



**NEVADA
COUNTY**
CALIFORNIA

**Community
Development
Agency**

950 MAIDU AVENUE, SUITE 170, PO BOX 599002,
NEVADA CITY, CA 95959-8617
(530) 265-1222 ~ FAX (530) 478-5799
<http://mynevadacounty.com>

Trisha Tillotson, Agency Director

Agriculture Commissioner | Building | Code & Compliance | Environmental Health | Planning | Public Works

NEVADA COUNTY BOARD OF SUPERVISORS

BOARD MEMO

MEETING DATE: February 25, 2025
TO: Board of Supervisors
FROM: Trisha Tillotson, Community Development Agency (CDA) Director
Mandy Stewart, Administrative Analyst II, County Executive Office and Board of Supervisors
SUBJECT: (Waive further reading/Adopt) Ordinance authorizing the implementation of a Community Choice Aggregation Program in Nevada County

RECOMMENDATION: Ordinance was introduced on February 11, 2025. We recommend waiving further reading and adopt the proposed Ordinance authorizing the implementation of a Community Choice Aggregation Program in the Territory under Public Utilities Code section 366.2.

FUNDING:

There are no funding requirements for joining a Community Choice Aggregation program and no funding requirements to become a member of Pioneer Community Energy. The cost to serve new members is funded through Pioneer rates.

BACKGROUND:

In January 2022, the Board of Supervisors was introduced to the concept of Community Choice Aggregation (“CCA”) as it relates to energy sourcing outside of Pacific Gas & Electric (PG&E). A CCA provides local control over the electricity supply with a primary objective of providing competitive rates to the residents and businesses within its member jurisdictions.

Pioneer Community Energy (Pioneer) is a Joint Powers Authority (JPA) formed between the Counties of Placer and El Dorado, the Town of Loomis, and the Cities of Auburn, Colfax, Grass Valley, Lincoln, Nevada City, Placerville, and Rocklin.

Pioneer is a Community Choice Aggregation Program (CCA) authorized under Assembly Bill 117 (2002).

Pioneer purchases the electricity supply (generation), and PG&E transmits and delivers the power through PG&E’s infrastructure (poles and wires). PG&E continues to own, operate, and maintain its distribution infrastructure, as well as to provide meter reading and billing services for Pioneer’s customers.

With Board direction, Pioneer and the County commissioned an Impact Assessment Study in September 2023 to evaluate the fiscal impacts of expanding service into unincorporated Nevada County. The Impact Assessment revealed that if Nevada County moved forward with joining Pioneer at that time, Nevada County customers would be subject to an elevated rate to support the higher cost of energy procurement at the time of the study.

Given the unfavorable analysis, the Board of Supervisors made the decision to halt the process with the option to restart again in 2024, or any year thereafter. In March 2024, Nevada County staff restarted rate comparison analysis to evaluate the price differentials between the average residential bill under a CCA and the respective investor-owned utility within the CCA service area. Based on the publicly available Joint Rate Comparison documents, on

average, CCA's still demonstrated customer savings for the consumer relative to the investor-owned utilities. In addition to customer savings, CCA's provide customers the option to select a 100% renewable energy plan as well as the option to stay with the local investor-owned utility provider should they prefer.

With CCA participation, customers have the benefit of choice. As CCA's are public agencies with no shareholders, member agencies also benefit from the opportunity for excess cash flows to be reinvested into local renewable energy projects which supports two of Nevada County's priority objectives: Economic Development and Climate Resilience.

Given the average customer savings, as well as the support of two of our priority objectives, staff recommended commissioning a new Impact Assessment Study for Pioneer Community Energy expanding into unincorporated Nevada County. The impact Assessment Study was completed by Pacific Energy Advisors in September 2024 and the study evaluated the financial feasibility of unincorporated Nevada County joining Pioneer Community Energy along with other neighboring jurisdictions including the Counties of Butte, Sutter, Glenn and Tuolumne; the Cities of Chico, Oroville, Live Oak, Sonora, Orland, Willows, and Yuba City; and the Town of Paradise.

In November 2024, members of the Pacific Energy Advisor team as well as members of Pioneer Community Energy presented the findings of the Impact Assessment Study to the Nevada County Board of Supervisors. The results showed that, given a longer runway to procure power for all the new interested jurisdictions, expansion was favorable, and Pioneer was forecasted to retain positive operating margins throughout the forecast period. The study outlined a path forward for Pioneer to file its implementation plan with the CPUC in March 2025, and following the approval roughly 90 days later, Pioneer would begin purchasing power to serve all the additional member agencies. To avoid the spike in energy prices and resource adequacy costs during the summer months, Pioneer would purchase power during the non-peak months with the expectation of launching service to all the new member agencies in October 2027.

Following the presentation, the Nevada County Board directed staff to continue with the expansion process and on December 19, 2024, the Pioneer Community Energy Governing Board unanimously approved the expansion and directed Pioneer staff to begin the process of amending the JPA to include all new 13 jurisdictions as member agencies.

As mandated by the legislation that created Community Choice Aggregators (CCA) any new members must join a CCA through an ordinance.

On February 11, 2025, the Ordinance was introduced to the Board of Supervisors with the first reading achieving unanimous approval.

Therefore, County staff recommends for the Board of Supervisors to waive further reading and adopt the Ordinance authorizing the implementation of a Community Choice Aggregation Program in unincorporated Nevada County.