



August 10, 2021

VIA ELECTRONIC MAIL

Mr. Ed Randolph
Director, Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: California Community Choice Association's Protest to Southern California Edison Company's Tier 2 Advice Letter 4547-E - *Southern California Edison Company's Revisions to Schedule PC-TBS, Procurement Charge Transitional Bundled Service*

Dear Mr. Randolph:

Pursuant to the California Public Utilities Commission's (Commission's) General Order (GO) 96-B, the California Community Choice Association¹ (CalCCA) submits this protest of Southern California Edison Company's (SCE's) Advice Letter 4547-E (Advice Letter). SCE submitted Advice Letter 4547-E on July 21, 2021, to update the Renewable Portfolio Standard (RPS) and Resource Adequacy (RA) cost components of Schedule PC-TBS to reflect the most current Market Price Benchmarks (MPBs).

CalCCA urges the Energy Division to suspend the Advice Letter for consideration in the broader context of related issues. The calculation methodology for Schedule PC-TBS is closely tied to the calculations used for re-entry fees and the CCA Financial Security Requirement (FSR). The Commission will consider the calculation of Re-Entry Fees proposed for Western Community Energy (WCE) (Advice Letter 4541-E) in the Provider of Last Resort (POLR) rulemaking. Likewise, the Energy Division has suspended SCE's Advice Letter 3840-E addressing updates to the FSR values, and the outcome of this Advice Letter is unclear. To ensure consistency, all three advice letters should be reviewed together in a separate track of the POLR proceeding.

¹ 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.

1. SCE Proposes to Update RPS and RA Values in Schedule PC-TBS

SCE seeks to update the RPS and RA values in calculating the PC-TBS transitional procurement charge for customers voluntarily returning to SCE and, on a temporary basis, customers involuntarily returned to SCE.² The changes are not a simple substitutions of values, but a change in proxies used for these values.³ Specifically, SCE proposes to update the proxies using the MPBs adopted pursuant to Decision (D.) 18-10-019 as calculated in the most recent Energy Resource and Recovery Account (ERRA) proceeding.⁴ Notably, SCE has not provided illustrative calculations or estimated the magnitude of change on returning customers.

2. Schedule PC-TBS, the Re-Entry Fee, and the Financial Security Requirement Calculations are Closely Related

The calculations in PC-TBS share a common purpose with the Re-Entry Fee and the FSR: they are aimed to prevent cost shifts to bundled customers when Direct Access or CCA customers return to bundled service. Consequently, these calculations are intended capture the “incremental administrative and procurement costs of switching a CCA’s customers back to Bundled Service...”⁵ In addition, the methodologies for calculating these values bear strong similarities. All three calculations use similar administrative cost estimates and procurement cost estimates for energy, RA, and RPS products. Indeed, the FSR relies directly on the Re-entry Fees in its calculation.⁶

The strong connection of purpose and calculation among these values requires coordination in making changes to any of them. The proposed PC-TBS change should be made in coordination with review of the WCE Re-Entry Fee and consideration of issues raised in protests to the proposed FSR changes.

3. Coordination of These Calculations in the POLR Proceeding Will Allow Consistency in Addressing the Impacts of Returning Customers

SCE’s Advice Letter 3840-E, updating the FSR amount, and Advice Letter 4541-E, calculating WCE’s re-entry fee, have been suspended by Energy Division Staff. Resolution E-5059 requires that any protest to a re-entry fee be referred to the POLR proceeding.⁷ It remains unclear when

² Advice Letter at 1. *See* Rule 23, §L.5.c. (voluntary switching) and SCE Rule 23, §T.5 (involuntary return).

³ Advice Letter at 2-3. SCE describes the existing methodology: “SCE included RA costs based on the Commission’s RA MPB, set using the California Energy Commission’s estimates of the going forward costs of a combustion turbine. SCE included RPS costs based on the Commission’s RPS MPB, set based on a 32 percent weighting of the Department of Energy (DOE) green power prices data in relation to a 68 percent weighting of the IOU RPS cost data.”

⁴ *Id.* at 3.

⁵ *See, e.g.*, Rule 23.W.2.a.

⁶ *See* Rule 23.W.1.

⁷ Resolution E-5059 at 17.

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and how the Commission will address the proposed changes to SCE's FSR. Given the close relationship of all of these calculations, the Commission should likewise suspend this Advice Letter for consideration holistically with the other two advice letters.

Respectfully,

CALIFORNIA COMMUNITY CHOICE
ASSOCIATION

Evelyn Kahl

A handwritten signature in blue ink that reads "Evelyn Kahl". The signature is written in a cursive style.

General Counsel and Policy Director

cc via email:

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Service Lists for R.03-10-003, R.07-05-025, and R.17-06-026