

Community Choice and Utility Electric Rates Frequently Asked Questions

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California is experiencing a growing number of operational Community Choice agencies. Ratepayers who previously had no choice have become customers with a choice in electric service. It is therefore natural that new Community Choice customers facing options for the first time may be confused and may seek to understand how the new service works and what its relation is to the incumbent utility. The following frequently asked questions – and answers – are intended to help clarify some of these issues.

Before we get to the FAQs, we invite Community Choice customers to consider that your Community Choice agency, a local not-for-profit public agency, was established to serve you. You are empowered by law to attend and speak at all decision-making meetings, including rate setting meetings. If you think there is something amiss with your Community Choice program, your bill or the rates you are charged, attend a meeting and voice your concern. In all likelihood, the staff will be eager to resolve your concern. If you are unable to attend a meeting, just contact your Community Choice service provider. You can expect them to be very responsive to you, their customer.

Q. Who sets the electric rates I pay?

A. In a Community Choice agency (CCA for short) service territory, the CCA sets only the electricity generation rate with relatively easy public participation, typically, once per year. The utility continues to set the delivery (also known as transmission & distribution) rate, with oversight from the California Public Utilities Commission, with a daunting and limited public participation, usually several times per year.

Q. Can the utility charge more for delivery in a CCA service territory than in non-CCA areas?

A. No. The utility must provide the same rates for all customers in their service area whether or not they receive electricity from a CCA or another third-party energy service provider.

Q. Did the delivery charges go up because of Community Choice?

A. Delivery charges make up a little more than half of a typical residential bill. Community Choice does not affect delivery charges in any way. The utility remains in full control of delivery infrastructure (the poles & wires) ownership, maintenance, rate-setting, and billing. Delivery charges among the large for-profit utilities in California have risen by about 4% on average per year for over 30 years. The utilities are prohibited by law from “punishing” customers who have chosen to receive their electricity from a CCA.

Q. Since the time Community Choice launched service in my area, my bills have gone up. Is it the CCA that has caused this?

A. An unfortunate situation has arisen in which some utilities raise their delivery charges substantially right around the time of the launch or during the first year of operation of a CCA. It happened in the case of Sonoma Clean Power and it has happened more recently in the case of Peninsula Clean Energy. This situation creates the impression among customers that their electric bill has gone up because of Community Choice. In all cases of such rate increases, Community Choice is not the cause.

Q. I compared my bill last year with my bill this year and it is higher. Is it the CCA that has caused it to go up?

A. Since investor owned utility makes several changes to rates over the course of the year, it is best to compare last month's bill with your new bill. Here you can compare usage and compare the "Generation Credit" with what your CCA charged you for generation.

Q. Will I pay additional costs when I am a Community Choice Customer?

A. No. Once a Community Choice agency begins service to your home or business, you will see a new line item for that CCA's generation charges on your bill. This is *not* an additional charge. Your utility will *stop* charging for electricity generation and will continue to charge for the electricity delivery services and various taxes and fees that everyone pays. The CCA generation charge *replaces* the utility generation charge.

Q. I've heard that the utilities charge an exit fee to CCA customers. Doesn't that make my bill higher than what the utility would charge?

A. It is true that an exit fee, called the Power Charge Indifference Adjustment or PCIA, is charged, but in all cases, CCAs have been able to absorb those fees and still offer competitive and in most cases slightly lower rates to customers. So there is no need for customers to make the extra step of subtracting (or adding) the exit fee since the rates that Community Choice agencies publicize and charge to their customers already include all taxes and fees, including the PCIA.

Below is a listing of rate/billing web pages of CCAs where they clarify their rates and billing practices.

Community Choice Agencies

[MCE Clean Energy](#)

[Sonoma Clean Power](#)

[Lancaster Choice Energy](#)

[Peninsula Clean Energy](#)

[CleanPowerSF](#)

Electric Utilities

[Pacific Gas & Electric](#)



San Diego Gas & Electric
Southern California Edison

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