cheapest rates.[5] To illustrate the potential impact of these savings, if every residential CCA customer had opted for the basic rate, the total savings would have approached half a billion dollars.[6]

Conclusion

It's important to recognize that many factors influence actual customer savings – including the CCA's default rate, the customers' chosen rate, the year of CCA enrollment or customer move-in (which can affect PCIA costs), participation in savings programs, and the availability of incentives and rebates offered, to name a few. Ultimately, CCAs' core value proposition is to offer a choice and tailor their offering to their customers' preferences. That value is reflected not just in rate options, but in customer loyalty with a retention rate of 92% in California.[7] CCAs have not only earned the trust of their communities, but as show in this study, have driven the clean energy transition and consistently offered lower rate options than their incumbent utilities since 2014 — underscoring their ability to advance clean energy goals, deliver cost saving options, and implement dozens of customers programs.[8]

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[5] In 2021, CCA prices rose temporarily due to sharp increases in wholesale electricity prices, which impacted CCAs more than IOUs due to their greater reliance on short-term contracts.
[6] Estimated by multiplying each CCAs' total annual residential load by the rate delta
[7] Weighted average of CalCCA participation rate: CalCCA: Impact
[8] CCA customers programs as illustrated on CalCCA's website: CCA Program Highlights » California Community Choice Association (CalCCA)