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Press Contact: Jim Parks, VCE Director of Customer Care
(530) 446-2753 | Jim.Parks@valleycleanenergy.org

**CPUC Approves Controversial ‘Exit Fee’ Reforms
Commission Decision Shifts Costs to Community Choice Customers and other Departing
Load Customers**

The California Public Utilities Commission (CPUC) voted to approve controversial revisions to the Power Charge Indifference Adjustment (PCIA) at the October 11 Commission Voting Meeting. The PCIA is an “exit fee” charged by the state’s investor-owned utilities (IOUs) to Community Choice Aggregators (CCAs) and other departing load customers to compensate for electricity generation built or contracted in the past at prices that are now above-market. Valley Clean Energy supports an equitable PCIA but yesterday’s CPUC decision drives up rates for California electricity customers by leaving out reasonable cost control measures that would have held the Investor Owned Utilities and their shareholders accountable for their business decisions.

Yesterday’s action by the CPUC will result in an increase in PCIA rates for CCA customers and a decrease in competition for Investor Owned Utilities like PG&E. This is a set-back to the flourishing CCA movement in California that could deter further creation of new CCA’s in places like the Central Valley. There are currently 19 operational CCAs in California serving 2.6 million accounts. Valley Clean Energy serves approximately 55,000 electricity customers in Woodland, Davis, and the unincorporated areas of Yolo County.

"This decision will have an impact on Valley Clean Energy, but the information is new and the details need to be analyzed before determining our next steps," said Lucas Frerichs, Davis City Council Member and Chair of the Valley Clean Energy Board of Directors. "We are disappointed in the CPUC decision that we believe hinders competition but remain committed to providing the best rates and services to the residents of Yolo County, Woodland and Davis. We will consider all avenues going forward."

CPUC commissioners considered several options before approving the Alternative Proposed Decision which is most detrimental to CCAs. One option the Commission rejected was by their own Administrative Law Judge who studied the issue for a year and took testimony from all sides. The Judge’s proposed decision would have placed shared responsibility on the shareholders of Investor Owned Utilities. Instead, the Commissioners approved a decision supported by the Investor Owned Utilities, including PG&E.



The CPUC's decision will have negative impacts on both CCA and Investor Owned Utilities ratepayers in California. CCA customers will pay more to the Investor Owned Utilities and the Investor Owned Utilities will have less incentive to efficiently manage their costs that they pass on to their customers. In addition to the financial impacts, the action will impair CCAs' abilities to accelerate the state's decarbonization and economic justice policy goals and to better tailor electric service to meet the needs of local communities.

"Community Choice Energy is the future of sustainable energy in California", said Tom Stallard, Woodland City Council Member and Vice Chair of the Valley Clean Energy Board of Directors. "Thursday's 5-0 decision by the CPUC is a blow to this effort at a time when the impacts of climate change are becoming more obvious. This decision also threatens California's climate action leadership."

Valley Clean Energy will be studying the impacts of the CPUC decision in the coming months. As a public not for profit agency, Valley Clean Energy meetings are open to the public. Please visit our web site for a schedule of future meetings: www.valleycleanenergy.org/about-us/meetings/

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About Valley Clean Energy: Valley Clean Energy is a not for profit public agency formed to provide electrical generation service to customers within the cities of Woodland, Davis and unincorporated areas of Yolo County. Our mission is to deliver cost-competitive clean electricity, product choice, price stability, energy efficiency, greenhouse gas emission reductions and reinvestment in the community.

For more information about VCE, visit ValleyCleanEnergy.org.