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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company For Adoption of Electric Revenue Requirements and Rates Associated with its 2024 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation (U 39 E)	Application No. 23-05-012 (Filed May 15, 2023)
Expedited Application of Pacific Gas and Electric Company Pursuant to the Commission's Approved Energy Resource Recovery (ERRA) Trigger Mechanism. (U 39 E)	Application No. 23-07-012 (Filed July 28, 2023)

CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S COMMENTS ON FALL UPDATE

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November 1, 2023

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**CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S
COMMENTS ON FALL UDPATE**

Pursuant to the schedule adopted in the Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo),[1] the California Community Choice Association[2] (CalCCA) hereby submits these comments regarding Pacific Gas and Electric Company's (PG&E) October 16, 2023

[1] Scoping Memo at 6 (Aug. 3, 2023).

[2] California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Ava Community Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert 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.

Fall Update Testimony and October 26, 2023 Supplemental Fall Update Testimony (collectively, "Fall Update") in the above-captioned consolidated proceeding.

PG&E's Fall Update addresses several issues CalCCA raised in this proceeding. Based on CalCCA's review of PG&E's Fall Update, supporting workpapers, and responses to CalCCA's data requests, PG&E correctly and appropriately resolves those issues. With regard to Scoping Issue 6:[3]

- Consistent with CalCCA's recommendation,[4] PG&E corrected the General Rate Case (GRC) revenue requirement included in its Power Charge Indifference Adjustment (PCIA) revenue requirement to reflect the sale of its San Francisco General Office (SFGO) headquarters, resulting in a $17 million credit to the PCIA revenue requirement;[5]

- Consistent with CalCCA's recommendation,[6] PG&E made an adjustment to its PCIA revenue requirement to remove an additional month of Diablo Canyon Power Plant Unit 1 Resource Adequacy (RA) capacity from that revenue requirement, which correctly reflects the removal of Diablo Canyon Unit 1 from the PCIA effective November 1, 2024.[7]

With regard to original Scoping Issue 9a:[8]

- PG&E reverted to its existing methodology for allocating Electric Supply Administration (ESA) costs, which means those costs will be allocated based on net authorized revenue requirements for the purposes of 2024 ratesetting.[9]

The only remaining contested issues between CalCCA and PG&E in this proceeding are: (1) PG&E's proposal to amortize its Incremental Energy Resource Recovery Account (ERRA)

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[3] Scoping Memo at 3.

[4] CalCCA Opening Brief at 17-19.

[5] PG&E Fall Update Testimony at 16, line 29 to 17, line 6.

[6] CalCCA Opening Brief at 19-20.

[7] PG&E Fall Update Testimony at 17, lines 7-15.

[8] Scoping Memo at 3-4.

[9] PG&E Supplemental Fall Update Testimony at 5-9.

Trigger Balance[10] over a six-month period (Scoping Issue 1 from the Assigned Commissioner's September 15, 2023 Amended Scoping Memo and Ruling Consolidating Related Proceedings);[11] and (2) PG&E's proposal to apply banked Renewable Energy Credits (RECs) from prior years towards its Minimum Retained Renewable Portfolio Standard (RPS) shortfall on a Last-In/First-Out (LIFO) basis (Scoping Issue Ic and 9b). With respect to the first contested issue, CalCCA objects to PG&E's six-month amortization period and recommends the Commission direct PG&E to amortize its year-end Incremental ERRA Trigger Balance over a twelve-month period by rolling that balance into 2024 rates, consistent with the Commission's approach to prior trigger balance amortizations. CalCCA discusses its recommendation in detail in its Comments on PG&E's Trigger Proposal, filed separately in this consolidated proceeding on November 1, 2023.[12] With respect to the second contested issue, CalCCA's Opening[13] and Reply[14] briefs explain the Commission should direct PG&E to apply banked RECs towards its 2024 Minimum Retained RPS requirement on a "first-in first-out" (FIFO) basis consistent with CalCCA's proposed banked REC application methodology, and rebut the arguments PG&E raises in its briefs.

Lastly, as the community choice aggregators in this proceeding have done in their comments on PG&E's updated testimony for a number of years, CalCCA updates the analysis it presented in its direct testimony regarding the various factors influencing forecast PCIA rates in 2024. Figure 1 below illustrates the increase in the PCIA revenue requirement between 2013 and

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10 PG&E's "Incremental ERRA Trigger Balance" is its ERRA balance net of the bundled customer share of its Portfolio Allocation Balancing Account (PABA) balance, minus amounts included for amortization through 2023 AET rates.

11 PG&E Fall Update Testimony at 30-32.

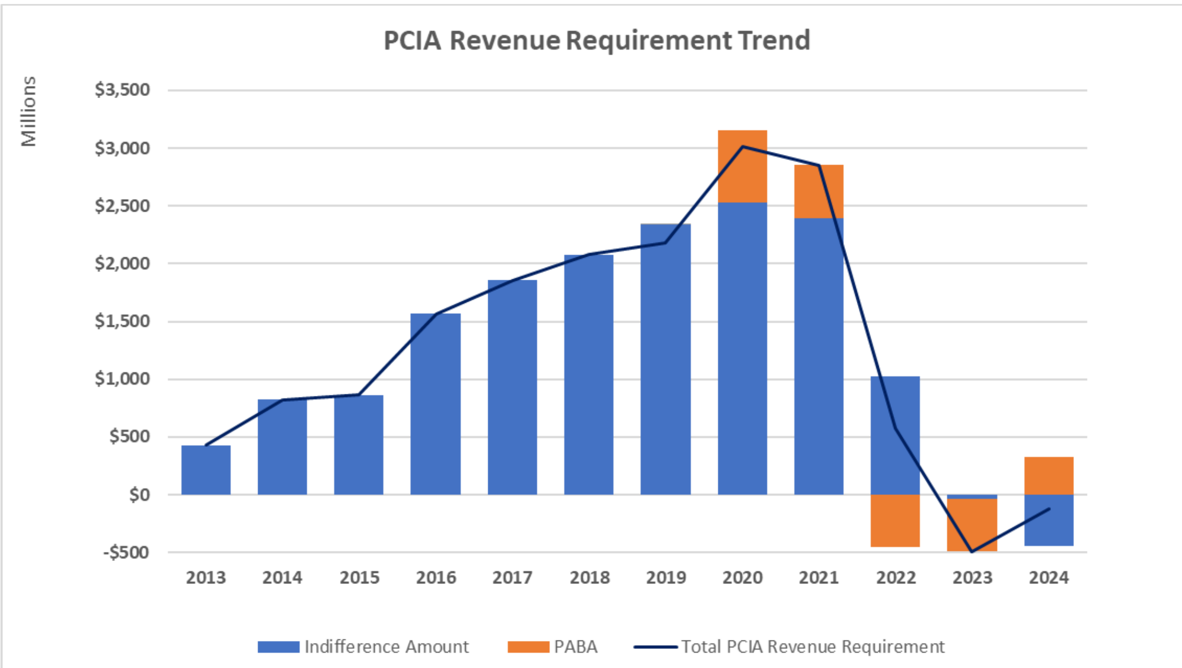
12 CalCCA Comments on PG&E's Trigger Proposal (Nov. 1, 2023).

13 CalCCA Opening Brief at 8-16.

14 CalCCA Reply Brief at 3-6.

2020, including the step change occurring with the introduction of the PABA in 2019. PCIA revenue requirement declined between 2021 and 2023. In 2024, however the PCIA revenue requirement began to increase again due to a large PABA under-collection. Figure 1 also shows that the PABA flipped from being over-collected in 2023 to under-collected in 2024.

Figure 1: PCIA Revenue Requirement Trend



The increase in the PCIA during 2023 is driven by a decrease in the market value of power generation, offset by an increase to RPS and RA value due to an increase in the RPS and RA Market Price Benchmarks. In direct testimony, CalCCA described that PG&E's preliminary projection of the 2023 year-end PABA showed an over-collection driven by projections of higher market prices and higher than expected generation volume, offset in part by higher procurement costs. That over-collection in the PABA has been substantially reduced and is now expected to be an under-collection by the end of 2023 mainly due to the decline in wholesale market prices for energy.

For the foregoing reasons, CalCCA continues to respectfully request that the Commission:

- Approve PG&E's proposal to apply excess RECs from prior years to meet its Minimum Retained RPS obligations for the 2024 forecast year; its proposal to charge bundled customers for those RECs in 2024; and its proposal to credit applicable PABA vintages for those RECs at the 2024 RPS Adder;

- Direct PG&E to apply banked RECs towards its 2024 Minimum Retained RPS requirement on a "first-in first-out" basis consistent with CalCCA's proposed methodology, and make correcting entries to the 2023 PABA to reflect that methodology;

- Approve PG&E's proposal to extend the PCIA Undercollection Balancing Account (PUBA) rate adder in 2024, and find that it is reasonable for PG&E to close the PUBA rate adder once the balance in that account reaches $1 million, or at the end of 2024, whichever is sooner, via a Tier 1 Advice Letter;

- Defer making any findings, conclusions or orders with respect to PG&E's proposal to modify its methodology for allocating ESA costs until after the Commission decision targeted for the December 14, 2023 meeting, consistent with the Administrative Law Judge's Ruling Regarding Fixed Generation Costs issued on October 9, 2023.

CalCCA appreciates the opportunity to address these issues in opening comments and will submit reply comments as necessary.

Dated: November 1, 2023

Respectfully submitted,

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