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

Order Instituting Rulemaking To Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program.	R.18-07-003 <b>(Not Consolidated)</b>
Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program.	R.15-02-020 <b>(Not Consolidated)</b>
Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard Program.	R.11-05-005 <b>(Not Consolidated)</b>

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S  
COMMENTS ON ADMINISTRATIVE LAW JUDGE'S RULING SEEKING  
UPDATED INFORMATION REGARDING THE RENEWABLE MARKET  
ADJUSTING TARIFF PROGRAM**

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## SUMMARY OF RECOMMENDATIONS

- Allow retail providers access to the ReMAT program since their customers also pay its costs.
  - Fair cost and benefit allocation must be ensured to prevent cost shifting.
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UPDATED INFORMATION REGARDING THE RENEWABLE MARKET  
ADJUSTING TARIFF PROGRAM**

California Community Choice Association<sup>1</sup> (CalCCA) submit these Comments in response to the *Administrative Law Judge’s Ruling Seeking Updated Information Regarding the Renewable Market Adjusting Tariff Program* (Ruling), issued on April 22, 2021, and *Email Ruling Granting an Extension of Time to Comment and Clarifying the April 22, 2021 Ruling Seeking Feedback* (Extension), dated April 30, 2021.

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<sup>1</sup> California Community Choice Association represents the interests of 22 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, Sonoma Clean Power, and Valley Clean Energy.

## **I. INTRODUCTION**

The Renewable Market Adjusting Tariff (ReMAT) program should be modified to ensure that a broad population of potential providers can participate. This means looking further than bundled load customers and allocating costs and benefits of the program equitably. CalCCA provides limited responses to the questions posed by the Administrative Law Judge in this proceeding which would help with increasing subscription in the program as well as ensure equitable treatment of all customers.

## **II. RESPONSES TO QUESTIONS POSED BY RULING**

### **1. How can the Commission ensure that the ReMAT procurement target is fully achieved?**

The California Public Utilities Commission (Commission) could improve participation by allowing all retail providers to participate in the ReMAT program. Community Choice Aggregators (CCAs) in particular frequently have local energy mandates created by their elected boards, so facilitating CCA participation is likely to greatly increase ReMAT procurement.

#### **a. Would reassigning or providing more flexible allocation across the three procurement category types enable the Investor-Owned Utilities (IOUs) to fill their ReMAT allocations?**

CalCCA does not offer an opinion on this question at this time, although flexibility may facilitate other retail sellers to accelerate ReMAT procurement.

#### **b. How could historical program data be used to re-evaluate the current product category allocations?**

CalCCA does not offer an opinion on this question at this time.

#### **c. Should other retail sellers, including Community Choice Aggregators, be eligible to participate in the ReMAT program?**

Yes. Retail sellers, whose customers pay the cost of ReMAT, should be afforded equal access to the ReMAT program. The Commission has historically provided that if the costs are

allocated to all customers, then participation in the program should not be determined by the retail energy choice of customers. In the BioEnergy Renewable Auction Mechanism (BioRAM) program under the tree mortality, Resolution E-4977 stated:

If an IOU is unable to execute a new or amended contract with an eligible seller pursuant to this section, we find that a CCA may enter into a contract with that seller, and the procurement expenses incurred therein may be collectible through the Tree Mortality non-bypassable charge, if such contracts conform to all of the terms and conditions of BioRAM 2, including the rules and conditions established through this Resolution.<sup>2</sup>

The Commission also issued Decision (D.) 18-06-027, which approved CCA participation in programs that CCA customers fund stating that the programs “are intended to benefit both bundled and unbundled customers. Consistent with this, it is reasonable for CCA customers to be eligible for a comparable CCA DAC-Green Tariff.”<sup>3</sup>

Similarly, if the participation of customers is to be limited to bundled load only, then the Commission has ruled that the costs should be recovered within the utilities generation rates from bundled load customers.<sup>4</sup>

As a practical matter, opening the program to a wider range of load-serving entities (LSEs), especially with those actively seeking small renewable projects, is likely to accelerate project implementation.

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<sup>2</sup> Resolution E-4977 at 13.

<sup>3</sup> D.18-06-027 at 55.

<sup>4</sup> *See, e.g.*, D.12-12-004 at 52-53 (“requiring the customers of CCAs and ESPs, who cannot enroll in SDG&E’s dynamic pricing tariffs, to pay the costs of implementing those tariffs, is not consistent with cost causation principles, and would not be reasonable. . . For these reasons, we require that the costs of SDG&E’s dynamic pricing decision be recovered from all bundled customers through generation rather than distribution rates.”). *See also* D.13-03-032 at 70-71 (agreeing that distribution projects should be recovered through distribution rates but requiring costs of a pilot that solely benefits bundled customers to be recovered through generation rates).

For these reasons, the Commission should allow equal access to all entities that pay the cost of the program.

- d. Should the product category allocations be revisited regularly, or could a one-time modification lead to a full ReMAT subscription for all IOUs?**

CalCCA does not offer an opinion on this question at this time.

- e. Should the Deemed Fully Subscribed definition be revised to ensure that the ReMAT procurement is fully subscribed?**

CalCCA does not offer an opinion on this question at this time.

- 2. Should the Commission require San Diego Gas & Electric Company (SDG&E) to restart its ReMAT program to procure the remaining 20.9 Megawatt of its allocated ReMAT capacity left uncontracted?**

The Commission should generally consider whether the IOUs as a required procurement agent makes sense in all cases. This is particularly true in an environment where the IOUs serve less load. An entity that performs little or no procurement to meet load is unlikely to be the best agent to run solicitations such as ReMAT. In the particular case of SDG&E, the local CCAs are in a better position to administer procurement of any remaining capacity.

CalCCA agrees with comments filed by SDG&E within Rulemaking (R.) 21-03-011 regarding the implementation of the Provider of Last Resort (POLR) where (SDG&E stated, “the Commission’s historical approach of deeming the IOUs to be the default entities responsible for ensuring adequate energy supply in their distribution service territories must be reconsidered.”<sup>5</sup> SDG&E’s statement was based upon the significant load migration away from the IOUs that has already occurred and additional migration of load anticipated.

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<sup>5</sup> *San Diego Gas & Electric Company Comments on Order Instituting Rulemaking*, April 26, 2021, at 2-3.

The Commission should focus more on integrating ReMAT procurement with planning processes like the Integrated Resource Plan (IRP) and on compliance activities like the Renewables Portfolio Standard (RPS) and Resource Adequacy (RA) to identify the characteristics of resources necessary to meet policy goals while doing so reliably. The Commission should then allow LSEs to perform such procurement in a manner that maintains affordability for customers. Doing so will offer all LSEs the maximum potential to perform their own procurement. In addition, as stated in response to question 1c., the Commission should give access to retail providers in order to allow ReMAT procurement to occur without an IOU performing such procurement.

- a. **Should the Commission direct SDG&E to use its existing ReMAT project queue? Why or why not?**

CalCCA does not offer an opinion on this question at this time.

- b. **Would soliciting new projects have different costs and benefits relative to using the existing project queue?**

CalCCA does not offer an opinion on this question at this time.

3. **Should utilities pay resources differently based on time-of-delivery (TOD) of generation and/or location?**

CalCCA does not offer an opinion on this question at this time.

- a. **What should be the appropriate valuation assigned to TOD and peak demand hours?**

CalCCA does not offer an opinion on this question at this time.

- i. **Should the IOUs be required to provide two TOD factors: one for generators that do not provide resource adequacy and another for generators that do provide resource adequacy?**

CalCCA does not offer an opinion on this question at this time.

- ii. **Why or why not?**

CalCCA does not offer an opinion on this question at this time.

**4. How should utilities be required to notify any projects in their ReMAT queues when filing any change to their tariff and standard power purchase agreement (PPA)?**

CalCCA does not offer an opinion on this question at this time.

**5. Would D.12-05-035 and/or D.13-05-034 need to be modified in order to allow renewable systems paired with storage to be eligible under ReMAT?**

CalCCA does not opine on whether paired renewable with storage should be eligible under ReMAT. However, assuming that it is eligible, CalCCA believes that the Commission must consider the additional benefits (e.g., Flexible RA (Flex RA)) and how to appropriately allocate those benefits along with costs.

**a. If so, what modifications would be necessary to enable the eligibility of renewable energy plus storage systems?**

The inclusion of storage will likely mean that the resource is capable of providing not only Local and System RA but is now dispatchable and is eligible to provide Flex RA. Thus, the product would include new benefits. If this remains an IOU-only program, the value of the new set of benefits should be allocated to all customers that pay for them just as any local and system RA should be allocated. As discussed in its response to the joint petition for modification of D.13-05-034<sup>6</sup>, the process for allocating costs and benefits should follow the methodology intended by the Power Charge Indifference Adjustment (PCIA). That is, the PCIA is intended to recover above market costs, just as ReMAT recovers above market costs. If the IOUs retain the RA, including Flex RA, then the ReMAT customer charges for above-market costs must reflect the value of those services reducing the out of market costs paid by departing load. If the Commission determines that the value of the benefits associated with ReMAT should not reduce

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<sup>6</sup> *Response of California Community Choice Association to Joint Petition for Modification of Decision 13-05-034 by Pacific Gas and Electric Company (U 39 E) and Southern California Edison Company (U 338 E), R.11-05-005, Mar.15, 2021.*

the ReMAT customer charges, then the Commission must allocate the benefits, which are RPS and RA (including Flex RA in the case of storage) to all customers since failing to do so would represent a cost shift.

- b. Would any changes be necessary to each utilities' ReMAT tariff and/or PPA to enable renewable energy systems paired with storage to be eligible in their programs?**

See response to question 5a.

- c. How should co-located and hybrid energy storage resources be defined in light of recent and future developments in the California Independent System Operator's Hybrid Resource Initiative?**

CalCCA does not offer an opinion on this question at this time.

### **III. CONCLUSION**

For all the foregoing reasons, CalCCA respectfully requests the Commission allow participation by any entity regardless of retail service status and that the costs and benefits reflect equitable allocation to prevent cost shifting. CalCCA looks forward to an ongoing dialogue with the Commission and stakeholders.

Respectfully submitted,



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June 9, 2021