



Pricing for CCA Energy Services


- Rethink Rate Design

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We can't solve problems by using the
same kind of thinking we used when we
created them

- Albert Einstein

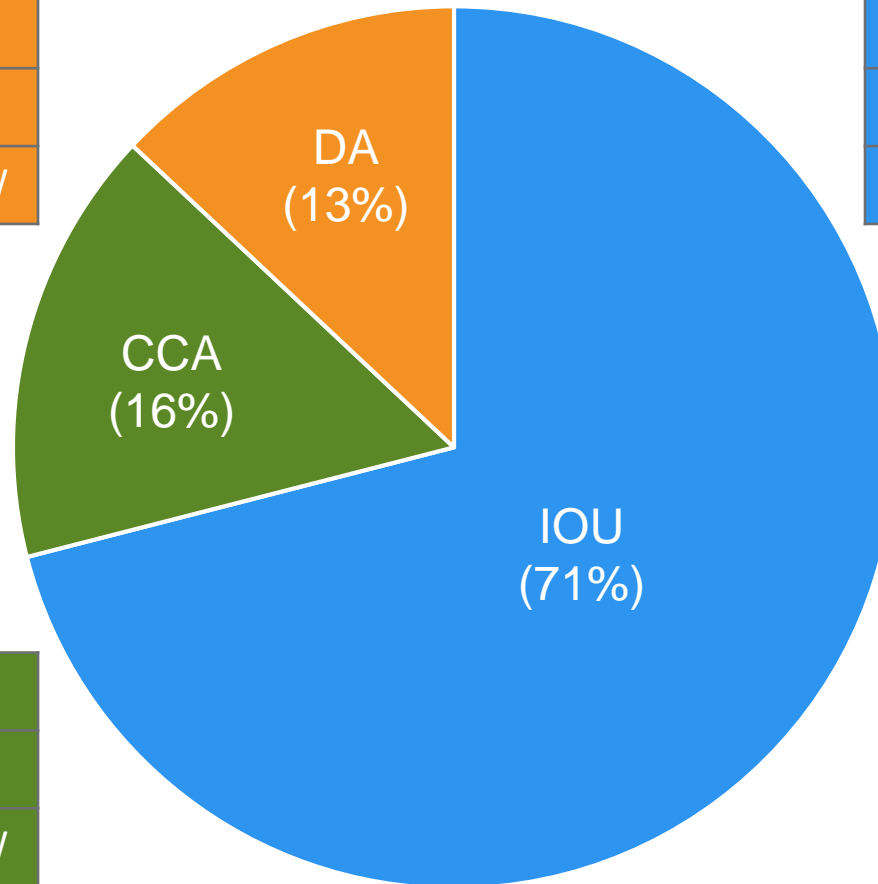
Why Rate Design?

- › Financial objectives
 - › Fiscal health
 - › Build reserves to absorb market and policy changes
 - › Staying power to achieve policy objectives
- › Policy objectives
 - › Affordability
 - › Decarbonization
 - › Reliability
 - › Equality
 - › Community economic development

Today's Market Reality – Local Oligopoly

Suppliers	21
Customers	42K
Load Served	24 GW

Suppliers	3
Customers	12M
Load Served	134 GW



Suppliers	20
Customers	2.4M
Load Served	30 GW

■ IOU ■ CCA ■ DA

Sources: CPUC, CEC

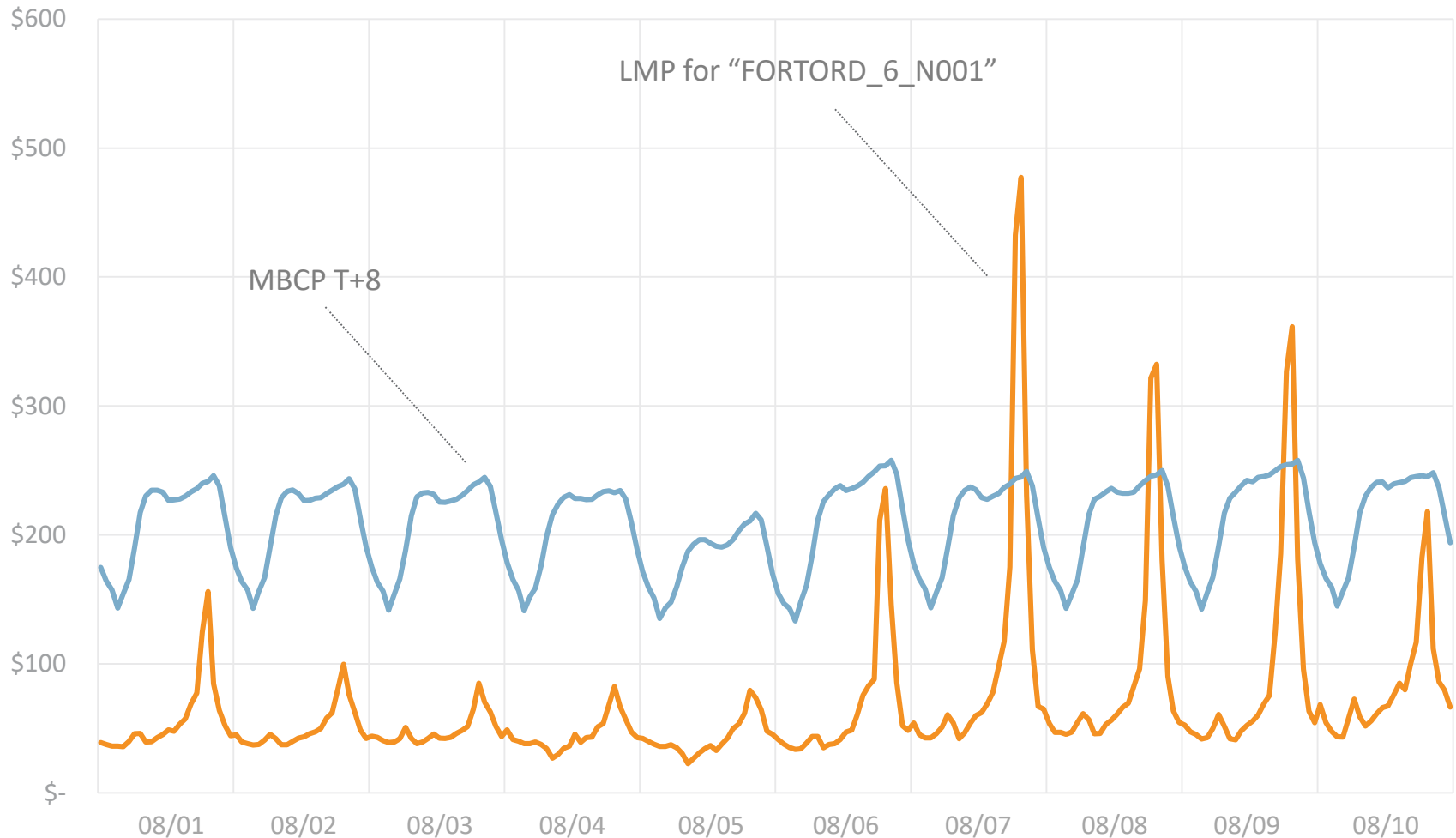
CCA vs. IOU Business Models

	CCA	IOU
Market	Local Oligopoly	Local Monopoly
Business Model	Competitive Not For Profit	Guaranteed Return
Pricing	IOU Price Minus	Cost Plus

Differences between IOU and CCA Rate Designs

	CCA	IOU
Rate	Cost Minimization	Cost Minimization/ Allocation
Cost Components	Generation	Generation, Transmission & Distribution
Treatment of Distributed Generation	Avoided Energy Supply	Avoided Generation & Distribution
Constraint	Limited by Data	Not Limited by Data

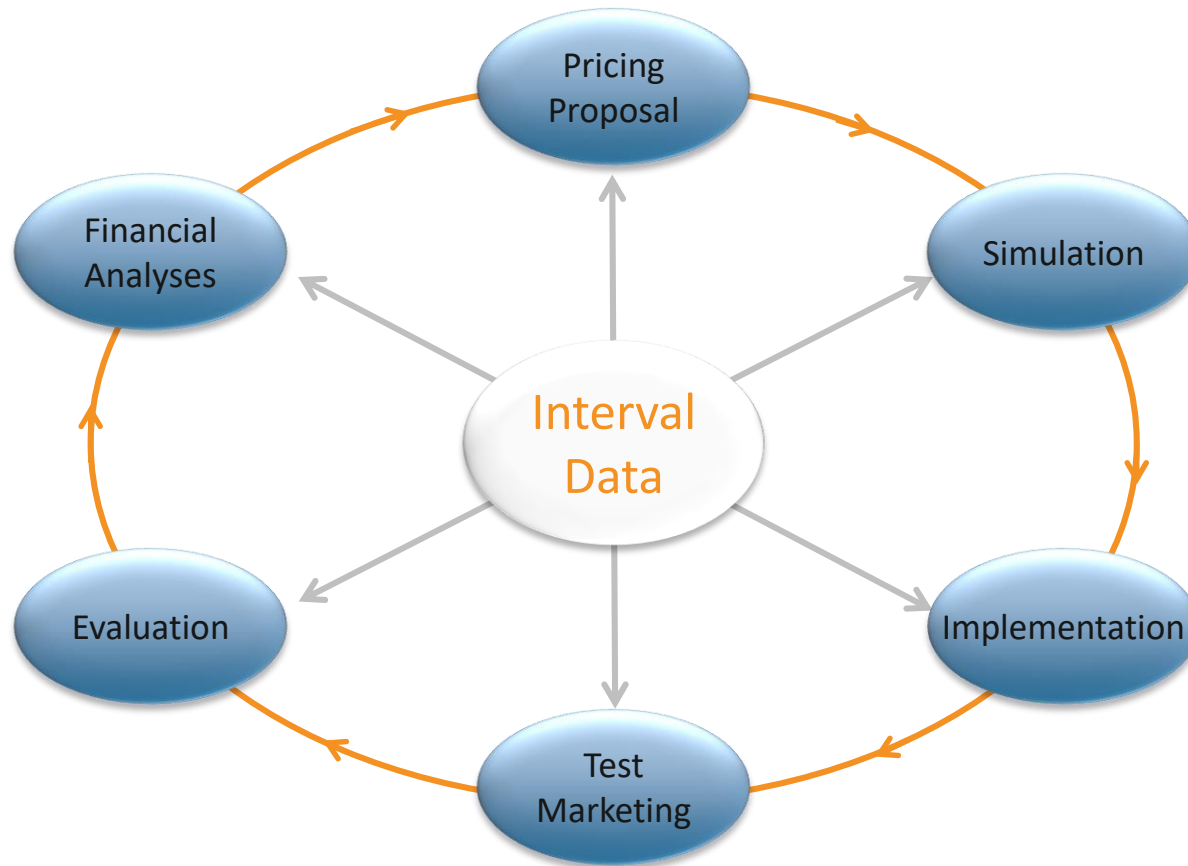
Impact of Retail Pricing on Wholesale Energy Cost



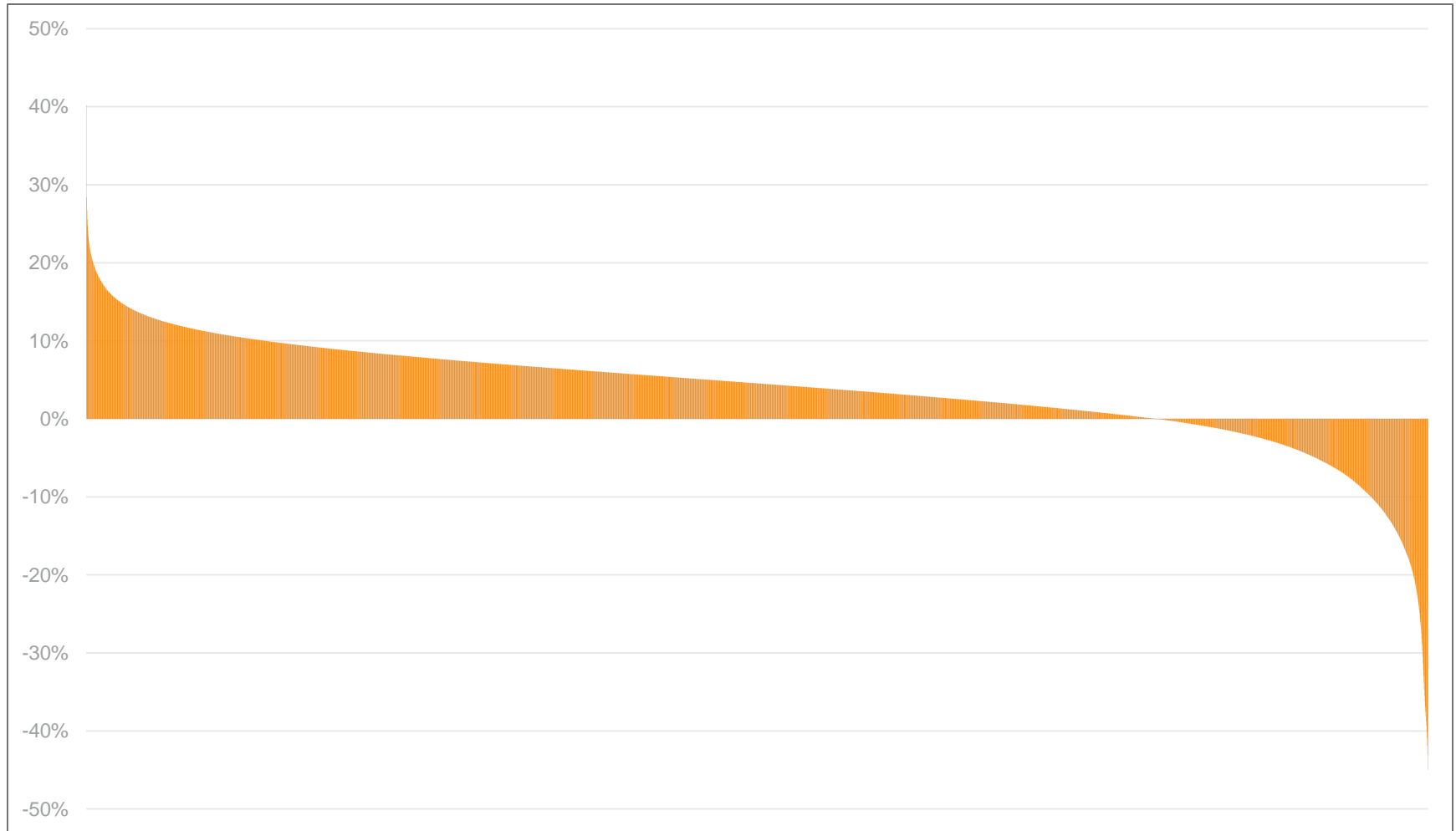
“IOU Minus” Pricing Revisited – Some Food for Thought

- › Pricing
 - › Custom contracts/personalized pricing
 - › Bundle pricing
 - › Promotion pricing
- › Value Added Services
 - › Energy management services
 - › Wholesale energy supply services
 - › Bill management services
- › Channel/affiliate marketing

Uses of Data for Rate Designs



Bill Impact Analyses for Rate Design Proposals



Revenue Impact by Pricing Proposals





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