The Changing Electric Utility Industry — Roles & Opportunities for Local Governments
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Howard Choy Consulting, LLC

• About Howard...
Vanir is an award-winning program, project and construction management firm operating strategically throughout the U.S. since 1980.

Vanir’s Sustainability team is of experts who are well-versed in:

Howard Choy, General Manager – County Office of Sustainability, County of Los Angeles (retired)
THIS IS NOT A COMMUNITY CHOICE AGGREGATION PRESENTATION

(You’re welcome!)
Vertically Integrated Utility Model
The Model is Changing, Quickly

- IOUs, CCAs, Munis
- Direct Access
- Distributed Generation
- Carbon Free Policies

- Grid Capacity, Reliability,
  - Resilience (regional, local)
  - Distributed Generation
  - Distributed Energy Resources

- Customer Choice (EV, DG, Storage, EE, microgrids, smart buildings, etc)
- IOU, CCA, CEC Programs
- Carbon Free Choices
Transformation of the Power System

A Highly Interconnected Power System that Optimizes Energy Resources

EPRI | ELECTRIC POWER RESEARCH INSTITUTE
*Simplified version of PNNL "Grid Architecture 2", January 2016*
New opportunities for electric consumption under solar peak periods.

New peak period requires efficiency, reduced consumption.
Current Opportunities

1. Generation
   - Direct Access
   - CCAs
   - Traditional, Distributed Generation Investments

2. Transmission
   - Grid Programs for Reliability, Load Management

3. Distribution
   - Traditional IOU, CEC Programs
   - Grid Programs for Reliability, Load Mgmt
   - CCA Programs

4. Retail
New Community Priorities?

• Local, Regional Resilience (Grid, Critical Services)
• Avoided Grid Infrastructure (Local, Regional)
• Energy Supply Management (Local versus traditional, carbon free)
• Local Control & Decision Making
Current Opportunities – Jargon Time!

• **Grid Programs for Reliability, Load Management**
  • Demand Response (CAISO, CPUC, IOUs, 3\textsuperscript{rd} Parties)
  • Local Capacity Requirements – Request for Offers
    ▪ Managed by IOUs
    ▪ 3\textsuperscript{rd} Party Providers
    ▪ Paid by Grid Avoided Costs, Ratepayer Benefit Charges

• **Recent SCE Solicitations**
  ▪ West L.A. Basin (most of L.A. County)
  ▪ Moorpark/Goleta (most of Ventura/S.B. Counties)
  ▪ Preferred Resource Pilot (portions of Irvine)

• **IOUs Power Procurement (includes some DERs)**
- Local Capacity Requirements (means supply, reliability needs on the grid)
- Request For Offer (grid manager does a solicitation)
- Location Specific (the needs are in certain parts of the system)
- Multiple services (DERs, ahead/behind meter, big/small)
- Subsidized by grid costs avoidance, ratepayer benefits (the financial benefits come from multiple sources)
- Why can’t an LG, CCA participate? They can!
LCR RFO cont’d

- LCR RFO Vendor Needs (LGs can help here!)
  - Local community knowledge
  - Program credibility, branding
  - Local involvement, promotion
  - Connections into community building sectors

- Community Benefits of LCR RFO (reason why LG should care!)
  - Resilient local grid
  - Mitigation of fossil-fuel projects, grid infrastructure growth
Upcoming Opportunities

• **CPUC Programs Under Development**
  • R 14-10-003, R 14-08-013 (Additional programs for DER integration into grid)
  • R 13-11-005 EE Programs (CCAs can access EE)
  • R 15-03-011 Storage (unlocks more storage benefits)
  • A 16-08-006 Diablo Canyon Retirement (plant benefits replaced with DERs)

• **CAISO Demand Response Program**
Vision for Local Governments in This World

• CCAs (finally) offer a financially sustainable source of local government energy expertise and autonomy

• Local governments and/or CCAs can partner with grid operators and DERs market providers on local, regional implementation

• Local governments can implement local energy and resiliency projects that align with community needs and grid needs

• Local governments can utilize local planning functions involving DERs, clean transportation, microgrids, broadband communication that support resilient grids
What to Do

- Governments coming up to speed on energy but the world is moving too quickly

- Engage your new, financially sustainable source of energy expertise who know this

- Get involved with them in current opportunities

- Establish a plan for upcoming opportunities

- Work together on the Vision with clear CCA roles, local government roles

- Join the Local Government Sustainable Energy Coalition
Thank You!

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