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

Order Instituting Rulemaking Regarding Emergency Disaster Relief Program.	R.18-03-011

CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S REPLY COMMENTS ON ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENT ON POLICY QUESTIONS FOR MEDIUM-LARGE AND INDUSTRIAL UTILITY CUSTOMER DISCONNECTION MORATORIUM APPROACH

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SUMMARY OF RECOMMENDATIONS

- Extend a disconnection moratorium to all medium-large commercial and industrial customers without demonstration of financial hardship and regardless of other financial relief received.

- Require all customers seeking the benefits of the moratorium to be enrolled and current in a payment plan.

- Provide for recovery of all unpaid balances for customers protected by the moratorium from the Public Purpose Program Charge, regardless of whether the customer is bundled or unbundled.

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The California Community Choice Association[1] (CalCCA) submits these Reply Comments in response to the *Administrative Law Judge's Ruling Seeking Comment On Policy Questions For Medium-Large And Industrial Utility Customer Disconnection Moratorium Approach* issued on December 21, 2020.

I. INTRODUCTION

CalCCA supports the Commission's continuing recognition that the COVID-19 pandemic has affected many segments of society. Through its efforts in Resolution M-4842 and R.18-11-005, the Commission has removed immediate threats of service disconnection for residential customers and developed concepts for debt forgiveness and payment plans to support repayment of these customers' arrearages. In this proceeding, the Commission contemplates expanding the residential disconnection moratorium to medium-large commercial and industrial (C&I) customers.[2]

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1 California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Baldwin Park Resident Owned Utility District, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Lancaster Choice Energy, Marin Clean Energy, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Silicon Valley Clean Energy, Solana Energy Alliance, Sonoma Clean Power, Valley Clean Energy, and Western Community Energy.

2 *Assigned Commissioner's Amended Scoping Memo and Ruling for Expedited Phase 3*, Dec. 21, 2020.

The investor-owned utilities (IOUs) are relatively aligned in their support for concept of a C&I moratorium.[3] CalCCA likewise supports the recommendation to move forward as soon as possible with these measures. The IOUs differ, however, on certain implementation issues. CalCCA's comments offer responses to the IOU comments on these issues, including: eligibility, capping, and cost recovery. Most importantly, ***CalCCA urges the Commission's adoption of SCE's cost recovery proposal, which would recover the costs through the Public Purpose Program Charge (PPPC), and application of this recovery mechanism to unrecovered arrearages for both bundled and unbundled customers.***

II. ELIGIBILITY

CalCCA agrees with the three IOUs that the moratorium should be extended to all medium-large C&I customers without demonstration of financial hardship and regardless of other relief received. As SCE observes, it does not have the ability to collect data to evaluate financial hardship.[4] Indeed, evening establishing criteria would be difficult given the varied nature of C&I customers' operations.

CalCCA supports Pacific Gas & Electric Company's (PG&E's) further recommendation that to be eligible for the benefits of the moratorium, the customer must be enrolled and current in a payment plan. Failing to adopt this requirement would not be in the interest of participating or non-participating customers. As PG&E observed, "[i]n the absence of a payment plan requirement…medium and large customers may fall further behind on their bills and potentially face even higher unpaid bills once the moratorium is lifted."[5] Without financial criteria or a payment plan, the program could result in higher subsidies from nonparticipating customers.

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[3] *See Opening Comments of Southern California Edison Company* (U 338-E) *on Administrative Law Judge's Ruling Seeking Comment on Policy Questions for Medium-Large and Industrial Utility Customer Disconnection Moratorium Approach.* Jan. 22, 2021 (SCE Comments); *Comments of San Diego Gas & Electric Company (U 902 M) in Response to Administrative Law Judge's Ruling Seeking Comment on Policy Questions for Medium-Large and Industrial Utility Customer Disconnection Moratorium Approach*, Jan 22., 2021 (SDG&E Comments); *Comments Pacific Gas and Electric Company (U 29 M) on the Administrative Law Judge's Ruling Seeking Comment on Policy Questions for Medium-Large and Industrial Utility Customer Disconnection Moratorium Approach*, Jan. 22, 2021 (PG&E Comments).

[4] SCE Comments at 4.

[5] PG&E Comments at 2.

III. CAPPING

Only SCE supports a cap on uncollected payments. SCE grounds its concern on the potential for abuse of the protective measure. SCE explains:

> SCE recognizes that a disconnection moratorium for larger businesses may have the unintended consequence of these businesses utilizing the moratorium to preserve cash and only paying down the resulting arrears at the end of the moratorium. Medium and large businesses are more likely to have sophisticated cash flow management practices and could utilize this as a way to manage cash during the moratorium. The incentive to hold cash may increase to an even greater extent should SCE be unable to apply the LPC, which is discussed above in section E, on their bill during the moratorium.[6]

SCE thus recommends a cap on the number of months a customer may receive the moratorium.

While CalCCA shares SCE's concern, the risks of full extension of the moratorium to all customers can be addressed in two ways. First, the moratorium should be extended only until June 30, 2021 -- the termination date for residential customer protections under Resolution M-4849. If the Commission extends the moratorium beyond that date, then SCE's cap proposal should be revisited. Second, by applying PG&E's eligibility requirement of enrollment and current in a payment plan, it assures a customer that may not be in financial hardship cannot simply freeload on other customers for a source of cash flow.

IV. COST RECOVERY

CalCCA agrees with the three IOUs that the costs of any unpaid arrearages arising from the moratorium should be recovered from all customer classes, again provided the customer has been enrolled in a payment plan to facilitate arrearage repayment. CalCCA agrees with SCE's proposal that cost recovery occur through the Public Purpose Program Charge (PPPC).[7] As SCE points out, medium-large C&I customers pay a portion of the PPPC covering residential programs, such as the California Alternate Rates for Energy and the recently adopted Arrearage Management Plan, which provides bill forgiveness and prevents residential customer disconnection.[8] Likewise, residential customers should support measures that address financial hardship among medium-large C&I customers.

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6 SCE Comments at 7.

7 SCE Comments at 6.

8 *See generally* D.20-06-003 and Resolution E-5114 at 3.

CalCCA offers one further recommendation. The Commission should ensure, as it has in the Arrearage Management Plan, that any unpaid arrearages be recovered through the PPPC whether for bundled or unbundled customers. This ensures that all customers uniformly support cost recovery, avoiding disadvantage any particular group of customers based on their customer mix.

V. CONCLUSION

For all the foregoing reasons, CalCCA respectfully requests consideration of the proposals specified herein and looks forward to an ongoing dialogue with the Commission and stakeholders.

Respectfully submitted,

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