

California Legislature



July 21, 2020

Marybel Batjer, President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: IOU cost transparency and affordability

Dear President Batjer:

We are writing to respectfully request the Commission to revise its confidentiality rules to enable greater oversight and transparency of Investor-Owned Utility (IOU) cost assumptions by allowing market participants the ability to verify the accuracy of cost recovery on behalf of ratepayers.

The continuing effort of the Commission at overseeing how IOUs recover their costs through submitted charges on ratepayers is to be commended. It is critical to ensuring rates are just and reasonable. Over the last two decades this oversight has become increasingly important as legislatively driven changes in the California market have led to competitive energy service offerings by energy service providers and community choice aggregators.

A vital component of this oversight process is public participation in cost oversight and accountability proceedings. Public participation has a long and successful history. It has enabled the Commission to ensure it reaches a reasoned decision by aiding Commission staff in the review of voluminous filings, illuminating deficiencies, and bringing voice to the public interest during these dockets.

Because public participation is so vital to the Commission's oversight, we were delighted to see the Commission host a public workshop on May 6, 2020 which focused on data access by public participants. Stakeholders have raised concerns with my office that IOUs are providing insufficient or untimely data to participants in the ERRA, PABA and PCIA rate development process and sometimes denying access to data all together. The intent of this letter is to call attention to the importance of the Commission's role in maintaining a fair balance between two competing obligations: ensuring meaningful public participation in cost recovery proceedings while also providing reasonable protection to market sensitive information that could have an immediate and material impact on utility market pricing.

The Commission's existing confidentiality rules under D.06-06-066 has been in place for over 14 years and IOUs routinely treat all information related to wholesale electric procurement as

confidential making it extremely difficult for participants to verify the accuracy and justify the cost recovery on ratepayers. Finding balance is not always easy, but we urge you to ensure that market participants in Commission cost oversight and accountability proceedings have reasonable access to relevant IOU cost data so they can assist the Commission in its oversight obligations.

As the Commission is aware, the PCIA has increased over 800% in PG&E territory since 2013. From an affordability lens, this statistic alone is concerning. We are additionally concerned to hear that market participants have uncovered errors totaling hundreds of millions of dollars over the course of their participation in cost recovery dockets. It is our understanding that uncovering these errors requires voluminous, time consuming and expensive discovery to trace the accounting and decisionmaking necessary to uncover the discrepancies that led to these egregious errors. Unnecessary burdens to participation such as these must be avoided as the uncovering of this error clearly demonstrates that meaningful public access to utility cost data is vital to ensuring affordability of energy costs and fairness to departed and bundled customers. We encourage the Commission to continue dialogue with all stakeholders coming out of the May workshop to develop reporting metrics and other oversight tools to ensure the public has continued opportunities to continue the proud tradition of public participation at the Commission.

We appreciate your attention to this important policy issue.

Sincerely,



Assemblymember Ash Kalra
27th Assembly District



State Senator Jim Beall
15th Senate District



State Senator Jerry Hill
13th Senate District



State Senator Bob Wieckowski
10th Senate District



State Senator Scott Wiener
11th Senate District



Assemblymember Marc Berman
24th Assembly District



Assemblymember David Chiu
17th Assembly District



Assemblymember Kansen Chu
25th Assembly District



Assemblymember Evan Low
28th Assembly District



Assemblymember Kevin Mullin
22nd Assembly District



Assemblymember Al Muratsuchi
66th Assembly District



Assemblymember Mark Stone
29th Assembly District



Assemblymember Phil Ting
19th Assembly District

cc: Assemblymember Chris Holden, Chair of the Assembly Utilities and Energy Committee