

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 16, 2017

Isaiah Hagerman  
Director of Administrative Services  
City of Rancho Mirage  
69-825 Highway 111  
Rancho Mirage, CA 92270

RE: Letter certifying the City of Rancho Mirage's Implementation Plan and Statement of Intent

Dear Mr. Hagerman:

The California Public Utilities Commission's Energy Division has reviewed The City of Rancho Mirage's Implementation Plan and Statement of Intent to establish a community choice aggregator in address in the City of Rancho Mirage, which was submitted to us on October 17, 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 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 the City of Rancho Mirage contain the information required by Public Utilities Code Section 366.2 (c). The City of Rancho Mirage 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 the City of Rancho Mirage 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) Power Charge Indifference Adjustment (per kWh); (2) DWR Bond Charge (per kWh); and (3) Competition Transition Charge (CTC) (per kWh). By this letter, the Commission informs the City of Rancho Mirage that these costs are identified in Schedule CCA-CRS "Community Choice Aggregation Cost Responsibility Surcharge."

SCE may have already procured Resource Adequacy for load that will be served by the City of Rancho Mirage in 2018. The City of Rancho Mirage 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.

SCE requested in its November 15, 2017, comment letter that the Commission place CCA customers on notice that their rates under the existing PCIA departing load mechanism are subject to adjustment once the Commission has adopted final reforms, retroactive to the date the PCIA OIR was initiated. SCE's request that the CCA customers receive notice of a retroactive PCIA adjustment is not appropriate to be addressed in this certification letter.

Sincerely,



FOR

Edward Randolph  
Director, Energy Division  
California Public Utilities Commission

cc: Andrea Tozer, SCE: ([Andrea.Tozer@sce.com](mailto:Andrea.Tozer@sce.com)), Amy Lieu, SCE ([Amy.Liu@sce.com](mailto:Amy.Liu@sce.com)),  
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