



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

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Order Instituting Rulemaking to Address  
Energy Utility Customer Bill Debt  
Accumulated During the COVID-19  
Pandemic.

R.21-02-014  
(February 11, 2021)

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION  
REPLY BRIEF**

Evelyn Kahl, General Counsel  
CALIFORNIA COMMUNITY  
CHOICE ASSOCIATION  
One Concord Center  
2300 Clayton Road, Suite 1150  
Concord, CA 94520  
(415) 254-5454  
[regulatory@cal-cca.org](mailto:regulatory@cal-cca.org)

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Pursuant to Rule 13.11 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the *Assigned Commissioner's Scoping Memo and Ruling* issued March 15, 2021, and the *Administrative Law Judge's Ruling Inviting Responses to Post-Workshop Questions and Extending Filing Dates of Briefs*, filed April 2, 2021 (Ruling), California Community Choice Association<sup>1</sup> (CalCCA) submits this Reply Brief.

**I. INTRODUCTION**

CalCCA understands that the Commission's rapid timeline of this proceeding is a response to the growing debt Californians face as we experience the COVID-19 pandemic.<sup>2</sup> It is critical that Parties and the Commission timely collaborate to provide comprehensive, worthwhile relief for customers in order to safely transition once the moratorium on disconnections expires.

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<sup>1</sup> 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.

<sup>2</sup> The IOUs have reported an increase of over \$650 million based on December 2020 data, as reported in proceeding R.21-02-014 OIR, issued February 17, 2021, at 10.

CalCCA appreciates the opportunity to contribute to the solutions proposed by Parties and makes the following recommendations. The Commission should:

1. Implement a relief proposal for customers who are not CARE/FERA eligible;
2. Ensure that any debt forgiveness plans, new or existing, are funded through the Public Purpose Program Charge (PPPC);
3. Expand eligibility for the Arrearage Management Plan (AMP) program by lowering the minimum total arrearage requirement; and
4. Request more information on how Public Advocates Office at the California Public Utilities Commission's (Cal Advocates') proposal impacts unbundled customers.

## **II. IMPLEMENT A RELIEF PROPOSAL FOR CUSTOMERS WHO ARE NOT CARE/FERA ELIGIBLE**

CalCCA's Opening Brief described the importance of utilizing eligibility thresholds that include customers who demonstrate financial hardships, yet are not eligible for CARE or FERA.<sup>3</sup>

As noted in Greenlining Institute (Greenlining), California Environmental Justice Alliance (CEJA), and Leadership Council for Justice and Accountability's (LCJC) Opening Brief, the CARE/FERA threshold should not be utilized as a sole eligibility criteria because it does not adequately capture who needs financial support at this time.<sup>4</sup> Customers outside of the CARE/FERA thresholds should be offered relief such as one described by San Diego Gas and Electric Company (SDG&E).

CalCCA supports assisting customers outside of the CARE/FERA thresholds who have past due payments. For example, SDG&E proposes that customers who are not eligible for CARE/FERA and have an arrearage of \$1,000 or more should receive a one-time assistance of

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<sup>3</sup> *California Community Choice Association Opening Brief* (CalCCA Opening Brief), Apr. 23, 2021, at 10.

<sup>4</sup> *Opening Brief of the California Environmental Justice Alliance, Leadership Counsel for Justice and Accountability and The Greenlining Institute*, Apr. 23, 2021, at 19.

\$200 if the customer makes two on-time payments<sup>5</sup>. CalCCA generally supports the administrative simplicity of this approach—with the short timeframe needed for implementation of a program, the more efficient and simpler the program, the easier the administration and the lower the cost of administration. A \$1,000 arrearage threshold, however, may be too high for determining if a customer is at risk. There has not been any evidence shared that a \$1,000 marker is an appropriate proxy. CalCCA recommends that the IOUs provide median total arrearage to better understand the scale of arrears. CalCCA surveyed its members to gauge the median CCA arrearage that our customers are facing, finding a weighted average of median CCA arrearage of non-CARE/FERA customers of \$155 as of 2021.<sup>6</sup>

Finally, arrearage forgiveness should not be provided without some commitment from the customer. If the Commission implements one-time assistance to customers, CalCCA recommends that bill support be coupled with a payment plan as suggested by the Utility Consumers' Action Network.<sup>7</sup>

### **III. ENSURE THAT ANY DEBT FORGIVENESS PLANS, NEW OR EXISTING, ARE FUNDED THROUGH THE PUBLIC PURPOSE PROGRAM CHARGE (PPPC)**

CalCCA supports SDG&E's proposal that electric bill debt forgiven for residential and small business customers should be recovered through the Public Purpose Program charge (PPPC), relying on previously approved mechanisms.<sup>8</sup> As mentioned in our Comments on the OIR and Opening Brief, this same approach was adopted for recovery of AMP debt forgiveness

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<sup>5</sup> *Opening Brief of San Diego Gas & Electric Company (U 902 M) to the Order Instituting Rulemaking to Address Energy Utility Customer Bill Debt Accumulated During the COVID-19 Pandemic* (SDG&E Brief), Apr. 23, 2021, at 6-7.

<sup>6</sup> Note that this only represents CCA arrearage, not total arrearage or arrearage on the Transmission and Distribution side of the bill and does not represent arrearages for all CCAs.

<sup>7</sup> *Opening Brief of The Utility Consumers' Action Network*, Apr. 23, 2021, at 9.

<sup>8</sup> SDG&E Brief, at 28.

per Resolution E-5114, allowing all load-serving entities to participate in the program through the PPPC.<sup>9</sup>

PG&E takes a different approach, recommending that new arrearage debt forgiveness be applied only to “IOUs’ energy charges and not to third-party energy service providers.” In other words, PG&E suggests that only bundled customers should benefit from this program. At the same time, PG&E also argues that recovery of all “implementation costs of any new arrearage relief through these rates is equitable, since both bundled and unbundled customers will benefit from the program.”<sup>10</sup> This is inequitable—PG&E is essentially arguing for all customers to subsidize debt forgiveness for bundled customers. CalCCA submits that both bundled and unbundled customers should both pay for this social benefit and receive the program’s benefits. The Commission should reject PG&E’s approach and, consistent with the recommendations of CalCCA and SDG&E, put bundled and unbundled customers on equally footing for cost recovery and benefits. all customers should benefit equally. As this approach did with the AMP, it will encourage CCAs’ fully participation in new debt relief programs.

#### **IV. EXPAND ELIGIBILITY FOR THE ARREARAGE MANAGEMENT PLAN (AMP) PROGRAM BY LOWERING THE MINIMUM TOTAL ARREARAGE REQUIREMENT**

Many Parties have commented on the use of existing relief programs to expedite relief for our customers.<sup>11</sup> CalCCA recommends lowering the total arrearage threshold to participate in the AMP from \$500 to \$250. In CalCCA’s Opening Brief, an illustrative example was shown to demonstrate the increase of eligible customers if the threshold was lowered. CalCCA estimates a

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<sup>9</sup> *California Community Choice Association Comments on Order Instituting Rulemaking* (CalCCA OIR Comments), Mar. 3, 2021, at 2, and CalCCA Opening Brief, at 4.

<sup>10</sup> *Id.* at 32.

<sup>11</sup> SDG&E Opening Brief, at 5. *Opening Brief of Southern California Edison Company (U 338-E)* (SCE Opening Brief), Apr. 23, 2021, at 7. PG&E Opening Brief, at 12.

29 percent increase of eligible customers if changes were made to lower the eligibility requirement, which can potentially help an additional 15,000 customers based on CCA arrearage data accessible to CCAs. The Commission should lower the arrearage amount as AMP could act as a proactive measure to prevent customers from ever reaching too high of an arrearage amount and face future disconnection, a primary goal of any debt relief program.

CalCCA notes that Southern California Edison Company (SCE) also supports lowering the minimum arrearage threshold, although from \$500 to \$300.<sup>12</sup> SCE shared that the early feedback of AMP has been extremely positive,<sup>13</sup> and CCA customers have also received feedback that this program has potential to help them, but found that total arrearage eligibility requirement was too restrictive.<sup>14</sup> CalCCA therefore urges that the Commission lowers the AMP threshold to allow more customers to participate in order to ultimately reduce disconnections.

## **V. REQUEST MORE INFORMATION ON HOW CAL ADVOCATES' PROPOSAL IMPACTS UNBUNDLED CUSTOMERS**

Cal Advocates presents a proposal to forgive all debt accrued during the pandemic and amortize costs over three to five years.<sup>15</sup> Cal Advocates argues that forgiving debt “over 4 years would reduce the annual rate increase to all customers by over 50%,” under the assumption that customers who have an arrearage of \$1,000 or more would not be able to pay their arrearage.<sup>16</sup> CalCCA agrees that customers facing extremely unmanageable arrearages may likely have very little, or close to no wherewithal to pay back their debt. CalCCA suggests that the Commission

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<sup>12</sup> SCE Opening Brief, at 9.

<sup>13</sup> *Comments of Southern California Edison Company (U 338-E) on The Order Instituting Rulemaking* (SCE OIR Comments), Mar. 3, 2021, at 5.

<sup>14</sup> One example of receiving this feedback was through East Bay Community Energy's (EBCE's) focus groups to help design the Connected Communities pilot. EBCE worked with EJ Solutions to talk to 29 people to discuss potential solutions to reduce arrearages and prevent disconnections.

<sup>15</sup> *Opening Brief of The Public Advocates Office*, Apr. 23, 2021, at 5.

<sup>16</sup> *Id.* at 4.

and Parties work with third-party providers to better comprehend on how this proposal can impact unbundled customers, who make up a substantive portion of California's energy landscape.<sup>17</sup>

If the Commission were to move forward with this proposal, CalCCA suggests that arrears forgiveness fall under the Transportation and Delivery (T&D) portion of the bill as: 1) this is the largest portion of the bill normally for both unbundled and bundled customers,<sup>18</sup> 2) these charges are considered disconnectable charges, and 3) this approach treats unbundled and bundled customers equally. If consideration is given to generation forgiveness, then it must apply to all customers – bundled and unbundled -- to ensure equal ratepayer treatment. As noted in CalCCA's Post-Workshop response, any generation arrears forgiveness should be socialized through the PPC consistent with the AMP rules.<sup>19</sup>

## VI. CONCLUSION

For all of the foregoing reasons, CalCCA respectfully submits its Reply Brief to the Commission.

Respectfully submitted,



Evelyn Kahl  
General Counsel to the  
California Community Choice Association

April 30, 2021

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<sup>17</sup> 31% of counties in California are served by a CCA. Analysis done by CalCCA at <https://cal-cca.org/number-of-cca-communities-in-california-hits-200-mark/>.

<sup>18</sup> T&D rates are \$0.1498/kWh, whereas a bundled customer's generation rate is \$0.11418/kWh.

<sup>19</sup> CalCCA's Post-Workshop Response, Apr. 12, 2021, at 10.