



FACT SHEET - FREQUENTLY ASKED QUESTIONS FOR AGGREGATORS

COMMUNITY CHOICE AGGREGATION

What is Community Choice Aggregation?

Community Choice Aggregation is a state-approved program that puts control of choosing energy supply in the hands of local governments. It is a municipal model for procuring energy that replaces the utility as the default supplier of electricity and/or natural gas for residents and small businesses within a jurisdiction. By pooling demand, communities may be able to negotiate a rate that potentially lowers energy costs or offers a fixed rate for a period of time. Communities may be able to incorporate cleaner energy while developing distributed energy resources, such as community solar, energy efficiency, demand response, energy management and microgrid projects as part of the CCA. More than 5 million customers nationwide are served by Community Choice Aggregation programs in seven states: New York, California, Illinois, Massachusetts, Ohio, New Jersey and Rhode Island.

Which communities can participate in Community Choice Aggregation in New York state?

All towns, cities and villages are eligible to participate. If a community chooses to pursue Community Choice Aggregation, local government officials must hold a public hearing to discuss the opportunity, authorize the municipality's participation and communicate the details to their residents and small businesses.

Who does the legwork for aggregating the customers and finding the right energy service providers?

Community Choice Aggregation will often start with a local group, nonprofit or elected official(s) building interest within their communities. The next step is to select a Community Choice Aggregation Administrator to oversee and manage the aggregation program. The Administrator may be a municipality, local development corporation, nonprofit organization, private firm or other third party.

What is the role of the Community Choice Aggregation Administrator?

The Administrator is the entity authorized to bid the total amount of electricity and/or natural gas being purchased by participating consumers. The Administrator is responsible for program organization, administration, procurement and communications, unless otherwise specified. It also plays a critical role in developing and implementing a strategy for incorporating distributed energy resources, including renewables and efficiency initiatives, into the Community Choice

Aggregation program. Each participating municipality may sign an agreement with the Administrator for that Community Choice Aggregation.

What types of customers may participate in Community Choice Aggregation?

Most residential and small commercial customers of electricity and natural gas utilities are able to participate. Low-income, Time-of-Use and large commercial customers, as well as those who are already enrolled with an energy service company (ESCO), will not be automatically enrolled but may be able to opt in.

Do any Community Choice Aggregation programs already exist in New York state?

Yes. Through Westchester Power, a Community Choice Aggregation consisting of 23 municipalities in Westchester County, served approximately 91,000 residents and small businesses.

How does Central Hudson fit in?

Central Hudson will continue to deliver reliable power, maintain power lines and respond to service outages. We will provide the same customer service to all residents regardless of whether or not they are in the Community Choice Aggregation program. In most cases, customers will still receive only one bill each month, directly from Central Hudson, which will reflect the change in supplier.

To facilitate a CCA, Central Hudson will provide the Administrator with usage data for residents and businesses in order to calculate costs and identify service options. This will provide the Administrator with an understanding of how many customers reside in the participating towns and the electric load required to properly serve them. With this information, the Administrator is able to develop a request for proposal and elicit bids from energy suppliers. Central Hudson may charge the Administrator additional fees for some customer-related data.

What is the financial responsibility for participating municipalities?

Administration and operation costs incurred by the Community Choice Aggregation program may be covered through an administration fee paid by customers per kilowatt-hour (kWh) for electricity or therm for natural gas. This fee is negotiated with the energy service provider that will be selected during the Community Choice Aggregation Administrator's competitive procurement process and covers the organization's expenses for communications and outreach assistance, customer service, support to municipalities and legal fees associated with managing the program.

Is Community Choice Aggregation considered "green"?

Community Choice Aggregation programs may provide customers with power supply mix options. For example, a Community Choice Aggregation program may offer a basic option, a green option or something in between. Depending on local needs and priorities, communities may elect to provide a renewable energy product as the default supply mix. One possible solution for providing renewable energy is through renewable energy certificates (RECs), which is a market-based instrument representing the non-power attributes of renewable electricity, for example environmental and social benefits. RECs are issued and sold separately from the electricity itself as a way to support the development of renewable sources, and each REC is associated with a unit of actual energy produced.

The renewable choice may increase the environmental benefits of the Community Choice Aggregation program, but may cost somewhat more than a nonrenewable product. In this case, individual customers are given full discretion over which option they choose. Either way, the Community Choice Aggregation Administrator may seek prices for a range of product types and then decide which option is best to meet local needs.

How can community distributed generation and Community Choice Aggregation be integrated?

Distributed energy resources are local renewable projects, such as community solar, energy efficiency, demand response, energy management and microgrid projects.

The Community Choice Aggregation Administrator may seek a proposal that demonstrates a compelling plan to market and develop financed distributed energy resources to a wide segment of Community Choice Aggregation customers. ESCOs may form partnerships to provide a turnkey capacity to design, finance, build, operate and maintain distributed energy resources facilities within the term of a proposed supply agreement. They may also plan to transition meaningful levels of Community Choice Aggregation to distributed energy resources.

What is needed before implementing a Community Choice Aggregation program?

The PSC Order on Community Choice Aggregation sets forth the requirements, terms and conditions under which Community Choice Aggregation programs can proceed through implementation. The Order requires that Community Choice Aggregation implementation and data protection plan, as well as local law authorizations, be filed with and approved by the PSC. Once these documents have been filed, the PSC will determine whether they comply with the requirements and issue an approval. A template for an implementation plan is included in New York State Energy Research and Development Authority's (NYSERDA) Community Choice Aggregation Toolkit, available [here](#).

Does my community need to pass a local law to enable Community Choice Aggregation?

Yes. Each municipality intending to implement a Community Choice Aggregation program must pass legislation to exercise its Municipal Home Rule Law authority after holding a public hearing. A template for a local law is included in NYSERDA's Community Choice Aggregation Toolkit.

What is a data protection plan?

The data protection plan describes how the Community Choice Aggregation Administrator will ensure the same level of consumer protections as currently provided by Central Hudson and ESCOs. Central Hudson has developed a data security agreement that has been approved by the PSC and sets forth these requirements. The data security agreement is the standard agreement that all Community Choice Aggregations must sign with Central Hudson. Community Choice Aggregations must also file a data protection plan, which will explain what steps will be taken to implement the agreement and otherwise protect personal data.

How can communities join together to form a Community Choice Aggregation program?

Cities, towns and villages may join together to pool demand and build market clout. In Community Choice Aggregation programs where one local government serves as the Administrator, other participating local governments may wish to enter into an inter-municipal agreement with the municipal Administrator to create a Community Choice Aggregation program.

Where the Administrator is a third party, such as a nonprofit organization, private company or local development corporation, municipalities may enter into a memorandum of understanding, contract or other agreement with the Administrator to commit to participate in the program subject to certain terms and conditions. Templates for memorandum of understandings and inter-municipal agreements are included in NYSERDA's Community Choice Aggregation Toolkit, available [here](#). These documents are not required, but may be useful.

How do Community Choice Aggregation Administrators procure the energy supply bid?

Electricity and natural gas suppliers are typically selected through a competitive procurement process, using an energy procurement request for proposals or bids. Each municipality participating in Community Choice Aggregation should designate a liaison who will review the draft request for proposals and provide input to the Community Choice Aggregation Administrator prior to publication.

Will the same ESCO be used for both electric and natural gas procurement?

Possibly. ESCOs may have the opportunity to submit bids for either or both, and the Community Choice Aggregation Administrator has the freedom to choose the same ESCO. However, the

Administrator is not required to choose any ESCO if responses to request for proposals are not satisfactory.