



December 12, 2022

**VIA ELECTRONIC MAIL**

Alice Reynolds  
President  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102-3298

Re: California Community Choice Association's Response to December 9, 2022  
Letter from PG&E re A.22-09-018

Dear President Reynolds,

PG&E's December 9, 2022 letter regarding Application (A.) 22-09-018 (Letter) skirts Commission process to take a *fourth* bite at influencing the Commission's scheduling of this case. The Letter adds nothing new to the utility's Application, reply to protests, or statements at the prehearing conference (PHC). Its "compromise" schedule should be rejected now for the same reasons parties objected to it when PG&E first raised it during the PHC.

PG&E's application promises the Commission something for nothing: the sale of premium assets to obtain cost-free equity financing with zero risk to PG&E or the State's ratepayers. That kind of a promise should always give the Commission pause. The utility's ongoing insistence the Commission act on that promise in an expedited timeframe should underscore those suspicions.

After several opportunities to do more, PG&E has only established a preference—not a need—to complete the proposed transaction by January 1, 2024. PG&E has proffered no specific facts mandating a December 31, 2023 timeline to avoid ratepayer harm, the standard under Rule 2.9 for expedited treatment.<sup>1</sup> PG&E has yet to explain why the two-month delay that would result from TURN and CalCCA's proposed schedule would harm PG&E and its shareholders,<sup>2</sup> let alone avoid ratepayer harm.

Dr. Peterman's letter fails to repair this shortcoming, instead repeating prior assertions regarding how the utility's preferred timing is "driven by PG&E's need for equity to support its 2024 capital plan."<sup>3</sup> However, PG&E admits those specific equity needs do not *require* approval

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<sup>1</sup> 1 Tr. 47:10-54:26 (Dec. 2, 2022).

<sup>2</sup> 1 Tr. 66:28-67:9 (Dec. 2, 2022).

<sup>3</sup> Letter at 1.

of the application but instead avoid the company needing to pursue other options.<sup>4</sup> To PG&E, the transaction is “the most attractive” of a variety of alternatives.<sup>5</sup>

As parties discussed at the prehearing conference—but the Letter omits—PG&E’s schedule is insufficient to accommodate “intervenor’s interest in having more time to prepare their testimony.” The timelines of both the initial and revised proposals from PG&E are comparable to those used in the Commission’s most routine cases. A 9-10 month schedule is about as long as the extremely expedited ERRA Forecast proceedings before the Commission, which are typically about 8 months. The schedules are far shorter than the current schedule for the routine ERRA Compliance proceeding for PG&E which is 16 months.

However, this case is anything but routine. PG&E proposes creating a new generation-only retail utility in order to accommodate a one-off influx of equity investment. Such a transaction would be the first of its kind in California and the nation.<sup>6</sup> It is far from clear the benefits of such a novel transaction outweigh the known and unknown risks it creates and the administrative and regulatory complexity it causes.

Other concerns parties and Judge Park raised at the prehearing conference include (1) the fact we do not know the identity of the potential minority investors in PacGen,<sup>7</sup> (2) the fact PG&E has yet to presented the complete set of contracts governing the transaction,<sup>8</sup> and (3) a contractual obligation regarding certain assets that would be part of the transaction to provide six months of notice and negotiation period prior to any transfer of ownership by PG&E.<sup>9</sup>

As Judge Park noted during the PHC, there is a “risk of ratepayer harm if review is expedited and those issues are not adequately considered.”<sup>10</sup> All of these concerns point to a Scoping Ruling that ensures a careful and cautious analysis of the Application under the applicable burdens of proof. Both CalCCA and TURN proposed such a schedule, representing a *true* compromise between PG&E’s interest in expedited resolution and the State’s interest in not only protecting ratepayers but also ensuring they benefit from the proposed transaction. CalCCA urges the Commission to adopt that schedule in the Scoping Ruling.

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<sup>4</sup> 1 Tr. 48:23-24 (Dec. 2, 2022).

<sup>5</sup> 1 Tr. 49:17-18 (Dec. 2, 2022).

<sup>6</sup> 1 Tr. 56:3-10 (Dec. 2, 2022).

<sup>7</sup> 1 Tr. 20:24-22:9 (Dec. 2, 2022).

<sup>8</sup> 1 Tr. 56:11-25 (Dec. 2, 2022).

<sup>9</sup> 1 Tr. 43:21-27, 67:27-68:5 (Dec. 2, 2022).

<sup>10</sup> 1 Tr. 62:5-7 (Dec. 2, 2022).

Respectfully,

CALIFORNIA COMMUNITY CHOICE  
ASSOCIATION

Evelyn Kahl

A handwritten signature in blue ink that reads "Evelyn Kahl". The signature is written in a cursive style with a large initial 'E'.

General Counsel and Director of Policy

cc via email:

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A.22-09-018 Service List