CalCCA on the Delay of Desert Community Energy’s Service Launch

The Desert Community Energy Board of Directors has decided to delay the start date for the launch of DCE’s community choice aggregation service, which was scheduled to begin August 1 in the Cities of Palm Springs, Cathedral City and Palm Desert in Riverside County.

The decision is based on a combination of factors including volatile energy market prices, together with uncertainty in Southern California Edison rates and the Power Charge Indifference Adjustment (PCIA).

For an established CCA, financial reserves and long-term contracts provide a cushion against market and regulatory uncertainty. However, launching with known market and regulatory volatility, before these reserves could be established, was deemed imprudent by the DCE Board.

In addition to extreme summer conditions, the market is unsettled due to a lack of multi-year resource adequacy obligations. That is one reason why CalCCA advocates for more certainty for suppliers in the reliability market in a recent proposal submitted to the California Public Utilities Commission.

Prolonged uncertainty about the reformulation of the PCIA, and the possibility that a revamped PCIA could create further imbalance between investor-owned utility (IOU) and CCA rates, is an ongoing threat to communities pursuing energy choice in California. CalCCA’s proposed PCIA strategy would benefit both CCA and IOU customers by lowering bills immediately and providing greater financial certainty into the future.

CalCCA is supporting Desert Community Energy as it evaluates options for moving forward with community choice aggregation, to which DCE remains committed.