

Happy New Year! Central Coast Community Energy (3CE) is motivated more than ever to help customers electrify their transportation and buildings this year. In 2023, 3CE distributed \$3.7 million in transportation rebates and \$1.97 million in building electrification rebates. These successes and many others have given 3CE a strong base to build on this year.

#### In this newsletter, you'll find:

- Second Phase of Annual Rate Plan Now Effective
- Our Year in Review
- Automatically Lower Your Bill & Get Rewards
- Invite 3CE to Present to Your Group
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## Second Phase of Annual Rate Plan Now Effective

As part of the 2023-24 Annual Rate Plan approved by 3CE's Policy Board on Sept. 14, the second and final phase of Central Coast Community Energy's annual rate adjustment took effect on Jan. 1, 2024. The adjustment results in an average rate of \$0.017 per kilowatt hour across all customer classes, compared to 3CE rates published Oct. 1, 2023. 3CE Electric Generation Rates remain lower than PG&E Electric Generation Rates across all customer classes, as shown in the table below. In southern Santa Barbara County, 3CE rates remain indexed 2% lower than SCE.

	Average % Savings vs.
Customer Class	PG&E Generation Rates*
Residential	-23%
Small Commercial	-23%
Medium Commercial	-28%
Large Commercial**	-12%
Agriculture**	-17%

<sup>\*</sup> Comparison based on PG&E rates published January 1, 2024. \*\* Does not include PG&E demand charges; savings may be greater than shown.

3CE is committed to stable and responsible rates. The energy industry is facing significant market challenges that have driven up the cost of energy for consumers nationwide. In addition, the drive by state regulators to ensure a reliable energy grid that remains stable when we need it most requires additional investment in short-term energy resources during peak times.

This rate adjustment will allow 3CE to meet these challenges while continuing to deliver excellent service with economic and environmental benefits to all customers in accordance with our founding goals: reducing emissions, building a cleaner and more reliable grid, and investing in our communities.

#### **Our Year in Review**



Central Coast Community Energy (3CE) hit many significant milestones in 2023, including the completion of our planned membership expansion with the addition of San Luis Obispo County; celebrating five years of serving our customers; and investing in the largest clean-energy project in U.S. history.

In January, 3CE approved a 25-year contract with Hydrostor for the construction of **an innovative compressed-air energy storage facility** in Kern County, CA, scheduled to reach completion in 2028. The Willow Rock Energy Storage Center will provide 500 megawatts (MW) of long-duration energy storage, making it the largest Compressed Air Energy Storage Project in the world. Two hundred MW will be reserved for 3CE, enough to power 150,000 homes.

Also in January, 3CE's Board of Directors appointed COO **Robert Shaw as the agency's new CEO**, succeeding founding CEO Tom Habashi. Shaw's appointment followed an extensive selection process by the board, which included soliciting public input through a community survey.

In February, KCBX Central Coast Public Radio interviewed 3CE Senior Customer Accounts Manager Gabe Ruiz about 3CE's innovative Ag Electrification Program. The adoption of sustainable agricultural equipment, such as electric irrigation pumps, tractors, and utility vehicles, is crucial to California's fight against climate change and to meet the state's ambitious greenhouse gas emissions reduction goals.

In March, the **San Luis Obispo County Board of Supervisors voted to join 3CE**, bringing the total number of member agencies served to 35. The decision sets in motion a process that will result in 3CE service beginning for unincorporated areas of SLO County in January 2025 and completes 3CE's expansion plans along the Central Coast.

As we celebrated Earth Month in April, 3CE recognized the mutual accomplishment shared between the agency, regional partners, and its customers in placing more than 1,000 new and used electric vehicles on Central Coast roads to reduce transportation-related carbon emissions. Additionally, in collaboration with funding partners like the California Energy Commission, 3CE delivered rebates that will help build more than 1,000 new electric vehicle charging stations for the region.

In May, **3E CEO Rob Shaw was interviewed by Ethan Elkind, host of the "Climate Break" micro-show** and leader of the Climate Change and Business Research Initiative on behalf of the UC Berkeley and UCLA Schools of Law. CEO Shaw discussed 3CE's investment in the Willow Rock Energy Storage Center in Kern County, CA, which will be the largest compressed-air energy storage project in the world when completed in 2028. Two hundred megawatts of Willow Rock's 500 MW total capacity will be reserved for 3CE customers.

Also in May, 3CE announced **a new executive leadership team**. Seasoned administrative executive Dewayne Woods was appointed Chief Financial Officer; Catherine Stedman, who joined 3CE in 2022 to lead communications and outreach efforts, was appointed Chief Communications Officer, and Dennis Dyc-O'Neal moved from Director of Power Supply Resources to Chief Operations Officer. The appointments position the agency to meet its renewable energy goals while continuing to deliver value to customers and investment in communities through programs and rate savings.

Finally in May, 3CE staff attended the **CalCCA Annual Conference** in San Diego. The conference had well over 600 attendees. Conference highlights included keynote speeches by California Energy Commission's Vice Chair Siva Gunda, U.S. Department of Energy's James Strange, and California Public Utilities Commission President Alice Busching Reynolds. Workshops provided an opportunity to explore in detail program and technical topics including procurement and infrastructure challenges, unlocking funding opportunities, offshore wind development, energy programs, and more.

In June, 3CE and Silicon Valley Clean Energy celebrated the first new geothermal power plant built in the last 30 years within the California Independent System Operator (CAISO) balancing authority. Casa Diablo-IV (CD4) is a 30-MW geothermal power plant in Mammoth Lakes, CA, that provides stable and reliable renewable benefits 24 hours a day, with zero carbon emissions. 3CE and SVCE each receive 7 MW of geothermal power under a 10-year power purchase agreement. The power plant achieved commercial operation in July 2022, but June marked the celebration of this innovative new resource for California and 3CE customers, capable of producing clean and renewable electricity for 22,000 homes.

Also in June 3CE's Policy Board voted to adopt **a new Project Selection Methodology** for considering workforce development and investment opportunities, based on feedback solicited from community members and project stakeholders and developed with the support of local labor and community groups. Under the new criteria, 3CE's investments in future projects will reflect the sustained demand for a skilled workforce and the ongoing need for training and apprenticeship positions, while prioritizing local and historically marginalized workers and disadvantaged communities.

Telemundo 23 interviewed 3CE Customer Accounts Manager Fernanda Ocaña for a special report on "The Challenges of the Hispanic Community to Obtain Electric Vehicles" that aired June 30 on the Spanish-language CBS news affiliate KION-TV. Fernanda spoke about the agency's success in funding vehicle electrification in our communities and highlighted the opportunity for all 3CE customers to apply to incentive programs like Electrify Your Ride. The report emphasized that customers are encouraged to apply regardless of their income; 3CE's Energy Programs offer larger rebates for income-eligible applicants.

Finally in June, **3CE** kicked off our first public-education campaign aimed at raising general awareness about the agency. In addition to more customers potentially benefiting from energy program rebates, raising agency awareness will help showcase the progress 3CE has made toward its goals and demonstrate opportunities for households, businesses, and entire communities to get engaged and contribute to future progress.

In July, **3CE** joined the Chief of Staff to the U.S. Department of Energy Undersecretary of Science Ariel Marshall at Pacific Station in Santa Cruz to discuss all-electric construction and building decarbonization. The gathering featured a tour of the all-electric housing development. 3CE's New Construction Electrification Program reserved \$237,500 for Pacific Station to ensure future homes have all-electric features and appliances.

In August, the City of Carmel-By-The Sea received a 3CE rebate of more than \$223,000 for an all-electric street sweeper. The new sweeper will displace over 41 metric tons of emissions per year by replacing the gas-powered model, equivalent to removing nine gas-powered passenger vehicles from the road for one year. The city plans to install a commercial-grade vehicle charger at the Public Works Yard.

Also in August, The Gateway Center of Monterey County received **a \$2,000 3CE rebate to help with the cost of an all-electric van**. The Gateway Center is a non-profit organization in Pacific Grove that serves adults with developmental disabilities. "The all-electric van helps save hundreds of dollars in weekly fuel costs when transporting residents, clients, and students in the community," said Executive Director Robert Freiri. "It also helps reduce our carbon footprint."

In September, 3CE held its Annual Meeting at the historic Paso Robles Inn hotel grand ballroom, celebrating five years of service to our customers. The two-day, public event included speakers from the California Public Utilities Commission and the California Department of Water Resources. Discussions focused on California's road to decarbonization and the role 3CE and other CCAs and investor-owned utilities can play on this journey. Topics also included electrification and 3CE Energy Programs, as well as power purchase agreements and the approval of 3CE's FY 2023-24 budget.

Also in September, **3CE was honored by the California State Legislature** with a resolution of special public commendations congratulating the agency on its fifth anniversary. The resolution recognizes 3CE "for its commitment to delivering innovative solutions, impactful programs, and exemplary service along with clean and renewable energy" and attests that "3CE has made invaluable contributions to the Central Coast area that reflect an organization devoted to the highest ideals of community service."

In keeping with 3CE's strong focus on the Ag community, **Director Steve McShane and 3CE staff met with the Ag and Land Based Training Association** (ALBA) in Salinas in September. ALBA is an organic farm incubator program for aspiring farmers that offers hands-on training. The organization, as well as two small farmers who went through its training, received 3CE rebates for all-electric "micro-tractors." McShane and 3CE staff received a tour of ALBA's training grounds and got a chance to demo the tractor, which they said was both educational and fun.

On the transit side during September, the City of Guadalupe, 3CE, and public transportation contractor Smooth **debuted a battery electric bus at Guadalupe City Hall** as part of the city's commitment to sustainable public transportation. 3CE granted a \$250,000 rebate to the city for the transit bus, which is projected to reduce greenhouse gas emissions equivalent to taking 18 fossil-fueled passenger vehicles off the road. The city plans to install a more central charging location, which it anticipates funding in part with additional rebates and technical assistance from 3CE.

Finally in September, Jenna Espinosa, 3CE's Manager of Customer Accounts and Services, participated in **a panel discussion at the CPUC's Small and Diverse Business Expo** in Escondido. The panel's theme was "How to Navigate Procurement Opportunities with Community Choice Aggregators" and her remarks focused on community engagement and outreach. According to the CPUC, around 650 people attended the Expo, with booths from many diverse business and community groups.

Back in June 2021, four CCAs, including 3CE, formed a new Joint Powers Authority, the California Community Choice Financing Authority, to reduce the cost of power purchases through a pre-payment structure. (Pre-payment has been used by municipal utilities for many years to buy natural gas.) In October, **3CE secured its first pre-pay bond issuances, totaling \$647.8 million**. The bonds, which received an invest-grade Aa3 rating from Moody's and a "Green Bonds" designation from Kestrel, are projected to save 3CE customers nearly 11.4% in energy costs, or \$4.7 million each year over the initial seven-year period.

In November, 3CE's Operations Board approved a 15-year power purchase agreement with SunZia Wind that will serve about 11% of 3CE's demand. Developer Pattern Energy Group said the wind farm and its associated SunZia Transmission infrastructure constitute the largest clean-energy project in U.S. history. The agreement will diversify 3CE's renewables portfolio and provide critical resource adequacy benefits. Deliveries are expected to begin in 2026, with 3CE and its customers receiving 200 MW of clean energy from the project, enough to power 150,000 homes.

In November, 3CE celebrated **the ribbon cutting of Yellow Pine Solar I**, a large-scale solar and battery-storage project in Clark County, Nevada. Policy Board Directors Bruce McPherson and Steve McShane attended the event along with 3CE leadership and staff. The facility will generate up to 125 MW of clean, renewable electricity and has a 65 MW storage capacity, enough to power more than 37,500 homes. 3CE and Silicon Valley Clean Energy will provide electricity from Yellow Pine Solar I to a combined service area of more than 722,000 customers.

In December, the City of Capitola unveiled its first all-electric street sweeper, aided by an incentive award of \$250,000 from 3CE. Speaking at the event, 3CE CEO Robert Shaw praised the power of partnership with local government to meet the community's needs. The new zero-emission street sweeper replaces a traditional diesel model that has been in operation for more than 10 years. Over its lifetime, the R3Air sweeper will save 90 metric tons of carbon emissions, the equivalent of not burning nearly 9,000 gallons of diesel, helping Capitola meet the goals set forth in its Climate Action Plan.

And finally in December, 3CE announced its support for **the largest cleanenergy infrastructure project in U.S. history**, signing a 15-year contract with Pattern Energy Group to receive electricity from SunZia Wind, a new renewable energy project in New Mexico delivering power to California via its new 550-mile transmission line. The project, expected to come online in 2026, will provide 3CE with 200 MW of the facility's total 3,500 MW output, enough to power 150,000 Central Coast homes. The project is in one of the windiest areas of the country and will provide a continued source of clean electricity in the late afternoon and early evening, and will also reduce the need for fossil fuels to meet peak demand during extreme summer heat conditions.

As always, this year's achievements and progress were made possible by 3CE's customers, who are our partners in everything we do -- from building new clean and renewable energy resources to support a more reliable grid, to electrifying the transportation, homes, and businesses of the Central Coast. In 2024, we'll continue to reduce greenhouse gas emissions, deliver clean energy and cost savings to our customers, and reinvest in our communities. **Together, we're using power for good**.

### Automatically Lower Your Bill & Get Rewards

**()** OhmConnect

Save electricity when it's most expensive & lower your electric bill



3CE has partnered with OhmConnect, a free service that will alert you when electricity prices spike in your area due to high demand so you can conserve energy, ultimately lowering your electric bill while you earn rewards. It takes just 2 minutes to join and if you sign up with this link, you can receive \$50!\*

SIGN ME UP!

# Invite 3CE's Outreach Team to Present to Your Group

Central Coast Community Energy (3CE) offers outreach presentations to local groups, focused on providing information about the agency's commitments to clean and renewable energy, competitive rates, and community investment.

If you are interested in having 3CE present to your group, please contact Sophia Schwirzke at <a href="mailto:sschwirzke@3ce.org">sschwirzke@3ce.org</a>.

### **Upcoming Meetings**

Central Coast Community Energy encourages public participation in agency meetings, held in person and on ZOOM with available dial-in options. Attendees may provide live public comments remotely through ZOOM or submit them in advance via email at <a href="mailto:publiccomments@3ce.org">publiccomments@3ce.org</a>. Sign up to receive public board notices that include meeting details.

DATES AND LIVESTREAM INFO













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