

**PIONEER COMMUNITY ENERGY**

**ADDENDUM NO. 1 TO THE COMMUNITY  
CHOICE AGGREGATION  
IMPLEMENTATION PLAN AND  
STATEMENT OF INTENT**

**ADDRESSING PIONEER EXPANSION TO  
EL DORADO COUNTY AND THE CITY OF  
PLACERVILLE**



**DECEMBER 17, 2020**

For copies of this document contact Pioneer Community Energy in Rocklin,  
California or visit [www.Pioneercommunityenergy.ca.gov](http://www.Pioneercommunityenergy.ca.gov)

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## CHAPTER 1 – INTRODUCTION

The purpose of this document is to make certain revisions to the Pioneer Community Energy Implementation Plan and Statement of Intent to address the expansion of Pioneer Community Energy ("Pioneer") to El Dorado County and the City of Placerville. Pioneer, formerly Sierra Valley Energy Authority, is a public agency that was formed on September 9, 2015 for purposes of implementing a community choice aggregation ("CCA") program serving its member communities. At that time, Pioneer's membership was comprised of six municipalities, including the cities of Auburn, Colfax, Lincoln, and Rocklin, the Town of Loomis and Placer County (together the "Members" or "Member Agencies"). In anticipation of CCA program implementation and in compliance with state law, Pioneer submitted the Pioneer Community Energy Implementation Plan and Statement of Intent ("Implementation Plan") to the California Public Utilities Commission ("CPUC" or "Commission") on July 31, 2017. The Implementation Plan was subsequently certified by the Commission on October 31, 2017. Pioneer subsequently launched the Pioneer Community Energy CCA program ("Pioneer" or "Program") on February 1, 2018 and has been successfully serving customers since that time.

The Pioneer program currently provides electric generation service to approximately 92,700 customers, including a cross section of residential and commercial accounts located within communities of the participating Members. During its operating history, other California municipalities have monitored Pioneer's progress and operational success, evaluating the potential opportunity for membership, which would enable customer choice with respect to electric generation service. Pioneer's Board has been willing to consider organizational growth through selective membership addition(s) to the extent that such growth is expected to benefit Pioneer's existing customer base as well as prospective customers of any new member community(ies). When membership inquiries have been received, Pioneer's leadership has considered several key criteria before advancing activities focused on organizational expansion, including the filing of related revisions/addenda to this Implementation Plan. In particular, any prospective member community must have likeminded and compatible leadership relative to Pioneer's existing Member Agencies, the quantitative assessment of any prospective member must demonstrate expected financial benefits to Pioneer's existing customer base (based on prevailing market prices for requisite energy products at the time of each analysis), and the operational goals of any prospective member must align with Pioneer's foundational principles (including the retention of local control related to energy matters, the ability to offer stable and competitive electric generation rates, and the prospective pursuit of energy-related investments within participating communities). As Pioneer receives new membership requests, Pioneer will evaluate and present, at duly noticed public meetings, the results of such membership expansion assessments to ensure that affected constituents are well informed regarding the potential benefits and consequences of expanding Pioneer's organization and offering CCA service to additional customers. This process was recently observed during the membership assessments of El Dorado County and the City of Placerville. In each case, Pioneer staff completed multiple presentations to the prospective member communities and similarly discussed prospective expansion at duly noticed public meetings of its Governing Board. To the extent that membership evaluations demonstrate favorable results, as defined by Pioneer's Governing Board, and a

prospective member community is added to Pioneer's organization, this Implementation Plan will be revised through a related addendum, which shall highlight key impacts and consequences that are expected to result from the addition of such new community/communities.

In response to public interest and Pioneer's successful operational track record, El Dorado County and the City of Placerville have requested membership in Pioneer Community Energy, and each municipality subsequently adopted the requisite CCA ordinance, enabling the provision of CCA service within each community. Such ordinances, as respectively adopted by El Dorado County and the City of Placerville, are attached hereto as Appendices C and D. As previously noted, Pioneer's Governing Board approved such membership requests at a duly noticed public meeting on December 17, 2020 through the adoption of Resolution No. 2020-25.

This Addendum No. 1 to Pioneer's Implementation Plan ("Addendum No. 1") describes Pioneer's expansion plans related to the inclusion of El Dorado County and the City of Placerville amongst the Member Agencies. Pioneer intends to enroll eligible customers within El Dorado County and the City of Placerville in its CCA Program during or after the month of January 2022, subject to a forthcoming decision by Pioneer's Governing Board and consistent with related requirements reflected in Commission Resolution E-4907, which specifies relevant timing considerations for Implementation Plan filing and subsequent CCA service commencement. According to the Commission, the Energy Division is required to receive and review a revised Pioneer Implementation Plan reflecting pertinent changes and consequences associated with the addition of new Member Agencies. With this in mind, Pioneer has reviewed its Implementation Plan, which was filed with the Commission on July 31, 2017, and has identified certain information that requires updating to reflect the expected impacts associated with organizational expansion to El Dorado County and the City of Placerville. It is also appropriate to update other information at this time, incorporating the most recent available historical electric energy use within Pioneer's existing service territory, market-based information, and other recent operational results. This Addendum No. 1 reflects such changes. Similar to implementation plan addenda filed by other CCA organizations, this document, including references to Pioneer's Implementation Plan (filed with the Commission on July 31, 2017 and certified by the Commission in October 31, 2017), which is incorporated by reference and attached hereto as Appendix E, addresses all requirements identified in Public Utilities Code Section 366.2(c)(4), including universal access, reliability, equitable treatment of all customer classes and any requirements established by state law or by the CPUC concerning aggregated service, while streamlining public review of pertinent changes related to Pioneer's anticipated expansion.

## **CHAPTER 2 – CHANGES TO ADDRESS PIONEER EXPANSION TO EL DORADO COUNTY AND THE CITY OF PLACERVILLE**

As previously noted, this Addendum No. 1 addresses the anticipated impacts of Pioneer's planned expansion to El Dorado County and the City of Placerville, as well as other forecast modifications reflecting recent historical electric energy use within Pioneer's existing service territory. As a result of these member additions, certain assumptions regarding Pioneer's future operations have changed, including customer energy requirements, peak demand, expected

renewable energy purchases, revenues, expenses, and various other items. The following section highlights pertinent changes related to this planned expansion. To the extent that certain details related to membership expansion are not specifically discussed within this Addendum No. 1, Pioneer represents that such information shall remain unchanged relative to the July 31, 2017 Implementation Plan, which was previously certified by the CPUC.

With regard to the defined terms Members and Member Agencies, the following Communities are now signatories to the Pioneer Joint Powers Agreement and represent Pioneer's current membership:

<b>Member Agencies</b>
City of Auburn
City of Colfax
County of El Dorado
City of Lincoln
Town of Loomis
County of Placer
City of Placerville
City of Rocklin

Throughout this document, use of the terms Members and Member Agencies refer to the aforementioned Communities. To the extent that the discussion herein addresses the process of aggregation and Pioneer organization, each of these communities is now a Pioneer Member and the electric customers of such jurisdictions have been or will be offered CCA service consistent with the phase-in schedule described below.

#### ***Aggregation Process***

Pioneer's aggregation process was discussed in Chapter 2 of Pioneer's July 31, 2017 Implementation Plan. The following verbiage is added to the bottom of the first sub-section, "Introduction", of Chapter 2:

Since Pioneer commenced service on February 1, 2018, additional communities have requested membership in Pioneer's organization, including El Dorado County and the City of Placerville. The impacts of these prospective member additions were evaluated with results communicated at various public meetings. Based on the results of such evaluations and subsequent actions taken by Pioneer's Governing Board, El Dorado County and the City of Placerville were added as Member Agencies. Future membership requests will be similarly evaluated before related action is taken by Pioneer's Governing Board.

The following verbiage shall replace the first sentence in the second sub-section, "Process of Aggregation", of Chapter 2:

Pioneer successfully launched its CCA Program on February 1, 2018 after meeting applicable statutory requirements and in consideration of planning elements described in its Implementation Plan. At this point in time, Pioneer plans to expand agency membership to include El Dorado County and the City of Placerville, which have requested to be Pioneer members. Such requests were subsequently approved by Pioneer's Governing Board at a duly noticed public meeting on December 17, 2020. Before a new customer is enrolled in the CCA Program, such customer will receive two written notices in the mail from Pioneer that will provide information needed to understand the CCA Program's terms and conditions of service and explain how customers can opt-out of the CCA Program, if desired.

### ***Program Enrollment***

Program phase-in was discussed in Chapter 5 of Pioneer's Implementation Plan. Chapter 5 is replaced in its entirety with the following verbiage:

Pioneer will continue to phase-in customers of its CCA Program as communicated in this Implementation Plan. To date, two phases have been successfully implemented with a third phase expected to commence in January 2022, including service commencement to customers located within El Dorado County and the City of Placerville, as reflected in the following table.

<b>Pioneer Phase No.</b>	<b>Status &amp; Description of Phase</b>	<b>Implementation Date</b>
<b>Phase 1: 78,000 Accounts</b>	<b>Complete:</b> Residential, commercial, agricultural, and street lighting accounts within the Cities of Auburn, Colfax, Lincoln, Rocklin, Town of Loomis, and the Unincorporated areas of Placer County	February 2018
<b>Phase 2: 14,000 Accounts</b>	<b>Complete:</b> Additional net energy metered accounts enrolled bimonthly in accordance with annual NEM true-up periods, within Pioneer's original Member Agencies	July 2018 - July 2019
<b>Phase 3: 68,000 Accounts</b>	<b>Pending Implementation Plan Certification:</b> Residential, commercial, agricultural, and street lighting accounts within El Dorado County and the City of Placerville	January 2022 (planned)

Following completion of Phase 3 customer enrollments, Pioneer expects to serve a customer base of approximately 161,000 accounts. Pioneer's Governing Board may evaluate other phase-in options based on future market conditions, statutory requirements, and regulatory considerations as well as other factors potentially affecting the integration of additional customer accounts. To the extent that additional customers require enrollment after the completion of Phase 3, Pioneer will evaluate subsequent phase-in options after such remaining customers have been identified.

### ***Load Forecast & Resource Plan***

With regard to Pioneer's resource plan overview, which is addressed in Chapter 6, Load Forecast & Resource Plan, Pioneer adds the following paragraphs within the sub-section titled "Resource Plan Overview":

SB 255 (2019) added Section 366.2(c)(3)(H), which requires community choice aggregators to include in their implementation plans "[t]he methods for ensuring procurement from small, local, and diverse business enterprises in all categories, including, but not limited to, renewable energy, energy storage system [sic], and smart grid projects." As a public agency, Pioneer is prohibited by Article 1, Section 31 of the California Constitution from granting any preferential treatment to "any individual group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting." While these restrictions prevent Pioneer from "ensuring" procurement from certain diverse businesses, Pioneer remains committed to local economic development, and has taken several steps to diversify its procurement to the extent possible. Pioneer will continue to build its strategy and consider new methods for diversifying its procurement as appropriate.

As appropriate, Pioneer will engage with the diverse business community in its service area and statewide, to inform businesses of the benefits of certification as a diverse business, as well as upcoming Requests for Proposals and other solicitations. While Pioneer cannot give any preference in the selection process to any business on the basis of race, sex, color, ethnicity, or national origin, Pioneer can ensure that diverse businesses are aware of upcoming contract opportunities.

Pioneer will, to the extent possible and reasonable, consider preferences for procurement from diverse business categories that are not prohibited, including but not limited to small and/or local businesses and businesses owned by disabled veterans or lesbian, gay, bisexual and/or transgender individuals ("LGBT"). Pioneer will consider parallel preferences for prime contractors that demonstrate an intent to contract with diverse subcontractors, as permitted by law.

### ***Sales Forecast***

With regard to Pioneer's sales forecast, which is addressed in Chapter 6, Load Forecast & Resource Plan, Pioneer assumes that total annual retail sales will increase to approximately 1,865 GWh following the completion of Phase 3 expansion. The following tables reflect the impacts of planned expansion related to Pioneer's new Member Agencies, which include the recent additions of El Dorado County and the City of Placerville, and replace all previous load forecast and resource planning tables within Chapter 6.

## Chapter 6, Resource Plan Overview

Pioneer Community Energy Proposed Resource Plan (GWh) 2018 to 2027										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Pioneer Demand (GWh)</b>										
Retail Demand	-927	-1,089	-1,125	-1,120	-1,869	-1,882	-1,901	-1,910	-1,921	-1,933
Distributed Generation	0	0	0	0	2	4	6	8	10	11
Energy Efficiency	0	0	0	0	2	5	9	9	10	10
Losses and UFE	-56	-65	-68	-67	-112	-112	-113	-114	-114	-115
<b>Total Demand</b>	<b>-982</b>	<b>-1,154</b>	<b>-1,193</b>	<b>-1,187</b>	<b>-1,976</b>	<b>-1,986</b>	<b>-1,999</b>	<b>-2,006</b>	<b>-2,016</b>	<b>-2,026</b>
<b>Pioneer Supply (GWh)</b>										
<u>Renewable Resources</u>										
Generation	0	0	0	0	0	0	0	0	0	0
Power Purchase Contracts	304	358	394	400	716	770	826	880	936	992
<b>Total Renewable Resources</b>	<b>304</b>	<b>358</b>	<b>394</b>	<b>400</b>	<b>716</b>	<b>770</b>	<b>826</b>	<b>880</b>	<b>936</b>	<b>992</b>
<u>Conventional Resources</u>										
Generation	0	0	0	0	0	0	0	0	0	0
Power Purchase Contracts	678	796	799	787	1,260	1,216	1,173	1,126	1,080	1,034
<b>Total Conventional Resources</b>	<b>678</b>	<b>796</b>	<b>799</b>	<b>787</b>	<b>1,260</b>	<b>1,216</b>	<b>1,173</b>	<b>1,126</b>	<b>1,080</b>	<b>1,034</b>
<b>Total Supply</b>	<b>982</b>	<b>1,154</b>	<b>1,193</b>	<b>1,187</b>	<b>1,976</b>	<b>1,986</b>	<b>1,999</b>	<b>2,006</b>	<b>2,016</b>	<b>2,026</b>
<b>Energy Open Position (GWh)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Chapter 6, Customer Forecast

Pioneer Community Energy Retail Service Accounts (End of Year) 2018 to 2027										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Pioneer Customers</b>										
Residential	74,845	80,349	81,237	81,643	142,589	143,302	144,018	144,739	145,462	146,190
Commercial & Industrial	9,662	9,931	9,833	9,882	16,572	16,655	16,738	16,822	16,906	16,991
Street Lighting & Traffic	1,141	1,124	1,141	1,147	577	580	583	586	589	592
Ag & Pumping	443	460	489	491	1,823	1,832	1,841	1,850	1,860	1,869
<b>Total</b>	<b>86,091</b>	<b>91,864</b>	<b>92,700</b>	<b>93,164</b>	<b>161,561</b>	<b>162,369</b>	<b>163,181</b>	<b>163,997</b>	<b>164,817</b>	<b>165,641</b>

## Chapter 6, Sales Forecast

Pioneer Community Energy Energy Requirements (GWh) 2018 to 2027										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Pioneer Energy Requirements (GWh)</b>										
Retail Demand	927	1,089	1,100	1,120	1,869	1,882	1,901	1,910	1,921	1,933
Distributed Generation	0	0	0	0	-2	-4	-6	-8	-10	-11
Energy Efficiency	0	0	0	0	-2	-5	-9	-9	-10	-10
Losses and UFE	56	65	66	67	112	112	113	114	114	115
<b>Total Load Requirement</b>	<b>982</b>	<b>1,154</b>	<b>1,167</b>	<b>1,187</b>	<b>1,976</b>	<b>1,986</b>	<b>1,999</b>	<b>2,006</b>	<b>2,016</b>	<b>2,026</b>

## Chapter 6, Capacity Requirements

Pioneer replaces the second paragraph of the “Capacity Requirements” sub-section of Chapter 6 as follows:

A portion of Pioneer’s capacity requirements must be procured from the Greater Bay Area (local reliability area), as defined by the CAISO, and another portion must be procured from local reliability areas outside the Greater Bay Area. Pioneer is required to demonstrate that it has secured physical capacity equivalent to 100 percent of its local resource adequacy obligation across all months in an upcoming two-year period, which includes the prompt compliance year as well as the year immediately following, as well as 50 percent of applicable local resource adequacy obligations (across all months) in the year thereafter (the second year following the prompt compliance year). However, due to the CPUC implementing the Central Procurement Entity (“CPE”), Pioneer will only be assigned monthly local resource adequacy requirements through 2022, but no such obligation will exist thereafter, as the CPE will assume responsibility for such procurement activities in 2023 and beyond. The local capacity requirement reflects a percentage of the total local capacity requirements (within PG&E’s service area) adopted by the CPUC based on Pioneer’s forecasted peak load. Pioneer must demonstrate compliance or request a compliance waiver (from the CPUC) in cases where local capacity is not available.

<b>Pioneer Community Energy Capacity Requirements (MW) 2018 to 2027</b>										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Demand (MW)</b>										
Total Retail Demand	260	249	260	301	449	451	453	456	458	460
Losses and UFE	2	15	16	18	27	27	27	27	27	28
<b>Total Net Peak Demand</b>	<b>276</b>	<b>264</b>	<b>276</b>	<b>319</b>	<b>476</b>	<b>478</b>	<b>480</b>	<b>483</b>	<b>485</b>	<b>488</b>
 <b>Reserve Requirement (%)</b>	 15%	 15%	 15%	 15%	 15%	 15%	 15%	 15%	 15%	 15%
<b>Capacity Reserve Requirement</b>	<b>41</b>	<b>40</b>	<b>41</b>	<b>48</b>	<b>71</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>73</b>	<b>73</b>
<b>Capacity Requirement Including Reserve</b>	<b>317</b>	<b>304</b>	<b>317</b>	<b>367</b>	<b>547</b>	<b>550</b>	<b>552</b>	<b>555</b>	<b>558</b>	<b>561</b>

<b>Pioneer Community Energy Local Capacity Requirements (MW) 2018 to 2022</b>					
	2018	2019	2020	2021	2022
<b>Pioneer Peak (MW)</b>	<b>276</b>	<b>264</b>	<b>276</b>	<b>319</b>	<b>476</b>
<b>Local Capacity Requirement (% of Peak)</b>	<b>35%</b>	<b>40%</b>	<b>39%</b>	<b>42%</b>	<b>34%</b>
<b>Greater Bay Area Share of Local Capacity Requirement (%)</b>	<b>34%</b>	<b>39%</b>	<b>39%</b>	<b>49%</b>	<b>35%</b>
<b>Other PG&amp;E Areas Share of Local Capacity Requirement (%)</b>	<b>66%</b>	<b>61%</b>	<b>61%</b>	<b>51%</b>	<b>65%</b>
<b>Pioneer Local Capacity Requirement Greater Bay Area (MW)</b>	<b>33</b>	<b>41</b>	<b>42</b>	<b>65</b>	<b>57</b>
<b>Pioneer Local Capacity Requirement Other PG&amp;E Areas (MW)</b>	<b>64</b>	<b>64</b>	<b>66</b>	<b>68</b>	<b>106</b>
<b>Pioneer Local Capacity Requirement, Total (MW)</b>	<b>97</b>	<b>105</b>	<b>108</b>	<b>133</b>	<b>162</b>

## Chapter 6, Renewables Portfolio Standards Energy Requirements

Pioneer replaces the second paragraph of the “Basic RPS Requirements” sub-section of Chapter 6 as follows:

Pioneer acknowledges pertinent updates to its procurement obligations as defined by Senate Bill 350 (“SB 350”) and Senate Bill 100 (“SB 100”), and has adjusted planning and procurement efforts accordingly. SB 350 was signed into law in 2017, pertaining to utility operations in 2021 and beyond. SB350 formally defined three new compliance periods (CP4, 2021-2024; CP5 2025-2027; and CP6, 2028-2030), and increased long-term RPS contracting requirements to 65% of specified procurement obligations. SB350 also increased California’s overall RPS procurement target to 50% by 2030, which was subsequently increased to 60% by 2030 by SB 100 in 2018. The following table reflects updated projections in consideration of these procurement mandates as well as this planned expansion.

Pioneer Community Energy RPS Requirements (MWh) 2018 to 2027										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total Retail Sales (MWh)*	926,829	1,089,009	1,125,222	1,119,757	1,864,441	1,873,518	1,886,174	1,892,617	1,902,080	1,911,590
RPS Procurement Quantity Requirement (%)	29%	31%	33%	36%	38%	41%	44%	47%	49%	52%
Gross RPS Procurement Quantity Requirement (MWh)	268,780	337,593	371,323	399,753	715,945	770,016	826,144	880,067	935,823	992,115

\*Retail sales, net of distributed generation and energy efficiency impacts.

### Financial Plan

With regard to Pioneer’s financial plan, which is addressed in Chapter 7, Financial Plan, Pioneer has updated its expected operating results, which now include projected impacts related to service expansion within El Dorado County and the City of Placerville. The following table reflects updated operating projections in consideration of this planned expansion.

## Chapter 7, CCA Program Operating Results

Pioneer Community Energy Summary of CCA Program Phase-In (January 2018 through December 2027)										
CATEGORY	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
I. REVENUES FROM OPERATIONS (\$)										
ELECTRIC SALES REVENUE	24,489	71,489	77,538	78,406	107,861	141,419	142,334	142,845	143,559	144,277
LESS UNCOLLECTIBLE ACCOUNTS	122	357	388	392	589	707	712	714	718	721
TOTAL REVENUES	24,611	71,846	77,925	78,798	108,400	142,126	143,046	143,559	144,277	144,999
II. COST OF OPERATIONS (\$)										
(A) ADMINISTRATIVE AND GENERAL (A&G)										
STAFFING	67	630	721	2,082	2,293	2,293	2,293	2,293	2,304	2,316
CONTRACT SERVICES	2,643	2,736	3,445	3,274	3,495	4,099	4,113	4,127	4,147	4,168
OTHER A&G	339	1,002	810	1,411	1,550	1,894	1,902	1,909	1,918	1,928
SUBTOTAL A&G	3,048	4,367	4,976	6,767	7,338	8,285	8,308	8,329	8,370	8,412
(B) COST OF ENERGY	15,449	63,195	63,933	66,656	95,014	120,563	122,915	123,881	125,120	126,371
(C) DEBT SERVICE	3,583	715	4,317	3,879	3,784	3,688	-	-	-	-
TOTAL COST OF OPERATION	22,081	68,278	73,226	77,302	106,136	132,637	131,223	132,210	133,490	134,783
CCA PROGRAM SURPLUS/(DEFICIT)	2,531	3,568	4,700	1,495	2,264	9,489	11,823	11,350	10,787	10,215



***Expansion Addendum Appendices***

Appendix A: Pioneer Community Energy Resolution No. 20-25

Appendix B: Pioneer Joint Powers Agreement

Appendix C: El Dorado County CCA Ordinance

Appendix D: City of Placerville CCA Ordinance

Appendix E: Pioneer Community Energy Implementation Plan and Statement of Intent (July 31, 2017)

Appendix F: Pioneer Community Energy Resolution No. 20-26

# Before the Pioneer Community Energy Board, State of California

**In the matter of:** A RESOLUTION APPROVING  
AMENDMENT NO. 1 TO THE AMENDED AND  
RESTATED JOINT EXERCISE OF POWERS  
AGREEMENT FOR PIONEER COMMUNITY ENERGY  
EXPANDING PIONEER COMMUNITY ENERGY JOINT  
POWERS AUTHORITY MEMBERSHIP.

Resolution No.: 2020-25

The following Resolution was duly passed by the Pioneer Community Energy Board at a regular meeting held December 17, 2020, by the following vote on roll call:

AYES: Duncan, Karleskint, Burress, Dowdin Cavillo, Uhler, Holmes, Janda.

NOES: None.

ABSENT: None.

Signed and approved by me after its passage.

  
Chair, Board of the Governing Board

Attest:

  
Secretary

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**WHEREAS**, the Sierra Valley Energy Authority was established on September 9, 2015, between the County of Placer and the City of Colfax; and

**WHEREAS**, the Sierra Valley Energy Authority was originally created for the purpose of providing a financing conduit and program expansion platform for the mPOWER Program; and

**WHEREAS**, counties and cities have the power under California law to aggregate electric load, to purchase and supply electricity for themselves and customers within their jurisdictions, by providing a Community Choice Aggregation Program, pursuant to California Public Utilities Code Sections 331.1 and 366.2; and

**WHEREAS**, the Amended and Restated Joint Exercise of Power Agreement for the Sierra Valley Energy Authority (the "Amended and Restated JPA") became effective on February 22, 2017; and

**WHEREAS**, the Amended and Restated JPA allowed for the establishment of a Community Choice Aggregation Program (the "CCA") within the jurisdictions of the Voting Members and authorized the Cities of Auburn, Lincoln, Rocklin, and the Town of Loomis to become Voting Members; and

**WHEREAS**, on July 17, 2017 the Governing Board of the Sierra Valley Energy Authority took action to rename and brand Sierra Valley Energy Authority as Pioneer Community Energy ("Pioneer"); and

**WHEREAS**, both El Dorado County and the City of Placerville expressed a desire to join Pioneer for the purpose of participating in Pioneer's Community Choice Aggregation Program ("CCA Program"); and

**WHEREAS**, the Placerville City Council and El Dorado County Board of Supervisors both took appropriate steps toward offering CCA service within their respective communities, adopting requisite resolutions and ordinances at duly noticed meeting of the municipalities' governing councils; and

**WHEREAS**, an impact assessment was performed to analyze the feasibility of expanding Pioneer's CCA Program service territory into unincorporated El Dorado County and the City of Placerville, the results of which showed such an expansion to be beneficial to both existing Pioneer ratepayers, and potential ratepayers in El Dorado County and the City of Placerville; and

**WHEREAS**, each existing Voting Member has adopted respective resolutions approving Amendment No. 1 to the Amended and Restated JPA to provide for El Dorado County and the City of Placerville to become Voting Members pursuant to the requirements of the Amended and Restated JPA; and

**WHEREAS**, the Board of Supervisors of the County of El Dorado and the City Council of the City of Placerville have adopted respective resolutions approving the Amended and Restated JPA and Amendment No. 1 to the Amended and Restated JPA; and

**WHEREAS**, pursuant to section 8 of the Amended and Restated JPA, an amendment requires an affirmative vote of at least two-thirds of the Pioneer Board Members; and

**WHEREAS**, Pioneer provided written notice to each Voting Member 30 days prior to the date the Pioneer Board intended to vote on an amendment to the Amended and Restated JPA as required by section 19 of the Amended and Restated JPA; and

**WHEREAS**, to these ends, the Pioneer Board desires to approve Amendment No. 1 to the Amended and Restated JPA to provide for El Dorado County and the City of Placerville to become Voting Members under the Amended and Restated JPA for Pioneer Community Energy conditioned on and effective upon receipt of certification of Addendum No. 1 to the Implementation Plan and Statement of Intent from the California Public Utilities Commission.

**BE IT RESOLVED**, the Board of Pioneer Community Energy, State of California, hereby finds, declares, and resolves as follows:

1. The above recitals are true and correct.
2. This Amendment No. 1 to the Amended and Restated Joint Exercise of Powers Agreement for Pioneer Community Energy provides for admission of El Dorado County and the City of Placerville as Voting Members.

3. The City Council hereby approves Amendment No. 1 to the Amended and Restated Joint Powers Agreement for Pioneer Community Energy under the Joint Powers Law, in the form attached hereto as Exhibit A. The Chair is hereby authorized and directed to execute Amendment No. 1 to the Amended and Restated Joint Powers Agreement for Pioneer Community Energy in the name and on behalf of the Board.
4. This Resolution shall take effect upon receipt of certification of Addendum No. 1 to the Implementation Plan and Statement of Intent from the California Public Utilities Commission.

Exhibit: Amendment No. 1 to the Amended and Restated JPA

**AMENDMENT NO. 1 TO THE AMENDED AND RESTATED JOINT EXERCISE  
OF POWERS AGREEMENT FOR PIONEER COMMUNITY ENERGY  
[FORMERLY SIERRA VALLEY ENERGY]**

THIS AMENDMENT (hereafter "Amendment") amends the Amended and Restated Joint Exercise of Powers Agreement (hereafter "Amended and Restated JPA") with the effective date of February 22, 2017 which was by and between the COUNTY OF PLACER, the CITY OF AUBURN, the CITY OF COLFAX, the CITY OF LINCOLN, the TOWN OF LOOMIS, and the CITY OF ROCKLIN, all public entities of the State of California. By this Amendment it becomes the Joint of Exercise of Powers Agreement by and between the COUNTY OF PLACER, the CITY OF AUBURN, the CITY OF COLFAX, the TOWN OF LOOMIS, the CITY OF LINCOLN, the CITY OF ROCKLIN, and the County of El Dorado and the City of Placerville who become signatories to this Amendment (the "New Voting Members", and together with the COUNTY OF PLACER, the CITY OF AUBURN, the CITY OF COLFAX, the CITY OF LINCOLN, the TOWN OF LOOMIS, and the CITY OF ROCKLIN, the "Voting Members"), as well as those local agencies that become signatories to this Amendment as Associate Members, and related to the joint exercise of powers among all of the signatories hereto either as Voting Members or Associate Members (hereafter collectively referred to as the "Members").

WHEREAS, on September 9, 2015 the COUNTY OF PLACER and the CITY OF COLFAX entered into a Joint Exercise of Powers Agreement (hereafter "Original JPA") for the purpose of providing a financing conduit program expansion platform for the mPOWER Program; and

WHEREAS, the Amended and Restated JPA became effective on February 22, 2017 and authorized the Cities of Auburn, Lincoln, Rocklin, and the Town of Loomis to become Voting Members; and

WHEREAS, one of the primary purposes of the Amended and Restated JPA was to allow for the establishment of a Community Choice Aggregation Program within the jurisdictions of the Voting Members; and

WHEREAS, Resolution No. 2017-3 of the Sierra Valley Energy Authority approved a name change from Sierra Valley Energy Authority to Pioneer Community Energy, as it is known today; and

WHEREAS, the Voting Members wish to amend the Amended and Restated JPA a first time to add the County of El Dorado and the City of Placerville as Voting Members.

NOW, THEREFORE, IT IS MUTUALLY AGREED THAT THE FOLLOWING CHANGES AND ADDITIONS ARE HEREBY MADE IN THE AMENDED AND RESTATED JOINT POWERS AGREEMENT:

1. Section 5.A shall be replaced by the following:

## Section 5. Governance and Internal Organization

- A. Governing Board. The governing body of the Authority shall consist of up to a nine (9) person Board, consisting of two (2) members of the Placer County Board of Supervisors, and one (1) member each appointed by the El Dorado County Board of Supervisors, the Cities of Auburn, Colfax, Rocklin, Lincoln, Placerville and the Town of Loomis that becomes a signatory to this Agreement ("Board Member").

The Board of Supervisors from Placer County, the Board of Supervisors from El Dorado County, and the City/Town Councils set out above shall respectfully appoint such member(s) and not less than one alternate member. The term of office of each Board Member and respective alternate may be terminated at any time by the appointing Board of Supervisors or City/Town Council. The designated alternate shall have authority to attend, participate, and vote at any meeting of the Board or committee whenever the regular member, for whom they are designated to act as an alternate, is absent from the meeting.

2. Section 10.D shall be replaced by the following:

## Section 10. Implementation Action and Authority Documents

- D. Implementation Plan and Statement of Intent. The Authority shall cause to be prepared an Implementation Plan and Statement of Intent meeting the requirements of California Public Utilities Code Section 366.2 and any applicable California Public Utilities Commission regulations. The Implementation Plan and Statement of Intent shall specify the service territory of the CCA to be within the boundaries of the Member jurisdictions that have taken the actions specified in A and B above. The Implementation Plan and Statement of Intent shall not be filed with the California Public Utilities Commission until it is approved by the Board in the manner provided in Section 5.

If a City or County adopts an ordinance and resolution pursuant to A and B above, expressing its desire to become a Member to this Agreement subsequent to the filing of the then most recently filed Implementation Plan and Statement of Intent, the Board shall direct the preparation and filing of a new or amended Implementation Plan and Statement of Intent to include the territory of the County or City as soon as reasonably practicable. The Board may require the County or City to pay the cost of preparation and submission of the Implementation Plan and Statement of Intent. Upon California Public Utilities Commission certification of the new or amended Implementation Plan and Statement of Intent, the Board shall take action to approve membership of the County or City. The County or City shall then be entitled to all rights under this Agreement, including a seat on the Board and voting rights pursuant to Section 5.A and Section 8.

3. Counterparts.

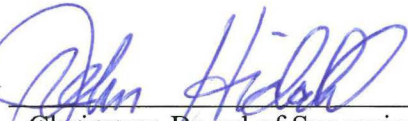
This Amendment may be executed in counterparts and be as valid and binding as if each Member signed the same copy. A faxed or scanned copy of the executed signature page shall be sufficient to cause the terms of this Amendment to become fully operative. The effective date of this Amendment shall be the date it is approved by the Pioneer Board.

IN WITNESS WHEREOF, the Voting Members have executed this Amendment No. 1 to the Amended and Restated Joint Powers Agreement for Pioneer Community Energy.

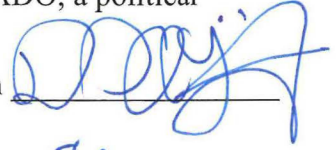
EXECUTED ON

COUNTY OF EL DORADO, a political  
subdivision

By

  
Chairman, Board of Supervisors  
John Hidahl, First Vice Chair

And approved as to form



ATTEST:



**SIGNATURES CONTINUED ON NEXT PAGE**

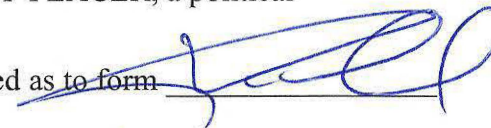


EXECUTED ON

COUNTY OF PLACER, a political  
subdivision

By

  
Chairman, Board of Supervisors

And approved as to form 

ATTEST:



**SIGNATURES CONTINUED ON NEXT PAGE**



EXECUTED ON

By  Auburn  
Mayor, City Council

CITY OF AUBURN, a Municipal Corporation

And approved as to form Mary Bell

ATTEST:

Amy Lind, City Clerk

**SIGNATURES CONTINUED ON NEXT PAGE**

EXECUTED ON

By

\_\_\_\_\_  
Mayor, City Council

CITY OF COLFAX, a Municipal Corporation  
And approved as to form \_\_\_\_\_


ATTEST: \_\_\_\_\_


**SIGNATURES CONTINUED ON NEXT PAGE**

EXECUTED ON

CITY OF LINCOLN, a Municipal Corporation

And approved as to form 12/15/20

By   
Mayor, City Council

ATTEST:  


**SIGNATURES CONTINUED ON NEXT PAGE**

EXECUTED ON December 11, 2020 CITY OF PLACERVILLE, a Municipal Corporation

By Michael Sarmago  
Mayor, City Council

And approved as to form John Driscoll  
P.P. & S.

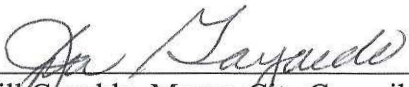
ATTEST:  
C. A. Strawn

**SIGNATURES CONTINUED ON NEXT PAGE**

EXECUTED ON

CITY OF ROCKLIN, a Municipal Corporation

And approved as to form:

By   
Jill Gayaldo, Mayor, City Council

  
Sheri Chapman, City Attorney

ATTEST:

  
Hope Ithurnburn, City Clerk

**SIGNATURES CONTINUED ON NEXT PAGE**

EXECUTED ON

By Jim Clark - Clerk  
Mayor, Town Council

TOWN OF LOOMIS, a Municipal Corporation

And approved as to form \_\_\_\_\_

ATTEST:

Crickitt Strick

**BEFORE THE BOARD OF SUPERVISORS  
COUNTY OF PLACER, STATE OF  
CALIFORNIA**

In the matter of:

Resolution No.: 2015-175

RESOLUTION OF THE COUNTY OF  
PLACER AUTHORIZING THE  
EXECUTION OF A JOINT EXERCISE  
OF POWERS AGREEMENT WITH THE  
CITY OF COLFAX, ESTABLISHING  
THE SIERRA VALLEY ENERGY  
AUTHORITY

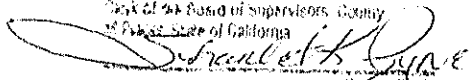
The following Resolution was duly passed by the Board of Supervisors of the County  
of Placer at a regular meeting held on 8/18/15, by the following vote on roll call:

Ayes: DURAN, WEYGANDT, MONTGOMERY, UHLER

THE FOREGOING RESOLUTION IS A CORRECT  
COPY OF THE ORIGINAL FILED IN THIS OFFICE  
ATTEST

Noes: NONE

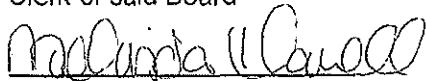
Absent: HOLMES

CHAIRMAN  
Board of Supervisors, County  
of Placer, State of California  
  
Doreen Clark

Signed and approved by me after its passage.

  
Chairman, Board of Supervisors

Attest:  
Clerk of said Board



THE BOARD OF SUPERVISORS (THIS "BOARD") OF THE COUNTY OF  
PLACER (THE "COUNTY"), STATE OF CALIFORNIA (THE "STATE"), DOES  
HEREBY RESOLVE THAT:

WHEREAS, the County is a political subdivision of the State, organized and  
existing pursuant to the Constitution and laws of the State; and

**WHEREAS**, the County and City of Colfax (the "**City**") have proposed forming a joint powers authority under the provisions of Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "**Joint Powers Law**"), for the purpose of providing assistance to the County and City, and any other public agencies that become members of the joint powers authority from time to time in accordance with the Agreement (as defined below) (collectively, the "**Members**"), with the development and implementation of public and private sector energy and resource development and conservation programs under which local water, energy and economic development needs and goals will be determined, and infrastructure programs will be planned, developed and administered, and with the financing and refinancing of capital improvement projects of the Members and the financing of working capital for the Members; and

**WHEREAS**, to that end, this Board wishes at this time to approve the execution and delivery of a Joint Exercise of Powers Agreement (the "**Agreement**") by and between the County and City, establishing the Sierra Valley Energy Authority as a joint powers authority under the Joint Powers Law;

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

SECTION 1. This Board hereby specifically finds and declares that the actions authorized hereby constitute, and are with respect to, public affairs of the County, and that the statements, findings and determinations of the County set forth in the preambles above and of the documents approved herein are true and correct.

SECTION 2. Establishment of Sierra Valley Energy Authority. This Board hereby approves the establishment of the Sierra Valley Energy Authority (the "**Authority**") under the Joint Powers Law, pursuant to the Agreement, in the form on file with the Clerk of the Board of Supervisors. Any member of this Board is hereby authorized and directed to execute, and the Clerk of the Board of Supervisors is hereby authorized and directed to attest and affix the seal of the County to, the Agreement in the name and on behalf of the County.

SECTION 3. Authorization to Make Necessary Filings. The firm of Jones Hall, A Professional Law Corporation, as bond counsel to the County, is hereby authorized



and directed to cause to be prepared, executed and filed any and all reports, statements and other documents as may be required in order to implement the establishment of the Authority.

SECTION 4. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

**JOINT EXERCISE OF POWERS AGREEMENT  
FOR THE ESTABLISHMENT OF THE  
SIERRA VALLEY ENERGY AUTHORITY**

THIS Joint Exercise of Powers Agreement (hereafter "Agreement"), effective as of the date set forth in Section 3, by and between the COUNTY OF PLACER, a political subdivision of the State of California (the "County") and the CITY OF COLFAX, a general law city and municipal corporation (the "City"), establishes the SIERRA VALLEY ENERGY AUTHORITY (the "Authority").

RECITALS:

- A. Whereas, each of the parties to this Agreement has a vested interest in clean energy growth and development, resource conservation and the economic well-being of its respective jurisdiction and the region as a whole; and,
- B. Whereas, each of the parties to this Agreement desires to enter into this Agreement to provide for assistance with programs that foster clean energy growth and development, resource conservation and the economic well-being of its respective jurisdiction and the region as a whole.

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions herein, the parties hereto agree to establish a joint powers authority as follows:

Section 1. Parties: Authority for this Joint Exercise of Powers Agreement

The parties to this Agreement shall be the County, the City and each public agency that has executed or hereafter executes this Agreement, or any addenda, amendment, or supplement thereto and agrees to become a party to this Agreement, and which has not, pursuant to provisions hereof, withdrawn therefrom. Only the parties identified in this section and Associate Members approved under Section 4 of this Agreement, if any, shall be considered contracting parties to this Agreement under Government Code section 6502, provided that the rights of any Associate Member under this Agreement shall be limited solely to those rights expressly set forth in a PACE Agreement authorized in Section 4 of this Agreement.

This Agreement is made pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, commencing with Section 6500 (the "Act") and relates to the joint exercise of power common to the parties to this Agreement and the exercise of additional powers granted under the Act.

Section 2. Creation of Authority

The Authority is hereby created as an authority and public entity under the Act. As provided in the Act, the Authority shall be a public entity separate from the parties to this Agreement. The debts, liabilities and obligations of the Authority shall not constitute

debts, liabilities or obligations of the parties to this Agreement.

Within 30 days after the effective date of this Agreement or any amendment hereto, the Authority will cause a notice of this Agreement or amendment to be prepared and filed with the office of the Secretary of State of the State in the manner set forth in sections 6503.5 of the Act. Such notice shall also be filed with the office of the Controller of the State.

## Section 2. Purpose of Agreement

The purpose of the Agreement is to create a separate public entity to provide assistance to the parties to this Agreement with the development and implementation of public and private sector energy and resource development and conservation programs under which local water, energy and economic development needs and goals will be determined, and infrastructure programs will be planned, developed and administered, and with the financing and refinancing of capital improvement projects of the parties to this Agreement and the financing of working capital for the parties to this Agreement.

## Section 3. Term

This Agreement shall become effective upon execution by all of the parties hereto and shall continue in full force and effect until terminated in the manner herein provided.

## Section 4. Powers

The Authority shall have any and all common powers of the parties to this Agreement, and the powers separately conferred by law upon the Authority. All such powers, whether common to the parties or separately conferred by law upon the Authority, are specified as powers of the Authority except any such powers that are specifically prohibited to the Authority by applicable law. The Authority's exercise of its powers is subject to the restrictions upon the manner of exercising the powers of the City.

The Authority is hereby authorized, in its own name, to do all acts necessary for the exercise of said powers, including, but not limited to, any or all of the following:

- A. Develop and implement comprehensive energy and resource development and conservation programs within the jurisdiction of the parties to this Agreement under which local energy needs and goals will be determined by input from the parties to this Agreement, and with assistance of energy development and resource conservation programs, through which energy and infrastructure programs and enterprises will be planned, conducted, evaluated and implemented.
- B. Act as grant recipient, fiscal agent and administrative entity for any available federal, state, local or private sector programs, and disburse and account for funds so received.
- C. Make and enter into contracts necessary for day to day operation of the Authority, employ agents and employees, including contracts for the

services of engineers, attorneys, planners, financial and energy industry consultants and other service providers.

- D. Acquire, lease, rent, construct, manage, maintain, hold or dispose of property, real, financial or personal, including buildings, public works or improvements, equipment, material and supplies and other assets.
- E. Incur debts, liabilities, obligations and to issue bonds, and to make and enter into agreements and other documents of any nature whatsoever as may be necessary or convenient in the exercise of the powers provided under the Act. Any bonds, including the principal and any purchase price thereof, and the interest and premium, if any, thereon, shall be special obligations of the Authority payable solely from, and secured solely by, the revenues, funds and other assets pledged therefor under the applicable indentures or similar such agreements, and shall not constitute a charge against the general credit of the Authority. The bonds shall not be secured by a legal or equitable pledge of, or lien or charge upon or security interest in, any property of the Authority or any of its income or receipts except the property, income and receipts pledged therefor under the applicable indentures or similar such agreements. The bonds shall not constitute a debt, liability or obligation of the State or any public agency thereof, including the parties to this Agreement, other than the special obligation of the Authority as described above. Neither the faith and credit nor the taxing power of the State or any public agency thereof, including the parties to this Agreement, shall be pledged to the payment of the principal or purchase price of, or the premium, if any, or interest on the bonds nor shall the State or any public agency or instrumentality thereof, including the parties to this Agreement, in any manner be obligated to make any appropriation for such payment. The approval of the Governing Board shall be required for the Authority to incur debts, liabilities and obligations or to issue bonds, but the approval of the parties to this agreement shall not be required.
- F. Establish and operate one or more programs for the financing and refinancing of distributed generation renewable energy, energy efficiency and water efficiency improvements (each, a "PACE program") pursuant to Chapter 29 of the Improvement Bond Act of 1911, Division 7 of the California Streets and Highways Code or other applicable law, and to enter into one or more agreements, including without limitation, participation agreements, implementation agreements and joint powers agreements and amendments thereto to fulfill such programs both within and outside the jurisdictional boundaries of the Authority.
- G. Establish an "Associate Member" status that provides membership in the Authority to local jurisdictions that are outside the Authority's original jurisdictional boundaries, but within whose boundaries a PACE program will be established and implemented by the Authority. Said local

jurisdictions shall become Associate Members of the Authority by adopting one or more agreements or amendments of this Agreement (the "PACE Agreements") on terms and conditions established by the Authority. The rights of Associate Members shall be limited solely to those terms and conditions expressly set forth in the PACE Agreements for the purposes of implementing the PACE program within their jurisdictional boundaries. Except as expressly provided for by the PACE Agreements, Associate Members shall not have any rights otherwise granted to the members of the Authority by this Agreement, including but not limited to the right to vote, the right to amend this Agreement and the right to sit on committees or boards established under this Agreement.

- H. Monitor, evaluate and take corrective action concerning performance specified in any agreement, and contracts or agreements into which the Authority has entered and evaluate the effectiveness of individual programs.
- I. Adopt, promulgate and enforce such bylaws, rules and regulations as the Authority deems necessary for operation and management of the Authority and implementation of the programs.
- J. Invest any money pursuant to Section 6505.5 of the Act which is not required for the immediate necessities of the Authority, as the Authority determines is advisable in the same manner and upon the same conditions as local agencies, pursuant to Section 53601 of the California Government Code.
- K. Sue or be sued in its own name.

#### Section 5. Governing Body; Officers

- A. Membership. Except as provided below, the Governing Body of the Authority shall be a five (5) member Board, consisting of one member of the Board of Supervisors that is appointed by the Board of Supervisors, the County Executive Officer for the County, one member of the City Council that is appointed by the City Council, the City Manager for the City and the Placer County Treasurer-Tax Collector.

Each of the Board of Supervisors from the County and the City Council from the City shall also appoint not less than one alternate member. The term of office of each Governing Body member and alternate(s) appointed by the Board of Supervisors or the City Council, as applicable, may be terminated by such body at any time.

The designated alternate shall have authority to attend, participate, and vote at any meeting of the Governing Body whenever the regular member, for whom they are designed to act as an alternate, is absent from the meeting.

Immediately upon admission of a new member that is not an Associate Member pursuant to Section 15, such member shall be entitled to appoint two members of the Governing Body.

- B. Quorum. The majority of the members of the Governing Body shall constitute a quorum. No action may be taken by the Governing Body unless a quorum is present and there is an affirmative vote by a majority of the Governing Body members, except that less than a quorum may adjourn a meeting from time to time.
- C. Chairperson. The Chairperson and Vice Chairperson of the Governing Body shall be selected by the Governing Body from its members. The term of office of the Chairperson and Vice Chairperson shall each be one calendar year.
- D. Secretary. The Governing Body shall appoint a Secretary to the Governing Body who shall be the Executive Director of the Authority.
- E. Meetings. All meetings of the Governing Body shall be held subject to the provisions of the Ralph M. Brown Act, Division 2, Chapter 9 of the California Government Code (hereafter, the "Brown Act").
- G. Bylaws. The Governing Body shall adopt bylaws for the conduct of business which shall not be inconsistent with the provisions of this Agreement, and the laws of the State of California.
- H. Officers. The Officers of the Authority shall consist of the Executive Director, the Auditor-Controller and the Treasurer described below and a Secretary appointed by the Board.

#### Section 6. Executive Director and Other Staff

- A. The Governing Body shall be assisted by an Executive Director who shall be appointed by the Governing Body and shall serve at the pleasure of the Governing Body. The Executive Director shall in turn hire and supervise any Authority employees or consultants.
- C. The Governing Body may delegate a contract approval function to the Authority's Executive Director. The Governing Board shall adopt any such delegation by resolution.
- D. The Governing Body may appoint or contract for the services of an independent monitor to review programs operated by the Authority and to report to the Governing Body.

#### Section 7. Auditor-Controller and Treasurer

The Auditor-Controller of the County of Placer shall be the Auditor-Controller of the Authority.

The Placer County Treasurer shall be the Treasurer of the Authority, shall have custody of all monies received by the Authority, and shall:

- A. Receive all funds of the Authority and place them in the Treasury of the County of Placer to the credit of the Authority.
- B. Be responsible upon his or her official bond for safekeeping and disbursement of all money of the Authority so held. The Treasurer and such officer shall file an official bond in the amount of \$ \_\_\_\_\_ as required by section 6505.1 of the Act; provided, that such bond shall not be required if the Authority does not possess or own property or funds with an aggregate value of greater than \$500 (excluding amounts held by a trustee or other fiduciary in connection with any bonds or other debt). The cost of the bond shall be paid by the Authority.
- C. Pay, when due, out of the Authority funds so held, all sums due from the Authority upon presentation of authorization from the Authority.

#### Section 8. Meetings of the Governing Body

- A. The Governing Body shall hold its regular meetings four times a year. It may, by resolution, provide for additional regular meetings, and by act of the President or a majority of the members provide for special meetings.  
  
The date, hour and place of such regular meetings shall be fixed by resolution of the Governing Body.
- B. Meetings may be held by telephonic or other electronic means
- C. All meetings of both the Governing Body shall be called, held, noticed and conducted subject to the provisions of the Brown Act.

#### Section 9. Fiscal Year

For the purposes of this Agreement, the Authority shall have a fiscal year from July 1 to and including the following June 30.

#### Section 10. Records and Reports

The Governing Body, shall establish reporting requirements and direct staff to maintain such reports, including, but not limited to, funds and accounts as may be required by good accounting practice or by law. All books and records of the Authority shall be open to inspection at all reasonable times by any party to this Agreement or its representatives. Annual audits of the Authority's accounts and records shall be made by an independent CPA firm, and reports shall be filed in the manner provided in Section 6505 of the California Government Code.

#### Section 11. Debts, Liabilities and Obligations

The debts, liabilities and obligations of the Authority shall not, under any circumstances, constitute debts, liabilities or obligations incurred by any party under this Agreement. Should any debt, liability or obligation of the Authority not be waived or allowed payable through assets of the Authority, none of the members shall be liable, except as provided by Government Code sections 895 through 895.8.

#### Section 12. Insurance

During the term of this Agreement, the Authority shall maintain general liability insurance coverage, as well as errors and omissions coverage, in a sum not less than \$2 million per occurrence. The insurance shall also contain a written endorsement to such policy or policies which names each of the members that are not Associate Members as additional insureds.

#### Section 13. Right of Withdrawal

Any party to this Agreement may withdraw upon written notice of such withdrawal to the other parties not less than six (6) months prior to the effective withdrawal date therein specified; provided, however, that no such withdrawal shall result in the dissolution of the Authority so long as any debt of the Authority is unpaid.

#### Section 14. Termination of Agreement

This Agreement may be terminated:

- A. Upon the joint actions of the Board of Supervisors and City Council to mutually terminate this Agreement.
- B. Upon withdrawal of such number of parties from this Agreement as to reduce the remaining number of parties to less than two members.

However, no termination of this Agreement shall be effective until the full retirement of any outstanding debt. Any party may fund the retirement of the debt for the purpose of terminating the Authority.

#### Section 15. New Members

With the approval of two-thirds (2/3rds) of the Governing Body, any qualified public agency (as defined by Section 6500 of the JPA law) may become a party of this Agreement. A party to this Agreement may be a voting member or an Associate Member. A public agency requesting membership may apply by presenting to the Authority a certified resolution of the public agency approving of this Agreement and, with respect to Associate Members, any related PACE Agreements. The date and terms upon which the applying public agency will become a member will be determined by the Governing Body.



#### Section 16. Termination of Powers

The Authority shall continue to exercise the powers herein conferred upon it until termination of this Agreement, and thereafter shall continue to exercise only such powers as to enable it to pay and discharge all costs, expenses, and charges legally incurred hereunder, and to dispose of, divide and distribute any property required as a result of the joint exercise of such powers.

#### Section 17. Disposition of Assets; Property and Money

Upon termination of this Agreement under Section 14, all costs, expenses, and charges legally incurred by the Authority shall be paid and discharged; and the Authority shall sell such property as may be necessary and shall distribute to the federal or State government such property and funds as are lawfully required; the balance of such property and any surplus money on hand shall be distributed or returned in proportion to contributions made by the affected parties except to the extent otherwise agreed upon by the affected parties.

#### Section 18. Amendments

This Agreement may be amended at any time by the written agreement of the parties to this Agreement. Notwithstanding the foregoing, (a) any amendment required to add a new member that is not an Associate Member shall only be executed by the new member and the members of the Authority that are not Associate Members and (b) any amendment required to add a new member that is an Associate Member shall only be executed by the new member and the Authority.

#### Section 19. Advances

Contributions or advances of public funds and of personnel, equipment or property may be made to the Authority by the members for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution. Any such advance made in respect of a revenue-producing facility shall be made subject to repayment, and shall be repaid, in the manner agreed upon by the members, and the Authority at the time of making such advance as provided by section 6512.1 of the Act. It is mutually understood and agreed that none of the members has any obligation to make advances or contributions to the Authority to provide for the costs and expenses of administration of the Authority, even though either may do so. The members may allow the use of personnel, equipment or property in lieu of other contributions or advances to the Authority.

#### Section 20. Severability

Should any part, term or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions of provisions shall not be affected thereby.

Section 21. Entire Agreement

This Agreement contains the entire agreement between the parties and supersedes all prior understanding between them with respect to the subject matter of this Agreement. There are no promises, terms, conditions or obligations, oral or written, between or among the parties relating to the subject matter of this Agreement that are not fully expressed in this Agreement. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligation under this Agreement be waived, except by written instrument signed by the parties.

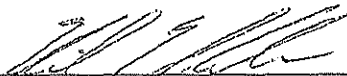
Section 22. Counterparts and Effective Date

This Agreement may be executed in counterparts and be as valid and binding as if each party signed the same copy. A faxed copy of the executed signature page shall be sufficient to cause the terms of this Agreement to become fully operative. The effective date of the Agreement shall be the latest date that the City or County executed the Agreement.

WITNESS THE AGREEMENT HEREOF the date set opposite our respective entities:

EXECUTED ON  
AUGUST 18, 2015

By



Chairman, Board of Supervisors

COUNTY OF PLACER, a political  
subdivision

And approved as to form



ATTEST:

EXECUTED ON  
SEPTEMBER 9, 2015

By

Mayor, City Council

CITY OF COLFAX, a general law city and  
municipal corporation

And approved as to form

ATTEST:



**COUNTY OF EL DORADO**

**ORDINANCE NO. 5129**

**ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM IN THE COUNTY OF EL DORADO**

**WHEREAS**, on September 24, 2002, the Governor of California signed into law Assembly Bill 117 (Statute 2002, Chapter 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "Act"), which authorizes any California city or county, whose governing body so elects, to combine electricity load of its residents and businesses in a Community Choice Aggregation program (CCA); and

**WHEREAS**, on September 27, 2006, Assembly Bill 32 (AB 32), the Global Warming Solutions Act, was signed into law establishing the goal of reducing California's greenhouse gas (GHG) emissions to 1990 levels by 2020; and

**WHEREAS**, the Act expressly authorizes participation in a CCA through a joint powers agency, and on February 22, 2017, Pioneer Community Energy (Pioneer) was established as a joint powers authority pursuant to an Amended and Restated Joint Powers Agreement, as amended from time to time, for the establishment of a CCA ; and

**WHEREAS**, the California Public Utilities Commission certified the "Implementation Plan" of Pioneer, confirming Pioneer's compliance with the requirements of the Act; and

**WHEREAS**, currently electricity is generated and provided to the residents of the unincorporated west slope of the County of El Dorado (County) by Pacific Gas and Electric Company (PG&E) with no alternative provider for the County; and

**WHEREAS**, the County finds it important that its residents, businesses and public facilities have alternative choices to energy procurement beyond PG&E; and

**WHEREAS**, in August of 2020, the County and Pioneer began discussions and studies to consider the financial feasibility and assessed risk of the addition of the unincorporated County into the service area of Pioneer; and

**WHEREAS**, contingent on completion of those discussions and studies, the County believes joining Pioneer will provide financial and other advantages to businesses and residents of the County; and

**WHEREAS**, the Pioneer Amended and Restated Joint Powers Agreement requires a prospective member to individually adopt a resolution of intent expressing desire to become a member of the Joint Powers Authority and adopt an ordinance electing to implement a CCA within its jurisdiction pursuant to PUC 366.2.

**WHEREAS**, the County finds that adoption of this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a "project" since it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Reg. § 15378(a)). Further, the ordinance is exempt from CEQA, as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Reg. § 15061 (b)(3)).

**NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO DOES ORDAIN AS FOLLOWS:**

**Section 1.** The recitals above are true and correct and are incorporated by this reference and constitute findings in this matter.

**Section 2.** The Board of Supervisors of the County of El Dorado authorizes the implementation of a Community Choice Aggregation Program within the areas currently served by PG&E in the unincorporated west slope of the County through participation in the Community Choice Aggregation Program of the Pioneer Community Energy Joint Powers Authority, contingent on all of the following: completion of the impact analysis by Pioneer, the County's adoption of a resolution of intent expressing the County's desire to become a member of Pioneer, approval of an amendment to the Amended and Restated JPA by the County, each member entity, and the Pioneer Board, and the certification by the Public Utilities Commission of the Implementation Plan filed by Pioneer to include the County.

**Section 3.** The provisions of this Ordinance are separate and severable. If any provision of this Ordinance is for any reason held by a court to be invalid, the Board declares that it would have passed this Ordinance irrespective of the invalidity of the provision held to be invalid and such invalidity shall therefore not affect the remaining provisions of this Ordinance which shall remain in full force and effect or the validity of its application to other persons or circumstances.

**Section 4.** This ordinance shall take effect 30 days after its adoption.

PASSED AND ADOPTED by the Board of Supervisors of the County of El Dorado at a regular meeting of said Board, held the 29th day of September, 2020, by the following vote of said Board:

Ayes: Frentzen, Hidahl, Parlin, Novasel,  
Veerkamp

Noes: None  
Absent: None

ATTEST  
KIM DAWSON  
Clerk of the Board of Supervisors

By Kyra Schauffley  
Deputy Clerk

Brian K. Veerkamp  
Chair, Board of Supervisors  
Brian K. Veerkamp

APPROVED AS TO FORM

David A. Livingston  
David A. Livingston  
COUNTY COUNSEL

I CERTIFY THAT:  
The foregoing instrument is a correct copy  
of the original on file in this office

Date 9/29/2020

ATTEST: KIM DAWSON,  
Clerk of the Board of Supervisors of the  
County of El Dorado, State of California.

By Kyra Schauffley  
Deputy Clerk

**ORDINANCE NO. 1703**

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACERVILLE  
AUTHORIZING THE IMPLEMENTATION OF A COMMUNITY CHOICE  
AGGREGATION PROGRAM IN THE CITY OF PLACERVILLE**

**WHEREAS**, on September 24, 2002, the Governor of California signed into law Assembly Bill 117 (Statute 2002, Chapter 838; see California Public Utilities Code section 366.2; hereinafter referred to as the "Act"), which authorizes any California city or county, whose governing body so elects, to combine electricity load of its residents and businesses in a Community Choice Aggregation program (CCA); and

**WHEREAS**, on September 27, 2006, Assembly Bill 32 (AB 32), the Global Warming Solutions Act, was signed into law establishing the goal of reducing California's greenhouse gas (GHG) emissions to 1990 levels by 2020; and

**WHEREAS**, the Act expressly authorizes participation in a CCA through a joint powers agency, and on February 22, 2017, Pioneer Community Energy (Pioneer) was established as a joint powers authority pursuant to an Amended and Restated Joint Powers Agreement, as amended from time to time, for the establishment of a CCA; and

**WHEREAS**, the California Public Utilities Commission certified the "Implementation Plan" of Pioneer, confirming Pioneer's compliance with the requirements of the Act; and

**WHEREAS**, currently electricity is generated and provided to the residents of the City of Placerville by Pacific Gas and Electric Company (PG&E) with no alternative provider for the City of Placerville; and

**WHEREAS**, the City of Placerville finds it important that its residents, businesses and public facilities have alternative choices to energy procurement beyond PG&E; and

**WHEREAS**, in August of 2020 the City and Pioneer began discussions and studies to consider the financial feasibility and assessed risk of the addition of the City into the service area of Pioneer; and

**WHEREAS**, contingent on completion of those discussions and studies, the City believes joining Pioneer will provide financial and other advantages to businesses and residents of the City of Placerville; and

**WHEREAS**, the Pioneer Joint Powers Agreement requires a prospective member to individually adopt a resolution of intent expressing a desire to become a member of the Pioneer Joint Powers Authority and adopt an ordinance electing to implement a CCA within its jurisdiction pursuant to PUC 366.2; and

**WHEREAS**, the City finds that adoption of this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the CEQA Guidelines, as it is not a “project” since it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment. (14 Cal. Code Reg. § 15378(a)). Further, the ordinance is exempt from CEQA, as there is no possibility that the ordinance or its implementation would have a significant effect on the environment. (14 Cal. Code Reg. § 15061 (b)(3));

**NOW THEREFORE**, the City Council of the City of Placerville does hereby ordain as follows:

**Section 1.** The recitals above are true and correct and are incorporated by this reference and constitute findings in this matter.

**Section 2.** The City Council of the City of Placerville authorizes the implementation of a Community Choice Aggregation Program within the City of Placerville through participation in the Community Choice Aggregation Program of the Pioneer Community Energy Joint Powers Authority, contingent on all of the following: completion of the impact analysis by Pioneer, the City’s adoption of a resolution of intent expressing the City’s desire to become a member of Pioneer, approval of an amendment to the Amended and Restated JPA by the City, each member entity, and the Pioneer Board, and the certification by the Public Utilities Commission of the Implementation Plan filed by Pioneer to include the City.

**Section 3.** The provisions of this Ordinance are separate and severable. If any provision of this Ordinance is for any reason held by a court to be invalid, the City Council declares that it would have passed this Ordinance irrespective of the invalidity of the provision held to be invalid and such invalidity shall therefore not affect the remaining provisions of this Ordinance which shall remain in full force and effect or the validity of its application to other persons or circumstances

**Section 4.** This ordinance shall take effect 30 days after its adoption.

**Section 5.** A summary of this ordinance will be published within 15 days after its adoption in the Mountain Democrat, a newspaper of general circulation in the City of Placerville.

The above Ordinance was introduced at a regular meeting of the City Council of the City of Placerville on September 22, 2020, by Councilmember Taylor, seconded by Councilmember \_\_Borelli, and the reading of said Ordinance was waived. The second reading of the Ordinance was also waived on October 13, 2020.

Councilmember Taylor moved for adoption of the Ordinance seconded by Councilmember \_\_\_\_Borelli, and a poll vote was taken which stood as follows:

Ordinance 1703

Page Three

**AYES:** Acuna, Borelli, Saragosa, Taylor, Thomas

**NOES:** None

**ABSENT:** None

**ABSTAIN:** None



Mayor Michael Saragosa

ATTEST:



Regina O'Connell, City Clerk



# **PIONEER COMMUNITY ENERGY**

## **COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT**

**July 31, 2017**



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## CHAPTER 1 – Introduction

Pioneer Community Energy (“Pioneer”) is a public agency located within Placer County (the “County”), formed for the purpose of implementing a community choice aggregation program (“CCA”)<sup>1</sup>, which is referred to herein as the “CCA Program”. Member Agencies of Pioneer include five (5) municipalities located within the County as well as the unincorporated areas of the County itself (together, the “Members” or “Member Agencies”), which have elected to allow Pioneer to provide electric generation service within their respective jurisdictions. Currently, the following Member Agencies comprise Pioneer:

- City of Auburn
- City of Colfax
- City of Lincoln
- Town of Loomis
- City of Rocklin
- County of Placer (unincorporated areas)

This Implementation Plan and Statement of Intent (“Implementation Plan”) describes Pioneer’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 CCA Program will provide electricity customers the opportunity to join together to procure electricity from competitive suppliers, with such electricity being delivered over PG&E’s transmission and distribution system. The planned customer enrollment start date for the CCA Program is January 1, 2018. All current PG&E customers within Pioneer’s service area, excepting those non-residential customers currently taking service under Direct Access (“DA”) service arrangements, will receive information describing the CCA 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. Thus, participation in the CCA Program is completely voluntary; however, customers, as provided by law, will be automatically enrolled according to the anticipated schedule later described in Chapter 5, unless they affirmatively elect to opt-out, or are receiving service under a DA arrangement at the time of CCA Program customer enrollment.

Implementation of the CCA Program will enable customers within Pioneer’s service area to take advantage of the opportunities granted by Assembly Bill 117 (“AB 117”), the Community Choice Aggregation Law. Pioneer’s primary objectives in implementing this Program are to provide cost competitive electric services; promote economic development within the County; utilize and develop local renewable energy sources; promote energy efficiency and demand

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<sup>1</sup> Community choice aggregation programs are also referred to as Community Choice Energy programs, or “CCE,” as an alternative identifying term for the CCA service model.

reduction programs; and sustain long-term rate stability for residents and businesses through the administration of a locally controlled Program.

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

The California Public Utilities Code ("Code") provides the relevant legal authority for Pioneer 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 CCA Program. The CPUC also has responsibility for registering Pioneer 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 in order to prevent shifting of costs to bundled customers of the incumbent utility following CCA Program service commencement.

On July 31, 2017, Pioneer, at a duly noticed public hearing, considered and adopted this Implementation Plan, through Resolution No. 2017-5 (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 Pioneer's Members has adopted an ordinance to implement a CCA program through its participation in Pioneer, and each of the Members has adopted a resolution permitting Pioneer to provide service within its jurisdiction.<sup>2</sup> With each of these milestones having been accomplished, Pioneer 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, Pioneer 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 Pioneer's statement of intent for implementing a CCA program that includes all of the following:

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<sup>2</sup> Copies of individual ordinances adopted by Pioneer's Members are included within Appendix A. Note: Members adopted the ordinance before Pioneer changed its name from Sierra Valley Energy Authority as indicated in Chapter 3.



## **Pioneer Community Energy, Program Implementation Plan, July 2017**

- Universal access;
- Reliability;
- Equitable treatment of all customer classes; and
- Any requirements established by state law or by the CPUC concerning aggregated service.

The remainder of this Implementation Plan is organized as follows:

Chapter 2: Aggregation Process  
Chapter 3: Organizational Structure  
Chapter 4: Startup Plan & Funding  
Chapter 5: Program Rollout  
Chapter 6: Load Forecast & Resource Plan  
Chapter 7: Financial Plan  
Chapter 8: Rate setting  
Chapter 9: Customer Rights and Responsibilities  
Chapter 10: Procurement Process  
Chapter 11: Contingency Plan for Program Termination  
Appendix A: Pioneer Resolution No. 2016-05 (Adopting Implementation Plan)  
Appendix B: Pioneer 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**

<b>AB 117 REQUIREMENT</b>	<b>IMPLEMENTATION PLAN CHAPTER</b>
Statement of Intent	Chapter 1: Introduction
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



## CHAPTER 2 – Aggregation Process

### *Introduction*

This chapter describes the background leading to the development of this Implementation Plan and describes the process and consequences of aggregation, consistent with the requirements of AB 117.

Beginning in the spring of 2015, the County began investigating formation of a CCA Program, and a technical feasibility study was completed in January of 2016. A compilation of the feasibility study findings was released in a report entitled Placer County Community Choice Energy Financial Analysis and Due Diligence Report in October of 2016. After nearly two years of collaborative work by representatives from the County and its cities and towns, independent consultants, local experts and stakeholders, the decision was made to utilize a joint powers authority for purposes of implementing the CCA Program. An existing joint powers agreement between the County and the City of Colfax, the Sierra Valley Energy Authority, was amended in February 2017 to allow the implement of a CCA Program within the unincorporated area of Placer County and within the cities of Rocklin, Lincoln, Auburn, Colfax and the Town of Loomis, subject to each municipality taking action to become a voting member of the Sierra Valley Energy Authority. On July 17, 2017, the Sierra Valley Energy Authority Board adopted Resolution No. 2017-3 (a copy of which is included as part of Appendix C) changing the name of the Sierra Valley Energy Authority to Pioneer Community Energy. The current Pioneer membership was fully constituted in June 2017. Subsequently, Pioneer released a draft Implementation Plan, which described the planned organization, governance and operation of the CCA Program. Following consideration of comments related to the draft document, a final Implementation Plan was prepared and duly adopted by Pioneer's Board of Directors ("Board").

The CCA Program represents a culmination of planning efforts that are responsive to the expressed needs and priorities of the citizenry and business community within the Member Agencies. Pioneer plans to offer choices to eligible customers through creation of innovative energy programs designed to promote economic development and employment within the County, maximize use of local renewable energy resources, and benefit all customers, including low income and other traditionally underserved customer segments.

### *Process of Aggregation*

Before they are enrolled in the CCA Program, prospective CCA Program customers will receive two written notices in the mail from Pioneer that will provide information needed to understand the CCA Program's terms and conditions of service and explain how customers can opt-out of the CCA Program, if desired. All customers that do not follow the opt-out process specified in the customer notices will be automatically enrolled, and service will begin at their next regularly scheduled meter read date, no later than thirty days following the date of automatic enrollment, subject to the CCA Program enrollment plan described in Chapter 5. The initial enrollment notices will be provided to customers in November 2017. Initial enrollment

notices will be provided to subsequent customers consistent with statutory requirements and based on schedule(s) determined by Pioneer. These notices will be sent to customers twice within 60 days of automatic enrollment.

Customers enrolled in the CCA Program will continue to have their electric meters read and to be billed for electric service by the distribution utility (PG&E). The electric bill for Program customers will show separate charges for generation procured by Pioneer as well as other charges related to electricity delivery and other utility charges assessed by PG&E.

After service cutover, customers will have approximately 60 days (two billing cycles) to opt-out of the CCA Program without penalty and return to the distribution utility (PG&E). CCA Program customers will be advised of these opportunities via the distribution of two additional enrollment notices provided within the first two months of service. Customers that opt-out between the initial cutover date and the close of the post enrollment opt-out period will be responsible for program charges for the time they were served by CCA Program, but will not otherwise be subject to any penalty for leaving the CCA Program. Customers that have not opted-out thirty days after the fourth enrollment notice will be deemed to have elected to become a participant in the CCA Program and to have agreed to the CCA Program's terms and conditions, including those pertaining to requests for termination of service, as further described in Chapter 8.

### *Consequences of Aggregation*

#### *Rate Impacts*

CCA Program customers will pay the generation charges set by Pioneer, and will no longer pay costs associated with generation service provided by PG&E. Customers enrolled in the Program will be subject to the Program's terms and conditions, including responsibility for payment of all Program charges as described in Chapter 9.

Pioneer's rate setting policies, as described in Chapter 7, establish a goal of providing rates that are competitive with the projected generation rates offered by the incumbent distribution utility (PG&E). Pioneer will establish rates sufficient to recover all costs related to operation of the Program. All rates will be adopted at a public meeting by action of Pioneer's Board.

Initial CCA Program rates will be established following approval of Pioneer's inaugural CCA Program Budget, reflecting costs from the CCA Program's energy supplier(s). Additional information regarding Pioneer's rate policies and procedures is provided in Chapter 7. Information regarding final CCA Program rates will be disclosed along with other terms and conditions of service in the pre-enrollment and post-enrollment notices sent to potential customers.

Once Pioneer gives definitive notice to PG&E that it will commence service, CCA Program customers will generally not be responsible for costs associated with PG&E's future electricity



procurement contracts or power plant investments. Certain pre-existing generation costs and new generation costs that are deemed to provide system-wide benefits will continue to be charged by PG&E to CCA customers through separate rate components, called the Cost Responsibility Surcharge and the New System Generation Charge. These charges are shown in PG&E's electric service tariffs, which can be accessed from the PG&E's website, and the costs are included in charges paid by both PG&E bundled customers as well as CCA Program and DA customers.<sup>3</sup>

### Environmental Impacts

A second consequence of the Program will be an increase in the proportion of energy generated and supplied by renewable and other carbon neutral resources. The resource plan includes procurement of renewable energy sufficient to meet California's prevailing renewable energy procurement mandate for all enrolled customers. At a future time, Pioneer may also offer a 100 percent local renewable supply option which CCA Program customers may participate in on a voluntarily basis. To the extent that customers choose to participate in a future CCA Program 100 percent local renewable energy option, the renewable content of the CCA Program's aggregate supply portfolio will further increase. Initially, requisite renewable energy supply will be sourced through one or more power purchase agreements. Over time, Pioneer may consider independent development of new renewable generation resources with a focus on local renewable generation.

### Energy Efficiency Impacts

A third consequence of the Program will be an anticipated increase in energy efficiency program investments and activities. The existing energy efficiency programs administered by the distribution utility are not expected to change as a result of CCA Program implementation. CCA Program customers will continue to pay the "Electric Public Purpose Programs" (public benefit) surcharges to the distribution utility, which will continue to fund energy efficiency programs for all customers, regardless of generation supplier. The energy efficiency investments ultimately planned for the CCA Program, as described in Chapter 6, will follow Pioneer's successful application for and administration of requisite program funding (from the CPUC) to independently administer energy efficiency programs within its jurisdiction. Such programs will be in addition to the level of investment that would continue in the absence of Pioneer-administered energy efficiency programs. Thus, the CCA Program has the potential for increased local investment of public benefit surcharges, energy savings (with corresponding cost savings) and a further reduction in emissions due to expanded energy efficiency programs.

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<sup>3</sup> For PG&E bundled service customers, the Power Charge Indifference Adjustment element of the Cost Responsibility Surcharge is contained within the tariffed Generation rate. Other elements of the Cost Responsibility Surcharge are set forth in PG&E's tariffs as separate rates/charges paid by all customers (with limited exceptions).

## CHAPTER 3 – Organizational Structure

This chapter provides an overview of the organizational structure of Pioneer and its proposed implementation of the CCA program. Specifically, the key agreements, governance, management, and organizational functions of Pioneer are outlined and discussed below.

### *Organizational Overview*

In September 2015, the Sierra Valley Energy Authority formed its initial Board of Directors to serve as its Governing Board. As noted above, the Sierra Valley Energy Authority Board subsequently changed the name of the JPA to Pioneer Community Energy. The Board is responsible for establishing CCA Program policies and objectives and overseeing Pioneer's operation. On July 26, 2016, the Board appointed an Executive Director to manage the operation of Pioneer in accordance with policies adopted by the Board. When Pioneer receives CPUC certification, the Executive Director will proceed to appoint staff and contractors to manage Pioneer's activities. These activities generally include support services (administration, finance and IT), marketing and public affairs (community outreach, key account management and customer advocacy), supply acquisition (energy planning and procurement, contract negotiation and system development) and legal and regulatory representation.

### *Governance*

The CCA Program will be governed by Pioneer's Board, which shall include two members from the County Board of Supervisors and one appointed designee from each of the other Members. Pioneer Community Energy (originally named Sierra Valley Energy Authority) is a joint powers authority created in September 2015 under California law for the purposes of implementing a Property Assessed Clean Energy Program (PACE Program). The CCA's Joint Powers Authority Agreement ("JPA Agreement") was subsequently amended on February 22, 2017 for the purpose of allowing the CCA to implement a CCA Program. The Membership of Pioneer includes five (5) municipalities located within the County as well as the unincorporated area of the County itself, each of which have elected to allow Pioneer to provide electric generation service within their respective jurisdictions. Pioneer is the CCA entity that will register with the CPUC, and it is responsible for implementing and managing the program pursuant to Pioneer's JPA Agreement. Pioneer's Board is comprised of elected representatives from each of the Members appointed in accordance with the JPA agreement. The CCA Program will be operated under the direction of an Executive Director appointed by the Board, with legal and regulatory support provided by a Board appointed General Counsel.

The Board's primary duties are to establish program policies, approve rates and provide policy direction to the Executive Director, who has general responsibility for program operations, consistent with the policies established by the Board. The Board has elected a Chairman and Vice Chairman. In the future, the Board may establish committees and sub-committees, as needed, to address issues that require greater expertise in particular areas. Pioneer may also form various standing and ad hoc committees, as appropriate, which will have responsibility



for evaluating various issues that may affect Pioneer and its customers and would provide analytical support and recommendations to the Board in these regards.

### *Management*

The Executive Director has management responsibilities over the functional areas of Administration & Finance, Marketing & Public Affairs, Power Resources & Energy Programs, and Government & Regulatory Affairs as well as Pioneer's General Counsel. In serving Pioneer, the Executive Director may utilize a combination of internal staff and/or contractors. Certain specialized functions needed for program operations, namely the electric supply and customer account management functions described below, may be performed by third-party contractors.

Major functions of Pioneer that will be managed by the Executive Director are summarized below.

### *Administration*

Pioneer's Executive Director will be responsible for managing the organization's human resources and administrative functions and will coordinate with the Board, as necessary, with regard to these functions. The functional area of administration will include oversight of employee hiring and termination, compensation and benefits management, identification and procurement of requisite office space and various other issues. The Executive Director may accomplish these responsibilities by any combination of staff and outside consultants or vendors, as approved by the Pioneer Board.

### *Finance*

The Executive Director is also responsible for managing the financial affairs of Pioneer, including the development of an annual budget, revenue requirement and rates; managing and maintaining cash flow requirements; arranging financing and credit facilities as necessary; and other financial tools. The financial function also includes administration of banking and credit relationships, cash management of deposits and disbursements in accordance with the credit policies of CCA monitoring of revenues and expenditures, in accordance with budget and finance policies of Pioneer.

Revenues derived from rates and other funding sources (such as a rate stabilization fund, when necessary) must, at a minimum, meet the annual budgetary revenue requirement, including recovery of all expenses and any reserves or coverage requirements set forth in bond covenants or other agreements. Pioneer will have the flexibility to consider rate adjustments within certain ranges, administer a standardized set of electric rates, and may offer optional rates to encourage policy goals such as economic development or programs for hard-to-reach, disadvantaged or other policy established purpose, provided that the overall revenue requirement is achieved.

Pioneer may also offer customized pricing options such as dynamic pricing or contract-based pricing for energy intensive customers to help these customers gain greater control over their energy costs. This would provide such customers – mostly larger energy users within the commercial sector – with greater rate-related flexibility than is currently available.

Pioneer's finance function will be responsible for arranging financing necessary for any capital projects, preparing financial reports, and ensuring sufficient cash flow for successful operation of the CCA Program. The finance function will play an important role in risk management by monitoring the credit of energy suppliers so that credit risk is properly understood and mitigated. In the event that changes in a supplier's financial condition and/or credit rating are identified, Pioneer will be able to take appropriate action, as would be provided for in the electric supply agreement(s).

#### *Marketing & Public Affairs*

The marketing and public affairs functions include general program marketing and communications as well as direct customer interface ranging from management of key account relationships to call center and billing operations. Pioneer will conduct program marketing to raise consumer awareness of the CCA Program and to establish the Pioneer "brand" in the minds of the public, with the goal of retaining and attracting as many customers as possible into the CCA Program. Communications will also be directed at key policy-makers at the state and local level, community, business and opinion leaders, and the media.

In addition to general program communications and marketing, a significant focus on customer service, particularly representation for key accounts, will enhance Pioneer's ability to differentiate itself as a highly customer-focused organization that is responsive to the needs of its community. Pioneer will also establish a customer call center designed to field customer inquiries and routine interaction with customer accounts.

The customer service function also encompasses management of customer data. Customer data management services include retail settlements/billing-related activities and management of a customer database. This function processes customer service requests and administers customer enrollments and departures from the CCA Program, and maintains a current database of enrolled customers. This function coordinates the issuance of monthly bills through the distribution utility's billing process and tracks related customer payments. Activities include the electronic exchange of usage, billing, and payment data between the distribution utility and Pioneer, tracking of customer payments and accounts receivable, issuance of late payment and/or service termination notices (which would return affected customers to bundled service with the distribution utility), and administration of customer receipts in accordance with credit policies of Pioneer.

The customer data management services function also manages billing-related communications with customers, customer call centers, and routine customer notices. Pioneer will initially contract with a third party, who has demonstrated the necessary experience and administers an

appropriate customer information system to perform the previously noted customer account and billing services functions.

#### *Power Resources & Energy Programs*

Pioneer must plan for meeting the electricity needs of its customers utilizing resources consistent with its policy goals and objectives, and all applicable legislative and/or regulatory mandates. Pioneer's long term resource plans (addressing the 10-20 year planning horizon) will comply with California Law and other pertinent requirements of California regulatory bodies. Pioneer may develop and administer complementary energy programs that may be offered to CCA Program customers, including locally sourced renewable energy pricing, energy efficiency, net energy metering and various other programs that may be identified to support the overarching goals and objectives of Pioneer.

Pioneer will develop and periodically update an Integrated Resource Plan (IRP) that meets program supply objectives and balances cost, risk and environmental considerations. The IRP will also conform to all applicable requirements imposed by the State of California. Integrated resource planning efforts of Pioneer will make use of demand side energy efficiency, distributed generation and demand response programs, as well as, traditional supply options, which rely on structured wholesale transactions to meet customer energy requirements. IRPs will be updated and adopted by Pioneer on an annual basis.

#### *Electric Supply Operations*

Electric supply operations encompass the activities necessary for wholesale procurement of electricity to serve end use customers of the CCA Program. These highly specialized activities include the following:

- *Electricity Procurement* – assemble a portfolio of electricity resources to supply the electric needs of Program customers.
- *Risk Management* – application of standard industry techniques to reduce exposure to the volatility of energy and credit markets, and insulate customer rates from sudden changes in wholesale market prices.
- *Load Forecasting* – develop load forecasts for long-term resource planning and for short-term electricity purchases and sales needed to maintain a balance between hourly electricity resources and loads.
- *Scheduling Coordination* – scheduling and settling electric supply transactions with the CAISO.

Pioneer will initially contract with one or more experienced and financially sound, third party energy services providers to perform most of the electric supply operations for the CCA Program. These requirements include the procurement of energy, capacity and ancillary services, scheduling coordinator services, short-term load forecasting and day-ahead and real-time electricity trading.

#### Local Energy Programs

A key focus of the CCA Program will be the development and implementation of local energy programs, including energy efficiency programs, distributed generation programs and other energy programs responsive to community interests. These programs are likely to be phased in during the first several years of operations. The implementation of such programs will follow respective financial feasibility and due diligence analysis and the identification of requisite funding sources.

Pioneer will eventually administer energy efficiency, demand response and distributed generation programs that can be used as cost-effective alternatives to procurement of supply-resources. Pioneer will attempt to consolidate existing demand side programs into this organization and leverage the Program structure to expand energy efficiency offerings to customers throughout its service territory, including the CPUC application process for third party administration of energy efficiency programs, and the use of funds collected through the existing public benefits surcharges paid by CCA customers.

#### *Governmental & Regulatory Affairs, including General Counsel*

The CCA Program will require ongoing regulatory and legislative representation to manage various regulatory compliance filings related to resource plans, Resource Adequacy (RA), compliance with California's Renewables Portfolio Standard ("RPS"), and overall representation on issues that will impact Pioneer, its Members and customers. Pioneer will maintain an active role at the CPUC, the California Energy Commission (CEC), the California Independent System Operator ("CAISO"), and the California legislature and, as necessary, the Federal Energy Regulatory Commission (FERC).

Under the direction of its General Counsel, Pioneer may retain outside legal services, as necessary, to administer Pioneer regulatory and legislative matters including, but not limited to power supply contract review, and overall legal support related to activities of the CCA Program.



## CHAPTER 4 – Startup Plan & Funding

This Chapter presents Pioneer's plans for the start-up period, including necessary expenses and capital outlays. As described in the Chapter 3, Pioneer may utilize a mix of staff and contractors in its CCA Program implementation.

### *Startup Activities*

The initial Program startup activities include the following:

- Approve a Preliminary and Final Program Budget
- Establish credit, issue debt and post collateral
- Execute activities to support on-going operations such as facilities leases and information technology services
- Hire staff and/or contractors to initiate and manage Program implementation and operations
  - CAISO scheduling coordinator
  - Customer data management
  - Legislative and regulatory legal support
- Conduct load forecasting
- Identify and enter into contracts with qualified suppliers (of requisite energy products and related services) and negotiate supplier contracts
- Complete financial management and reporting activities
- Develop rate schedules and adopt rates
- Define and execute communications and outreach plan
  - Customer research/information gathering
  - Media campaign
  - Key customer/stakeholder outreach
  - Informational materials and customer notices
  - Customer call center
- Post CCA bond with CPUC as required by Public Utilities Code Section 394.25 (e) and complete requisite registration requirements
- Enter into service contract with PG&E and pay utility service initiation, notification and switching fees
- Perform customer notifications, opt-out and transfers

Other costs related to starting up the CCA Program will be the responsibility of certain CCA Program contractors (and are assumed to be included in any fees/charges imposed by such contractors). These may include capital requirements needed for collateral/credit support for electric supply expenses, customer information system costs, electronic data exchange system costs, call center costs, and billing administration/settlements systems costs.

### *Staffing and Contract Services*

Personnel in the form of Pioneer staff or contractors will be added incrementally to match workloads involved in forming the new organization, managing contracts, and initiating customer outreach/marketing during the pre-operations period. During the startup period, minimal personnel requirements will include an Executive Director, a General Counsel, and other personnel needed to support regulatory, procurement, finance, and communications activities.

For budgetary purposes, five full-time equivalents (staff or contracted professional services) will support the above listed activities during the initial start-up period. Following this period, staff and/or contractors will be added, as needed, to support full on-going operations, with an anticipated full staffing level of eighteen full-time equivalents (staff or contracted services). The rollout of additional value-added services (e.g., efficiency projects) and local generation projects and programs will require more staff as needed for those activities.

### *Capital Requirements*

Start-up of the CCA Program will require capital for three major functions: (1) staffing and contractor costs; (2) deposits and reserves; and (3) working capital. Based on Pioneer's anticipated start-up activities and start-up schedule, a total need of \$40 million has been identified to support the aforementioned functions. The finance plan in Chapter 7 provides additional detail regarding Pioneer's expected capital requirements and general Program finances.

Pioneer's initial capital requirement covers expected staffing and contractor costs during startup and pre-startup activities, including direct costs related to public relations support, technical support, and customer communications. Requisite deposits and operating reserves are also reflected in the initial capital requirement, including the following items: 1) operating reserves to address anticipated cash flow variations (as well as operating reserve deposits that will likely be required by Pioneer's power supplier(s)); 2) requisite deposit with the CAISO prior to commencing market operations; 3) CCA bond (posted with the CPUC); and 4) PG&E service fee deposit.

Operating revenues from sales of electricity will be remitted to Pioneer beginning approximately sixty days after the initial customer enrollments. This lag is due to the distribution utility's standard meter reading cycle of 30 days and a 30 day payment/collections cycle. Pioneer will need working capital to support electricity procurement and costs related to program management, which is included in Pioneer's initial \$40 million capital requirement.

### *Financing Plan*

Pioneer's initial capital will be obtained by the sale of bonds issued by Pioneer and purchased by the County Treasurer. It is anticipated that two debt issuances will be made: a revolving credit line for operating purposes of \$10 million maximum, and a revolving credit line of \$30 million maximum to provide collateral and other support for Pioneer's power purchases. The

funding for expenditures up to the time when Pioneer issues debt has been provided by a \$1.4 million appropriation from the County, which will be repaid from the operating line of credit. Pioneer will recover the principal and interest costs associated with the start-up funding via retail generation rates charged to CCA Program customers. It is anticipated that the start-up costs will be fully recovered through such customer generation rates within the first several years of operations.

## CHAPTER 5 – Program Enrollment

Pioneer will roll out its service offering to customers in a single phase that includes all municipal, non-residential (commercial/industrial/agricultural) and residential accounts.

This approach provides Pioneer with the ability to initiate its CCA Program with sufficient economic scale with an expected customer base of approximately 84,000 accounts, post customer opt-out. In addition to the generally applicable rollout, certain customers that receive service on unique tariffs, such as the net energy metering program that includes an annual true-up, may be enrolled on a different schedule, so as to minimize the customer impacts associated with the transition to CCA Program service.

The CCA Program is targeted to begin on or about January 1, 2018, subject to a decision to proceed by the Pioneer Board. Pioneer anticipates serving approximately 84,000 accounts comprised of all of the electric accounts within the territory of its Members. The total annual energy sales for these accounts are estimated to be 1,143 GWh. These accounts consist of:

- small, medium and large commercial and industrial customers,
- agricultural pumping,
- street lighting and local government facilities (county, cities, school and special district accounts), and
- residential accounts.

To the extent that additional customers require enrollment after the completion of initial rollout, Pioneer will evaluate a subsequent phase of CCA Program enrollment.

Pioneer may also evaluate phase-in options based on then-current market conditions, statutory requirements and regulatory considerations as well as other factors potentially affecting the integration of additional customer accounts.



## CHAPTER 6 - Load Forecast & Resource Plan

### *Introduction*

This Chapter describes the planned mix of electric resources that will meet the energy demands of CCA Program customers using a diversified portfolio of electricity supplies. Several overarching policies govern the resource plan and the ensuing resource procurement activities that will be conducted in accordance with the plan. These key policies are as follows:

- Pioneer will benefit the area's economy through investment in local infrastructure, projects and energy programs. Pioneer will manage a diverse resource portfolio to increase control over energy costs and maintain competitive and stable electric rates.
- Pioneer will seek to increase use of local renewable and low carbon emitting energy resources.
- Pioneer will apply for the administration of energy efficiency program funding to help customers reduce energy costs through administration of enhanced customer energy efficiency, distributed generation, and other demand reducing programs.

The plan described in this section would accomplish the following:

- Procure energy through one or more contracts with experienced, financially stable energy suppliers sufficient to offer a generation tariff that meets or exceeds California's prevailing renewable energy procurement mandate with an emphasis on local renewable generation. In the future, Pioneer may consider a second generation tariff, offered to CCA Program customers on a voluntary basis, which consists of 100% local renewable generation.
- To the extent that Pioneer is successful in applying for administration of public benefit funds to support locally administered efficiency programs, it will do so with the goal of reducing net electricity purchases within the region.
- Encourage distributed renewable generation in the local area through the offering of a net energy metering tariff and incentives for power purchases from local renewable and low carbon emitting energy sources.

Pioneer will comply with regulatory rules applicable to California load serving entities. Pioneer will arrange for the scheduling of sufficient electric supplies to meet the demands of its customers. Pioneer will adhere to capacity reserve requirements established by the CPUC and the CAISO designed to address uncertainty in load forecasts and potential supply disruptions in the CAISO system, caused by generator outages and/or transmission contingencies. These rules also ensure that physical generation capacity is in place to serve Pioneer's customers, even if there were a need for the CCA Program to cease operations and return customers to PG&E. In addition, Pioneer will be responsible for ensuring that its resource mix contains sufficient production from renewable energy resources needed to comply with the statewide RPS (33

percent renewable energy by 2020, increasing to 50 percent by 2030). The resource plan will meet or exceed all of the applicable regulatory requirements related to resource adequacy and the RPS.

#### *Resource Plan Overview*

To meet the aforementioned objectives and satisfy the applicable regulatory requirements pertaining to Pioneer's status as a California Load Serving Entity (LSE), Pioneer's resource plan includes a diverse mix of power purchases, renewable energy, new energy efficiency programs, demand response, and distributed generation. A diversified resource plan minimizes risk and volatility that can occur from over-reliance on a single resource type or fuel source, and thus increases the likelihood of rate stability. The planned power supply is initially comprised of power purchases from third party electric suppliers and, in the longer-term, may also include local and non-local renewable generation assets owned and/or controlled by Pioneer.

Once the CCA Program demonstrates it can operate successfully, Pioneer may begin evaluating opportunities for investment in renewable generating assets, subject to then-current market conditions, statutory requirements and regulatory considerations. Any renewable generation owned by Pioneer or controlled under long-term power purchase agreement with a proven public power developer, could provide a portion of Pioneer's electricity requirements on a cost-of-service basis. Depending upon market conditions and, importantly, the applicability of tax incentives for renewable energy development, electricity purchased under a cost-of-service arrangement could be more cost-effective than purchasing renewable energy from third party developers, which would allow the CCA Program to pass on cost savings to its customers through competitive generation rates. Any investment decisions would be made following thorough environmental reviews and in consultation with qualified financial and legal advisors.

As an alternative to direct investment, Pioneer may consider partnering with an experienced public power developer and could enter into a long-term (20-to-30 year) power purchase agreement that would support the development of new renewable generating capacity. Such an arrangement could be structured to reduce the CCA Program's operational risk associated with capacity ownership while providing its customers with all renewable energy generated by the facility under contract. This option may be considered by Pioneer especially as it works to achieve increasing levels of local renewable energy supply to its customers.

Pioneer's resource plan will integrate supply-side resources with programs that will help customers reduce their energy costs through improved energy efficiency and other demand-side measures. As part of its integrated resource plan, Pioneer will actively pursue, promote and ultimately administer a variety of customer-focused energy efficiency programs that can cost-effectively displace supply-side resources.

Pioneer's indicative resource plan for the years 2018 through 2027 is summarized in the following table. Note that CCA Program projections reflect a portfolio mix of renewable energy that would be compliant with California's currently effective RPS procurement requirements

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with all other supply coming in the form of conventional resources, large hydroelectric resources, or CAISO system power.

Pioneer Community Energy Proposed Resource Plan (GWh) 2018-2027										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Pioneer Demand (GWh)</b>										
Retail Demand	-1,136	-1,147	-1,159	-1,170	-1,182	-1,194	-1,206	-1,218	-1,230	-1,242
Distributed Generation	0	0	4	5	6	7	8	10	12	14
Energy Efficiency	0	1	1	2	2	3	4	6	8	11
Losses and IFE	-68	-69	-70	-70	-71	-72	-72	-73	-74	-75
<b>Total Demand</b>	<b>-1,204</b>	<b>-1,215</b>	<b>-1,223</b>	<b>-1,234</b>	<b>-1,244</b>	<b>-1,255</b>	<b>-1,265</b>	<b>-1,275</b>	<b>-1,283</b>	<b>-1,291</b>
<b>Pioneer Supply (GWh)</b>										
Renewable Resources	1,204	1,215	1,223	1,234	1,244	1,255	1,265	1,275	1,283	1,291
Conventional Supply	0	0	0	0	0	0	0	0	0	0
<b>Total Supply</b>	<b>1,204</b>	<b>1,215</b>	<b>1,223</b>	<b>1,234</b>	<b>1,244</b>	<b>1,255</b>	<b>1,265</b>	<b>1,275</b>	<b>1,283</b>	<b>1,291</b>
<b>Energy Open Position (GWh)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Supply Requirements

The starting point for Pioneer's resource plan is a projection of participating customers and associated electric consumption. Projected electric consumption is evaluated on an hourly basis, and matched with resources best suited to serving the aggregate of hourly demands or the program's "load profile". The electric sales forecast and load profile will be affected by Pioneer's plan to introduce the CCA Program to customers in a single phase and the degree to which customers choose to remain with PG&E during the customer enrollment and opt-out periods. Pioneer's rollout plan and assumptions regarding customer participation rates are discussed below.

### Customer Participation Rates

Customers will be automatically enrolled in the CCA Program unless they opt-out during the customer notification process conducted during the 60-day period prior to enrollment and continuing through the 60-day period following commencement of service. Pioneer anticipates an overall customer participation rate of approximately 85 percent of PG&E bundled service customers, based on reported opt-out rates for recently implemented CCA programs. It is assumed that customers taking DA service from a competitive electricity provider will continue to remain with their current supplier and will, therefore, not be enrolled during CCA Program customer rollout process, later described in Chapter 5. DA customers are not, however, prevented from voluntarily enrolling in the CCA Program following CCA Program service commencement.

The participation rate is not expected to vary significantly among customer classes, in part due to the fact that Pioneer will offer rate tariffs that will address the interests of cost-sensitive customers as well as the needs of both residential and business customers that prefer a highly

renewable energy product. The assumed participation rates will be refined as Pioneer's public outreach and market research efforts continue to develop.

### *Customer Forecast*

Once enrollment of customers begins they will be switched over to service by Pioneer on their regularly scheduled meter read date over an approximate thirty-day period. Approximately 2,800 service accounts per day will be switched over during the first month of service.

Pioneer assumes that customer growth will generally offset customer attrition (opt-outs) over time, resulting in a relatively stable customer base (1.0% annual growth) over the noted planning horizon. While the successful operating track record of California CCA programs continues to grow, there is a relatively short history with regard to CCA operations, which makes it fairly difficult to anticipate the actual levels of long-term customer participation within the CCA Program. Pioneer believes that its assumptions regarding the offsetting effects of growth and attrition are reasonable in consideration of the historical customer growth within Placer County and the potential for continuing customer opt-outs following mandatory customer notification periods. The forecast of service accounts (customers) served by Pioneer for each of the next ten years is shown in the following table:

<b>Pioneer Community Energy Retail Service Accounts (End of Year) 2018 - 2027</b>										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Pioneer CE Customers</b>										
Residential	49,316	49,809	50,307	50,810	51,318	51,831	52,349	52,873	53,402	53,936
Small Commercial	8,791	8,879	8,968	9,058	9,148	9,240	9,332	9,426	9,520	9,615
Medium Commercial	1,710	1,727	1,744	1,761	1,779	1,797	1,815	1,833	1,851	1,870
Large Commercial	8,740	8,827	8,916	9,005	9,095	9,186	9,278	9,370	9,464	9,559
Industrial	14,385	14,528	14,674	14,820	14,969	15,118	15,270	15,422	15,576	15,732
Street and Lighting	473	478	482	487	492	497	502	507	512	517
Agricultural & Pumping	870	879	888	897	906	915	924	933	943	952
<b>Total</b>	<b>84,284</b>	<b>85,127</b>	<b>85,978</b>	<b>86,838</b>	<b>87,707</b>	<b>88,584</b>	<b>89,469</b>	<b>90,364</b>	<b>91,268</b>	<b>92,180</b>

### *Sales Forecast*

Pioneer's forecast of GWh sales reflects the rollout and customer enrollment schedule shown above. Annual energy requirements are shown below.



<b>Pioneer Community Energy Retail Service Accounts (End of Year) 2018 - 2027</b>										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Pioneer CE Customers</b>										
Residential	49,316	49,809	50,307	50,810	51,318	51,831	52,349	52,873	53,402	53,936
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Large Commercial	8,740	8,827	8,916	9,005	9,095	9,186	9,278	9,370	9,464	9,559
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<b>Total</b>	<b>84,284</b>	<b>85,127</b>	<b>85,978</b>	<b>86,838</b>	<b>87,707</b>	<b>88,584</b>	<b>89,469</b>	<b>90,364</b>	<b>91,268</b>	<b>92,180</b>

### *Capacity Requirements*

The CPUC's resource adequacy standards applicable to the CCA Program require a demonstration one year in advance that Pioneer has secured physical capacity for 90 percent of its projected peak loads for each of the five summer months, May through September, plus a minimum 15 percent reserve margin. On a month-ahead basis, Pioneer must demonstrate 100 percent of the peak load plus a minimum 15 percent reserve margin.

A portion of Pioneer's capacity requirements must be procured, from the Greater Bay area as defined by the CAISO, and another portion must be procured from local reliability areas outside the Greater Bay Area. Pioneer would be required to demonstrate its local capacity requirement for each month of the following calendar year. The local capacity requirement is a percentage of the total (PG&E service area) local capacity requirements adopted by the CPUC based on Pioneer's forecasted peak load. Pioneer must demonstrate compliance or request a waiver from the CPUC requirement as provided for in cases where local capacity is not available.

Pioneer is also required to demonstrate that a specified portion of its capacity meets certain operational flexibility requirements under the CPUC and CAISO's flexible resource adequacy framework.

The estimated forward resource adequacy requirements for 2018 through 2020 are shown in the following tables<sup>4</sup>:

<sup>4</sup> The figures shown above are estimates. Pioneer's resource adequacy requirements will be subject to modification due to application of certain coincidence adjustments and resource allocations relating to utility demand response and energy efficiency programs, as well as generation capacity allocated through the Cost Allocation Mechanism (CAM). These adjustments are addressed through the CPUC's resource adequacy compliance process.

<b>Pioneer Community Energy Forward Capacity and Reserve Requirements (MW) 2018 - 2020</b>			
Month	2018	2019	2020
January	178	179	181
February	168	170	171
March	148	150	151
April	141	142	144
May	158	159	161
June	233	236	238
July	235	238	240
August	232	235	237
September	191	193	195
October	147	149	150
November	147	149	150
December	155	156	158

Pioneer's plan ensures that sufficient reserves will be procured to meet its peak load at all times. Pioneer's projected annual capacity requirements are shown in the following table:

<b>Pioneer Community Energy Capacity Requirements (MW) 2018 - 2027</b>										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Pioneer CE Demand (MW)										
Retail Demand	235	238	240	242	245	247	250	252	255	257
Distributed Generation	0	0	-1	-1	-1	-2	-2	-2	-3	-3
Energy Efficiency	0	0	0	0	-1	-1	-1	-1	-2	-2
Losses and UFE	14	14	14	14	15	15	15	15	15	15
Total Net Peak Demand	249	252	253	255	257	260	262	263	265	267
Reserve Requirement	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	37	38	38	38	39	39	39	40	40	40
Capacity Requirement Including Reserve	287	289	291	294	296	299	301	303	305	307

Local capacity requirements are a function of the PG&E area resource adequacy requirements and Pioneer's projected peak demand. Pioneer will need to work with the CPUC's Energy Division and staff at the California Energy Commission to obtain the data necessary to calculate

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its monthly local capacity requirement. A preliminary estimate of Pioneer's annual local capacity requirement for the ten-year planning period ranges from approximately 106 MW to 116 MW as shown in the following table:

Pioneer Community Energy Local Capacity Requirements (MW) 2018 - 2027										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Pioneer CE Peak (MW)	287	290	292	295	298	301	304	307	310	314
Local Capacity Requirement (% of Peak)	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%
Greater Bay Area Share of Local Capacity Requirement (%)	42%	42%	42%	42%	42%	42%	42%	42%	42%	42%
Other PG&E Areas Share of Local Capacity Requirement (%)	58%	58%	58%	58%	58%	58%	58%	58%	58%	58%
Pioneer Local Capacity Requirement Greater Bay Area (MW)	44	44	45	45	46	46	47	47	48	48
Pioneer Local Capacity Requirement Other PG&E (MW)	62	63	63	64	65	65	66	66	67	68
Pioneer Local Capacity Requirement (Total MW)	106	107	108	109	110	111	113	114	115	116

The CPUC assigns local capacity requirements during the year prior to the compliance period; thereafter, the CPUC provides local capacity requirement true-ups for the second half of each compliance year.

Pioneer will coordinate with PG&E and appropriate state agencies to manage the transition of responsibility for resource adequacy from PG&E to Pioneer prior to CCA Program enrollment. For system resource adequacy requirements, Pioneer will make month-ahead showings for each month that Pioneer plans to serve load, and load migration issues would be addressed through the CPUC's approved procedures. Pioneer will work with the California Energy Commission and CPUC prior to commencing service to customers to ensure it meets its local and system resource adequacy obligations through its agreement(s) with its chosen electric supplier(s).

### *Renewables Portfolio Standards Energy Requirements*

#### **Basic RPS Requirements**

As a CCA program provider, Pioneer will be required by law and ensuing CPUC regulations to procure a certain minimum percentage of its retail electricity sales from qualified renewable energy resources. For purposes of determining Pioneer's renewable energy requirements, the same standards for RPS compliance that are applicable to the distribution utilities are assumed to apply to CCA programs.

California's RPS program is currently undergoing reform. On October 7, 2015, Governor Brown signed Senate Bill 350 ("SB 350"; De Leon and Leno), the Clean Energy and Pollution Reduction Act of 2015, which increased California's RPS procurement target from 33 percent by 2020 to 50 percent by 2030, amongst other clean-energy initiatives. Many details related to SB 350 implementation will be developed over time with oversight by designated regulatory agencies.

However, it is reasonable to assume that interim annual renewable energy procurement targets will be imposed on CCAs and other retail electricity sellers to facilitate progress towards the 50 percent procurement mandate. For planning purposes, Pioneer has assumed straight-line annual increases (1.7 percent per year) to the RPS procurement target beginning in 2021, as the state advances on the 50 percent RPS. Pioneer will also adopt an integrated resource plan in compliance with SB 350 – Pioneer understands that various details related to this planning requirement have yet to be developed, and Pioneer intends to monitor and participate, as appropriate, in pertinent proceedings to promote the preparation and submittal of a responsive planning document. Furthermore, Pioneer will ensure that all long-term renewable energy contracting requirements, as imposed by SB 350, will be satisfied through appropriate transactions with qualified suppliers and will also reflect this intent in ongoing resource planning and procurement efforts.

### Pioneer's Renewables Portfolio Standards Requirement

Pioneer's annual RPS procurement requirements, as specified under California's RPS program, are shown in the table below.

Pioneer Community Energy RPS Requirements (MWh) 2018 - 2027										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Pioneer CE Demand (MWh)										
Retail Demand	1,135,588	1,146,996	1,158,519	1,170,104	1,181,805	1,193,623	1,205,560	1,217,615	1,229,791	1,242,089
Annual RPS Procurement Target (MWh)	329,321	355,569	34,756	409,536	425,450	453,577	482,224	511,398	541,108	571,361
% of Current Year Sales*	29%	31%	3%	35%	36%	38%	40%	42%	44%	46%

\*Note: Specific details related to SB 350 implementation have yet to be identified by the States designated regulatory agencies. For purposes of this table, Pioneer assumed a straight-line increase from California's 33 percent RPS procurement mandate in 2020 to California's new, 50 percent RPS procurement mandate in 2030.

### Purchased Power

Power purchased from power marketers, public agencies, generators, and/or utilities will be a significant source of supply during the first several years of CCA Program operation. Pioneer will initially contract to obtain all of its electricity from one or more third party electric providers under one or more power supply agreements, and the supplier(s) will be responsible for procuring the specified resource mix, including Pioneer's desired quantities of renewable energy, to provide a stable and cost-effective resource portfolio for the CCA Program.

### Renewable Resources

Pioneer will initially secure necessary renewable power supply from its third party electric supplier(s). Pioneer may supplement the renewable energy provided under the initial power supply contract(s) with direct purchases of renewable energy from renewable energy facilities or from renewable generation developed and owned by Pioneer. At this point in time, it is not

possible to predict what projects might be proposed in response to future renewable energy solicitations administered by Pioneer, unsolicited proposals or discussions with other agencies. Renewable projects that are located virtually anywhere in the Western Interconnection can be considered as long as the electricity is deliverable to the CAISO control area, as required to meet the CPUC's RPS rules and any additional guidelines ultimately adopted by Pioneer. The costs of transmission access and the risk of transmission congestion costs would need to be considered in the bid evaluation process if the delivery point is outside of Pioneer's load zone, as defined by the CAISO.

### *Energy Efficiency*

Pioneer's energy efficiency goals will reflect a strong commitment to increasing energy efficiency within the County, expanding beyond the savings achieved by PG&E's programs. To promote the achievement of this goal, Pioneer plans to complete the CPUC application process for third party administration of energy efficiency programs and use of funds collected through the existing public benefits surcharges paid by CCA Program customers. To the extent that Pioneer is successful in this application process, receiving funding to administer additional energy efficiency programs within the region, it will seek to maximize end-use customer energy efficiency by facilitating customer participation in existing utility programs as well as by forming new programs that will displace Pioneer's need for traditional electric procurement activities. Additional details related to Pioneer's energy efficiency plan will be developed once initial CCA Program enrollment is complete. .

With regard to Pioneer's anticipated energy efficiency savings, a reasonable baseline assumption (for efficiency savings related to the demand-side portion of the CCA Program's resource plan) appears to be steady growth towards 0.5 percent of Pioneer's projected energy sales by 2024. For example, the National Action Plan for Energy Efficiency states among its key findings "consistently funded, well-designed efficiency programs are cutting annual savings for a given program year of 0.15 to 1 percent of energy sales."<sup>5</sup> The American Council for an Energy-Efficient Economy (ACEEE) reports for states already operating substantial energy efficiency programs that an energy efficiency goal of one percent, as a percentage of energy sales, is a reasonable level to target.<sup>6</sup> These savings would be in addition to the savings achieved by PG&E administered programs. Achieving this goal would mean at least a doubling of energy savings relative to the status quo (without the program administered by Pioneer). It is assumed that energy efficiency programs of Pioneer will focus on closing the gap between the vast economic potential of energy efficiency within the County and what is typically achieved.

### *Demand Response*

Demand response programs provide incentives to customers to reduce demand upon request by the load serving entity (i.e., Pioneer), reducing the amount of generation capacity that must

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<sup>5</sup> National Action Plan for Energy Efficiency, July 2006, Section 6: Energy Efficiency Program Best Practices (pages 5-6)

<sup>6</sup> Energy Efficiency Resource Standards: Experience and Recommendations, Steve Nadel, March 2006, ACEEE Report E063 (pages 28 - 30).



be maintained as infrequently used reserves. Demand response programs can be cost effective alternatives to procured capacity that would otherwise be needed to comply with California's resource adequacy requirements. The programs also provide rate benefits to customers who have the flexibility to reduce or shift consumption for relatively short periods of time when generation capacity is most scarce. Like energy efficiency, demand response can be a win/win proposition, providing economic benefits to the electric supplier as well as customer service benefits.

In its ruling on local resource adequacy, the CPUC found that dispatchable demand response resources as well as distributed generation resources should be counted for local capacity requirements. This resource plan anticipates that Pioneer's demand response programs would partially offset its local capacity requirements beginning in 2020.

PG&E offers several demand response programs to its customers, and Pioneer intends to recruit those customers that have shown a willingness to participate in utility programs into similar programs offered by Pioneer. Pioneer may also adopt a demand response program that enables it to request customer demand reductions during times when capacity is in short supply or spot market energy costs are exceptionally high.

Appropriate limits on customer curtailments, both in terms of the length of individual curtailments and the total number of curtailment hours that can be called should be included in Pioneer's demand response program design. It will also be important to establish a reasonable measurement protocol for customer performance of its curtailment obligations and deploy technology to automate customer notifications and responses. Performance measurement should include establishing a customer specific baseline of usage prior to the curtailment request from which demand reductions can be measured. Pioneer may utilize experienced third party contractors to design, implement and administer its demand response programs.

#### *Distributed Generation*

Consistent with Pioneer's policies and the state's Energy Action Plan, clean distributed generation is a component of the integrated resource plan. Pioneer will work to promote deployment of photovoltaic (PV) systems within Pioneer's service territory, with the goal of optimizing the use of the available incentives that are funded through current utility distribution rates and public benefits surcharges. Pioneer also plans to implement a net energy metering program and a program to purchase energy from local generation sources to promote local investment in distributed generation.

There are clear economic and environmental benefits and strong customer interest in distributed PV systems. To support such systems, Pioneer may provide direct financial incentives from revenues funded by customer rates to further support use of solar power and/or other renewable resources within the local area. With regard to the CCA Program's prospective net energy metering program, it is anticipated that Pioneer would eventually adopt a program that would allow participating customers to sell excess energy produced by customer-sited

renewable generating sources to Pioneer. Such a program would be generally consistent with principles identified in Assembly Bill 920 ("AB 920"), which directed the CPUC to establish and implement a compensation methodology for surplus renewable generation produced by net energy metered facilities located within the service territories of California's large investor owned utilities, including PG&E. However, Pioneer may choose to offer enhanced compensation structures, relative to those implemented as a result of AB 920, as part of the direct incentives that may be established to promote distributed generation development within Placer County. To the extent that incentives offered by Pioneer improve project economics for its customers, it is reasonable to assume that the penetration of distributed generation within the County would increase.

## CHAPTER 7 – Financial Plan

This Chapter examines the monthly cash flows expected during the startup and customer enrollment period of the CCA Program and identifies the anticipated financing requirements. It includes estimates of program startup costs, including necessary expenses and capital outlays. It also describes the requirements for working capital and long-term financing for the potential investment in generation projects, consistent with the resource plan contained in Chapter 6.

### *Description of Cash Flow Analysis*

Pioneer's cash flow analysis estimates the level of capital that will be required during the startup and rollout period. The analysis focuses on the CCA Program's monthly costs and revenues and specifically accounts for the rollout of the CCA Program to customers described in Chapter 5.

### *Cost of CCA Program Operations*

The first category of the cash flow analysis is the Cost of CCA Program Operations. To estimate the overall costs associated with CCA Program Operations, the following components were taken into consideration:

- Electricity Procurement;
- Ancillary Service Requirements;
- Exit Fees;
- Staffing and Professional Services;
- Data Management Costs;
- Administrative Overhead;
- Billing Costs;
- Scheduling Coordination;
- Grid Management and other CAISO Charges;
- CCA Bond and Security Deposit;
- Pre-Startup Cost Reimbursement; and
- Debt Service.

### *Revenues from CCA Program Operations*

The cash flow analysis also provides estimates for revenues generated from CCA operations or from electricity sales to customers. In determining the level of revenues, the analysis assumes the CCA Program implementation schedule described herein, and assumes that Pioneer charges a standard, electricity tariff similar to the generation rates of PG&E for each customer class. More detail on CCA Program rates can be found in Chapter 8.



### *Cash Flow Analysis Results*

The results of the cash flow analysis provide an estimate of the level of capital required for Pioneer to move through the CCA startup and implementation periods. This estimated level of capital is determined by examining the monthly cumulative net cash flows (revenues from CCA operations minus cost of CCA operations) based on assumptions for payment of costs or other cash requirements (e.g., deposits) by Pioneer, along with estimates for when customer payments will be received. This identifies, on a monthly basis, what level of cash flow is available in terms of a surplus or deficit.

The cash flow analysis identifies funding requirements in recognition of the potential lag between revenues received and payments made during the rollout period. The estimated financing requirements for the startup and implementation period, including working capital needs associated with customer enrollments, was determined to be \$7 million. Working capital requirements peak soon after enrollment of all customers.

### *CCA Program Implementation Pro Forma*

In addition to developing a cash flow analysis which estimates the level of working capital required to move Pioneer through full CCA implementation, a summary pro forma analysis that evaluates the financial performance of the CCA program during the enrollment period is shown below. The difference between the cash flow analysis and the CCA pro forma analysis is that the pro forma analysis does not include a lag associated with payment streams. In essence, costs and revenues are reflected in the month in which service is provided. All other items, such as costs associated with CCA Program operations and rates charged to customers remain the same. Cash provided by financing activities are not shown in the pro forma analysis, although payments for debt service are included as a cost item.

The results of the pro forma analysis are shown in the following tables. In particular, the summary of CCA Program startup and implementation and enrollment addresses projected CCA Program operations for the period beginning January 2018 through December 2027.<sup>7</sup> Pioneer has also included a summary of Program reserves, which are expected to accrue over this same period of time.

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<sup>7</sup> Costs projected for staffing & professional services and other administrative & general relate to energy procurement, administration of energy efficiency and other local programs, generation development, customer service, marketing, accounting, finance, legal and regulatory activities necessary for program operation.

## Pioneer Community Energy, Program Implementation Plan, July 2017

Pioneer Community Energy Summary of CCA Program Startup and Operations (January 2018 through December 2027)										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>I. Revenues from Operations (\$)</b>										
Electric Sales Revenue	\$ 75,098,474	\$ 72,837,267	\$ 75,222,706	\$ 78,448,858	\$ 81,811,887	\$ 85,317,551	\$ 88,971,847	\$ 92,781,026	\$ 96,751,597	\$ 100,890,342
Less Uncollectable Accounts	\$ 375,492	\$ 364,186	\$ 376,114	\$ 392,244	\$ 409,059	\$ 426,588	\$ 444,859	\$ 463,905	\$ 483,758	\$ 504,452
<b>Total Revenues</b>	<b>\$ 74,722,981</b>	<b>\$ 72,473,080</b>	<b>\$ 74,846,592</b>	<b>\$ 78,056,614</b>	<b>\$ 81,402,828</b>	<b>\$ 84,890,963</b>	<b>\$ 88,526,988</b>	<b>\$ 92,317,121</b>	<b>\$ 96,267,839</b>	<b>\$ 100,385,890</b>
<b>II. Cost of Operations (\$)</b>										
<b>(A) Operations and Administrative (O&amp;A)</b>										
Staffing and Professional Services	\$ 3,302,319	\$ 3,380,777	\$ 3,465,296	\$ 3,551,929	\$ 3,640,727	\$ 3,731,745	\$ 3,825,039	\$ 3,920,665	\$ 4,018,681	\$ 4,119,148
Marketing	\$ 502,853	\$ 515,424	\$ 515,424	\$ 528,310	\$ 541,518	\$ 555,056	\$ 568,932	\$ 583,155	\$ 597,734	\$ 612,677
Data Management Services	\$ 606,847	\$ 1,225,831	\$ 1,238,089	\$ 1,281,732	\$ 1,326,913	\$ 1,373,687	\$ 1,422,109	\$ 1,472,238	\$ 1,524,135	\$ 1,577,860
PG&E Fees (Including Billing)	\$ 533,726	\$ 552,565	\$ 572,069	\$ 592,235	\$ 613,111	\$ 634,723	\$ 657,097	\$ 680,260	\$ 704,239	\$ 729,064
Other Administrative and General	\$ 605,079	\$ 589,114	\$ 603,842	\$ 618,938	\$ 634,412	\$ 650,272	\$ 666,529	\$ 683,192	\$ 700,272	\$ 717,779
<b>Total O&amp;A</b>	<b>\$ 5,550,824</b>	<b>\$ 6,263,712</b>	<b>\$ 6,394,721</b>	<b>\$ 6,573,143</b>	<b>\$ 6,756,680</b>	<b>\$ 6,945,482</b>	<b>\$ 7,139,705</b>	<b>\$ 7,339,510</b>	<b>\$ 7,545,061</b>	<b>\$ 7,756,528</b>
<b>(B) Cost of Energy</b>	<b>\$ 57,429,414</b>	<b>\$ 59,965,961</b>	<b>\$ 62,614,785</b>	<b>\$ 65,377,917</b>	<b>\$ 68,263,236</b>	<b>\$ 71,276,152</b>	<b>\$ 74,422,314</b>	<b>\$ 77,707,620</b>	<b>\$ 81,138,233</b>	<b>\$ 84,720,586</b>
<b>(C) Operating Reserve</b>	<b>\$ 3,162,041</b>	<b>\$ 3,066,832</b>	<b>\$ 3,167,272</b>	<b>\$ 3,303,110</b>	<b>\$ 3,444,711</b>	<b>\$ 3,592,318</b>	<b>\$ 3,746,183</b>	<b>\$ 3,906,570</b>	<b>\$ 4,073,751</b>	<b>\$ 4,248,014</b>
<b>(D) Total Cost and Operating Reserve</b>	<b>\$ 66,142,279</b>	<b>\$ 69,296,505</b>	<b>\$ 72,176,778</b>	<b>\$ 75,254,170</b>	<b>\$ 78,464,627</b>	<b>\$ 81,813,952</b>	<b>\$ 85,308,202</b>	<b>\$ 88,953,700</b>	<b>\$ 92,757,046</b>	<b>\$ 96,725,129</b>
<b>Pioneer CCA Program Surplus/(Deficit)</b>	<b>\$ 8,580,703</b>	<b>\$ 3,176,575</b>	<b>\$ 2,669,814</b>	<b>\$ 2,802,444</b>	<b>\$ 2,938,201</b>	<b>\$ 3,077,011</b>	<b>\$ 3,218,786</b>	<b>\$ 3,363,420</b>	<b>\$ 3,510,793</b>	<b>\$ 3,660,761</b>
<b>Pioneer Community Energy Reserves Summary (January 2018 through December 2027)</b>										
<b>I. Reserve Additions</b>										
(A) Operating Reserve Contribution	\$ 3,162,041	\$ 3,066,832	\$ 3,167,272	\$ 3,303,110	\$ 3,444,711	\$ 3,592,318	\$ 3,746,183	\$ 3,906,570	\$ 4,073,751	\$ 4,248,014
(B) CCA Program Surplus / (Deficit)	\$ 8,580,703	\$ 3,176,575	\$ 2,669,814	\$ 2,802,444	\$ 2,938,201	\$ 3,077,011	\$ 3,218,786	\$ 3,363,420	\$ 3,510,793	\$ 3,660,761
(B) Cash From Financing	\$ 27,602,667	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Subtotal Reserve Additions</b>	<b>\$ 39,345,410</b>	<b>\$ 6,243,408</b>	<b>\$ 5,837,086</b>	<b>\$ 6,105,554</b>	<b>\$ 6,382,912</b>	<b>\$ 6,669,329</b>	<b>\$ 6,964,969</b>	<b>\$ 7,269,990</b>	<b>\$ 7,584,544</b>	<b>\$ 7,908,775</b>
<b>II. Reserve Subtractions</b>										
(A) Debt Service on Startup Funds	\$ 883,285	\$ 2,123,947	\$ 2,123,947	\$ 2,123,947	\$ 2,174,553	\$ 2,174,553	\$ 2,174,553	\$ 2,174,553	\$ 2,174,553	\$ 2,174,553
(B) Funds Retained for Energy Programs	\$ -	\$ 500,000	\$ 725,000	\$ 1,051,250	\$ 1,524,313	\$ 2,210,253	\$ 3,204,867	\$ 4,647,057	\$ 6,738,233	\$ 9,770,438
<b>Subtotal Reserve Subtractions</b>	<b>\$ 883,285</b>	<b>\$ 2,623,947</b>	<b>\$ 2,848,947</b>	<b>\$ 3,175,197</b>	<b>\$ 3,698,866</b>	<b>\$ 4,384,807</b>	<b>\$ 5,379,420</b>	<b>\$ 6,821,611</b>	<b>\$ 8,912,786</b>	<b>\$ 11,944,991</b>
<b>III. Balance of Pioneer Reserves</b>	<b>\$ 38,462,125</b>	<b>\$ 42,081,586</b>	<b>\$ 45,059,724</b>	<b>\$ 48,000,081</b>	<b>\$ 50,684,127</b>	<b>\$ 52,968,649</b>	<b>\$ 54,554,197</b>	<b>\$ 55,002,576</b>	<b>\$ 53,674,334</b>	<b>\$ 49,638,118</b>

The annual surpluses serve to build Pioneer's net financial position and credit profile and to provide operating reserves for Pioneer in the event that operating costs (such as power purchase costs) exceed collected revenues for short periods of time. In addition, financial surpluses could be used to fund local economic development, customer programs, electric infrastructure projects, to increase local renewable and/or GHG-free resources within the CCA Program's resource mix, and other energy related purposes.

### CCA Program Financings

It is anticipated that one or more financings will be necessary to support CCA Program implementation. Subsequent capital requirements will be self-funded from Pioneer's accrued financial reserves. The anticipated financing approach is described below.

### *CCA Program Start-up and Working Capital*

As previously discussed, the anticipated start-up and working capital requirements for the CCA Program are \$40 million. This amount is dependent upon the electric load served by Pioneer, actual energy prices, payment terms established with the third-party supplier, and program rates. This figure would be refined during the startup period as these variables become known. Once the CCA Program is up and running, these costs would be recovered from customers through retail rates.

This financing will be primarily secured via debt issued by Pioneer, which would allow Pioneer to draw cash as required. Initially, two debt issuances are planned. The first is an operating line of credit of up to \$10 million that will be used for financing of program operations and for general liquidity. The second is a revolving line of credit of up to \$30 million that will be used to provide financial backing for power purchases. Initial financing is expected to be arranged no later than the third quarter of 2017. Other short term debt may be issued as necessary, based on operational needs as these evolve over time.

### *Project Financing*

Pioneer may consider project financings for generation resources, likely local wind, solar, biomass, hydro-electric and/or geothermal as well as energy efficiency projects. These financings would only occur after a sustained period of successful CCA Program operation and after appropriate project opportunities are identified and subjected to appropriate financial, economic and environmental review. Pioneer's ability to directly finance projects will likely require a track record of successful program operations demonstrating strong underlying credit to support the financing. In the event that such financing occurs, funds would include any short-term financing for the project development costs, and would likely extend over a 20- to 30-year term. The security for such bonds would primarily be based on the future revenue stream accruing from sales to the retail customers of Pioneer.

## CHAPTER 8 – Rate Setting, Program Terms and Conditions

### *Introduction*

This Chapter describes the initial policies proposed for Pioneer in setting its rates for electric aggregation services. These include policies regarding rate design, rate objectives, and provision for due process in setting CCA Program rates. CCA Program rates are ultimately approved by Pioneer's Board. The Pioneer Board would retain authority to modify program policies from time to time at its discretion.

### *Rate Policies*

Pioneer will establish rates sufficient to recover all costs related to operation of the CCA Program, including any reserves that may be required as a condition of financing and other discretionary reserve funds that may be approved by the Pioneer Board. As a general policy, rates will be uniform for all similarly situated customers enrolled in the CCA Program throughout the service area of Pioneer.

The primary objectives of the rate setting plan are to set rates that achieve the following:

- Rate competitive tariff, including a proportionate quantity of renewable energy in excess of California's prevailing renewable energy procurement mandate;
- Potential future 100 percent local renewable option with tariff reflecting associated cost;
- Rate stability;
- Equity among customers in each tariff;
- Customer understanding; and
- Revenue sufficiency.

Each of these objectives is described below.

### *Rate Competitiveness*

The primary goal is to offer competitive rates for electric services that Pioneer would provide to participating customers. For participants in Pioneer's standard Tariff, the goal would be for CCA Program rates to be initially up to five percent below similar generation rates offered by PG&E, subject to actual energy product pricing and decisions of Pioneer's Board. For voluntary participants in any future CCA Program 100 percent local renewable energy Tariff, the goal would be to offer the lowest possible customer rates with an incremental monthly cost premium reflective of the actual cost of additional renewable energy supply required to serve such customers. Based on current estimates, the anticipated cost premium for a 100 percent local renewable supply option would be 5 to 10 percent relative to the standard CCA Program tariff.

Competitive rates will be critical to attracting and retaining key customers. In order for Pioneer to be successful, the combination of price and value must be perceived as superior when

compared to the bundled utility service alternative. As planned, the value provided by the CCA Program will include a community focus, local investment and control, enhanced energy efficiency and customer programs, and higher proportion of renewable energy and reduced GHG emissions relative to the incumbent utility.

As previously discussed, the CCA Program will increase renewable energy supply to program customers, relative to the incumbent utility. The standard Tariff for CCA Program customers will increase renewable energy supply while maintaining generation rates that are generally comparable to PG&E's. The initial renewable energy content provided under the CCA Program standard Tariff will exceed California's prevailing renewable energy procurement mandate, and Pioneer will endeavor to increase this percentage on a going forward basis, subject to operational and economic constraints. Pioneer may in the future also offer its customers a voluntary 100% local renewable energy Tariff, which will supply participating customers with 100 percent local renewable energy at rates that reflect CCA's cost for procuring related energy supplies.

Participating qualified low- or fixed-income households, such as those currently enrolled in the California Alternate Rates for Energy (CARE) program, will be automatically enrolled in the standard Tariff and will continue to receive related discounts on monthly electricity bills through PG&E.

#### *Rate Stability*

Pioneer will offer stable rates by hedging its supply costs over multiple time horizons and by including renewable energy supplies that exhibit stable costs. Rate stability considerations may prevent CCA Program rates from directly tracking similar rates offered by the distribution utility, PG&E, and may result in differences from the general rate-related targets initially established for the CCA Program. Pioneer will attempt to maintain general rate parity with PG&E to ensure that CCA Program rates are not drastically different from the competitive alternative.

#### *Equity among Customer Classes*

CCA Program initial rates will be set up to 5% below similar rates offered by PG&E. Rate differences among customer classes will reflect the rates charged by the local distribution utility as well as differences in the costs of providing service to each class. Rate benefits may also vary among customers within the major customer class categories, depending upon the specific rate designs adopted by Pioneer.

#### *Customer Understanding*

The goal of customer understanding involves rate designs that are relatively straightforward so that customers can readily understand how their bills are calculated. This not only minimizes customer confusion and dissatisfaction, but will also result in fewer billing inquiries to the CCA Program's customer service call center. Customer understanding also requires rate structures to

reflect rational rate design principles (i.e., there should not be differences in rates that are not justified by costs or by other policies such as providing incentives for conservation).

#### *Revenue Sufficiency*

CCA Program rates must collect sufficient revenue from participating customers to fully fund Pioneer's annual budget. Rates will be set to collect the adopted budget based on a forecast of electric sales for the budget year. Rates will be adjusted as necessary to maintain the ability to fully recover all of costs of the CCA Program, subject to the disclosure and due process policies described later in this chapter. To ensure rate stability, funds available in Pioneer's rate stabilization fund may be used from time to time to augment operating revenues.

#### *Rate Design*

Pioneer will generally match the rate structures from the utilities' standard rates to avoid the possibility that customers would see significantly different bill impacts as a result of changes in rate structures that would take effect following enrollment in the CCA Program.

#### *Custom Pricing Options*

Pioneer may work to develop specially-tailored rate and electric service products that meet the specific load characteristics or power market risk profiles of larger commercial and industrial customers. This will allow such customers to have access to a wider range of products than is currently available under the incumbent utility and potentially reduce the cost of power for these customers. Pioneer may provide large energy users with custom pricing options to help these customers gain greater control over their energy costs. Some examples of potential custom pricing options are rates that are based on an observable market index (e.g., CAISO prices) or fixed priced contracts of various terms.

#### *Net Energy Metering*

Customers with on-site generation eligible for net metering from PG&E will be offered a net energy metering rate from Pioneer. Net energy metering allows for customers with certain qualified solar or wind distributed generation to be billed on the basis of their net energy consumption. The PG&E net metering tariff (NEM) requires the CCA to offer a net energy metering tariff in order for the customer to continue to be eligible for service on Schedule E-NEM. The objective is that Pioneer's net energy metering tariff will apply to the generation component of the bill, and the PG&E net energy metering tariff will apply to the utility's portion of the bill. Pioneer plans to pay customers for excess power produced from net energy metered generation systems in accordance with the rate designs adopted by Pioneer.

#### *Disclosure and Due Process in Setting Rates and Allocating Costs among Participants*

Initial program rates will be adopted by Pioneer following the establishment of the first year's operating budget prior to initiating the customer notification process. Subsequently, Pioneer will prepare an annual budget and corresponding customer rates. Any proposed rate adjustment will be considered and adopted by the Board of Directors after a public hearing with ample time given to affected customers to provide comment on the proposed rate changes.

After proposing a rate adjustment, Pioneer will furnish affected customers with a notice of its intent to adjust rates, either by mailing such notices postage prepaid to affected customers, by including such notices as an insert to the regular bill for charges transmitted to affected customers, or by including a related message directly on the customer's monthly electricity bill (on the page addressing Pioneer charges). The notice will provide a summary of the proposed rate adjustment and will include a link to the CCA Program website where information will be posted regarding the amount of the proposed adjustment, a brief statement of the reasons for the adjustment, and the contact information for Pioneer to which any customer inquiries relative to the proposed adjustment, including a request by the customer to receive notice of the date, time, and place of any hearing on the proposed adjustment, may be directed.



## CHAPTER 9 – Customer Rights and Responsibilities

This chapter discusses customer rights, including the right to opt-out of the CCA Program and the right to privacy of customer usage information, as well as obligations customers undertake upon agreement to enroll in the CCA Program. All customers that do not opt out within 30 days of the fourth enrollment notice will have agreed to become full status program participants and must adhere to the obligations set forth below, as may be modified and expanded by the CCA Board from time to time.

By adopting this Implementation Plan, Pioneer will have approved the customer rights and responsibilities policies contained herein to be effective at CCA Program initiation. Pioneer retains authority to modify program policies from time to time at its discretion.

### *Customer Notices*

At the initiation of the customer enrollment process, a total of four notices will be provided to customers describing the CCA Program, informing them of their opt-out rights to remain with utility bundled generation service, and containing a simple mechanism for exercising their opt-out rights. The first notice will be mailed to customers approximately sixty days prior to the date of automatic enrollment. A second notice will be sent approximately thirty days later. Pioneer will likely use its own mailing service for requisite enrollment notices rather than including the notices in PG&E's monthly bills. This is intended to increase the likelihood that customers will read the enrollment notices, which may otherwise be ignored if included as a bill insert. Customers may opt out by notifying Pioneer using the CCA Program's designated telephone-based or internet opt-out processing service. Should customers choose to initiate an opt-out request by contacting PG&E, they would be transferred to the CCA Program's call center to complete the opt-out request. Consistent with CPUC regulations, notices returned as undelivered mail would be treated as a failure to opt out, and the customer would be automatically enrolled.

Following automatic enrollment, at least two notices will be mailed to customers within the first two billing cycles (approximately sixty days) after CCA Program service commences. Opt-out requests made on or before the sixtieth day following start of CCA Program service will result in customer transfer to bundled utility service with no penalty. Such customers will be obligated to pay charges associated with the electric services provided by Pioneer during the time the customer took service from the CCA Program, but will otherwise not be subject to any penalty or transfer fee from Pioneer.

Customers who establish new electric service accounts within the Program's service area will be automatically enrolled in the CCA Program and will have sixty days from the start of service to opt out if they so desire. Such customers will be provided with two enrollment notices within this sixty-day post enrollment period. Such customers will also receive a notice detailing Pioneer's privacy policy regarding customer usage information. Pioneer will have the authority



to implement entry fees for customers that initially opt out of the Program, but later decide to participate. Entry fees, if deemed necessary, would aid in resource planning by providing additional control over the CCA Program's customer base.

#### *Termination Fee*

Customers that are automatically enrolled in the CCA Program can elect to transfer back to the incumbent utility without penalty within the first two months of service. After this free opt-out period, customers will be allowed to terminate their participation but may be subject to payment of a Termination Fee, which Pioneer reserves the right to impose, if deemed necessary. Customers that relocate within Pioneer's service territory would have CCA service continued at their new address. If a customer relocating to an address within Pioneer's service territory elected to cancel CCA service, the Termination Fee could be applied. Program customers that move out of Pioneer's service territory would not be subject to the Termination Fee. If deemed applicable by Pioneer, PG&E would collect the Termination Fee from returning customers as part of Pioneer's final bill to the customer.

For illustrative purposes, Pioneer Termination Fee could vary by customer class as set forth in the table below, subject to a final determination by Pioneer.

**Pioneer CCA Program: Illustrative Schedule of Fees for Service Termination\***

Customer Class	Fee
Residential	\$5
Non-Residential	\$25

\*Note that Pioneer has yet to adopt a Schedule of Fees for Service Termination. The fees reflected in this table are representative of similar charges adopted by California's operating CCA programs.

If adopted, the Termination Fee would be clearly disclosed in the four enrollment notices sent to customers during the sixty-day period before automatic enrollment and following commencement of service. The fee could also be changed prospectively by Pioneer subject to applicable customer noticing requirements.

Customers electing to terminate service after the initial notification period would be transferred to PG&E on their next regularly scheduled meter read date if the termination notice is received a minimum of fifteen days prior to that date. Such customers would also be liable for the nominal reentry fees imposed by PG&E and would be required to remain on bundled utility service for a period of one year, as described in the utility CCA tariffs.

#### *Customer Confidentiality*

Pioneer will establish policies covering confidentiality of customer data that are fully compliant with the required privacy protection rules for CCA customer energy usage information, as detailed within CPUC Decision 12-08-045. Pioneer will maintain the confidentiality of individual customers' names, service addresses, billing addresses, telephone numbers, account

numbers, and electricity consumption, except where reasonably necessary to conduct business of Pioneer or to provide services to customers, including but not limited to where such disclosure is necessary to (a) comply with the law or regulations; (b) enable Pioneer to provide service to its customers; (c) collect unpaid bills; (d) obtain and provide credit reporting information; or (e) resolve customer disputes or inquiries. Pioneer will not disclose customer information for telemarketing, e-mail, or direct mail solicitation. Aggregate data may be released at Pioneer's discretion.

#### *Responsibility for Payment*

Customers will be obligated to pay CCA Program charges for service provided through the date of transfer including any applicable Termination Fees. Pursuant to current CPUC regulations, Pioneer will not be able to direct that electricity service be shut off for failure to pay CCA Program bills. However, PG&E has the right to shut off electricity to customers for failure to pay electricity bills, and PG&E Electric Rule 23 mandates that partial payments are to be allocated pro rata between PG&E and the CCA. In most circumstances, customers would be returned to utility service for failure to pay bills in full and customer deposits (if any) would be withheld in the case of unpaid bills. PG&E would attempt to collect any outstanding balance from customers in accordance with Rule 23 and the related CCA Service Agreement. The proposed process is for two late payment notices to be provided to the customer within 30 days of the original bill due date. If payment is not received within 45 days from the original due date, service would be transferred to the utility on the next regular meter read date, unless alternative payment arrangements have been made. Consistent with the CCA tariffs, Rule 23, service cannot be discontinued to a residential customer for a disputed amount if that customer has filed a complaint with the CPUC, and that customer has paid the disputed amount into an escrow account.

#### *Customer Deposits*

Under certain circumstances, CCA Program customers may be required to post a deposit equal to the estimated charges for two months of CCA Program service prior to obtaining service from the CCA Program. A deposit would be required for an applicant who previously had been a customer of PG&E or Pioneer and whose electric service has been discontinued by PG&E or Pioneer during the last twelve months of that prior service arrangement as a result of bill nonpayment. Such customers may be required to reestablish credit by depositing the prescribed amount. Additionally a customer who fails to pay bills before they become past due as defined in PG&E Electric Rule 11 (Discontinuance and Restoration of Service), and who further fails to pay such bills within five days after presentation of a discontinuance of service notice for nonpayment of bills, may be required to pay said bills and reestablish credit by depositing the prescribed amount. This rule will apply regardless of whether or not service has been discontinued for such nonpayment<sup>8</sup>. Failure to post deposit as required would cause the account service transfer request to be rejected, and the account would remain with PG&E.

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<sup>8</sup> A customer whose service is discontinued by Pioneer is returned to PG&E generation service.

## CHAPTER 10 - Procurement Process

### *Introduction*

This Chapter describes Pioneer's initial procurement policies and the key third party service agreements by which Pioneer will obtain operational services for the CCA Program. By adopting this Implementation Plan, Pioneer will have approved the general procurement policies contained herein to be effective at Program initiation. Pioneer retains authority to modify Program policies from time to time at its discretion.

### *Procurement Methods*

Pioneer will enter into agreements for a variety of services needed to support program development, operation and management. It is anticipated that Pioneer will generally utilize Competitive Procurement methods for services but may also utilize Direct Procurement or Sole Source Procurement, depending on the nature of the services to be procured. Direct Procurement is the purchase of goods or services without competition when multiple sources of supply are available. Sole Source Procurement is generally to be performed only in the case of emergency or when a competitive process would be an idle act.

Pioneer will utilize a competitive solicitation process to enter into agreements with entities providing electrical services for the program. Agreements with entities that provide professional legal or consulting services, and agreements pertaining to unique or time sensitive opportunities, may be entered into on a direct procurement or sole source basis at Pioneer's discretion. Authority for terminating agreements will generally mirror the authority for entering into such agreements.

### *Key Contracts*

#### **Electric Supply Contract**

Pioneer will initiate service using supply contracts with one or more qualified providers to supply sufficient electric energy resources to meet CCA customer demand as well as applicable resource adequacy requirements, ancillary and other necessary services. Pioneer may complete additional solicitations to supplement its energy supply and/or to replace contract volumes provided under the original contract. Pioneer would begin such procurement sufficiently in advance of contract expiration so that the transition from the initial supply contract occurs smoothly, avoiding dependence on market conditions existing at any single point in time.

Although Pioneer will register as a Scheduling Coordinator with CAISO, Pioneer will utilize the Northern California Power Agency ("NCPA") as its certified Scheduling Coordinator Agent on a day-to-day basis to schedule loads and resources to meet CCA Program customer demand. NCPA is a joint powers agency formed by member public entities under the laws of the State of California to provide cost effective wholesale power, energy-related services, and advocacy on behalf of public power consumers. The membership consists of eleven cities with publicly-

owned electric utility distribution systems, one port authority, a transit authority, one public utility district, and one associate member. NCPA's purposes are for purchasing, generating, transmitting, and selling electrical energy and for providing other related services to its members as each may require. NCPA provides a portion of certain of its members' power needs and certain of its members also self-provide and/or purchase power and transmission from other public and private sources.

NCPA has been operating in California's energy markets since 1968 and provides power management services to its members and other entities. These services include the following:

- Electricity Scheduling and Dispatch
- Planning and Portfolio Management
- Meter Data Management
- Settlement Review, Validation and Reconciliation
- Resource Development, Integration and Operations
- Risk Management and Analysis
- Reporting and Data Management
- Generation Facility Management and Operations

NCPA will be responsible for day-to-day energy supply operations of the CCA Program and for managing the predominant supply risks for the term of the contract. NCPA will work with Pioneer management to develop resource plans, engage in wholesale electricity procurement, and manage the electric supply portfolio in accordance with applicable risk management policies and procedures. It is anticipated that Pioneer will purchase a diverse portfolio of energy from a variety of electric suppliers. NCPA will be responsible for ensuring Pioneer's compliance with all applicable resource adequacy and regulatory requirements imposed by the CPUC or federal regulators, if applicable.

As this point in time, Pioneer has not yet commenced the requisite competitive solicitation process to identify its initial energy supplier(s). However, Pioneer anticipates executing initial electric supply contracts in mid to late 2017.

#### Data Management Contract

Calpine Energy Solutions will provide data management services for the CCA Program, including the retail customer services of billing and other customer account services (electronic data interchange or (EDI) with PG&E, billing, remittance processing, and account management). Calpine Energy Solutions offers meter data management, billing and customer care services to CCA programs. Calpine Energy Solutions is one of the largest Electric Service Providers both in California and throughout the United States, and currently provides data management services for all active CCA programs in California.



The data manager is responsible for the following services:

- Data exchange with PG&E;
- Technical testing;
- Customer information system;
- Customer call center;
- Billing administration/retail settlements;
- Settlement quality meter data reporting; and
- Reporting and audits of utility billing.

Utilizing a third party for account services eliminates a significant expense associated with implementing a customer information system. Such systems can impose significant information technology costs and take significant time to deploy. Separation of the data management contract from the energy supply contract gives Pioneer greater flexibility to change energy suppliers, if desired, without facing an expensive data migration issue. Any third party contracted for data management would also be required to adhere to Pioneer's customer confidentiality policies as described earlier in this Chapter and to provide adequate assurances that appropriate data security measures are in place.

#### *Electric Supply Procurement Process*

In the third quarter of 2017, Pioneer plans to solicit proposals for electricity (conventional and renewable) and capacity needed for the commencement of service. Contract negotiations will commence immediately following proposal evaluation. It is anticipated that initial supply contracts will be in place within the July to September 2017 timeframe. Subsequently, procurement of electric supply will be conducted on an ongoing basis. Pioneer intends to negotiate master power purchase and sale agreements with several power suppliers, enabling transactions as needed in the management of the CCA Program supply portfolio.

## CHAPTER 11 – Contingency Plan for Program Termination

### *Introduction*

This Chapter describes the process to be followed in the case of CCA Program termination. By adopting the original Implementation Plan, Pioneer will have approved the general termination process contained herein to be effective at CCA Program initiation. In the unexpected event that Pioneer would terminate the CCA Program and return its customers to PG&E service, the proposed process is designed to minimize the impacts on its customers and on PG&E. The proposed termination plan follows the requirements set forth in PG&E's tariff Rule 23 governing service to CCAs. Pioneer retains authority to modify program policies from time to time at its discretion.

### *Termination by Pioneer*

Pioneer will offer services for the long term with no planned CCA Program termination date. In the unanticipated event that Pioneer decides to terminate the CCA Program, each of its Member Agencies would be required to adopt a termination ordinance or resolution and provide adequate notice to Pioneer consistent with the terms set forth in the JPA Agreement. Following such notice, Pioneer's Board would vote on CCA Program termination subject to voting provisions as described in the JPA Agreement. In the event that Pioneer affirmatively votes to proceed with JPA termination, Pioneer would disband under the provisions identified in its JPA Agreement.

After any applicable restrictions on such termination have been satisfied, notice would be provided to customers six months in advance that they will be transferred back to PG&E. A second notice would be provided during the final sixty-days in advance of the transfer. The notice would describe the applicable distribution utility bundled service requirements for returning customers then in effect, such as any transitional or bundled portfolio service rules.

At least one year advance notice would be provided to PG&E and the CPUC before transferring customers, and Pioneer would coordinate the customer transfer process to minimize impacts on customers and ensure no disruption in service. Once the customer notice period is complete, customers would be transferred *en masse* on the date of their regularly scheduled meter read date.

Pioneer will post a bond or maintain funds held in reserve to pay for potential transaction fees charged to the Program for switching customers back to distribution utility service. Reserves would be maintained against the fees imposed for processing customer transfers (Community Choice Aggregation Service Requests or CCASRs). The Public Utilities Code requires demonstration of insurance or posting of a bond sufficient to cover reentry fees imposed on customers that are involuntarily returned to distribution utility service under certain circumstances. The cost of reentry fees are the responsibility of the energy services provider or the community choice aggregator, except in the case of a customer returned for default or because its contract has expired. Pioneer will post financial security in the appropriate amount

as part of its registration materials and will maintain the financial security in the required amount, as necessary.

*Termination by Members*

The JPA Agreement defines the terms and conditions under which Members may terminate their participation in the program.

## CHAPTER 12 – Appendices

### *Appendix A: Pioneer Resolution No. 2017-5 (Adopting Implementation Plan)*

#### **Pioneer Community Energy**

##### RESOLUTION 2017-5

RESOLUTION OF THE GOVERNING BODY OF PIONEER COMMUNITY ENERGY APPROVING AND ADOPTING THE IMPLEMENTATION PLAN FOR THE PIONEER COMMUNITY ENERGY COMMUNITY CHOICE AGGREGATION PROGRAM, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE PLAN TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION AND TO TAKE ALL ACTIONS NECESSARY TO OBTAIN CALIFORNIA PUBLIC UTILITIES COMMISSION CERTIFICATION OF THE PLAN

WHEREAS, Public Utilities Code §366.2(c) requires a community choice aggregator to approve and file with the California Public Utilities Commission an Implementation Plan and Statement of Intent at a duly noticed public hearing; and

WHEREAS, on July 17, 2017, the Governing Body of Pioneer Community Energy received the Draft Implementation Plan and adopted Resolution No. 2017-4 calling for a Public Hearing on July 31, 2017, and directing notice be given for the Governing Body's consideration of a resolution adopting its community choice aggregation program Implementation Plan, and its intention to hear and consider all oral or written testimony presented by any interested person and afford all persons who are present an opportunity to comment upon, object to, or present evidence with regard to the proposed community choice aggregation program and the Implementation Plan; and

WHEREAS, the Governing Body has considered the Implementation Plan and held a duly noticed Public Hearing on this day regarding the proposed community choice aggregation program and the adoption of the Implementation Plan; and

WHEREAS, the implementation plan contains all of the following: an organizational structure of the program, its operations, and its funding, ratesetting and other costs to participants, provisions for disclosure and due process in setting rates and allocating costs among participants, the methods for entering and terminating agreements with other entities, the rights and responsibilities of program participants, including, but not limited to, consumer protection procedures, credit issues, and shutoff procedures, termination of the program description of the third parties that will be supplying electricity under the program, including, but not limited to, information about financial, technical, and operational capabilities, and further provides for universal access, reliability, equitable treatment of all classes of customers as required by California Public Utilities Code §366.2(c).

NOW THEREFORE BE IT RESOLVED, by the Governing Body of Pioneer Community Energy as follows:

1. That the foregoing recitals are true and correct.
2. That the Implementation Plan for Pioneer Community Energy community choice aggregation program is hereby approved and adopted, and the Executive Director is authorized and directed to submit the Implementation Plan to the California Public Utilities Commission, and the Executive Director and General Counsel are further authorized and directed to take all necessary actions necessary to obtain certification of the Implementation Plan by the California Public Utilities Commission.



**Pioneer Community Energy, Program Implementation Plan, July 2016**

3. That the Executive Director is authorized to make minor, non-substantive, technical changes to the Implementation Plan, following review and approval by General Counsel as may be necessary to obtain the California Public Utilities Commission's certification of the Implementation Plan.
4. That all actions heretofore taken by the officers and agents of Pioneer Community Energy with respect to the matters contemplated by this Resolution are hereby approved, confirmed and ratified, and the officers of Pioneer Community Energy are hereby authorized, for and in the name and on behalf of Pioneer Community Energy, to do any and all things, and to take any and all actions necessary to execute and deliver any and all correspondence, and other documents that they, or any of them may deem necessary or advisable in order to consummate the matters contemplated by this Resolution.
5. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Governing Board of the Authority this 31st day of July 2017 by the following vote, to wit:

AYES:	Montgomery, Douglass, Uhler, Janda, Baker, Powers, Gilbert
NOES:	None
ABSENT:	None
ABSTAIN:	None

  
Chairperson

Attest:

  
Secretary

*Appendix B: Sierra Valley Energy Authority Joint Powers Agreement*

13645

**AMENDED AND RESTATED JOINT EXERCISE OF POWERS  
AGREEMENT FOR THE SIERRA VALLEY ENERGY AUTHORITY**

THIS Amended and Restated Joint Exercise of Powers Agreement (hereafter "Agreement") amends and restates the Joint Exercise of Powers Agreement for the SIERRA VALLEY ENERGY AUTHORITY, (hereafter "Authority") originally entered as of September 9, 2015, (the "Original Agreement") which was by and between the COUNTY OF PLACER, and the CITY OF COLFAX, both public entities of the State of California. By this amendment and restatement it becomes a Joint Exercise of Powers Agreement by and between the COUNTY OF PLACER, the CITY OF COLFAX and the cities of Rocklin, Lincoln and Auburn and the town of Loomis within the County of Placer who become signatories to this Agreement (the "New Voting Members", and together with the County of Placer and the City of Colfax, the "Voting Members"), as well as those local agencies that become signatories to this Agreement as Associate Members, and relates to the joint exercise of powers among all of the signatories hereto either as Voting Members or Associate Members (hereafter collectively referred to as the "Members").

RECITALS:

- A. Whereas, each of the Members has a vested interest in the economic well-being of its respective jurisdiction and the region as a whole as well as energy efficiency and clean energy growth and development;
- B. Whereas, the Members desire to enter into this Agreement to provide for local control of energy resources, the adoption of programs to foster economic development, energy efficiency, and resource conservation, and to further define and describe the scope of powers to be exercised by the Authority;
- C. Whereas, the Members share various powers under California law, including but not limited to the power to aggregate electric load, to purchase and supply electricity for themselves and customers within their jurisdictions, and the power to enter into voluntary contractual assessments with property owners to provide financing for the installation of public and private improvements authorized within their jurisdictions;
- D. Whereas, the purposes for entering into this restated Agreement include, but are not limited to:
  - 1) Providing electric power and other forms of energy to customers at a competitive cost;
  - 2) Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources and the overall power supply portfolio.
  - 3) Carrying out programs to reduce energy consumption;
  - 4) Stimulating and sustaining the local economy by developing local jobs in renewable energy; and
  - 5) Reducing greenhouse gas emissions related to the use of electric power and other forms of energy in Placer County and neighboring regions;

- E. Whereas, it is the intent of this Agreement to promote the development and use of a wide range of energy sources and energy efficiency programs, including but not limited to hydroelectric, biomass, landfill gas, conversion of waste-to-energy, solar, and wind energy production;
- F. Whereas, Pacific Gas and Electric and Liberty Energy are the investor owned providers of retail electric service throughout the Voting Member jurisdictions and a Community Choice Aggregator is authorized to aggregate electrical load served by such investor owned providers within its members' jurisdiction. Each of the Voting Members must adopt an ordinance electing to implement through the Authority a common Community Choice Aggregation pursuant to California Public Utilities Code Sections 331.1(b) and 366.2(12)(A).

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions herein, the Members hereto agree to establish a joint powers authority as follows:

Section 1. Authority for this Joint Exercise of Powers Agreement

This Agreement is made pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (commencing with Section 6500) relating to the joint exercise of power common to the counties and public agencies and other powers specified therein (hereinafter the "Act"). Under Sections 6505 and 6507 of the Act, the Authority is a public agency separate from its Members. As provided by Section 6508.1 of the Act, and Section 12 hereof the debts, liabilities or obligations of the Authority shall not be the debts, liabilities or obligations of the individual Members, unless the governing body of a Member agrees in writing to assume any of those debts, liabilities or obligations.

The Members are each empowered by the laws of the State of California to exercise, in their respective jurisdictions, the powers set forth herein, including but not limited to the power to aggregate electric load, to purchase and supply electricity for themselves and customers within their jurisdictions, and the power to enter into voluntary contractual assessments with properties owners for authorized improvements within their jurisdictions.

Section 2. Purpose of Agreement

The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to the Members and other powers granted to the Authority under the Act, to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, to exercise all other powers necessary and incidental to accomplishing these purposes, and to provide a Community Choice Aggregation (hereinafter "CCA") Program, pursuant to California Public Utilities Code Sections 331.1 and 366.2, and as further described in Section 10.

Without limiting the generality of the foregoing, the Members also intend for this Agreement to be used as a mechanism by which Voting Members and non-voting Associate Members may

authorize the Authority to provide Property Assessed Clean Energy ("PACE") Programs pursuant to Chapter 29 of the Improvement Bond Act of 1911, Division 7 of the California Streets and Highways Code ("Chapter 29"). The Authority may provide PACE Programs pursuant to Chapter 29 within the boundaries of each Voting Member as set forth in Section 10(C) herein, and within the boundaries of each non-voting Associate Member as set forth in Sections 16 herein. The Members intend that other agreements with Associate Members shall define the terms and conditions associated with the implementation of the CCA Program, the PACE Program, and any other energy programs approved by the Authority within the territorial jurisdiction of such Associate Members. As of the Effective Date of this Agreement, the Associate Members include the County of Nevada, County of Sacramento, City of Grass Valley, City of Folsom, City of Nevada City and Town of Truckee.

### Section 3. Effective Date and Term

This Agreement shall be effective as an amendment and restatement of the Original Agreement, and the Authority shall continue to exist as a separate public agency under the terms of this Agreement upon execution by the County of Placer and the City of Colfax. This Agreement shall be in full force and effect until terminated in the manner herein provided, subject to the rights of the Members to withdraw from the Authority.

### Section 4. Powers

The Authority shall have all powers common to the Members, and such additional powers accorded to it by law, including the power to develop and implement comprehensive energy and resource development and conservation programs, as described herein. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act (CEQA). As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by the County of Placer.

The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 5C and Section 8:

- A. to make and enter into contracts;
- B. to employ agents and employees, including but not limited to an Executive Director;
- C. to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;
- D. to acquire property by eminent domain, or otherwise, except as limited under

Section 6508 of the Act, and to hold or dispose of any property;

- E. to lease any property;
- F. to sue and be sued in its own name;
- G. to incur debts, liabilities, obligations and to issue bonds, and to make and enter into agreements and other documents of any nature whatsoever as may be necessary or convenient in the exercise of the powers provided under the Mark-Roos Local Bond Pooling Act of 1985, as amended, and other provisions of California law that authorize public agencies to issue bonds and incur indebtedness, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et. seq.;
- H. to form subsidiary or independent corporations or entities, if necessary to carry out energy supply and energy conservation programs and to take advantage of legislative or regulatory changes;
- I. to deposit its money pursuant to Section 6505.5 of the Act and to invest its money which is not required for the immediate use of the Authority, as the Authority determines is advisable in the same manner and upon the same conditions as local agencies, pursuant to Section 53635 of the California Government Code;
- J. to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;
- K. to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;
- L. to adopt rules, regulations, policies, bylaws and procedures governing the operation of the Authority ("Operating Rules and Regulations");
- M. to establish and operate a CCA program, and make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program, including the acquisition of electric power supply and the provision of retail and regulatory support services;
- N. to establish and operate one or more PACE programs pursuant to Chapter 29, and to enter into one or more agreements, including without limitation, participation agreements, implementation agreements and joint powers agreements and amendments thereto to fulfill such programs both within and outside the jurisdictional boundaries of the Authority;
- O. to establish a non-voting "Associate Member" status that provides membership in the Authority to jurisdictions that are outside jurisdictional boundaries of the Authority's Voting Members, but within whose boundaries a PACE, CCA, or

other energy program is established and implemented by the Authority on behalf of the Associate Member. Said jurisdictions shall adopt one or more agreements (a "PACE Agreement", "CCA Agreement", or other energy program agreement, as applicable) on terms and conditions established by the Authority. The rights of Associate Members shall be limited solely to those terms and conditions expressly set forth in the PACE Agreement, CCA Agreement or other energy program agreement for the purposes of implementing the PACE Program, CCA Program or other energy program, respectively, within the jurisdictional boundaries of the Associate Member. Except as expressly provided for by the PACE Agreement, CCA Agreement or other energy program agreement, Associate Members shall not have any rights otherwise granted to Authority Members by this Agreement, including but not limited to the right to vote, the right to amend this Agreement and the right to sit on committees or boards established under this Agreement;

- P. to execute agreements for the purpose of authorizing the Authority to implement, manage and administer area-wide and regional programs in the interest of providing energy supply, development of energy generation, energy efficiency, resource conservation, local public welfare and other economically related energy programs. The costs incurred by the Authority in implementing a program, including indirect costs, shall be costs of the Authority and shall not be assessed to the Members, unless approved by the Governing Body of the Member.

#### Section 5. Governance and Internal Organization

- A. Governing Board. The governing body of the Authority shall consist of up to seven (7) person Board, consisting of two (2) members of the Placer County Board of Supervisors, and one (1) member each appointed by the Cities of Colfax, Rocklin, Lincoln, Auburn and the Town of Loomis within Placer County that becomes a signatory to this Agreement ("Board Member").

The Board of Supervisors from Placer County, and the City/Town Councils from the Cities/Town set out above shall respectively appoint such member(s) and not less than one alternate member. The term of office of each Board Member and respective alternate may be terminated at any time by the appointing Board of Supervisors or City/Town Council. The designated alternate shall have authority to attend, participate, and vote at any meeting of the Board whenever the regular member, for whom they are designed to act as an alternate, is absent from the meeting.

- B. Quorum. The majority of the members of the Board shall constitute a quorum. No action may be taken by the Board unless a quorum is present, except that less than a quorum may adjourn a meeting from time to time.
- C. Powers and Function of Board. The Board will exercise governance, policy guidance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. Action by the Authority Board will be taken by majority vote of the Board Members present. However, as

described in Section 8, upon request of a Board Member, a weighted vote by shares will be conducted.

- D. Chairperson. The Chairperson and Vice Chairperson of the Board shall be selected by the Board from its members. The term of office of the Chairperson and Vice Chairperson shall each be one calendar year.
- E. Secretary. The Board shall appoint a Secretary to the Board who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.
- F. Meetings. All meetings of the Board shall be held subject to the provisions of the Ralph M. Brown Act, Division 2, Chapter 9 of the California Government Code (hereafter, the "Brown Act"). The Board shall hold at least four regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special meetings of the Board may be called in accordance with the provisions of California Government Code Section 54956. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law.
- G. Bylaws. The Board shall adopt bylaws for the conduct of business that shall not be inconsistent with the provisions of this Agreement, and the laws of the State of California.
- H. Board Member Compensation. Board Members shall serve without compensation from the Authority. However, Board Members may be compensated by their respective appointing authorities. The Board, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by Board Members.

#### Section 6. Executive Director and Other Staff

- A. Executive Director. The Board shall appoint an Executive Director for the Authority, who shall be responsible for the day-to-day operation and management of the Authority. The Executive Director may exercise all powers of the Authority, except the powers specifically set forth in Section 4, or those powers that by law must be exercised by the Board. The Executive Director shall hire and supervise any Authority employees or consultants.
- B. Executive Director Reports to the Board. The Executive Director shall prepare, no later than the 20th day of each first month of each fiscal quarter, a report to the Board on the operations of the Authority during the preceding fiscal quarter. The Bylaws shall specify the information to be included in the Executive Director's reports.



- C. **Services Providers.** The Executive Director may appoint one or more services providers to serve as the Authority's agent(s) for planning, implementing, operating and administering the PACE Program, the CCA Program, and any other program approved by the Board, in accordance with the provisions of a written agreement between the Authority and the appointed administrative services provider or providers (a "Services Agreement"). The appointed services provider may be one of the Voting Members. A Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the PACE Program, the CCA Program and other approved programs. The Services Agreement shall set forth the term of the Agreement and the circumstances under which the Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the PACE Program, the CCA Program or any other program.
- D. **Independent Monitor.** The Board may appoint or contract for the services of an independent monitor to review programs operated by the Authority and to report to the Board.
- E. **Advisory Commissions, Boards or Committees.** The Board may establish any advisory commissions, boards, and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement which shall comply with the requirements of the Brown Act. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees.

Section 7. Treasurer and Auditor-Controller

The Placer County Treasurer shall act as the Treasurer for the Authority. The Treasurer shall be the depository of the Authority and shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The duties and obligations of the Treasurer are further specified in Section 9. The Auditor-Controller of the County of Placer shall be the Auditor-Controller of the Authority and shall make or contract with a certified public accountant to make an annual audit in compliance with Section 6505 of the Act.

Section 8. Special Voting Requirements and Voting Shares

- A. **Involuntary Termination or Amendment.** Action of the Board on the matters set forth in Section 14A (involuntary termination of a Member), or Section 18 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of the Board Members; provided, however, that for votes to involuntarily terminate a Member under Section 14A, the Board Member(s) for the Member subject to involuntary termination may not vote, and the number of Board Members constituting two-thirds of all Board Members shall be recalculated as if the Voting Member subject to possible termination were not a Voting Member.

- B. Eminent Domain. A decision to exercise the power of eminent domain on behalf of the Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least two-thirds of all Board Members.
- C. Contributions by Members. The imposition on any Member of any obligation to make contributions or pledge assets as a condition of continued participation in the PACE Program, the CCA Program, or other energy programs shall require a vote of at least two-thirds of all Board Members and the approval of the governing boards of the Members and Associate Members who are being asked to make such contribution or pledge.
- D. Calculation of Voting Shares. If a request for weighted vote is made by any Board Member, each Board Member shall have a voting share determined by Annual Energy Use Divided by Total Annual Energy, multiplied by 100. "Annual Energy Use" means the annual electricity usage, expressed in kilowatt hours ("kWh") within the Member's respective jurisdiction, and "Total Annual Energy" means the sum of all of the Members Annual Energy Use. All measures of kilowatt hours shall be set using the electric load forecast upon which the current annual budget was based. If a Member has more than one Board Member, then the voting shares allocated to the entity shall be equally divided amongst its Board Members.

Section 9. Financial Provisions

- A. Fiscal Year. For the purposes of this Agreement, the Authority shall have such fiscal year from July 1 to and including the following June 30.
- B. Depository. All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Member or any other person or entity. All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Members at all reasonable times. The Board shall contract with a certified public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.
- C. Expenditures. All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.
- D. Budget. The initial budget shall be approved by the Board. The Board may revise the budget from time to time through an Authority Document as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets

of the Authority shall be approved by the Board in accordance with the Operating Rules and Regulations.

- E. **Funding of Initial Costs.** The County of Placer has funded certain activities necessary to implement the CCA Program. If the CCA Program becomes operational, these initial costs paid by the County of Placer shall be included in the customer charges for electric services as provided by Section 14 to the extent permitted by law, and the County of Placer shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the County of Placer shall provide such documentation of costs paid as the Board may request. In the event that the CCA Program does not become operational, the County of Placer shall not be entitled to any reimbursement of the initial costs it has paid from the Authority or any Member.
- F. **CCA Program Costs.** The Members desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

Section 10. Implementation Action and Authority Documents

- A. Each Member shall adopt an ordinance or resolution in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Member intends to implement a CCA Program by and through its participation in the Authority.
- B. Each Member that wishes to participate in the CCA Program shall adopt a resolution expressing its desire to become a Member to this Agreement, and its intention to have the territory of the Member's jurisdiction included in the service territory of the CCA.
- C. Each New Voting Member that wishes to participate in the PACE Program shall adopt a resolution authorizing it to become a Voting Member under this Agreement. Execution by such New Voting Member of this Agreement shall constitute consent to Authority undertaking contractual assessment proceedings under Chapter 29 for all of the properties in such New Voting Member's incorporated area and to the contractual assessment financing of certain improvements (as enumerated from time to time in Chapter 29, "Improvements") by Authority, upon the request by and voluntary agreement of owners of such properties, in compliance with the laws, rules and regulations applicable to the Authority's PACE Program, and to the assumption of jurisdiction thereover by Authority for the purposes thereof. Execution by such New Voting Member of this Agreement shall also serve to authorize Authority to take each step required for it to provide contractual assessment financing for the Improvements, including the levying, collecting and enforcement of contractual assessments to finance the Improvements and the issuance and enforcement of bonds and other financing instruments to represent and be secured by such contractual assessments.

The New Voting Members shall not be required to adopt a PACE Agreement and shall not be subject to the rights and obligations set forth therein, but shall instead, upon becoming Voting Members hereunder, be subject to the rights and obligations expressly set forth herein.

The Authority may additionally provide PACE Programs pursuant to Chapter 29 within the boundaries of non-voting Associate Members, as described further in Section 16 herein.

- D. Implementation Plan and Statement of Intent. The Authority shall cause to be prepared an Implementation Plan and Statement of Intent meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations. The Implementation Plan and Statement of Intent shall specify the service territory of the CCA to be within the boundaries of the Member jurisdictions that have taken the actions specified in A and B above. The Implementation Plan and Statement of Intent shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 5.

If a City within the boundaries of Placer County adopts an ordinance and resolution pursuant to A and B above, expressing its desire to become a Member to this Agreement subsequent to the filing of the then most recently filed Implementation Plan and Statement of Intent, the Board shall direct the preparation and filing of a new or amended Implementation Plan and Statement of Intent to include the territory of the City as soon as reasonably practicable. The Board may require the City to pay the cost of preparation and submission of the Implementation Plan and Statement of Intent. Upon Public Utilities Commission certification of the new or amended Implementation Plan and Statement of Intent by the Public Utilities Commission, the Board shall take an action to approve the membership of the City. The City shall then be entitled to all rights under this Agreement, including a seat on the Board and voting rights pursuant to Section 5.A and Section 8.

- E. Termination of CCA and PACE Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA or the PACE Program at any time in accordance with any applicable requirements of state law.
- F. Authority Documents. The Members acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution. The Members agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board, subject to the Members' right to withdraw from the Authority as described in Section 14.

#### Section 11. Records and Reports

The Board shall establish reporting requirements and direct staff to maintain such reports, including, but not limited to, funds and accounts as may be required by good accounting practice or by law. All books and records of the Authority shall be open to inspection at all reasonable times by any Member to this Agreement or its representatives. Annual audits of the Authority's

## Pioneer Community Energy, Program Implementation Plan, July 2016

accounts and records shall be made by an independent CPA firm, and reports shall be filed in the manner provided in Section 6505 of the California Government Code.

### Section 12. Debts, Liabilities and Obligations

The Authority is a public agency separate from the Members. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Members unless the governing board of a Member agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Member who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Members agree to assume the debt, liability or obligation of the Authority. Should any debt, liability or obligation of the Authority not be waived or allowed payable through assets of the Authority, none of the County or City members shall be liable, except as provided by Government Code sections 895 through 895.8.

### Section 13. Insurance and Indemnity

The Authority shall acquire and maintain such insurance coverage as is necessary to protect the interests of the Authority, the Members, and the public. The insurance shall also contain a written endorsement to such policy or policies, which names each of the [Voting Members] as additional insureds. The Authority shall defend, indemnify, and hold harmless the Members, and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

### Section 14. Withdrawal

- A. Right to Withdraw by Voting Member. A Voting Member may withdraw its participation in the CCA Program, effective as of the beginning of the Authority's fiscal year, by giving no less than 12 months advance written notice of its election to do so, which notice shall be given to the Authority and each Voting Member. Withdrawal of a Voting Member shall require an affirmative vote of its governing board.
- B. Right to Withdraw By Voting Member After Amendment. Notwithstanding Section 14A, a Voting Member may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Board which the Board Member appointed as a Voting Member voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Member shall require an affirmative vote of its governing board and shall not be subject to the twelve month advance notice provided in Section 14A. In the event of such withdrawal, the Member shall be subject to the provisions of Section 15B.
- C. Continuing Liability; Further Assurances. A Voting Member that withdraws its participation in the CCA Program may be subject to certain continuing liabilities, as described in Section 15B. The withdrawing Voting Member and the Authority shall

execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Voting Member from participation in the CCA Program.

- D. Withdrawal of Associate Member. The rights of an Associate Member to withdraw from the Authority shall be governed by the applicable PACB Agreement or CCC Agreement.

Section 15. Termination

- A. Involuntary Termination of a Member. Participation of a Member in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Member's participation in the CCA Program upon a vote of Board Members as provided in Section 8A. Prior to any vote to terminate participation with respect to a Member, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Member whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Member has allegedly violated. The Member subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Member that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 15B.
- B. Continuing Liability; Refund. Upon a withdrawal or involuntary termination of a Member, the Member shall remain responsible for any claims, demands, damages, or liabilities arising from the Member's membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Member shall not be responsible for any liabilities arising after the date of the Member's withdrawal or involuntary termination. Claims, demands, damages, or liabilities for which a withdrawing or terminated Member may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Member's load. With respect to such liability, upon notice by an Member that it wishes to withdraw from the program, the Authority shall notify the Member of the minimum waiting period under which the Member would have no costs for withdrawal if the Member agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Member elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers, and may not include punitive charges that exceed actual costs. In addition, such Member also shall be responsible for any costs or obligations associated with the Member's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of

the Member. The Authority may withhold funds otherwise owing to the Member or may require the Member to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Board, to cover the Member's liability for the costs described above. Any amount of the Member's funds held on deposit with the Authority above amounts not required to pay any liabilities or obligations shall be returned to the Member. The liability of any Member under this section 15B is subject and subordinate to the provisions of Section 12, and nothing in this section 15B shall reduce, impair, or eliminate any immunity from liability provided by Section 12.

- C. Mutual Termination. This Agreement may be terminated by mutual agreement of all the Voting Members; provided, however, the foregoing shall not be construed as limiting the rights of an Associate Member to withdraw its participation in the CCA Program, as described in Section 14A.
- D. Disposition of Property upon Termination of Authority. Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Voting Members in proportion to the contributions made by each. If no such contributions have been made, then such surplus after payment of all liabilities, costs, expenses, and charges shall be distributed based on the weighted voting shares pursuant to Section 8D. However, no termination of this Agreement shall be effective until the full retirement of any outstanding debt. Any Voting Member may fund the retirement of the debt for the purpose of terminating the Authority.
- E. Negotiations with Associate Members. If the Voting Members wish to terminate this Agreement, or if the Voting Members elect to withdraw from the CCA Program following an amendment to this Agreement as provided in Section 14B, but two or more Associate Members wish to continue to participate in the CCA Program, the Voting Members will negotiate in good faith with such Associate Members to allow the Associate Members to become the Voting Members to this Agreement or to effect a transfer of CCA Program operations to another entity.

#### Section 16. Associate Members

With the approval of the Board, any qualified public agency (as defined by Section 6500 of the JPA law) may become a non-voting Associate Member of this Agreement for purposes of participating in the CCA Program. A public agency requesting such membership may apply by presenting to the Authority a resolution of the public agency approving of this form of participation.

Any qualified public agency (as defined by Section 6500 of the JPA law) may become a non-voting Associate Member of this Agreement for purposes of participating in the PACE Program upon (i) such qualified public agency (a) adopting a resolution expressing its desire to become a non-voting Associate Member to this Agreement and authorizing the implementation of a PACE



Program within the boundaries of its jurisdiction and (b) executing a PACE Agreement and (ii) the Board approving the qualified public agency as a non-voting Associate Member.

The date and terms upon which the applying public agency will become a non-voting Associate Member will be determined by the Board and set forth in a CCA Agreement or PACE Agreement, as applicable.

Section 17. Termination of Powers

The Authority shall continue to exercise the powers herein conferred upon it until termination of this Agreement, and thereafter shall continue to exercise only such powers as to enable it to pay and discharge all costs, expenses, and charges legally incurred hereunder, and to dispose of, divide and distribute any property required as a result of the joint exercise of such powers.

Section 18. Disposition of Assets; Property and Money

Upon termination of this Agreement under Section 14, all costs, expenses, and charges legally incurred by the Authority shall be paid and discharged; and the Authority shall sell such property as may be necessary and shall distribute to the federal or State government such property and funds as are lawfully required; the balance of such property and any surplus money on hand shall be distributed or returned in proportion to contributions made by the affected Members except to the extent otherwise agreed upon by the affected Members.

Section 19. Amendments

This Agreement may not be amended except by a written amendment approved by a vote of Board members as provided in Section 8. The Authority shall provide written notice to all Members of amendments to this Agreement, including the effective date of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments. Any amendment required to add a new Voting Member shall only be executed by the Voting Members. Any amendment required to add a new Associate Member shall only be executed by the new Associate Member and the Authority.

Section 20. Severability

Should any part, term or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions of provisions shall not be affected thereby.

Section 21. Entire Agreement

This Agreement contains the entire agreement between the Members and supersedes all prior understanding between them with respect to the subject matter of this Agreement. There are no promises, terms, conditions or obligations, oral or written, between or among the Members relating to the subject matter of this Agreement that are not fully expressed in this Agreement. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligation under this Agreement be waived, except as provided in Section 19.

Pioneer Community Energy, Program Implementation Plan, July 2016

Section 22. Counterparts and Effective Date

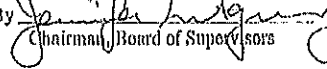
This Agreement may be executed in counterparts and be as valid and binding as if each Member signed the same copy. A faxed copy of the executed signature page shall be sufficient to cause the terms of this Agreement to become fully operative. The effective date of the Agreement shall be the date the second member has executed the Agreement.

WITNESS THE AGREEMENT HEREBY the date set opposite our respective entities:

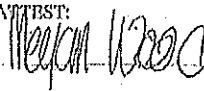
EXECUTED ON

COUNTY OF PLACER, a political  
subdivision

And approved as to form

By   
Chairman, Board of Supervisors

ATTEST:



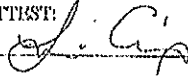
EXECUTED ON

CITY OF COLFAX, a Municipal Corporation

And approved as to form

By   
Mayor, City Council

ATTEST:



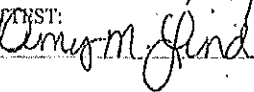
EXECUTED ON: 6/12/17

CITY OF AUBURN

And approved as to form

By:   
Mayor, City Council


ATTEST:



Pioneer Community Energy, Program Implementation Plan, July 2016

CITY OF ROCKLIN, a Municipal Corporation

EXECUTED ON April 11, 2017

By   
Mayor, City Council

And approved as to form:

 4/12/17  
City Attorney

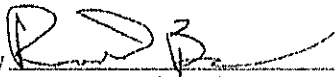
ATTEST:

  
City Clerk


Pioneer Community Energy, Program Implementation Plan, July 2016

TOWN OF LOOMIS, a Municipal Corporation

EXECUTED ON 6/19/17

By   
Mayor, Town of Loomis

And approved as to form:

  
Town Attorney

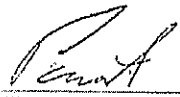
ATTEST:

  
Town Clerk

Pioneer Community Energy, Program Implementation Plan, July 2016

CITY OF LINCOLN, a Municipal Corporation

EXECUTED ON 6-27-2017

By   
Peter Gilbert, Mayor

And approved as to form:

  
Mona Ebrahimi, City Attorney

ATTEST:

  
Gwen Scanlon, City Clerk



*Appendix C: Sierra Valley Energy Authority Resolution No. 2017-3 (changing name to Pioneer Community Energy)*

**Sierra Valley Energy Authority**

Resolution No. 2017 - 3

RESOLUTION OF THE GOVERNING BODY OF THE SIERRA VALLEY ENERGY AUTHORITY APPROVING A NAME CHANGE FROM THE SIERRA VALLEY ENERGY AUTHORITY TO PIONEER COMMUNITY ENERGY AND AUTHORIZING AND DIRECTING RELATED ACTIONS

WHEREAS, the Sierra Valley Energy Authority (the "Authority") was established on September 9, 2015, between the County of Placer and the City of Colfax; and

WHEREAS, the Sierra Valley Energy Authority was originally created for the purpose of providing a financing conduit and program expansion platform for the mPOWER Program; and

WHEREAS, the Amended and Restated Joint Exercise of Powers Agreement for the Sierra Valley Energy Authority (the "Amended JPA Agreement") became effective on February 22, 2017; and

WHEREAS, the Amended JPA Agreement authorized the Cities of Auburn, Lincoln, Rocklin and the Town of Loomis to become Voting Members; and

WHEREAS, one of the primary purposes of the Amended JPA Agreement was to allow for the establishment of a Community Choice Aggregation Program within the jurisdictions of the Voting members; and

WHEREAS, the Governing Board desires to name and brand the Authority in a manner that reflects the common legacies, heritage and culture of their respective jurisdictions and reflects the values of local control and determination, while also projecting a spirit of innovation, progress, and forward thinking;

NOW THEREFORE BE IT RESOLVED that the Governing Board of the Authority hereby finds, declares and resolves as follows:

1. The above recitals are true and correct.
2. The Authority shall now be known as Pioneer Community Energy, and for all official purposes the name of the Authority shall be Pioneer Community which is hereby approved and confirmed.
3. All actions heretofore taken by the officers and agents of the Authority with respect to the matters contemplated by this Resolution are hereby approved, confirmed and ratified, and the officers of the Authority are hereby authorized, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, assignments and other documents that they, or any of them may deem necessary or advisable in order to consummate the matters contemplated by this Resolution. The officers of the Authority are



further authorized and directed to provide official notice of the name change as may be required, including, but not limited to official filings with regulatory and other agencies, and to conduct all future affairs of the Authority under the name of Pioneer Community Energy.

4. This Resolution shall take effect immediately upon its adoption.

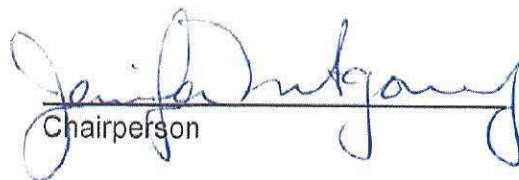
**PASSED AND ADOPTED** by the Governing Board of the Authority this 17<sup>th</sup> day of July 2017 by the following vote, to wit:

**AYES:** Montgomery, Uhler, Janda, Baker, Powers, Gilbert

**NOES:** None

**ABSENT:** Douglass

**ABSTAIN:** None

  
Chairperson

Attest:

  
Secretary

# Before the Governing Board of Pioneer Community Energy

**In the matter of:**

Adopting a Resolution approving Pioneer  
Community Energy Addendum No. 1 to the Resolution No. 2020-26  
Community Choice Aggregation Implementation  
Plan and Statement of Intent and Authorizing the  
Executive Director to Submit Addendum No. 1 to  
the California Public Utilities Commission.

The following Resolution was duly passed by the Governing Board of Pioneer  
Community Energy at a regular meeting held December 17, 2020, by the following vote  
on roll call:

AYES: Duncan, Karleskint, Burress, Dowdin Cavillo, Uhler, Holmes, Janda.

NOES: None.

ABSENT: None.

Signed and approved by me after its passage.

  
Chair, Board of the Governing Board

Attest:

  
Secretary

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**WHEREAS**, Pioneer Community Energy ("Pioneer") is a California joint powers authority established for the purpose of studying, promoting, developing, conducting, operating and managing energy and energy and energy-related climate change programs including but not limited to implementing a community choice aggregation program under Public Utilities Code Section 366.2; and

**WHEREAS**, the current members of Pioneer include the County of Placer, the Cities of Auburn, Colfax, Lincoln, Rocklin and the Town of Loomis; and

**WHEREAS**, prior to providing service pursuant to an expansion, Public Utilities Code Section 366.2 requires that Pioneer prepare and adopt a Revised Implementation Plan to be filed with the California Public Utilities Commission; and

**WHEREAS**, the Governing Board has approved Amendment No. 1 to the Amended and Restated Joint Powers Agreement for Pioneer Community Energy providing for the County of El Dorado (PG&E Territory) and the City of Placerville to become Voting Members of Pioneer; and

**WHEREAS**, The Governing Board desires to provide service to the County of El Dorado (PG&E Territory) and the City of Placerville beginning in 2022.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** by the Governing Board hereby approves Pioneer Community Energy Addendum No. 1 to the Community Choice Aggregation Implementation Plan and Statement of Intent and authorizes the Executive Director to submit Addendum No. 1 to the Community Choice Aggregation Implementation Plan and Statement of Intent to address Pioneer's expansion into El Dorado County (PG&E territory) and the City of Placerville to the California Public Utilities Commission for certification.