



EES Consulting, Inc.

Develop a CCA Business Plan

FOR EFFECTIVE START-UP AND STABLE, LONG-TERM
OPERATIONS AND ENERGY EFFICIENT
March 4, 2016

Prepared by:

Gary S. Saleba
President/CEO
EES Consulting, Inc.

A registered professional engineering and
management consulting firm

saleba@eesconsulting.com

www.eesconsulting.com

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

Function/Role of CCA

▶ 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