

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



ITEM
3.42
(ID # 6770)

MEETING DATE:
Tuesday, April 10, 2018

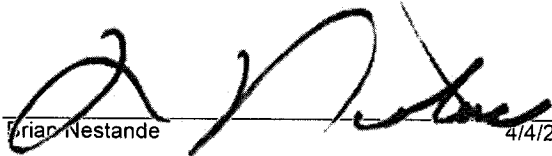
FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE AND ECONOMIC DEVELOPMENT AGENCY (EDA):
Community Choice Aggregation - Approval of Bond and Service Agreement
Requirements, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize the Executive Office, in accordance to Section 394.25(e) of the California Public Utilities Code to post a bond of the amount of \$100,000 (\$5000 Estimate Net Cost) and authorize the Executive Office to sign the Community Choice Aggregator (CCA) Service Agreement between Riverside County CCA and Southern California Edison.

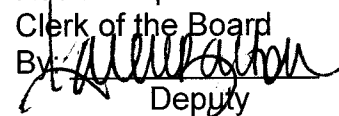
ACTION: Policy


Brian Nestande 4/4/2018

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Ashley and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Tavaglione, Perez and Ashley
Nays: Jeffries and Washington
Absent: None
Date: April 10, 2018
xc: EO, EDA

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	\$5000	\$0	\$5000	\$0
NET COUNTY COST	\$5000	\$0	\$5000	\$0
SOURCE OF FUNDS: General Fund			Budget Adjustment: No	
			For Fiscal Year: 17/18	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

On November 14, 2017, Item 9.2, the County of Riverside conducted a public hearing and adopted the CCA Implementation plan along with Ordinance No. 940, an Ordinance of the County of Riverside Establishing A Community Choice Aggregation Program. The Executive Office was authorized 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.

The Executive Office submitted the CCA Implementation Plan on December 27, 2017. At the time of submittal, there was no requirement for when the registration packet needed to be filed. However, after the County submitted its implementation plan, the CPUC issued Resolution E-4907 on February 9, 2018 imposing new timelines and requirements for the formation of a CCA.

The new requirement is to submit a registration packet no later than April 20, 2018, if the County is to begin providing services in 2019. The registration packet includes the \$100,000 bond and the services agreement between Riverside County CCA and Southern California Edison. The services agreement is a CPUC-approved contract that is entered between a CCA and a utility and identifies how the CCA and utility will work together in serving customers of the CCA. Submitting the registration packet is important to ensuring that the Riverside County CCA is registered as a "load serving entity" that is able to begin providing service in 2019.

If a customer of an electric service provider, or a community choice aggregator, returns to an investor owned utility, any reentry fee imposed on that customer that the commission deems is necessary to avoid imposing costs on other customers of the electrical corporation, shall be the obligation of the electric service provider or a community choice aggregator. As a condition of its registration, an electric service provider or a community choice aggregator shall post a bond or demonstrate insurance sufficient to cover those reentry fees. The fee to issue the bond will cost approximately \$5000 and will be paid for through the Executive Office's Legislative Admin Support budget. In the event that an electric service provider becomes insolvent and is unable to discharge its obligation to pay reentry fees, the fees shall be allocated to the returning customers.

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
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Riverside County CCA received certification from the CPUC on March 27, 2018. The next step in the process of forming a CCA is to file a registration packet with the PUC.

The largest uncontrollable factor in determining future rates is the PCIA (exit fee). This is the fee charged by SCE to the CCA's as they replace SCE as the power purchaser. The CPUC mediates the exit fee rate. The investor owned utilities petitioned the CPUC to change the methodology used in determining the exit fees and the PUC is expected to release their decision by July 2018.

Per the Board direction, Riverside County CCA will not become operational until the exit fee decision is released by the PUC.

CCA ACTIVITY IN SOUTHERN CALIFORNIA:

San Jacinto

- Launched their program in 2017

Rancho Mirage

- Is launching in Summer 2018

Corona

- Issued an RFP

CVAG & WRCOG

- PUC Process

Apple Valley

- Launched in 2017

Rialto

- Finalizing Implementation Plan

Lancaster

- Launched in 2015

Pico Rivera

- Launched in 2017

Los Angeles County

- Phase 1 anticipated for June

Long Beach

- Issued an RFP in March

Laguna Hills

- Currently in feasibility study stage

Newport Beach

- Currently in feasibility study stage

Mission Viejo

- Currently in feasibility study stage

Lake Forest

- Issued an RFP

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

Irvine

- Issued an RFP

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

ATTACHMENTS:

- CPUC Resolution E-4907
- Ordinance No. 940
- RIVCO CCA Implementation Plan
- Certification Letter
- Service Agreement



**SOUTHERN CALIFORNIA
EDISON®**
An EDISON INTERNATIONAL® Company

Southern California Edison Company

COMMUNITY CHOICE AGGREGATOR (CCA) SERVICE AGREEMENT

This Community Choice Aggregator (CCA) Service Agreement (this "Agreement") is made and entered into as of this 20 day of April, 2018, by and between "Riverside County Community Choice Aggregation" ("CCA"), a Community Choice Aggregator organized and existing under the laws of the state of California, and Southern California Edison Company (SCE), a corporation organized and existing under the laws of the state of California. From time to time, CCA and SCE shall be individually referred to herein as a "Party" and collectively as the "Parties."

Section 1: General Description of Agreement

- 1.1 This Agreement is a legally binding contract. The Parties named in this Agreement are bound by the terms set forth herein and otherwise incorporated herein by reference. This Agreement shall govern the business relationship between the Parties hereto by which CCA shall offer electrical energy services. Each Party, by agreeing to undertake specific activities and responsibilities for or on behalf of customers, acknowledges that each Party shall relieve and discharge the other Party of the responsibility for said activities and responsibilities with respect to those customers. Except where explicitly defined herein (including Attachment A hereto) the definitions controlling this Agreement are contained in SCE's applicable rules or in the relevant community choice aggregation tariff.
- 1.2 The form of this Agreement has been developed as part of the CPUC regulatory process to implement Assembly Bill 117, was intended to conform to CPUC directions, was filed and approved by the CPUC for use between SCE and CCAs and may not be waived, altered, amended or modified, except as provided herein or in the applicable community choice aggregation tariff, or as may otherwise be authorized by the CPUC.
- 1.3 This Agreement incorporates by reference the applicable community choice aggregation tariff as authorized and modified from time to time by the CPUC.

Section 2: Representations

- 2.1 Each Party represents that it is and shall remain in compliance with all applicable laws and tariffs, including applicable CPUC requirements.

- 2.2 Each person executing this Agreement for the respective Parties expressly represents and warrants that he or she has authority to bind the entity on whose behalf this Agreement is executed.
- 2.3 Each Party represents that (a) it has the full power and authority to execute and deliver this Agreement and to perform its terms and conditions; (b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate or other action by such Party; and (c) this agreement constitutes such Party's legal, valid and binding obligation, enforceable against such Party in accordance with its terms.
- 2.4 Each Party shall (a) exercise all reasonable care, diligence and good faith in the performance of its duties pursuant to this Agreement; and (b) carry out its duties in accordance with applicable recognized professional standards in accordance with the requirements of this Agreement.

Section 3: Term of Service

The term of this Agreement shall commence on the date of execution by both Parties hereto (the "Effective Date") and shall terminate on the earlier of (a) the date CCA informs SCE that it is no longer operating as a CCA in SCE's service territory; (b) the earlier termination pursuant to Section 4 hereof; or (c) the effective date of a new CCA Service Agreement between the Parties hereto. Notwithstanding the Effective Date of this Agreement, the CCA acknowledges that it may only offer Community Choice Aggregation Services to customers effective on or after the CPUC-approved date for commencement of such services by CCAs, and only after it has complied with all provisions of this Agreement and SCE's applicable tariffs.

Section 4: Events of Default and Remedy for Default

- 4.1 An Event of Default under this Agreement shall include either Party's material breach of any provision of this Agreement, including those incorporated by reference herein, and failure to cure such breach within thirty (30) calendar days after receipt of written notice thereof from the non-defaulting Party; or such other period as may be provided by this Agreement or SCE's applicable community choice aggregation tariff.
- 4.2 In the event of such an Event of Default, the non-defaulting Party shall be entitled to exercise any and all remedies (a) available under SCE's applicable community choice aggregation tariff; and/or (b) provided for by law or in equity to the extent not inconsistent with SCE's community choice aggregation tariff. In addition, in the event of an Event of Default this Agreement may be effectively terminated upon Commission authorization.

- 4.3 Breach by any Party hereto of any provision of SCE's community choice aggregation tariff, including a breach occurring during Exigent Circumstances as defined in Section T.3 of such tariff, which circumstances also shall include bankruptcy of CCA, shall be governed by applicable provisions contained therein and each Party will retain all rights granted thereunder. A breach of said tariff for which no remedy is specified therein shall be governed by this Agreement as an Event of Default.

Section 5: Billing and Payment

SCE will bill and the CCA agrees to pay SCE for all services and products provided by SCE in accordance with the terms and conditions set forth in SCE's community choice aggregation tariff, as stated in SCE's Electric Rule 23 and SCE's rate schedules. Any services provided by the CCA to SCE shall be by separate agreement between the Parties and are not a subject of this Agreement.

Section 6: Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorneys' fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred, except as provided for in this Section. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages of any kind whatsoever, whether in contract, tort or strict liability, except in the event of an action covered by the Indemnification provisions of Section 7 of this Agreement or by the indemnification provisions in any Nondisclosure Agreement relating to the disclosure of confidential information to the CCA, in which event this Section 6 shall not be applicable.

Section 7: Indemnification

- 7.1 To the fullest extent permitted by law, and subject to the limitations set forth in Section 6 of this Agreement, each Party (the "Indemnifying Party") shall indemnify and hold harmless the other Party, and its current and future direct and indirect parent companies, affiliates and their shareholders, officers, directors, employees, agents, servants and assigns (collectively, the "Indemnified Party"), and at the Indemnified Party's option, the Indemnifying Party shall defend the Indemnified Party, from and against any and all claims and/or liabilities for losses, expenses, damage to property, injury to or death of any person, including, but not limited to, the Indemnified Party's employees and its affiliates' employees, subcontractors and subcontractors' employees, or any other liability incurred by the Indemnified Party, including reasonable expenses, legal and otherwise, which shall include reasonable attorneys' fees, caused

wholly or in part by any negligent, grossly negligent or willful act or omission by the Indemnifying Party, its officers, directors, employees, agents or assigns arising out of this Agreement, except to the extent caused wholly or in part by any negligent, grossly negligent or willful act or omission of the Indemnified Party.

7.2 If any claim covered by Section 7.1 is brought against the Indemnified Party, then the Indemnifying Party shall be entitled to participate in, and unless in the opinion of counsel for the Indemnified Party a conflict of interest between the Parties may exist with respect to such claim, assume the defense of such claim, with counsel reasonably acceptable to the Indemnified Party. If the Indemnifying Party does not assume the defense of the Indemnified Party, or if a conflict precludes the Indemnifying Party from assuming the defense, then the Indemnifying Party shall reimburse the Indemnified Party on a monthly basis for the Indemnified Party's defense through separate counsel of the Indemnified Party's choice. Even if the Indemnifying Party assumes the defense of the Indemnified Party with acceptable counsel, the Indemnified Party, at its sole option, may participate in the defense, at its own expense, with counsel of its own choice without relieving the Indemnifying Party of any of its obligations hereunder. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages of any kind whatsoever, whether in contract, tort or strict liability.

7.3 The Indemnifying Party's obligation to indemnify under this Section 7 shall survive termination of this Agreement, and shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Indemnifying Party under any statutory scheme, including, without limitation, under any Worker's Compensation Acts, Disability Benefit Acts or other Employee Benefit Acts.

Section 8: Assignment and Delegation

8.1 Neither Party to this Agreement shall assign any of its rights or obligations under this Agreement, except with the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. No assignment of this Agreement shall relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee. When duly assigned in accordance with the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the assignee and the assignor shall be relieved of its rights and obligations. Any assignment in violation of this Section 8 shall be void.

8.2 Notwithstanding the provisions of this Section 8, either Party may subcontract its duties under this Agreement to a subcontractor, provided that the subcontracting Party shall remain fully responsible as a principal and not as a guarantor for performance of any subcontracted duties, shall serve as the point of contact between its subcontractor and the other Party, and shall

provide the other Party with thirty (30) calendar days' prior written notice of any such subcontracting, which notice shall include such information about the subcontractor as the other Party shall reasonably require. If either Party subcontracts any of its duties hereunder, it shall cause its subcontractors to perform in a manner which is in conformity with that Party's obligations under this Agreement.

Section 9: Independent Contractors

Each Party shall perform its obligations under this Agreement (including any obligations performed by a Party's designees as permitted under Section 8 of this Agreement) as an independent contractor.

Section 10: Entire Agreement

This Agreement consists of, in its entirety, this Community Choice Aggregator Service Agreement and all attachments hereto, all Community Choice Aggregation Service Requests submitted pursuant to this Agreement and SCE's community choice aggregation tariffs. This Agreement supersedes all other agreements or understandings, written or oral, between the Parties related to the subject matter hereof, with the express exception of any Nondisclosure Agreement relating to the disclosure of confidential information to the CCA. This Agreement may be modified from time to time only by an instrument in writing, signed by both Parties.

Section 11: Nondisclosure

11.1 Notwithstanding anything provided below, prior to receiving any SCE confidential customer information, CCA agrees to enter into the CCA Non-Disclosure Agreement and be bound by its terms with respect to Confidential Information as defined therein.

Neither Party may disclose any Confidential Information obtained pursuant to this Agreement to any third party, including affiliates of such Party, without the express prior written consent of the other Party. As used herein, the term "Confidential Information" shall include, but not be limited to, all business, financial, and commercial information pertaining to the Parties, customers of either or both Parties, suppliers for either Party, personnel of either Party, any trade secrets, and other information of a similar nature, whether written or in intangible form that is marked proprietary or confidential with the appropriate owner's name. Confidential Information shall not include information known to either Party prior to obtaining the same from the other Party, information in the public domain, or information obtained by a Party from a third party who did not, directly or indirectly, receive the same from the other Party to this Agreement or from a party who was under an obligation of confidentiality to the other Party to this Agreement or information developed by either Party independent of any

Confidential Information. The receiving Party shall use the higher of the standard of care that the receiving Party uses to preserve its own confidential information or a reasonable standard of care to prevent unauthorized use or disclosure of such Confidential Information. Each receiving Party shall, upon termination of this Agreement or at any time upon the request of the disclosing Party, promptly return or destroy all Confidential Information of the disclosing Party then in its possession.

- 11.2 Notwithstanding the preceding, Confidential Information may be disclosed to any governmental, judicial or regulatory authority requiring such Confidential Information pursuant to any applicable law, regulation, ruling, or order, provided that: (a) such Confidential Information is submitted under any applicable provision, if any, for confidential treatment by such governmental, judicial or regulatory authority; and (b) prior to such disclosure, the other Party is given prompt notice of the disclosure requirement so that it may take whatever action it deems appropriate, including intervention in any proceeding and the seeking of any injunction to prohibit such disclosure.

Section 12: Enforceability

If any provision of this Agreement or the application thereof, is to any extent held invalid or unenforceable, the remainder of this Agreement and the application thereof, other than those provisions which have been held invalid or unenforceable, shall not be affected and shall continue in full force and effect and shall be enforceable to the fullest extent permitted by law or in equity.

Section 13: Notices

- 13.1 Except as otherwise provided in this Agreement, any notices under this Agreement shall be in writing and shall be effective upon delivery if delivered by (a) hand; (b) U.S. Mail, first class postage pre-paid, or (c) facsimile, with confirmation of receipt to the Parties as follows:

If the notice is to CCA:

Name of Entity: Riverside County CCA

Contact Name: Brian Nestande

Business Address: 4080 Lemon St. 4th Floor, Riverside CA 92501

Facsimile: _____

If the notice is to SCE:

Contact Name: _____

Business Address: _____

Facsimile: _____

13.2 Each Party shall be entitled to specify as its proper address any other address in the United States upon written notice to the other Party.

13.3 Each Party shall designate on Attachment A the person(s) to be contacted with respect to specific operational matters relating to Community Choice Aggregation Service. Each Party shall be entitled to specify any change to such person(s) upon written notice to the other Party.

Section 14: Time of Essence

The Parties expressly agree that time is of the essence for all portions of this Agreement.

Section 15: Dispute Resolution

15.1 The form of this Agreement has been filed with and approved by the CPUC as part of SCE's applicable tariffs. Except as provided in Section 15.2 and 15.3, any dispute arising between the Parties relating to interpretation of the provisions of this Agreement or to the performance of SCE's obligations hereunder shall be reduced to writing and referred to the Parties' representatives identified on Attachment A for resolution, with the responding Party filing its written response within thirty (30) business days after receiving the written position of the complaining party. Thereafter, the Parties shall be required to meet and confer within ten (10) business days in a good faith effort to resolve their dispute. Pending such resolution, the Parties shall continue to proceed diligently with the performance of their respective obligations under this Agreement, unless this Agreement has been terminated under Section 4.2. If the Parties fail to reach an agreement within ten (10) additional business days of the last session to meet and confer, the matter shall, upon demand of either Party, be submitted to resolution before the CPUC in accordance with the CPUC's rules, regulations and procedures applicable to resolution of such disputes.

15.2 Except as provided in Rule 23 Section T.3, any dispute arising between the Parties relating to interpretation of the provisions of this Agreement or to the performance of the CCA's obligations hereunder shall be reduced to writing and referred to the Parties' representatives identified on Attachment A for resolution,

with the responding Party filing its written response within thirty (30) business days after receiving the written position of the complaining party. Thereafter, the Parties shall be required to meet and confer within ten (10) business days in a good faith effort to resolve their dispute. Pending resolution, the Parties shall

continue to proceed diligently with the performance of their respective obligations under this Agreement, unless this Agreement has been terminated under Section 4.2. If the Parties fail to reach an agreement within ten (10) additional business days of the last session to meet and confer, the matter shall, upon demand of either Party, be submitted to resolution before the CPUC in accordance with the CPUC's rules, regulations and procedures applicable to resolution of such disputes, as allowed by law or in equity, or the parties may mutually agree to pursue mediation or binding arbitration to resolve such issues.

15.3 Notwithstanding the provisions of Paragraph 15.1 and 15.2 above: (a) all disputes between the Parties relating to the payment by the CCA of any SCE fees or charges shall be subject to the provisions of SCE's applicable tariffs governing disputes over customer bills; (b) all disputes between the Parties regarding non-bypassable charges (including Competition Transition Charges, Cost Responsibility Surcharges, and any other nonbypassable charges adopted by the Commission) payable by community choice aggregation customers or the CCA on behalf of such customers shall be subject to the provisions of SCE's applicable tariffs; and (c) SCE may pursue available remedies in law or equity for unauthorized electrical use by the CCA in a court of competent jurisdiction.

15.4 If the dispute involves a request for damages, parties understand that the Commission has no authority to award damages. To resolve such issues, the parties may mutually agree to pursue mediation or binding arbitration to resolve such issues, or if no such agreement is reached, to pursue other legal or equitable remedies that are available to the parties.

Section 16: Applicable Law and Venue

This Agreement shall be interpreted, governed by and construed in accordance with the laws of the State of California, and shall exclude any choice of law rules that direct the application of the laws of another jurisdiction, irrespective of the place of execution or of the order in which the signatures of the parties are affixed or of the place or places of performance. Except for matters and disputes with respect to which the CPUC is the initial proper venue for dispute resolution pursuant to applicable law or this Agreement, the federal and state courts located in Los Angeles, California shall constitute the sole proper venue for resolution of any matter or dispute hereunder, and the Parties submit to the exclusive jurisdiction of such courts with respect to such matters and disputes.

Section 17: Force Majeure

Neither Party shall be liable for any delay or failure in the performance of any part of this Agreement (other than obligations to pay money) due to any event of force majeure or other cause beyond its reasonable control, including but not limited to, unusually severe weather, flood, fire, lightning, epidemic, quarantine restriction, war, sabotage, act of a public enemy, earthquake, insurrection, riot, civil disturbance, strike, work stoppage caused by jurisdictional and similar disputes, restraint by court order or public authority, or action or non-action by or inability to obtain authorization or approval from any governmental authority, or any combination of these causes, which by the exercise of due diligence and foresight such Party could not reasonably have been expected to avoid and which by the exercise of due diligence is unable to overcome. It is agreed that upon the Party so affected giving written notice and reasonably full particulars of such force majeure to the other Party within a reasonable time after the cause relied on, then the obligations of the Party, so far as they are affected by the event of force majeure, shall be suspended during the continuation of such inability and circumstance and shall, so far as possible, be remedied with all reasonable dispatch. In the event of force majeure, as described herein, both Parties shall take all reasonable steps to comply with this Agreement and SCE's applicable tariffs despite occurrence of a force majeure event.

Section 18: Unauthorized Use of Energy (Energy Theft)

- 18.1 The CCA represents and warrants that for each of its Customers, and at all times during which it provides community choice aggregation services as an Community Choice Aggregator, the CCA shall completely, accurately, and in a timely manner account for each of its Customer's loads. Load data not accounted for in this manner may provide grounds for termination of this Agreement. For verification purposes only, SCE shall have complete access to the load data provided to the ISO by the CCA. Such information is to remain confidential, and shall not be disclosed to any unauthorized person other than the CPUC, the California Independent System Operator or other law enforcement or regulatory authority.
- 18.2 SCE shall notify the CCA immediately and the CCA shall notify SCE immediately of any suspected unauthorized energy use. The Parties agree to preserve any evidence of unauthorized energy use. Once unauthorized energy use is suspected, SCE, in its sole discretion, may take any or all of the actions permitted under SCE's applicable tariffs.

Section 19: Not a Joint Venture

Unless specifically stated in this Agreement to be otherwise, the duties, obligations, and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation, or liability on or with regard to either Party. Each Party shall be liable individually and severally for its own obligations under this Agreement.

Section 20: Conflicts Between this Agreement and SCE's Community Choice Aggregation Tariff

Should a conflict exist or develop between the provisions of this Agreement and SCE's community choice aggregation tariff, as approved by the CPUC, the provisions of SCE's community choice aggregation tariff shall prevail.

Section 21: Amendments or Modifications

- 21.1 Except as provided in Section 21.2, no amendment or modification shall be made to this Agreement, in whole or in part, except by an instrument in writing executed by authorized representatives of the Parties, and no amendment or modification shall be made by course of performance, course of dealing or usage of trade.
- 21.2 This Agreement may be subject to such changes or modifications as the CPUC may from time to time direct or necessitate in the exercise of its jurisdiction, and the Parties may amend the Agreement to conform to changes directed or necessitated by the CPUC. In the event the Parties are unable to agree on the required changes or modifications to this Agreement, their dispute shall be resolved in accordance with the provisions of Section 15 hereof or, in the alternative, CCA may elect to terminate this Agreement upon written notice to SCE, which shall be effective upon the receipt thereof. SCE retains the right to unilaterally file with the CPUC, pursuant to the CPUC's rules and regulations, an application for a change in SCE's rates, charges, classification, service or rules, or any agreement relating thereto.

Section 22: Audits

- 22.1 SCE shall retain such specific records as may be required to support the accuracy of meter data provided in SCE's consolidated billings. When the CCA reasonably believes that errors related to metering or billing activity may have occurred, the CCA may request the production of such documents as may be required to verify the accuracy of such metering and consolidated billing. Such documents shall be provided within ten (10) business days of such request. In the event the CCA, upon review of such documents, continues to believe that the SCE's duty to accurately meter and provide consolidated billing for usage has been breached, the CCA may direct that an audit be conducted. The CCA shall designate their own employee representative or their contracted representative to audit SCE's records.
- 22.2 Any such audit shall be undertaken by the CCA, or their contracted representative at reasonable times without interference with SCE's business operations, and in compliance with the SCE's security procedures. SCE and the CCA agree to cooperate fully with any such audit.
- 22.3 Specific records to support the accuracy of meter data provided in the consolidated billings may require examination of billing and metering support documentation maintained by subcontractors. SCE shall include a similar clause in its agreements with subcontractors reserving the right to designate their own employee representative, or their contracted representative to audit records related to consolidated billing to Community Choice Aggregation Customers.
- 22.4 The CCA will notify SCE in writing of any exception taken as a result of an audit. SCE shall refund the amount of any undisputed exception to the CCA within ten (10) days. If SCE fails to make such payment, SCE agrees to pay interest, accruing monthly, at a rate equal to the prime rate plus two percent (2%) of Bank of America NT&SA, San Francisco, or any successor institution, in effect from time to time, but not to exceed the maximum contract rate permitted by the applicable usury laws of the State of California. Interest will be computed from the date of written notification of exceptions to the date SCE reimburses the CCA for any exception. The cost of such audit shall be paid by the auditing Party; provided, however, that in the event an audit verifies overcharges of five percent (5%) or more, then SCE shall reimburse the CCA for the cost of the audit.

- 22.5 This right to audit shall extend for a period of three (3) years following the date of final payment under this Agreement. Each party and each subcontractor shall retain all necessary records and documentation for the entire length of this audit period.

Section 23: Miscellaneous

- 23.1 Unless otherwise stated in this Agreement: (a) any reference in this Agreement to a section, subsection, attachment or similar term refers to the provisions of this Agreement; (b) a reference to a section includes that section and all its subsections; and (c) the words "include," "includes," and "including" when used in this Agreement shall be deemed in each case to be followed by the words "without limitation." The Parties agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement
- 23.2 The provisions of this Agreement are for the benefit of the Parties and not for any other person or third party beneficiary. The provisions of this Agreement shall not impart rights enforceable by any person, firm or organization other than a Party or a successor or assignee of a Party to this Agreement.
- 23.3 The descriptive headings of the various sections of this Agreement have been inserted for convenience of reference only and shall in no way define, modify or restrict any of the terms and provisions thereof.
- 23.4 Any waiver at any time by either Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter and no waiver shall be considered effective unless in writing.
- 23.5 Each Party shall be responsible for paying its own attorneys' fees and other costs associated with this Agreement, except as provided in Sections 6 and 7 hereof. If a dispute exists hereunder, the prevailing Party, as determined by the CPUC, or as may otherwise be determined by the dispute resolution procedure contained in Section 15 hereof, if used, or by a court of law, shall be entitled to reasonable attorneys' fees and costs.
- 23.6 To the extent that the CPUC has a right under then-current law to audit either Party's compliance with this Agreement or other legal or regulatory requirements pertaining to Community Choice Aggregation transactions, that Party shall cooperate with such audits. Nothing in this Section shall be construed as an admission by either Party with respect to the right of the CPUC to conduct such audits or the scope thereof.

23.7 Except as otherwise provided in this Agreement, all rights of termination, cancellation or other remedies in this Agreement are cumulative. Use of any remedy shall not preclude any other remedy in this Agreement.

The Parties have executed this Agreement on the dates indicated below, to be effective upon the later date.

On Behalf of CCA

By: _____
Name: _____
Title: _____
Date: _____

On Behalf of SCE

By: _____
Name: _____
Title: _____
Date: _____

FORM APPROVED COUNTY COUNSEL
BY: Tiffany N. North 4/5/13
DATE

ATTACHMENT A

A. Definitions:

Billing Services - The consolidated billing services described in SCE's community choice aggregation tariff which are provided by SCE.

Community Choice Aggregation Customer - An end-use customer located within SCE's service territory who purchases Community Choice Aggregation Services through the CCA.

Community Choice Aggregator (CCA) - An entity that provides electric supply services to Community Choice Aggregation customers within SCE's service territory. A CCA may also provide certain energy efficiency and conservation programs to its Community Choice Aggregation customers as provided for under SCE's tariffs.

CCA Charges - Charges for Community Choice Aggregation Services provided by the CCA.

SCE Charges - Charges (a) for services provided by SCE; or (b) which are energy-related and which are approved by the CPUC or the Federal Energy Regulatory Commission (including any nonbypassable charges such as Competition Transition Charges, Cost Responsibility Surcharges, and any other nonbypassable charges adopted by a regulatory body) or Fixed Transition Amount Charges owing to SCE or its affiliates, as those terms are defined under the California Public Utilities Code). Fixed Transition Amount Charges are also referred to as Trust Transfer Amount (TTA) Charges.

B. Contact Persons (Section 13.3):

Billing Services

SCE Contact: _____

CCA Contact: Brian Nestande

C. Parties' Representatives (Section 15.1):

SCE Representative:

Contact Name _____

Business Address _____

CCA Representative:

Contact Name Brian Nestande

Business Address Riverside County CCA



Prepared by: **Good Energy, L.P.**

CCA IMPLEMENTATION PLAN

Revision 2

October 18, 2017

Prepared for: County of Riverside, California

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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 November 14, 2017 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 November 14, 2017 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

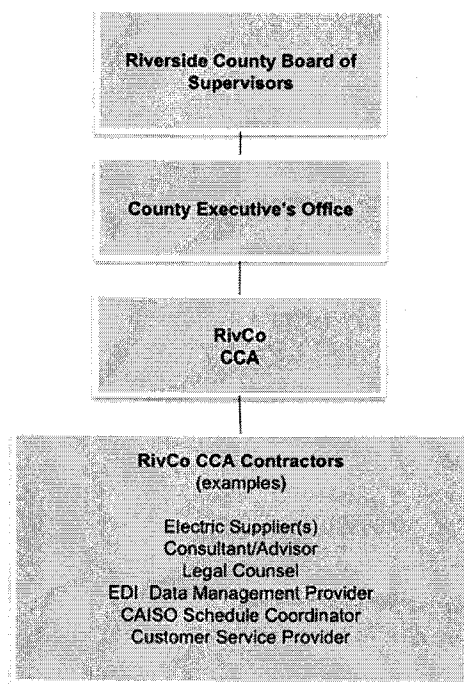
Organizational Overview

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

Activity	2017			2018							
	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.

Regulatory Counsel

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

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

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).

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 Levels⁴

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%

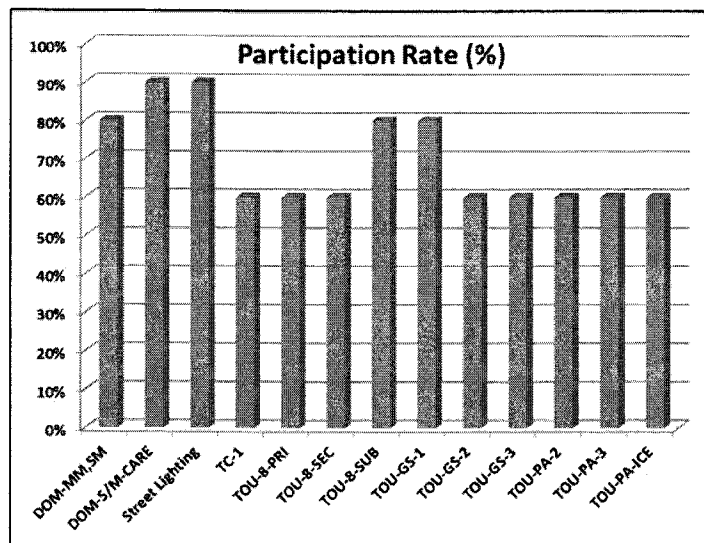
RivCo CCA expects there to be significant variation in participation rates across rate classes based on savings potential and customer decision making. For example, we expect higher enrollment levels for accounts with higher percentage cost savings potential and for groups of accounts managed by a single 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-owned 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

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 efficiency 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.

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).

Integrated Resource Planning Requirements

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

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).

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 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

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.

Energy Storage

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

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

- SCE enrollment fees and on-going data fees are \$3.45 per account and \$0.78 per account, respectively;³³
- 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 Costs³⁴

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	\$ 55,120,370	\$ 59,144,403	\$ 63,347,304	\$ 67,223,327	\$ 71,252,431	\$ 75,434,084	\$ 79,775,952	\$ 84,449,715	\$ 89,177,357	\$ 93,885,662
Exit Fees	15,357,876	15,537,172	15,717,120	15,897,755	16,079,112	16,261,917	16,446,670	16,633,278	16,822,933	17,015,650
Billing & Data Management	309,592	321,702	334,289	347,280	360,780	374,777	389,288	404,332	419,928	436,095
SCE Fees	456,634	58,677	90,303	91,952	93,625	95,322	97,043	98,788	100,558	102,353
CCA Management Services	1,225,000	1,249,300	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	110,405	112,616	114,869	117,166	119,509
Internal Staffing	370,000	377,400	384,945	392,647	400,500	408,510	416,680	425,014	433,514	442,184
CCA Expenses (rent, computers)	50,000	52,020	53,060	54,122	55,204	56,305	57,434	58,589	59,755	60,950
Start-Up Cost Amortization	528,333	528,333	528,333	-	-	-	-	-	-	-
Working Capital Cost	55,425	55,425	55,425	55,425	55,425	55,425	55,425	55,425	55,425	55,425
Total Uncollectibles	1,192,109	1,246,447	1,303,149	1,355,400	1,409,619	1,465,876	1,524,245	1,600,969	1,644,435	1,730,273
Total Operating Costs	104,775,337	108,733,082	113,222,434	116,856,012	121,170,921	126,335,129	130,984,905	126,537,115	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	\$ 126,335,129	\$ 130,984,905	\$ 126,537,115	\$ 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%.

Uncollectibles 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.

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:

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.

- 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.

Date of Issuance: February 9, 2018

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

RESOLUTION E-4907
February 8, 2018

RESOLUTION

Resolution E-4907. Registration Process for Community Choice Aggregators.

PROPOSED OUTCOME:

- This resolution would publish and implement a registration process for Community Choice Aggregators.

SAFETY CONSIDERATIONS:

- There is no impact on safety.

ESTIMATED COST:

- Potential unquantifiable bundled ratepayer savings due to elimination of cost shifting of resource adequacy costs.

By the Commission's own initiative.

SUMMARY

The Commission through this Resolution proposes an informal process of review of Community Choice Aggregation (CCA) Implementation Plans pursuant to the requirements and directives of Public Utilities Code Section 366.2¹ and Decision (D.) 05-12-041. This process of review will coordinate with the timeline of the mandatory forecast filings of the Commission's Resource Adequacy program to ensure that newly launched and expanding CCAs comply with Resource Adequacy requirements, as established by Section 380, before they serve customers.

This Resolution will require Community Choice Aggregators (CCAs) to submit to a process that includes a timeline for submission of Implementation Plans; a

¹ All further references are to the Public Utilities Code unless otherwise specified.

requirement to “meet and confer” between the CCA and the incumbent utility that can be triggered by either the CCA or the utility; a registration packet including a CCA’s service agreement and bond; and a Commission authorized date to begin service.

This resolution could delay the dates in which some CCAs serve customers but for a limited period of time in most circumstances no longer than one year and if a new or expanding CCA cannot comply with the new timelines the resolution creates a process where the CCA can still seek a waiver to serve customers within several months of approval of their implementation plans.

This Resolution, in part, is responsive to the directive of D.05-12-041 instructing the Executive Director to publish steps for the submission of Implementation Plans, and addresses the current rapid growth of CCA programs. The filing deadlines in this Resolution are intended to coordinate with the timeline for mandatory forecast filings in the Resource Adequacy program.

BACKGROUND

Overview of Community Choice Aggregation

In 2002 the State Legislature enacted Assembly Bill (AB) 117 (codified at Section 366.2), authorizing the creation of Community Choice Aggregators (CCAs). The Commission implemented the provisions of AB 117 in D.04-12-046, and D.05-12-041, among other Decisions.

D.05-12-041 directed the Executive Director to prepare and publish instructions for CCAs and utilities which would provide a forum for the CCA and the utility to understand the CCA’s implementation plans and to assure that the CCA is able to comply with utility tariffs. The instructions should include a timeline and descriptions of the procedures for submitting and certifying receipt of the Implementation Plan, notice to customers, and notice to CCAs of the appropriate Cost Responsibility Surcharge (CRS) and registration of CCAs.

After D.05-12-041, no CCA came into formation until 2010 with the launch of Marin Clean Energy. From 2010 to 2015, two CCAs launched serving approximately 135,000 customer accounts statewide. From 2016 to 2017,

CCA formation accelerated and 12 more communities launched or submitted CCA Implementation Plans to the Commission. As a result of this rapid growth in CCAs, it is appropriate now to address the directives of D.05-12-041 to create and publish processes for CCA implementation and registration.

Overview of CCA Implementation Plan Requirements

Section 366.2 authorizes the aggregation of electric loads by CCAs and establishes the broad requirements for implementing a CCA program. Section 366.2 grants the Commission authority over CCA implementation, and includes directives on the policy requirements of CCA programs, necessary implementation documents, timing requirements and deadlines for CCA implementation.

Section 366.2(c)(8) establishes the authority of the Commission to designate a CCA's start date with consideration of the impact on the electrical corporation's annual procurement:

No entity proposing community choice aggregation shall act to furnish electricity to electricity consumers within its boundaries until the commission determines the cost recovery that must be paid by the customers of that proposed community choice aggregation program, and provided for in subdivisions (d), (e), and (f). The commission shall designate the earliest possible effective date for implementation of a community choice aggregation program, taking into consideration the impact on any annual procurement plan of the electrical corporation that has been approved by the commission.²

Policy Requirements for CCAs

Any CCA program must provide for universal access, reliability, equitable

² Section 366.2(c)(8).

treatment of all classes of customers, and fulfill requirements established by state law or by the commission concerning aggregated service.³

Section 366.2(c)(4) states:

A community choice aggregator establishing electrical load aggregation shall prepare a statement of intent with the implementation plan. Any community choice load aggregation established pursuant to this section shall provide for the following:

- (A) Universal access.
- (B) Reliability.
- (C) Equitable treatment of all classes of customers.
- (D) Any requirements established by state law or by the commission concerning aggregated service, including those rules adopted by the commission pursuant to paragraph (3) of subdivision (b) of Section 8341 for the application of the greenhouse gases emission performance standard to community choice aggregators.

Additionally, the implementation of a CCA program "shall not result in a shifting of costs between the customers of the community choice aggregator and the bundled service customers of an electrical corporation."⁴

Implementation Documents and Requirements

Section 366.2 requires that CCAs submit an Implementation Plan and a Statement of Intent to the Commission and sets forth seven elements that Implementation Plans, and any subsequent changes to implementation plans, must contain.⁵ Section 394.25(e) also requires that "an electric

³ Section 366.2(c)(4).

⁴ Section 366.2(a)(4).

⁵ Section 366.2(c)(3) requires that Implementation Plans and any subsequent changes to implementation plans must be considered and adopted at a duly noticed public hearing and must contain all the following: (A)An organizational structure of the program, its operations, and its funding.(B)Ratesetting and other costs to participants, (C)Provisions for disclosure and due process in setting rates and allocating costs among participants.

service provider or community choice aggregator shall post a bond or demonstrate insurance sufficient to cover those reentry fees” in the event of an involuntary return of CCA customers back to bundled service.⁶

Timing and Deadlines

The Public Utilities Code establishes requirements that direct the Commission how and when to respond to Implementation Plan filings. Within 10 days of an Implementation Plan filing, the Commission must notify the respective electrical cooperation of the filing.⁷ Additionally, within 90 days of the filing of an Implementation Plan, the commission must “certify that it has received the plan” as well as provide the CCA with its findings regarding cost recovery.⁸

(D)The methods for entering and terminating agreements with other entities. (E)The rights and responsibilities of program participants, including, but not limited to, consumer protection procedures, credit issues, and shutoff procedures. (F)Termination of the program. (G)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.

⁶ Regarding the bond requirement in Section 394.25(e), in 2007 the Commission established in Resolution E-4133 an interim bond amount of \$100,000. Currently the Commission is examining the permanent CCA bond calculation methodology in R.03-10-003.

⁷ Section 366.2(c)(7) states:

Within 90 days after the community choice aggregator establishing load aggregation files its implementation plan, the commission shall certify that it has received the implementation plan, including any additional information necessary to determine a cost-recovery mechanism. After certification of receipt of the implementation plan and any additional information requested, the commission shall then provide the community choice aggregator with its findings regarding any cost recovery that must be paid by customers of the community choice aggregator to prevent a shifting of costs as provided for in subdivisions (d), (e), and (f).

⁸ Section 366.2(c)(7).

Finally, the CCA "shall register with the Commission, which may require additional information to ensure compliance with basic consumer protection rules and other procedural matters."⁹

Overview of CCA Resource Adequacy Requirements

As more CCAs launch, it is important to consider how a registration process interacts with a CCA's compliance with its Resource Adequacy requirements.

All Load-Serving Entities (LSEs) are subject to Resource Adequacy (RA) requirements pursuant to Section 380. Section 380(k) defines LSEs to include CCAs. Additionally, D.05-12-041 in Conclusion of Law 19 states that "The utilities will not procure power on behalf of CCA customers as part of their resource adequacy planning."

The Commission in D.04-10-035 adopted a protocol which required LSEs to submit load forecasts using their best estimates of future customers and their loads. The Commission established a preliminary load forecast submission timeline in D.05-10-042.¹⁰

There are two mandatory annual load forecast deadlines that an LSE must comply with in order to receive an annual RA obligation responsibility for the following year.¹¹ First, an LSE must file a preliminary load forecast by mid-April for the following calendar year. An LSE then must file a revised forecast in

⁹ Section 366.2(c)(15).

¹⁰ D.05-10-042, page 83.

¹¹ D.04-10-035 adopted a protocol whereby LSEs are required to submit load forecasts using their best estimates of future customers and their loads. D.05-10-042 at page 83 specified the preliminary load forecast submission timeline and set April 15 as the date for the submission of preliminary load forecasts. D.11-06-022 at page 38 modified the year-ahead forecast timeline to include optional revisions to be submitted by Aug. 19th of each year. D.17-06-027 ordered that the revised August forecast be mandatory.

August.¹² The August forecast was intended to refine and improve the accuracy of April forecast.¹³

The timeline of RA load forecast submissions has practical implications for newly forming CCAs and expanding CCAs. If an existing or pre-operational CCA does not submit an annual load forecast, they are not allocated a year-ahead RA obligation for the following year. In this scenario, the incumbent utility remains responsible for that load and procures RA for those customers, even if those customers are about to be served by a CCA. This scenario is most likely to occur if a CCA launches or expands service to customers (or additional customers in the case of an existing, yet expanding CCA) after the RA annual load forecast deadlines without filing an annual load forecast.

As a result, the utilities incur short-term power purchase costs for the customers of CCAs in their launch or expansion year. Utilities procuring for CCAs in their first launch or expansion year creates a cost shifting challenge. D.11-12-018 excluded power purchase transactions less than a year in term from the total portfolio calculation of the Power Charge Indifference Adjustment (PCIA). Consequently, Resource Adequacy contracts of over one year are captured by the PCIA, but Resource Adequacy contracts of less than one year are not captured by the PCIA. Therefore, such costs are borne by bundled customers, potentially resulting in millions of dollars annually of stranded costs and potentially in contravention of the indifference requirement of Section 366.2

Energy Division issued data requests to PG&E confirming the existence of stranded costs. Responses to these data requests were confidential because of the market-sensitive information they contain. The Commission does not rely on those responses in making the determinations made herein.

¹² Although D.11-06-022 modified the year-ahead forecast timeline to include optional revisions to be submitted by Aug. 19th of each year, later D.17-06-027 (OP 7) ordered that the revised August forecast be mandatory. The exact date of the August deadline varies by year.

¹³ D.17-06-027, Finding of Fact 11.

Public information illustrates the scale of load migration happening in the year-ahead RA program. Existing and new CCAs that were not a part of the year ahead 2018 RA process but plan to serve load in 2018 would have been allocated a System Peak RA requirement of approximately 3,616 MW and a local RA requirement of approximately 1,793 MW. These year-ahead RA requirements were met by the utilities that currently serve these customers. Some of these costs are recovered by the PCIA, however, any contracts less than one year are not captured by the PCIA and are borne by remaining bundled customers. Due to the confidentiality of utility's market position, the proportion of those contracts that are less than one year cannot be disclosed publicly.

In addition, if the California Independent System Operator (CAISO) procures back-stop capacity through its capacity procurement mechanism (CPM), it appears based on the CAISO's tariff language these costs will be allocated only to those LSEs that exist at the time of the designation (annual designations would occur in December, before the compliance year). It is not yet clear if the PCIA addresses this potential cost-shifting issue.

DISCUSSION

D.05-12-041 ordered the Executive Director to develop and publish two distinct processes in Ordering Paragraphs (OP) 8 and 10 of that Decision.

D.05-12-041 Ordering Paragraph 8 Implementation

Ordering Paragraph 8 requires the Executive Director to develop and publish the steps of an informal process of review that provides a forum for the CCA and the utility to understand the CCA's Implementation Plans and assures that the CCA is able to comply with the utility's tariffs.

The goal of this "forum" is to "facilitate the smoother operation of the CCA where its policies, practices, and decisions may affect the utility and its customers."¹⁴ The operation and launch of a CCA program inherently requires logistical coordination between the utility and the CCA, and many CCA-utility

¹⁴ OP 8, D.05-12-041.

partnerships must engage in these kinds of information-sharing discussions to facilitate smooth transitions to CCA service.

In order to comply with the directive of Ordering Paragraph 8, at the request of either the CCA or the utility, the parties must “meet and confer” as soon as reasonably practical. If the first attempts at resolution are not successful, the parties are required to meet in person. Should the parties be unable to reach consensus after the in-person meeting(s), either party may request that Energy Division assist by sponsoring a moderated in-person discussion between the parties. Such a request should come in the form of a request to the Director of Energy Division explaining the general nature of any unresolved issues regarding CCA compliance with utility tariffs. During the “meet and confer” parties shall discuss the contents of the CCA’s Implementation Plan and any relevant issues with compliance with utility tariffs.

D.05-12-041 Ordering Paragraph 10 Implementation

Ordering Paragraph 10 of D.05-12-041 requires the Executive Director to prepare and publish instructions for CCAs and utilities that includes a timeline and describes the procedures for submitting and certifying receipt of the Implementation Plan, notice to customers, notice to CCAs of the appropriate Cost Responsibility Surcharges (CRS), and registration of CCAs.

Adopted Timeline for 2019 and Beyond

Appendices A and B of this Resolution include a timeline of the CCA registration process, including the timeline adopted by this Resolution.

The Prior Timeline in Appendix B reflects the current practice of CCA registration. The statutory deadlines in the Prior Timeline were established in Section 366.2. However, several milestones in the Registration process did not have deadlines defined by statute. These milestones are represented as “undefined” in the Prior Timeline. D.12-05.041 included an illustrative registration timeline based on statutory deadlines associated with CCA implementation.¹⁵

¹⁵ D.05-12-041, Attachment D.

The Adopted Timeline modifies the Prior Timeline and the Illustrative Timeline (proposed in D.05-12-041 Attachment D) in several respects. First, the Adopted Timeline includes a deadline by which Implementation Plans must be received in order for CCAs to serve new load beginning January 1 of the following year. The goal of this requirement is to assist the proposed CCA in securing the certification and registration within enough time to file its preliminary load forecast by mid-April in order to serve load the following calendar year.

Second, the Adopted Timeline includes the Meet-and-Confer option for the CCA and the utility to discuss how the CCA will conform its operations to the utility's tariff requirements. Third, the Adopted Timeline includes the deadlines for submission of CCA RA load forecasts in the year prior to a CCA beginning to serve load. Fourth, the Adopted Timeline includes a deadline by which the CCA must submit its Registration Packet and receive confirmation of registration.

In order to coordinate the launch of a new or expanding CCA with the RA requirements, the Implementation Plan and Statement of Intent must be submitted to the Commission on or before January 1 in order to serve load in the following year.¹⁶

These requirements are authorized by Section 366.2(c)(4), which requires a CCA to "provide for universal access, reliability, equitable treatment of all classes of customers, **and any requirements established by state law or by the commission concerning aggregated service.**"¹⁷ Additionally, Load-Serving Entities, including CCAs, must comply with RA requirements pursuant to Section 380(a). Current RA rules require all LSEs to file an annual load forecast if they plan to serve load in the following year. Additionally, Section 366.2(c)(8) also supports this action and compels the Commission to "designate the earliest possible effective date for implementation of a community choice aggregation program, taking into consideration the impact on any annual procurement plan of the electrical corporation that has been approved by the commission."

¹⁶ For example, a new or expanding CCA intending to serve new load in 2020 must submit its Implementation Plan on or before January 1, 2019.

¹⁷ Section 366.2(c)(4), emphasis added.

Thus, in order to comply with the year-ahead RA process, Implementation Plans, including Implementation Plans of an existing CCA that expands its territory, must be received by January 1 in order to serve load in the following year

Adopted Timeline for Transition Year Only (2018)

a. CCAs that filed by December 8, 2017

Prior to the mailing of the draft of this Resolution on December 8, 2017, the following Implementation Plans were submitted to the Commission:

1. Los Angeles Community Choice Energy
2. East Bay Community Energy
3. Redwood Coast Energy Authority Expansion to the City of Ferndale
4. Monterey Bay Community Power
5. Pioneer Community Energy
6. City of Rancho Mirage
7. Valley Clean Energy Alliance
8. City of Solana Beach
9. City of San Jose
10. MCE's expansion to the unincorporated areas of Contra Costa County; the cities of Concord, Martinez, Oakley, Pinole, Pittsburg and San Ramon; and the towns of Danville and Moraga

Collectively these Implementation Plans represent approximately 3,600 MW of new CCA load for 2018. This resolution has no effect on these 10 Implementation Plans or expansions

b. CCAs that filed after December 8, 2017

Following the mailing date of this Resolution on December 8, 2017, the following Implementation Plans have been submitted to the Commission:

1. Desert Community Energy
2. King City
3. Riverside CCA
4. Silicon Valley Clean Energy's Expansion to Milpitas
5. Los Angeles Community Choice Energy's Expansion to serve an additional 21 cities

Collectively these additional Implementation Plans represent approximately 1700 MW of new CCA load that CCAs express a desire to serve in 2018. These five CCAs are impacted by the new timeline adopted in this resolution and may serve load no sooner than January 1, 2019, assuming all deadlines set forth below are met, unless these CCAs apply for a waiver from this resolution to serve customers in 2018 as set forth in section (c) below.

Energy Division will complete an expedited review of the Implementation Plans submitted by the five CCAs above as well as any additional Implementation Plans and registration packages received on or before March 1, 2018. Energy Division will complete its review by April 13, 2018. CCAs certified by April 13, 2018 must submit their registration packets (including signed service agreements and bond) no later than April 20, 2018 so that those CCAs are certified and registered before the Resource Adequacy annual load forecast deadline in April 2018. This will allow these CCAs to serve load in 2019.

c. Waiver Process

Any new or expanding CCA may request a waiver from the timelines set forth in this resolution in order to begin service in that new or expanded territory prior to January 1, 2019. To request a waiver either:

- A. The CCA and utility in whose service territory the CCA intends to begin service shall jointly submit a Tier 1 Advice Letter no later than 75 days prior to the RA compliance month in which the CCA wishes to begin service. This Advice Letter shall provide notification that the utility and CCA mutually agree (via payment, allocation of RA or a combination thereof) that they have addressed RA requirements and cost responsibility concerns raised by the intra-year load migration for 2018.¹⁸ Notification of agreements must include what categories of RA for what periods are being satisfied; or,
- B. If no agreement is reached, the CCA shall file a Tier 1 Advice Letter no later than 75 days prior to the RA compliance month in which the CCA wishes to begin service. This Advice Letter shall provide notification that the utility and the CCA are unable to reach agreement to address the RA requirements and cost responsibility concerns raised by the intra-year load migration for 2018, and shall state that the CCA agrees to be bound by a future Commission determination in the RA proceeding (R.17-09-020) regarding cost responsibility for intra-year load migration, subject to appellate rights under the Commission's Rules. The CCA then shall file a

¹⁸ Any allocation of RA can be a portion of a contract, a group of contracts, a pro rata share of the portfolio, or a combination thereof in addition to other forms of payment not identified.

motion in the RA proceeding seeking such a determination within 60 days of the submittal of the Advice Letter. Submittal of this Advice Letter allows the CCA to begin service in 75 days later and shifts RA responsibility from the utility to the CCA.

CCAs Forming in Small and Multi-Jurisdictional Utility Territories

Should a CCA form in a Small and Multi-Jurisdictional Utility (SMJU) territory, various procedural, cost-shifting, and other potential issues will be presented. Those issues are not being addressed in this Resolution, but the Commission expects to address these issues in an as yet determined forum.

Procedural Components for CCA Implementation Plans

Procedure for Submission and Certification of Receipt

This Resolution adopts a new deadline for submission of Implementation Plans. Implementation Plans will be submitted to the Director of the Energy Division both via email and a hard copy on or before January 1¹⁹ in order to serve load in the following year.²⁰ Within 90 days of receiving an Implementation Plan, the Energy Division will certify that the plan assuming it meets all requirements.

Notice to Customers

This Resolution adopts no changes for Notice to Customers. Implementation Plans shall include the timing of notices sent to utility customers who will be transitioned to CCA service.

Notice to Customers of the Appropriate Cost Responsibility Surcharge (CRS)

This Resolution adopts no changes for Notice to Customers of the Appropriate CRS. The current Cost Responsibility Surcharge (CRS) has three major components: the Department of Water Resources (DWR) Bond Charge, the Competitive Transition Charge, and the Power Charge Indifference Adjustment (PCIA).

¹⁹ Except for 2018, where plans may be submitted by March 1, 2018.

²⁰ For 2018, Energy Division will certify plans by 4/13 if received by 3/1/18 as long as plans are reasonably complete and meet all requirements.

CCAs shall include in their Implementation Plans how they will notify customers of the applicable CRS. The PCIA methodology is currently under reconsideration in R.17-06-026.

Registration of CCAs

This Resolution adopts two new deadlines for CCA registration. First, this Resolution requires that a CCA submit its registration packet to the CPUC within 90 days of filing its Implementation Plan. Second, this Resolution requires that if the Registration Packet is complete, the CPUC will confirm the CCA's registration within 120 days of the CCA submittal of its Implementation Plan assuming it meets all requirements.

To register, a CCA must submit its registration packet including a signed service agreement with the utility and a bond pursuant to Section 394.25 (e). The interim bond amount was set to \$100,000 in Resolution E-4133 (2007) and the amount of the bond is currently under consideration in R.03-10-003.

Once a bond has been submitted, Energy Division will issue a registration letter confirming completion of all registration requirements. After a potential or expanding CCA has fulfilled the above requirements, it may initiate service to its new customers no earlier than the service date authorized by this Resolution.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. The draft Resolution was mailed for Comments on December 8, 2017.

The deadline for comments was extended to January 11, 2018 and reply comments were allowed seven days later.

Over 60 comments and reply comments were received from the public, including numerous individual stakeholders as well as organizations. Of those comments, the majority opposed this resolution. The Joint Utilities (SDG&E, SCE and PG&E), TURN, ORA, and the Coalition of California Utility Employees generally

supported Resolution E-4907, with some caveats. Comments primarily focused on the following topics: timing, policy effects, and due process.

Timing

Many comments expressed opposition to Draft Resolution E-4907 and urged the Commission to delay action on Resolution. Many comments stated that Commission consideration of the Resolution in January or February 2018 presented too short a time period for adequate review and analysis.

Resolution E-4907 was held from the January 11, 2018 Commission meeting and scheduled for the February 8, 2018 Commission meeting. The deadline for comments was extended from December 29, 2017 to January 11, 2018. Reply comments were accepted with a deadline of January 18, 2018. The Commission is satisfied that it has provided adequate time for comment and has the information that it needs to decide the issues presented by this resolution.

Policy Effects

Some opposing commenters cited the significant negative impact to nascent CCA programs and expanding CCAs for 2018 and for 2019. They asserted that Draft Resolution E-4907 places substantial and unnecessary burdens on newly forming CCAs. Numerous stakeholders stated that communities invested significant time and resources to launch CCA programs and that these communities would be unfairly harmed in delaying a CCA's service date. Delay of service to new load represents a delay in associated revenues and program benefits according to some commenters. Many asserted that the proposed timeline was arbitrary.

Although Resolution E-4907 may delay some CCAs' desired date to begin service, any such delay would be for a finite period and for the purpose of avoiding unlawful cost shifting. Section 366.2 (c) (8) requires:

No entity proposing community choice aggregation shall act to furnish electricity to electricity consumers within its boundaries until the commission determines the cost recovery that must be paid by the customers of that proposed community choice aggregation program, as provided for in subdivisions (d), (e), and (f). The commission shall designate the earliest possible effective date for implementation of a community choice aggregation program, **taking into consideration the**

impact on any annual procurement plan of the electrical corporation that has been approved by the commission. [emphasis added.]

Here, Resolution E-4907 designates the earliest possible effective date, taking into account the year-ahead requirements of the Resource Adequacy program in conjunction with our responsibility to avoid shifting costs onto bundled customers. Resource Adequacy is a key component of annual procurement planning and a responsibility of all Load-Serving Entities. The timeline requirements adopted by Resolution E-4907 are allowed by Section 366.2 (c) (8). Revisions to the resolution adjust compliance dates to ensure that the new provisions are consistent with the requirements of Section 366.2(c)(8) that the commission designate the earliest possible effective date for implementation of a community choice aggregation program.

Due Process

Numerous commenters assert that the resolution violates their due process rights. We disagree. The changes in the CCA timeline made by this resolution are an exercise of authority the Commission has had since 2002. Section 366.2(c)(8) establishes the authority of the Commission to designate a CCA's start date with consideration of the impact on the electrical corporation's annual procurement. The Commission could have set a start date/timeline for a CCA in a letter certifying its Implementation Plan. There is no substantive difference here, where the Commission is simply setting that start date/timeline for all CCAs.

Ordering Paragraph 10 of D.05-12-041, moreover, requires the Executive Director to "prepare and publish instructions for CCAs and utilities that includes a timeline and describes the procedures for submitting and certifying receipt of the Implementation Plan, notice to customers, notice to CCAs of the appropriate CRS, and registration of CCAs." This resolution effectuates that order.

Commenters assert that there was no opportunity to be heard. We disagree. Comments on draft resolutions are normally afforded about 20 days to comment.²¹ Here, in response to requests from commenters, additional time was

²¹ Compare section 311(g)(1) with California Public Utilities Commission, Rules of Practice and Procedure (Rules), Rule 14.5.

afforded for comments. In addition, reply comments, while not normally allowed, were allowed.

Finally, two additional changes were made in response to comments. First, the deadline to submit Implementation Plans in 2018 has been moved forward to March 1, 2018, allowing several additional CCAs to begin service in 2019. Second, CCAs that desire to serve in may request a waiver if they reach an agreement with the incumbent utility to resolve RA cost-shifting concerns. These changes provide greater flexibility to CCAs on the date they can begin service.

FINDINGS AND CONCLUSIONS

1. Ordering Paragraph 8 of D.05-12-041 requires that the Executive Director develop and publish the steps of an informal process of review that provides a forum for the CCA and the utility to understand the CCA's implementation plans and assures the CCA is able to comply with utility tariffs.
2. Ordering Paragraph 8 of D.05-12-041 requires that the forum be mandatory at the request of either the utility or the CCA and where the request is presented in writing with a recitation of disputed items or areas of concern. The process shall implicate no approvals, either formal or informal, from the Commission. Utility tariffs shall describe the meet and confer process for resolving disputes over operational issues prior to initiation of services.
3. The Commission should develop and publish the steps of an informal process of review that provides a forum for CCAs and utilities as directed in Ordering Paragraph 8 of D.05-12-041.
4. Ordering Paragraph 10 of D.05-12-041 requires the Executive Director to prepare and publish instructions for CCAs and utilities that includes a timeline and describes the procedures for submitting and certifying receipt of the Implementation Plan, notice to customers, notice to CCAs of the appropriate
5. The Commission should prepare and publish instructions for CCAs and utilities that includes a timeline and describes the procedures for submitting and certifying receipt of the Implementation Plan, notice to customers, notice to CCAs of the appropriate Cost Responsibility Surcharge (CRS), and

registration of CCAs. Cost Responsibility Surcharge (CRS), and registration of CCAs.

6. CCAs must comply with the Resource Adequacy requirements as set forth in Public Utilities Code Section 380 before beginning service.

THEREFORE IT IS ORDERED THAT:

1. Within 14 days of the effective date of this Resolution, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas and Electric Company (SDG&E), shall update their tariffs and submit Tier 2 Advice Letters with the adopted timeline and procedures listed in Appendix A.
2. Prospective or expanding Community Choice Aggregators who have not yet submitted an Implementation Plan as of December 8, 2017 shall file their Implementation Plans pursuant to the adopted timeline and procedures listed in Appendices A and B and fulfill the Resource Adequacy portion of Appendices A and B prior to initiating service to customers unless they receive a waiver from the Commission as described in Paragraph 3 below. This Resolution is not retroactive.
3. Any new or expanding CCA may request a waiver from the timelines set forth in this resolution in order to begin service prior to the deadlines in Appendices A and B. To request a waiver either:
 - A. The CCA and utility in whose service territory the CCA intends to begin service shall jointly submit a Tier 1 Advice Letter no later than 75 days prior to the RA compliance month in which the CCA wishes to begin service. This Advice Letter shall provide notification that the utility and CCA mutually agree (via payment, allocation of RA or a combination thereof) that they have addressed RA requirements and cost responsibility concerns raised by the intra-year load migration for 2018. Notification of agreements must include what categories of RA for what periods are being satisfied; or,

- B. If no agreement is reached, the CCA shall file a Tier 1 Advice Letter no later than 75 days prior to the RA compliance month in which the CCA wishes to begin service. This Advice Letter shall provide notification that the utility and the CCA are unable to reach agreement to address the RA requirements and cost responsibility concerns raised by the intra-year load migration for 2018, and shall state that the CCA agrees to be bound by a future Commission determination in the RA proceeding (R.17-09-020) regarding cost responsibility for intra-year load migration, subject to appellate rights under the Commission's Rules. The CCA then shall file a motion in the RA proceeding seeking such a determination within 60 days of the submittal of the Advice Letter. Submittal of this Advice Letter allows the CCA to begin service in 75 days later and shifts RA responsibility from the utility to the CCA.
4. Commission staff will process Implementation Plans pursuant to the adopted timeline and procedures listed in Appendices A and B.
 5. The Commission will revisit this process, if necessary, depending on the outcome of R.03-10-003 or successor proceedings.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on February 8, 2018; the following Commissioners voting favorably thereon:

/s/ TIMOTHY J. SULLIVAN
TIMOTHY J. SULLIVAN
Executive Director

MICHAEL PICKER
President

CARLA J. PETERMAN
LIANE M. RANDOLPH
MARTHA GUZMAN ACEVES
CLIFFORD RECHTSCHAFFEN
Commissioners

Appendix A: Adopted CCA Registration Timeline and Procedures

Date	Action
Day 1, Year 1 (On or before January 1 Year 1) ²²	(1) The prospective or expanding CCA submits its Implementation Plan to Energy Division and serves it on the R.03-10-003 Service List, on the R.16-02-007 Service List, and on the R.17-09-020 Service List, or successor proceedings.
Day 1 - 10, Year 1	(1) The CPUC notifies the Utility servicing the customers that are proposed for aggregation that an implementation plan initiating their CCA program has been filed.
Day 1 - 60, Year 1	(1) The CCA provides a draft customer notice to CPUC's Public advisor. (2) Within 15 days of receipt of the draft notice, the Public Advisor shall finalize that notice and send it to the CCA.
DAY 1 - 90, Year 1 ²³	(1) The CPUC sends a letter confirming that it has received the Implementation Plan and certifying that the CCA has satisfied the requirements of an Implementation Plan pursuant to Section 366.2(c) (3). This letter informs the CCA about the cost recovery mechanism as required by P.U. Code Section 366.2(c)(7). If and when the CPUC requests additional information from a CCA, the CCA shall respond to CPUC staff within 10 days, or notify the staff of a date when the information will be available. (2) The CPUC provides the CCA with its findings regarding any cost recovery that must be paid by customers of the CCA in order to prevent cost shifting. (P.U. Code Section 366.2 (c) (7).)

²² For Plans to be submitted in 2018 to serve load in 2019, this deadline is extended to March 1, 2018.

²³ For Plans submitted by March 1, 2018, CPUC will complete review by April 13, 2018.

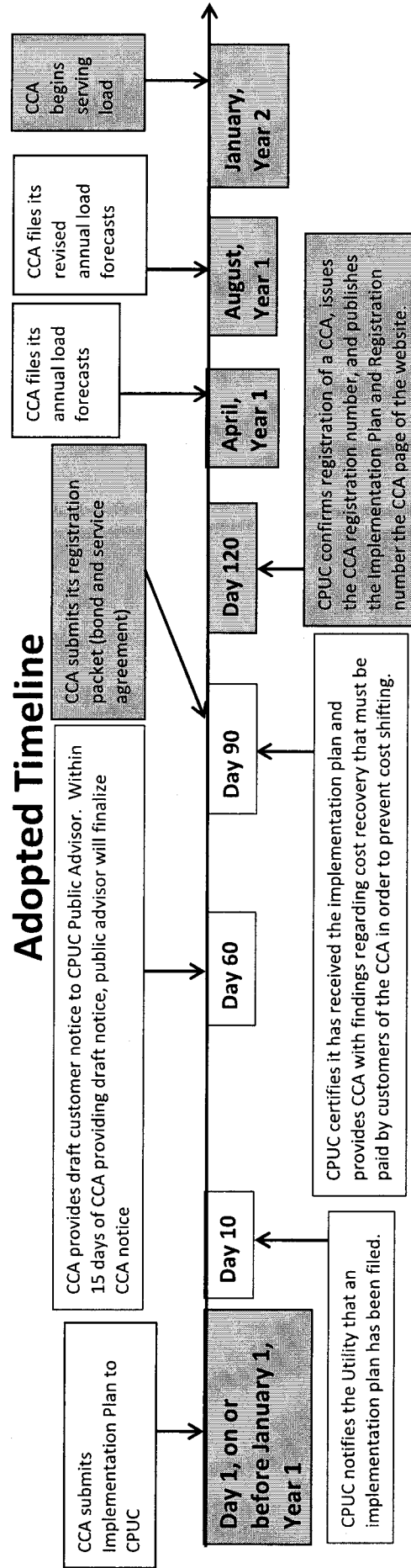
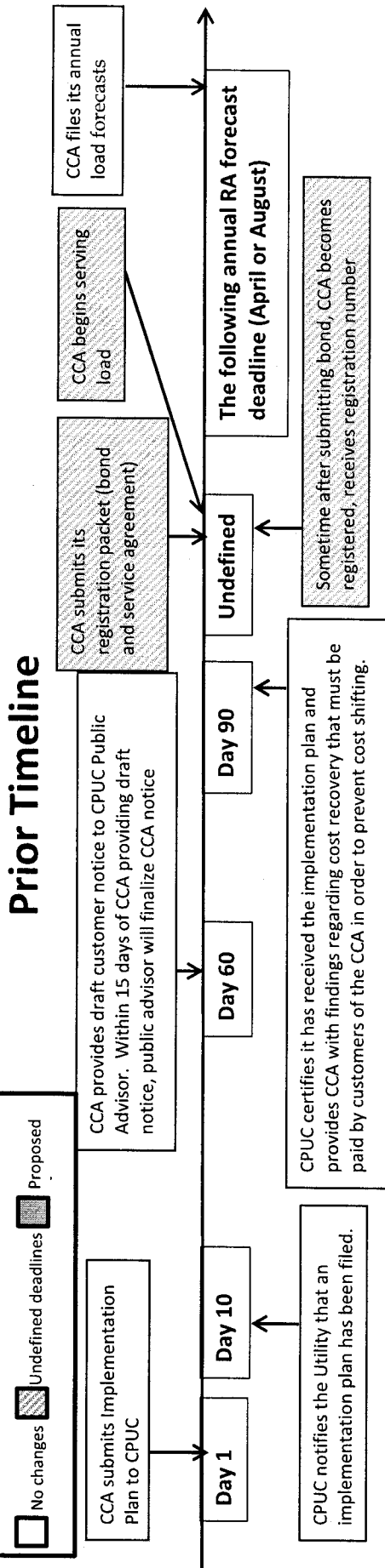
	(3) The CCA and the Utility should Meet-and-Confer regarding the CCA's ability to conform its operations to the Utility's tariff requirements.
DAY 1 - 90, Year 1²⁴	(1) The CCA submits its registration packet to the CPUC, including: a. Signed service agreement with the utility, and b. CCA interim bond of \$100,000 or as determined in R.03-10-003
Day 90 - 120, Year 1²⁵	(1) If the registration packet is complete, the CPUC confirms Registration as a CCA.
April, Year 1	(1) The CCA submits its year ahead Resource Adequacy forecast (P.U. Code Section 380)
August, Year 1	(1) The CCA submits its updated year-ahead RA forecast
October Year 1 (75 days before service commences)	(1) CCAs submit their Monthly load migration forecast for the Resource Adequacy program, filed about 75 days prior to the compliance month.
Within 60 days of the CCA's Commencement of Customer Automatic Enrollment	(1) The CCA shall send its first notice to the prospective customers describing the terms and conditions of the services being offered and the customer's opt-out opportunity prior to commencing its automatic enrollment. (P.U. Code Section 366.2 (c) (13) (A))
Within 30 days of the CCA's Commencement of Customer Automatic Enrollment	(1) The CCA shall send a second notice to the prospective customers describing the terms and conditions of the services being offered and the customer's opt-out opportunity prior to commencing its automatic enrollment. (P.U. Code Section 366.2 (c) (13) (A)) (2) Once notified of a CCA program, the Utility shall transfer all applicable accounts to the new supplier within a 30-day period from the date of the close of their normally scheduled monthly metering and billing process. (P.U. Code Section 366.2 (c) (16))
January 1, Year 2	(1) CCA begins service.
Following the CCA's Automatic Customer Enrollment	(1) The CCA shall inform participating customers for no less than two consecutive billing cycles that: a. They have been automatically enrolled into the CCA program and that each customer has the right to opt out of the CCA program without penalty. (P.U. Code Section 366.2 (c) (13)(A)(i).)

²⁴ For 2018, the bond and signed service agreement must be submitted by April 20, 2018.

²⁵ For 2018, the CPUC will confirm registration by April 27, 2018.

	<p>b. Terms and conditions of the services being offered. (P.U. Code Section 366.2 (c) (13)(A)(ii).)</p>
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Appendix B: Schematic Comparison of Prior and Adopted Timelines for CCA Registration Process



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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.

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- 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.

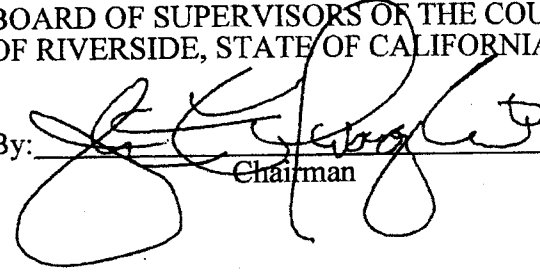
Section 4. SEVERABILITY. If any provision, clause, sentence or paragraph of this ordinance or the application thereof to any person or circumstances shall be held invalid, such invalidity shall not affect the other provisions of this ordinance which can be given effect without the invalid provision or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

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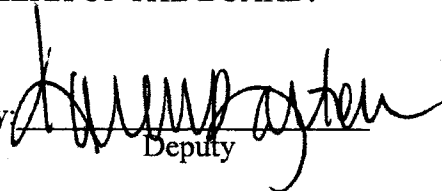
Section 5. EFFECTIVE DATE. This ordinance shall take effect thirty (30) days after its adoption.

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

By: 
Chairman

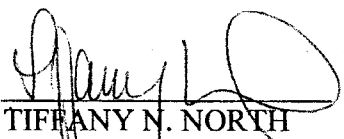
ATTEST:

CLERK OF THE BOARD:

By: 
Deputy

(SEAL)

APPROVED AS TO FORM
October 12, 2017

By: 
TIFFANY N. NORTH
Chief Deputy County Counsel

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STATE OF CALIFORNIA)
)
COUNTY OF RIVERSIDE) ss

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: *K. Washington*
Deputy

SEAL

Item 9.2

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 27, 2018

Brian Nestande
Deputy County Executive Officer
County of Riverside
4080 Lemon Street
Riverside, CA, 92501

RE: Letter certifying Riverside County (Rivco) CCA's Implementation Plan and Statement of Intent

Dear Mr. Nestande:

The California Public Utilities Commission's Energy Division has reviewed Rivco CCA's Implementation Plan (IP) and Statement of Intent to serve load in Riverside County, which was submitted to the Commission on December 27th, 2017.

Public Utilities Code Section 366.2 (c)(3) requires a CCA Implementation Plan to contain all of the following:

- A) An organizational structure of the program, its operations, and its funding.
- B) Rate setting and other costs to participants.
- C) Provisions for disclosure and due process in setting rates and allocating costs among participants.
- D) The methods for entering and terminating agreements with other entities.
- E) The rights and responsibilities of program participants, including, but not limited to, consumer protection procedures, credit issues, and shutoff procedures.
- F) Details regarding termination of the program.
- G) 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.

Pursuant to Public Utilities Code Section 366.2 (c)(4), a CCA is also to prepare and provide for all of the following:

- A) A statement of intent; and,
- B) Provision(s) that provide for:
 - 1) Universal access;
 - 2) Reliability;
 - 3) Equitable treatment of all classes of customers; and,
 - 4) Compliance with any legal requirements concerning aggregated service.

The Commission hereby certifies that Rivco CCA's Implementation Plan and Statement of Intent contain the information required by Public Utilities Code Section 366.2 (c). Rivco CCA has also included a Statement of Intent as part of its Implementation Plan pursuant to Public Utilities Code Section 366.2 (c)(4).

Southern California Edison Company (SCE) submitted a letter commenting on Rivco CCA's Implementation Plan on March 5, 2018. SCE raised four concerns. SCE claimed that the Implementation Plan was inconsistent with state law regarding Net Energy Metering (NEM) to the extent that Rivco CCA intends to offer market price compensation for exported generation. SCE urged Rivco CCA to offer NEM terms and conditions that are consistent with law and reflected in SCE's tariff. SCE also stated that the Implementation Plan did not properly address the timeline and waiver process established in Commission Resolution E-4907, issued on February 8, 2018. SCE next stated that Rivco CCA improperly characterized Commission Resource Adequacy requirements and responsibilities by suggesting that Rivco CCA may "rely" on the IOU for Resource Adequacy needs. Finally, SCE requested clarity on how Rivco CCA arrived at its customer enrollment projections.

Rivco CCA submitted a response letter on March 21, 2018. Rivco CCA affirmed that it intends to offer NEM consistent with state law and with SCE's tariffs. Rivco CCA clarified that its discussion of "excess energy compensation" is not intended to apply to all energy that is exported by NEM customers, but rather is intended to apply to just that excess energy that may exist once customer-exported energy and CCA-supplied energy are netted across the relevant billing period. Rivco CCA stated that it intends to begin service in February 2019 in light of the requirements of Resolution E-4907. Rivco also clarified that it intends to procure its RA needs from the market and will not rely on SCE to provide RA resources for CCA load. Lastly, Rivco CCA also confirmed that its customer enrollment data was the result of good-faith projections based on observed opt-out rates of other CCA programs. Rivco CCA further clarified that it assumes that non-residential DA customers will opt-out and remain with their current providers.

Rivco CCA is authorized to begin serving customer load in 2019, pursuant to Ordering Paragraph 2 of Resolution E-4907 and subject to all Resource Adequacy and other statutory and Commission requirements.

Pursuant to P.U. Code Section 366.2 (c)(7), the Commission is required to provide Rivco CCA with "its findings regarding any cost recovery that must be paid by customers of the community choice aggregator to prevent a shifting of costs as provided for in P.U. Code Section 366.2 subdivisions (d), (e) and (f)." The costs referenced in P.U. Code Section 366.2 subdivisions (d), (e) and (f) are recovered via separate charges for: (1) Power Charge Indifference Adjustment (per kWh); (2) DWR Bond Charge (per kWh); and (3) Competition Transition Charge (CTC) (per kWh). By this letter, the Commission informs Rivco CCA that these costs are identified in Southern California Edison's Schedule CCA-CRS "Community Choice Aggregation Cost Responsibility Surcharge."

Sincerely,



FOR

Edward Randolph
Director, Energy Division
California Public Utilities Commission

cc: Andrea Tozer, SCE: (Andrea.Tozer@sce.com)
Amy Lieu, SCE (Amy.Liu@sce.com)
Michelle Stark, SCE (Michelle.Stark@sce.com)
Melodee Black, SCE (Melodee.Black@sce.com)
Kevin Fox, Keyes & Fox LLP (kfox@keyesfox.com)