



Central Coast
**Community
Energy**

CLEAN ENERGY. LOCAL CONTROL.

**ADDENDUM NO. 5 TO THE
COMMUNITY CHOICE AGGREGATION
IMPLEMENTATION PLAN
AND STATEMENT OF INTENT**

**ADDRESSING
CENTRAL COAST COMMUNITY ENERGY'S
EXPANSION TO INCLUDE THE
COUNTY OF SAN LUIS OBISPO**

May 15, 2023

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CHAPTER 1 – Introduction & Statement of Intent

Addendum No. 5 to Monterey Bay Community Power Authority’s (“MBCP” and now, Central Coast Community Energy or “3CE”) Implementation Plan and Statement of Intent (“Implementation Plan”)¹ addresses 3CE’s expansion to include the County of San Luis Obispo.

3CE is a Joint Powers Authority established and operating under Government Code § 6500 *et. seq.* 3CE runs the Community Choice Aggregation (“CCA”) program (as provided for in Public Utilities Code § 366.2 *et. seq.*, for the counties of Monterey, Santa Cruz, San Benito, and Santa Barbara Counties as well as certain cities within San Luis Obispo County.

Initial Implementation Plan and Statement of Intent

3CE—at the time, named MBCP—submitted its initial Implementation Plan to the California Public Utilities Commission (the “Commission”) on August 16, 2017. That initial Implementation Plan was certified by the Commission on November 15, 2017. 3CE successfully launched the Program on March 1, 2018, to its initial member agencies.²

Addendum No. 1 to the Implementation Plan and Statement of Intent

¹ On June 3, 2020, Monterey Bay Community Power Authority’s Policy Board of Directors adopted Resolution PB-2020-02 to amend its Joint Powers Agreement changing its name to Central Coast Community Energy effective September 4, 2020. Any reference to Monterey Bay Community Power Authority or MBCP in the initial Implementation Plan and Statement of Intent, or in either Addendum No. 1 or Addendum No. 2 should be interpreted to mean Central Coast Community Energy or 3CE.

² Initial member agencies included: the counties of Monterey, Santa Cruz and San Benito as well as the cities of Capitola, Santa Cruz, Scotts Valley, Watsonville, Salinas, Monterey, Pacific Grove, Carmel, Seaside, Marina, Sand City, Soledad, Greenfield, Gonzales, Hollister, and San Juan Bautista.

At its December 5, 2018, Meeting, 3CE’s—at the time, named MBCP—Policy Board³ adopted Resolution No. PB-2018-07 to include the cities of Morro Bay and San Luis Obispo, both of which are in San Luis Obispo County. Addendum No. 1 to the Implementation Plan (“Addendum No. 1”), approved by Resolution No. PB-2018-08, was submitted to the Commission for certification on December 7, 2018, and was certified on March 7, 2019. 3CE began service in the cities of Morro Bay and San Luis Obispo in January 2020.

Addendum No. 2 to the Implementation Plan and Statement of Intent

On December 4, 2019, via Resolution No. PB-2019-005, MBCP adopted and authorized submittal of Addendum No. 2 to the Implementation Plan (“Addendum No. 2”) to address expansion into eleven additional jurisdictions including the County of Santa Barbara as well as the cities of Arroyo Grande, Carpinteria, Del Rey Oaks, Goleta, Grover Beach, Guadalupe, Paso Robles, Pismo Beach, Santa Maria, and Solvang.

Addendum No. 2 was submitted December 17, 2019, and certified by the Commission on March 9, 2020. 3CE began service in the Pacific Gas & Electric service area jurisdictions (Northern Santa Barbara County, Arroyo Grande, Del Rey Oaks, Grover Beach, Guadalupe, Paso Robles, Pismo Beach, Santa Maria, and Solvang, collectively, the “2021 PG&E Jurisdictions”) in January 2021.

Due to delays in Southern California Edison’s Customer Service Re- Platform, 3CE began service in Southern California Edison territory (including Southern Santa Barbara County and the cities of Carpinteria and Guadalupe, collectively, the “2021 SCE Jurisdictions”) in October 2021.

Addendum No. 3 to the Implementation Plan and Statement of Intent

On November 4, 2021, the 3CE Policy Board adopted Resolution No. PB-2020-06, approving Addendum No. 3 to the Implementation Plan and Statement of Intent (“Addendum No. 3”) to address expansion into the City of Buellton.

Addendum No. 3 was submitted December 3, 2020, and certified by the Commission on March 8, 2021. 3CE began service in Buellton in January 2022.

Addendum No. 4 to the Implementation Plan and Statement of Intent

On September 22, 2022, the 3CE Policy Board adopted Resolution No. PB-2022-03, approving Addendum No. 4 to the Implementation Plan and Statement of Intent (“Addendum No. 4”) to address expansion into the City of Atascadero.

Addendum No. 4 was submitted December 7, 2022, and certified by the Commission on March 8, 2023.

Addendum No. 5 to the Implementation Plan and Statement of Intent

³ 3CE is governed by two distinct governing bodies. First, the Policy Board retains responsibility for policy-related direction and decisions pertaining to 3CE’s organization and makes approvals of membership requests. Second, the Operations Board oversees operational matters.

3CE's Addendum No. 5 primarily addresses 3CE's planned expansion to serve customers in the County of San Luis Obispo beginning in January 2025.

Additionally, Addendum No. 5 contains certain updated projections that are consistent with 3CE's Integrated Resources Plan, current resource planning, Operating Budget, and other operating considerations.

Finally, Addendum No. 5, including references to 3CE's August 16, 2017 Implementation Plan, December 7, 2018 Addendum No. 1, December 17, 2019 Addendum No. 2, November 4, 2020 Addendum No. 3, and September 22, 2022 Addendum No. 4, each of which are incorporated by reference and attached hereto as Appendices E, F, G, H, and I respectively, address 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.

CHAPTER 2 – Changes to Address 3CE Service Extension to the County of San Luis Obispo

As set for above, 3CE's Addendum No. 5 primarily addresses 3CE's planned expansion to serve customers in the County of San Luis Obispo beginning in January 2025. Addendum No. 5 also provides updated projections based on 3CE's operating history.

The addition of San Luis Obispo County in January 2025 will have minor impacts on 3CE's operations including customer energy requirements, peak demand, renewable energy purchases, revenues, expenses, and various other items. 3CE's commitment to 60% of its retail load met by clean and renewable resources by 2025 and 100% by 2030, are reflected in the following sections. To the extent that other details related to membership expansion are not specifically discussed within this Addendum No. 5, 3CE represents that such information has not substantively changed relative to the initial Implementation Plan or Addendums Nos. 1, 2, 3, or 4 as previously certified by the Commission.

The following communities are now signatories to the 3CE Joint Powers Agreement and represent 3CE's current Members or Membership⁴:

	Member Agencies
1	City of Arroyo Grande
2	City of Atascadero
3	City of Capitola
4	City of Carmel-by-the-sea
5	City of Carpinteria
6	City of Buellton
7	City of Del Rey Oaks
8	City of Goleta
9	City of Gonzales
10	City of Greenfield
11	City of Grover Beach
12	City of Guadalupe
13	City of Hollister
14	City of Marina
15	City of Monterey
16	City of Morro Bay
17	City of Pacific Grove
18	City of Paso Robles
19	City of Pismo Beach
20	City of Sand City
21	City of Salinas
22	City of San Juan Bautista
23	City of San Luis Obispo
24	City of Santa Cruz
25	City of Santa Maria
26	City of Scotts Valley
27	City of Seaside
28	City of Soledad
29	City of Solvang
30	City of Watsonville
31	County of Monterey
32	County of San Benito
33	County of San Luis Obispo
34	County of Santa Barbara
35	County of Santa Cruz

⁴ The term Member(s) or Membership as used throughout the initial Implementation Plan or Addendums Nos. 1, 2, 3, 4, and 5 shall refer to the complete list of 3CE's 35 member agencies.

Enrollment Process

All customers currently enrolled in the 3CE program were appropriately noticed. Before additional phases of customers are enrolled in the Program, 3CE will comply with all required notice procedures, including mailing written notices to customers. Notice shall be sent at least two calendar months, or sixty days, prior to the commencement of automatic enrollment and two calendar months or sixty days, following the enrollment of customers.

All notices will provide information needed to understand the Program's terms and conditions of service as well as explain how prospective customers can opt out of the 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 at least one calendar month, or thirty days, following the date of automatic enrollment, subject to the service phase-in plan later described in Chapter 5.

Customers enrolled in the Program will continue to have their electric meters read by and receive billing statements for electric service from their respective distribution utility (PG&E or SCE, as appropriate, depending upon the geographic area in which such customer takes electric service). The electric bills for Program customers will show separate charges for generation procured on behalf of participating customers by the Program and all other charges related to the delivery of such electricity, as well as other utility charges, assessed by the distribution utility.

After service cutover, and as previously noted, customers will be given at least two additional notifications to opt out of the Program and return to their respective distribution utility (PG&E or SCE, as appropriate) following receipt of their first and second bills. Customers that opt out between the initial cutover date and the close of the post enrollment opt-out period will be responsible for program generation charges for the time they were served by 3CE but will not otherwise be subject to any penalty for leaving the program. Customers that have not opted out within thirty days of the fourth opt-out notice will be deemed to have elected to become a participant in the Program and to have agreed to the Program's terms and conditions, including those pertaining to requests for termination of service.

Program Phase-In

3CE will continue to phase-in the customers of its Program as communicated in this Implementation Plan. To date, six phases have been successfully implemented. The County of San Luis Obispo enrollment will be the eighth phase and is scheduled for January 2025.

Phase 1. Complete, March 2018: All commercial, industrial and agricultural customers, which comprised approximately 34.14 percent of total customer load.

Phase 2. Complete, July 2018: Approximately 235,000 additional customers, comprised of residential accounts, which approximated 17.5 percent of total customer load.

Phase 3. Complete, January 2020: Approximately 30,000 residential, commercial, industrial, agricultural, and street lighting accounts within the cities of San Luis Obispo and Morro Bay, which comprised approximately 5 percent of total customer load.

Phase 4. Complete, January 2021: Residential, commercial, industrial, agricultural, and street lighting accounts within the 2021 PG&E Jurisdictions, which comprised approximately 27 percent of total customer load.

Phase 5. Complete, October 2021: Residential, commercial, industrial, agricultural, and street lighting accounts within the 2021 SCE Jurisdictions, which comprised approximately 15 percent of total customer load.

Phase 6. Complete, January 2022: Residential, commercial, industrial, agricultural, and street lighting accounts within the City of Buellton, which comprised approximately .64 percent of total customer load.

Phase 7. Planned, January 2024: Residential, commercial, industrial, agricultural, and street lighting accounts within the City of Atascadero, with exact timing subject to economic and operational constraints.

Phase 8. Planned, January 2025: Residential, commercial, industrial, agricultural, and street lighting accounts within the County of San Luis Obispo, with exact timing subject to economic and operational constraints.

The multi-phase implementation approach has provided 3CE with the ability to start slow, addressing any problems and unforeseen challenges of a small manageable program before gradually building to full program implementation (with an expected customer base of approximately 517,000 accounts), following completion of all eight enrollment phases.

Sales Forecast

Regarding 3CE's sales forecast, which is addressed in Chapter 6, Load Forecast and Resource Plan, 3CE assumes that total annual retail sales will increase to 6,200 GWh following the expansion to the County of San Luis Obispo. The following tables have been updated to reflect the impacts of planned expansion to 3CE's new membership.

CHAPTER 6, Resource Plan Overview

Central Coast Community Energy Proposed Resource Plan (GWh)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
CCCE Demand										
Retail Demand (GWh)	(5,166)	(5,186)	(5,215)	(5,237)	(5,267)	(5,295)	(5,332)	(5,359)	(5,397)	(5,435)
Expansion Related Retail Demand (GWh)	(650)	(653)	(656)	(659)	(663)	(666)	(671)	(674)	(679)	(684)
Losses and UFE (GWh)	(340)	(342)	(343)	(345)	(347)	(349)	(351)	(353)	(355)	(358)
Total Wholesale Demand (GWh)	(6,156)	(6,181)	(6,215)	(6,241)	(6,276)	(6,310)	(6,354)	(6,386)	(6,432)	(6,476)
CCCE Supply										
Renewable Resources (GWh)	3,489	3,971	4,462	4,953	5,455	5,961	6,003	6,033	6,076	6,118
Unspecified Power (GWh)	2,667	2,210	1,753	1,288	821	349	351	353	355	358
Total Supply (GWh)	6,156	6,181	6,215	6,241	6,276	6,310	6,354	6,386	6,432	6,476
Energy Open Position (GWh)	-	-	-	-	-	-	-	-	-	-

CHAPTER 6, Customer Forecast

Central Coast Community Energy Enrolled Retail Service Accounts Phase-In Period (End of Month)								
	Mar-18	Jul-18	Jan-20	Jan-21	Oct-21	Jan-22	Jan-24	Jan-25
3CE Customers								
Residential	<15	232,859	261,201	340,117	377,585	379,279	392,049	393,033
Commercial	31,685	31,685	35,371	48,665	53,828	54,372	55,129	61,757
Industrial	37	37	26	66	82	82	79	92
Ag & Pumping	4,819	4,819	4,566	6,743	7,368	7,375	7,269	57,721
Street Lighting & Traffic	2,211	2,211	2,393	3,261	3,428	3,451	3,520	4,029
Total	38,752	271,611	303,557	398,852	442,291	444,559	458,045	516,633

Central Coast Community Energy Retail Service Accounts (End of Year) 2023 to 2032									
	2024	2025	2026	2027	2028	2029	2030	2031	2032
3CE Customers									
Residential	392,049	393,033	391,655	390,653	389,819	389,076	388,384	387,699	387,018
Commercial	55,129	61,757	61,505	61,367	61,268	61,177	61,090	61,005	60,920
Industrial	79	92	92	91	91	91	91	91	91
Ag & Pumping	7,269	57,721	55,864	55,543	55,266	55,091	54,952	54,834	54,725
Street Lighting & Traffic	3,520	4,029	4,021	4,017	4,014	4,011	4,009	4,006	4,003
Total	458,045	516,633	513,136	511,672	510,458	509,446	508,525	507,634	506,758

CHAPTER 6, Sales Forecast

Central Coast Community Energy Energy Requirements (GWh)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
CCCE Demand										
Retail Demand (GWh)	5,166	5,186	5,215	5,237	5,267	5,295	5,332	5,359	5,397	5,435
Expansion Related Retail Demand (GWh)	650	653	656	659	663	666	671	674	679	684
Losses and UFE (GWh)	340	342	343	345	347	349	351	353	355	358
Total Wholesale Demand (GWh)	6,156	6,181	6,215	6,241	6,276	6,310	6,354	6,386	6,432	6,476

CHAPTER 6, Renewables Portfolio Standards Energy Requirements

Central Coast Community Energy Renewable Portfolio (GWh)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Retail Sales	5,816	5,839	5,871	5,896	5,929	5,961	6,003	6,033	6,076	6,118
Annual RPS Target (% of Retail Sales)	46.7%	49.3%	52.0%	54.7%	57.3%	60.0%	66.0%	72.0%	78.0%	84.0%
Annual RPS Target (Minimum GWh)	2,714	2,881	3,053	3,223	3,399	3,577	3,962	4,344	4,739	5,139
Annual L/T RPS Target (Minimum GWh)	1,764	1,872	1,984	2,095	2,210	2,325	2,575	2,823	3,081	3,341
Program Renewable Target (GWh)	3,489	3,971	4,462	4,953	5,455	5,961	6,003	6,033	6,076	6,118
Program Target (% of Retail Sales)	60%	68%	76%	84%	92%	100%	100%	100%	100%	100%
Vol. Margin of Overprocurement (GWh)	775	1,090	1,409	1,730	2,055	2,385	2,041	1,689	1,337	979

3CE's procurement strategy to accelerate long-term contracting of renewable energy to achieve 60% RPS by 2025 and 100% by 2030 is likely to result in 3CE's routine exceedance of RPS compliance mandates.

CHAPTER 6, Capacity Requirements

Central Coast Community Energy Capacity Portfolio (MW)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Retail Peak Demand (MW)	781	783	785	787	789	790	792	794	796	798
Expansion Related Retail Peak Demand (MW)	142	142	143	143	143	144	144	144	145	145
Losses and UFE (GW)	54	54	54	54	55	55	55	55	55	55
Total Wholesale Peak Demand (MW)	977	979	982	984	986	989	991	994	996	998
Planning Reserve Requirement	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%
Capacity Reserve Requirement	166	166	167	167	168	168	168	169	169	170
Total Capacity Requirement (MW)	1,143	1,146	1,149	1,151	1,154	1,157	1,160	1,162	1,165	1,168

Financial Plan

Regarding 3CE's financial plan, which is addressed in Chapter 7, Financial Plan, 3CE has updated its expected operating results, which now include projected impacts related to service expansion to the County of San Luis Obispo. The following table reflects updated operating projections in consideration of the planned expansion.

CHAPTER 7, CCA Program Operating Results

Central Coast Community Energy Notional Indicative 10-year Financial Forecast (\$ MM)										
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Revenues	\$655	\$605	\$583	\$548	\$539	\$527	\$533	\$540	\$547	\$554
Costs										
Cost of Energy	\$554	\$556	\$537	\$499	\$488	\$473	\$476	\$478	\$481	\$485
Energy Programs	\$16	\$18	\$19	\$21	\$23	\$26	\$28	\$31	\$34	\$38
Administrative Budget	\$25	\$25	\$26	\$27	\$27	\$28	\$29	\$30	\$31	\$31
Total Costs	\$595	\$599	\$582	\$548	\$538	\$526	\$533	\$539	\$547	\$553
Net Position	\$60	\$6	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
End of Year Reserve Fund	\$294	\$299	\$300	\$301	\$301	\$302	\$302	\$303	\$303	\$304
End of Year Reserve Fund as % of Revenues	45%	50%	51%	55%	56%	57%	57%	56%	55%	55%

Notional values for reference only. Assume stable market and revenues, with nominal 3% inflation in years 5-10.

Expansion Addendum Appendices

Appendix A: Central Coast Community Energy Resolution PB-2023-02

Appendix B: Sixth Amendment to Central Coast Community Energy Joint Powers Agreement

Appendix C: County of San Luis Obispo Ordinance No. 3468

Appendix D: City of Atascadero Resolution No. 2022-004

Appendix E: Central Coast Community Energy Implementation Plan and Statement of Intent

Appendix F: Addendum No. 1 to 3CE Implementation Plan and Statement of Intent w/out attachments.

Appendix G: Addendum No. 2 to 3CE Implementation Plan and Statement of Intent w/out attachments

Appendix H: Addendum No. 3 to 3CE Implementation Plan and Statement of Intent w/out attachments

Appendix I: Addendum No. 4 to 3CE Implementation Plan and Statement of Intent w/out attachments

Appendix J: Central Coast Community Energy Resolution PB-2023-03