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Electric Utility Exit Fee
Issues and Possible Solutions

The California Public Utilities Commission (CPUC) approved doubling the exit fee that PG&E charges to customers who receive generation electrical services from another provider. Customers who want to purchase energy from clean and renewable resources through a Community Choice Aggregator (CCA) will now pay more for their energy. There are a number of issues with the Power Charge Indifference Adjustment (PCIA) exit fee explored below:

TRANSPARENCY

- **CCAs do not know how the exit fee costs will change from year to year.**
- Utilities should provide unredacted actual and projected costs used in calculations.
- Utilities should have an end date for exit fees charged at 10 years, consistent with the CPUC's long-term procurement planning.
- New and existing CCAs should be able to negotiate a one-time fee for costs, similar to how municipal utilities pay a one-time fee instead of the PCIA.

ACCOUNTABILITY

- **There are no audits of utility-imposed exit fee calculations.**
- The CPUC should implement or administer a third-party audit of exit fees.

PROPER VALUATION

- **Utilities are not required to mitigate the costs put into the exit fees.**
- Utilities should take reasonable steps to reduce costs and risks imposed on CCA customers.
- Utilities should make reasonable predictions about departing load and regularly update those predictions.
- Utilities should ensure that where costs are avoidable, those costs are not charged to departing load (e.g. contracts that are terminable, costs that could have been mitigated by proper planning, etc.).
- The exit fee methodology should more accurately reflect long-term energy values, rather than comparing contract prices with spot market prices.