SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ITEM
9.2
(ID # 5745)

MEETING DATE:
Tuesday, November 14, 2017

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Public Hearing on the Adoption of the Community Choice Program Implementation Plan and Adoption of Ordinance No. 940, an Ordinance of the County of Riverside Establishing a Community Choice Aggregation Program - All Districts, [Total costs - $0] [Source of Funds: N/A]

RECOMMENDED MOTION: That the Board of Supervisors:
1. Conduct the public hearing on the Community Choice Aggregation (CCA) Implementation Plan prepared by Good Energy, L.P. and Fox & Keyes, LLC. dated October 18, 2017; and
2. At the close of the public hearing, adopt the CCA Implementation Plan and adopt Ordinance No. 940, an Ordinance of the County of Riverside Establishing a Community Choice Aggregation Plan Program; and
3. Authorize the Executive Office to submit the CCA Implementation Plan to the California Public Utilities Commission (CPUC) for certification, as well as any other additional information requested by the CPUC.

ACTION: Policy

Brian Nestande 11/6/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Ashley and duly carried, IT WAS ORDERED that the above matter is approved as recommended and that Ordinance 940 is adopted with waiver of the reading.

Ayes:	Tavaglione, Perez and Ashley
Nays:	Jeffries and Washington
Absent:	None
Date:	November 14, 2017
xc:	E.O., Co.Co., MC, COBCG

Kecia Harper-Ihem
Clerk of the Board
By: Deputy

SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	$ partial year	$ full year	$ (e.g. contract total)	$ (e.g. Operations)
NET COUNTY COST	$ partial year	$ full year	$ In dollars, no cents	$ In dollars, no cents
SOURCE OF FUNDS:			Budget Adjustment: Yes or No	
			For Fiscal Year: YY/YY	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

AB 117, passed in 2002, permitting California cities and counties to implement programs to aggregate the electric loads of customers within their jurisdictional boundaries to facilitate the purchase and sale of electricity, while also setting the legal precedent and guidelines for Community Choice Aggregation (CCA) programs in California. A CCA creates a functional partnership between local governments and existing investor-owned utilities (IOU), such as Southern California Edison (SCE). Under a CCA Program, the County would buy and/or generate electricity for residents and businesses within the unincorporated area. That electricity is then delivered to the residents and businesses through SCE's transmission and distribution system. SCE also provides meter-reading, billing, maintenance and outage response services. All SCE customers within the CCA's territory have the option of buying electricity from the CCA or remaining as generation customers of SCE by exercising their rights to "opt out" of the CCA program.

The Board of Supervisors has taken several actions in the past two years regarding the possible formation of a County CCA.

- In 2015, the Executive Office commissioned a feasibility study regarding the creation of a community choice aggregation program for the unincorporated areas of the County.
- On January 12, 2016, in agenda item 3-17, the Board of Supervisors directed the Executive Office to summarize the findings of a feasibility study regarding the formation of a county CCA and report back to the Board.
- On June 21, 2016, in agenda item 3-8, the Executive Office presented the feasibility report to the Board. The report indicated that a CCA would realize cost savings between 7%-13% for individual ratepayers and businesses on the purchase of power, depending upon rate class. Under the report, it was estimated that residential (domestic) rate payers could save an average of 9%. After receiving the feasibility report, the Board authorized the Executive Office to issue requests for proposals to prepare a CCA program implementation plan for submission to the California Public Utilities Commission.

- On December 6, 2016, in agenda item 3.9, the Board approved the selection of Good Energy, L.P. and Keyes Fox & Wiedman LLP for CCA consulting and implementation services, including the preparation of an Implementation Plan.

HISTORY OF CCA PROGRAMS

With the passage of Assembly Bill 117, a number of communities in California have explored and implemented Community Choice Aggregation programs. Today there are six Community Choice Aggregation programs in the state of California and numerous communities that are exploring and/or implementing Community Choice Aggregation programs.

The stated goal of the first implementers of CCA programs were to purchase more alternative energy than their current investor owned utility (IOU) was providing. It appears cost savings was not a threshold concern for the pioneering entities, one of the CCA's actually cost costumers more than the IOU. However, since 2010 costs for alternative energy has decreased and those CCA programs are now seeing cost reductions.

CONSIDERATIONS TO FORMING A CCA

Should the Board decide to continue moving forward with the development of a CCA program for the unincorporated area, there are several financial factors to consider.

Cost of CCA Creation and Initial Implementation

The costs to date are $250,000. The costs to implement the CCA program during the start-up and prior to delivery of electricity to CCA customers are approximately $1.7 million. These start-up costs include a variety of costs such as fees for CCA planning and feasibility analyses provided by third-party contractors, and costs associated with deposits held by SCE and the California Public Utilities Commission bonding obligation. Once the CCA begins supplying energy to the CCA customers, all incurred start-up costs, including interest, will be added to the CCA Program as an additional cost to be recovered by the County. Those start-up costs are to be paid back over three years.

Cost of CCA Ongoing Operations/Staffing

The County out-source model described in the proposed Implementation Plan forecasts yearly operating costs at $370,000 for staffing and $1.3 million for all other services. The CCA will be administered by the Executive Office.

Projected Cost Savings and Risk Factors

The projected cost savings of 7%-13% on the purchase of power must be weighed against any financial risks. However, the net savings is approximately ½ of that amount due to the purchase of power being about half of the total cost for electricity.

The largest uncontrollable factor in determining future rates is the exit fee. This is the fee charged by SCE to the CCA's as they replace SCE as the power purchaser. The California

Public Utilities Commission (CPUC) mediates the exit fee rate. The current exit fees are used to determine the projected savings. However, the CPUC might allow for larger exit fees in the future thereby wiping out the savings.

A second risk factor occurs if a significant number of customers leave the CCA. As customers leave the cost increases for the remaining customers. If the CCA completely folds then the County is responsible for the energy contracts. A standard practice is to factor exit volume when setting the rates as well as charging exit fees to customers who option out of the CCA after the initial phase.

An existential problem for any electrical system, a CCA or an Investor Owned Utility such as SCE, is the changing future of power purchasing, production and delivery. Tesla and other companies are creating closed loop systems, where the rooftop solar is stored and used for charging the car or providing power at night, traditional power delivery is minimal or not even necessary. Improved battery technology could lead to neighborhoods being inter connected by solar and communal battery storage, once again obviating the need for traditional power delivery.

One could argue that a CCA be formed to help facilitate the aforementioned scenarios. The CCA could consider absorbing losses (accomplished by building reserves) in order to facilitate technological change wherein jobs are created and costs go down over the long term.

There are risks to forming a CCA, however after seven years of operations and the formation of six CCAs (and several in consideration) in the state, and many others throughout the country, the risks seem small. Prices have constantly dropped over the last five years and the percent of customers optioning out is small (averaging less than 10%).

OTHER CCA EFFORTS IN THE COUNTY

In 2015, WRCOG and CVAG jointly commissioned a feasibility study for the formation of a CCA. In February 2017 WRCOG released the feasibility study in the form of a business plan. Their plan evaluated using a model, referred to as in-house (this is in comparison to an out-source model which is the proposed model included in the County's Implementation Plan attached to this agenda item).

The optional in-house model included hiring numerous internal employees as well as outside consultants in order to operate the CCA. The business plan also included a significant loan for startup costs and reserves.

In April, County staff met with WRCOG staff in an attempt to reconcile the two approaches. On July 12, WRCOG released a revised plan. The WRCOG/CVAG plans are now similar to the out sourcing model proposed by the County and there are no significant differences between the WRCOG, CVAG and County plans.

WRCOG and CVAG have contemplated carving out a portion of revenue in the future in order to establish grant programs. The County's proposed Implementation Plan has all savings being returned to the ratepayers.

LEGAL AND REGULATORY AUTHORITY

As is previously mentioned Community Choice Aggregation is governed by (AB 117, Chapter 838, September 24, 2002). Per AB 117 a local government could become an Aggregator for electric utility generation by passing an ordinance declaring to be a CCA and developing an Implementation Plan for submission to the California Public Utilities Commission. The law allows the County to sign up customers willing to switch from SCE generation service to CCA service by notifying customers of the impending Community Choice Aggregation program. Any customers that do not want to participate in the program would be required to notify the County of their election to opt-out within a specified amount of time. The County is required to give the customers notice of their right to opt out. Customers opting out during the initial period would not be subject to penalty of any kind. Customers choosing to exit the program after the initial opt-out period may be subject to exit fees imposed by the CCA and/or re-entry fees imposed by SCE.

ORDINANCE AUTHORIZING IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM AND PUBLIC HEARING ON IMPLEMENTATION PLAN

Before a Community Choice Aggregation program can be implemented in a particular jurisdiction, Public Utilities Code 366.2 requires the entity electing to implement the program to do so by adoption of an ordinance. Proposed Ordinance No. 940 satisfies the requirements of Public Utilities Code section 366.2. Adoption of the ordinance will facilitate the "Request for Proposals" process, by providing potential respondents with a clear expression of the County's interest in implementing the program. If, however, after receiving the results of the Request for Proposal the County decides not to move forward with the CCA program, we will bring back to the ordinance to be repealed.

Additionally, Public Utilities Code section 366.2 requires that the County's proposed Implementation Plan be considered and adopted by the Board at a public hearing prior to submitting the Implementation Plan to the CPUC for certification. This agenda item directs the Clerk of the Board to advertise the public hearing for a future Board meeting. After the public hearing, should the Board wish to move forward with the CCA program, the Board would need to adopt the Implementation Plan and adopt Ordinance No. 940. Should the Board no longer wish to move forward with a CCA Program, adoption of the ordinance and Implementation Plan is not necessary.

Issue Request for Proposals

Upon certification of the Implementation Plan by the CPUC, the County will issue Request for Proposals thereby allowing the County to obtain the specific and definite pricing and other information necessary for a decision by the County about whether to implement a Community Choice Aggregation program.

Once responses to the Request for Proposals are received and analyzed, the information obtained will allow for a more refined and exact estimate of the rates that a CCA would charge if it became operational. At that point, the County of Riverside may make a more informed decision regarding whether to join/ implement a Community Choice Aggregation program. If the decision is made by the county to form a Community Choice Aggregation program, the Implementation Plan would be finalized based upon information received from the Request for Proposal process and the Authority would enter into the power supply and other agreements necessary to implement the Program.

Impact on Residents and Businesses

The action presented would affect residents of Riverside County through anticipated utility rate savings by providing options in their choice of power providers

Tiffany North

Tiffany North 11/6/2017

ORDINANCE NO. 940

AN ORDINANCE OF THE COUNTY OF RIVERSIDE ESTABLISHING A COMMUNITY CHOICE AGGREGATION PROGRAM

The Board of Supervisors of the County of Riverside ordains as follows:

Section 1. FINDINGS AND PURPOSE. The Board of Supervisors of the County of Riverside has been actively investigating options to procure and provide electric power to citizens with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local, renewable energy projects and promoting competitively priced renewable energy. An initial analysis concluded that a Community Choice Aggregation Program would serve the County and provide benefits to include the use of local renewable energy at or above the required Renewable Portfolio Standard level while providing economic benefits to the County through lower electric generation rates.

Section 2. AUTHORITY.

a. On September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat. 2002, ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "Act"), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation.

b. Through Docket NO. R.03-10-003, the California Public Utilities Commission has issued various decisions and rulings addressing the implementation of Community Choice Aggregation programs, including the issuance of a procedure by which the California Public Utilities Commission will review "Implementation Plans," which are required for submittal to the California Public Utilities Commission as the means of describing the Community Choice Aggregation Program and assuring compliance with various elements contained in the Act.

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c. The Act requires Community Choice Aggregation program participants to adopt an ordinance electing to implement a Community Choice Aggregation program within the jurisdiction of the local government agency.

d. This ordinance is adopted pursuant to Public Utilities Code sections 218.3, 331.1, 366, 366.2, 381.1, 394, and 394.25, allowing the County of Riverside to establish a Community Choice Aggregation Program.

Section 3. AUTHORIZATION TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM.

a. The County has developed an Implementation Plan that describes the formation of the Community Choice Aggregation program to be implemented by the County for the purpose of providing electricity choice to eligible electricity accounts in the County's unincorporated area currently served by Southern California Edison. Electric accounts served by the Imperial Irrigation District, Anza Electric Cooperative or a municipal electric system within Riverside County are not included in the Implementation Plan. "Implementation Plan" as defined in this ordinance means the CCA Implementation Plan, Revision 2, prepared by Good Energy, L.P. dated October 18, 2017.

b. As described in the Implementation Plan, Community Choice Aggregation by and through the County appears to provide a reasonable opportunity to accomplish all of the following goals:

1) To provide greater levels of local involvement in and collaboration on energy decisions.

2) To increase the amount of locally supplied renewable energy available to County residents.

3) To provide initial price stability, long-term electricity cost savings and other benefits for the community when compared to the average corresponding Southern California Edison rate.

4) To develop custom rates for economic development or other purposes.

5) To offer energy services not provided by Southern California Edison, including options for additional renewable energy.

c. The Board of Supervisors has determined that it is in the public interest and welfare to establish a Community Choice Aggregation Program and the Board authorizes the County proceeding with the implementation of a Community Choice Aggregation program within the unincorporated area of the County, as described in the Implementation Plan.

Section 4. SEVERABILITY. If any provision, clause, sentence or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

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Section 5. EFFECTIVE DATE. This ordinance shall take effect thirty (30) days after its adoption.

BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

By: ______________________
Chairman

ATTEST:

CLERK OF THE BOARD:

By: ______________________
Deputy

(SEAL)

APPROVED AS TO FORM
October 12, 2017

By: ______________________
TIFFANY N. NORTH
Chief Deputy County Counsel

TNN:sk
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STATE OF CALIFORNIA)
) ss
COUNTY OF RIVERSIDE)

I HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of said county held on November 14, 2017, the foregoing ordinance consisting of 5 Sections was adopted by the following vote:

AYES: Tavaglione, Perez and Ashley

NAYS: Jeffries and Washington

ABSENT: None

DATE: November 14, 2017

KECIA HARPER-IHEM
Clerk of the Board

BY: [signature]
Deputy

SEAL

Item 9.2

GoodEnergy
A Smarter Way To Buy Energy

Prepared by: Good Energy, L.P.

CCA IMPLEMENTATION PLAN

Revision 2

October 18, 2017

Prepared for: County of Riverside, California

Good Energy, L.P.
232 Madison Avenue
Third Floor
New York, NY 10016
(212) 792-0222
FEIN 43-2003973

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Riverside County
Community Choice Aggregation
Implementation Plan

CHAPTER 1 – Introduction

Outline

- Purpose of the Implementation Plan
- Adoption and Updates to the Implementation Plan
- Cross Reference Guide to California Assembly Bill 117 Requirements and this Plan

Purpose of the Implementation Plan

This Implementation Plan (Plan) has been prepared to describe the development and operation of a Community Choice Aggregation (CCA) established by Riverside County for the purpose of providing electricity choice to eligible electricity accounts in the County's unincorporated jurisdiction currently served by Southern California Edison (SCE). This Plan provides required information regarding the proposed Riverside County CCA (RivCo CCA) program (the Program) sufficient to satisfy requirements of California Assembly Bill 117 and applicable provisions of California Public Utilities Code (Code) including Sections 331 and 365-366.

The Code requires that the Program be authorized by an ordinance enacted by the Riverside County Board of Supervisors. The ordinance will be accessible to the public through the County Clerk of the Board's office. On [date], the County adopted Ordinance No. 940 establishing a Community Choice Aggregation Program, a copy of which is included in Appendix A.

Adoption and Updates to the Implementation Plan

The Code requires the Implementation Plan, and subsequent changes to it, to be considered and adopted at a duly noticed public hearing. The original hearing of the Plan was held on [date], where it was adopted by the Riverside County Board of Supervisors.

Cross Reference Guide to California Assembly Bill 117 Requirements and this Plan

Assembly Bill 117 Requirement	RivCo CCA Implementation Plan Chapter*
Statement of intent	Chapter 2: Program Goals and Objectives
Process and consequences of aggregation	Chapter 2: Customer Choice and Aggregation
Organizational structure of the Program, its operations and its funding	Chapter 3: Organizational Structure Chapter 4: Start-Up Plan and Funding Chapter 6: Financial Plan
Provisions for disclosure and due process in setting rates and allocating costs among participants	Chapter 7: Rate Setting, Program Terms and Conditions
The methods for entering and terminating agreements with other entities.	Chapter 9: Procurement Process Chapter 3: Organizational Structure Chapter 4: Start-Up Plan and Funding Chapter 8: Customer Rights and Responsibilities
The rights and responsibilities of program participants, including, but not limited to, consumer protection procedures, credit issues and shutoff procedures	Chapter 8: Customer Rights and Responsibilities
Termination of the program	Chapter 10: Contingency Plan for Program Termination
A description of the third parties that will be supplying electricity under the program, including, but not limited to, information about financial, technical, and operational capabilities.	Chapter 3: Organizational Structure Chapter 4: Start-Up Plan and Funding

**Note: Where multiple chapters are referenced, the primary source of information is listed first.*

CHAPTER 2—Customer Choice and Aggregation

Outline

- How Customer Choice Works
- Key Components of Opt-Out Aggregation
- Program Goals and Objectives—Statement of Intent
- Basic Program Components
- Optional Customer Programs

How Customer Choice Works

Customer choice in electricity supply is made possible by enacted legislation and an unbundling of the various service and cost components on a customer's electric bill as follows:

Delivery charges are associated with the physical delivery of electricity, and include charges for use of the poles, wires and meters required for each account. Under customer choice, the local utility (e.g., Southern California Edison) continues to transmit, distribute, meter and bill for electricity delivered to each customer. Utility distribution charges are established by tariff and are not subject to negotiation by customers.

Generation charges are the costs of the electricity supply itself, and are listed as a separate section on the customer's bill. A CCA procures its own electricity supply and establishes its own rates for the generation portion of the bill.

Under customer choice, all energy consumers continue to procure delivery service from the host utility while being able to procure generation service from various competitive generation service providers. Under a CCA model, the CCA procures its electricity supply and establishes its own rates for the generation services.

Key Components of Opt-out Aggregation

CCAs are customer choice programs in which the local government contracts for power supply and related services. Eligible electric accounts in the community's jurisdiction are offered the choice to participate in, or opt-out of, the aggregation. Electric accounts that do not opt out of the Program are automatically enrolled after a defined notification process (e.g., written notices).

As noted, the local utility continues to provide distribution, billing and maintenance services to all customers regardless of whether the account participates in the CCA program or not.

Electric aggregation is attractive to communities and their constituents for its efficiency in achieving the community's energy program objectives. In contrast to direct access competition, customers of a CCA do not need to evaluate and contract with individual suppliers nor sign a contract to be enrolled, nor do they have to deal with sales personnel.

Program Goals and Objectives—Statement of Intent

RivCo CCA seeks to provide budget stability, savings and local control over electricity rates by procuring power on behalf of participating commercial, governmental and domestic (i.e., residential) customers in the unincorporated portions of Riverside County. Consistent with Code Section 366.2(c)(4), this Implementation Plan explains how the RivCo CCA will provide for (A) universal access, (B) reliability, (C) equitable treatment of all classes of customers, and (D) comply with all requirements established by state law or by the California Public Utilities Commission (CPUC) concerning aggregated service, including those rules adopted by the CPUC pursuant to paragraph (3) of subdivision (b) of Section 8341 for the application of the greenhouse gases emission performance standard to CCAs. Only electric accounts served by SCE are eligible for the Program; electric accounts served by the Imperial Irrigation District, Anza Electric Cooperative or a municipal electric system within Riverside County are not eligible. The goals and objectives of the RivCo CCA are as follows:

Goals—The RivCo CCA seeks to offer its customers certain benefits not available from SCE utility supply. Specifically, the RivCo CCA has established the following goals:

- Achieve lower electric generation rates when compared to the average corresponding SCE rate;
- Reduce the volatility of electric generation rates;
- Provide for participation in local renewable energy projects;
- Develop custom rates for economic development or other purposes;
- Offer energy services not provided by SCE, including options for additional renewable energy.

Objectives—The Program will utilize the following objectives in its development and operation:

- Leverage established retail energy practices and capabilities available from Electric Supply Providers (ESPs) and vendors of technical and managerial services;
- Evaluate local energy generation projects that may provide RivCo CCA competitive costs and other benefits;
- Implement a competitive bidding process for electric supply;
- Minimize need for additional County employees or consultants;
- Establish benchmarks for program operations and provide transparency in operating results;
- Develop rates and programs based on best practices, cost analyses, industry experience and benchmark data.

Basic Program Components

RivCo CCA customers will be offered basic generation rates which reflect wholesale market rates and resulting long term savings as compared to the otherwise applicable SCE rate schedule. Consistent with California statute, the Program will be operated on an opt-out basis. The opt-out notices will include the program's rates, terms and conditions for eligible customer accounts mailed to the account billing address.

Once enrolled in the Program, customers are subject to the Program's terms and conditions and are responsible for paying all applicable customer charges. The Program will comply with all California regulations and statutes including all provisions of California's Renewables Portfolio Standard requirement.

SCE will bill and collect from RivCo CCA customers per SCE-scheduled billing cycles. SCE will submit the payments representing the generation charges on a monthly basis to the RivCo CCA or its designee.

Optional Customer Programs

Customers will be offered options to participate in voluntary programs, which expand the value of the CCA by providing additional products and services. These additional voluntary programs may include increased volumes of renewable energy, feed-in tariffs for local generation projects and other energy-management services.

CHAPTER 3—Organizational Structure

Outline

- Organizational Overview
- Governance
- Management
- Administration and Finance
- Marketing and Public Information

Organizational Overview

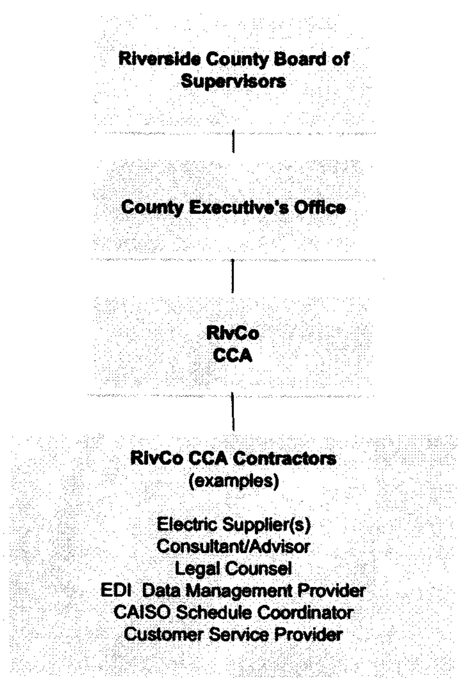
The County seeks to develop and launch the RivCo CCA Program within its existing administrative organization rather than build a substantial new and separate CCA infrastructure. The County will also achieve cost efficiency by leveraging the existing capabilities available from the competitive energy industry for various services. This approach allows the County to achieve its operating goals while maintaining operating flexibility and minimizing overhead expenses.

Governance

As established by County Ordinance No. 940, the RivCo CCA Program will be a departmental function of the County. The governance of the RivCo CCA Program will include the entities shown in Figure 3.1 and described in more detail below.

FIGURE 3.1

RivCo CCA Governance Structure



Note: Contractor functions may be combined if performed by the same firm.

Riverside County Board of Supervisors authorized the formation of the RivCo CCA Program via ordinance and will maintain overall responsibility for funding, rate setting, power supply agreements approvals and Program oversight.

Riverside County Executive Office will provide support in areas of expertise such as purchasing, legal counsel, finance, IT support, human resources and economic development, as Program needs arise. The County Executive Officer will hire and supervise the RivCo CCA Program staff's activities.

RivCo CCA Staff—Implementation of the RivCo CCA Program anticipates up to three staff positions initially, including an Executive Director, an Assistant Director, and may add additional full-time or part-time staff. These County employees will have primary responsibilities to manage various contractors and implement CCA policies and procedures, subject to specified delegations of financial authority set by the Riverside County Executive Office. RivCo CCA Program staff will be the primary point of contact for Program service providers.

Program Contractors—The RivCo CCA Program intends to utilize designated service providers and advisors for electric supply and technical functions, including CAISO schedule coordination, electric power supply, electronic data interchange (EDI), Program marketing, customer data management and market analysis/procurement/contracting support. Additional details regarding staffing appear in Chapter 4.

Management

Day-to-day oversight of the Program will be performed by the RivCo CCA Executive Director as part of the RivCo CCA Program staff. The Executive Director will be responsible for administering the policies established by the Board of Supervisors and coordinating activities of the County Executive office as well as the RivCo CCA Program's contractors.

Administration and Finance

The RivCo CCA staff will oversee administration of the Program. These responsibilities will include interfacing with the Program contractors, monitoring and implementing policies established by the Board of Supervisors, coordinating public information resources and preparing reports summarizing Program status and performance. The RivCo CCA staff is responsible for monitoring the cash flows of the Program and maintaining reports, which include forecasts and actual performance, and making recommendations for adjustments to ensure the financial health of the Program.

Certain areas of Administration, such as human resources policies, legal counsel and Program financing will be provided by the County Executive Office office in coordination with the RivCo CCA staff.

Marketing and Public Information

Marketing and public information is recognized as an essential component of developing and operating the Program. Consequently, RivCo CCA plans to utilize the best practices currently available to community choice programs operating throughout the U.S. Working with Program contractors, RivCo CCA will manage the development and maintenance of the marketing and public information resources necessary during each phase of the Program.

RivCo CCA Program marketing and public information efforts will also leverage existing resources available to Riverside County, such as web resources, newsletters, public meetings and email distribution lists.

CHAPTER 4—Start-Up Plan and Funding

Outline

- Overview
- Start-Up Activities and Schedule
- Staffing and Contract Services
    - Regulatory Counsel
    - Program contractors
    - EDI Provider
    - Southern California Edison
    - Commodity Supplier(s)
- Capital Requirements
- Financing Plan

Overview

This chapter describes RivCo CCA's plan to initiate service. Included in this chapter is a description of the following:

- Processes and activities that will be performed by RivCo CCA and its advisors prior to initiating CCA service;
- The proposed staffing of both RivCo CCA internal and externally-performed tasks during RivCo CCA operations; and
- Various RivCo CCA capital requirements and the planned funding of these capital requirements.

Start-Up Activities and Schedule

The start-up plan includes activities completed prior to the submission of this Implementation Plan to the CPUC and concludes upon the commencement of electricity supply to the RivCo CCA customers. The schedule, status and completion of all start-up activities will be monitored by the Riverside County Executive Office through the project dashboard such as one shown in Table 4.1. The included schedule is tentative and will be adjusted as necessary.

TABLE 4.1
Tentative Start-Up Activity Project Plan

	2017			2018							
Activity	October	November	December	January	February	March	April	May	June	July	August
Finalize Implementation Plan											
Pass County Ordinance Authorizing RivCo CCA											
Submit Implementation Plan to CPUC											
CPUC Review											
SCE Document Preparation											
SCE EDI Applications and Testing											
Baseline Energy Supply and Contractor Agreements											
Update and refine load forecast											
Prepare IRP Documents											
Prepare Rate Structure											
Public Information and Marketing Program											
Procurement of Electric Supplier(s) and Contractors											
Publish Rates and Program Terms and Conditions											
Issue Opt-out Notices											
Begin Enrolling Customer Accounts											
First Energy Delivery											

Staffing and Contract Services

The RivCo CCA proposes a CCA structure that follows a philosophy of matching resources with specific work streams on an as-needed basis. This arrangement frees RivCo CCA from significant permanent employee obligations and allows RivCo CCA to call on dedicated resources as required during specific periods of RivCo CCA start-up. For example, most of the start-up work activities listed in Table 4.1 requires only a short-term work effort that is best performed by experts with significant prior experience performing the designated function.

Following start-up of the RivCo CCA Program, several of the work activities required to administer the CCA will then only be needed periodically and thus will be performed by Program contractors. RivCo CCA finds that this delivery model is prudent, cost effective and provides the Program with the on-going discretion to adjust the mix of internal and third-party services as the Program evolves. The RivCo CCA delivery model relies on the services of six key entities:

1. RivCo CCA Executive Director and County Board of Supervisors to provide internal leadership and oversight;
2. Outside regulatory/legal counsel to ensure legal compliance;
3. Program contractors for start-up administration and on-going management of CCA functions (described below);
4. Electronic Data Interchange (EDI) provider to facilitate data translation with SCE;
5. Energy Supplier(s) for commodity energy supply, and related wholesale market functions;
6. SCE for billing and supply delivery.

<u>Regulatory Counsel</u>

Riverside County has full-time legal counsel, through the Office of County Counsel, as part of its existing governmental structure. Recognizing the specialized nature of CCA legal and regulatory issues, it is recommended that the Board of Supervisors retains regulatory counsel to support the County's existing legal department and oversee the RivCo CCA Program's compliance with CPUC and other regulatory obligations.

Program Contractors

Program contractors will assist with start-up tasks and will perform or oversee the following on-going activities:

- RivCo CCA customer communications and opt-out processes;
- Program marketing and public information;
- Ongoing Program enrollment/disconnection and customer service;
- Interface with key accounts (i.e., large commercial, multi-property owners);
- Wholesale energy market analysis;
- Competitive supply procurement and new generation project evaluation;
- Rate analysis, development and savings calculations;
- Emissions performance standard compliance filings;
- Compliance filings related to the California Energy Commission's Quarterly Fuels and Energy Report; the Integrated Energy Policy Report, and the United States Energy Information Agency's 826 and 861 reports;
- Renewable energy portfolio audits consistent with state and program standards;
- Annual RPS and energy storage compliance filings; and
- Western Renewable Energy Generation Information System (WREGIS) report preparation, certificate transfer review and retirement.

Electronic Data Interchange (EDI) Provider

The EDI provider will transfer and translate usage and billing data between SCE and RivCo CCA. The Board of Supervisors, on behalf of RivCo CCA, will establish an agreement with a qualified EDI provider and will complete the necessary SCE applications and testing. The EDI provider may also perform additional EDI transaction, data management and shadow billing functions as requested by RivCo CCA.

Southern California Edison (SCE)

In addition to on-going delivery of commodity electricity supply to RivCo CCA, SCE will provide billing, usage data and related services to RivCo CCA. The Board of Supervisors, on behalf of RivCo CCA, will execute a SCE CCA Service Agreement (SCE document #14-768) and, if applicable, post an appropriate deposit with SCE to complete registration of this Plan with the CPUC. [1]

[1] Although SCE reserves the right to collect a deposit, deposits are typically only required if a CCA demonstrates a poor payment history or has other significant financial distress (bankruptcy, etc).

Commodity Supplier(s)

RivCo CCA will solicit and, subject to Board of Supervisors approval, contract with commodity energy supplier(s) that have suitable financial, technical, and operational capabilities. With the assistance of Program contractors, RivCo CCA will develop supplier and contractor performance criteria, pre-qualify, solicit proposals and facilitate contract negotiations with commodity suppliers. Following registration of this Plan, RivCo CCA will negotiate and submit to the Board of Supervisors for approval definitive agreement(s) with commodity energy supplier(s).

Capital Requirements

During start-up and prior to delivery of commodity supply to RivCo CCA customers, RivCo CCA will incur various costs that will be capitalized and recovered over an initial three year period through a RivCo CCA rate adder. These start-up costs include a variety of costs such as fees for CCA planning and feasibility analyses provided by third-party contractors, and costs associated with deposits held by SCE and the CPUC bonding obligation.

RivCo CCA will also need to maintain a working capital facility given the potential for timing differences between various incurred costs and recovery of those costs on a monthly basis from customers within rates. These amortized costs include customer enrollment fees assessed by SCE that are due upon customer enrollment and other potential costs (e.g., SCE exit fees and supply costs). RivCo CCA estimates the need for $1.7 million in on-going working capital requirements and an associated working capital facility cost of $85,500 or $0.06/ megawatt-hour (MWH) per year. A description of the RivCo CCA financial plan is provided in Chapter 6. The actual working capital requirement will depend on a variety of factors including electric supply structure, price level, contract duration and billing arrangements.

Financing Plan

To date, start-up costs have been paid through a designated Riverside County budget. Once RivCo CCA begins to supply electricity to RivCo CCA customers, all incurred start-up costs plus interest will be included in Program rates as an additional cost. RivCo CCA estimates that this start-up cost recovery will average approximately $528,000 per year or $0.35 per MWH.

CHAPTER 5—Load Forecast and Resource Plan

Outline

- Overview
- Supply Requirements
- Estimated Customer Participation Rates
- Customer Load Forecast
- Sales Forecast
- Resource Adequacy Requirements
- Integrated Resource Planning Requirements
- Renewable Portfolio Standards Energy Requirements
- Energy Storage

Overview

The RivCo CCA Program seeks to provide budget stability, savings and local control over electricity rates. Accordingly, RivCo CCA has established a preferred energy supply approach that streamlines the procurement of commodity electric supply by contracting for fixed price load-following service. Under this arrangement, the commodity supplier is responsible for managing hour-by-hour variations in RivCo CCA Program customer usage and accepting the risks associated with changes in energy prices and RivCo CCA Program customer consumption. This supply approach also minimizes administrative and transaction costs (e.g., third-party contracting, rate making and credit monitoring) associated with managing power supply.

The RivCo CCA Program, as currently proposed, anticipates there will eventually be opportunities for RivCo CCA customers to benefit from other supply arrangements and additional services. Such supply arrangements may include the purchase of energy from local renewable energy facilities, investment in distributed resources, and long-term supply from designated generation facilities. The RivCo CCA Program staff will evaluate the benefits of such arrangements in a transparent manner and may provide such options to RivCo CCA customers. The RivCo CCA Program staff will also evaluate the potential for energy efficiency and load response programs that may be of value to RivCo CCA customers.

Supply Requirements

RivCo CCA will comply with all regulatory rules applicable to CCA operations through coordination with the Program contractors and the RivCo CCA's regulatory legal counsel. In the event RivCo CCA enters into a supply portfolio consisting of several suppliers, the Program will establish a designated entity (supplier or contractor) to be responsible for forecasting and scheduling the electric supply requirements with the CAISO and matching of RivCo CCA customer load in each hour.

Estimated Customer Participation Rates

Electric accounts that are eligible for RivCo CCA service will be given the option to opt out of the RivCo CCA Program during an approximately 120-day opt-out period during which RivCo

CCA will provide multiple forms of public information regarding the Program's costs and benefits. This education will be provided via multilingual mailers, web resources and an in-bound call-center.

Historical CCA and aggregation participation rates for residential customers typically exceed 95%.[2] RivCo CCA has projected initial CCA participation rates by considering observed participation rates in other California CCAs and similar aggregations operating in other states and then reduced these participation rates below those levels.[3] These initial participation rates are then assumed to increase by one percentage point each year of the Program. Table 5.1 shows forecasted RivCo CCA customer energy consumption, and total participation rates in terms of percentage of eligible load (MWH).

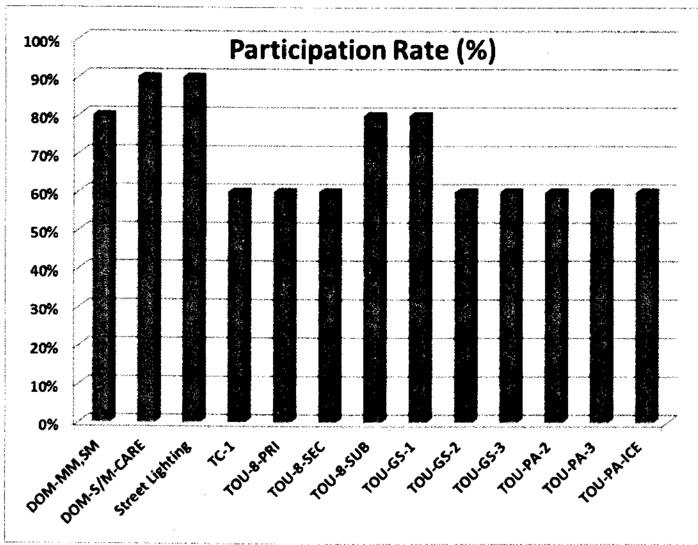
TABLE 5.1
Customer Energy Consumption (MWH) and Overall Projected Participation Levels[4]

Rate Class	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
DOM-MM, DOM-S/M	617,523	631,307	645,300	659,505	673,925	688,563	703,421	725,833	741,297	756,993
DOM-S/M-CARE	236,364	238,657	240,972	243,309	245,670	248,053	250,459	255,468	257,946	260,448
STREET LIGHTING	16,366	16,525	16,685	16,847	17,010	17,175	17,342	17,689	17,860	18,034
TC-1	648	665	682	700	718	736	755	782	801	821
TOU-8-PRI	72,505	74,428	76,382	78,367	80,383	82,431	84,511	87,507	89,675	91,876
TOU-8-SEC	84,203	86,437	88,706	91,011	93,353	95,731	98,147	101,627	104,144	106,700
TOU-8-SUB	174,894	178,798	182,761	186,785	190,869	195,014	199,222	205,570	209,950	214,395
TOU-GS-1	61,180	62,545	63,932	65,339	66,768	68,218	69,690	71,910	73,442	74,997
TOU-GS-2	92,541	94,996	97,490	100,023	102,596	105,210	107,865	111,689	114,456	117,265
TOU-GS-3	59,812	61,399	63,011	64,648	66,312	68,001	69,717	72,189	73,977	75,793
TOU-PA-2	45,758	46,972	48,205	49,458	50,730	52,023	53,336	55,227	56,595	57,984
TOU-PA-3	33,105	33,984	34,876	35,782	36,703	37,638	38,587	39,955	40,945	41,950
TOU-PA-ICE	406	417	428	439	450	462	473	490	502	515
Grand Total	1,495,306	1,527,130	1,559,430	1,592,213	1,625,486	1,659,254	1,693,525	1,745,935	1,781,589	1,817,772
% of Total Load Enrolled (MWh)	75%	76%	77%	77%	78%	79%	80%	81%	82%	83%

RivCo CCA expects there to be significant variation in participation rates across rate classes based on savings potential and customer decision making. For example, we expect higher enrollment levels for accounts with higher percentage cost savings potential and for groups of accounts managed by a single decision maker. Table 5.2 illustrates the estimated participation levels for each rate class for the first year of operation expressed in number of accounts.

[2] Based upon Good Energy experience and data provided from various California CCAs.
[3] The assumptions used in RivCo CCA forecasting are conservative as compared to both aggregation programs in California and other states where experience has shown single-digit opt-out rates. See reported opt-out rates by the Marin Clean Energy, Sonoma Clean Power and Lancaster Choice Energy CCA.
[4] See Appendix A for description of SCE rate classifications.

Figure 5.2
By Account Estimated Year 1 Participation Rates



Customer Load Forecast

The RivCo CCA Program forecast of customers to be served initially under the Program is based on a build-up of existing bundled customers located within the unincorporated areas of the County multiplied by the rate class-specific participation rate. RivCo CCA then expects participation rates to grow and for new accounts in the RivCo CCA territory to be added due to general economic and population growth. RivCo CCA estimates account growth of slightly less than one percent (0.97%) based the California Energy Commission (CEC), 2015 Mid Case Statewide Demand Baseline Forecast. We assume that all load growth is the result of new accounts and that load of existing accounts is stable over time.

The RivCo CCA Program proposes to offer service to all eligible accounts in a single phase after the opt-out process is complete. Each account that does not opt-out will be enrolled on the earliest available scheduled billing cycle for that account. Following the opt-out process, RivCo CCA Program staff will communicate to SCE which customers have not opted-out of the Program. These accounts will then be enrolled in the RivCo CCA on their next regularly scheduled billing cycle. RivCo CCA currently projects that approximately 94,889 domestic accounts will be enrolled in the first 12 months of the Program. RivCo CCA has forecasted negligible Program attrition consistent with the experience of existing California CCAs.

Sales Forecast

The RivCo CCA forecast of annual load initially to be served is based on a build-up of 2015 existing bundled account load by rate class multiplied by the assumed participation rates listed in Table 5.2, above. Load growth is solely attributed to new accounts within the RivCo CCA territory with the growth rate of accounts estimated to be slightly less than 1 percent, as described above.

A more comprehensive study of load growth and associated resource requirements will be performed during the start-up phase and then periodically during Program operations. On-going load and resource studies will be conducted during Program operation and will consider factors such as actual load performance, local economic growth, weather, energy efficiency standards and the impact of energy prices on energy demand. The RivCo CCA Program may also undertake its own programs to reduce energy consumption on a per account basis. The impact of such programs will also be included in future load studies.

Resource Adequacy Requirements

The RivCo CCA recognizes the importance of its role as a load-serving entity (LSE) in maintaining system reliability through compliance with California's Resource Adequacy (RA) requirements. The discussion below outlines the applicable RA requirements, followed by an outline of RivCo CCA's approach to compliance.

The CPUC requires all LSEs to maintain generating capacity adequate to meet their peak load requirements with a 15% reserve capacity margin.[5] The CPUC has been engaged in a process of refining the RA program for several years through multiple proceedings.[6] The CPUC's RA Program contains three distinct requirements: System RA requirements, Local RA requirements, and Flexible RA requirements. System requirements are determined based on the electrical load anticipated within each LSE's service territory plus the 15% planning reserve margin.[7] Local and Flexible requirements are determined based on an annual CAISO study related to weather and specified contingencies, as well as monthly requirements related to ramping, *i.e.*, the changing of the output of generating units, necessary to run the system reliably.[8] CCAs are responsible for the costs incurred by the investor-owed utility to meet the CCA's RA needs, but they must also directly procure RA resources to the extent their needs exceed the capacity the applicable IOU procured.[9]

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[5] Cal. Pub. Utils. Comm'n, The 2015 Resource Adequacy Report (2015); Cal. Pub. Util. Code § 380(c)-(d) (minimum planning reserve and reliability criteria are established and approved by the Western Systems Coordinating Council or the Western Electricity Coordinating Council).

[6] R.14-10-010 is the most recent proceeding and is currently open.

[7] R. 14-10-010, Decision 16-06-045 (June 23, 2016) at 6; *see also* Cal. Pub. Utils. Comm'n, Resource Adequacy, http://www.cpuc.ca.gov/ra/.

[8] R. 14-10-010, Decision 16-06-045 (June 23, 2016) at 2; *see also* Cal. Pub. Utils. Comm'n, Resource Adequacy, http://www.cpuc.ca.gov/ra/. In particular, the Flexible RA program continues to evolve through ongoing comment in the current CPUC RA proceeding, R.14-10-010.

[9] *See, e.g.,* Cal. Pub. Util. Code § 380(c) ("Each load-serving entity shall maintain physical generating capacity and electrical demand response adequate to meet its load requirements, including, but not limited to, peak demand and planning and operating reserves. The generating capacity or electrical demand response shall be deliverable to locations and at times as may be necessary to maintain electric service system reliability and local area reliability"); Cal. Pub. Util. Code § 380(k) (CCAs are LSEs for the purpose of RA requirements).

Regardless of whether a CCA contracts directly or relies on the IOU for some of its RA needs, a CCA must submit monthly and annual RA plans to demonstrate how it will meet future System and Local RA requirements.[10] The CCA must submit forecasts of load two months before the month in which retail load is served, and it must specify what capacity will be used to meet the RA obligations one month before serving retail load.[11] The CPUC, along with the CEC, evaluates monthly and annual filings to ensure accuracy and completeness.

RivCo CCA estimates forward RA requirements for 2018 through 2020 as listed in Table 5.3. These quantities will be revised following the opt-out period and on a periodic basis depending on the actual accounts served by the RivCo CCA.

TABLE 5.3
RivCo CCA Resource Adequacy Requirements

Forecasted Forward Resource Adequacy Requirements
First Three Years of Full CCA Operation
(Values represent MW demand including losses and required reserve margin)

Month	2019	2020	2021
Jan	392	396	400
Feb	390	394	398
Mar	374	378	382
Apr	399	403	407
May	405	409	413
Jun	601	607	613
Jul	596	602	608
Aug	593	599	605
Sep	550	556	561
Oct	462	466	471
Nov	407	411	415
Dec	381	385	389

Notes:
1. Average line losses: 5.5%
2. Reserve Margin: 15%
3. Excludes any potential reductions in capacity requirements associated with energy effficiency and demand response.

RivCo CCA also has a local resource adequacy requirement which is assigned by the CPUC the year prior to the compliance period. With assistance from Program contractors, RivCo CCA will work with the CPUC and SCE to determine the anticipated local resource adequacy obligation of RivCo CCA. Initially, RivCo CCA prefers to procure all resource adequacy requirements through its lead energy supplier. Reporting required for RA purchases will be developed and submitted by RivCo CCA or the lead energy supplier, as appropriate.

Integrated Resource Planning Requirements

[10] Cal. Pub. Util. Code § 380(f); Cal. Independent System Operator, Business Practice Manual for Reliability Requirements, Version 31, § 4.2.1 (Feb. 8, 2017).
[11] *Id.*; Cal. Pub. Util Comm'n, 2017 Filing Guide for System, Local and Flexible Resource Adequacy (RA) Compliance Filings, p. 19 (Sep. 20, 2016) (citing D.05-10-042).

The RivCo CCA recognizes the value of long-term resource planning and its obligations as an LSE to comply with applicable integrated resource planning (IRP) requirements. The discussion below outlines the currently applicable IRP requirements. The RivCo CCA will comply with the requirements outlined below, including periodic updates.

IRP is the process by which LSEs plan for power supply needs over five or more years. SB 350 requires the CPUC to establish procedures and requirements for LSEs besides IOUs to submit IRPs that minimize costs, maintain reliability, and reduce greenhouse gas (GHG) emissions to levels set by CARB, among other objectives.[12] More specifically, SB 350 requires the CPUC to adopt a process in 2017 for each LSE to file an IRP plan and provide periodic updates that meet the RPS, as well as the GHG emissions targets set by CARB.

The IRP plans must minimize ratepayer bills; ensure system and local reliability; strengthen diversity, sustainability, and resilience; and enhance distribution systems and demand-side management.[13] CCAs' IRPs are explicitly required to achieve (1) "economic, reliability, environmental, security," and other characteristics, (2) a "diversified procurement portfolio" with short-term and long-term contracts and demand reduction, and (3) RA compliance.[14] SB 350 requires CCAs to submit their IRP plans to their governing boards for approval and then to the CPUC for "certification."[15]

Renewable Portfolio Standard Energy Requirements

A series of laws have been enacted by the California legislature which now require all LSEs to procure minimum amounts of renewable energy. These requirements are presented below, followed by RivCo CCA's approach to compliance.

CCAs are subject to California's Renewable Portfolio Standard (RPS).[16] The RPS requires eligible renewable energy sources to meet 50% of total retail sales by the end of 2030. The RPS establishes interim compliance period requirements for meeting the 2030 target: at minimum, 33% of retail sales must be met with eligible renewable energy sources by the end of 2020, 40% by the end of 2024, 45% by the end of 2027 and 50% by the end of 2030.[17] A CCA must continue to meet the minimum 50% threshold for each three-year compliance period after 2030.[18]

The RPS also requires CCAs to procure eligible resource electricity products according to 3 portfolio content categories (PCCs). PCC 1 resources have a first point of interconnection with a California balancing authority or an agreement to dynamically transfer electricity to a California balancing authority (*i.e.*, they are frequently located in-state or in the Pacific Northwest).[19] PCC

[12] Cal. Pub. Util. Code § 454.52(a)(1) (including community choice aggregators in the relevant definition of LSE via reference to Cal. Pub. Utils. Code § 380).
[13] Cal. Pub. Utils Code § 454.52(a)(1).
[14] Cal. Pub. Utils Code § 454.52(b)(2).
[15] Cal. Pub. Utils. Code § 454.52(b)(3).
[16] Cal. Pub. Util. Code § 366.12(j).
[17] Cal. Pub. Util. Code § 399.15(b)(2)(B).
[18] Cal. Pub. Util. Code § 399.15(b)(2)(B).

2 resources are firmed and shaped eligible resource electricity products scheduled into a California balancing authority—for example, they may include wind generation from Wyoming or Colorado.[20] PCC 3 resources include unbundled RECs and any other electricity products that do not count as PCC 1 or PCC 2.[21] The current compliance period (2017-2020) requires at least 75% of a CCA's RPS procurements be from PCC 1 resources and no more than 10% may come from PCC 3 resources.[22]

CCAs are required to submit annual reports demonstrating compliance with these provisions. However, these requirements are for the overall compliance period, not for each year within a given compliance period.[23]

Following the enactment of SB 350 in 2015, the CPUC implemented a new requirement that CCAs must also submit an annual renewable energy procurement plan that demonstrates how the CCA will meet its RPS obligations.[24] The procurement plan requirements are designed to identify each LSE's long-term load forecasts, contracting process, and the likelihood that the LSE will be able to meet the RPS over time.

RivCo CCA will adopt a resource plan that complies with the referenced requirements. For budgetary purposes, RivCo CCA Program renewable energy costs are estimated based on supply of all required renewables in the form of PCC 1 renewables. To the extent lower cost renewables can be used to meet customer needs, the Program will consider such opportunities and provide customers the resulting lower costs in rates. After 2020, RivCo CCA forecasts that the unit cost of renewables will increase by 2.3% annually. The resulting unit renewables cost at the end of the ten-year planning horizon is 40% higher than at the start of the planning period in 2018 due to both inflation and additional renewable percentage requirements.[25]

Energy Storage

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[19] Cal. Pub. Util. Code § 399.16(b)(1). "First point of interconnection" means the place where the generating facility is first connected to the electric grid. The CAISO is an example of a "California balancing authority," *i.e.*, an entity in California responsible for ensuring load and generation are matched throughout the day. "Dynamically transfer" means that energy and capacity from one balancing authority can be delivered to another balancing authority in real time.

[20] Cal. Pub. Util. Code § 399.16(b)(2). "Firmed and shaped" means filling gaps in output from intermittent generators, such as wind and solar facilities, with output from firm generators, such as natural gas power plants.

[21] Cal. Pub. Util. Code § 399.16(b)(3). An "unbundled REC" means the renewable or green attribute, as separated from the energy and capacity attributes, of output from renewable energy resources.

[22] Cal. Pub. Util. Code § 399.16(c).

[23] *See, e.g.,* R.11-05-005, Decision 12-06-038 (June 21, 2012) at 76.

[24] Cal. Pub. Util. Code § 399.13(a)(1) (distinguishing "electrical corporations" and "all other retail sellers").

[25] See D.11-12-020 dated December 1, 2011. Note: no pro-rata increase in RPS volumes from 33 percent toward 50 percent has been included in the RivCo CCA savings estimates. These additional costs would impact both RivCo CCA customers and SCE bundled accounts and thus not impact savings estimates. To the extent that the RivCo CCA can contract for additional renewable energy at delivered costs below that of the utility, additional savings are possible.

In 2013, the CPUC adopted a framework under which all entities supplying power to customers must procure cost-effective energy storage.[26] Under the framework, CCAs are required to procure energy storage equal to one percent of their annual peak loads by 2020, and the energy storage must be installed by 2024.[27] However, while the State's IOUs have requirements to acquire a mix of distribution-, transmission-, and customer-sited storage, CCAs do not.[28]

To meet the storage obligation, CCAs may independently procure storage resources or receive a share of IOUs' energy storage procurement through the Cost Allocation Mechanism (CAM).[29] CCAs may also count towards their compliance obligations one-half of any customer-sited storage installed in their service territories under the Self-Generation Incentive Program (SGIP), with the other half of such procurement being credited to the IOU.[30] A recent proposed decision evaluates these current storage procurement targets for CCAs but does not make significant changes at this time.[31]

RivCo CCA will make provisions in its energy supply portfolio to comply with the energy storage requirements.

[26] Cal. Pub. Util. Code § 2835 et seq.
[27]R.10-12-007, Decision 13-10-040 (Oct. 17, 2013) at 74-75
[28] R.10-12-007, Decision 13-10-040 (Oct. 17, 2013) at 47.
[29] R.10-12-007, Assigned Commissioner's Ruling Proposing Storage Procurement Targets and Mechanisms and Noticing All-Party Meeting (June 10, 2013) at 15.
[30] R.10-12-007, Assigned Commissioner's Ruling Proposing Storage Procurement Targets and Mechanisms and Noticing All-Party Meeting (June 10, 2013) at 15.
[31] R.15-03-011, Proposed Decision on Track 2 Energy Storage Issues, pp. 22-25 (Feb. 24, 2017).

CHAPTER 6—Financial Plan

Outline

- Overview
- Description of Pro Forma and Cash Flow Analysis
- Third-Party Support
- Cash Flow and Working Capital Requirements
- Program Savings Estimate

Overview

This chapter of the Implementation Plan examines certain costs that will be incurred by the RivCo CCA in administering the Program. The forecasted costs establish the basis for the portion of the RivCo CCA revenue requirement representing wholesale energy and SCE charges that must be recovered from customers through RivCo CCA rates. Forecasted wholesale energy and SCE rates are then used to estimate customer costs and savings potential.

There are four general categories of costs associated with serving RivCo CCA customers as follows:

1. Electricity supply and related services (including exit fees)
2. Internal operations
3. Third-party advisory and data management services
4. Financing

Description of Pro Forma and Cash Flow Analysis

The RivCo CCA *pro forma* represents a forecast of revenues, costs and associated gross unit savings during a 10-year time horizon commencing in 2018. To prepare a forecast of this nature, it is necessary to establish certain baseline assumptions, such as the level of participation, forecasted costs of wholesale power, and inflation rates. All load forecasts are based upon 2015 summary RivCo CCA territory usage data provided by SCE.

The single largest cost of operating the RivCo CCA is the cost of power supply. Power costs have been estimated using recent forward energy quotes and associated costs to serve end-use accounts. The following non-electricity cost assumptions and parameters have been used in the RivCo CCA pro forma:

- RivCo CCA internal staff of up to three individuals operating in the capacity of RivCo CCA Executive Director and support staff.
- Third-party data management costs are estimated to be $0.25 per invoice escalated at the rate of inflation;[32]
- SCE enrollment fees and on-going data fees are $3.45 per account and $0.78 per account, respectively;[33]

[32] Based upon Good Energy's experience and market surveys of vendors.

- Bad debt expense is estimated to be 2 percent of revenues for residential accounts and 0.5 percent of revenues for commercial accounts.

As described in Chapters 3 and 4, RivCo CCA intends to utilize various contractors to develop, launch and operate the program. To that end, RivCo CCA has developed a good faith estimate of operating costs, as summarized in Table 6.1 below. The RivCo CCA Program Executive Officer, in consultation with the County Executive Office, may adjust the financial forecasts, including cost contingencies, as the Program develops.

TABLE 6.1
Forecasted Operating Costs[34]

Year of CCA Operation	1	2	3	4	5	6	7	8	9	10
Cost	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Power Supply	$ 85,120,370	$ 89,144,403	$ 93,347,304	$ 97,225,327	$ 101,252,431	$ 105,434,084	$ 109,775,952	$ 115,449,715	$ 120,177,557	$ 125,085,662
Exit Fees	15,357,876	15,537,172	15,717,120	15,897,755	16,079,112	7,151,917	7,146,670	7,212,278	7,202,983	7,191,680
Billing & Data Management	309,592	321,702	334,259	347,280	360,780	374,777	389,288	404,332	419,928	436,095
SCE Fees	436,634	88,677	90,303	91,952	93,625	95,322	97,043	98,788	100,558	102,353
CCA Management Services	1,225,000	1,249,500	1,274,490	1,299,980	1,325,979	1,352,499	1,379,549	1,407,140	1,435,283	1,463,988
Regulatory Counsel	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509
Internal Staffing	370,000	377,400	384,948	392,647	400,500	408,510	416,680	425,014	433,514	442,184
G&A Expenses (rent, computers)	50,000	52,020	53,060	54,122	55,204	56,308	57,434	58,583	59,755	60,950
Start-Up Cost Amortization	528,333	528,333	528,333	-	-	-	-	-	-	-
Working Capital Cost	85,428	85,428	85,428	85,428	85,428	85,428	85,428	85,428	85,428	85,428
Total Uncollectibles	1,192,103	1,246,447	1,303,149	1,355,400	1,409,619	1,465,876	1,524,245	1,600,969	1,664,435	1,730,273
Total Operating Costs	104,775,337	108,733,082	113,222,434	116,856,012	121,170,921	116,535,129	120,984,905	126,857,115	131,696,605	136,718,122
Other Cost (Revenues)	-	-	-	-	-	-	-	-	-	-
Total CCA Revenue Requirement	$ 104,775,337	$ 108,733,082	$ 113,222,434	$ 116,856,012	$ 121,170,921	$ 116,535,129	$ 120,984,905	$ 126,857,115	$ 131,696,605	$ 136,718,122

Third-Party Support

Various third-party vendors will provide overall support functions allowing RivCo CCA to minimize the expense of internal staff. The cost of various technical services required to operate the RivCo CCA have been built up based on input from vendors and direct experience procuring these services.

Cash Flow and Working Capital Requirements

RivCo CCA has working capital requirement due to the timing difference between when certain costs are incurred by RivCo CCA and the receipt of RivCo CCA customer payments for delivered electricity. These working capital requirements were estimated by RivCo CCA, based on forecasts of certain costs (e.g., CPUC bonding costs, RivCo CCA staff costs), and an appropriate estimated carrying cost. Certain start-up costs may be financed through other financing instruments available to RivCo CCA.

[33] SCE ongoing data costs are based upon SCE Schedule CCA-SF PUC Sheet 57996-E.

[34] SCE Fees represent approximately 15% of estimated initial CCA SCE fees and a carrying cost of 5%. Uncollectables are the estimated amounts of unpaid bills by participants calculated as 2% of CCA costs for domestic accounts and 0.5% for commercial accounts.

Program Savings Estimate

On June 13, 2016 the County Executive Office presented a CCA feasibility report to the Board of Supervisors. The report indicated that a CCA would realize cost savings between 7%-13% for individual ratepayers and businesses on the purchase of power. The total bill savings for CCA customers is approximately ½ of that amount due to the purchase of power being about half of a customer's total power bill.

The costs savings that RivCo CCA can offer customers is determined by the difference between applicable SCE rate elements and RivCo CCA costs. Under the Program's rates, customers no longer pay the SCE Utility Generation (UG) charge which is the cost of energy that SCE has incurred to serve its bundled customers. Due to a variety of factors, UG rates are currently above forward wholesale market rates.

While RivCo CCA customers no longer pay UG charges, RivCo CCA customers are subject to certain SCE exit fees and direct Program costs. The SCE exit fees are the result of the cost difference between what SCE has paid for power to serve its bundled customers and the estimated market value of that power currently. This unitized cost is provided in the SCE Rate CRS under the PCIA. Because SCE CRS rates represent the difference between purchase power and current market rates, these rates tend to be inversely related to market energy rates. SCE publishes new PCIA values each year, "vintaged" for the year upon which a designated account has departed SCE bundled service.

To forecast PCIA values, RivCo CCA used the 2017 SCE PCIA rates and forecasted a de-escalation rate of 2.3% per year. Note that PCIA rates historically have been subject to significant year-to-year variability and the structure of this rate may be altered by regulatory action in the future. The Competitive Transition Charge (CTC) is also a component of the SCE CRS rates and reflects the cost (benefit) of retained SCE generation. RivCo CCA used 2017 SCE CTC rates in forecasting this cost and held CTC costs flat in real terms during the 10-year planning horizon.

RivCo CCA customers are also subject to the Department of Water Resources Bond Cost (DWRBC) within the SCE CRS rate. DWRBC costs are included in distribution rates for bundled accounts and included in CRS rates for CCA accounts. Given that customers pay these costs under both bundled and CCA service, these costs are eliminated from the savings analysis as DWRBC costs are the same under bundled and CCA rates. The RivCo CCA forecast assumes that DWRBC costs are constant until 2022, after which DWRBC costs are expected to end for all customers.

RivCo CCA recognizes the dynamic nature of factors impacting costs of the Program, including commodity market prices and changes to regulatory requirements in effect at the time of the preparation of this Implementation Plan. RivCo CCA will take such factors in to account when preparing its Program for launch, as well as ongoing evaluation of such factors during Program operation in order to achieve its stated goals. RivCo CCA will establish estimated costs of wholesale power supply, applicable SCE customer responsibility surcharges (CRS), outsourced costs of contractors and advisors, internal costs, cash flow projections (including bad debt assumptions) to determine total estimated CCA costs. These costs will be compared to the current and projected corresponding SCE rates for each rate class.

CHAPTER 7—Rate Setting, Program Terms and Conditions

Outline

- Overview
- Rate Setting Policies and Process
- Rate Competitiveness and Stability
- Equity Among Customer Classes
- Disclosure and Due Process in Rate Setting
- Custom Pricing Options
- Energy Storage
- Net Energy Metering

Overview

This Chapter describes RivCo CCA's initial policies pertaining to the setting of electric rates including rate making principles, cost allocation, rate design, and policies for due process in setting RivCo CCA rates. This chapter will also describe rate setting policies pertaining to pricing programs associated with net metering, distributed energy resources, demand response, and energy storage. The RivCo CCA will establish a process for rate setting that ensures compliance with all regulatory requirements while streamlining the rate setting process where possible. The goals of this streamlining are to minimize administrative costs, simplify CCA management and maximize the transparency of the RivCo CCA rate setting process.

Rate Setting Policies and Process

RivCo CCA rates are set to recover projected energy and non-energy operating expenses (i.e., the CCA revenue requirement) based on forecasted electricity consumption.[35] The resulting rates and associated policies will be designed to ensure timely recovery of all costs related to operation of the CCA including any charges (credits) required to recover (return) costs to customers. A rate design and cost allocation methodology will be developed and documented by the RivCo CCA in conjunction with a designated utility rate design expert. RivCo CCA will then apply the cost allocation methodology to develop proposed rates.

[35] Non-energy operating costs are the costs required to establish and manage the CCA including the cost for data service, outreach and communications, legal, finance, program development, supplier management, and maintenance of a reserve fund.

All RivCo CCA customers within a designated rate class and subject to the same terms and conditions will receive the same pricing offers based on established RivCo CCA rates. The proposed supply structure for each rate class is as follows:

- Domestic and D-CARE accounts will be offered all-in rates expressed in cents per kilowatt-hour;
- Small and medium commercial (GS-1, GS-2) accounts will be offered all-in rates expressed in cents per kilowatt-hour, applicable to the entire rate class;
- Large commercial (GS-3, TOU-8 SEC, TOU-8 PRIM, TOU-SUB, TOU-PA-2, TOU-PA-3, TOU-PA-ICE) will be offered a multi-part rate structure that can be applied to various load patterns and provide flexible supply options;
- Street Lighting and Traffic Control accounts will be offered an all-in rate.

Additional rate classes will be evaluated based on RivCo CCA customer requests (e.g. an electric vehicle charging rate). All rates will include the statutorily-required minimum quantity of renewable energy. Rates that include levels of renewable energy exceeding the requirements under statute may be made available to each rate class on an opt-in basis.

On an annual basis, the RivCo CCA will review and approve the operating budget, revenue requirement and resulting customer rates. The annual review will include procedures to ensure RivCo CCA complies with its own rate setting process and all state-mandated CCA requirements including universal access, reliability and equitable treatment of all classes of customers.

During the annual budget and rate review, proposed cost allocation and customer policies will be evaluated and approved by the RivCo CCA, including:

- Rights and responsibilities of RivCo CCA customers;
- Consumer protection procedures;
- Credit management and shutoff procedures;
- Use of reserve or balancing accounts to manage recovery of any deferred charges;
- Process of terminating the RivCo CCA, if necessary;
- Compliance with applicable state law and regulation, including rules that may be adopted in the future.

Rate Competitiveness and Stability

RivCo CCA's primary objective is to reduce and stabilize customer electricity costs. To achieve this objective, RivCo CCA will seek to develop rates that provide savings versus the otherwise applicable SCE rate. As part of its efforts to stabilize customer rates, RivCo CCA may also create a mechanism to manage PCIA costs.

Equity Among Customer Classes

The RivCo CCA will offer electricity supply to all electricity consumers within the unincorporated area of the County of Riverside currently served by SCE. All such eligible electricity consumers will continue to retain the right to choose another authorized electric service provider or remain with SCE.

RivCo CCA will endeavor to provide customers electricity at rates which reflects the actual cost of serving their rate class or individual account consistent with the principle of cost causality. Such transparency will ensure that customers only incur costs associated with their consumption and are correctly incented to pursue energy efficiency and conservation measures. Such transparent rate setting may also result in large variations in savings across customer types or rate classes. Cost savings associated with RivCo CCA rates may also be affected by the availability of optional rates available from the RivCo CCA or SCE (e.g., EV charging). RivCo CCA may also consider offering economic development rates for commercial customers as a means of attracting businesses to the unincorporated areas of the County.

Disclosure and Due Process in Rate Setting

The RivCo CCA budgeting process is open to the public and rate calculations will be published and be available for public review and comment during a scheduled Board of Supervisors meeting. The Board of Supervisors will approve all rates after a customer comment period and public hearing. RivCo CCA will publish its budget and related financial information annually.

For the first year of operations, the RivCo CCA will review the operating budget, revenue requirement and resulting rates before initiating the opt-out notification process. Once the RivCo CCA is operating, notices of rate changes will be available for review at the RivCo CCA designated office, published on-line and published in one or more designated local newspapers. These notices will provide the following:

- New rates applicable to various rate classes
- Otherwise applicable current SCE rate class average rate
- Known SCE surcharges (e.g., CRS)
- Changes from the exiting rates in both cents per kWh and percent of total bill
- Mailing address, email and call center contact information for customer inquires
- Date of public hearing regarding rates

Custom Pricing Options

In addition to the base rates offered by RivCo CCA, additional rates may also be developed by the RivCo CCA based on specific types of load, customer requirements or the existence of various forms of distributed energy resources. These rate options will be approved by the RivCo CCA and be designed to create additional value for Program's customers while preventing undue cost shifting to other customers not participating in the custom rate program. RivCo CCA expects that one of the first custom rates to be offered will provide additional levels of renewable power above what is required statutorily by California in any given year.

Energy Storage

Due to advances in energy storage technologies, there is a growing opportunity for energy consumers to reduce energy costs and improve reliability through investments in such energy storage systems. Further the state of California has established and continues to evaluate storage targets for CCAs.[36] RivCo CCA will consider ways to support customer-sited energy storage systems and will ensure that third-party electricity supply complies with established storage regulations.

Net Energy Metering

Net energy metering (NEM) permits electricity consumers with on-site generation to be billed for their energy consumption on a "net" basis effectively selling excess energy back to the supplier. The RivCo CCA will establish a NEM policy and resulting program that allows RivCo CCA customers with designated on-site generation (e.g., photovoltaics) to sell excess energy to RivCo CCA at rates that reflect the market price of electricity. Such a rate structure will specify maximum levels of energy generation, the true-up period, the determination of compensation in compliance with applicable state regulations and the principles set forth in Assembly Bill 920 (AB 920) and California Public Utilities Code Sections 2827 and 2827.1. Separate from any NEM program, RivCo may also establish a program for larger facilities directly connected to the transmission system in which RivCo can procure long term supply under a set rate (e.g., feed-in tariff).

[36] See Cal. Pub. Util. Code § 2835 et seq. and R.15-03-011, Proposed Decision on Track 2 Energy Storage Issues, pp. 22-25 (Feb. 24, 2017).

CHAPTER 8—Customer Rights and Responsibilities

Outline

- Overview
- Public Information and Program Marketing
- Customer Notices
- Termination Fee
- Customer Confidentiality
- Payment, Collection and Receivables
- Customer Deposits

Overview

RivCo CCA recognizes that many of the customer rights and responsibilities are established by law and/or rule, including SCE tariffs. RivCo CCA will incorporate all such requirements and protections into the Program's policies. In addition, RivCo CCA will maintain resources which are designed to provide customers with access to information regarding the terms and conditions of the Program and customer support for inquiries.

Public Information and Program Marketing

RivCo CCA will establish and maintain a public information program containing the following:

1. Education and marketing materials describing the key components of customer choice, CCA objectives and the benefits of participation;
2. Access to RivCo CCA information resources including public meetings, web resources and toll-free telephone customer support;
3. Rates, terms and conditions of participation in the Program;
4. Access to regulatory filings and other required documents, including the Implementation Plan.
5. Information on optional customer programs and how to participate.

With the assistance of Program contractors, RivCo CCA will establish and maintain the public information program. All public information resources will be approved by RivCo CCA staff prior to release.

Customer Notices

The eligible electric accounts in RivCo CCA's jurisdiction will receive a total of four opt-out notices approximately 30 days apart. The notices will be mailed to the billing address for each account during four consecutive months. The list of accounts will be provided to RivCo CCA by SCE. The opt-out notices will include a description of the Program, the rates for each customer class and the terms and conditions of the Program. Customers may opt-out via their choice of returning a pre-paid postcard, calling a toll-free telephone number, or other specified method.

Approximately 30 days after the second notice is mailed, accounts that have not opted out will be automatically enrolled. Two additional opt-out notices will be issued, and recipients retain the right to opt-out until approximately 30 days after the fourth notice has been mailed. RivCo CCA will distribute the opt-out notices with its own resources rather than use the optional SCE service.

With the assistance of Program contractors, RivCo CCA will review SCE customer account data for new accounts established in the Program's jurisdiction on a monthly basis. New accounts will be provided opt-out notices and access to customer information resources, and be enrolled per the process described above. Electric accounts relocating within the RivCo CCA may maintain their participation in the Program.

Termination Fee

Accounts which opt-out during the four-month notice period will stay on (or be returned to) bundled SCE generation service with no obligation. Customers opting-out after the initial four-month opt-out window may be subject to a termination fee as established in the Program rates, terms and conditions. Termination fees are intended to maintain Program solvency and rate neutrality rather than be punitive.

Customer Confidentiality

Confidentiality of account and customer information is a high priority for RivCo CCA. Confidentiality requirements are established in AB 117, statutory requirements in the California Public Utilities Code and by SCE tariffs governing the handling of customer information. RivCo CCA will comply with all such requirements. Customer data will only be used as necessary to establish and operate the Program. Customer information will not be made available to any party not essential to Program operations. All contractor agreements will include clearly-stated confidentiality requirements. Customer data may be used to comply with applicable law or regulation and Program operation. Customer data will not be disclosed for telemarketing, email, direct mail or door-to-door soliciting.

Payment, Collection and Receivables

The RivCo CCA's objective is to operate efficiently and minimize administrative costs. Maintaining sufficient cash flows to fund the Program's operation is essential to achieving this objective. Enrolled accounts are responsible for payment of all charges for participation in the RivCo CCA. Customers will be billed and remit payments to SCE per SCE's normal billing schedule procedures. For accounts enrolled in the RivCo CCA, the generation charges on the customer's bill will be collected and distributed to the RivCo CCA or its designee, which in turn will pay the power suppliers and contractors. RivCo CCA may establish a "lockbox" through a financial institution to accept payments.

Non-payments and partial customer payments are subject to the late payment rules in SCE's tariffs and the RivCo CCA Program terms and conditions. SCE will pursue collection of the unpaid amounts and distribute the generation portion of the collections to the RivCo CCA.

Unpaid account charges that have not been restored within 90 days of the original due date and have not made alternate arrangements for restoring the account to current will be discontinued from the RivCo CCA generation service and returned to SCE generation service on the next scheduled billing cycle. Participating accounts whose non-payment is the result of a duly-filed billing dispute will not be disconnected from Program service during the dispute process per SCE's tariffs.[37] RivCo CCA intends to maintain sufficient working capital in its Program funding to cover non- and late-payment balances.

Customer Deposits

Customer deposits may be required for certain accounts or rate classes to maintain Program solvency. These deposit requirements will be established through a documented credit policy that will consider various factors including the account's payment history. In general, domestic and small commercial rate classes are not subject to deposits upon Program enrollment. Larger commercial accounts may be subject to a deposit upon Program enrollment. Any account is subject to a deposit if the account's payment history reflects consistent partial or non-payments.

Deposits held by the RivCo CCA for any participant's account will be returned to the customer upon disconnection from Program service, provided no outstanding Program charges are owed. Deposits required due to poor payment history may be returned after 12 consecutive months of full-payment history and upon the customer's request.

[37] Applicable SCE's customer tariffs include but are not limited to SCE Rule 23, 23-2 and Rule 11.

CHAPTER 9—Procurement Process

Outline

- Overview
- Procurement Methods
- Contracts with Third Parties
- Electric Supplier(s)
- Data Management

Overview

RivCo CCA intends to procure energy supply under a competitive process which incorporates the best practices available in the industry.

Procurement Methods

With the assistance of Program consultants, RivCo CCA will utilize market analysis, product structuring and competitive bidding for managing its energy portfolio. At all times, the Board of Supervisors will retain the obligation to make all procurement decisions and execute contracts with suppliers valued at greater than $100,000.

Contracts with Third Parties

To the greatest extent possible, the various agreements established with suppliers and contractors shall include provisions which establish the liabilities, debts, and obligations of the RivCo CCA as separate from the liabilities, debts, and obligations of the County.

Electric Supplier(s)

With the assistance of Program contractors and advisors, RivCo CCA will select its energy suppliers through competitive procurement processes. The candidate suppliers will be experienced power marketers demonstrating broad resources to supply the required electricity, resource adequacy, ancillary services and other components required to serve RivCo CCA.

Data Management

RivCo CCA recognizes the specialized nature of customer information and related data involved in electricity supply and the significant expense of establishing its own customer information system. To that end, RivCo CCA will solicit the services of a qualified contractor with established utility billing, I.T. and staff resources to handle the required customer data management tasks. Consistent with the Program's goals, RivCo CCA seeks to leverage the assets and expertise of established service providers in the competitive retail electric industry.

CHAPTER 10—Contingency Plan for Program Termination

Outline

- Overview
- Notice to Southern California Edison and Customers
- Financial Contingency
- Contracts Contingency

Overview

The RivCo CCA intends to operate indefinitely once fully implemented with no set termination date. However, AB 117 and the Public Utility Code require CCAs to establish policies and procedures related to Program termination. If, at some point, the Riverside County Board of Supervisors votes to terminate the Program, RivCo CCA will comply with all applicable law, regulation and rule in effect at the time pertaining to Program termination.

Notice to SCE and Customers

RivCo CCA will comply with SCE Rule 23, Section S in event of Program termination. Currently, the rule requires 12 months' notice to SCE prior to returning customers to SCE bundled service, six months' advance notice to customers and a 60-day final notice to customers. SCE will separately notify customers of a pending change of service, which will occur on each account's regularly-scheduled billing schedule.

Financial Contingency

RivCo CCA will allow for funding in its rate structure to provide for the contingency of Program termination. RivCo CCA will include a rate component which establishes a contingency fund to be used to cover costs of Program termination. The reserves in the fund will be collected in monthly customer revenues and deposited in an account established specifically for such a contingency. To address certain termination costs, the CPUC requires a bond to be posted prior to fully registering the CCA. Currently, the amount of this bond is $100,000. At the time this Plan was prepared, the amount of this bond is subject to a proceeding by the CPUC and may need to be amended are required.[38]

Contracts Contingency

All contracts with supplier(s) and vendors will contain provisions for early termination of the agreement. Such terms and conditions in supply agreements are bilateral, and establish clear criteria for notifying the affected party of the intent to terminate. The contract terms and conditions also will specify the financial consequences of early termination. With the assistance of Program contractors and the Program's legal counsel, RivCo CCA will prepare an evaluation of contract termination costs and other considerations for presentation to the Board of Supervisors prior to any decision regarding contract termination.

[38] CPUC Rulemaking 03-10-003 regarding setting bond requirement for CCAs in accordance with Section 394.25(e).

APPENDIX A

Description of SCE Rate Classifications

Domestic (Domestic Service)
Applicable to all residential service including lighting, heating, cooking, and power or combination thereof in a single-family accommodation or an individually metered single-family dwelling in a multi-family accommodation; also to domestic farm service when supplied through the farm operator's domestic meter.

TOU-D (Time-of-Use - Domestic)
Applicable as an optional rate schedule to customers eligible for service on Schedule D (Domestic) or Schedule D-CARE, based on variable pricing dependent upon the season and the time of day that energy is consumed.

TOU-GS-1 (Time-Of-Use - General Service - Demand Metered)
Applicable to single- and three-phase general service including lighting and power, except that the customer whose monthly maximum demand, in the opinion of SCE, is expected to exceed 20 kW or has exceeded 20 kW in any three months during the preceding 12 months is ineligible for service under this Schedule. Effective with the date of ineligibility, the customer's account shall be transferred to Schedule TOU-GS-2.

TOU-GS-2 (Time-Of-Use - General Service - Demand Metered)
Applicable to single- and three-phase general service including lighting and power customers whose monthly maximum demand registers, or in the opinion of SCE is expected to register, above 20 kW and below 200 kW. The customer whose monthly Maximum Demand, in the opinion of SCE, is expected to reach 200 kW or has reached 200 kW for any three months during the preceding 12 months is ineligible for service under this Schedule. Effective with the date of ineligibility, the customer's account shall be transferred to Schedule TOU-GS-3.

TOU-GS-3 (Time-Of-Use - General Service - Demand Metered)
Applicable to single- and three-phase general service including lighting and power customers whose monthly Maximum Demand registers, or in the opinion of SCE is expected to register 200 kW through 500 kW. The customer whose monthly Maximum Demand, in the opinion of SCE, is expected to exceed 500 kW or has exceeded 500 kW for any three months during the preceding 12 months is ineligible for service under this Schedule and effective with the date of ineligibility, such customer's account shall be transferred to Schedule TOU-8.

TOU-8 (Time-Of-Use - General Service – Large)
Applicable to general service, lighting and power. This Schedule is mandatory for all customers whose monthly maximum demand, in the opinion of SCE, is expected to exceed 500 kW or has exceeded 500 kW in any three months during the preceding 12 months.

TOU-PA-2 (Time-Of-Use Agricultural and Pumping - Demand Metered)
Applicable where SCE determines that 70% or more of the customer's electrical usage is for general water or sewerage pumping, or for oil pumping by customers with a Standard Industrial Classification (SIC) Code of 1311, and none of any remaining electrical usage is for purposes for which a domestic schedule is applicable. This Schedule is applicable to customers whose monthly maximum demand registers or is expected to register below 200 kW. Customers whose monthly demands registers, or in the opinion of SCE is expected to register 200 kW through 500 kW are required to take service on Schedule TOU-PA-3.

TOU-PA-3 (Time-Of-Use Agricultural and Pumping - Demand Metered)
Applicable where SCE determines that 70% or more of the customer's electrical usage is for Agricultural Power Service, general water or sewerage pumping, or for oil pumping by customers with a Standard Industrial Classification (SIC) Code of 1311, and none of any remaining electrical usage is for purposes for which a domestic schedule is applicable. This Schedule is applicable to customers whose monthly maximum demand registers, or in the opinion of SCE, is expected to register 200 through 500 kW. The customer whose monthly Maximum Demand, in the opinion of SCE, is expected to exceed 500 kW or has exceeded 500 kW for any three months during the preceding 12 months is ineligible for service under this Schedule. Effective with the date of ineligibility, the customer's account shall be transferred to Schedule TOU-8 or Schedule TOU-8-S if the customer's account is also served under Schedule S.

TC-1 (Traffic Control Service)
Applicable to single- and three-phase service: for traffic directional signs or traffic signal systems located on streets, highways and other public thoroughfares and to railway crossing and track signals; for public thoroughfare lighting that is utilized 24 hours per day or is not controlled by switching equipment, such as tunnel or underpass lighting; and, to public authorities for the illumination of bus stop shelters located in the dedicated road right-of-way where such service is combined with other traffic control service as defined above.

STREET LIGHTING (Lighting - Street and Highway Company-Owned System)
Applicable to service for the lighting of streets, highways, and publicly-owned and publicly-operated automobile parking lots which are open to the general public where SCE owns and maintains the street lighting equipment and associated facilities included under this schedule.

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

9-1

On motion of Supervisor Tavaglione, seconded by Supervisor Jeffries and duly carried, IT WAS ORDERED that the recommendation from Executive Office regarding: the Public Hearing on the Community Choice Aggregation Program, is continued to Tuesday, November 14, 2017 at 9:00 a.m. or as soon as possible thereafter.

Roll Call:

Ayes:	Jeffries, Tavaglione, Washington and Perez
Nays:	None
Absent:	Ashley

I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on November 7, 2017 of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors
Dated: November 7, 2017
Kecia Harper-Ihem, Clerk of the Board of Supervisors, in and for the County of Riverside, State of California.

(seal)

By: Deputy

AGENDA NO.
9-1

xc: EO, COB

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ITEM
9.1
(ID # 5713)

MEETING DATE:
Tuesday, November 7, 2017

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Community Choice Aggregation Program Public Hearing Continued to November 14, 2017

RECOMMENDED MOTION:

ACTION: Consent

Brian Nestande 10/30/2017

MINUTES OF THE BOARD OF SUPERVISORS

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	$	$	$	$
NET COUNTY COST	$	$	$	$
SOURCE OF FUNDS:			Budget Adjustment:	
			For Fiscal Year	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:
Summary

OFFICE OF THE
CLERK OF THE BOARD OF SUPERVISORS
1st FLOOR, COUNTY ADMINISTRATIVE CENTER
P.O. BOX 1147, 4080 LEMON STREET
RIVERSIDE, CA 92502-1147
PHONE: (951) 955-1060 FAX: (951) 955-1071

KECIA HARPER-IHEM
Clerk of the Board of Supervisors

KIMBERLY A. RECTOR
Assistant Clerk of the Board

November 16, 2017

PRESS ENTERPRISE
ATTN: LEGALS
P.O. BOX 792
RIVERSIDE, CA 92501

TEL: (951) 368-9229
E-MAIL: legals@pe.com

RE: ADOPTION OF ORDINANCE NO. 940

To Whom It May Concern:

Attached is a copy for publication in your newspaper for **ONE (1) TIME** on **Tuesday, November 21, 2017.**

We require your affidavit of publication immediately upon completion of the last publication.

Your invoice must be submitted to this office, WITH TWO CLIPPINGS OF THE PUBLICATION.

NOTE: PLEASE COMPOSE THIS PUBLICATION INTO A SINGLE COLUMN FORMAT.

Thank you in advance for your assistance and expertise.

Sincerely,

Cecilia Gil
Board Assistant to:
KECIA HARPER-IHEM, CLERK OF THE BOARD

Gil, Cecilia

From:	Legals <legals@pe.com>
Sent:	Thursday, November 16, 2017 8:12 AM
To:	Gil, Cecilia
Subject:	Re: FOR PUBLICATION: Adoption of Ord. No. 940

Received for publication on 11/21. Proof with cost to follow.

Nick Eller

Thanksgiving Deadlines 2017

Publishing Day		Deadline	
Thurs-Fri	11/23-11/24	Monday	11/20 10:30am
Sat-Mon	11/25-11/27	Tuesday	11/21 10:30am
Tues-Wed	11/28-11/29	Wednesday	11/22 10:30am

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Standard Deadlines are 10:30am, 3 business days prior to the day you would like to publish

The Press-Enterprise **PE.com / La Prensa**

On Thu, Nov 16, 2017 at 8:11 AM, Gil, Cecilia <CCGIL@rivco.org> wrote:

Good morning! I will be bombarding you today, sorry.

Adoption of Ordinance for publication on Tuesday, Nov. 21, 2017. Please confirm. THANK YOU!

Cecilia Gil

Board Assistant

Clerk of the Board of Supervisors

4080 Lemon St., 1st Floor, Room 127

Riverside, CA 92501

(951) 955-8464 Mail Stop# 1010

OFFICE OF THE
CLERK OF THE BOARD OF SUPERVISORS
1st FLOOR, COUNTY ADMINISTRATIVE CENTER
P.O. BOX 1147, 4080 LEMON STREET
RIVERSIDE, CA 92502-1147
PHONE: (951) 955-1060 FAX: (951) 955-1071

KECIA HARPER-IHEM
Clerk of the Board of Supervisors

KIMBERLY A. RECTOR
Assistant Clerk of the Board

November 16, 2017

DESERT SUN
ATTN: LEGALS
P.O. BOX 2734
PALM SPRINGS, CA 92263

TEL: 760-778-4578
E-MAIL: legals@thedesertsun.com

RE: ADOPTION OF: ORDINANCE NO. 940

To Whom It May Concern:

Attached is a copy for publication in your newspaper for **ONE (1) TIME** on Sunday: **November 19, 2017**.

We require your affidavit of publication immediately upon completion of the last publication.

Your invoice must be submitted to this office in duplicate, WITH TWO CLIPPINGS OF THE PUBLICATION.

NOTE: PLEASE COMPOSE THIS PUBLICATION INTO A SINGLE COLUMN FORMAT.

Thank you in advance for your assistance and expertise.

Sincerely,

Cecilia Gil
Board Assistant to
KECIA HARPER-IHEM, CLERK OF THE BOARD

Gil, Cecilia

From: Email, TDS-Legals <legals@thedesertsun.com>
Sent: Thursday, November 16, 2017 8:38 AM
To: Gil, Cecilia
Subject: RE: FOR PUBLICATION: Adoption of Ord. No. 940

Good Morning!

Ad received and will publish on date(s) requested.

Charlene Moeller | Customer Care Representative / Legals

The Desert Sun Media Group
750 N. Gene Autry Trail, Palm Springs, CA 92262
t 760.778.4578 | f 760.778.4528 e: legals@thedesertsun.com

Lobby hours are 9am-noon (closed for lunch) 1:30p-4pm

From: Gil, Cecilia [mailto:CCGIL@RIVCO.ORG]
Sent: Thursday, November 16, 2017 8:12 AM
To: Email, TDS-Legals <legals@thedesertsun.com>
Subject: FOR PUBLICATION: Adoption of Ord. No. 940

Good morning!

Adoption of Ordinance, for publication on Sunday, Nov. 19, 2017. Please confirm. THANK YOU!

Cecilia Gil
Board Assistant
Clerk of the Board of Supervisors
4080 Lemon St., 1st Floor, Room 127
Riverside, CA 92501
(951) 955-8464 Mail Stop# 1010

BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ORDINANCE NO. 940
AN ORDINANCE OF THE COUNTY OF RIVERSIDE
ESTABLISHING A COMMUNITY CHOICE AGGREGATION PROGRAM

The Board of Supervisors of the County of Riverside ordains as follows:

Section 1. FINDINGS AND PURPOSE. The Board of Supervisors of the County of Riverside has been actively investigating options to procure and provide electric power to citizens with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local, renewable energy projects and promoting competitively priced renewable energy. An initial analysis concluded that a Community Choice Aggregation Program would serve the County and provide benefits to include the use of local renewable energy at or above the required Renewable Portfolio Standard level while providing economic benefits to the County through lower electric generation rates.

Section 2. AUTHORITY.

a. On September 24, 2002, the Governor signed into law Assembly Bill 117 (Stat. 2002, ch. 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "Act"), which authorizes any California city or county, whose governing body so elects, to combine the electricity load of its residents and businesses in a community-wide electricity aggregation program known as Community Choice Aggregation.

b. Through Docket NO. R.03-10-003, the California Public Utilities Commission has issued various decisions and rulings addressing the implementation of Community Choice Aggregation programs, including the issuance of a procedure by which the California Public Utilities Commission will review "Implementation Plans," which are required for submittal to the California Public Utilities Commission as the means of describing the Community Choice Aggregation Program and assuring compliance with various elements contained in the Act.

c. The Act requires Community Choice Aggregation program participants to adopt an ordinance electing to implement a Community Choice Aggregation program within the jurisdiction of the local government agency.

d. This ordinance is adopted pursuant to Public Utilities Code sections 218.3, 331.1, 366, 366.2, 381.1, 394, and 394.25, allowing the County of Riverside to establish a Community Choice Aggregation Program.

Section 3. AUTHORIZATION TO IMPLEMENT A COMMUNITY CHOICE AGGREGATION PROGRAM.

a. The County has developed an Implementation Plan that describes the formation of the Community Choice Aggregation program to be implemented by the County for the purpose of providing electricity choice to eligible electricity accounts in the County's unincorporated area currently served by Southern California Edison. Electric accounts served by the Imperial Irrigation District, Anza Electric Cooperative or a municipal electric system within Riverside County are not included in the Implementation Plan. "Implementation Plan" as defined in this ordinance means the CCA Implementation Plan, Revision 2, prepared by Good Energy, L.P. dated October 18, 2017.

b. As described in the Implementation Plan, Community Choice Aggregation by and through the County appears to provide a reasonable opportunity to accomplish all of the following goals:

1) To provide greater levels of local involvement in and collaboration on energy decisions.
2) To increase the amount of locally supplied renewable energy available to County residents.
3) To provide initial price stability, long-term electricity cost savings and other benefits for the community when compared to the average corresponding Southern California Edison rate.
4) To develop custom rates for economic development or other purposes.
5) To offer energy services not provided by Southern California Edison, including options for additional renewable energy.

c. The Board of Supervisors has determined that it is in the public interest and welfare to establish a Community Choice Aggregation Program and the Board authorizes the County proceeding with the implementation of a Community Choice Aggregation program within the unincorporated area of the County, as described in the Implementation Plan.

Section 4. SEVERABILITY. If any provision, clause, sentence or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are hereby declared to be severable.

Section 5. EFFECTIVE DATE. This ordinance shall take effect thirty (30) days after its adoption.

John Tavaglione, Chairman of the Board

I HEREBY CERTIFY that at a regular meeting of the Board of Supervisors of said County, held on **November 14, 2017,** the foregoing Ordinance consisting of five (5) sections was adopted by said Board by the following vote:

AYES: Tavaglione, Perez and Ashley
NAYS: Jeffries and Washington
ABSENT: None

Kecia Harper-Ihem, Clerk of the Board
By: Cecilia Gil, Board Assistant

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ITEM
3.19
(ID # 5436)

MEETING DATE:
Tuesday, October 24, 2017

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Community Choice Aggregation (CCA) Program: Introduction of Ordinance No. 940 Establishing a Community Choice Program and Setting Public Hearing on Adoption of the Implementation Plan to be submitted to the California Public Utilities Commission, All Districts. [Total costs - $0] [Source of Funds: N/A] (CLERK TO ADVERTISE)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Introduce and waive reading of Ordinance No. 940, an Ordinance of the County of Riverside Establishing a Community Choice Aggregation (CCA) Program;
2. Consider the CCA Implementation Plan prepared by Good Energy, L.P., at a public hearing on November 7, 2017 in accordance with Public Utilities Code section 366.2(c)(3) [Clerk to Advertise]; and
3. At the close of the public hearing on November 7, 2017, adopt the Implementation Plan and adopt Ordinance No. 940.

ACTION: Policy

Brian Nestande 10/11/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Ashley and duly carried, IT WAS ORDERED that the above Ordinance is approved as introduced with waiver of reading and is set for public hearing November 7, 2017 at 9:00 a.m. or as soon as possible thereafter.

Ayes:	Tavaglione, Perez and Ashley
Nays:	Jeffries and Washington
Absent:	None
Date:	October 24, 2017
xc:	EO, COB

Kecia Harper-Ihem
Clerk of the Board
By: Deputy

9.12
~~3.19~~

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	N/A	N/A	N/A	N/A
NET COUNTY COST	N/A	N/A	N/A	N/A
SOURCE OF FUNDS:			Budget Adjustment: N/A	
			For Fiscal Year: N/A	

C.E.O. RECOMMENDATION: APPROVE

BACKGROUND:

Summary

AB 117, passed in 2002, permitting California cities and counties to implement programs to aggregate the electric loads of customers within their jurisdictional boundaries to facilitate the purchase and sale of electricity, while also setting the legal precedent and guidelines for Community Choice Aggregation (CCA) programs in California. A CCA creates a functional partnership between local governments and existing investor-owned utilities (IOU), such as Southern California Edison (SCE). Under a CCA Program, the County would buy and/or generate electricity for residents and businesses within the unincorporated area. That electricity is then delivered to the residents and businesses through SCE's transmission and distribution system. SCE also provides meter-reading, billing, maintenance and outage response services. All SCE customers within the CCA's territory have the option of buying electricity from the CCA or remaining as generation customers of SCE by exercising their rights to "opt out" of the CCA program.

The Board of Supervisors has taken several actions in the past two years regarding the possible formation of a County CCA.

- In 2015, the Executive Office commissioned a feasibility study regarding the creation of a community choice aggregation program for the unincorporated areas of the County.

- On January 12, 2016, in agenda item 3-17, the Board of Supervisors directed the Executive Office to summarize the findings of a feasibility study regarding the formation of a county CCA and report back to the Board.

- On June 21, 2016, in agenda item 3-8, the Executive Office presented the feasibility report to the Board. The report indicated that a CCA would realize cost savings between 7%-13% for individual ratepayers and businesses on the purchase of power, depending upon rate class. Under the report, it was estimated that residential (domestic) rate payers could save an average of 9%. After receiving the feasibility report, the Board authorized the Executive Office to issue requests for proposals to prepare a CCA program implementation plan for submission to the California Public Utilities Commission.

- On December 6, 2016, in agenda item 3.9, the Board approved the selection of Good Energy, L.P. and Keyes Fox & Wiedman LLP for CCA consulting and implementation services, including the preparation of an Implementation Plan.

HISTORY OF CCA PROGRAMS

With the passage of Assembly Bill 117, a number of communities in California have explored and implemented Community Choice Aggregation programs. Today there are six Community Choice Aggregation programs in the state of California and numerous communities that are exploring and/or implementing Community Choice Aggregation programs.

The stated goal of the first implementers of CCA programs were to purchase more alternative energy than their current investor owned utility (IOU) was providing. It appears cost savings was not a threshold concern for the pioneering entities, one of the CCA's actually cost costumers more than the IOU. However, since 2010 costs for alternative energy has decreased and those CCA programs are now seeing cost reductions.

CONSIDERATIONS TO FORMING A CCA

Should the Board decide to continue moving forward with the development of a CCA program for the unincorporated area, there are several financial factors to consider.

Cost of CCA Creation and Initial Implementation

The costs to date are $250,000. The costs to implement the CCA program during the start-up and prior to delivery of electricity to CCA customers are approximately $1.7 million. These start-up costs include a variety of costs such as fees for CCA planning and feasibility analyses provided by third-party contractors, and costs associated with deposits held by SCE and the California Public Utilities Commission bonding obligation. Once the CCA begins supplying energy to the CCA customers, all incurred start-up costs, including interest, will be added to the CCA Program as an additional cost to be recovered by the County. Those start-up costs are to be paid back over three years.

Cost of CCA Ongoing Operations/Staffing

The County out-source model described in the proposed Implementation Plan forecasts yearly operating costs at $370,000 for staffing and $1.3 million for all other services. The CCA will be administered by the Executive Office.

Projected Cost Savings and Risk Factors

The projected cost savings of 7%-13% on the purchase of power must be weighed against any financial risks. However, the net savings is approximately ½ of that amount due to the purchase of power being about half of the total cost for electricity.

The largest uncontrollable factor in determining future rates is the exit fee. This is the fee charged by SCE to the CCA's as they replace SCE as the power purchaser. The California Public Utilities Commission (CPUC) mediates the exit fee rate. The current exit fees are used to determine the projected savings. However, the CPUC might allow for larger exit fees in the future thereby wiping out the savings.

A second risk factor occurs if a significant number of customers leave the CCA. As customers leave the cost increases for the remaining customers. If the CCA completely folds then the County is responsible for the energy contracts. A standard practice is to factor exit volume when setting the rates as well as charging exit fees to customers who option out of the CCA after the initial phase.

An existential problem for any electrical system, a CCA or an Investor Owned Utility such as SCE, is the changing future of power purchasing, production and delivery. Tesla and other companies are creating closed loop systems, where the rooftop solar is stored and used for charging the car or providing power at night, traditional power delivery is minimal or not even necessary. Improved battery technology could lead to neighborhoods being inter connected by solar and communal battery storage, once again obviating the need for traditional power delivery.

One could argue that a CCA be formed to help facilitate the aforementioned scenarios. The CCA could consider absorbing losses (accomplished by building reserves) in order to facilitate technological change wherein jobs are created and costs go down over the long term.

There are risks to forming a CCA, however after seven years of operations and the formation of six CCAs (and several in consideration) in the state, and many others throughout the country, the risks seem small. Prices have constantly dropped over the last five years and the percent of customers optioning out is small (averaging less than 10%).

OTHER CCA EFFORTS IN THE COUNTY

In 2015, WRCOG and CVAG jointly commissioned a feasibility study for the formation of a CCA. In February 2017 WRCOG released the feasibility study in the form of a business plan. Their plan evaluated using a model, referred to as in-house (this is in comparison to an out-source model which is the proposed model included in the County's Implementation Plan attached to this agenda item).

The optional in-house model included hiring numerous internal employees as well as outside consultants in order to operate the CCA. The business plan also included a significant loan for startup costs and reserves.

In April, County staff met with WRCOG staff in an attempt to reconcile the two approaches. On July 12, WRCOG released a revised plan. The WRCOG/CVAG plans are now similar to the out sourcing model proposed by the County and there are no significant differences between the WRCOG, CVAG and County plans.

WRCOG and CVAG have contemplated carving out a portion of revenue in the future in order to establish grant programs. The County's proposed Implementation Plan has all savings being returned to the ratepayers.

LEGAL AND REGULATORY AUTHORITY

As is previously mentioned Community Choice Aggregation is governed by (AB 117, Chapter 838, September 24, 2002). Per AB 117 a local government could become an Aggregator for electric utility generation by passing an ordinance declaring to be a CCA and developing an Implementation Plan for submission to the California Public Utilities Commission. The law allows the County to sign up customers willing to switch from SCE generation service to CCA service by notifying customers of the impending Community Choice Aggregation program. Any customers that do not want to participate in the program would be required to notify the County of their election to opt-out within a specified amount of time. The County is required to give the customers notice of their right to opt out. Customers opting out during the initial period would not be subject to penalty of any kind. Customers choosing to exit the program after the initial opt-out period may be subject to exit fees imposed by the CCA and/or re-entry fees imposed by SCE.

ORDINANCE AUTHORIZING IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM AND PUBLIC HEARING ON IMPLEMENTATION PLAN

Before a Community Choice Aggregation program can be implemented in a particular jurisdiction, Public Utilities Code 366.2 requires the entity electing to implement the program to do so by adoption of an ordinance. Proposed Ordinance No. 940 satisfies the requirements of Public Utilities Code section 366.2. Adoption of the ordinance will facilitate the "Request for Proposals" process, by providing potential respondents with a clear expression of the County's interest in implementing the program. If, however, after receiving the results of the Request for Proposal the County decides not to move forward with the CCA program, we will bring back to the ordinance to be repealed.

Additionally, Public Utilities Code section 366.2 requires that the County's proposed Implementation Plan be considered and adopted by the Board at a public hearing prior to submitting the Implementation Plan to the CPUC for certification. This agenda item directs the Clerk of the Board to advertise the public hearing for a future Board meeting. After the public hearing, should the Board wish to move forward with the CCA program, the Board would need to adopt the Implementation Plan and adopt Ordinance No. 940. Should the Board no longer wish to move forward with a CCA Program, adoption of the ordinance and Implementation Plan is not necessary.

Issue Request for Proposals

Upon certification of the Implementation Plan by the CPUC, the County will issue Request for Proposals thereby allowing the County to obtain the specific and definite pricing and other information necessary for a decision by the County about whether to implement a Community Choice Aggregation program.

Once responses to the Request for Proposals are received and analyzed, the information obtained will allow for a more refined and exact estimate of the rates that a CCA would charge if it became operational. At that point, the County of Riverside may make a more informed decision regarding whether to join/ implement a Community Choice Aggregation program. If the decision is made by the county to form a Community Choice Aggregation program, the Implementation Plan would be finalized based upon information received from the Request for Proposal process and the Authority would enter into the power supply and other agreements necessary to implement the Program.

Impact on Residents and Businesses

The action presented would affect residents of Riverside County through anticipated utility rate savings by providing options in their choice of power providers

Gregory P. Priamos, Director County Counsel 10/19/2017

Gregory P. Priamos, Director County Counsel 10/19/2017

Gregory P. Priamos, Director County Counsel 10/19/2017

GoodEnergy
A Smarter Way To Buy Energy

Prepared by: Good Energy, L.P.

CCA IMPLEMENTATION PLAN

Revision 2

October 18, 2017

Prepared for: County of Riverside, California

Good Energy, L.P.
232 Madison Avenue
Third Floor
New York, NY 10016
(212) 792-0222
FEIN 43-2003973

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LIST OF TABLES

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Riverside County
Community Choice Aggregation
Implementation Plan

CHAPTER 1 – Introduction

Outline

- Purpose of the Implementation Plan
- Adoption and Updates to the Implementation Plan
- Cross Reference Guide to California Assembly Bill 117 Requirements and this Plan

Purpose of the Implementation Plan

This Implementation Plan (Plan) has been prepared to describe the development and operation of a Community Choice Aggregation (CCA) established by Riverside County for the purpose of providing electricity choice to eligible electricity accounts in the County's unincorporated jurisdiction currently served by Southern California Edison (SCE). This Plan provides required information regarding the proposed Riverside County CCA (RivCo CCA) program (the Program) sufficient to satisfy requirements of California Assembly Bill 117 and applicable provisions of California Public Utilities Code (Code) including Sections 331 and 365-366.

The Code requires that the Program be authorized by an ordinance enacted by the Riverside County Board of Supervisors. The ordinance will be accessible to the public through the County Clerk of the Board's office. On **[date]**, the County adopted Ordinance No. 940 establishing a Community Choice Aggregation Program, a copy of which is included in Appendix A.

Adoption and Updates to the Implementation Plan

The Code requires the Implementation Plan, and subsequent changes to it, to be considered and adopted at a duly noticed public hearing. The original hearing of the Plan was held on **[date]**, where it was adopted by the Riverside County Board of Supervisors.

Cross Reference Guide to California Assembly Bill 117 Requirements and this Plan

Assembly Bill 117 Requirement	RivCo CCA Implementation Plan Chapter*
Statement of intent	Chapter 2: Program Goals and Objectives
Process and consequences of aggregation	Chapter 2: Customer Choice and Aggregation
Organizational structure of the Program, its operations and its funding	Chapter 3: Organizational Structure Chapter 4: Start-Up Plan and Funding Chapter 6: Financial Plan
Provisions for disclosure and due process in setting rates and allocating costs among participants	Chapter 7: Rate Setting, Program Terms and Conditions
The methods for entering and terminating agreements with other entities.	Chapter 9: Procurement Process Chapter 3: Organizational Structure Chapter 4: Start-Up Plan and Funding Chapter 8: Customer Rights and Responsibilities
The rights and responsibilities of program participants, including, but not limited to, consumer protection procedures, credit issues and shutoff procedures	Chapter 8: Customer Rights and Responsibilities
Termination of the program	Chapter 10: Contingency Plan for Program Termination
A description of the third parties that will be supplying electricity under the program, including, but not limited to, information about financial, technical, and operational capabilities.	Chapter 3: Organizational Structure Chapter 4: Start-Up Plan and Funding

**Note: Where multiple chapters are referenced, the primary source of information is listed first.*

CHAPTER 2—Customer Choice and Aggregation

Outline

- How Customer Choice Works
- Key Components of Opt-Out Aggregation
- Program Goals and Objectives—Statement of Intent
- Basic Program Components
- Optional Customer Programs

How Customer Choice Works

Customer choice in electricity supply is made possible by enacted legislation and an unbundling of the various service and cost components on a customer's electric bill as follows:

Delivery charges are associated with the physical delivery of electricity, and include charges for use of the poles, wires and meters required for each account. Under customer choice, the local utility (e.g., Southern California Edison) continues to transmit, distribute, meter and bill for electricity delivered to each customer. Utility distribution charges are established by tariff and are not subject to negotiation by customers.

Generation charges are the costs of the electricity supply itself, and are listed as a separate section on the customer's bill. A CCA procures its own electricity supply and establishes its own rates for the generation portion of the bill.

Under customer choice, all energy consumers continue to procure delivery service from the host utility while being able to procure generation service from various competitive generation service providers. Under a CCA model, the CCA procures its electricity supply and establishes its own rates for the generation services.

Key Components of Opt-out Aggregation

CCAs are customer choice programs in which the local government contracts for power supply and related services. Eligible electric accounts in the community's jurisdiction are offered the choice to participate in, or opt-out of, the aggregation. Electric accounts that do not opt out of the Program are automatically enrolled after a defined notification process (e.g., written notices).

As noted, the local utility continues to provide distribution, billing and maintenance services to all customers regardless of whether the account participates in the CCA program or not.

Electric aggregation is attractive to communities and their constituents for its efficiency in achieving the community's energy program objectives. In contrast to direct access competition, customers of a CCA do not need to evaluate and contract with individual suppliers nor sign a contract to be enrolled, nor do they have to deal with sales personnel.

Program Goals and Objectives—Statement of Intent

RivCo CCA seeks to provide budget stability, savings and local control over electricity rates by procuring power on behalf of participating commercial, governmental and domestic (i.e., residential) customers in the unincorporated portions of Riverside County. Consistent with Code Section 366.2(c)(4), this Implementation Plan explains how the RivCo CCA will provide for (A) universal access, (B) reliability, (C) equitable treatment of all classes of customers, and (D) comply with all requirements established by state law or by the California Public Utilities Commission (CPUC) concerning aggregated service, including those rules adopted by the CPUC pursuant to paragraph (3) of subdivision (b) of Section 8341 for the application of the greenhouse gases emission performance standard to CCAs. Only electric accounts served by SCE are eligible for the Program; electric accounts served by the Imperial Irrigation District, Anza Electric Cooperative or a municipal electric system within Riverside County are not eligible. The goals and objectives of the RivCo CCA are as follows:

Goals—The RivCo CCA seeks to offer its customers certain benefits not available from SCE utility supply. Specifically, the RivCo CCA has established the following goals:

- Achieve lower electric generation rates when compared to the average corresponding SCE rate;
- Reduce the volatility of electric generation rates;
- Provide for participation in local renewable energy projects;
- Develop custom rates for economic development or other purposes;
- Offer energy services not provided by SCE, including options for additional renewable energy.

Objectives—The Program will utilize the following objectives in its development and operation:

- Leverage established retail energy practices and capabilities available from Electric Supply Providers (ESPs) and vendors of technical and managerial services;
- Evaluate local energy generation projects that may provide RivCo CCA competitive costs and other benefits;
- Implement a competitive bidding process for electric supply;
- Minimize need for additional County employees or consultants;
- Establish benchmarks for program operations and provide transparency in operating results;
- Develop rates and programs based on best practices, cost analyses, industry experience and benchmark data.

Basic Program Components

RivCo CCA customers will be offered basic generation rates which reflect wholesale market rates and resulting long term savings as compared to the otherwise applicable SCE rate schedule. Consistent with California statute, the Program will be operated on an opt-out basis. The opt-out notices will include the program's rates, terms and conditions for eligible customer accounts mailed to the account billing address.

Once enrolled in the Program, customers are subject to the Program's terms and conditions and are responsible for paying all applicable customer charges. The Program will comply with all California regulations and statutes including all provisions of California's Renewables Portfolio Standard requirement.

SCE will bill and collect from RivCo CCA customers per SCE-scheduled billing cycles. SCE will submit the payments representing the generation charges on a monthly basis to the RivCo CCA or its designee.

Optional Customer Programs

Customers will be offered options to participate in voluntary programs, which expand the value of the CCA by providing additional products and services. These additional voluntary programs may include increased volumes of renewable energy, feed-in tariffs for local generation projects and other energy-management services.

CHAPTER 3—Organizational Structure

Outline

- Organizational Overview
- Governance
- Management
- Administration and Finance
- Marketing and Public Information

Organizational Overview

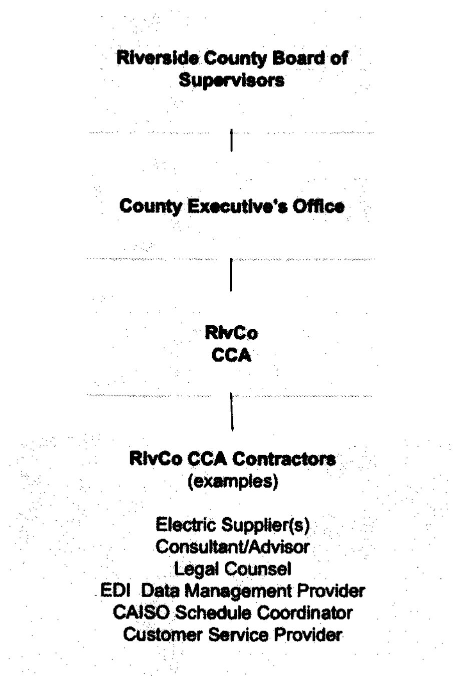
The County seeks to develop and launch the RivCo CCA Program within its existing administrative organization rather than build a substantial new and separate CCA infrastructure. The County will also achieve cost efficiency by leveraging the existing capabilities available from the competitive energy industry for various services. This approach allows the County to achieve its operating goals while maintaining operating flexibility and minimizing overhead expenses.

Governance

As established by County Ordinance No. 940, the RivCo CCA Program will be a departmental function of the County. The governance of the RivCo CCA Program will include the entities shown in Figure 3.1 and described in more detail below.

FIGURE 3.1

RivCo CCA Governance Structure



Note: Contractor functions may be combined if performed by the same firm.

Riverside County Board of Supervisors authorized the formation of the RivCo CCA Program via ordinance and will maintain overall responsibility for funding, rate setting, power supply agreements approvals and Program oversight.

Riverside County Executive Office will provide support in areas of expertise such as purchasing, legal counsel, finance, IT support, human resources and economic development, as Program needs arise. The County Executive Officer will hire and supervise the RivCo CCA Program staff's activities.

RivCo CCA Staff—Implementation of the RivCo CCA Program anticipates up to three staff positions initially, including an Executive Director, an Assistant Director, and may add additional full-time or part-time staff. These County employees will have primary responsibilities to manage various contractors and implement CCA policies and procedures, subject to specified delegations of financial authority set by the Riverside County Executive Office. RivCo CCA Program staff will be the primary point of contact for Program service providers.

Program Contractors—The RivCo CCA Program intends to utilize designated service providers and advisors for electric supply and technical functions, including CAISO schedule coordination, electric power supply, electronic data interchange (EDI), Program marketing, customer data management and market analysis/procurement/contracting support. Additional details regarding staffing appear in Chapter 4.

Management

Day-to-day oversight of the Program will be performed by the RivCo CCA Executive Director as part of the RivCo CCA Program staff. The Executive Director will be responsible for administering the policies established by the Board of Supervisors and coordinating activities of the County Executive office as well as the RivCo CCA Program's contractors.

Administration and Finance

The RivCo CCA staff will oversee administration of the Program. These responsibilities will include interfacing with the Program contractors, monitoring and implementing policies established by the Board of Supervisors, coordinating public information resources and preparing reports summarizing Program status and performance. The RivCo CCA staff is responsible for monitoring the cash flows of the Program and maintaining reports, which include forecasts and actual performance, and making recommendations for adjustments to ensure the financial health of the Program.

Certain areas of Administration, such as human resources policies, legal counsel and Program financing will be provided by the County Executive Office office in coordination with the RivCo CCA staff.

Marketing and Public Information

Marketing and public information is recognized as an essential component of developing and operating the Program. Consequently, RivCo CCA plans to utilize the best practices currently available to community choice programs operating throughout the U.S. Working with Program contractors, RivCo CCA will manage the development and maintenance of the marketing and public information resources necessary during each phase of the Program.

RivCo CCA Program marketing and public information efforts will also leverage existing resources available to Riverside County, such as web resources, newsletters, public meetings and email distribution lists.

CHAPTER 4—Start-Up Plan and Funding

Outline

- Overview
- Start-Up Activities and Schedule
- Staffing and Contract Services
  - Regulatory Counsel
  - Program contractors
  - EDI Provider
  - Southern California Edison
  - Commodity Supplier(s)
- Capital Requirements
- Financing Plan

Overview

This chapter describes RivCo CCA's plan to initiate service. Included in this chapter is a description of the following:

- Processes and activities that will be performed by RivCo CCA and its advisors prior to initiating CCA service;
- The proposed staffing of both RivCo CCA internal and externally-performed tasks during RivCo CCA operations; and
- Various RivCo CCA capital requirements and the planned funding of these capital requirements.

Start-Up Activities and Schedule

The start-up plan includes activities completed prior to the submission of this Implementation Plan to the CPUC and concludes upon the commencement of electricity supply to the RivCo CCA customers. The schedule, status and completion of all start-up activities will be monitored by the Riverside County Executive Office through the project dashboard such as one shown in Table 4.1. The included schedule is tentative and will be adjusted as necessary.

TABLE 4.1
Tentative Start-Up Activity Project Plan

	2017			2018							
Activity	October	November	December	January	February	March	April	May	June	July	August
Finalize Implementation Plan											
Pass County Ordinance Authorizing RivCo CCA											
Submit Implementation Plan to CPUC											
CPUC Review											
SCE Document Preparation											
SCE EDI Applications and Testing											
Baseline Energy Supply and Contractor Agreements											
Update and refine load forecast											
Prepare IRP Documents											
Prepare Rate Structure											
Public Information and Marketing Program											
Procurement of Electric Supplier(s) and Contractors											
Publish Rates and Program Terms and Conditions											
Issue Opt-out Notices											
Begin Enrolling Customer Accounts											
First Energy Delivery											

Tentative Schedule

Staffing and Contract Services

The RivCo CCA proposes a CCA structure that follows a philosophy of matching resources with specific work streams on an as-needed basis. This arrangement frees RivCo CCA from significant permanent employee obligations and allows RivCo CCA to call on dedicated resources as required during specific periods of RivCo CCA start-up. For example, most of the start-up work activities listed in Table 4.1 requires only a short-term work effort that is best performed by experts with significant prior experience performing the designated function.

Following start-up of the RivCo CCA Program, several of the work activities required to administer the CCA will then only be needed periodically and thus will be performed by Program contractors. RivCo CCA finds that this delivery model is prudent, cost effective and provides the Program with the on-going discretion to adjust the mix of internal and third-party services as the Program evolves. The RivCo CCA delivery model relies on the services of six key entities:

1. RivCo CCA Executive Director and County Board of Supervisors to provide internal leadership and oversight;
2. Outside regulatory/legal counsel to ensure legal compliance;
3. Program contractors for start-up administration and on-going management of CCA functions (described below);
4. Electronic Data Interchange (EDI) provider to facilitate data translation with SCE;
5. Energy Supplier(s) for commodity energy supply, and related wholesale market functions;
6. SCE for billing and supply delivery.

<u>Regulatory Counsel</u>

Riverside County has full-time legal counsel, through the Office of County Counsel, as part of its existing governmental structure. Recognizing the specialized nature of CCA legal and regulatory issues, it is recommended that the Board of Supervisors retains regulatory counsel to support the County's existing legal department and oversee the RivCo CCA Program's compliance with CPUC and other regulatory obligations.

Program Contractors

Program contractors will assist with start-up tasks and will perform or oversee the following on-going activities:

- RivCo CCA customer communications and opt-out processes;
- Program marketing and public information;
- Ongoing Program enrollment/disconnection and customer service;
- Interface with key accounts (i.e., large commercial, multi-property owners);
- Wholesale energy market analysis;
- Competitive supply procurement and new generation project evaluation;
- Rate analysis, development and savings calculations;
- Emissions performance standard compliance filings;
- Compliance filings related to the California Energy Commission's Quarterly Fuels and Energy Report; the Integrated Energy Policy Report, and the United States Energy Information Agency's 826 and 861 reports;
- Renewable energy portfolio audits consistent with state and program standards;
- Annual RPS and energy storage compliance filings; and
- Western Renewable Energy Generation Information System (WREGIS) report preparation, certificate transfer review and retirement.

Electronic Data Interchange (EDI) Provider

The EDI provider will transfer and translate usage and billing data between SCE and RivCo CCA. The Board of Supervisors, on behalf of RivCo CCA, will establish an agreement with a qualified EDI provider and will complete the necessary SCE applications and testing. The EDI provider may also perform additional EDI transaction, data management and shadow billing functions as requested by RivCo CCA.

Southern California Edison (SCE)

In addition to on-going delivery of commodity electricity supply to RivCo CCA, SCE will provide billing, usage data and related services to RivCo CCA. The Board of Supervisors, on behalf of RivCo CCA, will execute a SCE CCA Service Agreement (SCE document #14-768) and, if applicable, post an appropriate deposit with SCE to complete registration of this Plan with the CPUC. [1]

[1] Although SCE reserves the right to collect a deposit, deposits are typically only required if a CCA demonstrates a poor payment history or has other significant financial distress (bankruptcy, etc).

<u>Commodity Supplier(s)</u>

RivCo CCA will solicit and, subject to Board of Supervisors approval, contract with commodity energy supplier(s) that have suitable financial, technical, and operational capabilities. With the assistance of Program contractors, RivCo CCA will develop supplier and contractor performance criteria, pre-qualify, solicit proposals and facilitate contract negotiations with commodity suppliers. Following registration of this Plan, RivCo CCA will negotiate and submit to the Board of Supervisors for approval definitive agreement(s) with commodity energy supplier(s).

Capital Requirements

During start-up and prior to delivery of commodity supply to RivCo CCA customers, RivCo CCA will incur various costs that will be capitalized and recovered over an initial three year period through a RivCo CCA rate adder. These start-up costs include a variety of costs such as fees for CCA planning and feasibility analyses provided by third-party contractors, and costs associated with deposits held by SCE and the CPUC bonding obligation.

RivCo CCA will also need to maintain a working capital facility given the potential for timing differences between various incurred costs and recovery of those costs on a monthly basis from customers within rates. These amortized costs include customer enrollment fees assessed by SCE that are due upon customer enrollment and other potential costs (e.g., SCE exit fees and supply costs). RivCo CCA estimates the need for $1.7 million in on-going working capital requirements and an associated working capital facility cost of $85,500 or $0.06/ megawatt-hour (MWH) per year. A description of the RivCo CCA financial plan is provided in Chapter 6. The actual working capital requirement will depend on a variety of factors including electric supply structure, price level, contract duration and billing arrangements.

Financing Plan

To date, start-up costs have been paid through a designated Riverside County budget. Once RivCo CCA begins to supply electricity to RivCo CCA customers, all incurred start-up costs plus interest will be included in Program rates as an additional cost. RivCo CCA estimates that this start-up cost recovery will average approximately $528,000 per year or $0.35 per MWH.

CHAPTER 5—Load Forecast and Resource Plan

Outline

- Overview
- Supply Requirements
- Estimated Customer Participation Rates
- Customer Load Forecast
- Sales Forecast
- Resource Adequacy Requirements
- Integrated Resource Planning Requirements
- Renewable Portfolio Standards Energy Requirements
- Energy Storage

Overview

The RivCo CCA Program seeks to provide budget stability, savings and local control over electricity rates. Accordingly, RivCo CCA has established a preferred energy supply approach that streamlines the procurement of commodity electric supply by contracting for fixed price load-following service. Under this arrangement, the commodity supplier is responsible for managing hour-by-hour variations in RivCo CCA Program customer usage and accepting the risks associated with changes in energy prices and RivCo CCA Program customer consumption. This supply approach also minimizes administrative and transaction costs (e.g., third-party contracting, rate making and credit monitoring) associated with managing power supply.

The RivCo CCA Program, as currently proposed, anticipates there will eventually be opportunities for RivCo CCA customers to benefit from other supply arrangements and additional services. Such supply arrangements may include the purchase of energy from local renewable energy facilities, investment in distributed resources, and long-term supply from designated generation facilities. The RivCo CCA Program staff will evaluate the benefits of such arrangements in a transparent manner and may provide such options to RivCo CCA customers. The RivCo CCA Program staff will also evaluate the potential for energy efficiency and load response programs that may be of value to RivCo CCA customers.

Supply Requirements

RivCo CCA will comply with all regulatory rules applicable to CCA operations through coordination with the Program contractors and the RivCo CCA's regulatory legal counsel. In the event RivCo CCA enters into a supply portfolio consisting of several suppliers, the Program will establish a designated entity (supplier or contractor) to be responsible for forecasting and scheduling the electric supply requirements with the CAISO and matching of RivCo CCA customer load in each hour.

Estimated Customer Participation Rates

Electric accounts that are eligible for RivCo CCA service will be given the option to opt out of the RivCo CCA Program during an approximately 120-day opt-out period during which RivCo

CCA will provide multiple forms of public information regarding the Program's costs and benefits. This education will be provided via multilingual mailers, web resources and an in-bound call-center.

Historical CCA and aggregation participation rates for residential customers typically exceed 95%.[2] RivCo CCA has projected initial CCA participation rates by considering observed participation rates in other California CCAs and similar aggregations operating in other states and then reduced these participation rates below those levels.[3] These initial participation rates are then assumed to increase by one percentage point each year of the Program. Table 5.1 shows forecasted RivCo CCA customer energy consumption, and total participation rates in terms of percentage of eligible load (MWH).

TABLE 5.1
Customer Energy Consumption (MWH) and Overall Projected Participation Levels[4]

Rate Class	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
DOM-MM,DOM-S/M	617,523	631,307	645,300	659,505	673,925	688,563	703,421	725,833	741,297	756,993
DOM-S/M-CARE	236,364	238,657	240,972	243,309	245,670	248,053	250,459	255,468	257,946	260,448
STREET LIGHTING	16,366	16,525	16,685	16,847	17,010	17,175	17,342	17,689	17,860	18,034
TC-1	648	665	682	700	718	736	755	782	801	821
TOU-8-PRI	72,505	74,428	76,382	78,367	80,383	82,431	84,511	87,507	89,675	91,876
TOU-8-SEC	84,203	86,437	88,706	91,011	93,353	95,731	98,147	101,627	104,144	106,700
TOU-8-SUB	174,894	178,798	182,761	186,785	190,869	195,014	199,222	205,570	209,950	214,395
TOU-GS-1	61,180	62,545	63,932	65,339	66,768	68,218	69,690	71,910	73,442	74,997
TOU-GS-2	92,541	94,996	97,490	100,023	102,596	105,210	107,865	111,689	114,456	117,265
TOU-GS-3	59,812	61,399	63,011	64,648	66,312	68,001	69,717	72,189	73,977	75,793
TOU-PA-2	45,758	46,972	48,205	49,458	50,730	52,023	53,336	55,227	56,595	57,984
TOU-PA-3	33,105	33,984	34,876	35,782	36,703	37,638	38,587	39,955	40,945	41,950
TOU-PA-ICE	406	417	428	439	450	462	473	490	502	515
Grand Total	1,495,306	1,527,130	1,559,430	1,592,213	1,625,486	1,659,254	1,693,525	1,745,935	1,781,589	1,817,772
% of Total Load Enrolled (MWh)	75%	76%	77%	77%	78%	79%	80%	81%	82%	83%

RivCo CCA expects there to be significant variation in participation rates across rate classes based on savings potential and customer decision making. For example, we expect higher enrollment levels for accounts with higher percentage cost savings potential and for groups of accounts managed by a single decision maker. Table 5.2 illustrates the estimated participation levels for each rate class for the first year of operation expressed in number of accounts.

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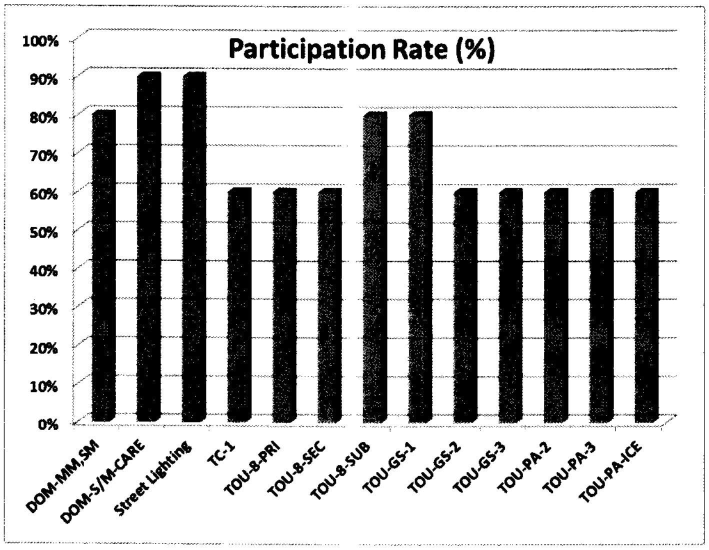
[2] Based upon Good Energy experience and data provided from various California CCAs.

[3] The assumptions used in RivCo CCA forecasting are conservative as compared to both aggregation programs in California and other states where experience has shown single-digit opt-out rates. See reported opt-out rates by the Marin Clean Energy, Sonoma Clean Power and Lancaster Choice Energy CCA.

[4] See Appendix A for description of SCE rate classifications.

Figure 5.2
By Account Estimated Year 1 Participation Rates



Customer Load Forecast

The RivCo CCA Program forecast of customers to be served initially under the Program is based on a build-up of existing bundled customers located within the unincorporated areas of the County multiplied by the rate class-specific participation rate. RivCo CCA then expects participation rates to grow and for new accounts in the RivCo CCA territory to be added due to general economic and population growth. RivCo CCA estimates account growth of slightly less than one percent (0.97%) based the California Energy Commission (CEC), 2015 Mid Case Statewide Demand Baseline Forecast. We assume that all load growth is the result of new accounts and that load of existing accounts is stable over time.

The RivCo CCA Program proposes to offer service to all eligible accounts in a single phase after the opt-out process is complete. Each account that does not opt-out will be enrolled on the earliest available scheduled billing cycle for that account. Following the opt-out process, RivCo CCA Program staff will communicate to SCE which customers have not opted-out of the Program. These accounts will then be enrolled in the RivCo CCA on their next regularly scheduled billing cycle. RivCo CCA currently projects that approximately 94,889 domestic accounts will be enrolled in the first 12 months of the Program. RivCo CCA has forecasted negligible Program attrition consistent with the experience of existing California CCAs.

Sales Forecast

The RivCo CCA forecast of annual load initially to be served is based on a build-up of 2015 existing bundled account load by rate class multiplied by the assumed participation rates listed in Table 5.2, above. Load growth is solely attributed to new accounts within the RivCo CCA territory with the growth rate of accounts estimated to be slightly less than 1 percent, as described above.

A more comprehensive study of load growth and associated resource requirements will be performed during the start-up phase and then periodically during Program operations. On-going load and resource studies will be conducted during Program operation and will consider factors such as actual load performance, local economic growth, weather, energy efficiency standards and the impact of energy prices on energy demand. The RivCo CCA Program may also undertake its own programs to reduce energy consumption on a per account basis. The impact of such programs will also be included in future load studies.

Resource Adequacy Requirements

The RivCo CCA recognizes the importance of its role as a load-serving entity (LSE) in maintaining system reliability through compliance with California's Resource Adequacy (RA) requirements. The discussion below outlines the applicable RA requirements, followed by an outline of RivCo CCA's approach to compliance.

The CPUC requires all LSEs to maintain generating capacity adequate to meet their peak load requirements with a 15% reserve capacity margin.[5] The CPUC has been engaged in a process of refining the RA program for several years through multiple proceedings.[6] The CPUC's RA Program contains three distinct requirements: System RA requirements, Local RA requirements, and Flexible RA requirements. System requirements are determined based on the electrical load anticipated within each LSE's service territory plus the 15% planning reserve margin.[7] Local and Flexible requirements are determined based on an annual CAISO study related to weather and specified contingencies, as well as monthly requirements related to ramping, *i.e.*, the changing of the output of generating units, necessary to run the system reliably.[8] CCAs are responsible for the costs incurred by the investor-owed utility to meet the CCA's RA needs, but they must also directly procure RA resources to the extent their needs exceed the capacity the applicable IOU procured.[9]

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[5] Cal. Pub. Utils. Comm'n, The 2015 Resource Adequacy Report (2015); Cal. Pub. Util. Code § 380(c)-(d) (minimum planning reserve and reliability criteria are established and approved by the Western Systems Coordinating Council or the Western Electricity Coordinating Council).

[6] R.14-10-010 is the most recent proceeding and is currently open.

[7] R. 14-10-010, Decision 16-06-045 (June 23, 2016) at 6; *see also* Cal. Pub. Utils. Comm'n, Resource Adequacy, http://www.cpuc.ca.gov/ra/.

[8] R. 14-10-010, Decision 16-06-045 (June 23, 2016) at 2; *see also* Cal. Pub. Utils. Comm'n, Resource Adequacy, http://www.cpuc.ca.gov/ra/. In particular, the Flexible RA program continues to evolve through ongoing comment in the current CPUC RA proceeding, R.14-10-010.

[9] *See, e.g.,* Cal. Pub. Util. Code § 380(c) ("Each load-serving entity shall maintain physical generating capacity and electrical demand response adequate to meet its load requirements, including, but not limited to, peak demand and planning and operating reserves. The generating capacity or electrical demand response shall be deliverable to locations and at times as may be necessary to maintain electric service system reliability and local area reliability"); Cal. Pub. Util. Code § 380(k) (CCAs are LSEs for the purpose of RA requirements).

Regardless of whether a CCA contracts directly or relies on the IOU for some of its RA needs, a CCA must submit monthly and annual RA plans to demonstrate how it will meet future System and Local RA requirements.[10] The CCA must submit forecasts of load two months before the month in which retail load is served, and it must specify what capacity will be used to meet the RA obligations one month before serving retail load.[11] The CPUC, along with the CEC, evaluates monthly and annual filings to ensure accuracy and completeness.

RivCo CCA estimates forward RA requirements for 2018 through 2020 as listed in Table 5.3. These quantities will be revised following the opt-out period and on a periodic basis depending on the actual accounts served by the RivCo CCA.

TABLE 5.3
RivCo CCA Resource Adequacy Requirements

Forecasted Forward Resource Adequacy Requirements
First Three Years of Full CCA Operation
(Values represent MW demand including losses and required reserve margin)

Month	2019	2020	2021
Jan	392	396	400
Feb	390	394	398
Mar	374	378	382
Apr	399	403	407
May	405	409	413
Jun	601	607	613
Jul	596	602	608
Aug	593	599	605
Sep	550	556	561
Oct	462	466	471
Nov	407	411	415
Dec	381	385	389

Notes:
1. Average line losses: 5.5%
2. Reserve Margin: 15%
3. Excludes any potential reductions in capacity requirements associated with energy effficiency and demand response.

RivCo CCA also has a local resource adequacy requirement which is assigned by the CPUC the year prior to the compliance period. With assistance from Program contractors, RivCo CCA will work with the CPUC and SCE to determine the anticipated local resource adequacy obligation of RivCo CCA. Initially, RivCo CCA prefers to procure all resource adequacy requirements through its lead energy supplier. Reporting required for RA purchases will be developed and submitted by RivCo CCA or the lead energy supplier, as appropriate.

Integrated Resource Planning Requirements

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[10] Cal. Pub. Util. Code § 380(f); Cal. Independent System Operator, Business Practice Manual for Reliability Requirements, Version 31, § 4.2.1 (Feb. 8, 2017).

[11] *Id.*; Cal. Pub. Util Comm'n, 2017 Filing Guide for System, Local and Flexible Resource Adequacy (RA) Compliance Filings, p. 19 (Sep. 20, 2016) (citing D.05-10-042).

The RivCo CCA recognizes the value of long-term resource planning and its obligations as an LSE to comply with applicable integrated resource planning (IRP) requirements. The discussion below outlines the currently applicable IRP requirements. The RivCo CCA will comply with the requirements outlined below, including periodic updates.

IRP is the process by which LSEs plan for power supply needs over five or more years. SB 350 requires the CPUC to establish procedures and requirements for LSEs besides IOUs to submit IRPs that minimize costs, maintain reliability, and reduce greenhouse gas (GHG) emissions to levels set by CARB, among other objectives.[12] More specifically, SB 350 requires the CPUC to adopt a process in 2017 for each LSE to file an IRP plan and provide periodic updates that meet the RPS, as well as the GHG emissions targets set by CARB.

The IRP plans must minimize ratepayer bills; ensure system and local reliability; strengthen diversity, sustainability, and resilience; and enhance distribution systems and demand-side management.[13] CCAs' IRPs are explicitly required to achieve (1) "economic, reliability, environmental, security," and other characteristics, (2) a "diversified procurement portfolio" with short-term and long-term contracts and demand reduction, and (3) RA compliance.[14] SB 350 requires CCAs to submit their IRP plans to their governing boards for approval and then to the CPUC for "certification."[15]

Renewable Portfolio Standard Energy Requirements

A series of laws have been enacted by the California legislature which now require all LSEs to procure minimum amounts of renewable energy. These requirements are presented below, followed by RivCo CCA's approach to compliance.

CCAs are subject to California's Renewable Portfolio Standard (RPS).[16] The RPS requires eligible renewable energy sources to meet 50% of total retail sales by the end of 2030. The RPS establishes interim compliance period requirements for meeting the 2030 target: at minimum, 33% of retail sales must be met with eligible renewable energy sources by the end of 2020, 40% by the end of 2024, 45% by the end of 2027 and 50% by the end of 2030.[17] A CCA must continue to meet the minimum 50% threshold for each three-year compliance period after 2030.[18]

The RPS also requires CCAs to procure eligible resource electricity products according to 3 portfolio content categories (PCCs). PCC 1 resources have a first point of interconnection with a California balancing authority or an agreement to dynamically transfer electricity to a California balancing authority (*i.e.*, they are frequently located in-state or in the Pacific Northwest).[19] PCC

[12] Cal. Pub. Util. Code § 454.52(a)(1) (including community choice aggregators in the relevant definition of LSE via reference to Cal. Pub. Utils. Code § 380).
[13] Cal. Pub. Utils Code § 454.52(a)(1).
[14] Cal. Pub. Utils Code § 454.52(b)(2).
[15] Cal. Pub. Utils. Code § 454.52(b)(3).
[16] Cal. Pub. Util. Code § 366.12(j).
[17] Cal. Pub. Util. Code § 399.15(b)(2)(B).
[18] Cal. Pub. Util. Code § 399.15(b)(2)(B).

2 resources are firmed and shaped eligible resource electricity products scheduled into a California balancing authority—for example, they may include wind generation from Wyoming or Colorado.[20] PCC 3 resources include unbundled RECs and any other electricity products that do not count as PCC 1 or PCC 2.[21] The current compliance period (2017-2020) requires at least 75% of a CCA's RPS procurements be from PCC 1 resources and no more than 10% may come from PCC 3 resources.[22]

CCAs are required to submit annual reports demonstrating compliance with these provisions. However, these requirements are for the overall compliance period, not for each year within a given compliance period.[23]

Following the enactment of SB 350 in 2015, the CPUC implemented a new requirement that CCAs must also submit an annual renewable energy procurement plan that demonstrates how the CCA will meet its RPS obligations.[24] The procurement plan requirements are designed to identify each LSE's long-term load forecasts, contracting process, and the likelihood that the LSE will be able to meet the RPS over time.

RivCo CCA will adopt a resource plan that complies with the referenced requirements. For budgetary purposes, RivCo CCA Program renewable energy costs are estimated based on supply of all required renewables in the form of PCC 1 renewables. To the extent lower cost renewables can be used to meet customer needs, the Program will consider such opportunities and provide customers the resulting lower costs in rates. After 2020, RivCo CCA forecasts that the unit cost of renewables will increase by 2.3% annually. The resulting unit renewables cost at the end of the ten-year planning horizon is 40% higher than at the start of the planning period in 2018 due to both inflation and additional renewable percentage requirements.[25]

Energy Storage

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[19] Cal. Pub. Util. Code § 399.16(b)(1). "First point of interconnection" means the place where the generating facility is first connected to the electric grid. The CAISO is an example of a "California balancing authority," *i.e.*, an entity in California responsible for ensuring load and generation are matched throughout the day. "Dynamically transfer" means that energy and capacity from one balancing authority can be delivered to another balancing authority in real time.

[20] Cal. Pub. Util. Code § 399.16(b)(2). "Firmed and shaped" means filling gaps in output from intermittent generators, such as wind and solar facilities, with output from firm generators, such as natural gas power plants.

[21] Cal. Pub. Util. Code § 399.16(b)(3). An "unbundled REC" means the renewable or green attribute, as separated from the energy and capacity attributes, of output from renewable energy resources.

[22] Cal. Pub. Util. Code § 399.16(c).

[23] *See, e.g.,* R.11-05-005, Decision 12-06-038 (June 21, 2012) at 76.

[24] Cal. Pub. Util. Code § 399.13(a)(1) (distinguishing "electrical corporations" and "all other retail sellers").

[25] See D.11-12-020 dated December 1, 2011. Note: no pro-rata increase in RPS volumes from 33 percent toward 50 percent has been included in the RivCo CCA savings estimates. These additional costs would impact both RivCo CCA customers and SCE bundled accounts and thus not impact savings estimates. To the extent that the RivCo CCA can contract for additional renewable energy at delivered costs below that of the utility, additional savings are possible.

In 2013, the CPUC adopted a framework under which all entities supplying power to customers must procure cost-effective energy storage.[26] Under the framework, CCAs are required to procure energy storage equal to one percent of their annual peak loads by 2020, and the energy storage must be installed by 2024.[27] However, while the State's IOUs have requirements to acquire a mix of distribution-, transmission-, and customer-sited storage, CCAs do not.[28]

To meet the storage obligation, CCAs may independently procure storage resources or receive a share of IOUs' energy storage procurement through the Cost Allocation Mechanism (CAM).[29] CCAs may also count towards their compliance obligations one-half of any customer-sited storage installed in their service territories under the Self-Generation Incentive Program (SGIP), with the other half of such procurement being credited to the IOU.[30] A recent proposed decision evaluates these current storage procurement targets for CCAs but does not make significant changes at this time.[31]

RivCo CCA will make provisions in its energy supply portfolio to comply with the energy storage requirements.

[26] Cal. Pub. Util. Code § 2835 et seq.

[27] R.10-12-007, Decision 13-10-040 (Oct. 17, 2013) at 74-75

[28] R.10-12-007, Decision 13-10-040 (Oct. 17, 2013) at 47.

[29] R.10-12-007, Assigned Commissioner's Ruling Proposing Storage Procurement Targets and Mechanisms and Noticing All-Party Meeting (June 10, 2013) at 15.

[30] R.10-12-007, Assigned Commissioner's Ruling Proposing Storage Procurement Targets and Mechanisms and Noticing All-Party Meeting (June 10, 2013) at 15.

[31] R.15-03-011, Proposed Decision on Track 2 Energy Storage Issues, pp. 22-25 (Feb. 24, 2017).

CHAPTER 6—Financial Plan

Outline

- Overview
- Description of Pro Forma and Cash Flow Analysis
- Third-Party Support
- Cash Flow and Working Capital Requirements
- Program Savings Estimate

Overview

This chapter of the Implementation Plan examines certain costs that will be incurred by the RivCo CCA in administering the Program. The forecasted costs establish the basis for the portion of the RivCo CCA revenue requirement representing wholesale energy and SCE charges that must be recovered from customers through RivCo CCA rates. Forecasted wholesale energy and SCE rates are then used to estimate customer costs and savings potential.

There are four general categories of costs associated with serving RivCo CCA customers as follows:

1. Electricity supply and related services (including exit fees)
2. Internal operations
3. Third-party advisory and data management services
4. Financing

Description of Pro Forma and Cash Flow Analysis

The RivCo CCA *pro forma* represents a forecast of revenues, costs and associated gross unit savings during a 10-year time horizon commencing in 2018. To prepare a forecast of this nature, it is necessary to establish certain baseline assumptions, such as the level of participation, forecasted costs of wholesale power, and inflation rates. All load forecasts are based upon 2015 summary RivCo CCA territory usage data provided by SCE.

The single largest cost of operating the RivCo CCA is the cost of power supply. Power costs have been estimated using recent forward energy quotes and associated costs to serve end-use accounts. The following non-electricity cost assumptions and parameters have been used in the RivCo CCA pro forma:

- RivCo CCA internal staff of up to three individuals operating in the capacity of RivCo CCA Executive Director and support staff.
- Third-party data management costs are estimated to be $0.25 per invoice escalated at the rate of inflation;[32]
- SCE enrollment fees and on-going data fees are $3.45 per account and $0.78 per account, respectively;[33]

[32] Based upon Good Energy's experience and market surveys of vendors.

- Bad debt expense is estimated to be 2 percent of revenues for residential accounts and 0.5 percent of revenues for commercial accounts.

As described in Chapters 3 and 4, RivCo CCA intends to utilize various contractors to develop, launch and operate the program. To that end, RivCo CCA has developed a good faith estimate of operating costs, as summarized in Table 6.1 below. The RivCo CCA Program Executive Officer, in consultation with the County Executive Office, may adjust the financial forecasts, including cost contingencies, as the Program develops.

TABLE 6.1
Forecasted Operating Costs[34]

Year of CCA Operation	1	2	3	4	5	6	7	8	9	10
Cost	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
Power Supply	$ 85,120,370	$ 89,144,403	$ 93,347,304	$ 97,225,327	$ 101,252,431	$ 105,434,084	$ 109,775,952	$ 115,449,715	$ 120,177,557	$ 125,085,662
Exit Fees	15,357,876	15,537,172	15,717,120	15,897,755	16,079,112	7,151,917	7,146,670	7,212,278	7,202,983	7,191,680
Billing & Data Management	309,592	321,702	334,259	347,280	360,780	374,777	389,288	404,332	419,928	436,095
SCE Fees	436,634	88,677	90,303	91,952	93,625	95,322	97,043	98,788	100,558	102,353
CCA Management Services	1,225,000	1,249,500	1,274,490	1,299,980	1,325,979	1,352,499	1,379,549	1,407,140	1,435,283	1,463,988
Regulatory Counsel	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509
Internal Staffing	370,000	377,400	384,948	392,647	400,500	408,510	416,680	425,014	433,514	442,184
G&A Expenses (rent, computers)	50,000	52,020	53,060	54,122	55,204	56,308	57,434	58,583	59,755	60,950
Start-Up Cost Amortization	528,333	528,333	528,333	-	-	-	-	-	-	-
Working Capital Cost	85,428	85,428	85,428	85,428	85,428	85,428	85,428	85,428	85,428	85,428
Total Uncollectibles	1,192,103	1,246,447	1,303,149	1,355,400	1,409,619	1,465,876	1,524,245	1,600,969	1,664,435	1,730,273
Total Operating Costs	104,775,337	108,733,082	113,222,434	116,856,012	121,170,921	116,535,129	120,984,905	126,857,115	131,696,605	136,718,122
Other Cost (Revenues)	-	-	-	-	-	-	-	-	-	-
Total CCA Revenue Requirement	$ 104,775,337	$ 108,733,082	$ 113,222,434	$ 116,856,012	$ 121,170,921	$ 116,535,129	$ 120,984,905	$ 126,857,115	$ 131,696,605	$ 136,718,122

Third-Party Support

Various third-party vendors will provide overall support functions allowing RivCo CCA to minimize the expense of internal staff. The cost of various technical services required to operate the RivCo CCA have been built up based on input from vendors and direct experience procuring these services.

Cash Flow and Working Capital Requirements

RivCo CCA has working capital requirement due to the timing difference between when certain costs are incurred by RivCo CCA and the receipt of RivCo CCA customer payments for delivered electricity. These working capital requirements were estimated by RivCo CCA, based on forecasts of certain costs (e.g., CPUC bonding costs, RivCo CCA staff costs), and an appropriate estimated carrying cost. Certain start-up costs may be financed through other financing instruments available to RivCo CCA.

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[33] SCE ongoing data costs are based upon SCE Schedule CCA-SF PUC Sheet 57996-E.

[34] SCE Fees represent approximately 15% of estimated initial CCA SCE fees and a carrying cost of 5%. Uncollectables are the estimated amounts of unpaid bills by participants calculated as 2% of CCA costs for domestic accounts and 0.5% for commercial accounts.

Program Savings Estimate

On June 13, 2016 the County Executive Office presented a CCA feasibility report to the Board of Supervisors. The report indicated that a CCA would realize cost savings between 7%-13% for individual ratepayers and businesses on the purchase of power. The total bill savings for CCA customers is approximately ½ of that amount due to the purchase of power being about half of a customer's total power bill.

The costs savings that RivCo CCA can offer customers is determined by the difference between applicable SCE rate elements and RivCo CCA costs. Under the Program's rates, customers no longer pay the SCE Utility Generation (UG) charge which is the cost of energy that SCE has incurred to serve its bundled customers. Due to a variety of factors, UG rates are currently above forward wholesale market rates.

While RivCo CCA customers no longer pay UG charges, RivCo CCA customers are subject to certain SCE exit fees and direct Program costs. The SCE exit fees are the result of the cost difference between what SCE has paid for power to serve its bundled customers and the estimated market value of that power currently. This unitized cost is provided in the SCE Rate CRS under the PCIA. Because SCE CRS rates represent the difference between purchase power and current market rates, these rates tend to be inversely related to market energy rates. SCE publishes new PCIA values each year, "vintaged" for the year upon which a designated account has departed SCE bundled service.

To forecast PCIA values, RivCo CCA used the 2017 SCE PCIA rates and forecasted a de-escalation rate of 2.3% per year. Note that PCIA rates historically have been subject to significant year-to-year variability and the structure of this rate may be altered by regulatory action in the future. The Competitive Transition Charge (CTC) is also a component of the SCE CRS rates and reflects the cost (benefit) of retained SCE generation. RivCo CCA used 2017 SCE CTC rates in forecasting this cost and held CTC costs flat in real terms during the 10-year planning horizon.

RivCo CCA customers are also subject to the Department of Water Resources Bond Cost (DWRBC) within the SCE CRS rate. DWRBC costs are included in distribution rates for bundled accounts and included in CRS rates for CCA accounts. Given that customers pay these costs under both bundled and CCA service, these costs are eliminated from the savings analysis as DWRBC costs are the same under bundled and CCA rates. The RivCo CCA forecast assumes that DWRBC costs are constant until 2022, after which DWRBC costs are expected to end for all customers.

RivCo CCA recognizes the dynamic nature of factors impacting costs of the Program, including commodity market prices and changes to regulatory requirements in effect at the time of the preparation of this Implementation Plan. RivCo CCA will take such factors in to account when preparing its Program for launch, as well as ongoing evaluation of such factors during Program operation in order to achieve its stated goals. RivCo CCA will establish estimated costs of wholesale power supply, applicable SCE customer responsibility surcharges (CRS), outsourced costs of contractors and advisors, internal costs, cash flow projections (including bad debt assumptions) to determine total estimated CCA costs. These costs will be compared to the current and projected corresponding SCE rates for each rate class.

CHAPTER 7—Rate Setting, Program Terms and Conditions

Outline

- Overview
- Rate Setting Policies and Process
- Rate Competitiveness and Stability
- Equity Among Customer Classes
- Disclosure and Due Process in Rate Setting
- Custom Pricing Options
- Energy Storage
- Net Energy Metering

Overview

This Chapter describes RivCo CCA's initial policies pertaining to the setting of electric rates including rate making principles, cost allocation, rate design, and policies for due process in setting RivCo CCA rates. This chapter will also describe rate setting policies pertaining to pricing programs associated with net metering, distributed energy resources, demand response, and energy storage. The RivCo CCA will establish a process for rate setting that ensures compliance with all regulatory requirements while streamlining the rate setting process where possible. The goals of this streamlining are to minimize administrative costs, simplify CCA management and maximize the transparency of the RivCo CCA rate setting process.

Rate Setting Policies and Process

RivCo CCA rates are set to recover projected energy and non-energy operating expenses (i.e., the CCA revenue requirement) based on forecasted electricity consumption.[35] The resulting rates and associated policies will be designed to ensure timely recovery of all costs related to operation of the CCA including any charges (credits) required to recover (return) costs to customers. A rate design and cost allocation methodology will be developed and documented by the RivCo CCA in conjunction with a designated utility rate design expert. RivCo CCA will then apply the cost allocation methodology to develop proposed rates.

[35] Non-energy operating costs are the costs required to establish and manage the CCA including the cost for data service, outreach and communications, legal, finance, program development, supplier management, and maintenance of a reserve fund.

All RivCo CCA customers within a designated rate class and subject to the same terms and conditions will receive the same pricing offers based on established RivCo CCA rates. The proposed supply structure for each rate class is as follows:

- Domestic and D-CARE accounts will be offered all-in rates expressed in cents per kilowatt-hour;
- Small and medium commercial (GS-1, GS-2) accounts will be offered all-in rates expressed in cents per kilowatt-hour, applicable to the entire rate class;
- Large commercial (GS-3, TOU-8 SEC, TOU-8 PRIM, TOU-SUB, TOU-PA-2, TOU-PA-3, TOU-PA-ICE) will be offered a multi-part rate structure that can be applied to various load patterns and provide flexible supply options;
- Street Lighting and Traffic Control accounts will be offered an all-in rate.

Additional rate classes will be evaluated based on RivCo CCA customer requests (e.g. an electric vehicle charging rate). All rates will include the statutorily-required minimum quantity of renewable energy. Rates that include levels of renewable energy exceeding the requirements under statute may be made available to each rate class on an opt-in basis.

On an annual basis, the RivCo CCA will review and approve the operating budget, revenue requirement and resulting customer rates. The annual review will include procedures to ensure RivCo CCA complies with its own rate setting process and all state-mandated CCA requirements including universal access, reliability and equitable treatment of all classes of customers.

During the annual budget and rate review, proposed cost allocation and customer policies will be evaluated and approved by the RivCo CCA, including:

- Rights and responsibilities of RivCo CCA customers;
- Consumer protection procedures;
- Credit management and shutoff procedures;
- Use of reserve or balancing accounts to manage recovery of any deferred charges;
- Process of terminating the RivCo CCA, if necessary;
- Compliance with applicable state law and regulation, including rules that may be adopted in the future.

Rate Competitiveness and Stability

RivCo CCA's primary objective is to reduce and stabilize customer electricity costs. To achieve this objective, RivCo CCA will seek to develop rates that provide savings versus the otherwise applicable SCE rate. As part of its efforts to stabilize customer rates, RivCo CCA may also create a mechanism to manage PCIA costs.

Equity Among Customer Classes

The RivCo CCA will offer electricity supply to all electricity consumers within the unincorporated area of the County of Riverside currently served by SCE. All such eligible electricity consumers will continue to retain the right to choose another authorized electric service provider or remain with SCE.

RivCo CCA will endeavor to provide customers electricity at rates which reflects the actual cost of serving their rate class or individual account consistent with the principle of cost causality. Such transparency will ensure that customers only incur costs associated with their consumption and are correctly incented to pursue energy efficiency and conservation measures. Such transparent rate setting may also result in large variations in savings across customer types or rate classes. Cost savings associated with RivCo CCA rates may also be affected by the availability of optional rates available from the RivCo CCA or SCE (e.g., EV charging). RivCo CCA may also consider offering economic development rates for commercial customers as a means of attracting businesses to the unincorporated areas of the County.

Disclosure and Due Process in Rate Setting

The RivCo CCA budgeting process is open to the public and rate calculations will be published and be available for public review and comment during a scheduled Board of Supervisors meeting. The Board of Supervisors will approve all rates after a customer comment period and public hearing. RivCo CCA will publish its budget and related financial information annually.

For the first year of operations, the RivCo CCA will review the operating budget, revenue requirement and resulting rates before initiating the opt-out notification process. Once the RivCo CCA is operating, notices of rate changes will be available for review at the RivCo CCA designated office, published on-line and published in one or more designated local newspapers. These notices will provide the following:

- New rates applicable to various rate classes
- Otherwise applicable current SCE rate class average rate
- Known SCE surcharges (e.g., CRS)
- Changes from the exiting rates in both cents per kWh and percent of total bill
- Mailing address, email and call center contact information for customer inquires
- Date of public hearing regarding rates

Custom Pricing Options

In addition to the base rates offered by RivCo CCA, additional rates may also be developed by the RivCo CCA based on specific types of load, customer requirements or the existence of various forms of distributed energy resources. These rate options will be approved by the RivCo CCA and be designed to create additional value for Program's customers while preventing undue cost shifting to other customers not participating in the custom rate program. RivCo CCA expects that one of the first custom rates to be offered will provide additional levels of renewable power above what is required statutorily by California in any given year.

Energy Storage

Due to advances in energy storage technologies, there is a growing opportunity for energy consumers to reduce energy costs and improve reliability through investments in such energy storage systems. Further the state of California has established and continues to evaluate storage targets for CCAs.[36] RivCo CCA will consider ways to support customer-sited energy storage systems and will ensure that third-party electricity supply complies with established storage regulations.

Net Energy Metering

Net energy metering (NEM) permits electricity consumers with on-site generation to be billed for their energy consumption on a "net" basis effectively selling excess energy back to the supplier. The RivCo CCA will establish a NEM policy and resulting program that allows RivCo CCA customers with designated on-site generation (e.g., photovoltaics) to sell excess energy to RivCo CCA at rates that reflect the market price of electricity. Such a rate structure will specify maximum levels of energy generation, the true-up period, the determination of compensation in compliance with applicable state regulations and the principles set forth in Assembly Bill 920 (AB 920) and California Public Utilities Code Sections 2827 and 2827.1. Separate from any NEM program, RivCo may also establish a program for larger facilities directly connected to the transmission system in which RivCo can procure long term supply under a set rate (e.g., feed-in tariff).

[36] See Cal. Pub. Util. Code § 2835 et seq. and R.15-03-011, Proposed Decision on Track 2 Energy Storage Issues, pp. 22-25 (Feb. 24, 2017).

CHAPTER 8—Customer Rights and Responsibilities

Outline

- Overview
- Public Information and Program Marketing
- Customer Notices
- Termination Fee
- Customer Confidentiality
- Payment, Collection and Receivables
- Customer Deposits

Overview

RivCo CCA recognizes that many of the customer rights and responsibilities are established by law and/or rule, including SCE tariffs. RivCo CCA will incorporate all such requirements and protections into the Program's policies. In addition, RivCo CCA will maintain resources which are designed to provide customers with access to information regarding the terms and conditions of the Program and customer support for inquiries.

Public Information and Program Marketing

RivCo CCA will establish and maintain a public information program containing the following:

1. Education and marketing materials describing the key components of customer choice, CCA objectives and the benefits of participation;
2. Access to RivCo CCA information resources including public meetings, web resources and toll-free telephone customer support;
3. Rates, terms and conditions of participation in the Program;
4. Access to regulatory filings and other required documents, including the Implementation Plan.
5. Information on optional customer programs and how to participate.

With the assistance of Program contractors, RivCo CCA will establish and maintain the public information program. All public information resources will be approved by RivCo CCA staff prior to release.

Customer Notices

The eligible electric accounts in RivCo CCA's jurisdiction will receive a total of four opt-out notices approximately 30 days apart. The notices will be mailed to the billing address for each account during four consecutive months. The list of accounts will be provided to RivCo CCA by SCE. The opt-out notices will include a description of the Program, the rates for each customer class and the terms and conditions of the Program. Customers may opt-out via their choice of returning a pre-paid postcard, calling a toll-free telephone number, or other specified method.

Approximately 30 days after the second notice is mailed, accounts that have not opted out will be automatically enrolled. Two additional opt-out notices will be issued, and recipients retain the right to opt-out until approximately 30 days after the fourth notice has been mailed. RivCo CCA will distribute the opt-out notices with its own resources rather than use the optional SCE service.

With the assistance of Program contractors, RivCo CCA will review SCE customer account data for new accounts established in the Program's jurisdiction on a monthly basis. New accounts will be provided opt-out notices and access to customer information resources, and be enrolled per the process described above. Electric accounts relocating within the RivCo CCA may maintain their participation in the Program.

Termination Fee

Accounts which opt-out during the four-month notice period will stay on (or be returned to) bundled SCE generation service with no obligation. Customers opting-out after the initial four-month opt-out window may be subject to a termination fee as established in the Program rates, terms and conditions. Termination fees are intended to maintain Program solvency and rate neutrality rather than be punitive.

Customer Confidentiality

Confidentiality of account and customer information is a high priority for RivCo CCA. Confidentiality requirements are established in AB 117, statutory requirements in the California Public Utilities Code and by SCE tariffs governing the handling of customer information. RivCo CCA will comply with all such requirements. Customer data will only be used as necessary to establish and operate the Program. Customer information will not be made available to any party not essential to Program operations. All contractor agreements will include clearly-stated confidentiality requirements. Customer data may be used to comply with applicable law or regulation and Program operation. Customer data will not be disclosed for telemarketing, email, direct mail or door-to-door soliciting.

Payment, Collection and Receivables

The RivCo CCA's objective is to operate efficiently and minimize administrative costs. Maintaining sufficient cash flows to fund the Program's operation is essential to achieving this objective. Enrolled accounts are responsible for payment of all charges for participation in the RivCo CCA. Customers will be billed and remit payments to SCE per SCE's normal billing schedule procedures. For accounts enrolled in the RivCo CCA, the generation charges on the customer's bill will be collected and distributed to the RivCo CCA or its designee, which in turn will pay the power suppliers and contractors. RivCo CCA may establish a "lockbox" through a financial institution to accept payments.

Non-payments and partial customer payments are subject to the late payment rules in SCE's tariffs and the RivCo CCA Program terms and conditions. SCE will pursue collection of the unpaid amounts and distribute the generation portion of the collections to the RivCo CCA.

Unpaid account charges that have not been restored within 90 days of the original due date and have not made alternate arrangements for restoring the account to current will be discontinued from the RivCo CCA generation service and returned to SCE generation service on the next scheduled billing cycle. Participating accounts whose non-payment is the result of a duly-filed billing dispute will not be disconnected from Program service during the dispute process per SCE's tariffs.[37] RivCo CCA intends to maintain sufficient working capital in its Program funding to cover non- and late-payment balances.

Customer Deposits

Customer deposits may be required for certain accounts or rate classes to maintain Program solvency. These deposit requirements will be established through a documented credit policy that will consider various factors including the account's payment history. In general, domestic and small commercial rate classes are not subject to deposits upon Program enrollment. Larger commercial accounts may be subject to a deposit upon Program enrollment. Any account is subject to a deposit if the account's payment history reflects consistent partial or non-payments.

Deposits held by the RivCo CCA for any participant's account will be returned to the customer upon disconnection from Program service, provided no outstanding Program charges are owed. Deposits required due to poor payment history may be returned after 12 consecutive months of full-payment history and upon the customer's request.

[37] Applicable SCE's customer tariffs include but are not limited to SCE Rule 23, 23-2 and Rule 11.

CHAPTER 9—Procurement Process

Outline

- Overview
- Procurement Methods
- Contracts with Third Parties
- Electric Supplier(s)
- Data Management

Overview

RivCo CCA intends to procure energy supply under a competitive process which incorporates the best practices available in the industry.

Procurement Methods

With the assistance of Program consultants, RivCo CCA will utilize market analysis, product structuring and competitive bidding for managing its energy portfolio. At all times, the Board of Supervisors will retain the obligation to make all procurement decisions and execute contracts with suppliers valued at greater than $100,000.

Contracts with Third Parties

To the greatest extent possible, the various agreements established with suppliers and contractors shall include provisions which establish the liabilities, debts, and obligations of the RivCo CCA as separate from the liabilities, debts, and obligations of the County.

Electric Supplier(s)

With the assistance of Program contractors and advisors, RivCo CCA will select its energy suppliers through competitive procurement processes. The candidate suppliers will be experienced power marketers demonstrating broad resources to supply the required electricity, resource adequacy, ancillary services and other components required to serve RivCo CCA.

Data Management

RivCo CCA recognizes the specialized nature of customer information and related data involved in electricity supply and the significant expense of establishing its own customer information system. To that end, RivCo CCA will solicit the services of a qualified contractor with established utility billing, I.T. and staff resources to handle the required customer data management tasks. Consistent with the Program's goals, RivCo CCA seeks to leverage the assets and expertise of established service providers in the competitive retail electric industry.

CHAPTER 10—Contingency Plan for Program Termination

Outline

- Overview
- Notice to Southern California Edison and Customers
- Financial Contingency
- Contracts Contingency

Overview

The RivCo CCA intends to operate indefinitely once fully implemented with no set termination date. However, AB 117 and the Public Utility Code require CCAs to establish policies and procedures related to Program termination. If, at some point, the Riverside County Board of Supervisors votes to terminate the Program, RivCo CCA will comply with all applicable law, regulation and rule in effect at the time pertaining to Program termination.

Notice to SCE and Customers

RivCo CCA will comply with SCE Rule 23, Section S in event of Program termination. Currently, the rule requires 12 months' notice to SCE prior to returning customers to SCE bundled service, six months' advance notice to customers and a 60-day final notice to customers. SCE will separately notify customers of a pending change of service, which will occur on each account's regularly-scheduled billing schedule.

Financial Contingency

RivCo CCA will allow for funding in its rate structure to provide for the contingency of Program termination. RivCo CCA will include a rate component which establishes a contingency fund to be used to cover costs of Program termination. The reserves in the fund will be collected in monthly customer revenues and deposited in an account established specifically for such a contingency. To address certain termination costs, the CPUC requires a bond to be posted prior to fully registering the CCA. Currently, the amount of this bond is $100,000. At the time this Plan was prepared, the amount of this bond is subject to a proceeding by the CPUC and may need to be amended are required.[38]

Contracts Contingency

All contracts with supplier(s) and vendors will contain provisions for early termination of the agreement. Such terms and conditions in supply agreements are bilateral, and establish clear criteria for notifying the affected party of the intent to terminate. The contract terms and conditions also will specify the financial consequences of early termination. With the assistance of Program contractors and the Program's legal counsel, RivCo CCA will prepare an evaluation of contract termination costs and other considerations for presentation to the Board of Supervisors prior to any decision regarding contract termination.

[38] CPUC Rulemaking 03-10-003 regarding setting bond requirement for CCAs in accordance with Section 394.25(e).

APPENDIX A

Description of SCE Rate Classifications

Domestic (Domestic Service)
Applicable to all residential service including lighting, heating, cooking, and power or combination thereof in a single-family accommodation or an individually metered single-family dwelling in a multi-family accommodation; also to domestic farm service when supplied through the farm operator's domestic meter.

TOU-D (Time-of-Use - Domestic)
Applicable as an optional rate schedule to customers eligible for service on Schedule D (Domestic) or Schedule D-CARE, based on variable pricing dependent upon the season and the time of day that energy is consumed.

TOU-GS-1 (Time-Of-Use - General Service - Demand Metered)
Applicable to single- and three-phase general service including lighting and power, except that the customer whose monthly maximum demand, in the opinion of SCE, is expected to exceed 20 kW or has exceeded 20 kW in any three months during the preceding 12 months is ineligible for service under this Schedule. Effective with the date of ineligibility, the customer's account shall be transferred to Schedule TOU-GS-2.

TOU-GS-2 (Time-Of-Use - General Service - Demand Metered)
Applicable to single- and three-phase general service including lighting and power customers whose monthly maximum demand registers, or in the opinion of SCE is expected to register, above 20 kW and below 200 kW. The customer whose monthly Maximum Demand, in the opinion of SCE, is expected to reach 200 kW or has reached 200 kW for any three months during the preceding 12 months is ineligible for service under this Schedule. Effective with the date of ineligibility, the customer's account shall be transferred to Schedule TOU-GS-3.

TOU-GS-3 (Time-Of-Use - General Service - Demand Metered)
Applicable to single- and three-phase general service including lighting and power customers whose monthly Maximum Demand registers, or in the opinion of SCE is expected to register 200 kW through 500 kW. The customer whose monthly Maximum Demand, in the opinion of SCE, is expected to exceed 500 kW or has exceeded 500 kW for any three months during the preceding 12 months is ineligible for service under this Schedule and effective with the date of ineligibility, such customer's account shall be transferred to Schedule TOU-8.

TOU-8 (Time-Of-Use - General Service – Large)
Applicable to general service, lighting and power. This Schedule is mandatory for all customers whose monthly maximum demand, in the opinion of SCE, is expected to exceed 500 kW or has exceeded 500 kW in any three months during the preceding 12 months.

TOU-PA-2 (Time-Of-Use Agricultural and Pumping - Demand Metered)
Applicable where SCE determines that 70% or more of the customer's electrical usage is for general water or sewerage pumping, or for oil pumping by customers with a Standard Industrial Classification (SIC) Code of 1311, and none of any remaining electrical usage is for purposes for which a domestic schedule is applicable. This Schedule is applicable to customers whose monthly maximum demand registers or is expected to register below 200 kW. Customers whose monthly demands registers, or in the opinion of SCE is expected to register 200 kW through 500 kW are required to take service on Schedule TOU-PA-3.

TOU-PA-3 (Time-Of-Use Agricultural and Pumping - Demand Metered)
Applicable where SCE determines that 70% or more of the customer's electrical usage is for Agricultural Power Service, general water or sewerage pumping, or for oil pumping by customers with a Standard Industrial Classification (SIC) Code of 1311, and none of any remaining electrical usage is for purposes for which a domestic schedule is applicable. This Schedule is applicable to customers whose monthly maximum demand registers, or in the opinion of SCE, is expected to register 200 through 500 kW. The customer whose monthly Maximum Demand, in the opinion of SCE, is expected to exceed 500 kW or has exceeded 500 kW for any three months during the preceding 12 months is ineligible for service under this Schedule. Effective with the date of ineligibility, the customer's account shall be transferred to Schedule TOU-8 or Schedule TOU-8-S if the customer's account is also served under Schedule S.

TC-1 (Traffic Control Service)
Applicable to single- and three-phase service: for traffic directional signs or traffic signal systems located on streets, highways and other public thoroughfares and to railway crossing and track signals; for public thoroughfare lighting that is utilized 24 hours per day or is not controlled by switching equipment, such as tunnel or underpass lighting; and, to public authorities for the illumination of bus stop shelters located in the dedicated road right-of-way where such service is combined with other traffic control service as defined above.

STREET LIGHTING (Lighting - Street and Highway Company-Owned System)
Applicable to service for the lighting of streets, highways, and publicly-owned and publicly-operated automobile parking lots which are open to the general public where SCE owns and maintains the street lighting equipment and associated facilities included under this schedule.