



Central Coast  
Community  
Energy

CLEAN ENERGY. LOCAL CONTROL.



# 2022 Annual Report





# Letter from CEO

This past year, as businesses re-opened and people returned to a semblance of normal life, Central Coast Community Energy (CCCE) helped ease the transition: providing rate relief for those in need, while continuing to source clean energy to help local businesses bounce back.

We did so despite challenges such as increasingly volatile energy markets, soaring prices and supply chain issues. CCCE made significant progress toward our goal of achieving 100% clean and renewable energy by 2030, thanks to focusing on our goals and staying the course. We have advanced our projects and program offerings while protecting our customers from rate spikes and providing affordable, clean energy.

### Renewables

CCCE's goal is to achieve 60% renewable energy by 2025, and 100% by 2030. We are making steady progress in delivering on that promise. While others scrambled to review their strategies to respond to new regulations and higher energy prices, we saw previous investments come to life. Five new renewable energy projects came online this year, growing our ability to meet customer demand. These five projects together can supply 22% of our customers' annual energy needs.

### Power Supply

In our effort to keep our promise of 100% clean and renewable energy at affordable prices, we know the critical piece is storing that energy for later use. We have and will continue to invest in battery storage to help with reliability and meet energy needs when the sun goes down but demand remains high.

### Pricing

Market prices climbed everywhere, prompting others to seek to reopen contracts to push for higher prices that would ultimately fall to customers.

At CCCE, however, we believe in honoring the commitments we've made. We signed many

energy supply contracts when prices were more favorable, which has protected our customers from spikes in prices today.

Staying the course has helped us continue to deliver clean power at more stable, affordable prices. Our rates help customers in all communities, including those who are underserved, know what to expect on their bills and keep the lights on.

### Programs

In addition to growing capacity and transparent pricing, we expanded our programs this past year. We exceeded previous years in terms of numbers of applicants and funding spent on the programs. Our programs addresses local climate equity by offering double the incentives for income-qualified customers and providing accessible opportunities for eco-friendly alternatives to gas powered vehicles and equipment.

The key is our approach. We understand our customers, we have deep knowledge of how to design energy programs that benefit our communities, and we recognize strong investments that benefit our goals. It helps that we insist on clarity, process improvement, reliability and the ability to grow to meet increasing demand.

### Looking ahead

Our strategy of consistent forward progress has served us well this past year. We intend to keep our promises as we work toward a future of sustainable, environmentally and socially responsible energy to power our communities.

We look forward to continuing to serve you.



*Tom Habashi*  
Tom Habashi  
Chief Executive Officer

# Executive Staff



*Tom Habashi*  
Chief Executive Officer



*Robert Shaw*  
Chief Operating Officer



*Jaya Bajpai*  
Chief Financial Officer



*Dennis Dyc-O'Neal*  
Director of Power Supply  
Resources



*Catherine Stedman*  
Director of Communications  
& Outreach



*Jon Griesser*  
Director of Energy Programs



*Hilary Staver*  
Director of Regulatory &  
Legislative Affairs



*Alicia Hicks*  
Director of Human  
Resources & Administrative  
Services



# Programs Progress & Outcomes

Delivering on our goals of providing clean, renewable energy to our customers at affordable and competitive rates, we have instituted programs each year to help address each community's unique priorities by focusing on three areas that contribute most to regional emissions: transportation, building and agriculture. These programs enable CCCE to reinvest in our local community and provide greener solutions for all customer types.

This past year, we spent more than \$10 million on programs and helped them grow, with more customers becoming aware and taking advantage of them over time.

Here's a look at how our programs have fared this past year and the positive impacts on the communities of the Central Coast.

## AG ELECTRIFICATION

The Agricultural Electrification program helps farmers and ranchers electrify their operations to provide cleaner air for farmworkers and our communities, supported by rebates to upgrade to electric farm equipment. By switching to electric equipment, farmers not only help improve air quality and decrease harmful diesel exhaust, they also respond to tightening environmental standards and consumer demand for sustainable production practices. This program helps agricultural operations use more efficient technology that requires less maintenance and provides an opportunity for cost savings. Rebates are available for farmers who switch to electric irrigation pumps, boiler/chilling systems, forklifts, tractors, transportation and more.



CCCE increased its focus on small businesses with this program, resulting in 22 of 34 total projects helping small agricultural operations. For the coming year, we plan to adjust incentive levels to increase the impacts of the program and support for small farmers, as well as include a training component to help with the maintenance of electric equipment. A new focus for the upcoming fiscal year includes support for high-powered EV charging stations that can completely recharge a typical electric battery in about 30 minutes, reducing the wait time needed to charge electric vehicles and other equipment.

**Total community reinvestment via Ag Electrification Program rebates: \$594,270**

## ELECTRIFY YOUR RIDE

Our Electrify Your Ride program has provided 2,231 residents with \$2.8 million in rebates for electric vehicles, chargers and assistance to support electric vehicle charger installation.

Because transportation produces the largest share of greenhouse gas emissions in the U.S., electrifying vehicles will have a significant payoff in the long run. This program will help individual car owners have a greater impact on our air quality, while at the same time, saving money on fuel and maintenance. We also offer incentives to help businesses and local government agencies electrify their fleets.

As we continue this program, we expect to increase our focus on developing the necessary charging infrastructure and working with a third party to support the program.

**Total community reinvestment via Electrify Your Ride Program rebates: \$2,832,852**



## ELECTRIFY YOUR HOME

Electrifying your appliances is an important move for both greenhouse gas emissions and the health of the home. The Electrify Your Home offers customers incentives to improve the air our families breathe indoors, which contributes to climate action for the planet.

Electrify Your Home helps landlords and homeowners make the switch to electric water heaters and HVAC systems. Electrifying a home's heating and cooling systems has been shown to benefit health and safety while also reducing greenhouse gas emissions from gas and propane.

This past year, we initiated several projects that helped residents purchase and install the appropriate equipment, as well as make the electric panel upgrades or replacements necessary to accommodate the switch to electric appliances.

For this coming year, we plan to grow the program with a continued focus on training and education for local contractors who are available to assist homeowners with installations.

**Total community reinvestment via Electrify Your Home Program rebates: \$68,000**



## SCHOOL BUS ELECTRIFICATION

The iconic yellow school bus hasn't seen many outward changes over the years, but some have changed significantly underneath. Electrified school buses benefit students and communities with cleaner air and cost savings.

Switching out a diesel-burning school bus for an electric one can avoid more than 15 metric tons of greenhouse gas emissions each year, while saving school districts money on fuel and maintenance. They're even more comfortable and drive better than diesel buses.

CCCE's program helps districts purchase and lease electric buses. In 2022, we also dedicated more than \$1 million to help seven Title 1 schools in our service territory reserve electric school buses that not only reduce emissions but that protect children from exposure to harmful diesel exhaust.

**Total community reinvestment via Electrify Your Bus Program rebates: \$1,456,259**

## NEW CONSTRUCTION ELECTRIFICATION

What better way to encourage the use of electric appliances than to include them in homes from the start?

CCCE's electrification program for new construction offers housing developers and homeowners incentives to build all-electric housing. The program focuses on projects that promote affordability and address housing needs, such as affordable housing developments, farmworker housing and accessory dwelling units.

Encouraging new construction to use electricity saves time and money down the road by eliminating the need for conversion later. This year, our program supported six projects with more than \$600,000 in local investments. Those six projects included a total of 448 affordable housing units.

We plan to continue our concentration on affordable housing and to add new customer segments, such as infill projects, Accessory Dwelling Units, and rebuilding structures damaged or lost in wildfires.

**Total community reinvestment via New Construction Electrification Program rebates: \$602,500**

## MEMBER AGENCY SERVICES

Thirty-four communities joined Central Coast Community Energy (CCCE) with the shared goal of reducing greenhouse gas emissions, supporting the growth of clean and renewable energy, and accessing new economic and environmental benefits.

In 2022, the Electrify Your Fleet and Charge Your Fleet programs were launched. These programs were designed for CCCE's 34 member agencies to reduce their greenhouse gas emissions. The programs help incentivize the purchase/lease and installation of electric vehicle service equipment, as well as light duty, medium duty and heavy-duty electric vehicles. Each program provides rebates of up to \$150,000 per member agency. CCCE's member agency programs support our goals to reduce greenhouse gas emissions, improve air quality, and accelerate EV adoption for local government fleets.

## LOOKING AHEAD

We will continue to build momentum with these programs, while working to grow customer involvement. CCCE is particularly interested in increasing customer engagement within underserved communities, while also increasing our impact in the ongoing effort to reduce greenhouse gas emissions.

# New Renewable Energy & Storage Projects

## Power Source Map



Central Coast  
**Community  
Energy**



### San Luis West

Fresno County, CA  
Solar+Storage  
Under Development

### Casa Diablo-IV

Casa Diablo Mono County, CA  
Geothermal  
Online

### Angela

Tulare County, CA  
Solar+Storage  
Under Development

### COSO Geothermal

Inyo County, CA  
Geothermal  
Online

### Yellow Pine

Clark County, NV  
Solar+Storage  
Under Development

### Atlas

La Paz County, AZ  
Solar  
Under Development

### Victory Pass

Riverside County, CA  
Solar+Storage  
Under Development

### Mountain View Wind Repowering Project

Riverside County, CA  
Wind  
Online

### Big Beau

Kern County, CA  
Solar + Storage  
Online

### Rabbitbrush

Kern County, CA  
Solar + Storage  
Online

### Willow Rock Energy Storage Center

Kern County, CA  
Storage  
Under Development

### RPCA Storage 1

Santa Barbara County, CA  
Storage  
Under Development

### Jasmine

Kern County, CA  
Solar+Storage  
Under Development

### California Flats

Monterey County, CA  
Storage  
Online

### Long Duration Energy Storage

Monterey County, CA  
Storage  
Under Development

### Slate

Kings County, CA  
Solar+Storage  
Online



# Power Supply Progress






For CCCE to meet our goal of providing 100% clean and renewable energy by 2030, while keeping rates affordable we need to invest along the entire supply chain, from power generation to customer use.

We are doing just that by participating in longer-term energy generation and storage projects. Our comprehensive, well-planned strategy is already showing benefits to our customers.

## ACQUIRING ENERGY

In 2021, CCCE reevaluated our strategy for procuring clean, renewable energy. The result was a decision to focus on acquiring energy from new projects, which would have a longer life and make a greater impact than relying on existing renewable energy sources and carbon-free attributes. Since that decision, five energy generation projects have come online. Our plan for 2023 is to increase sources of clean energy in our portfolio.

The projects that came online include two geothermal, two solar-plus-storage projects and one wind project:

Source	Project	Location	About
	Coso	Inyo County, CA	Expected to meet about 11% of CCCE's energy needs.
	Slate	Kings County, CA	Expected to meet about 4% of CCCE's overall consumption.
	Casa Diablo IV	Mono County, CA	The first new geothermal project to be built in California in 30 years and will serve about 1% of CCCE's annual load.
	Mountain View	Riverside, CA	Began deliveries five months ahead of schedule and will cover 3% of CCCE's annual load.
	Rabbitbrush	Kern County, CA	Will meet 3% of our annual load.

CCCE is procuring energy for the long haul, moving from short-term renewable resource purchases to longer-term ones. To do that, we thoroughly model the costs and availability of projects to help us reach our intended mix of mostly wind and solar with some geothermal included.

We have executed contracts for 19 projects, poised to supply 60% of our customer's electricity needs with clean and renewable energy by 2025. We will continue to pursue additional new sources of carbon-free generation to meet our goal of attaining 100% clean and renewable power by 2030.



## ENERGY STORAGE

The key challenge in converting to 100% clean and renewable energy is overcoming the times when there is no wind or sun available. Currently, California meets those needs with fossil fuel-generated electricity.

To use renewable energy during those times, we need technologies such as batteries to store excess solar and wind energy. Storing surplus energy also allows us to have a supply when it's needed – for instance, during outages or extreme weather – helping build more reliability into the electric grid, and keep costs down.

Energy storage will also allow us to meet consumer demand more reliably during peak usage times in the mornings and evenings.



## MEETING TIMELINES

Reaching our goal of 60% renewables by 2025 and 100% by 2030 is a formidable task that is not without its obstacles. Supply chain difficulties, manufacturing disruptions, market considerations and other possible delays can affect the progress of projects from which we have contracted to receive electricity. We are working closely with our partners to ensure our projects can be built successfully while maintaining our contract terms.

CCCE's dedication to delivering on our promises continues to drive our performance, strategies, and success.



# Key Accounts & Outreach

Throughout CCCE’s service area, we have large commercial customers, each with their own specific needs for their unique business. Our commercial customers account for the largest share of our electricity usage and therefore play an important role in achieving our climate goals.

To help provide local businesses with the energy they need, while also achieving greenhouse gas reductions, we partner with each customer. Business partnerships help us learn about each company’s unique requirements and plan the best course of action to deliver clean, renewable and reliable electricity, while keeping rates affordable and competitive.

We have programs that are specifically designed for businesses to help make reducing emissions an attractive proposition. CCCE’s programs, such as those aimed at helping commercial fleets transition from fossil fuels to electricity, can make a large contribution to greenhouse gas reductions.









## HANDS-ON CUSTOMER SERVICE

Learning about electrification can require a time commitment from business owners – time that otherwise could be spent on customer relationships and their bottom line. However, we recognize the value of having large companies on board if we hope to achieve our clean and renewable energy goals and make a significant impact on climate-altering emissions. So we partner closely with these customers and work hard to provide efficient solutions that minimize their commitment of time and maximize opportunities for cost savings.

We strive to reach business owners in the way that is most convenient for them, try to learn about each company’s unique needs, and offer the training and education that can help ease the transition away from fossil fuels. We use workshops, surveys, direct communication and every tool available to reach this integral segment of our customer base.

Through an engaged commercial community, we will have the greatest positive impact on greenhouse gas emissions all along the Central Coast.

# FY 22/23 Financial Overview

 Key Performance Indicators	 Agriculture Electrification	 Electric School Bus	 Electrify Your Ride	 Electrify Your Home	 New Construction Electrification
Number of Projects	34	8	2231	12	6
Incentives Committed/Paid	\$594K	\$1.4M	\$2.8M	\$68K	\$602K
CO2 Avoided	608 mT	148 mT	2493 mT	8.25 mT	170 mT

FY 22/23 Energy Programs Portfolio		Proposed FY 22/23 Budget	CCCE FY 22/23 Budget		
COMMUNITY PROGRAMS			LINE ITEM	BUDGET	NOTES
Agriculture Electrification Program		\$2,150,000	Aggregate Cost of Energy - RA, Energy, PPA	\$377,918,806.77	Key Staffing and Support Expenditures >\$0.5 MM
Electrify Your Ride Program		\$4,530,000	Data Manager	\$2,793,200	
Electric Bus Program		\$2,000,000	Service Fees - IOU	\$2,100,000	
Electrify Your Home Program		\$1,540,000	Advertising	\$500,000	
New Construction Electrification Program		\$1,500,000	Contingency	\$1,100,000	
MEMBER AGENCY PROGRAMS			Subscriptions	\$611,062.14	
Reach Code Program		\$100,000	Legal	\$1,844,660.20	
Electrify Your Fleet Program		\$2,000,000	IT Consulting	\$593,469	
Charge Your Fleet Program		\$1,250,000	Other Consultants	\$563,000	
Fleet Electrification Planning and Technical Assistance Program		\$450,000	Technical Consultants	\$1,541,093	
Broadband Access Initiatives		\$150,000	Employee Welfare	\$1,086,405.60	
PORTFOLIO-WIDE EXPENSES			Retirement Plan Contributions	\$707,508.36	Direct Spend On Programs
Staffing and Professional Development		\$1,370,000	Salaries and Wages	\$7,042,640.36	
Program Marketing		\$365,000	Energy Programs	\$15,992,012.04	
General Program Support		\$327,000	Bad Dept Allowance	\$7,500,000	
Future Programs Research, Planning, and Development		\$150,000			
TOTAL		\$17,727,012	TOTAL	\$425,650,061.49	

Positive outcomes from the work of CCCE's Finance team continued during the 2021-2022 fiscal year. CCCE maintained its 'A' issuer credit rating from Standard & Poor's, helping to ensure agency financing and purchasing agreements include favorable terms that yield positive customer impacts.

New financial milestones were met with the implementation of Cost of Service rates in 2022, resulting in customer savings of up to 20% - considerably higher than many other CCAs. In collaboration with the Key Accounts & Outreach team, Finance also successfully migrated billing for 400,000 customers to a new data and billing provider. Despite the inclement condition of the global energy market, the financial outlook for CCCE and its customers is stronger than ever.



“It’s exciting to see the CCA concept become a reality in our area and deliver on the benefits originally imagined.”

— Alex Yasbek, City of Watsonville  
Environmental Projects Manager

