



ELECTRIC RULE NO. 23.2
COMMUNITY CHOICE AGGREGATION OPEN SEASON

Sheet 1

Participation in this Rule by a Community Choice Aggregator (CCA) is voluntary. The purpose of this rule is to provide PG&E with early notice of the planned implementation date of a CCA program.

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A CCA may elect to participate in the Open Season, as defined below, for the purpose of mitigating the Cost Responsibility Surcharge (CRS), as designated in Schedule CCA-CRS, that would apply to that CCA's customers absent its participation in the Open Season, and to enable the coordination of resource planning activities of PG&E and the participating CCA. Nothing in this Rule shall be construed to modify the requirements of Public Utilities Code Section 366.2(d), (e) and (f).

A. CCA Open Season

The CCA Open Season will be from January 1 through [February 15, or March 1 if Load Serving Entity Load Forecast submittals to the California Energy Commission (CEC) are due May 1 or later] of each year.

1. Binding Notice of Intent (BNI)

During the Open Season CCAs will be allowed to submit to the California Public Utilities Commission (Commission) and PG&E, a Binding Notice of Intent (BNI) to serve specified customer classes on a specific date. PG&E can then rely upon the BNI in making procurement decisions to meet its load and resource adequacy requirements, and enable the coordination of resource planning activities of PG&E and the CCA submitting the BNI (Participating CCA).

The BNI shall be signed by the CCA and indicate, in specific detail, the forecast number of customers by rate class to which the CCA intends to offer service.*

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* Pub. Util. Code § 366.2(b) requires CCAs to offer service to all residential customers within its jurisdiction.

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Sheet 2

A. CCA Open Season (Cont'd.)

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1. Binding Notice of Intent (BNI) (Cont'd.)

The BNI shall be self-executing, in that PG&E may rely on such notice to modify its procurement activities without further action by the Commission. Participating CCAs will be exempt from any CRS related to PG&E procurement contracts and generation assets acquired after the BNI is submitted. PG&E will assume liability going forward for those utility procurement and generation obligations assumed after the Participating CCA has provided its BNI. A CCA that elects not to participate in an Open Season assumes liability for net unavoidable utility and Department of Water Resources procurement and generation obligations that were in place until the time the CCA began its operations.*

The specified date will refer to the first day that the CCA assumes responsibility for the purchase of the electrical power requirements of CCA customers transferred from PG&E service during CCA mass enrollment. By submitting the BNI, the Participating CCA will be bound to accept PG&E transfer of customers that have not opted-out, subject to provisions in Section B, for electrical power supply services on that date, which will be the first day of the CCA mass enrollment period. The CCA will develop, in consultation with PG&E, a load forecast for the year it intends to commence service, as described in Section 2 below. Participating CCAs assume responsibility for the planning and purchase of its customers' electrical power requirements as provided for in the CCA load forecast. The load forecast will be used to enable the coordination of resource planning activities of PG&E and the CCA.

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* Nonparticipation in this rule by a CCA in no way relieves PG&E of its obligation to engage in sound resource planning as required by P.U. Code Section 454.5 and the directives of the Commission as adopted in each utility's procurement plans, and to cooperate fully with any potential CCA program implementation.

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A. CCA Open Season (Cont'd.)

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2. CCA Forecast (Cont'd.)

Each Participating CCA shall meet and confer with PG&E upon submission of its BNI to develop a Load Forecast for the CCA for the year it commits to commence service. To the greatest extent possible the Participating CCA and PG&E shall collaborate in developing this load forecast by providing the following information: the CCA's description of the customer classes or subsets of the customer classes to which it intends to offer service; a description of the terms and conditions of CCA service; CCA rate forecasts for the year the CCA commences service; and information either the CCA or PG&E has received regarding customer intent to opt-out of the CCA program. This CCA Load Forecast will be used to adjust PG&E's bundled load forecast for submittal to the Commission in its Long Term Procurement Plan and to the CEC by [Date to be determined in R.04-04-003] of each year, for resource adequacy verification. The CCA Forecast will be considered final on the date submitted to the CEC, subject to modifications described below in Section B, Adjustments to Forecasts. Such forecast must include the same information and be provided in the same format as required by the CEC or the Commission in accordance with the requirements established for the resource adequacy and integrated energy policy report filings. The CCA forecast must include the forecast number of customers by rate class that the CCA expects to serve. Unless the CCA and PG&E otherwise agree, the CCA Load Forecast shall be based on the following default assumptions regarding the percentage of customers in the various classes that may opt out of CCA service established by the Commission:

- (1) Bundled Service Customers – 5% for residential and 20% for non-residential customers.
- (2) Direct Access Customers – 100% for both residential and non-residential customers.

3. CCA Default on Binding Notice of Intent

If the CCA fails to commence service on the date stated in the BNI, or fails to offer service in good faith to all classes of customers stated in that Notice, the CCA will be required to reimburse PG&E, upon demonstration in a filing with the Commission, for any incremental costs associated with utility procurement, as described in Section 4 below, resource adequacy penalties, or any other utility costs that are incurred as a result of CCA's default. However, the CCA or its customers will not be subject to any costs incurred by PG&E as a result of the CCA's failure to commence service on the date specified if the reason for that non-performance relates to a failure of the utility to meet its commitments to the CCA.

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A. CCA Open Season (Cont'd.)

4. Potential Penalties for Deviating From CCA Binding Notice of Intent

If the CCA fails to meet its commencement of service date or fails to offer service in good faith to all customer classes stated in the Notice of Intent, PG&E shall make a filing with the Commission detailing the incremental costs it incurred as a result of the CCA's failure to fulfill its commitment, for Commission determination of a CCA penalty. The potential penalty to the CCA shall not exceed the would-be transferred load that PG&E must continue to serve times the difference between PG&E's incremental per kWh cost of acquiring the energy and capacity to serve the load not served by the CCA, and the average cost of PG&E's procurement portfolio. This penalty will be calculated on a per day basis for every day that the CCA deviates from the date provided in its BNI. The CCA shall not be entitled to a credit if PG&E's per/kWh cost of serving the load not served by the CCA is below the average cost of PG&E's procurement portfolio.

B. Adjustments to Forecasts

In a subsequent Open Season that takes place prior to the CCA commencing service to its customers, the Participating CCA may update its service commencement date, subject to the following conditions:

The new commencement date specified in the updated BNI must not be more than three (3) months after the date specified in the original BNI.

Updates that provide for service through the CCA to commence later than stated in the original BNI must be made during the serving utility's open season process that is held at least a year in advance of the original commencement date in the BNI.

A CCA can change its BNI date, at any time, to an earlier date. The change of a BNI to an earlier date does not need to occur during the serving utility's open season process. Any additional costs incurred by the serving utility resulting from this change will be recovered from CCA customers and may be allocated to the CCA's CRS.

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B. Adjustments to Forecasts (Cont'd.)

To the extent the CCA and PG&E have collaborated on the load forecast as described above, the CCA and PG&E shall provide updates to load forecasting data, such as projected rate or service changes, as they become available in advance of the CCA commencement date. This data shall be used solely to refine the collaborative load forecast when necessary. The CEC may also make adjustments to the CCA's Forecast as part of its review of all Load Serving Entity forecasts in the resource adequacy process. The CCA must satisfy PG&E credit worthiness standards (which may include provision of adequate security or other assurance) to cover the amount of any potential penalties.

As part of the collaborative forecast process, the parties should explore options for mitigating risks associated with forecasts. Such options could include, but are not limited to, agreeing in advance that the party who has excess power will sell power to the party that is short on power. A CCA does not need to provide evidence of insurance, self-insurance or a bond to cover the costs associated with utility forecasting errors.

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C. Open Season Phase-In Requirements

In the event a CCA elects to phase-in its service and participate in the Open Season, the CCA shall provide in its BNI the schedule by which it intends to phase-in service which shall include the number of customers for each class to be served per the schedule provided. The CCA shall be required to accept the transfer of customers on the dates provided for each phase of its implementation unless it provides an adjustment in a subsequent Open Season period. The CCA load forecast shall reflect the incremental changes in CCA load as a result of phasing implementation. All other provisions of the Open Season tariff, including penalties for default and confidentiality, apply to participating CCAs that elect to phase-in implementation.

D. CCA Open Season Participation Confidentiality

Due to both the binding nature of the CCA commitment to serve customers on a specified date and the potential penalties a CCA may incur if it fails to fulfill its responsibility to prepare for timely commencement of service under this tariff, there is a potential to create market power for suppliers responding to a CCA's solicitation to provide electric power services. In order to prevent the possibility that participation in this tariff may create market power for potential CCA suppliers, all information concerning CCA participation in this tariff will be confidential and, at the option of the CCA, subject to a nondisclosure agreement. Use of information provided by either the CCA or PG&E for purposes of load forecasting shall be limited solely for the purposes of the collaborative load forecast. Access to load forecasting information shall be restricted to authorized CCA/PG&E staff assigned to prepare the load forecasts for submission to the CEC, and the Commission and CEC staff assigned to review such forecasts.