



CCA 101: Policy and Governance
Dawn Weisz, MCE Chief Executive Officer

Presentation Overview

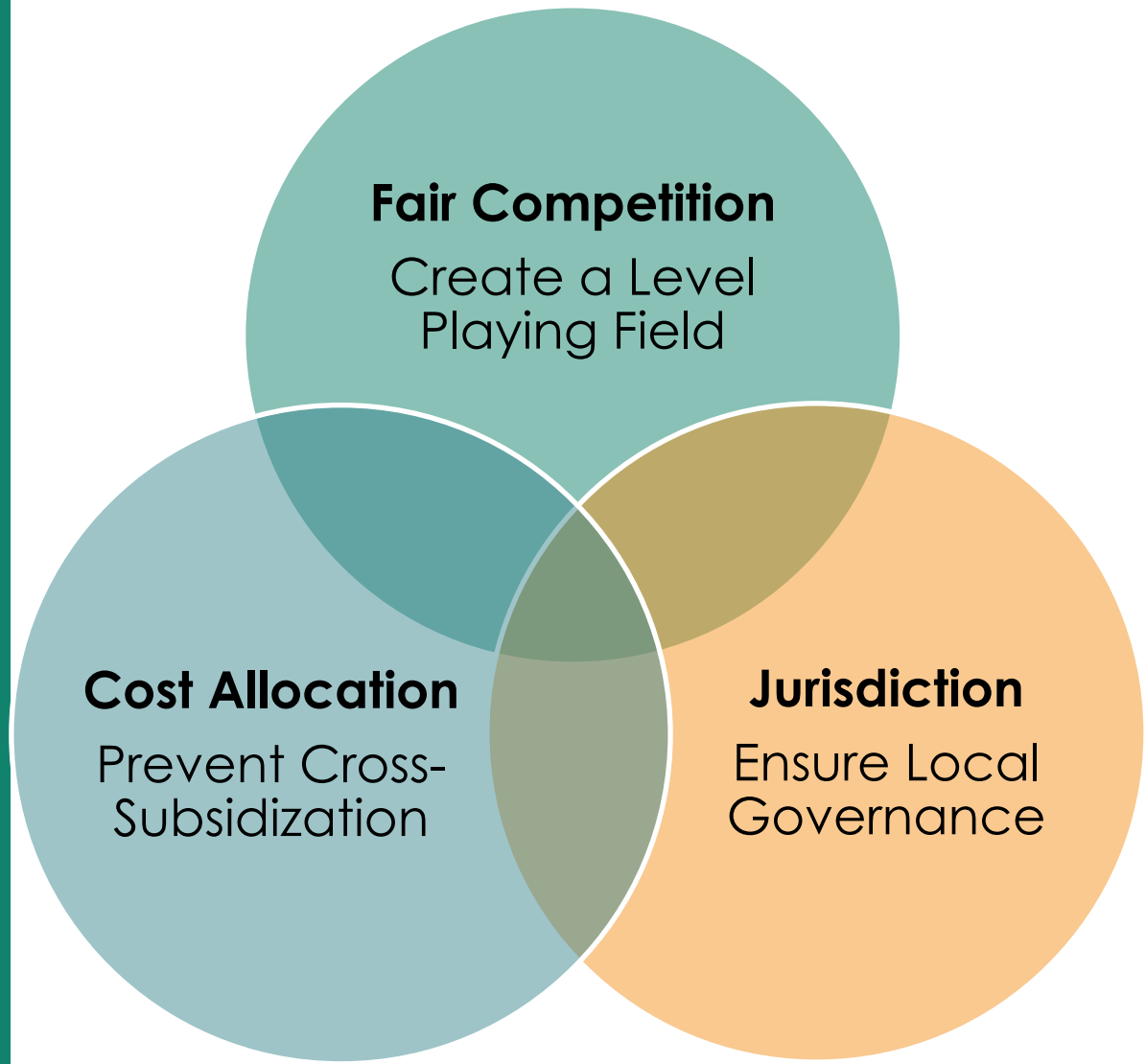
- Growth of CCA
- Core Policy Issues
- Exit Fees and Non-Bypassable Charges
- Future of California's Energy Policies

Growth of CCA in California



Core Policy Issues

Core Policy Focus for MCE



Fair
Competition:
SB 790 (2012)
Key
Concepts

Prevent Cross-Subsidization

- Ensure exit fees are fair
- Prohibits cost shifting from unbundled to bundled customers

Ensure Local Governance

- CCA is “solely responsible” for generation procurement

Create a Fair Playing Field

- Code of Conduct
- Expedited Complaint Process
- Commission to facilitate the development of CCA
- CCAs are able to compete with IOUs on innovative programs and technologies


Sample Bill

 **ENERGY STATEMENT**
www.pge.com/MyEnergy

Account No: 1234567890-1
Statement Date: 10/01/2013
Due Date: 10/22/2013

Service For:

MARY SMITH
1234 STREET AVENUE
SAN RAFAEL, CA
94804

 **ENERGY STATEMENT**
www.pge.com/MyEnergy

Account No: 0123456789-0
Statement Date: 12/29/2015
Due Date: 01/19/2016

Service For:

With CCA
Service

Phone: 1-866-743-0335
www.pge.com/MyEnergy

Local Office Address

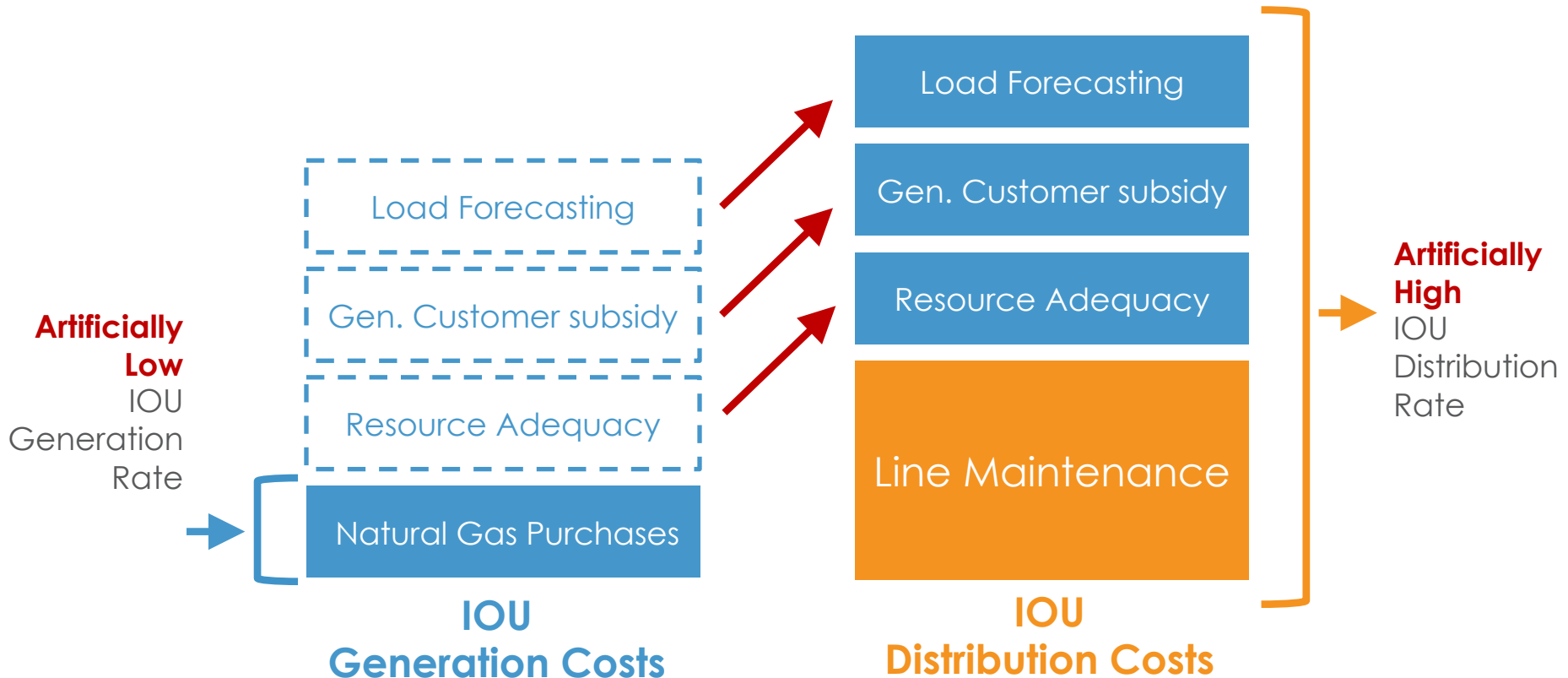
Your Account Summary

Amount Due on Previous Statement	\$54.14
Payment(s) Received Since Last Statement	-54.14
Previous Unpaid Balance	\$0.00
Current PG&E Electric Delivery Charges	\$34.94
MCE Electric Generation Charges	39.38
Current Gas Charges	13.55

Total Amount Due by 01/12/2016 \$87.87

Cost Shifting & Cross-Subsidization

IOUs artificially inflate distribution rates and deflate generation rates **by shifting generation costs into distribution costs.**



CCA Local Governance



Strategic Planning and Policies

Procurement

- Long Term Planning
- Power Purchases
- Feed-In Tariff Program

Rates

- Net Energy Metering

Projects and Programs (EE)

CPUC Regulatory Oversight

Standards

- Renewables Portfolio Standard (RPS)
- Resource Adequacy (RA)
- Emissions Performance Standard (EPS)
- Energy Storage (ES)

Competitive Issues

- Exit Fees and NBCs
- Code of Conduct

Efficiency Funding

SmartMeter Data

Implementation Issues with IOUs

Report	Entity
Officer Certification	CEC
Annual Retail Sales Report (CARB MRR)	CEC
Wind Power Purchases-Form 1386	CEC
IEPR-Demand Forecast	CEC
IEPR-Resource Plans Update	CEC
Power Source Disclosure	CEC
QFER 1306B	CEC
Resource Adequacy (Historical Load Data-Previous Year)	CEC
Resource Adequacy (Load Forecast Update)	CEC
Resource Adequacy (Load Forecast-Year Ahead)	CEC/CPUC
RPS Closing Report	CEC/CPUC
Resource Adequacy (Compliance Demonstration: System, Local, Flexible)	CPUC
Resource Adequacy (Year Ahead Compliance Demonstration Local/System--Follows April Forecast)	CPUC

Report	Entity
RPS Report	CPUC
EIA 826	FERC
EIA 861	FERC
WREGIS REC Retirement Report	WREGIS
RPS Report	CPUC
AMI Data Privacy Audit	CPUC
AMI Data Privacy Report	CPUC
Energy Storage Tier 2 Advice Letter	CPUC
GHG Emission Performance Standard Advice Letter	CPUC
Resource Adequacy (Price Data Request)	CPUC

*This table intended to server as a sample of CCA compliance obligations. Please check with your Legal Counsel to confirm the compliance and reporting obligations of your specific agency.

CPUC Proceeding Process

1 FOUNDATION

- » application / rulemaking
- » protest / response
- » reply to protest / response



2 POLICY

- » scoping memo
- » comments / reply
- » workshops



3 FACT

- » testimony
- » rebuttal testimony
- » hearings



4 LAW

- » briefs
- » reply briefs
- » oral arguments



5 PROPOSED DECISION

- » comments / reply
- » revised proposed decision
- [» alternate proposed decision]



6 FINAL DECISION



7 IMPLEMENTATION AND/OR APPEAL



Exit Fees & Non-Bypassable Charges (NBCs)

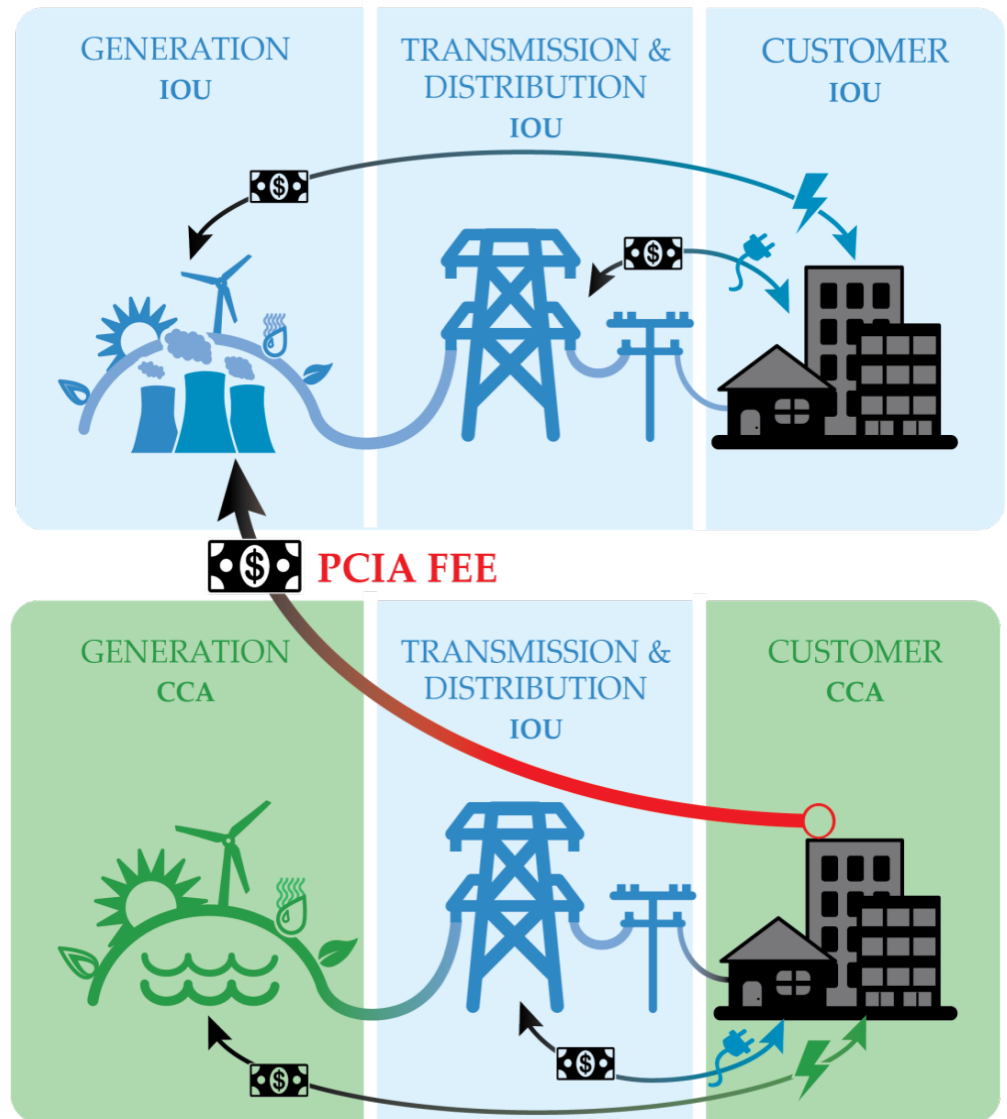


Exit Fees

PCIA

Power Charge Indifference Adjustment (PCIA)

Allocation of above market cost of electricity purchased on a customer's behalf prior to their departure from bundled service

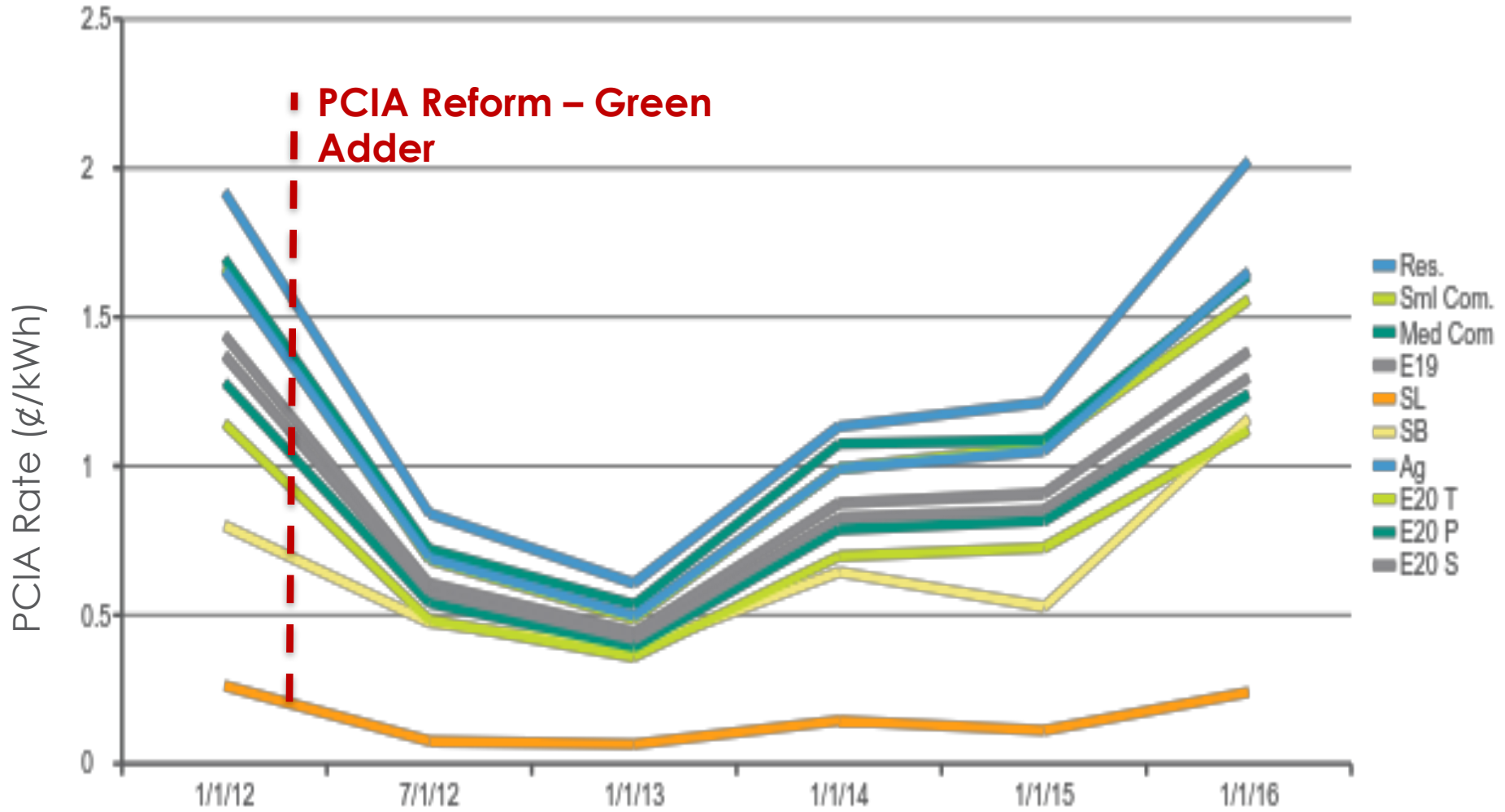


PCIA on a Typical MCE Residential Bill

Example Monthly Electric Charges*	PG&E	MCE Light Green	MCE Deep Green	PG&E Solar Choice	MCE Local Sol
	30% Renewable	50% Renewable	100% Renewable	100% Renewable	100% Renewable
PG&E Electric Delivery	\$54.25	\$54.25	\$54.25	\$54.25	\$54.25
Electric Generation	\$43.78	\$30.26	\$34.71	\$42.40	\$63.19
Added PG&E Fees	-	\$13.25	\$13.25	\$12.99	\$13.25
Average Total Cost	\$98.03	\$97.76	\$102.21	\$109.64	\$130.69

*Based on a typical usage of 445 kWh at current PG&E rates and MCE rates under the Res-1/E-1 rate schedule. Actual differences may vary depending on usage, rate schedule, and other factors. Estimate provided is an average of seasonal rates.

PCIA Trends Since 2012



PCIA 2012 Vintage - Rate Changes from 2012 to 2016 Forecast (¢/kWh)

PCIA Impacts on MCE Customers

2014
\$13 M

2015
\$18 M

2016
\$43 M

2017
\$66.5 M expected



Some steps forward on vintaging for CCA customers

Problems with the PCIA

Themes for PCIA Reform

Transparency of
Information

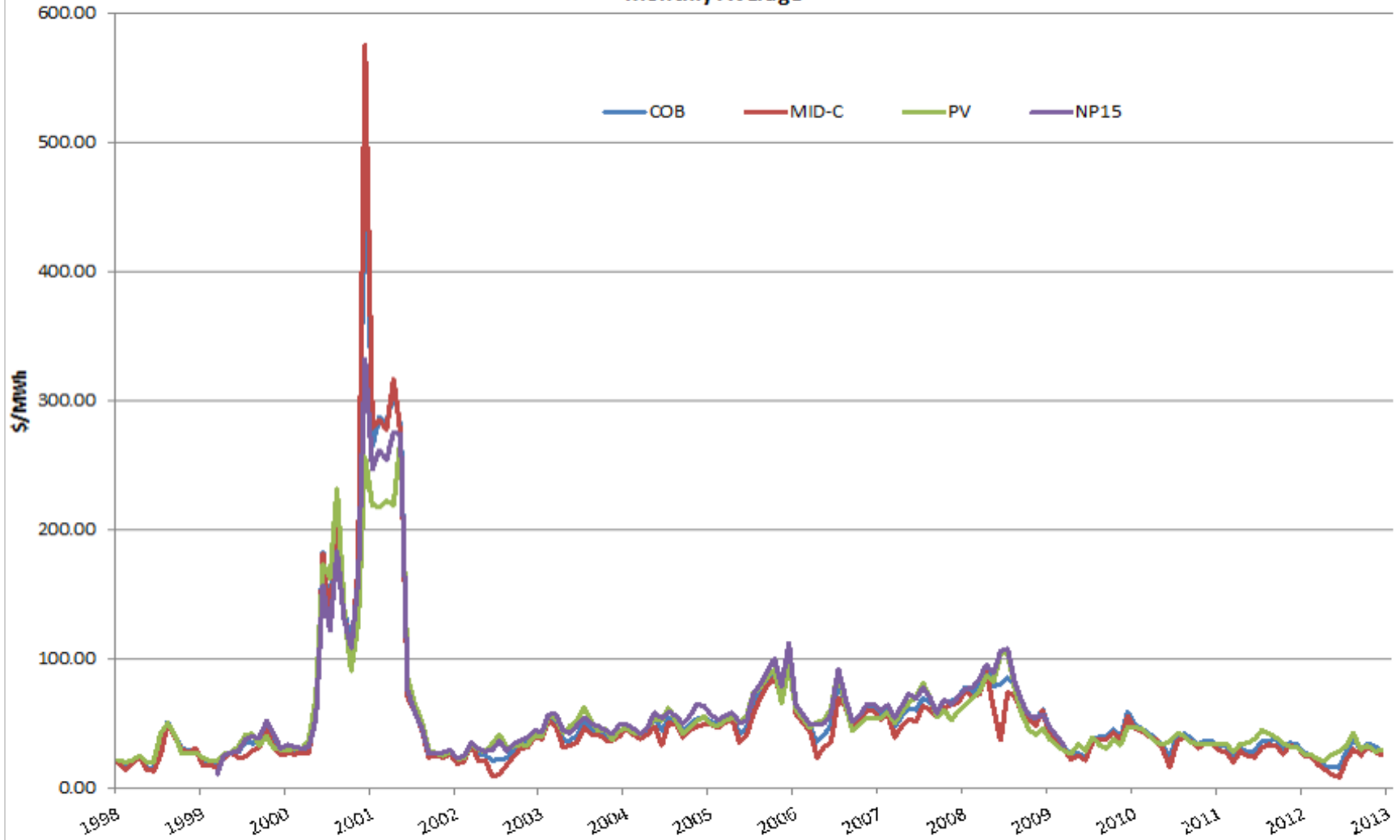
Accountability for
IOUs

Just & Reasonable
Rates

- 1.The calculation of the PCIA is **not transparent**
- 2.The PCIA should only recover **unavoidable** costs
- 3.PCIA cost recovery lasts **too long**
- 4.The PCIA rates are **too volatile**
- 5.There is a **lack of flexibility** regarding how CCAs can repay the PCIA

Future of California's Energy Policy

On-Peak Spot Prices Monthly Average



Spot Power Prices

Western US (1998-2013)

The Future of California's Energy Policy

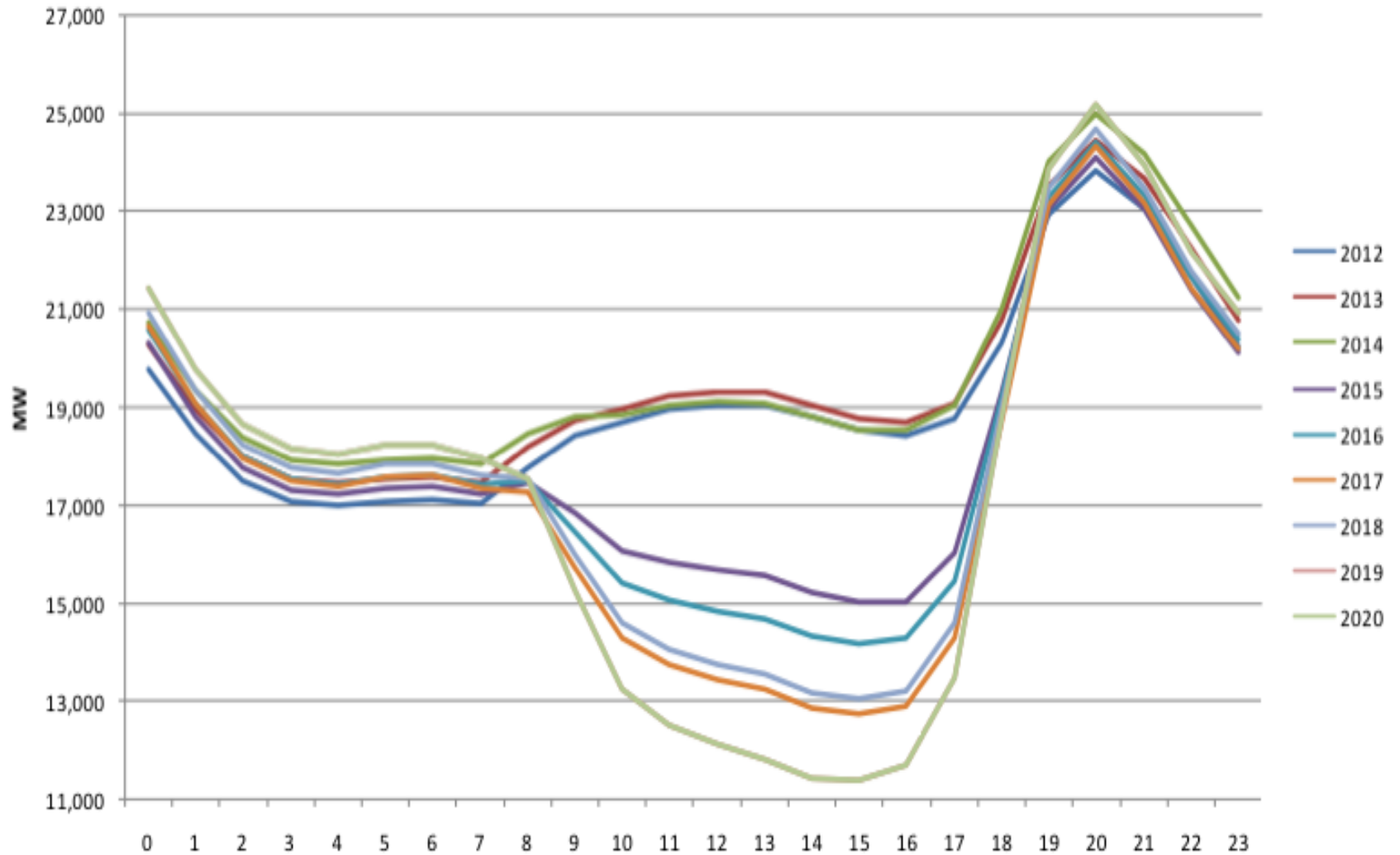
Themes:

- Aggressive Energy Goals
- Retail Market Structure
- Role of the Regulators
- Cost Allocation & Exit Fees
- Regionalization




Regionalization

CAISO Net Load --- 2012 through 2020



MCE Regulatory Priorities to Address California's Changing Energy Landscape

- Collaborating with CalCCA
 - Integrated Resource Plan
 - Cost Allocation & Exit Fees
 - PCIA OIR
 - Energy Efficiency Programs
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2017 Legislation

- SB 618 (Bradford)
- Potential CCA Freeze
- AB 726/AB 813 (Holden)
- SB 100 (De León)
- And six others



Thank You!

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