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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program.	Rulemaking 18-07-003 (Filed July 12, 2018)

CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S RESPONSE TO MOTION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E) TO UPDATE ITS DRAFT 2021 RENEWABLE ENERGY PROCUREMENT PLAN

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On behalf of
California Community Choice Association

September 28, 2021

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In accordance with Rule 11.1(e) of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), California Community Choice Association[1] ("CalCCA") respectfully submits this response to Pacific Gas and Electric Company's ("PG&E") motion to update its Draft 2021 Renewable Energy Procurement Plan ("Motion to Update") filed in this proceeding on September 13, 2021.[2] This response is timely filed pursuant to Rule 11.1(e).

By its Motion to Update, PG&E requests the Commission authorize it to submit the pro forma contract to be used in the Voluntary Allocation of renewables portfolio standard ("RPS")

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[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.

[2] PG&E filed its motion to update pursuant to the March 30, 2021 *Assigned Commissioner and Assigned Administrative Law Judge's Ruling Identifying Issues and Schedule of Review for 2021 Renewables Portfolio Standard Procurement Plans*, filed in this proceeding ("2021 RPS Plan Ruling"), as updated by Administrative Law Judge Ruling, dated July 22, 2021, revising the procedural schedule for the 2021 Renewables Portfolio Standard ("RPS") Procurement Plans.

resources ("Voluntary Allocation Contract") via a Tier 2 Advice Letter "within 10 days of the submission of its Final 2021 RPS Procurement Plan."[3] Further, PG&E requests further authority to submit the pro forma contract to be used in the subsequent market offer of RPS resources remaining in its portfolio after the voluntary allocation ("Market Offer Contract") for approval within 45 days of submission of its Final RPS Procurement Plan.[4] PG&E notes that its Final 2021 RPS Procurement Plan "is likely to be submitted in early 2022."[5]

CalCCA appreciates PG&E's willingness to submit the Voluntary Allocation Contract for early review, and for recognizing that this pro forma contract must be agreed to and approved before LSEs are required to make their election to either accept or decline their allocation of RPS resources. CalCCA also agrees with PG&E that a Tier 2 advice letter process is appropriate for review of the contracts to be used in the Voluntary Allocation and Market Offer ("VAMO") process. To ensure a reasonable time period for potential counterparties to review, consider, and comment on the proposed terms and conditions of the Voluntary Allocation and Market Offer Contracts, CalCCA requests the Commission require PG&E to host at least two workshops on the proposed terms and conditions of these contracts prior to the submission of the advice letter seeking their approval. To accommodate these workshops, CalCCA requests the Commission require PG&E to submit the Voluntary Allocation Contract and Market Offer for counterparty review no later than 45 days prior to the deadline for LSEs to make their election to accept or decline their voluntary allocations.

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[3] PG&E Motion to Update at 2.

[4] *Id*. at 3.

[5] *Ibid*.

I. PG&E SHOULD SUBMIT THE VOLUNTARY ALLOCATION CONTRACT AND MARKET OFFER CONTRACT FOR COUNTERPARTY REVIEW NO LATER THAN 45 DAYS PRIOR TO THE DEADLINE FOR LSES TO MAKE THEIR ELECTION TO ACCEPT OR DECLINE THEIR VOLUNTARY ALLOCATIONS

As PG&E notes, LSEs will be required to make their election regarding their voluntary allocation by May 2022.[6] Because no firm date has been established for the delivery of PG&E's Final RPS plan, submittal of the Voluntary Allocation Contract "within 10 days" of that plan does not guarantee adequate time for potential counterparties to review the proposed terms and conditions in that contract.

Prior to making the decision to accept or decline the voluntary allocation offered to them, LSEs must determine whether the terms and conditions of that offer align with their individual programmatic goals as well as the requirements of Decision ("D.") 21-05-030. Under no other circumstances would an LSE be required to make a commitment to "purchase" without first seeing all relevant contracts in their entirety. LSE counterparties thus must have a reasonable opportunity and period in which to review and consider the proposed Voluntary Allocation Contract. To ensure optimum participation in the VAMO process, and thereby achieve the portfolio optimization goals for which it was designed, LSEs must receive the proposed Voluntary Allocation Contract well in advance of the date on which they must make their elections.

CalCCA therefore requests the Commission establish a firm date for the submission of the proposed contracts for review by potential counterparties. CalCCA requests the Commission require PG&E to submit both the Voluntary Allocation Contract and the Market Offer Contract for counterparty review no later than 45 days prior to the deadline for LSEs to make their

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[6] *Ibid*.

elections. CalCCA notes there is no reason to wait until the Final 2021 RPS Plan is filed, as the contract terms and format do not depend on that plan being finalized. This schedule will permit time for counterparty review, comment, and discussion of the proposed terms through a workshop process, discussed below.

II. PG&E SHOULD HOLD AT LEAST TWO WORKSHOPS PRIOR TO ISSUANCE OF THE ADVICE LETTER SEEKING APPROVAL OF THE VOLUNTARY ALLOCATION CONTRACT AND MARKET OFFER CONTRACT

The VAMO process is new for all parties involved. While the Voluntary Allocation Contract will undoubtedly be based on pro forma contracts approved for IOU use in other contexts, the specific terms of the voluntary allocations themselves are, by definition, new. Because the review of these terms and conditions bears so significantly on an LSE's decision whether to accept or decline the RPS allocation, CalCCA urges the Commission to require PG&E to hold at least two workshops on the proposed terms and conditions of the Voluntary Allocation Contract prior to PG&E's submittal of the advice letter seeking its approval.

The Commission also needs to consider the interaction between the Voluntary Allocation and the subsequent Market Offer Contract. The decision of a party to take its voluntary allocation (particularly for a long-term allocation) will be influenced by the relative costs and terms and conditions of the Market Offer Contract as an alternative. Accordingly, CalCCA urges the Commission to require PG&E to include the proposed terms and conditions of the Market Offer Contract in these workshops, as well.

The advice letter process itself, which is necessarily time-compressed, does not provide a forum for dialogue between potential counterparties regarding the specific terms to be agreed. A workshop setting would be an appropriate venue for PG&E to present the proposed terms and conditions to potential counterparties. Parties will have the opportunity to pose questions, and

PG&E can receive feedback on the proposed terms and conditions. All potential counterparties would benefit from an early familiarization with the contracts they will be asked to sign.

III. CONCLUSION

For the reasons stated above, CalCCA respectfully requests the Commission adopt its recommendations as set forth herein.

Respectfully submitted,

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