



July 17, 2024

**VIA ELECTRONIC MAIL:** [edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)

Public Utilities Commission of the State of California  
Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue, 4th Floor  
San Francisco, CA 94102

<b>Advice Letter 16-E Apple Valley Choice Energy</b>	<b>Advice Letter 50-E Ava Community Energy</b>	<b>Advice Letter 42-E Central Coast Community Energy</b>
<b>Advice Letter 10-E Clean Energy Alliance</b>	<b>Advice Letter 30-E Clean Power Alliance of Southern California</b>	<b>Advice Letter 31-E CleanPowerSF</b>
<b>Advice Letter 11-E Desert Community Energy</b>	<b>Advice Letter 7-E Energy For Palmdale's Independent Choice</b>	<b>Advice Letter 30-E Lancaster Energy</b>
<b>Advice Letter 80-E Marin Clean Energy</b>	<b>Advice Letter 10-E Orange County Power Authority</b>	<b>Advice Letter 36-E Peninsula Clean Energy</b>
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<b>Advice Letter 33-E Silicon Valley Clean Energy</b>	<b>Advice Letter 24-E Sonoma Clean Power</b>	<b>Advice Letter 19-E Valley Clean Energy</b>

**RE: Joint CCAs' New CCA Registration Requirements Tier 2 Advice Letter Pursuant to Decision (D.) 24-04-009**

The California Community Choice Association (CalCCA) submits this Tier 2 Advice Letter (Advice Letter) on behalf of Apple Valley Choice Energy, Ava Community Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance of Southern California, CleanPowerSF, Desert Community Energy, Energy For Palmdale's Independent Choice, Lancaster Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy,

Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy (collectively, the Joint CCAs).<sup>1</sup> This Advice Letter is submitted pursuant to Ordering Paragraph (OP) 5 of D.24-04-009<sup>2</sup> (the Decision). The Joint CCAs request the California Public Utilities Commission's (Commission) approval of this Advice Letter documenting new community choice aggregator (CCA) registration requirements.

## **I. TIER DESIGNATION**

The Joint CCAs hereby submit this Advice Letter with a Tier 2 designation.

## **II. EFFECTIVE DATE**

This Tier 2 Advice Letter will become effective upon disposition of this Advice Letter.

## **III. BACKGROUND**

In D.05-12-041<sup>3</sup> and Resolution E-4907<sup>4</sup>, the Commission requires new CCAs to submit an Implementation Plan. The Implementation Plan provides information regarding rate setting, organizational structure, operations, funding, and third-party power suppliers, as set forth in Public Utilities Code section 366.2. Within the provider of last resort (POLR) proceeding Rulemaking (R.) 21-03-011, CalCCA proposed the Commission enhance the implementation planning process with four requirements that would apply to newly forming CCAs: (1) submission of a feasibility study, if available, and pro forma financial statement with the Implementation Plan; (2) establishment of annual assumptions to be included in the pro forma financial statement; (3) establishment of milestones for critical implementation action and review progress; and (4) submission of an updated pro forma financial statement six months prior to launch. These requirements would apply to *newly forming* CCAs only, not existing CCAs expanding their service territories.

OP 5 of D.24-04-009 directs the CCAs to file a joint Tier 2 advice letter within 90 days of the Decision's effective date to further develop the additional registration requirements proposed by CalCCA. The Decision states, "Specifically, the advice letter filing should include an explanation of the type of annual assumptions that might be included in the pro forma financial statement, as well as example milestones for critical CCA implementation."<sup>5</sup>

As the Commission has previously acknowledged, Assembly Bill 117 (Migden, 2001) does not provide the Commission authority to approve or reject a CCA's implementation plan or to decertify

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<sup>1</sup> The Joint CCAs have provided CalCCA with authority to submit this Advice Letter on their behalf.

<sup>2</sup> D.24-04-009, *Decision Implementing Senate Bill 520 Regarding Standards for Provider of Last Resort*, R.21-03-011 (Apr. 18, 2024): <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M529/K986/529986322.PDF>.

<sup>3</sup> D.05-12-041, *Decision Resolving Phase 2 Issues on Implementation of Community Choice Aggregation Program and Related Matters*, R.03-10-003 (Dec. 16, 2005): [https://docs.cpuc.ca.gov/PublishedDocs/WORD\\_PDF/FINAL\\_DECISION/52127.PDF](https://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/52127.PDF).

<sup>4</sup> Resolution E-4907, *Registration Process for Community Choice Aggregators* (Feb. 9, 2018): <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M210/K016/210016662.PDF>.

<sup>5</sup> D.24-04-009 at 86.

a CCA. Rather its role is to ensure that CCA Implementation Plans are consistent with utility tariffs and Commission rules designed to safeguard customers.<sup>6</sup> In recognition of the Commission's need to anticipate potential POLR needs, even among newly forming CCAs, the Joint CCAs propose the following example processes for newly registering CCAs to demonstrate the enactment of the necessary components outlined in California Public Utilities Code section 366.2.

#### **IV. PROPOSAL**

##### **A. Annual Assumptions**

Annual assumptions new CCAs use in their pro-forma financial statements should provide sufficient information to demonstrate forecasted expenses and revenues.<sup>7</sup> This should include, at minimum, how much energy the CCA forecasts it will use to determine energy and Renewables Portfolio Standard (RPS) costs, how much peak demand it will serve to determine resource adequacy (RA) costs, operations costs including facilities and personnel, and how it will charge its customers to obtain revenues to cover those costs, as follows:

- Annual forecast of financial projections using then-current reasonable proxy for energy cost projections and the Energy Resource Recovery Account Market Price Benchmarks for RA and RPS cost projections;
  - RPS cost assumptions should include, at minimum, the minimum RPS requirement in place at the time of the submittal of the pro forma financial statement.
  - RA cost assumptions should include, at minimum, the RA market price benchmark and RA need net of the Cost Allocation Mechanism allocation.
- Annual forecast of working capital needs including, at minimum, staffing needs and facility costs; and
- Annual forecast of cashflows, operating reserves, and lines of credit.

##### **B. Milestones**

While an Implementation Plan includes essential components, it is the responsibility of a CCA's governing board to determine how objectives are achieved. The suggested milestones do not influence the Commission's certification of a new CCA's Implementation Plan. Per California Public Utilities Code section 366.2, certifications must occur within 90 days, and any additional information requested is solely to assess the need for a cost recovery mechanism. Furthermore, the Commission must specify the earliest possible implementation date for the CCA program. These milestones do not grant additional authority to deny certification of an Implementation Plan, nor require resubmission or additional information from CCAs with an already Commission-approved Implementation Plan.

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<sup>6</sup> D.05-12-041 at 4.

<sup>7</sup> These forecasts should be based on the best information publicly available at the time and are subject to change as newer information becomes available.



Newly forming CCAs should incorporate the following best practice milestones to successfully implement a new CCA:

- Develop Implementation Plans
- Create a proposed schedule for key actions, including:
  - Adopt and implement staffing plan;
  - Secure financing;
  - Verify initial load projections;
  - Update pro forma financial statements;
  - Develop procurement plan for energy, RA, and RPS products;
  - Adopt rate design; and
  - Complete regulatory registrations needed for California Energy Commission, California Independent System Operator (CAISO), and Commission compliance.
- Complete the applicable CAISO requirements checklist or contract with a CAISO-certified Scheduling Coordinator.<sup>8</sup>
- Prepare and design customer enrollment notices.
- Create a process for notifying customers of their enrollment, deliver important updates about their enrollment, and collect enrollment data.
- Develop and maintain a detailed organization chart showing all roles required for responsible and sound operation of the CCA.

## V. PROTEST

Anyone wishing to protest this Advice Letter may do so only by electronic mail. Protests must be received no later than 20 days after the date of this Advice Letter. Protests must be submitted to the Commission's Energy Division at:

E-mail: [EDTariffUnitA@cpuc.ca.gov](mailto:EDTariffUnitA@cpuc.ca.gov)

In addition, protests and all other correspondence regarding this Advice Letter should also be sent by electronic mail, on the same date it is electronically delivered to the Commission, to the attention of:

**California Community Choice Association**  
Attn: Evelyn Kahl  
General Counsel and Director of Policy  
[regulatory@cal-cca.org](mailto:regulatory@cal-cca.org)

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<sup>8</sup> Master Checklist for Certification:  
<https://www.caiso.com/documents/masterchecklistforcertification-registrationrequirements.xlsx>.

**California Community Choice Association**

Attn: Eric Little  
Director of Regulatory Affairs  
[eric@cal-cca.org](mailto:eric@cal-cca.org)

**California Community Choice Association**

Attn: Lauren Carr  
Senior Market Policy Analyst  
[lauren@cal-cca.org](mailto:lauren@cal-cca.org)

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name and e-mail address of the protestant; and a statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

**VI. NOTICE**

In accordance with General Order 96-B, Section IV, a copy of this Advice Letter is being sent by electronic mail to each party of record in the official service list for R.21-03-011. For changes to this service list, please contact the Commission's Process Office at (415) 703-2021, or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

**VII. CORRESPONDENCE**

All questions concerning this Advice Letter should be directed to Evelyn Kahl at (510) 980-9459, or by electronic mail at: [regulatory@cal-cca.org](mailto:regulatory@cal-cca.org).

**VIII. CONCLUSION**

The Joint CCAs respectfully request that the Commission approve the new CCA registration requirements within this Advice Letter.

Respectfully,

CALIFORNIA COMMUNITY CHOICE ASSOCIATION



Evelyn Kahl  
General Counsel and Director of Policy

cc via email:  
Service List: R.21-03-011



**ADVICE LETTER SUMMARY  
TO  
JOINT CCAS' NEW CCA REGISTRATION REQUIREMENTS TIER 2  
ADVICE LETTER PURSUANT TO DECISION D.24-04-009**



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: California Community Choice Association

Utility type:



ELC



GAS



WATER



PLC



HEAT

Contact Person: Evelyn Kahl

Phone #: (510) 980-9459

E-mail: [regulatory@cal-cca.org](mailto:regulatory@cal-cca.org)

E-mail Disposition Notice to: [regulatory@cal-cca.org](mailto:regulatory@cal-cca.org)

### EXPLANATION OF UTILITY TYPE

ELC = Electric  
PLC = Pipeline

GAS = Gas  
HEAT = Heat

WATER = Water

(Date Submitted / Received Stamp by CPUC)

July 17, 2024

Advice Letter (AL) #: See Attached

Tier Designation: 2

Subject of AL: Joint CCAs New Community Choice Aggregator Registration Requirements Tier 2 Advice Letter Pursuant to Decision (D.) 24-04-009

Keywords (choose from CPUC listing):

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.24-04-009

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested? ☐ Yes ☒ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☐ Yes ☒ No

Requested effective date: Upon disposition

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and correspondence regarding this AL are to be sent via email and are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

California Public Utilities Commission  
Energy Division Tariff Unit Email:  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Contact Name: Evelyn Kahl  
Title: General Counsel and Director of Policy  
Utility/Entity Name: California Community Choice Association  
  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email: [regulatory@cal-cca.org](mailto:regulatory@cal-cca.org)

Contact Name: Lauren Carr  
Title: Senior Market Policy Analyst  
Utility/Entity Name: California Community Choice Association  
  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email: [lauren@cal-cca.org](mailto:lauren@cal-cca.org)

CPUC  
Energy Division Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Clear Form



## ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtailable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	

**ADVICE LETTER SUMMARY ATTACHMENT  
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