

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



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Order Instituting Rulemaking to Review,
Revise, and Consider Alternatives to the
Power Charge Indifference Adjustment.

Rulemaking 17-06-026
(Filed June 29, 2017)

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S REPLY COMMENTS
IN RESPONSE TO STAFF'S ERRA TIMING PROPOSAL**

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

Tim Lindl
KEYES & FOX LLP
580 California Street, 12th Floor
San Francisco, CA 94104
Telephone: (510) 314-8385
E-mail: tlindl@keyesfox.com

On behalf of
California Community Choice Association

June 22, 2021

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Pursuant to Administrative Law Judge Wang’s May 20, 2021 E-mail Ruling,¹ the California Community Choice Association² (“CalCCA”) submits the following reply comments on Energy Division Staff’s proposal to revise the publication date for the Power Cost Indifference Adjustment (“PCIA”) Market Price Benchmarks (“MPBs”) from November 1 to October 1 of each year (“Staff Proposal”).³

A number of areas of agreement arose in parties’ opening comments:

- Parties agree the prudent course would be to wait to implement the Staff Proposal until the 2023 ERRA forecast cycle.⁴

¹ R.17-06-026, *E-Mail Ruling Requesting Comments on ERRA Timing Proposal*, p. 5 (May 20, 2021).

² 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 Authority, 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 Authority, Solana Energy Alliance, Sonoma Clean Power Authority, and Valley Clean Energy.

³ R.17-06-026, Energy Division Staff, *Revision of the Power Cost Indifference Adjustment Market Price Benchmarks calculation date from November 1 to October 1 of each year* (May 20, 2021) (“Staff Proposal”).

⁴ R.17-06-026, *Comments of San Diego Gas & Electric Company (U 902 E) on Market Price Benchmark Staff Proposal*, pp. 2-3 (June 15, 2021) (“SDG&E Opening Comments”); R.17-06-026, *Joint*

- No party opposed Staff conducting more analysis to ensure moving the MPB publication date forward by a month would not have an oversized impact on the accuracy of the benchmarks.⁵
- ERRA forecast cases in the near-future will include substantive policy and implementation issues that the Commission will need to address,⁶ which supports the position advanced in CalCCA’s opening comments that timelines prior to the update must be maintained.⁷

While such agreement is encouraging, other proposals that would reduce timelines for intervenors, broaden the scope of issues to be resolved in the forecast proceedings, or limit parties’ opportunity to agree on departing load forecasts will work against the goals laid out in the Staff Proposal. CalCCA urges the Commission to adopt Staff’s Proposal, while moving forward PG&E and SCE’s ERRA forecast filing dates, as part of the instant proceeding for implementation in the 2023 ERRA forecast cycle.

I. THE FIRST STEP SHOULD BE TO DO NO HARM.

The creative ideas put forward by the Joint IOUs with regard to ways to modify the typical ERRA proceedings are welcome. However, as stated numerous times over the course of

Comments of Southern California Edison Company (U 338-E) and Pacific Gas and Electric Company (U 39 E) on the Energy Division Staff Proposal Concerning the Timing of the Market Price Benchmarks, p. 4 (June 15, 2021) (“Joint IOU Comments”).

⁵ SDG&E Opening Comments at 2; Joint IOU Comments at 4, 6. While the Joint IOUs state “SCE incurred significant costs conducting RA solicitation to meet the year-ahead requirements,” and “PG&E is similarly concerned that any such RA costs would then not be included in an October Update,” it is difficult to believe the costs of *running* an RA solicitation would have much impact on the MPBs. Joint IOU Comments at 6. If the IOUs’ statements mean the Joint IOUs had to conduct a substantial amount of last-minute RA procurement to meet changing RA requirements, the CCAs have had similar experiences. However, generally, adjustments to the Commission’s final RA requirements could “go either way” in terms of MPB impacts.

⁶ Joint IOU Comments at 5 (discussing issues related to the Central Procurement Entity and Voluntary Allocation Mechanism).

⁷ R.17-06-026, *California Community Choice Association’s Comments in Response to Staff’s ERRA Timing Proposal*, pp. 4-12 (June 15, 2021) (“CalCCA Opening Comments”).

this proceeding, and the ERRA proceedings, the fundamental problem with the current process is the insufficient amount of time available to complete the work that needs to be completed.⁸ The scope of work to be accomplished has only increased as different proceedings and utility proposals require more issues to be addressed in these cases. Changes that would result in *less* time for intervenors to analyze the application, or could lead to more issues being scoped into these proceedings, are almost certain to be more harmful than helpful.

The Joint IOUs' request to modify standard procedural timelines for protests and replies appears aimed at reducing the time allowed for those procedural mechanisms.⁹ This approach would appear to only exacerbate the current problems with the condensed schedule, especially with the frequent discovery and scoping issues the CCAs have identified.¹⁰

Similarly, establishing a "set" procedural scope supporting January 1 rate implementation,¹¹ with additional issues as part of a second procedural track in each case, could open the floodgates to even more policy issues being considered in these recurring cases. Prolonged litigation that increases costs for intervenors, and the potential for multiple, off-cycle, rate changes that increase rate uncertainty, weigh heavily against such an approach. The Commission already has the ability to create parallel tracks in ERRA proceedings, as appropriate, and has done so, including the original PCIA working group that led to the

⁸ Statements from the Joint IOUs that these cases, and particularly the November Update, are formulaic and mechanical ignore reality. Joint IOU Comments at pp. 1-2, n. 2. The CCAs, both in the ERRA forecast proceedings and throughout this proceeding, have refuted this position time and again, and the IOUs' repeatedly short memories on the intense efforts and disputes that recur in November each year, in particular in PG&E's and SDG&E's recent cases must be given little weight.

⁹ Joint IOU Comments at 4.

¹⁰ See, e.g., CalCCA Opening Comments at 7, 10.

¹¹ Joint IOU Comments at 4.

Commission instituting the instant proceeding,¹² or the Phase 2 in PG&E’s 2017 ERRA forecast proceeding to address cost responsibility for pre-2009 direct access customers.¹³ Thus, it is not clear this proposal would provide an improvement to the *status quo*.

The most basic principle of any timing changes related to the ERRA proceedings should be “do no harm” to parties’ already limited ability to litigate these cases and the Commission’s ability to resolve them. While the suggestions in the Joint IOUs’ comments are appreciated, reducing timelines, or introducing mechanisms that could lead to a broader scope, would conflict with that principle. The Staff Proposal is a sensible first step to addressing the issues at hand, provided the current timelines prior to the October Update are maintained and staff’s analysis verifies that moving to an October Update would have minimal impact on the accuracy of the MPBs.

II. IT IS IMPORTANT TO MAINTAIN TWO MEET AND CONFERS IN PG&E’S SERVICE TERRITORY.

The Joint IOUs’ request to move the second meet-and-confer in PG&E’s service territory ahead one month aligns with the portion of CalCCA’s Opening Comments requesting the Commission maintain all typical pre-update timelines;¹⁴ but the request to eliminate it altogether should not be adopted. PG&E observes that “[a]n early-October Update to Prepared Testimony is incompatible with PG&E’s regulatory obligations applicable to its update to load forecasts.”¹⁵ In PG&E’s view, this incompatibility is due to the fact the update “includes a load

¹² A.14-05-024, *Southern California Edison Company’s (U 338-E) Submission of the Final Report of the PCIA Working Group*, p. 1 (April 5, 2017) (implementing D.16-09-044 on behalf of SCE and Sonoma Clean Power Authority).

¹³ D.19-12-010 at 1.

¹⁴ Joint IOU Opening Comments at 4-6; CalCCA Opening Comments at 4-12.

¹⁵ Joint IOU Opening Comments at 5.

forecast informed by a meet-and-confer process with CCA[s].”¹⁶ PG&E's concern is that the meet and confer process leaves insufficient time to revise the load forecast for the October Update to Prepared Testimony.

The Joint IOUs propose two alternatives to address this concern. Alternative one is to move “the meet-and-confer process forward to August 15 at the latest.”¹⁷ Alternative two is to eliminate the meet-and-confer process that informs the October Update.¹⁸ CalCCA pointed out the timing issue that an October Update would present in our opening comments, and the current meet-and-confer process is an additional step that needs to move forward by one month. Accordingly, adoption of Staff’s proposal should be accompanied by a shift in the second meet-and-confer in lockstep with the shift from a November to an October Update (*i.e.*, to conclude by August 15th).

Altogether eliminating the second meet and confer will make an already difficult process more dysfunctional. Issues addressed in the meet-and-confer extend beyond just those associated with “CCA formation and expansion,” and the underlying rationale to “improve the accuracy of forecasts” for the Commission requiring a second meet-and-confer remains valid today.¹⁹ The meet-and-confer process has featured numerous disagreements between CCAs and PG&E, as elaborated on below. The second meet and confer process is important because it results in the forecast used in the final rates, and provides an opportunity to resolve issues not fully addressed in the first meet-and-confer process.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ D.16-12-038 at 14.

The meet-and-confer process is about more than just forecasting departing load. Disputes between IOUs and PG&E have involved, variously, forecasts of monthly energy; peak contribution; and data issues such as customer count by customer class; hour of the peak in PG&E data and information on whether that is the customer level non-coincident peak, PG&E's coincident system peak, individual CCA coincident system peak, or CAISO coincident system peak. Pertinent to the need for a second round of meet-and-confer, not all issues are addressed by the end of the February process. For instance, last year PG&E did not supply "customer-specific information consisting of: service agreement number, monthly interval meter data where available, and rate schedule for all accounts within the CCA's territory"²⁰ in time for incorporation into CCA February forecasts. Given these challenges, it remains important for PG&E and the CCAs to have as many opportunities as possible to work out their differences, and to ensure all impacted customers have a say in the final forecast numbers.

III. THE COMMISSION SHOULD ACT WITHIN THIS PROCEEDING OR PROVIDE CLEAR GUIDANCE ON WHERE ACTION CAN TAKE PLACE.

Lastly, as explained in detail in CalCCA's Opening Comments, the Commission has the ability to address all of these procedural issues in the instant proceeding due to the broad scope afforded by the Assigned Commissioner's Scoping Ruling and D. 21-05-030.²¹

The Joint IOUs propose that the parties file and serve a "report" for party comment in each IOU's respective ERRRA forecast docket recommending going-forward procedural changes, if any, by October 1, 2021.²² While the term "report" is a little unclear, it seems the suggestion

²⁰ This is known as "item17" data, referencing PG&E ELECTRIC SCHEDULE E-CCAINFO - INFORMATION RELEASE TO COMMUNITY CHOICE AGGREGATORS, paragraph 17 (available at: https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_SCHEDULES_E-CCAINFO.pdf).

²¹ CalCCA Opening Comments at 14-18.

²² Joint IOU Opening Comments at 2.

would be for parties to include comments on a set of procedural changes to potentially be adopted in each ERRA forecast case, with these changes applied in future ERRA forecast cases. This approach would be acceptable if the Commission disagrees with CalCCA that much-needed solutions can be adopted here and now. Alternatively, if the Commission continues to believe petitions for modification are necessary to enact various solutions, including moving the IOUs' filing dates forward, parties would greatly benefit from clear direction along these lines in the Commission's decision on this phase of this proceeding.

However, the potential for more process that is duplicative of the instant process, and the potential for disjointed and conflicting solutions across the three IOUs, caution against these alternative approaches. The simplest and most direct outcome is to utilize this proceeding to implement Staff's proposal with the required adjustments described herein.

IV. CONCLUSION

For all the foregoing reasons, CalCCA respectfully requests the Commission adopt the following within this proceeding:

- Implement the Staff Proposal next year (*i.e.*, during the IOUs' 2023 ERRA forecast cases);
- Maintain the current, typical procedural schedules for the ERRA forecast proceedings that occur prior to each year's update, including the meet-and-confer schedule;
- Require SCE and PG&E to file their ERRA forecast applications on May 1 each year instead of June 1, or, at the very least, on a filing date in the first half of May;
- Target Q1 2022 implementation for this year's ERRA forecast proceedings, similar to SCE's request in its 2022 ERRA forecast application; and
- Adopt the Master Data Request approach for the SCE and SDG&E ERRA forecast proceedings that is currently utilized for the PG&E proceeding.

CalCCA appreciates the Commission's attention to these issues.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tim Lindl', with a stylized flourish at the end.

Tim Lindl
KEYES & FOX LLP
Telephone: (510) 314-8385
E-mail: tlindl@keyesfox.com

On behalf of
California Community Choice Association

June 22, 2021