



Woodland CCE Advisory Committee March 29, 2017

## **Community Choice Energy Programs Frequently Asked Questions**

### **What is Community Choice Energy (CCE)?**

Community Choice Energy, also referred to as Community Choice Aggregation, allows local governments to form not-for-profit agencies that pool (or aggregate) their communities' electricity demands and choose where to purchase the power to meet that demand. Many communities in California are forming CCEs to improve local control over - and accountability for - energy rates and programs, increase the renewable energy content of their local electricity supply, and promote economic development while offering rates that are competitive with those of the existing investor-owned utility (IOU) such as PG&E. The CCE enabling legislation was Assembly Bill 117 (2002), amended by Senate Bill 790 (2011).

### **Would a local CCE replace or interrupt PG&E Service?**

A CCE works in partnership with PG&E. The CCE procures electrical power. PG&E still owns and maintains the distribution and transmission system, delivers the electricity, provides customer service during outages, provides gas service, bills customers for all electricity and gas services, and provides other services. Electrical service is not interrupted in any way by the change from PG&E to CCE service, and PG&E continues to provide a single, consolidated bill to each customer.

### **What is the difference between a CCE and a municipal public utility?**

A municipal utility owns and operates the electric distribution system and provides customer services, in addition to purchasing power. With a CCE program, the CCE purchases the electricity, but the IOU (e.g., PG&E) still owns and maintains the infrastructure, delivers the electricity, and provides other services as noted in the item above.

### **Does the California Public Utilities Commission (CPUC) have a regulatory role with CCEs?**

Each CCE has to register with and submit an implementation plan to the CPUC. The CPUC requires universal access, service reliability, and equitable treatment of all customer classes. The implementation plan must describe the organizational structure of the program, its operations, and funding; rate setting and other customer costs; the rights and responsibilities of the program participants such as consumer protection procedures and credit issues; and other information required in CPUC Code Section 366.2. The CPUC also conducts dispute resolution if a dispute arises between a CCE and IOU. CCE rates are not subject to CPUC approval.

### **Is a CCE supported by the taxpayers?**

CCE programs are supported by customer utility payments and are not subsidized by taxpayers. Initial CCE operations typically require investments of startup funds from the member agencies, which are repaid to the agencies from the CCE's utility revenues.

**What if someone doesn't want to be a part of the CCE?**

The CCE becomes the default electric generation provider for all residential customers and may also choose to serve municipal, commercial, and agricultural accounts. Customers are automatically enrolled in the CCE but can opt out at any time. If customers that have opted out want to rejoin the CCE, they can do so after 12 months.

**How will I know if my service is included in a CCE?**

Each CCE is required to provide two notices to affected customers within 60 days in advance of the beginning of customer enrollment in the CCE and two more notices during the two billing cycles after enrollment. The notifications must inform customers that they are being automatically enrolled, describes the terms and conditions of the CCE service, and informs them that they have the right to opt out without penalty and the mechanism for opting out. After this initial period, annual noticing is required.

**When PG&E customers leave for a CCE, do remaining customers have to pay more for their PG&E service?**

PG&E and other IOUs are allowed to charge an "exit fee" to customers served by a CCE, which is called a Power Charge Indifference Adjustment (PCIA). The PCIA is intended to keep the remaining utility customers financially "indifferent" to the departure of other customers. The PCIA is meant to ensure that costs the IOU incurred in the past (for example, long-term power contracts) to serve customers that are now part of a CCE do not unfairly affect the remaining utility customers. The PCIA is subject to the approval of the CPUC.

**With a CCE, what happens to PG&E's special rate discount arrangements, such as CARE and FERA?**

These discounts are unaffected by CCE service and continue to be provided by PG&E through the distribution and transmission portion of the PG&E bills.

**Will CCE customers still be eligible for PG&E-sponsored energy efficiency programs?**

Energy efficiency incentives, low-income assistance, and other programs are required by the CPUC and are funded through a Public Purpose Programs surcharge on PG&E's monthly bills. These PG&E charges continue under a CCE program, and PG&E continues to administer the programs throughout its service area. However, a CCE can obtain CPUC permission to administer some of the PPP funds itself, enabling the CCE to design and implement programs that are more tailored to meet local needs.

**How do CCEs credit rooftop solar systems?**

Each CCE has discretion to establish its own rates and programs, including processes and rules about net energy metering for solar installations. Existing CCEs have been interested in promoting rooftop solar installations and have provided incentives for solar customers that exceed PG&E's.