

CHAPTER 1 – Introduction & Statement of Intent

The Monterey Bay Community Power Authority (“MBCP” or “Authority”) is a public agency serving the counties of Monterey, Santa Cruz and San Benito. The Authority was formed to implement a Community Choice Aggregation (“CCA”) program, also referred to by the Authority as Community Choice Energy (“CCE”) or the “Program.” Member Agencies of MBCP include the counties of Monterey, Santa Cruz and San Benito as well as the cities of Santa Cruz, Watsonville, Salinas, Monterey, Pacific Grove, Carmel, Seaside, Marina, Sand City, Soledad, Greenfield, Gonzales, Hollister, San Juan Bautista, Scotts Valley, Capitola (together, the “Members” or “Member Agencies”), which have elected to allow MBCP to provide electric generation service within their respective jurisdictions.

This Implementation Plan and Statement of Intent (“Implementation Plan”) describes MBCP’s plans to implement a voluntary CCA program for electric customers within the jurisdictional boundaries of its Member Agencies that currently take bundled electric service from Pacific Gas and Electric Company (PG&E). The MBCP Program will provide an opportunity to collectively procure electricity from competitive suppliers, with such electricity being delivered over PG&E’s transmission and distribution system. The planned start date for the Program is March 1, 2018. All current PG&E customers within MBCP’s service area will receive information describing the Program and will have multiple opportunities to choose to remain full requirement (bundled) customers of PG&E, in which case they will not be enrolled, or opted out. Thus, participation in the MBCP Program is completely voluntary; however, customers, as provided by law, will be automatically enrolled in accordance with the anticipated phase-in schedule, later described in Chapter 5, unless they affirmatively elect to opt-out.

Implementation of MBCP program will enable customers within MBCP’s service area to take advantage of the opportunities granted by Assembly Bill 117 (“AB 117”), the Community Choice Aggregation Law. MBCP’s primary objectives in implementing this Program are to reduce electric sector greenhouse gas emissions (“GHGs”) within the Counties; stimulate renewable energy development; promote energy efficiency and demand reduction programs; and sustain competitive electric rates for participating residents and businesses over the long-term. The prospective benefits to consumers include contributing to regional carbon neutrality, rate competitiveness, and public participation in determining which generating technologies and demand-side programs are utilized to meet local electricity needs.

To ensure successful operation of the Program, MBCP will solicit experienced energy suppliers and marketers through a competitive process and will negotiate with one or more qualified suppliers throughout the fall of 2017. Final selection of MBCP’s initial energy supplier(s) will be made by MBCP following administration of the aforementioned solicitation process and related contract negotiations. Information regarding the anticipated solicitation process for MBCP’s initial energy services provider(s) is contained in Chapter 10.

The California Public Utilities Commission Code (the “Code”) provides relevant legal authority for MBCP to become a CCA and invests the California Public Utilities Commission (“CPUC” or “Commission”) with the responsibility for establishing the cost recovery mechanism that must be in place before customers can begin receiving electrical service through the MBCP Program. The CPUC also has responsibility for registering MBCP as a CCA and ensuring compliance with basic consumer protection rules. The Code requires that an Implementation Plan be adopted at a duly noticed public hearing and that it be filed with the Commission in order for the Commission to determine the cost recovery mechanism to be paid by customers of the Program to prevent shifting of costs to bundled customers of the incumbent utility, PG&E.

On August 16, 2017, the MBCP Policy Board of Directors (“Board”), at a duly noticed public hearing, considered and adopted this Implementation Plan, through Resolution No. 4-2017 (a copy of which is included as part of Appendix A). The Commission has established the methodology that will be used to determine the cost recovery mechanism, and PG&E has approved tariffs for imposition of the cost recovery mechanism. Finally, each of MBCP’s Members has adopted an ordinance to implement a CCA program through its participation in MBCP, and each of the Members has adopted a resolution permitting MBCP to provide service within its jurisdiction.¹ With each of these milestones having been accomplished, MBCP submits this Implementation Plan to the CPUC. Following the CPUC’s certification of its receipt of this Implementation Plan and resolution of any outstanding issues, MBCP will take the final steps needed to register as a CCA prior to initiating the customer notification and enrollment process.

Organization of this Implementation Plan

The content of this Implementation Plan complies with the statutory requirements of AB 117. As required by PU Code Section 366.2(c)(3), this Implementation Plan details the process and consequences of aggregation and provides MBCP’s statement of intent for implementing a CCA program.

The Implementation Plan is organized as follows:

- Chapter 1: Introduction & Statement of Intent
- Chapter 2: Aggregation Process
- Chapter 3: Organizational Structure
- Chapter 4: Startup Plan & Funding
- Chapter 5: Program Phase-In
- Chapter 6: Load Forecast & Resource Plan
- Chapter 7: Financial Plan
- Chapter 8: Rate setting
- Chapter 9: Customer Rights and Responsibilities
- Chapter 10: Procurement Process

¹ Copies of individual ordinances adopted by MBCP’s Members are included within Appendix A.

- Chapter 11: Contingency Plan for Program Termination
- Appendix A: MBCPA Resolution No. 4-2017 (Adopting Implementation Plan)
- Appendix B: MBCPA Joint Powers Agreement

The requirements of AB 117 are cross-referenced to Chapters of this Implementation Plan in the following table.

AB 117 Cross References

AB 117 REQUIREMENT	IMPLEMENTATION PLAN CHAPTER
Statement of Intent	Chapter 1: Introduction & Statement of Intent
Process and consequences of aggregation	Chapter 2: Aggregation Process
Organizational structure of the program, its operations and funding	Chapter 3: Organizational Structure Chapter 4: Startup Plan & Funding Chapter 7: Financial Plan
Disclosure and due process in setting rates and allocating costs among participants	Chapter 8: Rate setting
Rate setting and other costs to participants	Chapter 8: Rate setting Chapter 9: Customer Rights and Responsibilities
Participant rights and responsibilities	Chapter 9: Customer Rights and Responsibilities
Methods for entering and terminating agreements with other entities	Chapter 10: Procurement Process
Description of third parties that will be supplying electricity under the program, including information about financial, technical and operational capabilities	Chapter 10: Procurement Process
Termination of the program	Chapter 11: Contingency Plan for Program Termination