February 2, 2021

VIA ELECTRONIC MAIL

Mr. Ed Randolph  
Director, Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102

Re: California Community Choice Association’s Response to  
Southern California Edison Company Advice Letter 4394-E,  
Pacific Gas and Electric Company Advice Letter 6060-E, and  
San Diego Gas & Electric Company Advice Letter 3662-E –  
Community Choice Aggregation Financial Security Requirements

Dear Mr. Randolph:

Pursuant to the California Public Utilities Commission’s (“Commission”) General Order (“GO”) 96-B, the California Community Choice Association (“CalCCA”) submits this response to Southern California Edison Company’s (“SCE”) Advice Letter (“AL”) 4394-E, Pacific Gas and Electric Company’s (“PG&E”) AL 6060-E, and San Diego Gas & Electric Company’s (“SDG&E”) AL 3662-E. The aforementioned advice letters (“IOUs’ Resubmitted Advice Letters”) were submitted by SDG&E on January 14, 2021 and by SCE and PG&E on January 15, 2021. As described further below, the IOUs’ Resubmitted Advice Letters were submitted as stand-alone advice letters to clarify certain outstanding issues and to otherwise address tariff revisions to implement financial security requirements (“FSR”) for Community Choice Aggregators (“CCAs”), established in Commission Decision (“D.”) 18-05-022 and Resolution E-5059.

General Rule 3.13 of GO 96-B states that a party may submit a response to an advice letter for the purpose of providing useful information regarding the advice letter. As described in the IOUs’ Resubmitted Advice Letters, CalCCA and other CCA interests have been in discussions with the investor-owned utilities (“IOUs”) to address outstanding issues relating to when an IOU may draw on the FSR instrument and whether an IOU’s initial draw on the FSR instrument may include an amount disputed by the CCA. As further described below, the IOUs’ clarifications and proposed treatment of these issues in the IOUs’ Resubmitted Advice Letters are generally acceptable. However, for reasons briefly discussed below, it is important to ensure that the IOUs’ “standard form” FSR instruments include the qualifying conditions enumerated in the IOUs’ revised tariff sheets.

In its protest of the IOUs’ FSR advice letters, CalCCA requested two principal clarifications. First, CalCCA requested that the IOUs’ tariffs be clarified to state that an IOU...
may not draw on the FSR instrument prior to expiration of the 20-day protest period for the IOU’s actual reentry fee calculation. This clarification is important because it will not be known until the end of the 20-day protest period whether the CCA disputes the reentry fee calculation. Second, CalCCA requested that the IOUs’ tariffs be clarified to state that the IOU may only initially draw on the FSR amount to cover undisputed reentry fee amounts, and that the subsequent draw on the FSR amount for the disputed amount will only occur after the Commission has resolved the dispute.

In their reply to CalCCA’s protest, the IOUs asserted their belief that the clarifications sought by CalCCA should be rejected because the requested clarifications, as tariff provisions, were untimely and improper. However, the IOUs stated their willingness to agree to the requested clarifications if the language were included as part of the FSR instrument itself, and not as tariff provisions. In their reply, the IOUs specified the conditions that should be contained in the FSR instrument in order for the IOUs to not draw on the FSR instrument until the end of the protest period, and to only initially draw on the undisputed amount.

As noted by SCE, “[a]fter submitting their joint reply, the IOUs worked with CalCCA and other CCA parties on the wording of the intended clarifications in an effort to gain consensus and avoid further protests.”¹ PG&E further noted that “the Joint IOUs have continued discussions with CalCCA and have reached agreement on additional modifications to address their concerns.”²

CalCCA appreciates the efforts taken by the IOUs to address CalCCA’s concerns. While CalCCA still believes that the requested language would be best “hardwired” into the IOUs’ tariffs, CalCCA is willing to accept the IOUs’ approach, namely, relying on the FSR instruments, and not to the tariffs, to determine whether the IOU is required to wait until the end of the protest period and to draw only on the undisputed FSR amount. That said, by making the IOUs’ actions dependent on whether a particular FSR instrument contains enumerated conditions, there is a risk that some FSR instruments will contain the conditions and others will not. For example, it is unclear why “most” of SCE’s FSR letters of credit contain the conditions, but not “all” of SCE’s FSR letters of credit.³ The risk of not including these conditions in the FSR instrument is heightened when it is the IOU, and not the CCA, that advances the “standard form” FSR instrument.⁴ Accordingly, CalCCA requests that the IOUs include the enumerated conditions in their “standard form” FSR instruments so that a CCA is not deprived of these key protections because the CCA was unaware of which specific conditions to include in the FSR instrument.

¹ SCE AL 4394-E at 2.
² PG&E AL 6060-E at 2.
³ See SCE AL 4394-E at 2 (“SCE notes that most of the letters of credit posted by the CCAs in SCE’s service area satisfy these conditions.”).
⁴ See, e.g., PG&E Proposed Rule 23, Section W.1.a.
CalCCA thanks the Energy Division for its review of this response.

Respectfully,

CALIFORNIA COMMUNITY CHOICE ASSOCIATION

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CALIFORNIA PUBLIC UTILITIES COMMISSION

Service Lists

PROCEEDING: R0310003 - CPUC - OIR TO IMPLEM
FILER: CPUC
LIST NAME: LIST
LAST CHANGED: MAY 7, 2020

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