

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



March 9, 2018

Katie Barrows
Director of Environmental Resources
Coachella Valley Association of Governments
73710 Fred Waring Drive #200
Palm Desert, CA 92260

RE: Letter certifying Desert Community Energy's Implementation Plan and Statement of Intent

Dear Ms. Barrows:

The California Public Utilities Commission's Energy Division has reviewed Desert Community Energy's (DCE) Implementation Plan and Statement of Intent to establish a community choice aggregator in Cathedral City, Palm Springs, and Palm Desert, which was submitted to us on December 11, 2017.

Southern California Edison Company (SCE) submitted a letter commenting on DCE's Implementation Plan on January 18, 2018. SCE raised four concerns regarding: regulatory considerations, clarifications on rate offerings, clarifications on customer enrollments, and clarification on greenhouse gas emission reduction claims. DCE submitted a responding letter on February 14, 2018, addressing those four issues. Energy Division is satisfied that there are no outstanding issues regarding DCE's Implementation Plan.

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 DCE contain the information required by Public Utilities Code Section 366.2 (c). DCE 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 DCE 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 DCE that these costs are identified in Schedule CCA-CRS "Community Choice Aggregation Cost Responsibility Surcharge."

SCE may have already procured Resource Adequacy for load DCE intends to serve in 2018. Therefore, in order to serve customer load in 2018, DCE must participate in the waiver process set forth in Ordering Paragraph 3 of Resolution E-4907 adopted by the Commission on February 8, 2018. If DCE does not participate in the waiver process, DCE is authorized to begin serving customer load 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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