FOR IMMEDIATE RELEASE **MEDIA ADVISORY**

Media Contacts:
- CPUC: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov
- Energy Commission: Albert Lundeen, albert.lundeen@energy.ca.gov

CPUC AND CALIFORNIA ENERGY COMMISSION RELEASE STAFF WHITE PAPER ASSESSING HOW CUSTOMER AND RETAIL ELECTRIC CHOICES ARE CHANGING ROLE OF INVESTOR-OWNED UTILITIES AND REGULATION

SAN FRANCISCO, May 8, 2017 - The California Public Utilities Commission (CPUC) and the California Energy Commission have published a staff white paper assessing how impact of technology driven consumer electricity choices are changing California's retail electric market. The white paper is a pre-cursor to the CPUC and California Energy Commission's En Banc on Consumer and Retail Energy Choice, scheduled for May 19, 2017, in Sacramento.

The paper is available at www.cpuc.ca.gov/retailchoiceenbanc.

MORE ABOUT THE WHITE PAPER:

California's electric sector is undergoing unprecedented change, brought about by a sequence of innovations in technology as well as many incremental policy actions taken in several different decision-making arenas. Between rooftop solar, Community Choice Aggregators (CCAs), and Direct Access providers (ESPs), as much as 25 percent[1] of investor-owned utility (IOU) retail electric load will be effectively unbundled and served by a non-IOU source or provider later this year. This share is set to grow quickly over the coming decade with some estimates that more than 85 percent of retail load will be served by sources other than the IOUs by the middle of the

[1] Estimate of Direct Access, CCA and NEM retail sales offsets are 23% to 24% of Utility 2015 Retail Sales. For Direct Access, in 2016 ESPs served 12.9% of IOU Load (Direct Access Implementation Activity Reports). For CCAs, estimated retail sales are 7.4 GWh per CPUC Presentation at Feb 1, 2017 CCA En Banc. For NEM, 4,555 MWs of rooftop PV, per California Solar Statistics, April 19, 2017, with expected capacity factor of 15%-16% based on NREL PV Watts calculation of fixed tilt rooftop systems in San Jose, Los Angeles and San Diego. Other sources of NEM not counted for purposes of this estimate as rooftop PV accounts for more than 90% of NEM capacity per CPUC Net Energy Metering information page.

2020s[2]. All this is to say that California may well be on the path towards a competitive market for consumer electric services, but is moving in that direction without a coherent plan to deal with all the associated challenges that competition poses, ranging from renewable procurement rules to reliability requirements and consumer protection.

In many ways, these changes are a function of California's success implementing world-leading policies like the Renewables Portfolio Standard (RPS), the California Solar Initiative (CSI), and the Energy Storage Mandate. Through these policies, California's regulatory bodies and its IOUs have integrated renewable energy into the electric grid at massive scale, both at the transmission level through independently owned large-scale projects and the distribution level through rooftop solar. This experience has empowered customers to choose new energy options and enabled new market entrants like CCAs to serve customers with innovative solutions. Though these changes have been largely positive so far, the consequence of fast-scaling competition is that the CPUC and California Energy Commission must now look at long held assumptions in their regulatory frameworks and examine the role of the electric utility at the center of this system, tasked with the primary responsibility for providing power and other services to all consumers within a geographic service area.

For more information on the CPUC, please visit www.cpuc.ca.gov.

###

[2] Estimate of 85% load departure based on 15 to 20 million consumers being served by CCA, Direct Access or Customer sited generation like rooftop solar