

California Customer Choice Project: Next Steps

Choice Action Plan

Overview

Customer Choice Project: Background

Continuing the inquiry commenced in 2017¹, the California Public Utilities Commission (CPUC) formed the [California Customer Choice Project](#) to examine the rapid changes occurring in California's electric sector. Its mission is to aid the CPUC in making strategic, timely and informed decisions regarding California's current market transformation.

On May 3, 2018, the Project issued its draft paper entitled, *California Customer Choice: An Evaluation of Regulatory Framework Options for an Evolving Electricity Market*, also referred to as the "[Green Book](#)." The draft paper identified Core Principles, raised fundamental questions, defined customer choice, reviewed the history of competition and choice in California, including the California Energy Crisis, evaluated the current regulatory construct, and analyzed selected markets to provide lessons learned for California.

Creation of the Choice Action Plan

How will California move forward with an evolving and increasingly disaggregated electric market? Without a coherent and comprehensive plan, the current policies in place may drift California to an unintended outcome and breakdown in services like the California Energy Crisis.²

The Green Book raises a breadth of issues on the California's electric market, which involves multiple stakeholders, including state and federal agencies, the California Independent System Operator (CAISO), the Legislature, and local governments. Undertaking an effort to create a comprehensive plan requires coordination and action by all of these entities. The next step for the Commission is to develop the Choice Action Plan to help guide decisionmakers on the next steps in addressing these complex, and sometimes interdependent, issues.

In conjunction with the CPUC Legal, Administrative Law Judge and Energy Divisions and based on stakeholder input over the past 12 months, the Customer Choice Project Team will:

- perform a gap analysis³ which will examine the fundamental questions raised in the Green Book to identify critical issues to resolve,
- map current CPUC (and other agency) proceedings that address issues presented,
- identify the outstanding matters that require further analysis, and
- solicit public input for solutions that will lead to specific outcomes.

¹ The [May 19, 2017 En Banc hearing](#) identified risks and opportunities for California moving toward policies allowing more choices for electric service customers.

² Draft Green Book, p. 5

³ A technique to determine the next steps to be taken in order to meet a desired outcome.

Stakeholder input is an essential component of this process. Interested parties have provided informal written comments and had an opportunity to participate at the two En Bancs held in May 2017 and June 2018 and the October 2017 Informal Workshop. There will be further opportunities for public input on the gap analysis and proposed Choice Action Plan.

Choice Action Plan: Next Steps

The Choice Action Plan will set forth objectives and present concrete actionable items as well as recommendations needed to meet California’s overarching Core Principles of energy policy: affordability, decarbonization, and reliability. The Choice Project Team will present a detailed work plan to the Commission for consideration that the CPUC can implement to address the issues arising from the evolving electric market and increasing customer choices in California.

6/22 En Banc Release Choice Action Plan Overview

July Issue Final Green Book

July/August Perform Gap Analysis/Create Draft Action Plan

- What are the issue(s)?
- What are the recommended approaches to remedy the issues?
- Is a specific issue currently being considered in an existing CPUC proceeding?
 - If so, what should be done in that forum?
 - If not, what is the appropriate forum for action? (either at the CPUC or elsewhere)
- Provide the rationale for recommendations

September Issue Gap/Analysis and Draft Action Plan for Public Comment

Hold public workshop

October Present Draft Action Plan for Commission Endorsement

Draft Action Plan based on gap analysis and public input