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PRESS RELEASE

Docket #: R.07-05-

CPUC ALLOWS NON-RESIDENTIAL CUSTOMERS CHOICE OF ELECTRIC PROVIDER

SAN FRANCISCO, March 11, 2010 – The California Public Utilities Commission (CPUC) today acted to implement a plan to increase the amount of Direct Access transactions within the service territories of California’s major investor-owned electric utilities (IOUs), Pacific Gas and Electric Company, Southern California Edison and San Diego Gas and Electric Company.

Direct Access allows eligible customers to purchase electricity from an independent Electric Service Provider rather than from an IOUS and was first instituted as an option for retail electric service throughout California in 1998. Currently, about 5 percent of total retail sales across the state are Direct Access transactions.

The authorization for increased Direct Access is being implemented in accordance with the provisions of recently enacted Senate Bill 695 (Kehoe). SB 695, which was supported by a broad coalition of stakeholders including the Division or Ratepayer Advocates, TURN, and each of the utilities, was signed into law by Governor Schwarzenegger October 11, 2009.

Effective April 11, 2010, all qualifying non-residential customers will be eligible to take Direct Access service, up to specified maximum annual caps that will be phased in over a four-year period. The phase-in approach will be conducted as follows: 35 percent of total allowable DA sales will be allowable in year one, 35 percent in year two, 20 percent in year three, and 10 percent in year four. After the 4-year phase-in period there will be approximately 11 percent of total retail sales being served by entities other than the IOUs. This equates roughly to the historical maximum the state reached in 2001.

The SB 695 cap limits any potential risk associated with reopening of Direct Access by eliminating uncertainty associated with load migration. The adopted phase-in schedule is designed to provide enough lead time for IOUs to account for small shifts in load and thereby avoid unwarranted cost shifting and stranded load.

Additional issues that relate to SB 695 implementation will be addressed expeditiously in a subsequent CPUC decision.

The proposal voted on is available at

http://docs.cpuc.ca.gov/PUBLISHED/AGENDA_DECISION/114734.htm.

For more information on the CPUC, please visit www.cpuc.ca.gov.

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