

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 14

TO: Board of Directors

FROM: Mitch Sears, Interim General Manager
Jim Parks, Director of Customer Care and Marketing

SUBJECT: Deferral of Opt-Out Fees

DATE: June 17, 2019

RECOMMENDATION

Board to approve the deferral of opt-out fees for another year, until June 30, 2020.

BACKGROUND

Prior to beginning service in June 2018, the VCE board of directors waived opt-out fees for VCE's first year of operation. Opt-out fees (\$5 for residential and \$25 for non-residential) were designed to partially recover the cost of processing opt-outs.

Community choice aggregators (CCAs) differ in their approach to opt-out fees. Several have waived the fee. Some have kept the fee and have had few complaints. Others have kept the fee and had significant complaints.

UPDATE

After a full year of operation, staff recommends that opt-out fees be deferred for another year, until June 30, 2020 based on:

- VCE back-office systems are in place to automate opt-outs/opt-ins, so administrative costs are low.
- Financial impacts are minimal. Now that we're fully operational, the opt-out numbers have dropped dramatically compared to start-up, minimizing impacts on revenue.
- Customers that are aware of the opt out fees are irritated by them.