



**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.	R.18-07-003
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**CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S
COMMENTS ON THE PROPOSED DECISION ON 2021 RENEWABLES
PORTFOLIO STANDARD PROCUREMENT PLANS**

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SUMMARY OF RECOMMENDATIONS

- ✓ The requirement that CCAs and ESPs update their Final 2021 RPS Plans to describe whether they plan to participate in the voluntary allocation and/or market offer should be removed, given that parties will not have had an opportunity to review the proposed terms and conditions of the voluntary allocation and market offer contracts;
 - ✓ The IOUs should be required, either separately or together, to hold a workshop for stakeholders to review the IOU's proposed voluntary allocation pro forma contracts, and a separate workshop for stakeholders to review the proposed market offer pro forma contracts, prior to the IOUs submitting the Advice Letters seeking those contracts' approval; and
 - ✓ All of the IOUs, including SCE and SDG&E, in addition to PG&E, should be required to file Tier 2 Advice Letters proposing pro forma contracts for VAMO allocations and sales.
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The California Community Choice Association (CalCCA)¹ submits these comments pursuant to Rule 14.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure on the proposed *Decision on 2021 Renewables Portfolio Standard Procurement Plans* (Proposed Decision or PD), mailed on December 10, 2021.

I. INTRODUCTION

The PD addresses certain issues concerning the voluntary allocation and market offer (VAMO) process established by Decision (D.) 21-05-030, issued in the Power Charge Indifference Adjustment (PCIA) proceeding.² The PD requires the 2021 Final Renewable Portfolio Standard (RPS) Plans of community choice aggregators (CCAs) and electric service

¹ California Community Choice Association represents the interests of 23 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, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

² D.21-05-030, *Phase 2 Decision on Power Charge Indifference Adjustment Cap and Portfolio Optimization*, R.17-06-026 (May 20, 2021); *Order Instituting Rulemaking to Review, Revise, and Consider Alternatives to the Power Charge Indifference Adjustment*, Rulemaking (R.) 17-06-026 (June 29, 2017).

providers (ESPs) “to describe whether they plan to participate in the VAMO process and purchase renewable energy credits (RECs) in the IOU’s Market Offer.”³ The PD also adopts the timeline for review of the pro forma voluntary allocation contract (Voluntary Allocation Contract) and pro forma market offer contract (Market Offer Contract) put forward by Pacific Gas and Electric Company (PG&E) in its Motion to Update its RPS Plan, which Southern California Edison Company (SCE) and San Diego Gas & Electric (SDG&E) both seconded.⁴ However, the PD fails to require PG&E, SCE or SDG&E (collectively, the IOUs) to hold one or more workshops to seek comment on the proposed terms and conditions of the Voluntary Allocation and Market Offer Contracts.

As set forth more fully below, CalCCA recommends the following modifications to the PD to ensure a methodical and commercially reasonable VAMO process:

- ✓ The requirement that CCAs and Electric Service Providers (ESPs) update their Final 2021 RPS Plans to describe whether they plan to participate in the voluntary allocation and/or market offer should be removed, given that parties will not have had an opportunity to review the proposed terms and conditions of the voluntary allocation and market offer contracts;
- ✓ The IOUs should be required, either separately or together, to hold a workshop for stakeholders to review the IOUs’ proposed voluntary allocation pro forma contracts, and a separate workshop for stakeholders to review the proposed market offer pro forma contracts, prior to the IOUs submitting the Advice Letters (ALs) seeking those contracts’ approval; and
- ✓ All of the IOUs, including SCE and SDG&E, in addition to PG&E, should be required to file Tier 2 Advice Letters proposing pro forma contracts for VAMO allocations and sales.

³ PD at 13.

⁴ *Id.* at 14.

II. BACKGROUND

The review and approval of the procedure and form of contracts to be used in VAMO allocations and sales have been the subject of numerous motions by interested stakeholders in this proceeding. PG&E filed a motion on September 13, 2021, to update its Draft 2021 Renewable Energy Procurement Plan (PG&E Motion to Update).⁵ PG&E requested the Commission authorize it to submit the Voluntary Allocation Contract via a Tier 2 AL “within 10 days of the submission of its Final 2021 RPS Procurement Plan.”⁶ In addition, PG&E requested authority to submit the pro forma contract to be used in the subsequent market offer of RPS resources remaining in its portfolio (Market Offer Contract) for approval within 45 days of submission of its Final RPS Procurement Plan.⁷ PG&E noted that its Final 2021 RPS Procurement Plan “is likely to be submitted in early 2022.”⁸ SCE and SDG&E each subsequently filed motions to update their respective draft 2021 RPS Procurement Plans requesting the timeline and approval process put forward by PG&E in its Motion to Update.⁹

In response to these motions, CalCCA requested the Commission require the IOUs to hold workshops for stakeholders to review and comment on the proposed terms of the Voluntary

⁵ *Motion of Pacific Gas and Electric Company (U 39 E) to Update Its Draft 2021 Renewable Energy Procurement Plan*, R.18-07-003 (Sept. 13, 2021) (PG&E Motion to Update). 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 RPS proceeding, as updated by Administrative Law Judge Ruling, dated July 22, 2021, revising the procedural schedule for the 2021 Renewables Portfolio Standard Procurement Plans. See *E-Mail Ruling Granting Joint Investor Owned Utilities Request for Extension to File Motions to Update Draft 2021 Renewable Procurement Plans*, R.18-07-003 (July 22, 2021).

⁶ PG&E Motion to Update at 2.

⁷ *Id.* at 3.

⁸ *Id.* at 2.

⁹ *Motion of Southern California Edison Company (U 338-E) to Update Its 2021 Draft Renewables Portfolio Standard Procurement Plan*, R.18-07-003 (Sept. 13, 2021); *Response of Southern California Edison Company (U 338-E) to Motion to Update of Pacific Gas and Electric Company*, R.18-07-003 (Sept. 28, 2021); *Response of San Diego Gas & Electric Company (U 902 E) to the Motions of Pacific Gas & Electric Company and Southern California Edison Company*, R.18-07-003 (Sept. 28, 2021).

Allocation and Market Offer Contracts they would be asked to sign.¹⁰ CalCCA also requested more time for the review and approval of the Market Offer Contract.¹¹ PG&E responded by suggesting a shorter schedule and process of review.¹² In addition, PG&E suggested no workshops were necessary, and requested that not more than one workshop be required.¹³

The IOUs jointly filed a motion to amend the Scoping Memorandum in this proceeding on December 8, 2021.¹⁴ That motion requested the Commission review and approve the Voluntary Allocation Contracts through a Tier 2 AL submitted within 10 days of the IOUs' submission of their Final 2021 RPS Procurement Plans.¹⁵ The IOUs also requested that allocation contracts that do not deviate from the approved pro forma contract be authorized to commence on January 1, 2023 without further Commission review.¹⁶

III. FACTUAL, LEGAL, AND TECHNICAL ERRORS AND CLARIFICATIONS

A. CCAs Should Not Be Required to Commit to Voluntary Allocations or Market Offers Prior to Reviewing the Terms and Conditions of the Transactions

As CalCCA has emphasized, LSEs must determine whether the terms and conditions of the voluntary allocation offered to them align with their individual programmatic goals as well as

¹⁰ *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*, R.18-07-003 (Sept. 28, 2021) (CalCCA Response to PG&E Motion to Update) at 2; *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*, R.18-07-003 (Sept. 28, 2021) at 3-4; *California Community Choice Association's Response to Motion of Southern California Edison Company (U 338 E) to Update Its 2021 Draft Renewables Portfolio Standard Procurement Plan*, R.18-07-003 (Sept. 28, 2021) at 4.

¹¹ CalCCA Response to PG&E Motion to Update at 3-4.

¹² *Pacific Gas and Electric Company's (U 39 E) Reply to Response on Motion to Update Draft 2021 Renewables Portfolio Standard Procurement Plan*, R.18-07-003 (Oct. 8, 2021) (PG&E Reply) at 3.

¹³ *Id.* at 5.

¹⁴ *Joint Motion of Southern California Edison Company (U 338-E), Pacific Gas and Electric Company (U 39-E) and San Diego Gas & Electric Company (U 902-E) to Amend Scoping Memorandum*, R.18-07-003 (Dec. 8, 2021).

¹⁵ *Id.* at 12.

¹⁶ *Id.*

the requirements of D.21-05-030 prior to making the decision to accept or decline the allocation offered to them.¹⁷ Under no other circumstances should an LSE be required to make a commitment to “purchase” without first having the opportunity to review all relevant contracts in their entirety. PG&E agrees, asserting that “LSEs should understand the terms and conditions of Voluntary Allocations prior to making such a commitment.”¹⁸ The same reasoning requires that the CCAs have an opportunity to review the terms of the contracts to be used in the Market Offer. As set forth more fully below, the PD should be revised to remove the requirement that CCAs indicate their participation in the VAMO process prior to the CCAs having an opportunity to review the terms of the voluntary allocation and market offer transactions.

In addition, the IOUs should be required to hold workshops to solicit stakeholders’ input prior to submitting the ALs for approval of both the Voluntary Allocation Contracts and the Market Offer Contracts. CalCCA requests the PD be revised to include these requirements as set out in Attachment A.

1. The Commission Should Not Require CCAs and ESPs to Update Their 2021 Draft RPS Plans Indicating Whether They Plan to Participate in the Voluntary Allocation and/or Market Offer Prior to Reviewing the Terms and Conditions of the Transactions

The PD notes that “[m]ost of the CCAs and ESPs state [in their draft 2021 RPS Plans] that they are still reviewing their portfolios to decide whether and to what extent they would participate in the PCIA VAMO process.”¹⁹ Thus, CCAs and ESPs are required by the PD to update their Final 2021 RPS Plans “to describe whether they plan to participate in the VAMO process and purchase RECs in the IOUs’ Market Offer.”²⁰ The PD finds appropriate that the

¹⁷ CalCCA Response to PG&E Motion to Update at 3.

¹⁸ PG&E Reply at 3.

¹⁹ PD at 13.

²⁰ *Id.*

IOUs have modeled the assumption that CCAs and ESPs will fully take their voluntary allocations, and cites the difficulty for IOUs determining their Renewable Net Short given the uncertainty surrounding CCA VAMO participation.²¹ However, the PD fails to recognize that without yet knowing any terms or conditions related to the voluntary allocations or market offers, a party cannot be expected to commit to whether or under what terms it will participate. The requirement in the PD that the Final 2021 Plans be updated to describe whether a party plans to participate in the voluntary allocation and/or purchase RECs through the market offer should therefore be removed.

2. The IOUs Should Be Required to Hold Workshops to Solicit Stakeholders' Input Prior to Submitting the ALs for Approval of the Voluntary Allocation Contracts and Market Offer Contracts

The PD grants the IOUs' request to submit to the Commission via Tier 2 Advice Letter the Voluntary Allocation Contracts within 10 days, and the Market Offer Contracts within 45 days of submitting the Final 2021 RPS Plans.²² However, the PD fails to order any workshops prior to the submittal of each pro forma contract to allow for LSE review and input. The terms and conditions of these contracts bear significantly on an LSE's decision whether to accept or decline the Voluntary Allocation and/or to participate in the Market Offer. LSEs must be given an opportunity to review and provide input on the proposed terms and conditions of these pro forma contracts.

Even PG&E recognizes the educational value of workshops on the pro forma contracts in its Reply on the Motion to Update, although it argues that "no more than one workshop and the General Order 96-B Protest process [is] adequate to educate LSEs and to address any comments

²¹ *Id.*

²² *Id.* at 14.

or concerns with PG&E’s pro forma contracts.’²³ CalCCA appreciates PG&E’s openness to early review of the pro forma contracts, and to a workshop for stakeholders on contract terms and conditions, but disagrees that only one workshop is necessary for both contracts. CalCCA requests the PD be modified to require the IOUs, together or separately, to hold workshops for LSEs to review and comment on the terms and conditions of both the Voluntary Allocation Contract and the Market Offer Contract. These workshop(s) must be held prior to the IOUs’ submitting each pro forma contract for approval through the AL process.

B. Ordering Paragraph 6 of the PD Should Be Corrected to Require SCE and SDG&E, in Addition to PG&E, to File Tier 2 Advice Letters Proposing VAMO Pro Forma Contracts

Finally, Ordering Paragraph 6 of the PD should be corrected to require SCE and SDG&E, along with PG&E, to file Tier 2 Als proposing the Voluntary Allocation Contracts within 10 days of submission of their Final 2021 RPS Plans, and Market Offer Contracts within 45 days of their Final 2021 RPS Plans. While the text of the Decision, as well as Conclusion of Law 3, requires all three IOUs to submit the Tier 2 advice letter, Ordering Paragraph 6 requires only PG&E to file the Tier 2 advice letter.²⁴ This technical error in the PD should be corrected as set forth in Appendix A.

²³ PG&E Reply at 5.

²⁴ PD at 14 (“[w]e grant the IOUs’ request to submit a Tier 2 Advice Letter proposing Voluntary Allocation REC pro forma contracts within 10 days of submitting their Final 2021 RPS Plans and Market Offer pro forma contracts within 45 days of submission of Final 2021 RPS Plans”); PD, Conclusion of Law 3 at 78 (“Each IOU must submit a Tier 2 advice letter proposing Voluntary Allocation REC pro forma contracts within 10 days of submitting its Final 2021 RPS Plan, and Market Offer pro forma contracts within 45 days of submission of Final 2021 RPS Plans”); PD, Ordering Paragraph 6 at 82 (“Pacific Gas and Electric Company shall file Tier 2 advice letters proposing Voluntary Allocation of [REC] pro forma contracts within 10 days of submission of its Final 2021 [RPS Plan] and Market Offer pro forma contracts within 45 days of submission of Final 2021 RPS Plan, respectively”).

IV. CONCLUSION

CalCCA appreciates the opportunity to submit these comments and requests adoption of the recommendations proposed herein. For all the foregoing reasons, the Commission should modify the Proposed Decision as provided in Attachment A.

Respectfully submitted,



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December 30, 2021

ATTACHMENT A

PROPOSED CHANGES TO FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDERING PARAGRAPHS

FINDINGS OF FACT

9. An advice letter filing preceded by a workshop will enable retail sellers to review the pro forma contracts before executing agreements for their respective voluntary allocations and provide a standardized process for all VAMO transactions.

CONCLUSIONS OF LAW

3. Each IOU must submit a Tier 2 advice letter proposing Voluntary Allocation REC pro forma contracts within 10 days of submitting its Final 2021 RPS Plan. Prior to submitting such advice letter, each IOU must hold a workshop to enable retail sellers to review and comment on the proposed Voluntary Allocation REC pro forma contracts. Each IOU must submit a Tier 2 advice letter proposing Market Offer pro forma contracts within 45 days of submission of Final 2021 RPS Plans. Prior to submitting such advice letter, each IOU must hold a workshop to enable retail sellers to review and comment on the proposed Market Offer pro forma contracts.

ORDERING PARAGRAPHS

6. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each file Tier 2 advice letters proposing its Voluntary Allocation of renewable energy credit pro forma contracts within 10 days of submission of its Final 2021 Renewables Portfolio Standard Procurement Plan (RPS Plan) and Market Offer pro forma contracts within 45 days of submission of its Final 2021 RPS Plan, respectively. Each IOU shall hold a workshop, either jointly or separately, prior to submitting the advice letter proposing its Voluntary Allocation of renewable energy credit pro forma contracts, and another workshop prior to submitting the advice letter proposing the Market Offer pro forma contract, to enable retail sellers to review and comment on each of the pro forma contracts.

28. The final 2021 Renewables Portfolio Standards Procurement Plans of Apple Valley Choice Energy, City of Baldwin Park, City of Palmdale, City of Pomona, City of Santa Barbara, Clean Energy Alliance, Clean Power Alliance, Desert Community Energy, Lancaster Choice

Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, Sonoma Clean Power Authority, Central Coast Community Energy, CleanPowerSF, East Bay Community Energy, King City Community Power, Valley Clean Energy Alliance, 3 Phases Renewables, Calpine Power America, Commercial Energy, Pilot Power Group, Shell Energy North America, The Regents of the University of California, Calpine Energy Solutions, Constellation NewEnergy, Direct Energy Business, EDF Industrial Power Services, also identified in Table 1 – Portfolio Optimization, Voluntary Allocation Market Offer and Mid-Term Reliability, in Section 4 of this decision, shall each provide an expanded planning scenario and/or analysis to forecast Decision 21-06-035’s (Mid-Term Reliability Decision) impact on portfolio optimization ~~and an update on whether they plan to participate in voluntary allocation and purchase Renewable Energy Credits in the market offer pursuant to the Power Charge Indifference Adjustment Decision 21-05-030.~~