

# **Bond Case Briefs**

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## **S&P: California Community Choice Aggregators Provide Consumer Choice, But Not Without Risk**

### **Key Takeaways**

- The unique operational structure of community choice aggregators (CCAs) provides both credit challenges and opportunities.
- We have public ratings on five of California's 25 CCAs that have adopted this developing business model. The CCAs we rate exhibit low customer outmigration, favorable customer economic indicators that support ratemaking flexibility, and the absence of direct debt and favorable liquidity.
- Some CCAs have experienced financial distress when faced with the challenges of retaining customers, remaining competitive relative to the incumbent investor-owned utility, and managing volatile price and volume movements of their power supply arrangements.

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