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

Order Instituting Rulemaking to Consider  
New Approaches to Disconnections and  
Reconnections to Improve Energy Access  
and Contain Costs.

Rulemaking 18-07-005

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S  
REPLY COMMENTS ON EMAIL RULING REQUESTING  
COMMENTS ON PIPP STRAW PROPOSAL**

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## SUMMARY OF RECOMMENDATIONS

- Adopt the Percentage of Income Payment Plan (PIPP) Straw Proposal's (Straw Proposal's) application of the Arrearage Management Plan (AMP) Resolution E-5114 to recover community choice aggregator (CCA) costs for the pilot through the Public Purpose Program Charge (PPPC);
  - Direct the investor-owned utilities (IOUs) to utilize existing, or modified, billing methodologies to ensure equitable participation of CCA customers in the PIPP pilot;
  - Grant Pacific, Gas and Electric Company's (PG&E's) request that the CCA parties provide notice of intent to participate in the PIPP;
  - Modify the timeline to submit Advice Letters to ensure that both IOUs and CCAs have adequate time to implement the PIPP pilot;
  - Adopt PG&E's proposal for a single monthly Benefit Cap; and
  - Modify the Straw Proposal to ensure that nonpayment by PIPP participants does not result in their removal from the PIPP program.
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The California Community Choice Association<sup>1</sup> (CalCCA) submits these Reply Comments in response to the *Email Ruling Requesting Comments On PIPP Straw Proposal*, dated June 17, 2021 (ALJ Email Ruling) and *Procedural Email Extending Comment Deadlines for PIPP Pilot Straw Proposal Ruling*, dated June 28, 2021.

**I. INTRODUCTION**

CalCCA represents the interests of operating CCAs, and additional affiliated cities and counties interested in exploring the opportunities of community choice energy. CalCCA's members strongly support this proceeding's aim to reduce the number of customers experiencing disconnection after nonpayment. With this aim in mind, CalCCA replies to parties' Opening Comments regarding the Straw Proposal, and urges the Commission to:

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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.

- Adopt the Percentage of Income Payment Plan (PIPP) Straw Proposal’s (Straw Proposal’s) application of the Arrearage Management Plan (AMP) Resolution E-5114 to recover CCA costs for the pilot through the Public Purpose Program Charge (PPPC);
- Direct the investor-owned utilities (IOUs) to utilize existing, or modified, billing methodologies to ensure equitable participation of CCA customers in the PIPP pilot;
- Grant Pacific, Gas and Electric Company’s (PG&E’s) request that the CCA parties provide notice of intent to participate in the PIPP;
- Modify the timeline to submit Advice Letters to ensure that both IOUs and CCAs have adequate time to implement the PIPP pilot;
- Adopt PG&E’s proposal for a single monthly Benefit Cap; and
- Modify the Straw Proposal to ensure that nonpayment by PIPP participants does not result in their removal from the PIPP program.

**II. ADOPT THE STRAW PROPOSAL’S COST RECOVERY COMPONENTS AND ALLOW IMPLEMENTATION THROUGH CCA AND IOU BILLING METHODOLOGIES**

In its Opening Comments, PG&E requests that the billing processes for CCA customers participating in the PIPP “remain unchanged,” whereby through “bill-ready” billing PG&E functions as a “pass-through” billing entity.<sup>2</sup> PG&E again raises its recommendation that the IOUs and CCAs “each track and recover their own bill subsidy costs such that what is provided to PG&E (as the pass-through billing entity) is the already “capped” generation charges, as set by the CCA.”<sup>3</sup> PG&E’s billing and cost recovery concerns should be rejected for two reasons: (1) the Straw Proposal’s application of the AMP Resolution E-5114 approach to cost recovery<sup>4</sup> for the PIPP pilot, with CCA costs recovered through the PPPC, fairly allocates the costs of this

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<sup>2</sup> *Pacific Gas and Electric Company’s (U 39 M) Opening Comments On The Percentage Of Income Payment Straw Proposal*, July 9, 2021 (PG&E Opening Comments), at 20.

<sup>3</sup> *Id.* at 20-21.

<sup>4</sup> AMP Resolution E-5114, Dec. 17, 2020 (AMP Resolution E-5114), at 22-23 (authorizing IOUs to “include costs for forgiven arrearages through AMP plans in their annual adjustments of their electric [PPPC] and recover those costs from all customers accordingly,” and to “provide remittance payments to participating CCAs. . . for costs recovered . . .”).

public purpose program among all ratepayers; and (2) existing, or modified, billing methodologies can be utilized for CCA and IOU billing regarding the PIPP pilot.

**A. The Straw Proposal Maximizes the Scope of Program Participation**

The Straw Proposal authorizes PPPC cost recovery for the pilot and applies the AMP Resolution E-5114 approach to CCA cost recovery and third-party charges.<sup>5</sup> Therefore, the IOUs will recover the PIPP pilot bill discounts through the PPPC and remit to each CCA its pro rata share. The PPPC is the appropriate rate component for the recovery of PIPP pilot costs as the PPPC was established by Public Utilities Code Section 381 to fund “in-state benefits” that are in the public interest.<sup>6</sup> In addition, the PPPC is used to fund other low-income and public benefit programs such as the AMP.<sup>7</sup> With PIPP cost recovery through the PPPC, CCA customers should have the ability to participate in the PIPP program as they, along with IOU customers, pay the costs of the PPPC in their rates. Accordingly, the Straw Proposal ensures maximum program participation to the benefit of all customers and should be adopted with billing methodologies that accommodate such cost recovery provisions.

**B. Existing or Modified Billing Methodologies Can Be Utilized to Equitably Include CCA Customers in the PIPP Pilot**

PG&E recommends that CCAs track and recover their own bill subsidy costs as a result of the “billing intricacies” related to CCA customer billing.<sup>8</sup> PG&E’s preference is that CCAs provide it with already “capped” generation charges, thereby allowing PG&E to maintain the “bill-ready” billing service obligations that are in place for many CCAs.<sup>9</sup> The justification

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<sup>5</sup> *Id.*

<sup>6</sup> Pub. Util Code § 381 (establishing the PPPC rate component to fund programs that provide “in-state benefits” that are in the public interest).

<sup>7</sup> AMP Resolution E-5114.

<sup>8</sup> PG&E Opening Comments at 20.

<sup>9</sup> *Id.*

provided by PG&E is that it “does not believe that it is appropriate to change the long-standing process of billing customers due to PIPP,”<sup>10</sup> and that “it has concerns with the prospect of being required to manipulate charges determined by a CCA to arrive at a capped amount.”<sup>11</sup> PG&E’s reluctance to modify its billing to allow CCA customers to participate in the PIPP – a reluctance not expressed by either Southern California Edison Company (SCE) or San Diego Gas & Electric Company (SDG&E) who may also need to modify their billing – does not justify its recommendation for CCAs to track and recover the costs of the PIPP independently. Requiring CCAs to recover their own bill subsidy costs would result in an inequitable cost recovery methodology for CCAs participating in the PIPP pilot, who can only recover costs from the limited subset of communities they serve. PG&E’s recommendation also ignores that CCAs do not have access to the totality of data required to calculate the correct rate to meet the correct total bill amount for the customer.

The CCAs and IOUs must collaborate to develop efficient and workable billing methodologies for CCA PIPP pilot customers to ensure that the monthly bill cap is properly allocated by the IOUs in proportion to the split between non-CCA charges and CCA charges.<sup>12</sup> Whether through a form of “rate ready” billing for CCA PIPP Pilot customers (in which an IOU calculates the generation portion of the CCA customer’s bill based on CCA generation rates), or another type of billing functionality, adequate methodologies can be created to ensure that CCAs can offer the PIPP pilot to their customers and equitably recover their costs according to the AMP methodology and ultimately through the PPPC.

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<sup>10</sup> PG&E Opening Comments at 20.

<sup>11</sup> *Id.*

<sup>12</sup> See *California Community Choice Association’s Comments On Email Ruling Requesting Comments On PIPP Straw Proposal*, July 9, 2021 (CalCCA Opening Comments), at 8-9 (describing the information CCAs need in weekly reports from IOUs in the same form as the AMP weekly reports in order to participate in PIPP customer billing).

### **III. MODIFY THE PIPP PILOT TIMELINE TO ALLOW COLLABORATION ON BILLING IMPLEMENTATION PRIOR TO SUBMISSION OF THE CONSOLIDATED ADVICE LETTERS**

PG&E, SCE, and SDG&E all propose timelines varying from those proposed in the Straw Proposal in an attempt to ensure adequate time to implement the PIPP pilot.<sup>13</sup> The current Straw Proposal timeline includes: (1) within 30 days of the Final Decision, CCAs opting to participate in the PIPP Pilot notify the IOU;<sup>14</sup> (2) within 60 days of the Final Decision, the Working Group convenes;<sup>15</sup> (3) within 90 days of the Final Decision, IOUs file a Tier 3 advice letter providing a CCA cost recovery proposal, consistent with the AMP Resolution E-5114, for each CCA opting to participate in their service territory, along with information for their own program implementation;<sup>16</sup> and (4) within 6 months of the Final Decision, the PIPP pilot Marketing Education and Outreach (ME&O) and enrollment commences, and a target number of participants enrolled.<sup>17</sup> The Straw Proposal timeline should be revised as set forth below.

#### **A. PG&E’s Request That the CCA Parties Provide Notice of Any Intent to Participate in PIPP Should Be Granted**

PG&E requests that the Commission ask “all CCA parties to express any intention to participate in PIPP through an e-mail to the service list for this proceeding, based on the program design in the Straw Proposal.”<sup>18</sup> The CCAs agree to provide such notice as soon as possible after deciding to participate in the PIPP, which will be no later than 30 days after the Final Decision.

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<sup>13</sup> PG&E Opening Comments at 23; *Southern California Edison Company’s (U 338-E) Comments On Percentage Of Income Payment Plan Pilot Straw Proposal*, July 9, 2021 (SCE Opening Comments), at 8-10; *Comments Of San Diego Gas & Electric Company (U 902 M) To The PIPP Pilot Straw Proposal*, July 9, 2021 (SDG&E Opening Comments), at 6.

<sup>14</sup> Straw Proposal at 1, § 3.c., and at 4, § 14.a.

<sup>15</sup> *Id.* at 4, § 11.c.

<sup>16</sup> *Id.* at 1, §§ 3.a., 4.a., at 2, § 5.c., 3, § 7.e., and at 4, §§ 9 and 14.b.

<sup>17</sup> *Id.* at 1, § 2.b., and at 4, § 14.e.

<sup>18</sup> PG&E Opening Comments at 23.



The CCAs recognize that the sooner they provide notice to participate, the more time a CCA and IOU will have to coordinate pilot implementation.

**B. The Timeline Should Be Revised to Allow All Parties Sufficient Time to Implement the PIPP**

SCE and SDG&E both request additional time – 120 days rather than 90 days from the Final Decision – to file their Consolidated Advice Letters.<sup>19</sup> PG&E requests 120 days in the event a CCA in its service territory opts to participate in the PIPP.<sup>20</sup> In order to allow the IOUs appropriate time to implement and construct their PIPP programs in accordance with the Final Decision, CalCCA supports the IOUs having the additional time that they request. However, if a CCA provides its 30-day (or earlier) notice to an IOU of its intent to participate in the PIPP pilot, the IOU should be required to file a limited Consolidated Advice Letter within 90 days of the Final Decision that contains only the billing implementation and cost recovery implementation proposals, consistent with the cost recovery mechanisms set forth in the AMP Resolution E-5114. If any issues regarding billing or cost recovery between an IOU and CCA are identified while the IOU is preparing their limited Advice Letter, such issues can then be resolved through the Working Group. This limited 90-day Advice Letter filed by an IOU will then provide CCAs with the information they need to file their Advice Letter to implement their PIPP pilot within 120 days of the Final Decision.<sup>21</sup>

**IV. MODIFY THE STRAW PROPOSAL CONSISTENT WITH PG&E’S PROPOSAL FOR A SINGLE MONTHLY BENEFIT CAP**

In Opening Comments, CalCCA recommends that the Benefit Cap not be limited to two climate zones, but instead should be based on all climate zones in an IOU’s territory.<sup>22</sup> PG&E’s

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<sup>19</sup> See SCE Opening Comments at 8-9; SDG&E Opening Comments at 6.

<sup>20</sup> PG&E Opening Comments at 23.

<sup>21</sup> Straw Proposal at 1, § 3.c.

<sup>22</sup> CalCCA Opening Comments at 6-7.

Opening Comments recommend a further streamlining of the Benefit Cap by adopting a single monthly dollar amount Benefit Cap, regardless of climate zone baseline territory, which PG&E proposed to be \$150 per month per commodity.<sup>23</sup> PG&E’s proposal, which is consistent with prior CalCCA proposals of a monthly dollar amount Benefit Cap,<sup>24</sup> addresses CalCCA’s concerns regarding the inequities related to the 250 percent baseline quantity caps in two climate zone groups as set forth in the Straw Proposal, and should be adopted.

PG&E attempts to further streamline the PIPP through its proposal to include a fixed Bill Cap of four percent based on a single measure of household size (three or more people), rather than the Straw Proposal’s four Bill Caps based on household sizes of one-two or three or more people, and based on either 0-100 percent of the Federal Poverty Level (FPL) or 101-200 percent of FPL.<sup>25</sup> The Bill Caps in the Straw Proposal, however, are necessary to provide measured bill caps according to the needs of particular customers. PG&E’s single measure of household size proposal would unnecessarily burden one or two person households (e.g., senior citizens living alone on a fixed income). Therefore, while CalCCA supports PG&E’s dollar amount Benefit Cap proposal, the Straw Proposal’s Bill Cap classifications should remain.

**V. ADOPT TURN’S PROPOSAL THAT NONPAYMENT BY PIPP PARTICIPANTS WILL NOT RESULT IN REMOVAL FROM THE PROGRAM**

The Utility Reform Network (TURN) requests, and CalCCA supports, that the PIPP be modified so that missed payments by a PIPP enrolled customer do not result in removal from the

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<sup>23</sup> PG&E Opening Comments at 9.

<sup>24</sup> CalCCA has previously recommended one “maximum PIPP benefit” (such as a percentage of the monthly bill cap) to encourage energy conservation. *See Response Of The California Community Choice Association To The Administrative Law Judge’s E-Mail Ruling Requiring Responses To Three Questions Concerning Energy Use And The Percentage Of Income Payment Plan*, Feb. 5, 2021, at 3-5.

<sup>25</sup> PG&E Opening Comments at 5-9.

PIPP pilot.<sup>26</sup> Instead, pilot participants should be subject to the normal disconnection rules and procedures.<sup>27</sup> TURN correctly points out that removing non-paying PIPP participants from the pilot for non-payment, rather than subjecting such participants to the regular disconnection rules, would skew critical evaluation data regarding whether disconnections are actually being prevented.<sup>28</sup> TURN's request to modify the Straw Proposal so that missed payments do not result in removal from the PIPP pilot should be granted.

## VI. CONCLUSION

For all of the foregoing reasons, CalCCA respectfully requests consideration of this reply response and looks forward to continuing to work with the Commission and other stakeholders to develop the Percentage of Income Payment Plan.

Respectfully submitted,



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July 16, 2021

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<sup>26</sup> *Opening Comments Of The Utility Reform Network On Administrative Law Judge's Email Ruling Requesting Comments On PIPP Straw Proposal*, July 9, 2021, at 1-3.

<sup>27</sup> *Id.* at 2-3.

<sup>28</sup> *Id.*