

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 19, 2018

Greg Wade
City Manager
City of Solana Beach
635 S. Hwy 101
Solana Beach, CA, 92075

RE: Letter certifying the City of Solana Beach's Implementation Plan and Statement of Intent

Dear Mr. Wade:

The California Public Utilities Commission's Energy Division has reviewed Solana Beach CCA's ("SBCCA") Implementation Plan and Statement of Intent to begin service in the City of Solana Beach, which was submitted to us on November 20, 2017.

Pursuant to Public Utilities Code Section 366.2 (c)(7), within 90 days after the Community Choice Aggregator (CCA) establishing load aggregation files an Implementation Plan, the Commission is required to certify that it has received the Implementation Plan, including any additional information necessary to determine a cost-recovery mechanism.

Public Utilities Code Section 366.2 (c)(3) requires a CCA Implementation Plan to contain all of the following:

- A) An organizational structure of the program, its operations, and its funding.
- B) Rate setting and other costs to participants.
- C) Provisions for disclosure and due process in setting rates and allocating costs among participants.
- D) The methods for entering and terminating agreements with other entities.
- E) The rights and responsibilities of program participants, including, but not limited to, consumer protection procedures, credit issues, and shutoff procedures.
- F) Details regarding termination of the program.
- G) 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.

Pursuant to Public Utilities Code Section 366.2 (c)(4), a CCA is also required to prepare and provide for all of the following:

- A) A statement of intent; and
- B) Provision(s) that provide for:
 - 1) Universal access;
 - 2) Reliability;
 - 3) Equitable treatment of all classes of customers; and
 - 4) Compliance with any legal requirements concerning aggregated service.

The Commission hereby certifies that the Implementation Plan and Statement of Intent submitted by SBCCA contain the information required by Public Utilities Code Section 366.2 (c). SBCCA has also included a Statement of Intent as part of its Implementation Plan pursuant to Public Utilities Code Section 366.2 (c)(4).

Pursuant to P.U. Code Section 366.2 (c)(7), the Commission is required to provide SBCCA with “its findings regarding any cost recovery that must be paid by customers of the community choice aggregator to prevent a shifting of costs as provided for in P.U. Code Section 366.2 subdivisions (d), (e) and (f).” The costs referenced in P.U. Code Section 366.2 subdivisions (d), (e) and (f) are recovered via separate charges for: (1) SDG&E’s Energy Cost Recovery Amount Charge (per kWh); (2) Power Charge Indifference Adjustment (per kWh); (3) DWR Bond Charge (per kWh); and (4) Competition Transition Charge (CTC) (per kWh). By this letter, the Commission informs Solana Beach that these costs are identified on the following SDG&E tariff sheets: “Schedule CCA-CRS,” “Schedule EECC” and “Schedule Department of Water Resources (DWR).”

SDG&E may have already procured Resource Adequacy for load that will be served by SBCCA in 2018. SBCCA is also required to comply with state law and Commission decisions regarding its resource adequacy requirements in a manner that satisfies principles of ratepayer indifference. As Solana Beach filed its Implementation Plan before December 8, 2017, the provisions of Resolution E-4907 do not apply to this Implementation Plan.

Sincerely,



FOR

Edward Randolph
Director, Energy Division
California Public Utilities Commission

cc: SDG&E: Dan Skopec, Vice President of Regulatory Affairs
(DSkopec@semprautilities.com); Clay Faber, Director of California & Federal Regulatory
(CFaber@semprautilities.com); Brian Prusnek, Director of Regulatory Affairs
(BPrusnek@semprautilities.com); Warren Ruis, Director of Regional Public Affairs

(WRuis@semprautilities.com); Brandon Henzie, Regulatory Case Manager
(BHenzie@semprautilities.com).