

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



FILED

07/06/23

12:39 PM

A2306001

Application of Southern California Edison
Company (U 338-E) For Approval of Its
2024 ERRRA Forecast Proceeding Revenue
Requirement

Application No. 23-06-001
(Filed June 1, 2023)

**PROTEST OF CALIFORNIA COMMUNITY CHOICE ASSOCIATION TO THE
APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY**

Evelyn Kahl
General Counsel and Director of Policy
CALIFORNIA COMMUNITY CHOICE
ASSOCIATION
One Concord Center
2300 Clayton Road, Suite 1150
Concord, CA 94520
Telephone: (415) 254-5454
E-Mail: regulatory@cal-cca.org

Tim Lindl
Lucas Fykes
KEYES & FOX LLP
580 California Street, 12th Floor
San Francisco, CA 94104
Telephone: (408) 621-3256
E-Mail: tlindl@keyesfox.com
lfykes@keyesfox.com

July 6, 2023

TABLE OF CONTENTS

I. CALCCA’S INTEREST2

II. GROUNDS FOR PROTEST4

 A. SCE Has Not Met Its Burden to Show the Relief Requested in its Application Is In
 Compliance With Prior Commission Decisions and Is Just and Reasonable.....4

 B. SCE Has Redacted Information in its Application and Testimony That Both It and PG&E
 Have Previously Made Public.7

III. PROCEDURAL AND DISCOVERY MATTERS.....8

 A. Categorization of Proceeding, Scope of Issues, Need For Hearings and Proposed
 Procedural Schedule8

 B. Other Procedural Requests in Light of the Compressed Nature of This Proceeding.11

IV. COMMUNICATIONS AND SERVICE11

V. CONCLUSION.....12

TABLE OF AUTHORITIES

Commission Decisions

D.12-12-030.....	4
D.06-06-066.....	7
D.15-07-044.....	4
D.18-01-009.....	4
D.19-11-016.....	4, 6
D.20-06-002.....	2
D.22-05-015.....	4, 6
D.23-06-006.....	4, 5, 6, 9

Commission Rules of Practice and Procedure

Rule 2.6.....	1
---------------	---

SUMMARY OF RECOMMENDATIONS

- The relief Southern California Edison Company (SCE) requests in its Application should not be granted because it conflicts with prior Commission decisions; is unjust and unreasonable; and/or requires further investigation into the issues identified herein, and any other issues that may arise during the course of the proceeding, prior to being granted.
- The Commission should require SCE to reserve its public testimony without redactions for information that does not meet the standard set in Decision (D.) 06-06-066, that Pacific Gas and Electric Company (PG&E) makes public in its ERRA forecast proceeding, and that SCE has previously made public.
- The Commission should adopt California Community Choice Association's (CalCCA) proposed issues in scope, which are in line with the scope in SCE's 2023 Energy Resource Recovery Account (ERRA) Forecast proceeding, updated for 2024 as needed.
- The Commission should adopt CalCCA's proposed schedule, which provides parties a meaningful opportunity to evaluate SCE's testimony, issue discovery, and respond in their testimony as necessary.

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

Application of Southern California Edison
Company (U 338-E) For Approval of Its
2024 ERRA Forecast Proceeding Revenue
Requirement

Application No. 23-06-001
(Filed June 1, 2023)

**PROTEST OF CALIFORNIA COMMUNITY CHOICE ASSOCIATION TO THE
APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY**

Pursuant to Rule 2.6 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission or CPUC), the California Community Choice Association¹ (CalCCA) hereby protests the *Application of Southern California Edison Company (SCE) (U 338-E) for Approval of Its Forecast 2024 ERRA Proceeding Revenue Requirement (Application)*.²

CalCCA protests the Application on the grounds that the relief Southern California Edison Company (SCE) requests in its Application conflicts with prior Commission decisions and is unjust and unreasonable. Moreover, the breadth and complexity of the Application prevents CalCCA from concluding, at this early stage, whether SCE has demonstrated that the entirety of the relief it requests is justified and meets the utility's burden of proof. CalCCA has identified several issues below that require further, detailed examination. Accordingly, the Commission

¹ California Community Choice Association represents the interests of 24 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, Energy for Palmdale's Independent Choice, 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.

² Application (A.) 23-06-001, *Application of Southern California Edison Company (U338E) for Approval of Its 2024 ERRA Forecast Proceeding Revenue Requirement* (June 1, 2023) (Application).

should refrain from granting the relief SCE requests in its Application and allow further investigation on those issues and any other issues that may arise during the course of the proceeding.

SCE also has proposed a schedule that would prevent a full examination of the issues raised in the Application. The proposed schedule follows a similar schedule to last year's proceeding, largely ignoring the fact that SCE requested and was granted a 17-day delay in filing its Application. The result is a proposed schedule that places a substantial near-term burden on intervening parties, requiring the Commission and intervenors to bear the brunt of accommodating SCE's delay in filing its application. Accordingly, CalCCA proposes to push the filing dates out by two weeks to account for SCE's late filing, which would have a final decision issued on December 15, the same date proposed by Pacific Gas and Electric Company (PG&E) and San Diego Gas and Electric Company (SDG&E), instead of December 1.

I. CALCCA'S INTEREST

In its Application, SCE requests the Commission determine that (1) SCE's 2024 Energy Resource Recovery Account (ERRA) Forecast revenue requirement of \$4.932 billion is reasonable; (2) SCE's forecast of greenhouse gas (GHG) allowance revenue return allocations is reasonable; (3) SCE is authorized to include and recover the 2024 ERRA Forecast revenue requirement in rates as authorized by a final decision in this proceeding; (4) SCE is authorized to recover from or return to customers certain currently estimated December 31, 2024 year-end balancing account balances and other miscellaneous expenses; (5) SCE may recover its 2024 Forecast Revenue Requirement Central Procurement Entity-Related Costs pursuant to Decision (D.) 20-06-002; and (6) any other relief that the Commission deems just and reasonable.³

³ Application at 1-3.

CalCCA seeks to participate in this proceeding in order to protect the interests of the CCAs it represents and the interests of those CCAs' customers. As noted above, CalCCA represents the interests of 24 CCAs in California, including five CCAs that serve SCE's delivery service customers: California Choice Energy Authority, Central Coast Community Energy, Clean Power Alliance, Desert Community Energy, and Orange County Power Authority. Each of those CCAs is governed by a Board of Directors comprised of elected officials who represent the individual cities and counties the CCA serves, or an elected City Council. While CalCCA's advocacy frequently benefits both bundled and unbundled customers, the CCAs are the sole advocates for their customers and their local energy programs before this Commission.

CCA customers pay CCA-specific generation rates, which vary and are partially influenced by local mandates to increase electric vehicle use, procure and maintain clean electricity portfolios that in many cases exceed state requirements for renewable generation, and achieve other local goals. As a result, CCA customers receive generation services from their local CCA, and receive transmission, distribution, billing, and other services from the incumbent investor-owned utility (IOU). In addition, CCA and other unbundled customers are subject to several non-bypassable charges, including the Power Charge Indifference Adjustment (PCIA), the 2024 levels of which will be determined in this proceeding.

The CCAs represented by CalCCA are advocates for the customers in the local communities that formed them. Ensuring the accuracy of the PCIA and other charges CCA customers pay, planning for changes to the PCIA, and protecting customers from the rate shock that can result, is a core directive for all CCAs and essential for any load-serving entity (LSE). As a result of these factors, and those discussed above and below, CalCCA and its members have a real, present, tangible and pecuniary interest in this proceeding.

II. GROUNDS FOR PROTEST

A. SCE Has Not Met Its Burden to Show the Relief Requested in its Application Is In Compliance With Prior Commission Decisions and Is Just and Reasonable.

The impact of SCE's application on both departed and bundled customers requires cautious and careful consideration under the applicable standards of proof. SCE, as the applicant, has the burden of affirmatively establishing the reasonableness of all aspects of its application,⁴ and that burden of proof generally is measured based upon a preponderance of the evidence.⁵

CalCCA has identified numerous issues that directly and substantially impact the interests described above. The specific issues enumerated below should be considered preliminary matters that CalCCA has identified as potentially unjust and unreasonable or out of compliance with Commission rules and precedent:

- SCE's proposal to value any banked Renewable Energy Credits (RECs) that may be needed for it to comply with its bundled-load Renewable Portfolio Standard (RPS) requirements does not comply with D.23-06-006;
- Whether SCE has correctly implemented D.19-11-016 and D.22-05-015 to ensure appropriate accounting treatment for both bundled and unbundled customers related to the forecasted cost recovery of system reliability Modified Cost Allocation Mechanism (ModCAM) contracts;
- Whether the accounting impact of RPS-eligible energy allocations to LSEs under the Voluntary Allocation and Market Offer is accurate;
- Whether SCE has properly calculated forecasted 2024 rates in light of the increased rates and revenue that will be earned from its June 1, 2023, ERRA Trigger advice letter;

⁴ D.12-12-030 at 42.

⁵ *See, e.g.*, D.18-01-009 at 9-10; D.15-07-044 at 29 (observing that the Commission has discretion to apply either the preponderance of evidence or clear and convincing standard in a ratesetting proceeding, but noting that the preponderance of evidence is the "default standard to be used unless a more stringent burden is specified by statute or the Courts).

- Whether SCE’s proposed accounting for Local Resource Adequacy (RA) resources forecasted to be shown or sold to the Central Procurement Entity in 2024 is reasonable and in compliance with prior Commission decisions;
- Whether SCE has properly accounted for costs and benefits related to 535.7 MW of utility owned storage that was initially connected to non-California Independent System Operator (CAISO) controlled distribution assets but may eventually become CAISO market assets in 2024 or future years;
- Whether SCE has properly accounted for its option to (a) continue voluntary allocation of hydro GHG-Free energy or (b) to apply a new GHG-Free market price benchmark when calculating the Indifference Amount, and resulting PCIA rates, per D.23-06-006;
- Whether SCE has properly calculated the Indifference Amount, and resulting PCIA rates, based on the changes to the Energy Index calculation methodology in D.23-06-006;
- Whether SCE’s Unsold RA forecasts are justifiable and in compliance with prior Commission decisions; and
- Whether SCE’s forecast of Retained RPS, Sold RPS, and Unsold RPS energy is reasonable and in compliance with prior Commission decisions.

These are some of the issues that CalCCA has identified in the Application to date that require further record development.

Of these, the first two issues are of particular importance to CalCCA, given a recent Commission decision and commitments made by SCE in its 2023 ERRRA Forecast proceeding. With respect to the first issue above, a proposal within SCE’s testimony appears to not be in compliance with a recent Commission decision, addressing the proper valuation of banked RECs needed to comply with a utility’s bundled customer-related RPS requirements within the forecast year. D.23-06-006 instructs that the “IOUs should apply the MPB for the year in which they use the banked REC.”⁶ In other words, the correct value that should be assigned to a banked REC used by a utility to meet its RPS obligations is determined by the RPS Adder applicable for the year

⁶ D.23-06-006 at 44.

when the banked REC is utilized. That is the approach utilized by PG&E in its current application.⁷ Based on CalCCA's review of SCE's Application and testimony, that is not the approach SCE proposes if banked RECs are used, and therefore, SCE's proposal does not appear to be in compliance that decision.⁸ CalCCA will address in this proceeding why SCE should follow PG&E's lead and comply with the requirement set forth in D.23-06-006.

Regarding the second item listed above, CalCCA seeks to verify whether SCE properly recorded the value of Retained RA from ModCAM contracts when it recorded Retained RA to the Portfolio Allocation Balancing Account (PABA). For context, D.22-05-015 established the parameters of the ModCAM mechanism, wherein the Commission clarified that cost recovery for D.19-11-016 procurement done on behalf of IOU bundled customers should be addressed in the PCIA, with the above-market costs assigned to the 2019 vintage. The SoCal CCAs addressed this issue in SCE's 2023 ERRa forecast proceeding.⁹ Since ModCAM implementation was delayed, the SoCal CCAs suggested SCE include the impact of D.19-11-016 procurement (which dates back to 2021) on the 2023 Indifference Amount in its final rates, which went into effect on January 1, 2023.¹⁰ The concern is that if bundled customers' share of the ModCAM contracts had been recorded to PABA from the beginning, PABA vintage 2019 would have been charged not only the contract costs, but it would also have been credited for the Retained RA benefits related to the contracts (and an offsetting charge for Retained RA would have been recorded to ERRa). SCE agreed that the approach outlined in SoCal CCA witness Dickman's direct testimony was

⁷ A.22-05-029, PG&E 2023 ERRa Forecast Prepared Testimony, pp. 11-13 through 11-21.

⁸ See Application at 129 (Table IX-43).

⁹ A.22-05-014, Exhibit CCA-01 at 28-32.

¹⁰ *Id.*

appropriate.¹¹ However, SCE did not implement this agreed-upon solution because, at the time, the ModCAM advice letter (AL 4831-E) describing the accounting approach was still pending Commission review. CalCCA seeks to ensure that SCE employs this approach in the current proceeding.

B. SCE Has Redacted Information in its Application and Testimony That Both It and PG&E Have Previously Made Public.

CalCCA takes issue with SCE’s redactions on page 130, lines 18-21, and page 131, lines 8-12, of its Prepared Testimony, Exh. SCE-01, pertaining to whether SCE will need to use its historical RPS bank to satisfy its RPS compliance requirements. SCE claims confidential treatment under Chapter IX of the IOU Matrix of Allowed Confidential Treatment, although the sections of the matrix to which SCE cites only applies to “monthly procurement costs” in ERRA filings.¹² In the Fall Update in SCE’s 2023 ERRA Forecast filing, SCE left nearly identical language unredacted, with the exception of one number, which allowed for the concept to be discussed and understood with more transparency.¹³ PG&E has also discussed whether it will need to use its historical bank to satisfy its RPS compliance requirements in its 2024 ERRA Forecast proceeding without redacting the discussion.¹⁴ The Commission should require SCE to redistribute its testimony with redaction treatment similar to previous years.

CalCCA is still examining the Application and reserves the right to address and protest additional issues in the course of this proceeding as they arise through further review, analysis, discovery and investigation of all aspects of the Application.

¹¹ *Id.*

¹² *See* D.06-06-066, Appendix 1 at 22.

¹³ *See* A.22-05-014, SCE-05C at 123:19-21.

¹⁴ *See* A.23-05-012, PG&E Public Direct Testimony at 9:21-23. (Table 9-4).

III. PROCEDURAL AND DISCOVERY MATTERS

A. Categorization of Proceeding, Scope of Issues, Need For Hearings and Proposed Procedural Schedule

CalCCA agrees with the categorization of this proceeding as ratesetting and believes hearings may be necessary, depending on CalCCA's on-going analysis of the Application, SCE's responses to discovery, and any settlement discussions that may take place.

With regard to scope, CalCCA suggests a scope that begins with the following issues that were included in SCE's 2023 ERRA Forecast proceeding, updated for 2024, and includes any issues discussed above that may not be included in the list below:

1. Whether SCE's requested 2024 ERRA forecast revenue requirement of \$4.932 billion is reasonable, including but not limited to consideration of the following:
 - a. SCE's forecast of electric sales and electric load;
 - b. SCE's forecast costs for fuel and purchased power expenses;
 - c. SCE's forecast costs for spent nuclear fuel interim storage;
 - c. SCE's forecast GHG costs; and
 - d. Annual true-ups for balancing accounts such as the Portfolio Allocation Balancing Account (BA), New System Generation BA; Energy Settlements Memorandum Account, ERRA BA, BioMAT Non-Bypassable Charge, and Tree Mortality Non-Bypassable Charge BA.
2. Whether SCE's forecast of GHG allowance revenue return allocations for energy-intensive trade-exposed customers, small business customers and the residential customer California Climate Credit is reasonable.
3. Whether SCE's forecast of GHG revenues and expenses set aside for 1) clean energy and energy efficiency programs and GHG administration, and 2) customer education and outreach plan costs are reasonable.
4. Whether SCE's forecast of Central Procurement Entity-related costs is reasonable.
5. Whether the Cost Allocation Mechanism rates are reasonable.
6. Whether SCE's calculation of the PCIA and Competition Transmission Charge rates are reasonable; including discussion of the following:
 - a. Treatment of Resource Adequacy resources and associated costs in the PCIA;
 - b. Treatment of RPS resources with excess RPS value and allocation of RPS sales across vintages;

- c. Calculation of the indifference amount;
 - d. Calculation of the year-end Portfolio Allocation BA balance; and
 - e. Allocation of indifference charges among vintages and customer classes.
7. Whether SCE’s request and methods used to determine the items above comply with all applicable rules, regulations, resolutions and decisions for all customer categories.
 8. Whether there are any safety concerns.¹⁵

CalCCA believes this list presents a good starting place for the scope of issues to be considered in this case, modified to update certain figures such as the revenue requirement in Issue 1.

CalCCA proposes the following changes to SCE’s proposed schedule:

Event	SCE’s Proposed Schedule	CalCCA’s Proposed Schedule
Application Filed	June 1, 2023	June 1, 2023
Protests	30 days from Notice	July 6, 2023 (30 days from Notice)
Reply filed	10 days from Protest	July 17, 2023 (10 days from Protest)
Prehearing Conference	July 19, 2023	July 19, 2023
SCE to serve supplemental testimony providing Energy Index Market Price Benchmark weighting factors and underlying data		August 15, 2023 ¹⁶
ORA/Intervenor testimony served	August 18, 2023	September 1, 2023
Rebuttal testimony served	September 1, 2023	September 15, 2023
Rule 13.9 Meet and Confer	September 6, 2023	September 20, 2023
Evidentiary Hearings	Week of September 11, 2023	Week of September 25, 2023

¹⁵ A.22-05-014, *Assigned Commissioner’s Scoping Memo and Ruling*, pp. 4-5 (October 21, 2022).

¹⁶ D.23-06-006 at 49, Ordering Paragraph (OP) 6.

Event	SCE's Proposed Schedule	CalCCA's Proposed Schedule
October Update	October 13, 2023	October 13, 2023
Comments on October Update/Concurrent Opening Briefs	October 27, 2023	November 10, 2023
Concurrent Reply Briefs	November 3, 2023	November 17, 2023
Proposed Decision	November 10, 2023	November 24, 2023
Comments on Proposed Decision	November 20, 2023	December 4, 2023
Reply Comments on Proposed Decision	November 27, 2023	December 11, 2023
Commission Meeting	November 30, 2023	December 15, 2023

CalCCA recommends extending the deadlines for intervenor testimony and subsequent filings by approximately two weeks, given that SCE filed its application late, on June 1, 2023, instead of May 15, as it did last year. In light of the compressed nature of this proceeding, SCE's delay filing its Application places intervening parties and the Commission at a disadvantage with respect to time, at no fault of the parties or the Commission. In order for CalCCA and other parties to have a meaningful opportunity to evaluate SCE's testimony – including the supplemental testimony providing Energy Index Market Price Benchmark weighting factors and underlying data¹⁷ – and to issue discovery and respond in their testimony as necessary, CalCCA recommends that the procedural deadlines be extended by approximately two weeks, as shown above.

¹⁷ *Id.*

B. Other Procedural Requests in Light of the Compressed Nature of This Proceeding.

In light of the compressed nature of this proceeding, CalCCA also requests that the Commission:

- Set the default discovery timelines for all parties to (a) five business days prior to the Fall Update, (b) three business days after rebuttal testimony and (c) two business days after the Fall Update is filed, with exceptions from those timelines allowed in the event that SCE requires more time due to the number or breadth of data requests;
- Require SCE to serve public and confidential workpapers concurrently with all supplements and updates to testimony;
- Require from SCE a clear presentation of modifications between its Prepared Testimony and any supplemental testimony; and
- Require SCE to serve public and confidential workpapers contemporaneously with all testimony supplements and updates over the course of the proceeding.

IV. COMMUNICATIONS AND SERVICE

CalCCA consents to “email only” service and request that the following individuals be added to the service list for A.23-06-001 on behalf of CalCCA:

Party Representative

Tim Lindl
Keyes & Fox LLP
580 California Street, 12th Floor
San Francisco, CA 94104
Telephone: (510) 314-8385
E-mail: tlindl@keyesfox.com

Information-Only Please include the CalCCA representative listed below on the information-only service list for this proceeding:

Brian Dickman
NEWGEN STRATEGIES & SOLUTIONS
LLC
225 Union Boulevard, Suite 305
Lakewood, CO 80228
Telephone: (303) 828-4035
E-mail: bdickman@newgenstrategies.net

Lucas Fykes
KEYES & FOX LLP
580 California St., 12th Floor
San Francisco, CA 94104
Telephone: (614) 254-8565
E-mail: lfykes@keyesfox.com

Evelyn Kahl
General Counsel and Director of Policy
CALIFORNIA COMMUNITY CHOICE
ASSOCIATION
One Concord Center
2300 Clayton Road, Suite 1150
Concord, CA 94520
Telephone: (415) 254-5454
Email: regulatory@cal-cca.org

Jill Schuepbach
NEWGEN STRATEGIES & SOLUTIONS
LLC
225 Union Boulevard, Suite 450
Lakewood, CO 80228
Telephone: (720) 823-0105
Email: jshuepbach@newgenstrategies.net

Willie Calvin
Regulatory Case Manager
CALIFORNIA COMMUNITY CHOICE
ASSOCIATION
One Concord Center
2300 Clayton Road, Suite 1150
Concord, CA 94520
Telephone: (510) 980-9504
Email: willie@cal-cca.org

V. CONCLUSION

For the foregoing reasons, CalCCA requests that the Commission set this matter for hearing to fully examine the issues discussed above.

Dated: July 6, 2023

Respectfully submitted,



Tim Lindl
Keyes & Fox LLP
580 California Street, 12th Floor
San Francisco, CA 94104
Telephone: (510) 314-8385
E-mail: tlindl@keyesfox.com

On behalf of CalCCA