



**FILED**  
06/21/21  
03:57 PM

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

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

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

**REPLY COMMENTS OF  
CALIFORNIA COMMUNITY CHOICE ASSOCIATION  
ON THE PROPOSED DECISION**

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June 21, 2021

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## SUMMARY OF RECOMMENDATIONS

- The Commission should act immediately to extend the suspension (currently set to expire on June 30, 2021) of the “utility first” partial payment waterfall to allow the pro rata allocation of customer partial payments among the IOUs and CCAs to continue through the term of the COVID-19 relief payment plans established in the Proposed Decision.
  - The Commission should adopt automatic enrollment in the COVID-19 Relief Payment Plan, but not the Arrearage Management Plan.
  - The proposals of SDG&E and PG&E to suspend disconnections for CARE and FERA customers while utility debt relief is being finalized should be adopted.
  - The Proposed Decision should include any developments concerning federal and state COVID-19 related debt relief, as well as delineate issues to be resolved in Phase 2 including CCA arrearage relief and recovery of IOU costs concerning debt relief programs.
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The California Community Choice Association<sup>1</sup> (CalCCA) submits these Reply Comments pursuant to Rule 14.3(d) of the California Public Utilities Commission (Commission) Rules of Practice and Procedure on the proposed *Decision Addressing Energy Utility Customer Bill Debt Via Automatic Enrollment In Long Term Payment Plans* (Proposed Decision), issued on May 24, 2021.

**I. INTRODUCTION**

CalCCA appreciates the opportunity to provide these Reply Comments. CalCCA's opening comments focused primarily on a critical issue for community choice aggregators (CCAs), identified as Issue 7.c. in the Proposed Decision, regarding the allocation methodology for partial payments made by customers under the adopted payment plan.<sup>2</sup> Requirements in the tariffs of Pacific Gas and Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E) regarding allocation of partial payments to investor-owned utility (IOU) arrearages prior to the application of payments to CCA arrearages were suspended by Commission Resolutions M-4842 and M-4849 during the COVID-19 pandemic, through June 30, 2021. The effect of the suspension is to allow the pro rata allocation to IOUs and CCAs of any partial

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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.

<sup>2</sup> Proposed Decision at 14, Issue 7.c.

payments. Given the impending expiration of pro rata payment allocation, the Commission should act immediately to extend to allow the pro rata allocation of partial payments to continue through the term of the COVID-19 relief payment plans established in the Proposed Decision.

The reply comments below address additional issues raised in opening comments that CalCCA did not previously discuss. CalCCA does not change its position on any of the topics that it did raise in opening comments, but rather uses this opportunity to expand or address on the following additional issues:

- The Commission should adopt automatic enrollment in the COVID-19 Relief Payment Plan, but not the Arrearage Management Plan (AMP);
- The proposals of SDG&E and PG&E to suspend disconnections for California Alternate Rates for Energy (CARE) and Family Electric Rates Assistance (FERA) customers while utility debt relief is being finalized should be adopted; and
- The Proposed Decision should include any developments concerning federal and state COVID-19 related debt relief, as well as delineate issues to be resolved in Phase 2 including CCA arrearage relief and recovery of IOU costs concerning debt relief programs.

## **II. CALCCA SUPPORTS AUTOMATIC ENROLLMENT IN THE COVID-19 RELIEF PAYMENT PLAN, BUT NOT IN AMP**

As set forth in its opening comments, CalCCA supports the Proposed Decision’s plan for automatic enrollment of customers in the COVID-19 Relief Payment Plan.<sup>3</sup> CalCCA does not, however, support automatic enrollment in the AMP, as requested in the opening comments of The California Environmental Justice Alliance (CEJA), Leadership Counsel for Justice and Accountability (LCJA) and The Greenlining Institute (Greenlining).<sup>4</sup> Customers are currently enrolled in the AMP program on a request to participate basis (and not auto-enrolled).

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<sup>3</sup> *Comments of California Community Choice Association on the Proposed Decision* (CalCCA Opening Comments), June 14, 2021, at 8-9.

<sup>4</sup> *Opening Comments of CEJA, LCJA and Greenlining on Proposed Decision Addressing Energy Utility Customer Bill Debt Via Automatic Enrollment in Long Term Payment Plans*, June 14, 2021 (CEJA, LCJA, and Greenlining Opening Comments), at 5-6 (requesting auto-enrollment of customers with arrears into AMP, as an alternative to extending disconnection moratorium and designing a “comprehensive program” in phase 2 of this proceeding “with automatic enrollment in enhanced payment plans with debt forgiveness . . .”). CEJA, LCJA and Greenlining erroneously state that the AMP program “include[s] forgiveness of half of a customer’s arrears if they make all of the qualifying payments.” CEJA, LCJA and Greenlining Opening Comments at 6. The AMP rules set forth in the Disconnection Proceeding phase 1 decision instead set forth that “the AMP structure consists of a 12-month payment plan that forgives 1/12 of a customer’s arrearage after each on-time payment of the existing month’s bill is adopted.” D.20-06-003, *Phase 1 Decision Adopting Rules and Policy Changes to*

While the Commission should adopt automatic enrollment for COVID relief plans, there are problems with applying automatic enrollment to the AMP. First, based on the rules outlined in the Disconnection Proceeding (Rulemaking (R.) 18-07-005) Phase 1 Decision, Decision (D.) 20-06-003, if customers are auto enrolled in AMP, those who do not know the AMP program rules may miss payments. This would inadvertently block the customer from AMP benefits for an entire year.<sup>5</sup> Second, because the COVID-19 relief plans and AMP differ in terms and conditions, automatic enrollment in both would create a conflict. Automatic enrollment in the COVID-19 relief plans should be primary, with customers electing alternatively to participate in AMP. Third, the AMP is funded through the Public Purpose Program Charge (PPPC) by ratepayers, while the COVID-19 relief plans will be funded first by state and federal relief funds. Relief funds should be expended first, before resorting to recovery of arrearages under AMP from ratepayers through the PPPC.

Rather than changing the AMP rules to allow auto-enrollment, the Commission should adopt the COVID-19 Relief Payment Plan as set forth in the Proposed Decision, to assist struggling ratepayers while the details concerning federal and state relief for arrearages are worked out.

### **III. THE PROPOSALS OF SDG&E AND PG&E TO SUSPEND DISCONNECTIONS FOR CARE AND FERA CUSTOMERS WHILE UTILITY DEBT RELIEF IS BEING FINALIZED SHOULD BE ADOPTED**

CalCCA supports the proposals of SDG&E and PG&E to extend the suspension of disconnections for CARE and FERA customers beyond June 30, 2021. This will ensure that residential customers on the verge of receiving utility debt relief are not inadvertently disconnected.<sup>6</sup>

In any such extension, the Commission must also extend the suspension of PG&E's and SDG&E's "utility first" partial payment waterfall. As discussed in CalCCA's opening comments,<sup>7</sup> ensuring that all partial past due payments from customers are applied to IOU and

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*Reduce Residential Customer Disconnections For the Larger California-Jurisdictional Energy Utilities* (Disconnection Decision), June 16, 2020, at 103.

<sup>5</sup> Disconnection Decision at 103.

<sup>6</sup> *Opening Comments of SDG&E (U 902 M) on the Proposed Decision Addressing Energy Utility Customer Bill Debt Via Automatic Enrollment in Long Term Payment Plans*, June 14, 2021, at 6-7; *PG&E (U39M) Opening Comments on the Proposed Decision Addressing Energy Utility Customer Bill Debt Via Automatic Enrollment in Long Term Payment Plans*, June 14, 2021, at 11-12.

<sup>7</sup> CalCCA Opening Comments at 2-8.

CCA balances in proportion to their arrearages assures that neither load-serving entity is placed at a financial disadvantage.

#### **IV. THE PROPOSED DECISION SHOULD INCLUDE DEVELOPMENTS CONCERNING FEDERAL AND STATE COVID-19 RELATED DEBT RELIEF AND DELINEATE PHASE 2 ISSUES REGARDING CCA ARREARAGE RELIEF AND RECOVERY OF IOU COSTS**

CalCCA agrees with the Center for Accessible Technology (CforAT) and National Consumer Law Center (NCLC) that the Proposed Decision should be updated to reflect the most recent developments regarding the utility debt relief programs, both federal and state, that have already been already implemented and those that are on the horizon.<sup>8</sup>

In addition, the Proposed Decision defers determinations other than the establishment of long-term payment plans to a second phase of this proceeding in light of potential federal and state relief.<sup>9</sup> The second phase should include any unresolved issues concerning relief for CCA pandemic-related arrearages, which was addressed in more detail in CalCCA's opening comments.<sup>10</sup> CalCCA also agrees with the Public Advocates Office at the California Public Utilities Commission's request that the Proposed Decision should delineate how the second phase will address the recovery through rates of the IOU costs regarding the implementation of the payment plans, securing utility arrearage relief funds from state and federal sources, and outreach costs.<sup>11</sup>

In addressing all arrearages arising from the COVID-19 pandemic, the Commission's adopted rules must equitably address IOU and CCA financial positions. This will require ensuring that: (1) past due partial payments and payment plan payments are applied pro rata to IOU and CCA balances; (2) all state and federal relief funds are applied pro rata to IOU and

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<sup>8</sup> See *CforAT and NCLC Opening Comments on Proposed Decision Addressing Energy Utility Customer Bill Debt Via Automatic Enrollment in Long Term Payment Plans*, June 14, 2021, at 8-10.

<sup>9</sup> Proposed Decision at 3, 14.

<sup>10</sup> CalCCA's Opening Comments detail the pandemic-related arrearages which highlight the substantial financial challenges faced by both IOUs and CCAs. For example, of PG&E's reported total residential customer arrearages of \$654 million, CCA customers account for \$255 million (40%) of those arrearages. CalCCA Opening Comments at 7 (citing *Response of Pacific Gas and Electric Company (U 39 M) to the Administrative Law Judge's Ruling Directing Utilities to Provide Data*, Mar. 30, 2021, Attachment A, Table 6, at 11, <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M376/K042/376042388.PDF>).

<sup>11</sup> *Opening Comments of the Public Advocates Office on the Proposed Decision Addressing Energy Utility Customer Bill Debt Via Automatic Enrollment in Long Term Payment Plans*, June 14, 2021, at 2.

CCA balances; and (3) any balance not covered by state and federal relief funds are recovered through the PPPC, consistent with the methodology adopted for the AMP.<sup>12</sup>

**V. CONCLUSION**

CalCCA appreciates the opportunity to submit these Reply Comments and requests adoption of the recommendations proposed herein.

Respectfully submitted,



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California Community Choice Association

June 21, 2021

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<sup>12</sup> *California Community Choice Association Comments on Order Instituting Rulemaking*, Mar. 3, 2021, at 6-7; *California Community Choice Association Opening Brief*, Apr. 23, 2021, (“CalCCA recommends recovering the cost of debt forgiveness through the PPPC”); at 3-4; and *California Community Choice Association Reply Brief*, Apr. 30, 2021; Resolution E-5114, Dec. 17, 2020 (adopting AMP).