

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 12, 2017

Mitch Sears
Interim General Manager
Valley Clean Energy Alliance
Sustainability Manager, City of Davis
23 Russell Blvd
Davis, CA 95616

RE: Letter certifying Valley Clean Energy Alliance's Implementation Plan and Statement of Intent

Dear Mr. Sears:

The California Public Utilities Commission's Energy Division has reviewed Valley Clean Energy Alliance's ("VCEA") Implementation Plan and Statement of Intent to begin service in the City of Davis, the City of Woodland, and the unincorporated parts of Yolo County, 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 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 VCEA contain the information required by Public Utilities Code Section 366.2 (c). VCEA 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 VCEA 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) PG&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 VCEA that these costs are identified on each of PG&E's customer-class-specific tariff sheets, in the "Special Conditions" section, sub-section "Billing," in the section labeled "Direct Access (DA) and Community Choice Aggregation (CCA) customers" in the column labeled "Community Choice Aggregation Cost Responsibility Surcharge (CCA CRS)."

PG&E may have already procured Resource Adequacy for load that will be served by VCEA in 2018. VCEA 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.

Sincerely,

Handwritten signature in blue ink, appearing to read "ER" followed by "FOR".

Edward Randolph
Director, Energy Division
California Public Utilities Commission

cc: PG&E: Randall Litteneker, (RJL9@pge.com), Matthew Gonzales, (MRGg@pge.com)