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What will Community Choice Aggregation mean for your energy bill?

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At the start of July, the city of Rochester announced the launch of Rochester Community Power, RCP, the city's latest green energy initiative. The program website claims it will offer consumers clean, renewable energy at a lower cost, driven by the collective buying power of customers.

In launching RCP, Rochester becomes the largest city in New York to establish a CCA.

What is Community Choice Aggregation?

The programs are intended to let municipalities choose their own default electricity supplier for residential and small-business accounts in their communities. It is important to note that CCA Programs affect only the **supplier, not the delivery of electricity**.

The choice programs allow municipalities to leverage the total buying power of its residents and small businesses in order to control the terms of electricity supply purchases. The programs pool local demand allowing for the negotiation of more favorable terms.

Through RCP, the city of Rochester used the more than 80,000 RG&E account holders to solicit bids from electricity suppliers. In the end, they selected Constellation, an energy company headquartered in Baltimore that is a subsidiary of Exelon, which is, by revenue, the largest electric parent company in the U.S. It is headquartered in Chicago.

What is the benefit?

The sales pitch has shifted over the past year to be less about cost savings and more about carbon footprint.

In Brighton, the town also received \$50,000 from Source Power. The CCA is only for electric supply. Source Power offered an additional opt-in community solar program, separate from the CCA and put \$50 per enrollment into a fund the town can use for sustainability efforts.

Pittsford and Irondequoit have similar solar programs and sustainability fund.

How do I join RCP?

In early July, the city sent out letters notifying residents that they are automatically enrolled in RCP as of Sept. 1. Some 55,000 letters were sent to eligible customers. That is twice the number sent to Brighton, Victor and Canandaigua, combined.

RCP will provide residents and small business with 100% renewable power that is locally sourced at a fixed rate of 0.05800 cents per kWh (kilowatt hour) and 0.05877 cents per kWh for residential and small commercial consumers respectively, the city said.

The program's current contract is for two years. During that time, the city anticipates that participants will "contribute to the avoidance of more than 450,000 metric tons of greenhouse gas emissions, the equivalent amount of carbon sequestered by approximately 553,000 acres of forest, which is 23 times larger than the city of Rochester."

Do I have to participate in RCP?

Residents who do not wish to participate in RCP can opt out of or withdraw from the program without penalties or fees. Those who do choose to opt out will use RG&E for their electricity supply service at the variable utility rate.

All customers, regardless of whether or not they choose to opt out of the program, will continue to use RG&E for delivery, repair service and billing.

What is the typical enrollment rate for a community?

The range varies considerably, from 65% to almost 90% in CCAs across New York state, officials said.

That percentage is influenced by location, as upstate has some of the cheapest electricity supply charges, while downstate rates are higher — making a CCA more attractive.

Three months in, 85% of eligible Brighton customers had enrolled. Now at six months and counting, the program has about 75% participation, a drop officials attribute to billing

challenges.

While there is no base number of customers required, “the only way it really works is because it’s opt-in,” said Brighton town Supervisor Bill Moehle. “If you had to opt in, then it’s door-to-door.”

But both the Brighton and Rochester programs allow customers to leave at any time without penalty.

Why are residents of Brighton residents paying less?

Brighton launched its CCA in January with a two-year fixed rate of 4.292 cents per kilowatt hour of 100% locally sourced, renewable energy.

The difference in price compared with Rochester’s 5.8 cents per kilowatt hour reflects the volatility of the wholesale electrical markets, officials said, impacts of the pandemic, and the state directing utilities and others to buy more renewable electricity, thus increasing demand.

Brighton twice went out for bid last year, joined by Irondequoit and Pittsford. The first time was in the spring, with a market at historic lows. But the communities had committed to moving forward only if the rates beat RG&E’s previous 12-month average, which was 3.8967 cents per kWh through last June. That had become the accepted comparison since Westchester County was the first to offer a renewable CCA plan. That thinking has changed.

Who else is considering a CCA?

Brockport and Lima have a CCA program launching in September as well, offering a residential rate for 100% renewable of 5.912 cents per kWh, and a small commercial rate of 5.934 cents per kWh.

Those communities also will have the nation’s first opt-out community solar program, with a sustainability fund similar to what exists in Brighton.

Penfield is moving toward a CCA, having just finished a request for proposals to select an administrator. Of note, CCAs do not have to be for renewable energy but can be a way to offer lower energy rates in general.

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