October 5, 2021

VIA ELECTRONIC MAIL

Mr. Edward Randolph
Deputy Executive Director for Energy and Climate Policy
California Public Utilities Commission Energy Division
505 Van Ness Avenue
San Francisco, CA 94102

Re: California Community Choice Association's Protest of Pacific Gas and Electric Company's Tier 1 Advice Letter 6323-E, *Procurement for Summers 2022 and 2023 Under Decision 21-02-028 and Decision 21-03-056*

Dear Mr. Randolph:

Pursuant to the California Public Utilities Commission's (Commission) General Order (GO) 96-B,[1] the California Community Choice Association[2] (CalCCA) submits this protest of Pacific Gas and Electric Company's (PG&E) Advice Letter 6323-E (Advice Letter). PG&E submitted the Advice Letter on September 15, 2021, seeking approval of an amendment to extend an existing agreement set to expire on April 30, 2022, by 18 months and to enable the provision of additional energy and capacity through summers 2022 and 2023.

PROTEST

CalCCA does not object to the Commission authorizing an extension of the existing agreement by 18 months. However, the Commission should not authorize the requested cost allocation mechanism (CAM) cost recovery for 2023 through this advice letter process. The year 2023 extends beyond the duration of procurement authorized in Decision (D.) 21-03-056. While D.21-03-056 allowed for procurement of contracts with durations that would extend beyond 2022, the 17.5 percent target would not extend beyond 2022.[3] Therefore, clarification is needed around how costs should be allocated for contracts executed to meet D.21-03-056 that extend

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1 References to "General Rules" are to the general rules identified in General Order 96-B.

2 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.

3 *Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas and Electric Company to Take Actions to Prepare for Potential Extreme Weather in the Summers of 2021 and 2022*, March 25, 2021 (D.21-03-056).

beyond 2022. The Commission must consider the methodology for cost allocation holistically within Rulemaking (R.) 20-11-003, rather than through an advice letter.

1. CALCCA Does Not Object To PG&E's Request For Contract Extension

PG&E seeks approval to extend an existing agreement with Tesoro Refining & Marketing Company LLC for its Martinez Cogeneration facility to make the resource available for both summer 2022 and summer 2023. This modification would extend the agreement by 18 months, from its current end date of April 30, 2022 to October 31, 2023.[4] CalCCA does not object to PG&E's request to extend the contract by 18 months to ensure the resource is available through summer 2022, consistent with the procurement authorized under D.21-03-056.

2. The Methodology for Allocating the Costs of Contracts With Duration Beyond 2022 Should be Considered Holistically in R.20-11-003, Rather Than Through an Advice Letter

Within D.21-03-056, the Commission adopted a Planning Reserve Margin (PRM) of 17.5 percent applicable to the three investor-owned utilities (IOUs) that were to procure on behalf of all customers. In doing so, the Commission determined that for 2021 and 2022, the IOUs should allocate the costs associated with those contracts through CAM but since only the IOUs would have a 17.5 percent PRM for Resource Adequacy (RA), the RA attributes of the contracts would remain with the IOUs. D.21-03-056 allowed for procurement of contracts with durations that would extend beyond 2022 while the 17.5 percent target would not extend beyond 2022.

PG&E's Advice Letter requests CAM cost recovery for the contract extension through and including October 31, 2023.[5] However, there is significant clarity needed regarding what should happen to the costs and benefits of resources procured in response to D.21-03-056 beginning in 2023 should any of those contracts continue beyond 2022. In R.20-11-003, CalCCA submitted reply testimony[6] and an opening brief[7] requesting the Commission clarify the modified CAM treatment for procurement mandated in D.21-03-056 so that the costs and benefits are fairly allocated and cost shifts do not occur.

These significant outstanding questions extend beyond the single contract extension requested by PG&E. Therefore, the Commission should not approve CAM cost recovery for the contract extension requested by PG&E in the Advice Letter. Instead, the Commission should

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4 PG&E Advice Letter at 3-4.

5 PG&E Advice Letter at 4.

6 *Reply Testimony of Marie Y. Fontenot on Behalf of California Community Choice Association*, Sept. 10, 2021 at 7-8: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/summer-2021-reliability/reply-testimony/calcca-reply-testimony.pdf.

7 *California Community Choice Association Opening Brief*, Sept. 20, 2021 at 12-13: https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M407/K951/407951034.PDF

holistically examine how costs and benefits should be allocated for contracts extending beyond the timeline of D.21-03-056 within R.20-11-003.

CONCLUSION

CalCCA thanks the Energy Division for its review of this protest and asks that the Commission approve the PG&E contract extension, and that the cost allocation of this extension and other contracts extending beyond 2022 be evaluated wholistically in R.20-11-003.

Respectfully,

CALIFORNIA COMMUNITY CHOICE ASSOCIATION

Evelyn Kahl

Evelyn Kahl

General Counsel and Director of Policy

cc via email:

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Service Lists: R.20-11-003, R.19-11-009, and R.20-05-003