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# Appendix K: CCA Start Up

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Appendix A: CCA Start Up

Appendix K provides additional detail regarding CCA start up costs, required activities, and implementation planning. The data contained herein applies to the AWG Jurisdictions scenarios.

1. CCA Start Up Costs

As depicted within the report, Table K-1 shows the total non-capital start up costs estimated for the CCA. These charges include those costs required to get the CCA up and running and not attributable to startup capital expenditures and investments in longer-lived assets, which are depicted in Table K-2. These non-capital startup costs include CCA establishment fees, costs for communications and notifications, opt-out expenses, and enrollment fees. The charges are assumed to take place in a phased manner beginning in May of 2020 and continuing for one year. As shown in Table K-1, Total Startup Charges are estimated to be approximately $623,000 for service to PG&E customers and $2.2 million for service to SCE customers, or $2.8 million total. The fees are based on the tariffed rates for each IOU and reflect both the differences in rates and portion of customers in each IOU’s territory: 33% in PG&E territory and 67% in SCE territory.

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>5/1/2020 Phase</th>
<th>11/1/2020 Phase</th>
<th>5/1/2021 Phase</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>I I Phase II</td>
<td>Phase III</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>CCA Establishment</td>
<td>$13,453</td>
<td>$13,453</td>
<td>$13,453</td>
<td></td>
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<tr>
<td>2</td>
<td>Standard Output Fee (Needed for the Notification Notices)</td>
<td>$669</td>
<td>$1,303</td>
<td>$9,905</td>
<td>$11,878</td>
</tr>
<tr>
<td>3</td>
<td>Estimated EDI Testing Charge</td>
<td>$8,969</td>
<td>$8,969</td>
<td>$8,969</td>
<td>$26,906</td>
</tr>
<tr>
<td>4</td>
<td>Customer Notification, Initial &amp; Follow-up</td>
<td>$121,102</td>
<td>$121,102</td>
<td>$121,102</td>
<td>$363,307</td>
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<tr>
<td>5</td>
<td>Customer Fees</td>
<td>$10,937</td>
<td>$21,293</td>
<td>$161,828</td>
<td>$194,058</td>
</tr>
<tr>
<td>6</td>
<td>Mass Enrollment Fee</td>
<td>$4,475</td>
<td>$4,475</td>
<td>$4,475</td>
<td>$13,425</td>
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<tr>
<td>7</td>
<td>Subtotal PG&amp;E CCA Setup Costs</td>
<td>$159,606</td>
<td>$157,142</td>
<td>$306,278</td>
<td>$623,026</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>5/1/2020 Phase</th>
<th>11/1/2020 Phase</th>
<th>5/1/2021 Phase</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>I I Phase II</td>
<td>Phase III</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>CCA Establishment</td>
<td>$1,150</td>
<td></td>
<td></td>
<td>$1,150</td>
</tr>
<tr>
<td>9</td>
<td>Standard Output Fee (Needed for the Notification Notices)</td>
<td>$9,739</td>
<td>$114,372</td>
<td>$758,905</td>
<td>$883,016</td>
</tr>
<tr>
<td>10</td>
<td>Estimated EDI Testing Charge</td>
<td>$1,250</td>
<td>$1,250</td>
<td>$1,250</td>
<td>$3,750</td>
</tr>
<tr>
<td>11</td>
<td>Customer Notification, Initial &amp; Follow-up</td>
<td>$11,457</td>
<td>$134,555</td>
<td>$892,830</td>
<td>$1,038,842</td>
</tr>
<tr>
<td>12</td>
<td>Customer Fees</td>
<td>$2,999</td>
<td>$35,222</td>
<td>$233,711</td>
<td>$271,932</td>
</tr>
<tr>
<td>13</td>
<td>Mass Enrollment Fee</td>
<td>$3,479</td>
<td>$3,479</td>
<td>$3,479</td>
<td>$10,437</td>
</tr>
<tr>
<td>14</td>
<td>Subtotal SCE CCA Setup Costs</td>
<td>$30,074</td>
<td>$288,878</td>
<td>$1,890,175</td>
<td>$2,209,128</td>
</tr>
<tr>
<td>15</td>
<td>Total CCA Setup Costs</td>
<td>$189,680</td>
<td>$446,020</td>
<td>$2,196,453</td>
<td>$2,832,154</td>
</tr>
</tbody>
</table>

Table K-2 shows initial capital investments required for CCA start up and includes assets such as computers, software, and furnishings. It is assumed that there is a finite life for each category—meaning over time additional capital investments will need to be made to replace items. Table K-2 depicts the categories and non-operating capital investments made initially, as well as the expected useful service lives.
Table K-2 CCA Initial Capital Investments

<table>
<thead>
<tr>
<th>Initial Capital Investments</th>
<th>Total Initial ($)</th>
<th>Expected Life (years)</th>
<th>Unit Cost (Year 2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Staff Computers, Software, and Printers</td>
<td>$85,000</td>
<td>4</td>
<td>$1,700</td>
</tr>
<tr>
<td>File Servers, Larger IT Equipment, Telecommunications Equipment</td>
<td>20,000</td>
<td>7</td>
<td>10,000</td>
</tr>
<tr>
<td>Furnishings for Individual Offices, Conference Rooms, and Others</td>
<td>35,000</td>
<td>10</td>
<td>700</td>
</tr>
<tr>
<td>Appliances and Other Misc. Facility Requirements</td>
<td>10,000</td>
<td>8</td>
<td>5,000</td>
</tr>
<tr>
<td>Billing System, Software, and Associated Consulting Support</td>
<td>250,000</td>
<td>10</td>
<td>250,000</td>
</tr>
<tr>
<td>Total Initial Capital Investments</td>
<td>$400,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total non-capital and capital start up charges and expenses are estimated at $3.2 million. In addition to these funds, adequate working capital funds, estimated to be five months of operating expenses, are advisable. The average monthly operating expense over the first two full years of operation $40.1 million. Five months of operating expenses equates to $200.6 million. It is also advisable to fully fund the rate stabilization and operating expense contingency fund, whose annual requirement is approximately $55 million. A financial advisor can help the CCA best determine least-cost funding sources for these initial capital requirements. The Study assumes these large capital requirements are met through a long-term bond at an interest rate of 4%.

The danger of not having enough working capital up front is unexpected increases in operating costs that are not recovered through the initial rates set and/or experiencing a revenue shortfall. As discussed in the Study report (section II.C.5.c), a simple cash flow analysis was conducted for the first two years of operation, 2020 and 2021, to illustrate the need for cash and how unplanned changes in operating costs can impact cash on hand. The analysis shows that with power procurement prices increased by 15%, the CCA’s cash on hand falls below the target of five months of operating expenses by August 2021, 16 months after beginning operations.

2. CCA Interactions and Interfaces with IOUs, CPUC and CAISO

The process of becoming a CCA includes conformance to the rules and regulations of the State of California including registration as a CCA with the California Public Utilities Commission (CPUC), meeting credit requirements, and becoming a CAISO market participant. This section discusses the business-to-business relationship between CCAs and IOUs, the regulatory interface with CPUC, and the need to participate in CAISO energy markets to balance actual electricity supply and demand in real time.

2.1. California Public Utilities Commission Requirements

Assembly Bill 117,7 establishing the basis and framework for CCAs, provides the CPUC with a limited role in providing oversight of a CCA. The primary role of the CPUC in the CCA process is to ensure that regulated IOUs provide required services to both the CCA and CCA customers. In addition, the CPUC
has a role to ensure that costs incurred for CCA customers are not passed along to other “bundled” IOU customers that still utilize the IOUs for their energy needs; in other words, to ensure fairness of the cost burden based on cost incurrence. However, the CPUC still has the following broad requirements for CCAs in relation to filing the following documents with the CPUC:

- CCA Registration;
- Implementation Plan;
- Statement of Intent; and
- Evidence of Bond Insurance.

The CPUC certifies the CCA implementation plan prior to initialization of CCA service. This process may include an informal review process to ensure compliance with AB117 provisions and utility tariffs.

The CPUC has a public advisor who can work with the CCA to ensure that public notices regarding the CCA are clear, complete and easy to understand. IOUs are required to include customer notices with the utility billing statements on a cost basis for the CCA. Other CCAs in California decided not to use utility billing statement inserts to notify customers. Instead, the required notifications were made utilizing direct-mail notices from the CCA providing the requisite information about the CCA, CCA enrollment and CCA opt-out.

Additionally, CPUC Decision 12-08-045 extended privacy protections to customers of gas corporations and CCAs and to residential and small commercial customers of Energy Service Providers (ESPs) with the following provisions for a CCA:

- Community Choice Aggregators shall comply with the privacy rules contained in Attachment B of Decision 12-08-045.
- Any non-disclosure agreement between a utility with an advanced metering infrastructure and a prospective or current Community Choice Aggregator must contain the consumer protections concerning subsequent disclosure and use that are in Attachment B to this decision.
- Within 90 days of the effective date of this decision, existing Community Choice Aggregators must file with the Commission revised Implementation Plans to conform to the privacy rules in Attachment B of this decision.
- If a Community Choice Aggregator elects to provide online access to customer information, the Community Choice Aggregator must comply with the data security measures contained in Decision 11-07-056.

The issue of customer privacy was addressed by the CPUC specifically for MCE Clean Energy (MCE). In Decision 12-08-045, the Commission determined that it had the necessary jurisdiction and decided to apply the IOU privacy rules to CCAs. As a result, MCE decided not to appeal the decision and a new non-disclosure agreement with PG&E was required as well as a revision to the Implementation Plan (Chapter 9).

2.2. Investor-Owned Utilities Requirements

SCE and PG&E currently supply and deliver electricity to customers in the Tri-County Region. Through both legislation and regulation, IOUs are required to work cooperatively with a CCA during exploration,
Electric industry restructuring transitioned California IOUs to a “decoupled” model for regulated utilities. As a result, IOUs do not earn profit on fuel and purchased power. The costs of fuel and purchased power are passed through directly to customers once reviewed for reasonableness by the CPUC; IOUs are not eligible to earn a return on equity on revenues collected for these costs. Instead, IOUs earn a regulated rate of return on system investments, including infrastructure capital investments, generation plant, and maintenance of a reliable distribution grid. The stranded costs associated with existing generation and contracts are allocated and passed through to CCA customers via exit fees.

Implementation, and operation of the CCA. After CCA implementation, IOUs will continue to provide delivery service for the CCA electricity to the customers that do not opt-out of CCA service. Per PUC Section 366.2(c)(3):

“Delivery services shall be provided at the same rates, terms, and conditions, as approved by the commission, for community choice aggregation customers and customers that have entered into a direct transaction where applicable, as determined by the commission.”

The IOUs provide the CCA the electricity meter data to forecast power procurement, bill CCA customers and serves as the provider of last resort. In other words, if the CCA fails to satisfy the electric power needs of its customers, the IOU must still deliver electricity to the CCA customers.

The IOUs work with CCAs in their service territories through a business-to-business relationship. The IOUs will likely assign account representatives to work with Central Coast Power CCA in the preparation, plan execution, and operation phases if the CCA proceeds. The formal relationship is contractually based after implementation of CCA service agreements with the IOUs. Additionally, estimated costs for the start up services provided by IOUs to the CCA are shown in Table K-1.

IOUs have specific documented rules and processes that define the business-to-business relationship with a CCA that were developed to satisfy both their legislative and regulatory responsibilities. Understanding these rules and following the prescribed processes will ensure that the establishment of the CCA proceeds smoothly.

The CPUC has also established a CCA Code of Conduct for IOU interfaces with the CCA, committing the CPUC to timely resolution of CCA complaints and requiring collaborative comparison of retail electricity rates. The Code of Conduct rules are summarized in Table K-3.
### Table K-3 CPUC CCA Code of Conduct Summary

<table>
<thead>
<tr>
<th>IOU Code of Conduct</th>
<th>CPUC Obligations</th>
<th>IOU and CCA Required Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>No lobbying against a CCA except through a shareholder funded independent marketing division functionally and physically separate from the ratepayer utility operations.</td>
<td>A complaint filed by an existing or prospective CCA alleging a violation of an electrical corporation’s obligation shall be resolved in no more than 180 days following the filing of the complaint although this deadline may only be extended under certain circumstances.</td>
<td>Jointly prepared annual neutral, complete, and accurate written comparison of IOU and CCA average tariffs for each customer class, sample bills and generation portfolio contents.</td>
</tr>
<tr>
<td>IOU refrain from speaking on behalf of CCA a program (or appearing to) or making any statement relating to CCA rates or terms and conditions of service that is untrue or misleading.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>An electrical corporation shall not discriminate between its own customers and those of a CCA.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical corporations may not refuse to make economic sales of excess electricity to a CCA.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The electrical corporation shall maintain a log of all complaints submitted in writing relating to services provided for the CCA and CCA customers.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.2.a Electronic Communications and Compliance Testing

Communications with IOUs are vital to ensuring successful transactions related to electric meter reading and billing. IOUs utilize the Electronic Data Interchange (EDI) standard to facilitate the electronic communications and data exchange with CCAs. As part of the process of working with the IOUs to establish the CCA, SCE and PG&E will conduct EDI testing to ensure that operational data exchange is functioning prior to the CCA commencing service.

2.3. California Independent System Operator Requirements

Created in 1998, CAISO is an independent non-profit organization that coordinates, controls, and monitors California’s transmission, generation, and electric energy markets. CAISO operates the California wholesale power system which balances the need for higher transmission reliability with the need for lower costs. CAISO manages wholesale electricity markets to 1) balance tomorrow’s load forecast with available generation through the CAISO day-ahead market; and 2) balance real-time supply (generation) and electricity demand in the CAISO real-time market with ancillary services market products. CCAs are market participants in the CAISO energy market enabling them to purchase energy additional energy or sell excess energy when necessary.
The following are the requirements for a CCA program to become a CAISO market participant:

- Assignment of a certified scheduling coordinator\textsuperscript{14}
- Development and implementation of processes and systems to support resource interconnection:
  - Generation
    - Generator interconnection application process
    - Participating generator certification
  - Load
    - RA planning and scheduling requirements\textsuperscript{15}
    - Price responsive demand as participating load or proxy demand resource\textsuperscript{16}
- Utilization of appropriate metering and telemetry where required\textsuperscript{17}
- Participation in CAISO energy markets and related market products\textsuperscript{18} including:
  - Day-ahead and real-time energy – the electricity energy commodity (measured in MWh) transacted in CAISO managed markets
  - Ancillary services - energy products used to help maintain grid stability and reliability
  - Congestion revenue rights - financial instruments used to offset congestion costs that occur in the day-ahead market process
  - Convergence bidding processes - buy or sell energy in the day-ahead market with the explicit requirement to buy or sell it back in the real-time market using convergence bidding\textsuperscript{19}

The CAISO requires that only certified scheduling coordinators participate in the California energy market, thus the Central Coast Power CCA will either need to develop the capabilities to become a schedule coordinator or procure the services of a qualified schedule coordinator. The schedule coordinator must both be specially trained in CAISO procedures and must have access to a secure communications link to the CAISO system through either the Internet or through the energy communications network.

The schedule coordinator manages bids in the CAISO ancillary service and energy markets. Pricing within the CAISO markets is determined by locational marginal prices that define the cost of delivery to specific locations based on the cost of generation, distance from generation resources and congestion of transmission to that location. Energy bids are made hourly on the day-ahead market and real time balancing of supply and demand is achieved through the real-time market including the hour-ahead scheduling process and ancillary services.

CCA will need to decide if it wants to perform and manage the CAISO market processes using its own personnel by hiring a Schedule Coordinator or whether it wishes to engage the services of a third party ESP that can provide energy procurement services as well as the required Schedule Coordinator interface to the CAISO. At this time, there is no cost-advantage for the Tri-County Region to develop its own Schedule Coordinator capabilities and it is recommended that Central Coast Power CCA contract with an ESP to provide CAISO schedule coordination and related CAISO market participation services.
3. Implementation Planning

If Central Coast Power stakeholders decide to move forward with the CCA based on this feasibility Study findings, additional steps will be needed to begin CCA implementation.

As discussed, forming the Central Coast Power CCA will need to be coordinated with the IOUs. Necessary and recommended steps for the CCA to perform in collaboration with the IOUs are summarized in Table K-4 and Figure K-1.

Table K-4 CCA Implementation Steps

<table>
<thead>
<tr>
<th>CCA Implementation Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Signing a CCA Non-Disclosure Agreement (which was completed by Santa Barbara County to facilitate this Study)</td>
</tr>
<tr>
<td>2. Filing a CCA Declaration with IOUs</td>
</tr>
<tr>
<td>3. Developing a detailed Implementation Plan</td>
</tr>
<tr>
<td>4. Making a final determination on whether to proceed with the CCA and approving CCA implementation through ordinances in participating jurisdictions;</td>
</tr>
<tr>
<td>5. Filing the Implementation Plan with CPUC</td>
</tr>
<tr>
<td>6. Participating in Open Season by filing a Binding Notice of Intent to vintage the CRS impact on CCA customers</td>
</tr>
<tr>
<td>7. Completing and confirming a IOU Participant Information Forms (PIFs) with IOUs</td>
</tr>
<tr>
<td>8. Completing and confirming an Electronic Funds Transfer Agreement with IOUs</td>
</tr>
<tr>
<td>9. Developing and executing a CCA Service Agreement with IOUs</td>
</tr>
<tr>
<td>10. Submitting a DUNS Number and Completing IOU Credit Forms</td>
</tr>
<tr>
<td>11. Developing the EDI Trading Partner Profiles and executing an EDI Trading Partner Agreement with IOUs</td>
</tr>
<tr>
<td>12. Conducting and successfully completing EDI &amp; compliance testing with IOUs</td>
</tr>
<tr>
<td>13. Setting up billing procedures for customers and with IOUs</td>
</tr>
<tr>
<td>14. Activating a customer service center to process customer inquiries and opt-out requests as well as Handling CCA Service Requests</td>
</tr>
<tr>
<td>15. Setting up a Voice Response Unit with to facilitate opt-out notifications and customer inquiries</td>
</tr>
<tr>
<td>16. Providing mass enrollment information to IOUs</td>
</tr>
<tr>
<td>17. Conducting a waiting period</td>
</tr>
<tr>
<td>18. Conducting pre-enrollment customer notification and opt-out opportunity*</td>
</tr>
<tr>
<td>19. Performing (phased in) mass enrollment*</td>
</tr>
<tr>
<td>20. Conducting a post-enrollment notification and opt-out opportunity*</td>
</tr>
<tr>
<td>21. Paying IOU CCA service fees and non-energy costs</td>
</tr>
</tbody>
</table>

* Once per enrollment phase
Appendix K

CCA Start Up

Figure K-1 CCA Implementation Steps

Review Legislative and CPUC Requirements → Register and File Implementation Plan with CPUC → Provide CCA Declaration & CCA Non-Disclosure Agreement to IOU → Conduct Electronic Data Interchange Testing

Confirm Agreements

Provide CCA Paperwork to IOU
- Participant Information Form
- CCA Service Agreement
- EDI Trading Partner Profiles
- EDI Trading Partner Agreement
- Electronic Funds Transfer Agreement
- Credit Application & Security
- Open Season Binding Notice of Intent

CCA Notified of Successful Testing

Ensure Implementation Requirements Have Been Met

Activate Customer Service Center

Customer Service Voice Response Unit Setup

Phased Pre-Enrollment Customer Notifications

Process Pre-Enrollment Opt-Out Requests

Receive Mass Enrollment Customer Info from IOU

Thirty (30) Day Wait Period

Phased Mass Enrollment Begins

Receive Scheduled Switch File Data

Post-Enrollment CCA Operations CCA Begin

Phased Post-Enrollment Customer Notification

Process Post-Enrollment Opt-Out Requests
3.1. Implementation Plan

One of the first steps to becoming a CCA is the development and filing of a CCA Implementation Plan with the CPUC. PUC Section 366.2(c)(3) describes the requirements for a CCA Implementation Plan as summarized below.

- The implementation plan, and any subsequent changes to it, shall be considered and adopted at a duly noticed public hearing. The implementation plan shall contain all of the following:
  - An organizational structure of the program, its operations, and its funding.
  - Ratesetting and other costs to participants.
  - Provisions for disclosure and due process in setting rates and allocating costs among participants.
  - The methods for entering and terminating agreements with other entities.
  - The rights and responsibilities of program participants, including, but not limited to, consumer protection procedures, credit issues, and shutoff procedures.
  - Termination of the program.
  - 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.

- 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:
  - Universal access.
  - Reliability.
  - Equitable treatment of all classes of customers.
  - 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.

- In order to determine the cost-recovery mechanism to be imposed on the community choice aggregator that shall be paid by the customers of the community choice aggregator to prevent shifting of costs, the community choice aggregator shall file the implementation plan with the commission, and any other information requested by the commission that the commission determines is necessary to develop the cost-recovery mechanism.

- 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.

The CPUC cannot approve or deny the CCA Implementation Plan but will certify that it complies with PUC Section 366.2(c)(3) requirements. The CEC Public Interest Energy Research Program Community Choice Aggregation Pilot Project Appendix G Guidebook Section 3.0 Developing a Community Choice Aggregation Implementation Plan provides guidance for developing a CCA Implementation Plan.
Additionally, other CCA Implementation Plans are publicly available for reference:

- Lancaster Choice Energy (LCE)
- Marin Energy Authority Clean Energy (MCE)
- Sonoma Clean Power
- LA County CCA Business Plan
- Inland Clean Power
- San Jose Clean Energy

### 3.2. Phased-In Implementation Option

Many municipalities considering CCA have phased in their CCA service offering by incrementally enrolling customers in the program. IOU standard CCA processes calls for a single month mass enrollment of customers who have not opted-out. Customer accounts are switched over on their scheduled meter reading date. If Central Coast Power CCA plans to phase-in service across multiple months, IOUs offer both standard and specialized phase-in services. Standardized phase-in services, and associated fees are laid out in Schedule CCA. Simply, Central Coast Power CCA may be phased in by:

- Town code
- Customer rate class
- Customer class (residential / non-residential)
- Zip code

The City of Lancaster phased in their CCA, LCE, with the following progression, which enabled Lancaster to initiate CCA service with their own City accounts and refine operations, customer service and oversight processes prior to expanding service to other customer accounts:

1. May 2015: Municipal service accounts
2. November 2015: Commercial and Industrial accounts
3. May-November 2016: Residential accounts

MCE Clean Energy phased in their CCA operations according to the following progression:

1. 2010: 9,000 municipal and commercial accounts
2. 2011-2012: 80,000 commercial and residential accounts
3. 2013: Remaining Customers

San Jose Clean Energy CCA Business Plan assumed a more accelerated phase schedule with residential customers phasing in prior to large commercial facilities in their recently completed analysis:

1. January 2018: Municipal facilities
2. June 2018: Residential and Small Commercial
3. November 2018: Remaining customers

This Study explored CCA feasibility over an eleven-year timeframe, from 2020 to 2030, with the assumption that the CCA would become operational with customer enrollment in 2020 and 2021 including three enrollment periods as shown in Table K-5.
### Table K-5 Assumed CCA Customer Enrollment Phase-in

<table>
<thead>
<tr>
<th>Phase</th>
<th>Customer Classification</th>
<th>Assumed Enrollment Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture, Large Commercial, and Very Large Commercial</td>
<td>May 2020</td>
</tr>
<tr>
<td>2</td>
<td>Medium and Small Commercial</td>
<td>November 2020</td>
</tr>
<tr>
<td>3</td>
<td>Outdoor Lighting, Residential, Residential CARE, and Traffic Control</td>
<td>May 2021</td>
</tr>
</tbody>
</table>

May enrollment is recommended for each phase because the March through May energy consumption is relatively constant. This relatively stable month to month consumption from March to May reduces the risk that a customer may perceive a bill increase or decrease to the CCA rather than normal seasonal changes in electricity consumption. Phasing in Large and Very Large Commercial customers first allows the CCA to serve more load and fewer customers during its early operations. Residential customers have lower individual loads and generally higher levels of customer support needs so they are phased in last in an effort to minimize operational challenges.

### 4. CCA Operational Responsibilities

Operationally, CCAs are responsible for:

- Forecasting demand and energy use for CCA customers;
- Procuring and managing electric generation supply products and services, including energy and ancillary services;
- Identifying and procuring resources to meet electric power resource adequacy and reserve requirements;
- Electric power scheduling and related financial settlement with the CAISO; and
- Customer communications including responding to customer inquiries.

Many CCAs in California have launched by outsourcing many of these functions before progressing towards more direct management of the CCA over time. For example, some ESPs and CCAs have contracted a scheduling coordinator to act on their behalf with the CAISO. Additionally, ESPs have existing systems that conduct EDI transactions with IOUs. A CCA may elect to contract with an ESP for EDI services such as exchanging billing information with the IOU. Identifying which functions can be self-performed, and which functions will be contracted services will be determined as part of the development of the CCA implementation plan. The roles for contracted services will likely evolve as the CCA progresses in maturity.

Assuming stakeholders decide to implement a CCA, Central Coast Power will need to determine which aspects of the CCA will be staffed and managed or operated directly by staff, and which aspects are candidates for outsourcing to other entities.

#### 4.1. Customer Notifications, Opt-Out, and Enrollment

PUC Section 366.2(c)(3) contains several requirements regarding CCA customer notifications, enrollment, and the right to opt-out of CCA service:
Under community choice aggregation, customer participation may not require a positive written declaration, but each customer shall be informed of his or her right to opt-out of the community choice aggregation program.

Following adoption of aggregation through the ordinance the program shall allow any retail customer to opt-out and to continue to be served as a bundled service customer by the existing electrical corporation, or its successor in interest.

Once enrolled in the aggregated entity, any ratepayer that chooses to opt-out within 60 days or two billing cycles of the date of enrollment may do so without penalty and shall be entitled to receive default service.

The community choice aggregator shall fully inform participating customers at least twice within two calendar months, or 60 days, in advance of the date of commencing automatic enrollment. Notifications may occur concurrently with billing cycles. Following enrollment, the aggregated entity shall fully inform participating customers for not less than two consecutive billing cycles. Notification may include, but is not limited to, direct mailings to customers, or inserts in water, sewer, or other utility bills. Any notification shall inform customers of both of the following:

- That they are to be automatically enrolled and that the customer has the right to opt-out of the community choice aggregator without penalty.
- The terms and conditions of the services offered.

The community choice aggregator may request the commission to approve and order the electrical corporation to provide the notification required…in the electrical corporation’s normally scheduled monthly billing process.

- The electrical corporation shall be entitled to recover from the community choice aggregator all reasonable incremental costs it incurs related to the notification or notifications.

Each notification shall also include a mechanism by which a ratepayer may opt-out of community choice aggregated service.

If an existing customer moves the location of his or her electric service within the jurisdiction of the community choice aggregator, the customer shall retain the same subscriber status as prior to the move, unless the customer affirmatively changes his or her subscriber status.

As a result, a CCA must inform potential customers at least twice within two months (60 days) prior to the customers’ designated date of CCA enrollment. Notifications shall include the following information:

- The customer is to be automatically enrolled in the CCA;
- The customer has the right to opt-out of the CCA without penalty; and
- The terms and conditions of the services offered.

A similar notification must be made twice within two billing cycles subsequent to a customers’ enrollment in the CCA. MCE followed the required notification policy during initial roll out, but revised its internal policy for the enrollment that occurred when CCA of Richmond joined MCE program. Based on customer feedback a third notification was issued 90 days prior to the date of enrollment, rather than the 60 days required by the CPUC. MCE also determined from customer feedback that notifications should be sent in both the postcard and letter forms. After evaluating customer feedback regarding the noticing period, MCE staff determined that at least five notices should be delivered to customers during the statutory opt-out period: three within 90 days before enrollment; and two within the first 60 days after enrollment.
5. Notes

1 California Public Utilities Commission (CPUC): http://www.cpuc.ca.gov/

2 CPUC Public Advisor’s Office: http://www.cpuc.ca.gov/pao/

3 CPUC Decision 12-08-045 Extending Privacy Protections To Customers Of Gas Corporations And Community Choice Aggregators, And To Residential And Small Commercial Customers Of Electric Service Providers, August 23, 2012: http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M026/K531/26531585.PDF

4 CPUC Proceeding Rulemaking 08-12-009 Decision 11-07-056 Adopting Rules to Protect the Privacy and Security of the Electricity Usage Data of the Customers of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/140369.PDF and Attachments A-E http://docs.cpuc.ca.gov/PublishedDocs/PUBLISHED/GRAPHICS/140370.PDF

5 D1208045 Extending Privacy Protections to Customers of Gas Corporations and Community Choice Aggregators, and to Residential and Small Commercial Customers of Electric Service Providers: http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M026/K531/26531585.PDF


9 Southern California Edison CCA Rules, Tariffs and Information:

- Rule 23.2: Community Choice Aggregation Open Season: https://www.sce.com/wps/wcm/connect/96fec959-3af9-4fe1-a770-3ba0bec398c0/Rule_23-2_AA.pdf?MOD=AJPERES
- Schedule CC-DSF: Customer Choice - Discretionary Service Fees:
Appendix K  CCA Start Up


- CCA Information for CCA Providers: http://on.sce.com/2fgQkyl

10 Pacific Gas & Electric CCA Rules, Tariffs and Information


14 CAISO Scheduling Coordinators: https://www.caiso.com/Documents/ListofSchedulingCoordinatorsCRRHoldersandConvergenceBiddingEntities.pdf


16 Load participation and demand response: http://www.caiso.com/participate/Pages/Load/Default.aspx

17 Metering and telemetry ensure operational accuracy: http://www.caiso.com/market/Pages/MeteringTelemetry/Default.aspx

18 CAISO market processes and products: http://www.caiso.com/market/Pages/MarketProcesses.aspx


20 SCE Example CCA Declaration: https://www.sce.com/wps/wcm/connect/0ca1b19b-a7f9-423a-b86c-
21 https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=366.2&lawCode=PUC


23 City of Lancaster CCA Implementation Plan: http://www.cityoflancasterca.org/home/showdocument?id=24349


26 LA County Implementation Plan: http://file.lacounty.gov/green/cms1_247381.pdf

27 SBCOG Implementation Plan

28 San Jose Implementation Plan: http://www.sanjoseca.gov/DocumentCenter/View/65896

29 Lancaster Phase In Plan http://www.cityoflancasterca.org/home/showdocument?id=24349

30 Marin Phase In Plan

31 https://www.sanjoseca.gov/DocumentCenter/View/65896