BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Expedited Application of Pacific Gas and Electric Company Pursuant to the Commission's Approved Energy Resource Recovery Account (ERRA) Trigger Mechanism. (U39E)	Application 23-07-012

PROTEST OF THE CALIFORNIA COMMUNITY CHOICE ASSOCIATION

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Table of Contents

TABLE OF AUTHORITIES

SUMMARY OF RECOMMENDATIONS

- The Commission should adopt PG&E's list of proposed scoping issues.
- The Commission should adopt PG&E's proposal to categorize this proceeding as ratesetting.
- The Commission should consolidate this proceeding with PG&E's pending ERRA Forecast proceeding, A.23-05-012, and resolve both concurrently.
- The Commission should adopt a procedural schedule that allows parties to address both PG&E's ERRA Trigger and Forecast applications in the same testimony, briefs, or other filings.

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PROTEST OF THE CALIFORNIA COMMUNITY CHOICE ASSOCIATION

The California Community Choice Association[1] (CalCCA) hereby protests the relief PG&E seeks in the above-captioned *Expedited Application of Pacific Gas and Electric Company (PG&E) Pursuant to the Commission's Approved Energy Resource Recovery Account (ERRA) Trigger Mechanism (U 39 E)* (Application) pursuant to Rule 2.6 of the Rules of Practice and Procedure of the California Public Utilities Commission.

In its Application, PG&E proposes a rate increase effective November 2023 to recover the unamortized balance in its Energy Resource Recovery Account (ERRA) net of its Portfolio Allocation Balancing Account (PABA) balance (PG&E refers to this net amount as its "Incremental ERRA Trigger Balance") over a six-month period.[2] CalCCA does not oppose PG&E's proposal to recover its Incremental ERRA Trigger Balance through a rate increase.

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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 (EBCE), Energy for Palmdale's Independent Choice, Lancaster Choice Energy, Marin Clean Energy (MCE), Orange County Power Authority, Peninsula Clean Energy (PCE), 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 (SJCE), Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

2 Application at 1.

However, CalCCA recommends PG&E roll its year-end 2023 Incremental ERRA Trigger Balance into 2024 rates. CalCCA's recommended approach avoids subjecting PG&E's customers to three rate changes in a six-month period (in November 2023 when PG&E starts to amortize its Incremental ERRA Trigger balance, in January 2024 when Annual Electric True-Up rates go into effect, and in May 2024 when PG&E's Incremental ERRA Trigger balance is fully amortized). This approach follows the approach the Commission has adopted in previous ERRA Trigger Applications.[3] For the reasons described in this Protest, CalCCA requests the Commission adopt the scoping issues in PG&E's Application, consolidate this proceeding with PG&E's 2024 ERRA Forecast application, and resolve both concurrently.

I. CALCCA'S INTEREST IN THE APPLICATION

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. CalCCA represents the interests of 24 CCAs in California, including 11 CCAs that serve PG&E's delivery service customers. Each of those 11 CCAs is governed by a Board of Directors comprised of elected officials who represent the individual cities and counties the CCA serves, except for SJCE and CleanPowerSF, which are governed by their respective City Councils. CleanPowerSF is the CCA for the City and County of San Francisco, which the San Francisco Public Utilities Commission operates. SJCE is the City of San José's CCA program, which the San José Community Energy Department administers. 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.

3 *See, e.g.* Expedited Application of Pacific Gas and Electric Company Pursuant to the Commission's Approved Energy Resource Recovery Account (ERRA) Trigger Mechanism (U39 E), A.22-11-020 (proposing to roll its 2022-year-end ERRA undercollection into 2023 rates); Expedited Application of Pacific Gas and Electric Company Pursuant to the Commission's Approved Energy Resource Recovery Account (ERRA) Trigger Mechanism (U39 E), A.20-07-022 (proposing to roll its 2020-year-end ERRA undercollection into 2021 rates).

CCA customers receive generation services from their local CCA and receive transmission, distribution, billing, and other services from PG&E. As such, CCA customers in PG&E's service territory must pay the same electric distribution, transmission and non-bypassable rates as PG&E's bundled customers. However, 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. CCA and other unbundled customers are also subject to several non-bypassable charges, including the PCIA and the Cost Allocation Mechanism (CAM).

In this proceeding, rather than proposing to dispose of its year-end Incremental ERRA Trigger balance through 2024 rates as it has proposed in previous ERRA Trigger Applications, PG&E proposes to start amortizing that balance just two months before next year's rates go into effect. Specifically, PG&E proposes to amortize up to $256 million of its Incremental ERRA Trigger balance (its forecasted September 2023 balance) over a six-month period between November 2023 and April 2024.[4] PG&E states that it will "make its best efforts to incorporate the final Decision from [this Application] into the Fall Update for [its 2024 ERRA Forecast proceeding]."[5] To do so, PG&E states it "would incorporate into the year-end balancing account forecast and resulting revenue requirement forecast the outcome of this application."[6] PG&E further states it will roll over any under-collected Incremental ERRA Trigger Balance above $256 million for collection through the 2024 Annual Electric True-Up (AET).[7]

CalCCA is a party to PG&E's 2024 ERRA Forecast proceeding and is actively participating in that proceeding (it has issued substantial discovery and will file intervenor testimony in that

4 Application at 1.
5 PG&E Testimony at 1-4.
6 *Id.* at 2-7.
7 *Id.*

proceeding on September 6). This proceeding has a clear nexus with PG&E's 2024 ERRA Forecast proceeding because, as PG&E's Application acknowledges, the Commission's resolution of PG&E's request in this proceeding will necessarily and directly impact the balancing account balances and revenue requirements currently being litigated in PG&E's 2024 ERRA Forecast proceeding.[8] Given that nexus, CalCCA has a real, present, tangible and pecuniary interest in this proceeding.

II. PG&E SHOULD AMORTIZE ITS INCREMENTAL ERRA TRIGGER BALANCE IN 2024 RATES TO AVOID SUBJECTING CUSTOMERS TO THREE RATE CHANGES OVER A SIX-MONTH PERIOD

PG&E filed this Application in compliance with Decision (D.) 02-10-062, which requires the utility to file an expedited ERRA trigger application when its ERRA balancing account is 4 percent over- or under-collected (trigger mechanism).[9] PG&E, as the applicant, has the burden of affirmatively establishing that the relief it requests is just and reasonable[10] and in compliance with all applicable rules, regulations, resolutions and decisions for all customer classes. That burden of proof is generally measured based upon a preponderance of the evidence.[11] PG&E's Application currently does not provide sufficient evidence to meet its burden.

In its Application, PG&E notifies the Commission its ERRA balancing account, net of a relevant Portfolio Allocation Balancing Account (PABA) balance (Incremental ERRA Trigger Balance), is more than five percent under-collected and forecasts its undercollection will not self-

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[8] PG&E describes the relationship between this Application and its 2024 ERRA Forecast proceeding in detail at pages 9-10 of its Application, and in its Prepared Testimony at 1-4 and 2-7.

[9] Application at 1-2.

[10] Cal. Pub. Util. Code § 451.

[11] *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 evidence 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.")

correct within 120 days.[12] PG&E forecasts its Incremental ERRA Trigger Balance will continue to exceed the four percent trigger point through the remainder of 2023 and will be five percent under-collected by December 2023.[13] PG&E proposes to amortize its under-collected Incremental ERRA Trigger Balance (as of September 2023) through a rate increase in November 2023, up to the currently forecasted September 2023 balance of $256 million plus applicable Revenue Fees and Uncollectibles (RF&U), over a six-month period.[14]

The purpose of the trigger mechanism is to "balance the utilities need for timely cost recovery and the consequences of frequent rate adjustments on consumer behavior."[15] In past ERRA Trigger Applications, PG&E has balanced these objectives by rolling its year-end undercollection (or overcollection) into the following year's rates.[16] As PG&E stated in its 2019 ERRA Trigger application in the context of an ERRA *over*-collection, returning that overcollection through rates effective on January 1st of the forecast year "will return the accumulated overcollection expeditiously and minimizes rate volatility."[17]

In this Application, however, PG&E proposes to begin amortizing its undercollection through rates two months before its 2024 rates go into effect. PG&E's proposal would subject customers to three rate changes within a six-month period (in November 2023 when its proposed rate increase goes into effect, in January 2024 when the 2024 Annual Electric True-Up goes into

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12 Application at 1.

13 *Id*.

14 *Id*.

15 D.02-10-062, p. 71, Finding of Fact (FOF) 24.

16 *See, e.g.* Expedited Application of Pacific Gas and Electric Company Pursuant to the Commission's Approved Energy Resource Recovery Account (ERRA) Trigger Mechanism (U39 E), A.22-11-020 (proposing to roll its 2022-year-end ERRA undercollection into 2023 rates); Expedited Application of Pacific Gas and Electric Company Pursuant to the Commission's Approved Energy Resource Recovery Account (ERRA) Trigger Mechanism (U39 E), A.20-07-022 (proposing to roll its 2020-year-end ERRA undercollection into 2021 rates).

17 A.19-11-017, Expedited Application of Pacific Gas and Electric Company Pursuant to the Commission's Approved Energy Resource Recovery Account (ERRA) Trigger Mechanism at 5 (Nov. 18, 2019).

effect, and May 2024, when its Incremental ERRA Trigger undercollection is fully amortized). PG&E asserts that it proposes a six-month amortization period starting in November 2023 "to reduce the incremental financial pressures for both PG&E and its bundled customers"[18] but it has not demonstrated those "financial pressures" outweigh the adverse impacts of multiple clustered rate changes on its customers. PG&E has therefore not demonstrated the relief it requests is just or reasonable.

III. ISSUES, CATEGORIZATION OF PROCEEDING, NEED FOR HEARINGS, AND PROPOSED PROCEDURAL SCHEDULE

PG&E's list of issues encompasses the issue CalCCA raises above regarding the reasonableness of PG&E's proposed amortization period and rate implementation date. CalCCA therefore does not object to PG&E's proposed list of issues and recommends the Commission adopt that list of issues in its scoping memorandum.

CalCCA agrees with PG&E's proposed classification of this proceeding as "ratesetting." While CalCCA hopes to resolve the issues raised by this Application without hearings, CalCCA believes that evidentiary hearings may be necessary to present facts related to those issues, and therefore requests the Commission set this matter for hearing in conjunction with the on-going ERRA Forecast proceeding.

CalCCA does not recommend the Commission adopt the procedural schedule in PG&E's Application. [19] Assuming the Commission grants CalCCA's request to consolidate this proceeding and PG&E's pending ERRA Forecast proceeding (A.23-05-012), CalCCA recommends the Commission adopt a procedural schedule consistent with the schedule adopted in the ERRA Forecast proceeding, and allow parties to address both applications through the same testimony,

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18 PG&E Prepared Testimony at 2-7:3-5.
19 PG&E Prepared Testimony at 9.

briefs and other filings in the consolidated proceeding. For purposes of clarity, CalCCA reproduces that schedule[20] below.

Activity	**Due Date**
PG&E Filed Application	May 15, 2023
Intervenor Testimony	September 6, 2023
Rebuttal Testimony	September 27, 2023
Market Price Benchmark	October 2, 2023
Rule 13.9 Meet and Confer / Status Conference	October 2, 2023
Evidentiary Hearings	October 5-6, 2023
Opening Briefs	October 13, 2023
Reply Briefs	October 23, 2023
Fall Update	October 16, 2023
Comments on Fall Update	November 1, 2023
Reply Comments on Fall Update	November 6, 2023
Proposed Decision	November 22, 2023
Comments on Proposed Decision	November 29, 2023
Reply Comments on Proposed Decision	December 4, 2023
Targeted Commission Meeting	December 14, 2023
Rates Effective	January 1, 2024

The Commission has opted to resolve PG&E ERRA Trigger applications (both ERRA under- and over-collections) in 2014, 2019, 2020 and 2022 in conjunction with on-going ERRA Forecast proceedings.[21] Doing so allows the record in the ERRA Forecast application to support resolution of the trigger application and to prevent an inefficient process where duplicative records

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20 A.23-05-012, Assigned Commissioner's Scoping Memo and Ruling at 6 (Aug. 3, 2023).

21 *See* A.14-08-023, D.14-12-053 at 10, OP2 at 21 (Dec. 22, 2014) (addressing PG&E's request to address its ERRA undercollection in its ERRA Forecast proceeding, and authorizing PG&E's request to recover its 2014 year-end ERRA undercollection through rates to take effect on January 1, 2015); A.19-11-017, D.20-03-012, OP1 at 9 (Mar. 18, 2020) (directing PG&E to address its estimated 2019 ERRA overcollection in its 2020 ERRA Forecast proceeding); A.20-07-022, D.20-11-029 at OP 1, p.6 (Nov. 19, 2020) (directing PG&E to address any remaining ERRA overcollection in its 2021 ERRA Forecast proceeding); A.22-11-020, D.23-05-010 (May 18, 2023) (noting the subject of PG&E's ERRA Trigger Application was resolved by the Commission's decision in PG&E's 2023 ERRA Forecast Application, D.22-12-044);

are built in two concurrent cases. Following a consolidation approach here will allow the Commission to efficiently resolve the trigger in a manner that is not only administratively efficient but will prevent the potential for inconsistent treatment of PG&E's request in any rate changes resulting from the two cases.

IV. COMMUNICATIONS AND SERVICE

CalCCA consents to "email only" service and requests the following individuals be added to the service list for A.23-07-012 on behalf of CalCCA:

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V. CONCLUSION

For the foregoing reasons, CalCCA requests the Commission adopt the categorization and scoping issues proposed in PG&E's Application; consolidate this matter with PG&E's on-going ERRA Forecast application; and adopt a procedural schedule that allows parties to address PG&E's ERRA Trigger and ERRA Forecast applications in the same testimony, briefs, or other filings.

Respectfully submitted,

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Dated: August 10, 2023