



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

**FILED**

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Order Instituting Rulemaking to Advance  
Demand Flexibility Through Electric Rates.

R.22-07-005

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S COMMENTS  
ON THE PROPOSED DECISION TO EXPAND SYSTEM RELIABILITY  
PILOTS OF PACIFIC GAS AND ELECTRIC COMPANY AND  
SOUTHERN CALIFORNIA EDISON COMPANY**

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## SUMMARY OF RECOMMENDATIONS

California Community Choice Association supports the Proposed Decision and offers the following recommendations for the California Public Utilities Commission (Commission) to further define and clarify community choice aggregator (CCA) participation in real time pricing (RTP) pilots:

- Adopt the Proposed Decision's cost recovery framework because it avoids cost shifts between bundled and unbundled customers;
- Adopt the Proposed Decision's timeline for CCA participation in pilots, allowing CCAs to initiate enrollment by June 1, 2025;
- Allow CCAs to notice intent to participate after IOU advice letters are submitted;
- Adopt the Proposed Decision's recommendation to direct Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE) to jointly host a workshop to discuss, with CCAs, plans to prevent dual enrollment with excluded demand response (DR) programs;
- Revise the Proposed Decision to provide more detail about how the Commission envisions CCA participation in IOU-administered RTP pilots;
- Clarify roles and responsibilities of CCAs and IOUs for RTP pilot implementation; and
- Provide the calculation methodology in the Proposed Decision for the CCA incentive of \$20/kilowatt-year.

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The California Community Choice Association<sup>1</sup> (CalCCA) submits these comments pursuant to Rule 14.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure<sup>2</sup> on the proposed *Decision to Expand System Reliability Pilots of Pacific Gas and Electric Company and Southern California Edison Company*<sup>3</sup> (Proposed Decision), dated December 15, 2023, and *Procedural Email Re: Rule 11.6 Motion for Extension of Time (SCE, PG&E, and SDG&E)*, dated December 22, 2023: Opening comments on the proposed decision are now due on January 5, 2024, and reply comments are now due on January 12, 2024.

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<sup>1</sup> 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 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.

<sup>2</sup> State of California, California Public Utilities Commission, *Rules of Practice and Procedure* (May 1, 2021).

<sup>3</sup> Proposed *Decision to Expand System Reliability Pilots of Pacific Gas and Electric Company and Southern California Edison Company*, Rulemaking (R.) 22-07-005 (Dec. 15, 2023): <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M521/K479/521479791.PDF>.

## I. INTRODUCTION

CalCCA applauds the Commission for swiftly incorporating stakeholder feedback and proposing balanced approaches for implementing expanded real time pricing (RTP) pilots. The Proposed Decision recognizes the need to expand testing of RTP rates across customer and rate classes to improve grid reliability in the near term and ahead of the California Energy Commission's Load Management Standard deadlines for load-serving entities to establish RTP rates by 2027. The Proposed Decision establishes three primary elements which strike a reasonable balance based on stakeholder feedback in this proceeding. First, the Proposed Decision establishes a cost recovery framework that avoids cost shifts. Second, the Proposed Decision proposes an enrollment-based incentive of \$20/kilowatt (kW)-year for participating community choice aggregators (CCAs). Third, the Proposed Decision, if adopted, would allow CCAs to opt into pilots through June 2025. While the Proposed Decision establishes several important characteristics for implementing expanded pilots, the Proposed Decision should be revised to provide more clarity to CCAs to maximize CCA participation in pilots administered by investor-owned utilities (IOUs). Therefore, CalCCA recommends that the Commission do the following:

- Adopt the Proposed Decision's cost recovery framework because it mitigates cost shifts between bundled and unbundled customers;
- Adopt the Proposed Decision's timeline for CCA participation in pilots, allowing CCAs to initiate enrollment by June 1, 2025;
- Allow CCAs to notice intent to participate after IOU advice letters are submitted;
- Adopt the Proposed Decision's recommendation to direct Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE) to jointly host a workshop to discuss, with CCAs, plans to prevent dual enrollment with excluded demand response (DR) programs;
- Revise the Proposed Decision to provide more detail about how the Commission envisions CCA participation in IOU-administered RTP pilots;
- Clarify roles and responsibilities of CCAs and IOUs for RTP pilot implementation; and

- Provide the calculation methodology in the Proposed Decision for the CCA incentive of \$20/kw-year.

## **II. THE COMMISSION SHOULD ADOPT THE PROPOSED DECISION’S COST RECOVERY FRAMEWORK BECAUSE IT MITIGATES COST SHIFTS BETWEEN BUNDLED AND UNBUNDLED CUSTOMERS**

The Proposed Decision strikes a reasonable and fair position with regard to the expanded pilot cost recovery framework by proposing to recover expanded pilot implementation costs through the existing Dynamic and Real Time Pricing Memorandum Account (DRTPMA). For cost recovery of the generation portion of shadow bill credits, the Proposed Decision proposes to use the Energy Resource Recovery Account (ERRA) for PG&E, and the Base Revenue Requirement Balancing Account Generation subaccount (BRRBA-G) for SCE.<sup>4</sup> The Commission should adopt the Proposed Decision’s cost recovery framework for two reasons. First, it mitigates the potential for cost shifts between bundled and unbundled customers. Since bundled and unbundled customers can benefit from participating in the expanded pilots, it is reasonable to collect implementation costs through the existing DRTPMA, which is a distribution account and therefore collected from all customers. Second, the Proposed Decision’s cost recovery framework for shadow bill credits avoids dealing with the complexity of, or potential cost shifts due to cost recovery through the latest Power Charge Indifference Adjustment (PCIA) vintage of the Portfolio Allocation Balancing Account (PABA), which PG&E proposed.<sup>5</sup> Collecting shadow bill credit cost recovery for bundled customers through the ERRA and BRRBA-G, which are

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<sup>4</sup> See Proposed Decision Finding of Fact 30 and 31, at 75-76.

<sup>5</sup> R.22-07-005. *Submission of GridX, Inc., Polaris Energy Services, Gridtractor, Inc., and Pacific Gas and Electric Company’s Comments and Responses to the Administrative Law Judge’s Ruling on Track B Staff Proposal to Expand Existing Pilots* (Sept. 25, 2023), at 26 (“PG&E believes that recovery through the last PCIA vintage year of PABA for PG&E generation rate shadow billing credits is the most appropriate method of recovery for the generation component because it will recover the revenue shortfall from those customers”).

collected from PG&E and SCE bundled customers respectively, will mitigate cost shifting between departed load customers and bundled customers.

**III. THE COMMISSION SHOULD ADOPT THE PROPOSED DECISION'S FLEXIBILITY IN ALLOWING CCAS TO INITIATE ENROLLMENT OF CUSTOMERS BY JUNE 1, 2025**

CalCCA appreciates the Proposed Decision's acknowledgement of the importance of CCA customer participation in the expanded RTP pilots by allowing CCAs to initiate enrollment up to June 1, 2025. This will allow CCAs that are ready to participate the ability to enroll customers for the summer of 2024, and give more time to CCAs that are not ready. Providing an additional year for CCAs to determine whether participation in expanded pilots is right for their customers as well as how participation may interact with other existing CCA programs will maximize the overall number of CCAs participating and minimize any conflicts.

**IV. THE COMMISSION SHOULD ALLOW CCAS TO NOTICE INTENT TO PARTICIPATE AFTER IOU ADVICE LETTERS ARE SUBMITTED**

For CCAs that are ready to participate for the summer of 2024, the Proposed Decision should require CCAs to file their Tier 1 advice letter providing notice to the Commission that they will participate in the pilots after the IOUs have submitted their Tier 2 implementation plan advice letters and the advice letters have been approved. Understanding the details of how the IOUs plan to implement the pilots is a fundamental part of a CCA's decision-making process for determining whether to participate in the pilots. Given that the IOU implementation advice letters are due 60 days after the effective date of this decision, most likely late March 2024 if the decision is voted out at the end of January 2024, CCAs that are ready to participate in the pilot by summer of 2024 should be required to file their Tier 1 advice letters only after the disposition of the IOU implementation advice letters.<sup>6</sup>

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<sup>6</sup> See Proposed Decision, Ordering Paragraphs (OP) 1-2, at 77-78.



**V. THE COMMISSION SHOULD ADOPT THE PROPOSED DECISION'S DIRECTION FOR PG&E AND SCE TO HOST A WORKSHOP TO DISCUSS HOW TO WORK WITH CCAS TO PREVENT DUAL ENROLLMENT IN EXCLUDED DR PROGRAMS**

The Commission should adopt the Proposed Decision's recommendation to direct PG&E and SCE to host a workshop to discuss with CCAs how to prevent dual enrollment with RTP pilots and expand the scope of the workshop to include a discussion of how CCAs will be able to modify their generation rates throughout the duration of the pilots. As part of PG&E and SCE planning for implementing expanded pilots, the Proposed Decision directs both IOUs to include a joint plan to prevent dual enrollment that includes input from CCAs.<sup>7</sup> A benefit of the expanded pilots will be to see how RTP rates work or do not work well with other programs that incentivize load shifting, but in different ways. Finding synergies or conflicts between existing programs and RTP rates will ensure that full RTP rates offered to customers in the future provide the most value and incent the most load shifting. This applies to CCA customers as well, so CCA input to PG&E and SCE dual enrollment prevention plans is equally important for maximizing CCA customer enrollment in pilots. However, as the Commission rightly points out, prohibiting dual participation in DR programs may reduce participation in the expanded pilots, thereby limiting their potential impact.<sup>8</sup> As such, CalCCA urges the Commission to acknowledge that any limits on dual participation adopted in the Final Decision are not precedential and any future decisions on dual enrollment in daily load shifting and event-based DR programs will not be prejudiced by this decision. To ensure broad participation in demand flexibility rates, CalCCA

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<sup>7</sup> *Ibid.*

<sup>8</sup> *See* Proposed Decision, at 62 (“We acknowledge that prohibiting dual participation in DR programs may reduce participation in the expanded pilots and limit their potential to meet the 50-MW enrollment targets for each pilot.”).

recommends that the Commission expeditiously create a working group process to address dual enrollment issues either in this or another proceeding as referenced in the Proposed Decision.<sup>9</sup>

**VI. THE PROPOSED DECISION SHOULD PROVIDE MORE DETAIL ABOUT HOW CCAS WILL PARTICIPATE IN IOU-ADMINISTERED RTP PILOTS TO PROVIDE CERTAINTY AND MAXIMIZE CCA PARTICIPATION**

CalCCA appreciates the Commission’s willingness to consider ways to optimize CCA participation in the expanded RTP pilots administered by PG&E and SCE, including the discussions in Sections 3 and 4, and the \$20/kw-year incentive for CCAs based on enrolled load from CCA customers.<sup>10</sup> In this same vein, the Proposed Decision should include further details on how CCA participation will work in IOU administered RTP pilots to provide certainty for CCAs to participate.

**A. The Proposed Decision Should Clarify Roles and Responsibilities for CCA Participation in an IOU-Administered RTP Pilot**

The Proposed Decision directs PG&E and SCE to administer the expanded RTP pilots and provides the ability for CCAs to opt in to participation with their respective utility. While the Proposed Decision provides direction to PG&E and SCE on developing implementation plans,<sup>11</sup> it does not provide details on what the Commission expects CCA participation in pilots to look like or guidance on how CCAs will be able to modify the components of the dynamic rate for which they are responsible. The Proposed Decision should include more details clarifying the roles and responsibilities of CCAs and IOUs in IOU-administered RTP pilots given that IOUs will interact with customers with whom CCAs have existing relationships. This particularly applies to larger customers such as agricultural, commercial, and industrial customers.

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<sup>9</sup> See Proposed Decision, at 63 (“The Commission may create a process to address these issues in Phase 2 of this proceeding or in another proceeding to promote widespread enrollment in demand flexibility rates.”).

<sup>10</sup> See Proposed Decision, Conclusion of Law (COL) 12, 13, and 25, at 72-74.

<sup>11</sup> See Proposed Decision, O¶ 1-2, at 77-78.

CCAs have built relationships with customers across all rate classes by servicing their generation needs. The expanded RTP pilots should be structured in a way that allows CCAs and IOUs to collaborate effectively, enhancing the experience for all parties involved, including customers. CCA customers who participate in the program will expect their generation provider to be knowledgeable about all generation components of the pilots, including, but not limited to information related to hourly generation rates and their formation. It is essential to recognize that allowing the IOU to manage the entire pilot, with no role for CCAs in the customer journey, *ipso facto* detracts from the generation-related experience of CCA customers, could introduce inconsistencies, and potentially undermines the trust and expertise that CCAs have cultivated with their customer base. Thus, the Proposed Decision should explicitly outline the expectations and responsibilities for CCAs as partners in managing the customer relationships within the context of IOU-administered RTP pilots. This clarity will not only safeguard the interests of CCA customers but also contribute to the overall success and effectiveness of the RTP pilots.

CalCCA's recommendations for CCA participation include but are not limited to:

- Clarification of the process through which CCAs will be able to modify the generation component of the dynamic rate for their unbundled customers and how CCAs will be able to interact with the pilot platform to modify the cost components for which they are responsible.
- CCAs should have the ability, to the extent necessary, to manage customer relationships with CCA customers enrolled in expanded pilots.
- IOU administrators should provide CCAs access at all times to the hourly generation rate and the methodology and data used to create the combined hourly rate.
- IOUs should provide CCAs with all monthly shadow bills for their participating customers.
- CCAs should have the option to include messaging to customers when customers receive their annual savings derived from the shadow bills. At minimum, customer messaging should acknowledge the portion of savings paid by the CCA vs. the IOU.

- PG&E and SCE should provide CCAs with their implementation plans so CCAs can understand how CCA customers will be marketed and contacted.
- CCAs should have the option to co-host educational webinars marketed towards shared customers.
- CCAs should receive access to expanded pilot technology and platforms to the extent necessary to effectively communicate with customers.
- IOU administrators should keep CCAs apprised of how CCA customers are performing in pilots.
- CCAs should have the option to develop co-branding with their IOU administrator if electing to participate in expanded pilots.
- SCE should provide criteria as to how it will select the first CCA to participate. The selected CCA should have the ultimate authority to determine its participation in the expanded pilot.

**B. The Proposed Decision Should Clarify The Methodology The Commission Used to Calculate The CCA Incentive**

The Proposed Decision offers participating CCAs \$20/kw-year of capacity enrolled in RTP pilots up to \$1.8 million per pilot,<sup>12</sup> but it should clarify the methodology the Commission used to calculate this incentive level. CalCCA appreciates the Commission’s recognition of the value of CCA customer participation in RTP pilots for grid reliability by offering an incentive to CCAs. CCAs would benefit from understanding how the Commission calculated this incentive level for two reasons. First, understanding the inputs to calculating the incentive level would help CCAs understand what the Commission envisions for CCA participation and how that vision may align with efforts required by CCAs to participate. Second, if the Proposed Decision establishes a specific methodology, CCAs can use that same methodology to determine whether the incentive is sufficiently compensating CCAs for their participation and the cost of connecting to the third-party vendor to provide their generation rates. CCAs will need to dedicate resources

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<sup>12</sup> See Proposed Decision, COL 12, 13, and 25, at 72-74.

to monitor customer participation in IOU administered pilots, including at a minimum managing customer relationships, responding to customer inquiries, uploading generation rates, verifying CCA customer shadow bills and annual payments, and analyzing customer performance to inform future CCA RTP rate development. With the incentive calculation methodology from the Commission, CCAs can make more informed choices on participation in RTP pilots.

## **VII. CONCLUSION**

CalCCA appreciates the opportunity to submit these comments and requests adoption of the recommendations proposed herein.

Respectfully submitted,

A handwritten signature in blue ink that reads "Evelyn Kahl".

Evelyn Kahl,  
General Counsel and Director of Policy  
CALIFORNIA COMMUNITY CHOICE  
ASSOCIATION

January 4, 2024

APPENDIX A  
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Proposed text deletions show as ~~**bold and strikethrough**~~

CONCLUSIONS OF LAW

**38. It is reasonable to allow CCAs that participate in the PG&E pilots to modify the generation component of the dynamic rate for their unbundled customers before commencing enrollment and throughout the entire duration of the pilots.**