Smart CCA – Panel 4
What's the Future of Southern California?...Orange County?

September 6, 2017
SCE’s Perspective

**SCE SUPPORTS CUSTOMER CHOICE**
We believe in doing what is best for all customers. We support California’s clean energy goals, customer choice, and the need to make sure all customers are treated equally.

**EQUITY IN COST RESPONSIBILITY**
No customer should pay more for investments in clean energy and other critical infrastructure, while others pay less. We all share the financial responsibility to pay for California’s policy choices.
CCAs are expanding across California

**ACTIVE**

**PG&E Service Territory**
- Marin County
- Napa County
- San Francisco County
- San Mateo County
- Santa Clara County
- Mendocino County
- Humboldt County
- Sonoma County
- Cities of Benicia, El Cerrito, Lafayette, Richmond, San Pablo and Walnut Creek

**SCE Service Territory**
- City of Lancaster
- Apple Valley

**EXPLORING / IN PROGRESS**

**PG&E Service Territory**
- Butte County
- Alameda County
- Contra Costa County
- Lake County
- Monterey County
- Placer County
- Santa Cruz County
- Solano County
- Yolo County
- San Benito County
- Santa Barbara County
- City of San Jose
- San Luis Obispo County

**SCE Service Territory**
- Los Angeles County
- Riverside County
- San Bernardino County
- Santa Barbara County
- Ventura County

**SDG&E Service Territory**
- City of San Diego
- San Diego County

**Legend**

- Active CCA
- Exploring or In Progress CCA

**Note:** Typical timeframe to move from exploration to implementation is 6 to 24 months

Updated as of April 2017
Background

• Community Choice Aggregation (CCA) is a customer choice program that permits local government to buy electricity directly on behalf of its citizens and transmit the power over SCE’s lines
  – The local citizens continue to be SCE customers for the transmission and distribution service, but the CCA provider buys the electricity
  – SCE does not earn a profit on its energy procurement activity

• Interest in CCA formation is increasing
  – Up to 65% of the local governments in SCE’s service territory are considering CCA formation

• Power contracts signed on behalf of customers while they were on bundled service continue to be their responsibility after their departure
  – State law requires the remaining customers taking power from SCE be “indifferent” to CCA departures
  – CCA customers are required to pay the “above market” portion of legacy contracts signed on their behalf, in order to protect remaining customers
SCE’s Existing Portfolio of Renewable Generation Resources and the Existing Departing Load Cost Responsibility Framework

- As required by the statute, SCE has procured over 11,000 MW of renewable resources
- SCE’s portfolio is more expensive than current market prices
- Customers who depart bundled service for CCA service “leave behind their share” of SCE’s historical generation portfolio
- Any “above market” costs of resources procured prior to a customer’s departure are the responsibility of that customer
  - Cost responsibility is inversely correlated with market conditions

*Estimate of market price is based on current assumptions and is subject to change*