

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report - Item 11

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**TO:** Board of Directors

**FROM:** Mitch Sears, Interim General Manager  
Rebecca Boyles, Director of Customer Care and Marketing

**SUBJECT:** Defer Customer Opt-Out Fees for Fiscal Year 2021/22

**DATE:** June 10, 2021

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### RECOMMENDATION

Continue to defer Customer Opt-Out Fees for Fiscal Year 2021/22.

### BACKGROUND

Prior to beginning service in June 2018, the VCE Board of Directors waived opt-out fees for VCE's first year of operations. Opt-out fees (\$5 for residential and \$25 for non-residential) were originally designed to reduce the number of opt-outs and to partially recover the cost of processing opt-outs. In 2019, the Board approved deferment of customer opt-out fees for an additional year, and this happened again in 2020.

Community choice aggregators (CCAs) differ in their approach to opt-out fees. Several have waived the fee. Some have kept the fee and have had few complaints. Others have kept the fee and had significant complaints.

### UPDATE

After three full years of operation, staff recommends that opt-out fees be deferred for another year:

- VCE's back-office systems are in place to automate opt-outs/opt-ins, so administrative costs are low.
- Customers have expressed concerns with opt-out fees, and financial concerns may be heightened due to the COVID-19 pandemic.
- Financial impacts are minimal. Now that VCE is fully operational, the opt-out numbers have dropped dramatically compared to start-up, minimizing impacts on revenue.
- Processing the opt-out fees could cost more than the revenue generated from the fees.