



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

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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 MOTION IN RESPONSE
TO SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902 E) UPDATE TO ITS 2021
DRAFT RENEWABLES PORTFOLIO STANDARD 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(a) of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), California Community Choice Association¹ (“CalCCA”) respectfully submits this motion in response to San Diego Gas & Electric Company’s (“SDG&E”) update to its 2021 Draft Renewables Portfolio Standard Procurement Plan (“Update”) filed in this proceeding on September 13, 2021.²

CalCCA filed responses today with respect to Southern California Edison Company and Pacific Gas and Electric Company’s motions to update their respect Draft 2021 RPS Plans.³ CalCCA appreciates all of the IOUs’ willingness to move forward with the approval process

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 SDG&E submitted substitute sheets for those pages that have changed from its Draft 2021 Renewables Portfolio Standard (“RPS”) Procurement Plan and related appendices originally filed on July 1, 2021.

³ R.18-07-003 *Motion of Pacific Gas and Electric (U 39-E) to Update Its Draft 2021 Renewable Energy Procurement Plan*; R.18-07-003 *Motion of Southern California Edison Company (U 338-E) to Update Its 2021 Draft Renewables Portfolio Standard Procurement Plan*.

necessary for the Voluntary Allocation and Market Offer (“VAMO”) process. One of the necessary steps is the revision of each IOUs’ Draft 2021 RPS plan to incorporate the approval of the contracts necessary to execute the VAMO process. The VAMO process will require an approved pro forma contract for the voluntary allocation (the “Voluntary Allocation Contract”) and an approved pro forma contract for the following market offer of unallocated RPS (“Market Offer Contract”). Pro forma contracts for each of these must be agreed and approved before LSEs are required to make their election to either accept or decline their allocation of RPS resources.

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 SDG&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 SDG&E to 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.

I. SDG&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 both PG&E and SCE have noted, LSEs will be required to make their election regarding their voluntary allocation by May 2022.⁴ Prior to making the decision to accept or

⁴ R.18-07-003 *Motion of Pacific Gas and Electric (U 39-E) to Update Its Draft 2021 Renewable Energy Procurement Plan* at 2; R.18-07-003 *Motion of Southern California Edison Company (U 338-E) to Update Its 2021 Draft Renewables Portfolio Standard Procurement Plan*, Appendix A at 106.

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 fully seeing the applicable terms and conditions. LSE counterparties thus must have a reasonable opportunity and period in which to review and consider the proposed terms of the Voluntary Allocation Contract and Market Offer 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 terms and conditions well in advance of the date on which they must make their election.

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 SDG&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 election. This schedule will permit time for counterparty review, comment, and discussion of the proposed terms through a workshop process, discussed below.

II. SDG&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 entire VAMO process is a new process 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

SDG&E to hold at least two workshops on the proposed terms and conditions of the Voluntary Allocation Contract prior to SDG&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 SDG&E to present the proposed terms and conditions to potential counterparties. Parties will have the opportunity to pose questions, and SDG&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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