PG&E Bankruptcy Filing 2019

CalCCA's Responses to Frequently Asked Questions (FAQs)

With Pacific Gas & Electric (PG&E) facing billions of dollars in potential wildfire liabilities the investor-owned utility on January 29 filed for protection under Chapter 11 of the U.S. Bankruptcy Code. Community Choice Aggregators (CCAs) are committed to providing reliable service, clean energy at competitive rates, and innovative programs that benefit people, the environment and the economy in communities across California. CCAs are closely monitoring the situation and continue to work closely with PG&E in a coordinated manner to address any potential impacts of the bankruptcy filing on CCA programs. Here are answers to common bankruptcy-related questions that we've received:

Q. What is Pacific Gas & Electric's role when it comes to CCAs in California?
A. PG&E is responsible for providing transmission and distribution services to CCA customers (delivering power) as well as serving as billing agent for CCAs. CCAs provide power generation services and are independently responsible for securing sufficient electricity supplies to meet the needs of their customers. CCA customers receive a consolidated bill issued by PG&E that includes charges from both parties. PG&E collects payments on behalf of the CCA, and these payments are then transferred to the CCA. PG&E is legally required to continue to perform as the billing agent for CCAs.

Q. How many CCAs operate in PG&E's service territory?
A. There are 12 CCAs serving customers in PG&E's territory. They are: CleanPowerSF, East Bay Community Energy, King City Community Power, MCE, Monterey Bay Community Power, Peninsula Clean Energy, Pioneer Community Energy, Redwood Coast Energy Authority, San Jose Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

Q. What percentage of PG&E load is served by CCAs?
A. Approximately 41 percent of PG&E's load will be served by CCAs in 2019. Approximately 25 percent of the load of all three investor-owned utilities (PG&E, Southern California Edison and San Diego Gas & Electric) will be served by CCAs in 2019.

Q. What will happen to my electricity service?
A. It's expected PG&E will continue to operate in a business-as-usual fashion and that the lights will stay on. This was the case when PG&E filed for bankruptcy protection in 2001.

Q. Has PG&E's current situation resulted in any impacts to CCA programs in California?
A. CCAs are continuing to serve their customers with electricity supply as usual.

Q. Will there be additional fees added to rates to pay for the wildfires?
A. Any additional fees to pay for PG&E's wildfire liabilities would need to be considered by its regulator, the California Public Utilities Commission, and possibly the California Legislature and bankruptcy court. We cannot speculate about future impacts to rates.

Q. Do CCAs support a 'breakup' of PG&E?
A. The California Public Utilities Commission is investigating PG&E's current corporate governance, management, and structure to determine the best path forward for Northern

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Californians to receive safe energy service. CCAs are committed to working with the State of California to ensure the stability of the retail electricity market and stand ready to engage on next steps while providing community-responsive clean and reliable electrical service.

Q. Some have been calling for a public takeover (municipalization) of PG&E. Are CCAs interested in acquiring PG&E's infrastructure?
A. Some jurisdictions that operate CCA programs may investigate municipalization, while others may want to remain focused on providing generation services only. There is no one-size-fits-all approach. Some civic leaders have called on their local utilities commission to explore municipalization.

Q. Has the court ruled on PG&E's first-day motion seeking approval to continue providing CCA services?
A. Yes. On January 29, PG&E filed a first-day motion seeking the Bankruptcy Court's approval to continue passing through CCA revenues in the ordinary course of business. Under this motion, the CCA revenue that PG&E collects as the legally-required billing agent for CCAs would not be encumbered by the bankruptcy process.

On January 31, Judge Montali granted PG&E's interim motion authorizing PG&E to continue to pass through CCA revenues in the ordinary course of business. This order allowed PG&E to resume the flow of revenues to CCAs. The court is expected to finalize this order on February 27. We agree with PG&E that "the normal and uninterrupted remittance" of customer payments to CCAs and other public-purpose programs is of the utmost importance.

Q. When will the remittance of customer payments to CCAs resume?
A. The remittance of customer payments to CCAs was briefly halted by the court as part of the normal bankruptcy review process. PG&E has resumed all billing and revenue remittance services to CCAs and we expect these to continue without interruption.

Q. Are CCAs actively participating in the bankruptcy court proceedings?
A. Yes. Sonoma Clean Power filed statements to ensure the ongoing pass-through of CCA revenues. CleanPowerSF, EBCE, San Jose, SVCE, MBCP, Pioneer and VCE signed on in support. MCE and PCE have filed individual statements that support the SCP motion.

Q. What are CCAs' contract exposure with PG&E?
A. Each CCA in PG&E's service territory has a legally-required Service Agreement. PG&E filed a first-day motion to continue those services to CCAs. On January 31 Judge Montali granted preliminary approval of the motion. The court is expected to finalize this order on February 27.

Some CCAs have contracts to buy energy products from PG&E. Since those energy contracts provide revenue to PG&E, we expect those to remain in place. Some CCAs also have contracts for state-authorized energy efficiency (public purpose program) funding that PG&E is authorized to collect and pass through to the CCAs. PG&E has also requested that these funds continue to flow in the ordinary course of business. We are optimistic that these funds will continue to flow normally.