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AMENDED IN SENATE JUNE 12, 2014  
AMENDED IN ASSEMBLY APRIL 10, 2014  
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2145**

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**Introduced by Assembly Member Bradford**

February 20, 2014

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An act to amend ~~Section~~ *Sections 331.1 and 366.2* of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 2145, as amended, Bradford. Electricity: community choice aggregation.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. The Public Utilities Act authorizes a community choice aggregator, as defined, to aggregate the electrical load of interested electricity consumers within its boundaries and requires a community choice aggregator to file an implementation plan with the commission and requires that the plan include disclosures of certain information and describe other matter. ~~The act requires the community choice aggregator to provide each customer an opportunity to opt out of his or her community's aggregation program. The act provides that customer participation in the community choice aggregation program does not require a positive written declaration for participation, but each customer shall be informed of his or her right to opt out of the program. The act provides that if no negative declaration is made by the customer regarding participation, the customer shall be served by the community~~

~~choice aggregation program. The act requires an electrical corporation to cooperate fully with any community choice aggregator that investigates, pursues, or implements community choice aggregation programs, including providing appropriate billing and electrical load data. The act requires an electrical corporation, when requested by, and at the expense of, a community choice aggregator, to install, maintain, and calibrate metering devices at mutually agreeable locations within or adjacent to the community choice aggregator's political boundaries. The act requires a community choice aggregator to register with the commission, which may require additional information to ensure compliance with basic consumer protection rules and other procedural matters. Existing law requires that a city, county, or city and county that elects to implement a community choice aggregation program within its jurisdiction do so by ordinance, but authorizes a city, county, or city and county to request, by affirmative resolution of its governing council or board, that another entity authorized to be a community choice aggregator act as the community choice aggregator on its behalf, in which case, that other entity is responsible for adopting the ordinance to implement the community choice aggregation program on behalf of the requesting city, county, or city and county.~~

~~This bill would instead provide that each customer be given an opportunity to opt in to his or her community's aggregation program. The bill would require a positive declaration from a customer for participation in the community choice aggregation program and that each customer be informed of his or her right to opt in to the program. The bill would provide that a customer shall be served by the community choice aggregation program if an affirmative declaration is made. The bill would require solicitations of customers by a community choice aggregator contain, and communication by the community choice aggregator to the public or prospective and existing customers to be consistent with, specified information and would require the implementation plan to include the disclosure of those specified information. The bill would require that the implementation plan filed by a community choice aggregator completely describe other certain matter required to be disclosed under existing law. The bill would authorize the commission to require that a community choice aggregator, when registering with the commission, provide additional information to ensure compliance with basic consumer protection and other rules and other procedural matters. If a city, county, or city and county requests another entity that is authorized to be a community choice~~

*aggregator to act as the community choice aggregator on its behalf, the bill would require that the entity that is to be the community choice aggregator be in a county that is contiguous to the requesting city, county, or city and county. The bill would provide that, beginning January 1, 2015, no entity may enact an ordinance to serve as the community choice aggregator in more than 3-contiguous-counties, but may serve as the community choice aggregator for any city, county, or city and county that is outside a 3-contiguous-county area, for which it adopted an ordinance prior to January 1, 2015. The bill would make other technical, nonsubstantive revisions to the community choice aggregator provisions.*

*The Joint Exercise of Powers Act authorizes the legislative or other governing bodies of 2 or more public agencies to jointly exercise by agreement any power common to the contracting parties, as specified. Existing law authorizes any group of cities, counties, or cities and counties whose governing boards have so elected to combine the loads of their programs as a community choice aggregator through the formation of a joint powers agency established pursuant to the Joint Exercise of Powers Act.*

*This bill would prohibit a joint powers agency formed to provide electric service as a community choice aggregator from exceeding the geographical boundaries of 3-contiguous-counties, but would provide that this limitation does not apply where an ordinance authorizing community choice aggregation outside the 3-contiguous-counties was adopted prior to January 1, 2015.*

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the bill would impose requirements regarding ~~communication~~ ~~by~~ a community choice aggregator, a violation of which would be a crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 331.1 of the Public Utilities Code is*  
2 *amended to read:*

3     331.1. For purposes of this chapter, “community choice  
4 aggregator” means any of the following entities, if that entity is  
5 not within the jurisdiction of a local publicly owned electric utility  
6 that provided electrical service as of January 1, 2003:

7     (a) Any city, county, or city and county whose governing board  
8 elects to combine the loads of its residents, businesses, and  
9 municipal facilities in a communitywide electricity buyers’  
10 program.

11     (b) (1) Any group of cities, counties, or cities and counties  
12 whose governing boards have elected to combine the loads of their  
13 programs, through the formation of a joint powers agency  
14 established under Chapter 5 (commencing with Section 6500) of  
15 Division 7 of Title 1 of the Government Code.

16     (2) *A joint powers agency formed to provide electric service as*  
17 *a community choice aggregator shall not exceed the geographical*  
18 *boundaries of three contiguous counties. This limitation does not*  
19 *apply where an ordinance authorizing community choice*  
20 *aggregation outside the three contiguous counties was adopted*  
21 *prior to January 1, 2015. For purposes of this paragraph, a county*  
22 *is contiguous to another county if it shares a border with that*  
23 *county. A county need only share a border with one of the other*  
24 *two counties.*

25     (c) The Kings River Conservation District, the Sonoma County  
26 Water Agency, and any California public agency possessing  
27 statutory authority to generate and deliver electricity at retail within  
28 its designated jurisdiction, provided the entity may only combine  
29 the loads of residences, businesses, and governmental facilities of  
30 cities and counties within, or contiguous to, its jurisdiction that  
31 have, by resolution exercised pursuant to paragraph (12) of  
32 subdivision (c) of Section 366.2, requested the agency to implement  
33 a community choice aggregation program.

34     ~~SECTION 1.~~

35     SEC. 2. Section 366.2 of the Public Utilities Code is amended  
36 to read:

1 366.2. (a) (1) Customers shall be entitled to aggregate their  
2 electric loads as members of their local community with  
3 community choice aggregators.

4 (2) Customers may aggregate their loads through a public  
5 process with community choice aggregators, if each customer is  
6 given an opportunity to opt ~~in to~~ *out of* his or her community's  
7 aggregation program.

8 (3) If a customer ~~does not opt in to~~ *opts out of* a community  
9 choice aggregator's program, or has no community choice  
10 aggregation program available, that customer shall *have the right*  
11 *to* continue to be served by the existing electrical corporation or  
12 its successor in interest.

13 (4) The implementation of a community choice aggregation  
14 program shall not result in a shifting of costs between the customers  
15 of the community choice aggregator and the bundled service  
16 customers of an electrical corporation.

17 (5) A community choice aggregator shall be solely responsible  
18 for all generation procurement activities on behalf of the  
19 community choice aggregator's customers, except where other  
20 generation procurement arrangements are expressly authorized by  
21 statute.

22 (b) If a public agency seeks to serve as a community choice  
23 aggregator, it shall offer the opportunity to purchase electricity to  
24 all residential customers within its jurisdiction.

25 (c) (1) Notwithstanding Section 366, a community choice  
26 aggregator is hereby authorized to aggregate the electrical load of  
27 interested electricity consumers within its boundaries to reduce  
28 transaction costs to consumers, provide consumer protection, and  
29 leverage the negotiation of contracts. However, the community  
30 choice aggregator may not aggregate electrical load if that load is  
31 served by a local publicly owned electric utility. A community  
32 choice aggregator may group retail electricity customers to solicit  
33 bids, broker, and contract for electricity and energy services for  
34 those customers. The community choice aggregator may enter into  
35 agreements for services to facilitate the sale and purchase of  
36 electricity and other related services. Those service agreements  
37 may be entered into by an entity authorized to be a community  
38 choice aggregator, as defined in Section 331.1.

39 (2) Under community choice aggregation, customer participation  
40 shall *not* require a positive written declaration and each customer

1 shall be informed of his or her right to opt ~~in to~~ *out of* the  
2 community choice aggregation program. If ~~an affirmative~~ *no*  
3 *negative* declaration is made by a customer, that customer shall  
4 be served through the community choice aggregation program. If  
5 an existing customer moves the location of his or her electric  
6 service within the jurisdiction of the community choice aggregator,  
7 the customer shall retain the same subscriber status as prior to the  
8 move, unless the customer affirmatively changes his or her  
9 subscriber status. If the customer is moving from outside to inside  
10 the jurisdiction of the community choice aggregator, customer  
11 participation shall *not* require a positive written declaration and  
12 the customer shall be informed of his or her right to ~~opt in to~~ *elect*  
13 *not to receive service through* the community choice aggregation  
14 program.

15 (3) A community choice aggregator establishing electrical load  
16 aggregation pursuant to this section shall develop an  
17 implementation plan detailing the process and consequences of  
18 aggregation. The implementation plan, and any subsequent changes  
19 to it, shall be considered and adopted at a duly noticed public  
20 hearing. The implementation plan shall contain all of the following:

21 (A) An organizational structure of the program, its operations,  
22 and its funding.

23 (B) Ratesetting and other costs to participants.

24 (C) Provisions for full disclosure of all information specified  
25 in paragraph (15) and due process in setting rates and allocating  
26 costs among participants.

27 (D) The methods for entering and terminating agreements with  
28 other entities.

29 (E) The rights and responsibilities of program participants,  
30 including, but not limited to, consumer protection procedures,  
31 credit issues, and shutoff procedures.

32 (F) Termination of the program.

33 (G) A description of the third parties that will be supplying  
34 electricity under the program, including, but not limited to,  
35 complete information about financial, technical, and operational  
36 capabilities.

37 (4) A community choice aggregator establishing electrical load  
38 aggregation shall prepare a statement of intent with the  
39 implementation plan. Any community choice load aggregation  
40 established pursuant to this section shall provide for the following:

1 (A) Universal access.

2 (B) Reliability.

3 (C) Equitable treatment of all classes of customers.

4 (D) Any requirements established by state law or by the  
5 commission concerning aggregated service, including, but not  
6 limited to, those rules adopted by the commission pursuant to  
7 paragraph (3) of subdivision (b) of Section 8341 for the application  
8 of the greenhouse gases emission performance standard to  
9 community choice aggregators.

10 (5) In order to determine the cost-recovery mechanism to be  
11 imposed on the community choice aggregator pursuant to  
12 subdivisions (d), (e), and (f) that shall be paid by the customers of  
13 the community choice aggregator to prevent shifting of costs, the  
14 community choice aggregator shall file the implementation plan  
15 with the commission, and any other information requested by the  
16 commission that the commission determines is necessary to develop  
17 the cost-recovery mechanism in subdivisions (d), (e), and (f).

18 (6) The commission shall notify any electrical corporation  
19 serving the customers proposed for aggregation that an  
20 implementation plan initiating community choice aggregation has  
21 been filed, within 10 days of the filing.

22 (7) Within 90 days after the community choice aggregator  
23 establishing load aggregation files its implementation plan, the  
24 commission shall certify that it has received the implementation  
25 plan, including any additional information necessary to determine  
26 a cost-recovery mechanism. After certification of receipt of the  
27 implementation plan and any additional information requested,  
28 the commission shall then provide the community choice  
29 aggregator with its findings regarding any cost recovery that must  
30 be paid by customers of the community choice aggregator to  
31 prevent a shifting of costs as provided for in subdivisions (d), (e),  
32 and (f).

33 (8) No entity proposing community choice aggregation shall  
34 act to furnish electricity to electricity consumers within its  
35 boundaries until the commission determines the cost recovery that  
36 must be paid by the customers of that proposed community choice  
37 aggregation program, as provided for in subdivisions (d), (e), and  
38 (f). The commission shall designate the earliest possible effective  
39 date for implementation of a community choice aggregation  
40 program, taking into consideration the impact on any annual

1 procurement plan of the electrical corporation that has been  
2 approved by the commission.

3 (9) An electrical corporation shall cooperate fully with any  
4 community choice aggregators that investigate, pursue, or  
5 implement community choice aggregation programs. Cooperation  
6 shall include providing the entities with appropriate billing and  
7 electrical load data, including, but not limited to, electrical  
8 consumption data as defined in Section 8380 and other data  
9 detailing electricity needs and patterns of usage, as determined by  
10 the commission, and in accordance with procedures established  
11 by the commission. The commission shall exercise its authority  
12 pursuant to Chapter 11 (commencing with Section 2100) to enforce  
13 the requirements of this paragraph when it finds that the  
14 requirements of this paragraph have been violated. Electrical  
15 corporations shall continue to provide all metering, billing,  
16 collection, and customer service to retail customers that participate  
17 in community choice aggregation programs. Bills sent by the  
18 electrical corporation to retail customers shall identify the  
19 community choice aggregator as providing the electrical energy  
20 component of the bill. The commission shall determine the terms  
21 and conditions under which the electrical corporation provides  
22 services to community choice aggregators and retail customers.

23 (10) If the commission finds that an electrical corporation or  
24 community choice aggregator has violated this section, the  
25 commission shall order appropriate corrective action.

26 (11) The commission shall proactively expedite the complaint  
27 process for disputes regarding an electrical corporation's or  
28 community choice aggregator's violation of its obligations pursuant  
29 to this section in order to provide for timely resolution of  
30 complaints, so that all complaints are resolved in no more than  
31 180 days following the filing of a complaint. This deadline may  
32 only be extended under either of the following circumstances:

33 (A) Upon agreement of all of the parties to the complaint.

34 (B) The commission makes a written determination that the  
35 deadline cannot be met, including findings for the reason for this  
36 determination, and issues an order extending the deadline. A single  
37 order pursuant to this subparagraph shall not extend the deadline  
38 for more than 60 days.

39 (12) (A) An entity authorized to be a community choice  
40 aggregator, as defined in Section 331.1, that elects to implement

1 a community choice aggregation program within its jurisdiction  
2 pursuant to this chapter, shall do so by ordinance. A city, county,  
3 or city and county may request, by affirmative resolution of its  
4 governing council or board, that another entity *in a contiguous*  
5 *county that is* authorized to be a community choice aggregator act  
6 as the community choice aggregator on its behalf. If a city, county,  
7 or city and county, by resolution, requests another authorized entity  
8 *in a contiguous county* be the community choice aggregator for  
9 the city, county, or city and county, that authorized entity shall be  
10 responsible for adopting the ordinance to implement the community  
11 choice aggregation program on behalf of the city, county, or city  
12 and county. *Beginning January 1, 2015, no entity may enact an*  
13 *ordinance to serve as the community choice aggregator in more*  
14 *than three contiguous counties, but may serve as the community*  
15 *choice aggregator for any city, county, or city and county that is*  
16 *outside a three contiguous county area, for which it adopted an*  
17 *ordinance pursuant to this subparagraph prior to January 1, 2015.*

18 (B) Two or more entities *in contiguous counties that are*  
19 authorized to be a community choice aggregator, as defined in  
20 Section 331.1, may participate as a group in a community choice  
21 aggregation program pursuant to this chapter, through a joint  
22 powers agency established pursuant to Chapter 5 (commencing  
23 with Section 6500) of Division 7 of Title 1 of the Government  
24 Code, if each entity adopts an ordinance pursuant to subparagraph  
25 (A). Pursuant to Section 6508.1 of the Government Code, members  
26 of a joint powers agency that is a community choice aggregator  
27 may specify in their joint powers agreement that, unless otherwise  
28 agreed by the members of the agency, the debts, liabilities, and  
29 obligations of the agency shall not be the debts, liabilities, and  
30 obligations, either jointly or severally, of the members of the  
31 agency. The commission shall not, as a condition of registration  
32 or otherwise, require an agency's members to voluntarily assume  
33 the debts, liabilities, and obligations of the agency to the electrical  
34 corporation unless the commission finds that the agreement by the  
35 agency's members is the only reasonable means by which the  
36 agency may establish its creditworthiness under the electrical  
37 corporation's tariff to pay charges to the electrical corporation  
38 under the tariff. *Except as provided in Section 331.1, a joint powers*  
39 *agency that is a community choice aggregator shall not exceed*  
40 *the geographical boundaries of three contiguous counties.*

1 (13) Following adoption of aggregation through the ordinance  
2 described in paragraph (12), the program shall allow any retail  
3 customer to opt in to the community choice aggregation program.  
4 *out and to continue to be served as a bundled service customer by*  
5 *the existing electrical corporation, or its successor in interest.*  
6 Delivery services shall be provided at the same rates, terms, and  
7 conditions, as approved by the commission, for community choice  
8 aggregation customers and customers that have entered into a direct  
9 transaction where applicable, as determined by the commission.  
10 Once enrolled in the aggregated entity, any ratepayer that chooses  
11 to opt out within 60 days or two billing cycles of the date of  
12 enrollment may do so without penalty and shall be entitled to  
13 receive default service pursuant to paragraph (3) of subdivision  
14 (a). Customers that return to the electrical corporation for  
15 procurement services shall be subject to the same terms and  
16 conditions as are applicable to other returning direct access  
17 customers from the same class, as determined by the commission,  
18 as authorized by the commission pursuant to this code or any other  
19 provision of law, except that those customers shall be subject to  
20 no more than a 12-month stay requirement with the electrical  
21 corporation. Any reentry fees to be imposed after the opt-out period  
22 specified in this paragraph, shall be approved by the commission  
23 and shall reflect the cost of reentry. The commission shall exclude  
24 any amounts previously determined and paid pursuant to  
25 subdivisions (d), (e), and (f) from the cost of reentry.

26 (14) Nothing in this section shall be construed as authorizing  
27 any city or any community choice retail load aggregator to restrict  
28 the ability of retail electricity customers to obtain or receive service  
29 from any authorized electric service provider in a manner consistent  
30 with law.

31 (15) (A) *The community choice aggregator shall fully inform*  
32 *participating customers at least twice within two calendar months,*  
33 *or 60 days, in advance of the date of commencing automatic*  
34 *enrollment. Notifications may occur concurrently with billing*  
35 *cycles. Following enrollment, the community choice aggregator*  
36 *shall fully inform participating customers for not less than two*  
37 *consecutive billing cycles. Notification may include, but is not*  
38 *limited to, direct mailings to customers, or inserts in water, sewer,*  
39 *or other utility bills. Any notification shall inform customers of*  
40 *both of the following:*

1 (i) *That they are to be automatically enrolled and that the*  
2 *customer has the right to opt out of the community choice*  
3 *aggregator without penalty.*

4 (ii) *The terms and conditions of the services offered.*

5 (B) *Each notification shall also include a mechanism by which*  
6 *a ratepayer may opt out of community choice aggregated service.*  
7 *The opt out may take the form of a self-addressed return postcard*  
8 *indicating the customer's election to remain with, or return to,*  
9 *electric service provided by the electrical corporation, or another*  
10 *straightforward means by which the customer may elect to derive*  
11 *electric service through the electrical corporation providing service*  
12 *in the area.*

13 ~~(15)~~

14 (C) Every solicitation of customers by a community choice  
15 aggregator shall contain, and communication by the community  
16 choice aggregator to the public or to a prospective or existing  
17 customer shall be consistent with, the electric supply rate for the  
18 customer if the customer remains with the electrical corporation  
19 compared to the electric supply rate if the customer chooses to be  
20 served by the community choice aggregator. Rates shall be specific  
21 to the customer class of that customer and shall be provided for  
22 the next five years of service. The electrical corporation shall  
23 provide its projected electric supply rate to the community choice  
24 aggregator.

25 (16) A community choice aggregator shall have an operating  
26 service agreement with the electrical corporation prior to furnishing  
27 electric service to consumers within its jurisdiction. The service  
28 agreement shall include performance standards that govern the  
29 business and operational relationship between the community  
30 choice aggregator and the electrical corporation. The commission  
31 shall ensure that any service agreement between the community  
32 choice aggregator and the electrical corporation includes equitable  
33 responsibilities and remedies for all parties. The parties may  
34 negotiate specific terms of the service agreement, provided that  
35 the service agreement is consistent with this chapter.

36 (17) The community choice aggregator shall register with the  
37 commission, which may require additional information to ensure  
38 compliance with basic consumer protection and other rules and  
39 other procedural matters.

1 (18) Once the community choice aggregator's contract is signed,  
2 the community choice aggregator shall notify the applicable  
3 electrical corporation that community choice service will  
4 commence within 30 days.

5 (19) Once notified of a community choice aggregator program,  
6 the electrical corporation shall transfer all applicable accounts to  
7 the new supplier within a 30-day period from the date of the close  
8 of the electrical corporation's normally scheduled monthly  
9 metering and billing process.

10 (20) An electrical corporation shall recover from the community  
11 choice aggregator any costs reasonably attributable to the  
12 community choice aggregator, as determined by the commission,  
13 of implementing this section, including, but not limited to, all  
14 business and information system changes, except for  
15 transaction-based costs as described in this paragraph. Any costs  
16 not reasonably attributable to a community choice aggregator shall  
17 be recovered from ratepayers, as determined by the commission.  
18 All reasonable transaction-based costs of notices, billing, metering,  
19 collections, and customer communications or other services  
20 provided to an aggregator or its customers shall be recovered from  
21 the aggregator or its customers on terms and at rates to be approved  
22 by the commission.

23 (21) At the request and expense of any community choice  
24 aggregator, an electrical corporation shall install, maintain, and  
25 calibrate metering devices at mutually agreeable locations within  
26 or adjacent to the community choice aggregator's political  
27 boundaries. The electrical corporation shall read the metering  
28 devices and provide the data collected to the community choice  
29 aggregator at the aggregator's expense. To the extent that the  
30 community choice aggregator requests a metering location that  
31 would require alteration or modification of a circuit, the electrical  
32 corporation shall only be required to alter or modify a circuit if  
33 that alteration or modification does not compromise the safety,  
34 reliability, or operational flexibility of the electrical corporation's  
35 facilities. All costs incurred to modify circuits pursuant to this  
36 paragraph, shall be borne by the community choice aggregator.

37 (d) (1) It is the intent of the Legislature that each retail end-use  
38 customer that has purchased power from an electrical corporation  
39 on or after February 1, 2001, should bear a fair share of the  
40 Department of Water Resources' electricity purchase costs, as well

1 as electricity purchase contract obligations incurred as of the  
2 effective date of the act adding this section, that are recoverable  
3 from electrical corporation customers in commission-approved  
4 rates. It is further the intent of the Legislature to prevent any  
5 shifting of recoverable costs between customers.

6 (2) The Legislature finds and declares that this subdivision is  
7 consistent with the requirements of Division 27 (commencing with  
8 Section 80000) of the Water Code and Section 360.5 of this code,  
9 and is therefore declaratory of existing law.

10 (e) A retail end-use customer that purchases electricity from a  
11 community choice aggregator pursuant to this section shall pay  
12 both of the following:

13 (1) A charge equivalent to the charges that would otherwise be  
14 imposed on the customer by the commission to recover  
15 bond-related costs pursuant to any agreement between the  
16 commission and the Department of Water Resources pursuant to  
17 Section 80110 of the Water Code, which charge shall be payable  
18 until any obligations of the Department of Water Resources  
19 pursuant to Division 27 (commencing with Section 80000) of the  
20 Water Code are fully paid or otherwise discharged.

21 (2) Any additional costs of the Department of Water Resources,  
22 equal to the customer's proportionate share of the Department of  
23 Water Resources' estimated net unavoidable electricity purchase  
24 contract costs as determined by the commission, for the period  
25 commencing with the customer's purchases of electricity from the  
26 community choice aggregator, through the expiration of all then  
27 existing electricity purchase contracts entered into by the  
28 Department of Water Resources.

29 (f) A retail end-use customer purchasing electricity from a  
30 community choice aggregator pursuant to this section shall  
31 reimburse the electrical corporation that previously served the  
32 customer for all of the following:

33 (1) The electrical corporation's unrecovered past  
34 undercollections for electricity purchases, including any financing  
35 costs, attributable to that customer, that the commission lawfully  
36 determines may be recovered in rates.

37 (2) Any additional costs of the electrical corporation recoverable  
38 in commission-approved rates, equal to the share of the electrical  
39 corporation's estimated net unavoidable electricity purchase  
40 contract costs attributable to the customer, as determined by the

1 commission, for the period commencing with the customer's  
2 purchases of electricity from the community choice aggregator,  
3 through the expiration of all then existing electricity purchase  
4 contracts entered into by the electrical corporation.

5 (g) Estimated net unavoidable electricity costs paid by the  
6 customers of a community choice aggregator shall be reduced by  
7 the value of any benefits that remain with bundled service  
8 customers, unless the customers of the community choice  
9 aggregator are allocated a fair and equitable share of those benefits.

10 (h) (1) Any charges imposed pursuant to subdivision (e) shall  
11 be the property of the Department of Water Resources. Any charges  
12 imposed pursuant to subdivision (f) shall be the property of the  
13 electrical corporation. The commission shall establish mechanisms,  
14 including agreements with, or orders with respect to, electrical  
15 corporations necessary to ensure that charges payable pursuant to  
16 this section shall be promptly remitted to the party entitled to  
17 payment.

18 (2) Charges imposed pursuant to subdivisions (d), (e), and (f)  
19 shall be nonbypassable.

20 (i) The commission shall authorize community choice  
21 aggregation only if the commission imposes a cost-recovery  
22 mechanism pursuant to subdivisions (d), (e), (f), and (h). Except  
23 as provided by this subdivision, this section shall not alter the  
24 suspension by the commission of direct purchases of electricity  
25 from alternate providers other than by community choice  
26 aggregators, pursuant to Section 365.1.

27 (j) (1) The commission shall not authorize community choice  
28 aggregation until it implements a cost-recovery mechanism,  
29 consistent with subdivisions (d), (e), and (f), that is applicable to  
30 customers that elected to purchase electricity from an alternate  
31 provider between February 1, 2001, and January 1, 2003.

32 (2) The commission shall not authorize community choice  
33 aggregation until it has adopted rules for implementing community  
34 choice aggregation.

35 (k) (1) Except for nonbypassable charges imposed by the  
36 commission pursuant to subdivisions (d), (e), (f), and (h), and  
37 programs authorized by the commission to provide broader  
38 statewide or regional benefits to all customers, electric service  
39 customers of a community choice aggregator shall not be required  
40 to pay nonbypassable charges for goods, services, or programs

1 that do not benefit either, or where applicable, both, the customer  
2 and the community choice aggregator serving the customer.

3 (2) The commission, Energy Commission, electrical corporation,  
4 or third-party administrator shall administer any program funded  
5 through a nonbypassable charge on a nondiscriminatory basis so  
6 that the electric service customers of a community choice  
7 aggregator may participate in the program on an equal basis with  
8 the customers of an electrical corporation.

9 (3) Nothing in this subdivision is intended to modify, or prohibit  
10 the use of, charges funding programs for the benefit of low-income  
11 customers.

12 (l) (1) An electrical corporation shall not terminate the services  
13 of a community choice aggregator unless authorized by a vote of  
14 the full commission. The commission shall ensure that prior to  
15 authorizing a termination of service, that the community choice  
16 aggregator has been provided adequate notice and a reasonable  
17 opportunity to be heard regarding any electrical corporation  
18 contentions in support of termination. If the contentions made by  
19 the electrical corporation in favor of termination include factual  
20 claims, the community choice aggregator shall be afforded an  
21 opportunity to address those claims in an evidentiary hearing.

22 (2) Notwithstanding paragraph (1), if the Independent System  
23 Operator has transferred the community choice aggregator's  
24 scheduling coordination responsibilities to the incumbent electrical  
25 corporation, an administrative law judge or assigned commissioner,  
26 after providing the aggregator with notice and an opportunity to  
27 respond, may suspend the aggregator's service to customers  
28 pending a full vote of the commission.

29 (m) Any meeting of an entity authorized to be a community  
30 choice aggregator, as defined in Section 331.1, for the purpose of  
31 developing, implementing, or administering a program of  
32 community choice aggregation shall be conducted in the manner  
33 prescribed by the Ralph M. Brown Act (Chapter 9 (commencing  
34 with Section 54950) of Part 1 of Division 2 of Title 5 of the  
35 Government Code).

36 (n) Amendments to this section made by Assembly Bill 2145  
37 of the 2013–14 Regular Session do not affect the enrollment status  
38 of a customer already enrolled in a community choice aggregation  
39 program prior to January 1, 2015.

1     ~~SEC. 2.~~  
2     SEC. 3. No reimbursement is required by this act pursuant to  
3 Section 6 of Article XIII B of the California Constitution because  
4 the only costs that may be incurred by a local agency or school  
5 district will be incurred because this act creates a new crime or  
6 infraction, eliminates a crime or infraction, or changes the penalty  
7 for a crime or infraction, within the meaning of Section 17556 of  
8 the Government Code, or changes the definition of a crime within  
9 the meaning of Section 6 of Article XIII B of the California  
10 Constitution.

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