MEMORANDUM

From: Hilary Swartwood, Sustainability Planner
To: Town Board Members
Date: August 14, 2023
Subject: Tompkins Green Energy Network Local Distributed Energy Resource Plan

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The purpose of this memo is to provide a summary of the contents of the Local Distributed Energy Resource Plan for Community Choice Aggregation ("DER Plan" or "the Plan"), which has been provided to the Town Board.

Since the Town Board's approval of the Community Choice Aggregation (Energy) Program last year, New York State's Department of Public Service released new regulations pertaining to Community Choice Aggregations (CCAs). The new regulations dictate that the local laws that were passed (e.g., the Town's CCA program) are inclusive enough that no further planning on behalf of the municipality is required. The changes also dictate that any voluntary activities happening with CCAs (e.g., DER investments) are now up to the local governments to approve. CCA enables the Town to procure clean energy resources on behalf of residents and businesses, so customers get cleaner energy, local control, and competitive rates.

As detailed in previous updates, Town staff have been in consultation with Local Power, LLC, a state approved CCA Administrator since June 2022. The contract with Local Power requires the consultant to assist with, 1) the drafting of a CCA Enabling Local Law, 2) a customer data protection plan, 3) a CCA administrator agreement, 4) a customer engagement plan, per the order of the Public Service Commission (PSC), 5) prepare a CCA implementation plan for PSC approval, and 6) draft an RFP to select an Energy Supply Company (ESCO). On June 14, 2023, sustainability staff received the draft implementation plan, consistent with the PSC order. As of June 2023, the Town's CCA program will be referred to as Tompkins Green Energy Network (T-GEN).

The DER plan establishes processes for engaging customers in voluntary DER investment in an effort to 1) reduce strain on the grid, 2) accelerate the adoption of renewables, and 3) democratize onsite DER development. The plan also details the roles and responsibilities of the Administrator, the Town, and other municipal partners. Brief synopses of processes and roles are included in the below sections.

Aggregation

In addition to the aggregation of utility accounts for the purposes of bulk purchasing energy on behalf of residents and businesses, the DER Plan aims to aggregate customer investment in DERs. This would look similar to a "community solar" model, with the differentiating factor that projects would be hyperlocal to the users. Under the proposed DER investment aggregation plan, there are multiple configurations of customer agreements that could be found:

- **Sharers** own units of a DER and are enrolled individually
- **Users** are share owners who are *also* offtakers of DER-produced energy

- **Cooperatives** are groups of customers that invest mutually in DERs
- **Site Owners** are the owners of a building or property who consent to participating in the DER either alone or by joining a Cooperative

Details on the types of DER customers are detailed in the DER Plan.

Types of DERs available for investment cover all sources of carbon emissions and will largely be dictated by customer demand and interest. Examples of DERs potentially available in the program include:

- Microgrids, nanogrids, and other load management strategies
- Heat pumps and thermal loops
- Solar arrays and battery storage
- EV charging, EV sharing, and vehicle-to-building charging
- Waste minimization strategies via municipal signatory engagement

Legal Documents

Also detailed in the Plan are the legal documents and agreements required for T-GEN to launch. These agreements will be drafted collaboratively between the Town, the City, and the CCA Administrator. Required agreements include:

- **Cooperative Agreement** between "Users" and "Site Owners"
- **RFP Template** for Vendors and Lenders
- **Data Security Agreement** between the Town and NYSEG
- **Intermunicipal Agreement** between the, Town of Ithaca, City of Ithaca, and any other municipalities wishing to join the CCA program

Data & Reporting

The CCA Administrator agrees to manage and report data to the Town , enrolled customers, and the Public Service Commission. These analyses include performance reporting, DER projects summary, opportunities for program improvement, and profits and losses modeling.

Responsibilities

Finally, the Plan includes responsibilities required of each party. While the Administrator is carrying most of the load, the Town will need to participate actively and collaboratively to ensure the program is successful. A summary of roles is listed below.

CCA Administrator
- Energy procurement management
- Prioritize inclusivity across all local communities
- State regulatory compliance
- DER procurement, management, and analysis
- DER Lender prequalification and cooperation
- Communication and engagement management and strategy
- Customer enrollment
- Customer billing and support

Town of Ithaca
- Participation in T-GEN Advisory Group
- Awarding proposals
- Intermunicipal agreement
- Participation in PSC-required outreach and education
- Program oversight and reporting to the Town Board
- Enrollment of municipal accounts

- Communications via Town mailings
- Notifications via committee agendas

Progress and Timeline

June 2022 – Initial contract with Local Power, LLC.
October 2022 – Town adopts CCA- enabling Local Law
January 2023 – New York State's Department of Public Service ("DPS") announces changes coming to CCA regulations
May 2023 – DPS releases final CCA regulations
June 2023 – Draft DER Plan received
July 2023 – Internal Review
August 2023 – Town Board introduced to the DER Plan
September 2023 – CCA Administrator selected
September 2023 – Town Board approval of the DER Plan
September 2023 – ESCO RFP
July- October 2023 – Public Outreach
January 2024 – Town Board approval of ESCO contract
May 2024 – Opt- out notification
June 2024 – Customer enrollment