Develop a CCA Business Plan
FOR EFFECTIVE START-UP AND STABLE, LONG-TERM OPERATIONS AND ENERGY EFFICIENT
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Agenda

- Function/Role of CCA
- What is a Business Plan and What Should It Cover for a CCA?
- Why is a Business Plan Important?
- Things to Watch Out for in Developing a Business Plan
What is a Business Plan and What Should It Cover for a CCA?

- **Business Plan = Feasibility Study = Is a CCA a Viable New Entity?**
- **What Should It Cover?**
  - Power supply/generation aggregation
  - Behind the meter demand-side management opportunities
  - Renewable development
  - Customer service/outreach
  - SCE rate forecast
  - Organizational structure
  - Governance
  - Regulatory/legislative issues
  - Macroeconomic impact on local economies
Historical Functions of Utility
- Generation/power supply
- Transmission
- Distribution
- Behind the meter/renewable development

Roles in Evolving Utility World
- Generation/power supply – CCA
- Transmission – California Independent System Operator (CAISO)
- Distribution – Incumbent utility (PG&E, SCE, SG&D)
- Behind the meter/renewable development – CCA
Why is a Business Plan Important?

- Shows Viability of New Entity and Impacts on Local Community; Avoids Much of the Uncertainty/Business Risk
- Game Plan for Stakeholders to Vet
- Identifies Major Issues to be Dealt with Initially
- Provides Information for CPUC Review
- Shows Financial Community that Project is Credit Worthy; Needed for External Financing
What to Watch Out for in Developing a Business Plan

**Details**
- Load forecast, impacts of DSM/DG, opt out
- SCE rate/PCIA forecast
- Complexities of power management

**Big Picture**
- Governance – is the proposed structure doable from a political standpoint?
- Staff capability/expertise
- Independence of advisors