

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Review,
Revise, and Consider Alternatives to the
Power Charge Indifference Adjustment

R.17-06-026
(Filed June 29, 2017)

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION
REPLY COMMENTS ON PROPOSED DECISION ON
WORKING GROUP 1 ISSUES 1-7 AND 11**

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October 1, 2019

TABLE OF CONTENTS

I.	THE COMMISSION SHOULD DEFER FURTHER ACTION TO INCORPORATE LONG-TERM, FIXED-PRICE CONTRACTS IN THE RPS ADDER.....	1
II.	CONCLUSION.....	4
	APPENDIX A -- PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDERING PARGARAPHS.....	1

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Pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure, the California Community Choice Association (CalCCA)¹ submits the following reply comments on the proposed *Decision Refining the Method to Develop and True Up Market Price Benchmarks*, issued on September 6, 2019 (Proposed Decision or PD). CalCCA's reply comments respond to the opening comments of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (Joint IOUs)² and The Utility Reform Network (TURN).³

I. INTRODUCTION

CalCCA responds to the opening comments of the Joint IOUs and TURN, reaching the following conclusions:

¹ California Community Choice Association represents the interests of 19 community choice electricity providers in California: Apple Valley Choice Energy, Clean Power SF, Clean Power Alliance, Desert Community Energy, East Bay Community Energy, Lancaster Choice Energy, Marin Clean Energy, Monterey Bay Community Power, Peninsula Clean Energy, Pioneer Community Energy, Pico Rivera Innovative Municipal Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Jacinto Power, San Jose Clean Energy, Silicon Valley Clean Energy, Solana Energy Alliance, Sonoma Clean Power, and Valley Clean Energy.

² *Opening Comments of Pacific Gas and Electric Company (U 39-E), Southern California Edison Company U 338 E), and San Diego Gas & Electric Company (U 902 E) on Proposed Decision Refining the Method to Develop and True Up Market Price Benchmarks*, Sept. 26, 2019 (Joint IOU Comments).

³ *Opening Comments of the Utility Reform Network on the Proposed Decision of ALJ Atamturk Refining the Method to Develop and True Up Market Price Benchmarks*, Sept. 26, 2019 (TURN Comments).

- The Commission should consider revising the calculation of the RPS Adder *only if* it first determines that the benefits of revision outweigh the challenges and uncertainty of implementing such a change. Moreover, any such effort should be deferred, requiring an Energy Division Staff proposal by the end of 2020 to preserve scarce Staff and stakeholder resources.
- The Commission should defer to a more suitable proceeding the question of whether community choice aggregator (CCA) contract data should be provided to non-market participants; the Commission must first address whether adopting this practice would result in a CCA's inability to protect these contracts from disclosure to market participants under the Public Records Act.

Proposed Findings of Fact, Conclusions of Law and Ordering Paragraphs are provided in Appendix A.

II. THE COMMISSION SHOULD CONSIDER REVISING THE CALCULATION OF THE RPS ADDER *ONLY IF* IT FIRST DETERMINES THAT THE BENEFITS OF REVISION OUTWEIGH THE CHALLENGES OF IMPLEMENTING SUCH A CHANGE

The Proposed Decision adopts the co-leads' proposal for calculating the RPS Adder based on four quarters of Portfolio Content Category 1 index-plus contracts.⁴ However, the PD appears to commit the Energy Division Staff to revising this methodology to incorporate long-term fixed-price transactions into the RPS Adder, to take effect in 2021.⁵

CalCCA agrees with the Joint IOUs that the Proposed Decision lacks support for its conclusion that “[i]ncorporating fixed-price bundled transactions into RPS Adder calculations is expected to produce more accurate results and is ultimately the proper approach.”⁶ As discussed in CalCCA's Comments, the challenges of implementing such an approach (which CalCCA explained in detail) outweighed the value of any asserted potential increased accuracy.⁷ CalCCA

⁴ PD, Ordering Paragraph 3(b) at 52.

⁵ PD, Ordering Paragraph 3(c) at 53. *See California Community Choice Association Reply Comments on Proposed Decision on Working Group 1 Issues 1-7 and 11*, Sept. 26, 2019 (CalCCA Comments) at 2-3.

⁶ PD, Finding of Fact 6, at 46. *See Joint IOU Comments* at 6.

⁷ CalCCA Comments at 3-4.

explained these challenges in detail.⁸ TURN, while continuing to suggest developing a method for incorporating these transactions by the end of 2020, provides nothing more in terms of guidance.⁹

For all of the reasons stated in CalCCA's and the Joint IOUs' opening comments, incorporating long-term, fixed-price bundled RPS contracts will not increase the RA Adder's accuracy due to the many assumptions that will be required to integrate the prices into the benchmark. It thus is unnecessary to commit Energy Division and stakeholders to this exercise on an expedited timeline when so many other issues – including Working Group 3, resource adequacy and integrated resource planning issues – are pressing and are likely to deliver higher value.

The Commission has been in the business of administrative price-setting for decades, with commensurate experience in how controversial and time-consuming such exercises are. Think back on the qualifying facility avoided-cost price proceedings, the development of the “market price referent” for RPS procurement and, the recent history of the Power Charge Indifference Adjustment. The Commission is well aware of the time required to chase down all of the methodological rabbit holes and the often marginal value of that chase. CalCCA thus requests that the Commission modify the PD to not set a particular time within which Energy Division must revise the RPS Adder calculation. By all means require a *proposal* by the end of 2020, rather than *implementation*, to avoid further burdening already scarce Energy Division and stakeholder resources.

⁸ CalCCA Comments at 4.

⁹ TURN Comments at 1.

III. DECISIONS REGARDING CONFIDENTIALITY ARE OUTSIDE THE SCOPE OF THIS WORKING GROUP.

TURN offers comments on the PD's proposal to permit non-market participants access to data provided to Staff for benchmarking purposes.¹⁰ TURN contends that "requiring the development of a single NDA that can be executed by NMPs to gain access to all the relevant confidential data collected by the Energy Division for the development of PCIA forecasts and true-ups."¹¹

CalCCA requests that the Commission defer this issue to a more appropriate forum. The Scoping Memo for this Phase did not identify data access or confidentiality as issues within scope of any working group. Moreover, the question of provision of contract data is a sensitive issue to community choice aggregators (CCAs), who are governmental entities. While the ability of a CCA to protect its electricity contracts from public disclosure is relatively clear when the recipient is the Commission and its Staff, there is no similar exception from disclosure for a contract provided to another entity that is not a state agency. CalCCA thus requests that the Commission defer this question to a more suitable forum in which it can be fully examined for purposes that may extend beyond Working Group 1.

¹⁰ PD, Conclusion of Law 18, at 51. *See* TURN Comments at 3-4.

¹¹ TURN Comments at 3.

IV. CONCLUSION

For all of the foregoing reasons, CalCCA requests that the Commission adopt the proposed modifications detailed in CalCCA's opening comments and the revised findings of fact and conclusions of law specified in Appendix A to these reply comments.

October 1, 2019

Respectfully submitted,



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APPENDIX A

Proposed Findings of Fact, Conclusions of Law and Ordering Paragraphs

Findings of Fact:

~~6. Incorporating fixed-price bundled transactions into RPS Adder calculations is expected to produce more accurate results and is ultimately the proper approach.~~

~~15. A standardized non-disclosure agreement is reasonable for efficient and equal access for nonmarket participants to all confidential information.~~

Conclusions of Law:

4. Energy Division should monitor the impact of fixed-price transactions and propose, by the end of 2020, a method to include fixed-price contracts in calculating the RPS Adder, but only if there is evidence demonstrating that such a method is feasible and likely to produce greater accuracy, ~~by the end of 2020~~. The Energy Division Director should be authorized to hold workshops or utilize the existing Working Group process to develop the proposal.

~~18. The Commission should adopt TURN's proposal to give NMPs access to confidential data.~~

Ordering Paragraphs:

1.c. All Load Serving Entities shall provide Staff with information on all fixed-price transactions (sales and purchases) for renewable energy executed in the past three years (n-3, n-2 and n-1) for delivery in the following three years (n, n+1, n+2). Energy Division shall monitor the impact of fixed-price transactions and propose, by the end of 2020, a method to include fixed-price

contracts in calculating the RPS Adder, but only if there is evidence demonstrating that such a method is feasible and likely to produce greater accuracy ~~by the end of 2020~~. We authorize the Energy Division Director to hold workshops or utilize the existing Working Group process to develop the proposal.