

EXPANSION POLICY

Whereas Pioneer Community Energy (Pioneer) seeks to continue providing the benefits of Community Choice Aggregation (CCA Benefits) to its members through:

1. Local Control over Rate Stability and Competitiveness;
2. Local Control over Procurement, Investment, and Jobs Creation;
3. Local Control over carrying out Programs to reduce energy consumption; and
4. Local Representation in Regulatory and Legislative Affairs.

Whereas Pioneer can help ensure that its members receive ongoing CCA Benefits through establishing policies and procedures that promote a fiscally sound organization;

Whereas one of the key drivers of a fiscally sound organization is a Reserves Policy that provides adequate reserves for Pioneer to provide the CCA Benefits; and

Whereas the addition of new communities to Pioneer will contribute towards reserves and give Pioneer greater flexibility in providing CCA Benefits.

Therefore, it is Pioneer's policy to explore and support electric service in new communities to further the agency's goals.

In consideration of the above, Pioneer will allow access to service in new communities under the following criteria:

1. Addition of the new community must improve Pioneer's net margin
 - a. Pioneer will not subsidize any applicant
2. Applicant must be aligned with Pioneer's goals as stated in CCA Benefits above
3. Applicant must agree to Pioneer's "one member one vote" policy
 - a. No weighted voting
4. Applicant must agree to Pioneer's "New Member Reserves Policy"
 - a. Previously funded reserves are unavailable for Applicants

GAP1



Category: General Administrative

5. Applicant agrees to equally share the cost of an Impact Assessment Study that determines the projected financial impact to Pioneer's net margin

Pioneer Membership Process

Step 1: Applicant Governing Body submits letter to Pioneer requesting consideration as a member.

Step 2: Staff evaluates request timing to determine if internal resources are available to consider request, and to ensure no impact to core agency functions.

Step 3: Applicant request is submitted to Pioneer Expansion Committee to review whether the criteria described above has been met.

Step 4: Following Pioneer Board approval, the Executive Director executes contract (e.g., Memorandum of Understanding) with governing body of Applicant to fund costs of Impact Assessment. Staff undertakes and completes analyses, with primary focus on net margin analysis.

Step 5: Results of Impact Assessment presented to Expansion Committee, Pioneer Board, and governing body of Applicant. If the results are positive:

1. Governing body of Applicant approves resolution requesting membership, and ordinance authorizing CCA service through Pioneer; and
2. Applicant may move forward with Pioneer membership process pursuant to requirements of the JPA and the Public Utilities Code

Step 6: Pioneer Board considers adoption of resolution amending its JPA to add new member and considers approval and submission of Amended Implementation Plan to the California Public Utilities Commission.