

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 9, 2018

Ted Bardacke  
Executive Director  
Los Angeles Community Choice Energy  
500 W. Temple St.  
Los Angeles 90012

RE: Letter certifying Los Angeles Community Choice Energy's Addendum Number 1 to their Implementation Plan and Statement of Intent

Dear Mr. Bardacke:

The California Public Utilities Commission's Energy Division has reviewed Los Angeles Community Choice Energy's ("LACCE's") Addendum Number 1 to their Implementation Plan and Statement of Intent ("Addendum Number 1") to expand their service territory to the following cities and counties: Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Carson, Claremont, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Ojai, Paramount, Santa Monica, Sierra Madre, Temple City, Thousand Oaks, West Hollywood, and the County of Ventura. Addendum Number 1 was submitted to the Commission on December 29<sup>th</sup>, 2017.

Southern California Edison Company (SCE) submitted a letter commenting on LACCE's Addendum Number 1 on January 31, 2018. SCE raised concerns that the Addendum did not comport with the timeline that was under consideration by the Commission in Resolution E-4907. Resolution E-4907 was adopted by the Commission, and this letter authorizes LACCE to begin serving new load associated with Addendum Number 1 under the condition that LACCE complies with the requirements of Resolution E-4907.

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 Addendum Number 1 to LACCE's Implementation Plan and Statement of Intent contain the information required by Public Utilities Code Section 366.2 (c). LACCE 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 LACCE 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 LACCE that these costs are identified in Schedule CCA-CRS "Community Choice Aggregation Cost Responsibility Surcharge."

SCE may have already procured Resource Adequacy for load LACCE intends to serve in 2018. Therefore, in order to serve customer load associated with Addendum Number 1 in 2018, LACCE must participate in the waiver process set forth in Ordering Paragraph 3 of Resolution E-4907 adopted by the Commission on February 8, 2018 and all other Resource Adequacy requirements. If LACCE does not participate in the waiver process, LACCE is authorized to begin serving customer load associated with Addendum Number 1 in 2019, pursuant to Ordering Paragraph 2 of Resolution E-4907.

Sincerely,



FOR

Edward Randolph  
Director, Energy Division  
California Public Utilities Commission

cc: Andrea Tozer, SCE: (Andrea.Tozer@sce.com)  
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