



April 25, 2022

**VIA ELECTRONIC MAIL**

Mr. Pete Skala  
Interim Director, Energy and Climate Policy  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

**Re: California Community Choice Association’s Response to Southern California Edison Company’s Tier 2 Advice Letter 4759-E regarding Approval Request of Market Offer Contracts for Renewables Portfolio Standard Resources**

Dear Mr. Skala:

Pursuant to the California Public Utilities Commission’s (Commission’s) General Order (GO) 96-B,<sup>1</sup> the California Community Choice Association<sup>2</sup> (CalCCA) submits this Response to Southern California Edison Company’s (SCE’s) Tier 2 Advice Letter 4759-E regarding Approval Request of Market Offer Contracts for Renewables Portfolio Standard (RPS) Resources (Advice Letter).

**I. SUMMARY**

- SCE should be required to provide timely access to meter data, which is necessary for load-serving entity (LSE) operational and planning purposes.
- CalCCA reserves the right to comment on the terms of the market offer pro formas (Market Offer Contracts) following the filing of the investor-owned utilities’ (IOUs’) “Market Offer Process” and sales strategy documents in May.

**II. BACKGROUND**

SCE filed the Advice Letter on April 4, 2022, seeking approval of the Market Offer Contracts. The market offer follows the voluntary allocation as part of the Voluntary Allocation and Market Offer (VAMO) process, as directed by Decision (D.) 21-05-030 in the Power Charge

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<sup>1</sup> References to “General Rules” are to the general rules identified in General Order 96-B.

<sup>2</sup> California Community Choice Association represents the interests of 23 community choice electricity providers in California: Apple Valley Choice Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Lancaster Choice Energy, Marin Clean Energy, Orange County Power Authority, 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.

Indifference Adjustment (PCIA) proceeding (Phase 2 Decision). Under VAMO, PCIA-eligible RPS resources remaining in the IOUs' portfolios following the voluntary allocation elections will be offered for sale to the market. The Phase 2 Decision requires details of the VAMO process to be worked out in the RPS Proceeding. The Advice Letter, including an opportunity for LSEs to raise concerns on the pro forma contracts, is submitted pursuant to D.22-01-004 in the RPS Proceeding.<sup>3</sup>

On February 28, 2022, SCE filed its Tier 2 Advice Letter 4732-E requesting approval of the pro forma contract to be used in the voluntary allocation phase of VAMO. CalCCA submitted its protest to this Advice Letter on March 21, 2022. Subsequently, SCE 4732-E, along with the Advice Letters of Pacific Gas & Electric Company (PG&E) and San Diego Gas & Electric (SDG&E) regarding their pro forma voluntary allocation contracts, was suspended by the Energy Division for a period of up to 120 days beginning March 29, 2022.<sup>4</sup>

By Ruling dated April 11, 2022, the Assigned Commissioner and Assigned Administrative Law Judge in the RPS Proceeding established a revised schedule for the market offer portion of VAMO.<sup>5</sup> This Ruling requires the IOUs to submit a "Market Offer Process" for Commission and stakeholder review by May 2, 2022, followed by a period for comments and reply comments.<sup>6</sup> The Commission's decision on the Market Offer Process is set for the third quarter of 2022.<sup>7</sup>

By Ruling dated April 21, 2022, the Administrative Law Judge modified this schedule to permit each IOU to separately develop and submit confidential market sensitive "Market Offer Sales Strategies" on May 16, 2022, following the submission of the joint Market Offer Process.<sup>8</sup> The comment and reply comment period on the Market Offer Process will now end in early June. There is intended to be no change to the schedule for the Commission's decision on the Market Offer Process.

### III. RESPONSE

#### 1. SCE Should be Required to Provide LSEs With Timely Access to Meter Data

As CalCCA noted with respect to the Voluntary Allocation Contract, counterparties receiving energy and/or renewable energy credits (RECs) from SCE through the Market Offer

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<sup>3</sup> D.22-01-004, *Decision on 2021 Renewables Portfolio Standard Procurement Plans*, R.18-07-003 (Jan. 13, 2022) (RPS Decision), at 14.

<sup>4</sup> Energy Division Advice Letter Suspension Notice, emailed March 29, 2022.

<sup>5</sup> *Assigned Commission and Assigned Administrative Law Judge's Ruling Identifying Issues and Schedule of Review for 2022 Renewables Portfolio Standard Procurement Plans and Denying Joint IOUs' Motion to File Advice Letters for Market Offer Process*, R.18-07-003 (Apr. 11, 2022).

<sup>6</sup> *Id.*, Attachment A.

<sup>7</sup> *Id.*

<sup>8</sup> *Administrative Law Judge's Ruling Modifying the Schedule for Track 1 of the 2022 Renewables Portfolio Standard Procurement Plan*, R.18-07-003 (Apr. 21, 2022).

Process require timely access to data regarding their purchases for operational and planning purposes. Unlike a traditional “firm” contract for energy and/or RECs, the Market Offer Contracts offer a varying quantity of energy and/or RECs based on actual generation from a “slice” of a pool of resources. Because this volume is inherently variable, information regarding amounts delivered is crucial.

SCE receives initial data shortly after the delivery month. Counterparties require at least initial, non-binding meter data of the Contract Quantity as soon as reasonably practicable, but no later than fifteen (15) calendar days following the delivery month. The information is used for forecasting, portfolio management, as well as contract validation and administrative purposes. As CalCCA has also noted with respect to the Voluntary Allocation Contract, the disadvantage to CCAs from limited access to this generation data impedes both their ability to plan for their future needs, and to account for the purchase they are making on their customers’ behalf. Ultimately, this additional uncertainty reduces the value of the associated RECs compared to what could be purchased under improved terms. CalCCA therefore requests that the Commission require SCE to provide preliminary, non-binding, meter data to a Market Offer counterparty within fifteen (15) calendar days of the end of each delivery month.

## **2. CalCCA Anticipates Additional Comments on the Market Offer Contracts Following its Review of the Market Offer Process**

As is true with respect to the Voluntary Allocation Contract, the terms of the Market Offer Contracts are extremely important to potential counterparties considering participating in the offer. SCE’s Market Offer Contracts are generic form documents and the Advice Letter fails to confirm important points regarding SCE’s intentions regarding the market offers. For example, potential bidders under the market offers, which are constructed as “slices” of SCE’s RPS-eligible resources following the voluntary allocations, cannot adequately plan their own purchases without more knowledge of SCE’s intentions regarding any other potential firm or non-firm REC sales.

To facilitate the portfolio optimization efforts ordered by the Commission in the Phase 2 Decision and the success of the VAMO process, the Market Offer Contracts must be carefully reviewed in the context of the Market Offer Process and any other information available as the process matures. For this reason, CalCCA anticipates additional comments on the Market Offer Contracts following its full review of the Market Offer Process.

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#### IV. CONCLUSION

CalCCA thanks the Energy Division for its review of this Response.

Respectfully,

CALIFORNIA COMMUNITY CHOICE  
ASSOCIATION

Evelyn Kahl



General Counsel and Director of Policy

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