



OVERVIEW OF THIRD-PARTY REVIEW OF LACCE BUSINESS PLAN

Prepared by:
ARC Alternatives
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San Francisco, CA



CITY of CALABASAS



Introduction

ARC Alternatives is an energy engineering consulting firm focusing on public sector clients in California. Our services include program design, utility programs, public sector procurement, program management, and energy engineering.

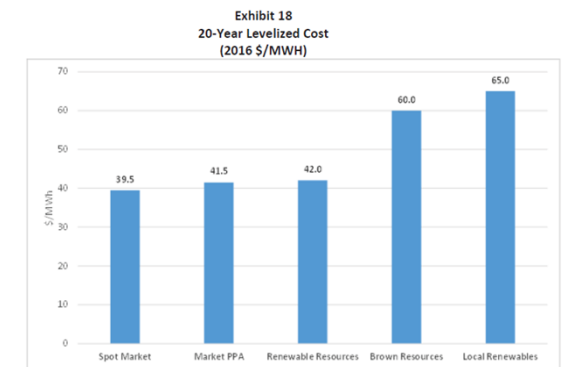
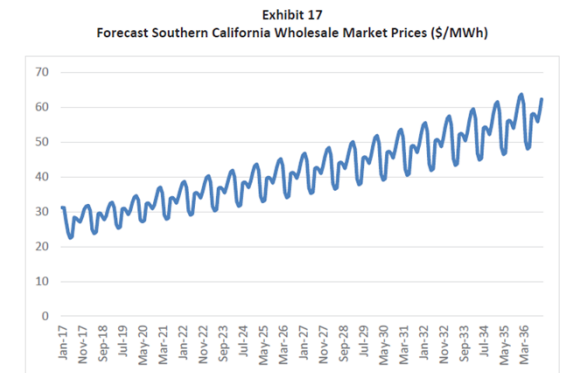
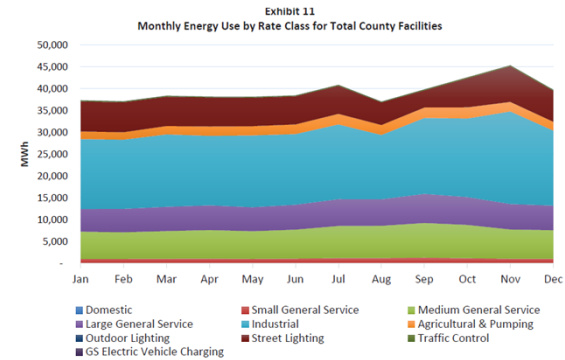
Energy Engineering Expertise

- Energy efficiency
- Renewable energy
- Utility analysis
- Strategic energy plans
- Analytics and scenario analysis
- Energy management

ARC Alternatives provided a third-party review of the business plan for Los Angeles County's Community Choice Aggregation program for the LA County Office of the Chief Executive.

Scope of ARC's Review

- Conducted in September 2016 over a two week period
- Based on written report dated June 30, 2016
- Focused on financial models
 - Assumptions
 - Sensitivities
 - CCA rates

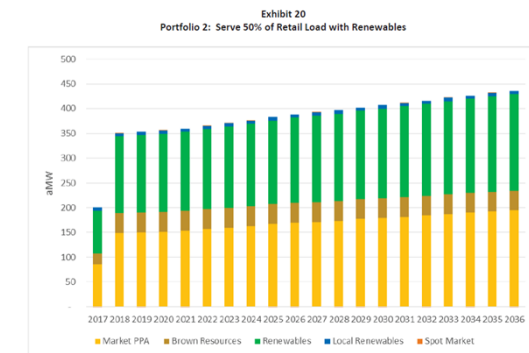
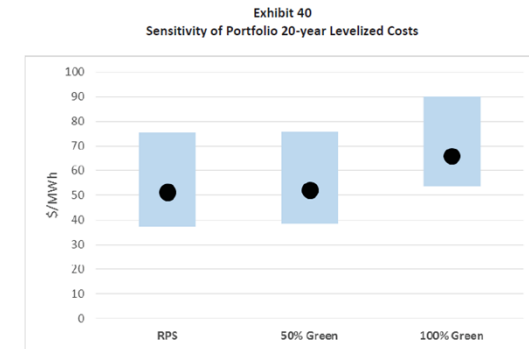
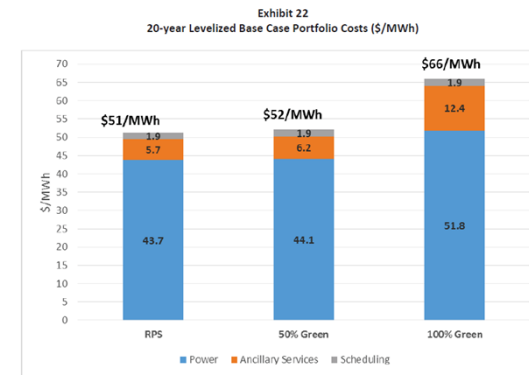


Findings

- SCE and CCA Rates
 - Both current rates and assumed rate of escalation reasonable and conservative
 - Methodology used to model CCA rates consistent with other studies

- Sensitivities
 - Factors considered appropriate
 - Did not explicitly document “break even” scenarios
 - Did not consider multiple factors at once – “perfect storm”

- Staffing
 - Reasonable given size of program
 - Consistent with other CCAs



Conclusions

- There are opportunities to conduct more robust analysis of energy costs and CCA rates
- The analytical approach is reasonable
- The Plan contains no material misrepresentations



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