

Docket No.: A.23-05-010

Exhibit No.: _____

Date: February 29, 2024

Witness: Carlo Bencomo-Jasso

**PREPARED DIRECT TESTIMONY OF CARLO BENCOMO-JASSO
ON BEHALF OF THE
CALIFORNIA COMMUNITY CHOICE ASSOCIATION
IN SOUTHERN CALIFORNIA EDISON'S
2025 GENERAL RATE CASE**

PUBLIC

February 29, 2024

EXECUTIVE SUMMARY OF RECOMMENDATIONS

Q: What is the purpose of your testimony?

A: My testimony focuses on Southern California Edison Company's (SCE) proposal to decommission its Solar Photovoltaic Program (SPVP) assets. A crucial element of SCE's present value of revenue requirement (PVRR) analysis that it used to compare the repair, sale, and decommissioning alternatives for these assets is the renewable energy credit (REC) price forecast.

My testimony compares the dated REC forecast SCE used in its PVRR analysis for the SPVP assets to a current third-party REC price forecast and finds a [REDACTED] [REDACTED] between these forecasts. For forecasted REC prices between [REDACTED], the third-party forecasted prices are approximately [REDACTED] than SCE's forecasted prices; on average during this period, this third-party forecast is approximately [REDACTED] than SCE's forecast. I conclude that SCE's opaque REC forecast, which is from [REDACTED], does not reflect present market conditions or reasonable REC price projections.

Q: What is your recommendation for addressing the issues associated with SCE's REC forecast?

A: The Commission should reject SCE's proposal to decommission the SPVP facilities as premature because SCE's PVRR calculations are based on dated forecasted REC prices that do not reflect the current market.

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1 **I. INTRODUCTION AND SUMMARY**

2 **Q: Please state for the record your name, position, and business address.**

3 A: My name is Carlo Bencomo-Jasso. I am a Manager at NewGen Strategies and Solutions,
4 LLC (NewGen). My business address is 225 Union Boulevard, Suite 450, Lakewood,
5 Colorado 80228.

6 **Q: Please describe your experience and qualifications.**

7 A: I have over 10 years of experience in the energy industry, with prior experience working
8 on regulatory and resource planning issues in New England and California. I have
9 provided testimony to the Rhode Island Public Utilities Commission and the California
10 Public Utilities Commission (Commission). A summary of my qualifications is provided
11 in Attachment CBJ-1 to this testimony.

12 **Q: On whose behalf are you testifying today?**

13 A: I am testifying on behalf of the California Community Choice Association (CalCCA).
14 CalCCA’s mission is to create a legislative and regulatory environment that supports the
15 development and long-term sustainability of locally run Community Choice Aggregation
16 (CCA) electricity providers in California.

17 **Q: What is the purpose of your testimony?**

18 A: My testimony focuses on the following issue in the September 5, 2023, Assigned
19 Commissioner’s Scoping Ruling: whether SCE’s proposed revenue requirements,
20 proposed costs, and proposed recovery mechanisms for Test Year 2025 are just and
21 reasonable and should be adopted by the Commission and reflected in rates.¹
22 Specifically, this testimony focuses on SCE’s proposal to decommission its Solar
23 Photovoltaic Program (SPVP) assets. A crucial element of SCE’s present value of
24 revenue requirement (PVRR) analysis that it used to compare the repair, sale, and

¹ See Application (A.) 23-05-010, *Assigned Commissioner’s Scoping Memo and Ruling*, p. 3 (September 5, 2023).

1 decommissioning alternatives for these assets is the renewable energy credit (REC) price
2 forecast.

3 My testimony compares the dated REC forecast SCE used in its PVRR analysis
4 for the SPVP assets to a current third-party REC price forecast and finds a [REDACTED]
5 [REDACTED] between these forecasts. For forecasted REC prices between [REDACTED], the
6 third-party forecasted prices are approximately [REDACTED] than SCE's
7 forecasted prices; on average during this period, this third-party forecast is approximately
8 [REDACTED] than SCE's forecast. I conclude that SCE's opaque REC forecast, which is
9 from [REDACTED], does not reflect present market conditions or reasonable REC price
10 projections.

11 II. SCE'S REC PRICE FORECAST IS OUTDATED AND INACCURATE

12 **Q: Please summarize the relevancy of SCE's REC price forecast to its PVRR analysis
13 of the SPVP assets.**

14 **A:** SCE provides a PVRR analysis to compare the total costs and benefits of different
15 alternative paths it could take with its SPVP assets: maintaining these assets and
16 decommissioning them at the end of their original lifespan (Option 1), or deenergizing
17 these assets and decommissioning them between 2025 and 2026 (Option 2).² SCE's
18 PVRR analysis incorporates the impacts of forecasted REC benefits.³ This component of
19 the PVRR analysis is dependent on a forecast of annual REC prices provided by SCE.
20 According to SCE, the future revenue derived from RECs, as well as energy and
21 capacity, are "estimated to be insufficient to cover ongoing capital and O&M costs,
22 primarily due to a significant drop of forecasted energy and REC prices and high O&M
23 costs."⁴ Therefore, the forecasted REC prices used in SCE's PVRR analysis were
24 factored into and influenced SCE's decision to pursue decommissioning as the least-cost
25 choice, via Option 2.

² Exh. SCE-05 Vol. 01, Table IV-49.

³ *Id.*; Attachment CBJ-2, SCE Response to CalCCA Data Request 5.3.

⁴ Exh. SCE-05 Vol. 01 at 272:9-11.

1 **Q: How does SCE’s REC price forecast compare to current third-party REC price**
2 **forecasts?**

3 A: The REC price forecast utilized by SCE in its PVRR analysis of the SPVP facilities is a
4 [REDACTED] REC price projection as of [REDACTED].⁵ Among the third-party REC
5 price forecasts available on the market, S&P releases a quarterly REC price forecast
6 under its Global Market Intelligence service. S&P’s latest REC price forecast projects
7 California Portfolio Content Category 1 (PCC-1)⁶ REC prices from 2024 to 2043, as of
8 Quarter 4 2023. Table 1 below compares SCE’s and S&P’s annual forecasted REC prices
9 for the years featured in SCE’s REC forecast.

10 **Table 1: SCE⁷ versus S&P REC Price Forecast (\$/MWh)**

11 [REDACTED TABLE CONTENT]

12
13 As shown in Table 1, the annual prices featured in SCE’s REC forecast are [REDACTED]
14 [REDACTED] than those projected by S&P. For forecasted REC prices between [REDACTED],
15 S&P’s annual REC prices are, on average, [REDACTED] than SCE’s forecasted prices.
16 During this period, S&P’s forecasted prices range from approximately [REDACTED]
17 [REDACTED] than SCE’s forecasted prices. The [REDACTED] between the annual REC
18 prices presented in S&P’s and SCE’s respective forecasts calls SCE’s forecast into
19 question.

20 **Q: What explains the [REDACTED] in SCE’s and S&P’s forecasts?**

21 A: SCE generated its REC price forecast by utilizing a third-party REC outlook from Platts
22 and its “own recent REC transactions.”⁸ However, SCE claims that both these inputs and
23 its REC price forecasting mechanism are proprietary and “cannot be shared”,⁹ even with

⁵ Exh. SCE-05 Vol. 1 Confidential at 40.

⁶ A PCC-1 REC is generally associated with renewable resources directly connected (first point of interconnection) to a California balancing authority or scheduled into a California balancing authority without substituting electricity from any other source. *Portfolio Content Category Classification Review Process Handbook*, CPUC Energy Division, June 2020, p. 2.

⁷ Exh. SCE-05 Vol. 1 Confidential at 40.

⁸ Attachment CBJ-2, SCE Response to CalCCA Data Request 5.2, part b.

⁹ *Id.*

1 parties like CalCCA that have executed non-disclosure agreements in this case. On this
2 basis, SCE has refused to provide *any* supporting documentation or workpapers used in
3 the development of its REC price forecast, or to disclose what Product Content Category
4 is associated with its forecasted REC prices.¹⁰ Therefore, I was unable to review SCE's
5 REC price forecast calculations to understand why its forecasted REC prices were [REDACTED]
6 [REDACTED] S&P's forecasted REC prices for the same forecast years.

7 However, SCE did disclose that its forecast is from [REDACTED]
8 [REDACTED]

9 [REDACTED] While there may be additional factors that contribute to the [REDACTED]
10 between SCE's and S&P's forecasts, I conclude that the date of SCE's forecast is a
11 significant factor.

12 **Q: Is it appropriate for SCE to use an [REDACTED] forecast in the testimony it**
13 **submitted in May 2023?**

14 A: SCE should not be using a REC price forecast [REDACTED] to estimate the
15 current REC benefits associated with the SPVP facilities. The [REDACTED] in
16 forecasted REC prices between the recent S&P REC price forecast and SCE's forecast
17 clearly demonstrates that SCE's older forecast does not reflect current REC market
18 expectations. Therefore, by relying on an outdated and unrealistic set of forecasted REC
19 prices, SCE is providing an inaccurate estimate of the potential REC benefits that can be
20 derived from the SPVP facilities in its PVRR analysis.

21 **Q: What is your recommendation for addressing the issues associated with SCE's REC**
22 **forecast?**

23 A: The Commission should reject SCE's proposal to decommission the SPVP facilities as
24 premature because SCE's PVRR calculations are based on dated forecasted REC prices
25 that do not reflect the current market.

26 **Q: Does this conclude your testimony?**

27 A: Yes.

¹⁰ Attachment CBJ-2, SCE Response to CalCCA Data Request 5.2.

¹¹ Exh. SCE-05 Vol. 1 Confidential at 40.

Attachment CBJ-1
CV of Carlo Bencomo-Jasso

Mr. Carlo Bencomo-Jasso joined NewGen as a Manager in April 2022. Mr. Bencomo-Jasso has over 10 years of experience in the energy industry, with prior experience working on regulatory and resource planning issues in California, including rate and feasibility analysis for Community Choice Aggregators.

EDUCATION

- Master of Environment and Energy, Boston University – Boston, Massachusetts
- Master of Environmental Science and Management, Bren School of Environmental Science & Management – University of California, Santa Barbara
- Bachelor of Arts in History, Princeton University – Princeton, New Jersey

KEY EXPERTISE

- Financial Advisory
- Economic and Regulatory Analysis
- Financial Planning
- Rate Design and Strategy
- Ratemaking Activities
- Regulatory
- Resource Planning

RELEVANT EXPERIENCE

Electric Cost of Service, Rate Design, and Regulatory Analysis

Mr. Bencomo-Jasso assists with preparing cost of service studies and rate design studies, and performing financial and regulatory analyses for electric utilities. A sample of the utility clients that Mr. Bencomo-Jasso's has supported includes the following:

- Central Coast Community Energy, California
- Orange County Community Power, California
- City of Burbank, California

PRIOR RELEVANT EXPERIENCE

Below is a small sample of Mr. Bencomo-Jasso's work within the energy utility industry.

Project Manager & Senior Associate in Energy Utility Industry

- Conduct forecasting of electric utility rates of Southern California Edison, Pacific Gas & Electric, and San Diego Gas & Electric.
- Track and review regulatory proceedings.
- Provide expert witness testimony for clients on utility general rate cases.
- Assess Integrated Resource Plans of community choice aggregators.
- Create official proposal responses to Requests for Proposals.
- Created proxy price estimates and evaluate bids for power procurements.
- Assessed renewable resource build-outs in Integrated Resource Plans.
- Conducted research and analyses for electric generation, transmission, and distribution

Carlo Bencomo-Jasso

MANAGER

- Conduct analysis and research of the feasibility of community choice aggregators in new jurisdictions.

Energy Utility Industry Analyst

- Performed collection, cleaning, and statistical analysis of energy commodity pricing and power data for various projects using Excel and R.
- Created data analytics reports, discovery requests, and case testimony for projects.
- Performed load forecasting and capacity market modeling.
- Conducted economic impact and cost-benefit analyses for energy projects, including renewable energy development projects.

Solar Rooftop Program Analyst

- Aided in identifying and creating leasing agreements with commercial property owners for the installation of solar arrays 1 MW and larger in size.
- Maintained program databases and addressed program inquiries.
- Created presentations and weekly status reports on site acquisitions and leasing agreements for senior management.
- Helped create marketing materials and emails for program promotions and outreach.

PREVIOUSLY FILED TESTIMONY

- Rhode Island Public Utilities Commission Docket No. 4692 and 4805 – Conclusions and Summary of Opinions of Richard Hahn, Matthew Loiacono, and Carlo Bencomo-Jasso on Behalf of the Rhode Island Division of Public Utilities and Carriers. March 19, 2018.
- Rhode Island Public Utilities Commission Docket No. 4692 and 4805 – Testimony of Carlo Bencomo-Jasso on Behalf of the Rhode Island Division of Public Utilities and Carriers on National Grid's 2018 Annual Retail Rate Filing and 2018 Renewable Energy Standard Charge and Reconciliation Filing. March 28, 2018
- CPUC Application 19-11-019 – Direct Testimony of William A. Monsen and Carlo Bencomo-Jasso on Behalf of the California Farm Bureau Federation Concerning Revenue Allocation and Agricultural Rate Design. November 20, 2020.
- CPUC Application 22-05-025 – Direct Testimony of Carlo Bencomo-Jasso on Behalf of San Diego Community Power and Clean Energy Alliance in San Diego Gas and Electric Company's 2023 ERRA Forecast Proceeding. August 22, 2022.
- CPUC Application 22-06-001 – Direct Testimony of Carlo Bencomo-Jasso on Behalf of San Diego Community Power and Clean Energy Alliance in San Diego Gas and Electric Company's 2021 ERRA Compliance Proceeding. December 16, 2022.
- CPUC Application 22-05-023 – Direct Testimony of Carlo Bencomo-Jasso on Behalf of San Diego Community Power in San Diego Gas and Electric Company's 2022 Green Access Programs Proceeding. January 20, 2023.
- CPUC Application 23-05-013 – Direct Testimony of Carlo Bencomo-Jasso on Behalf of San Diego Community Power and Clean Energy Alliance in San Diego Gas and Electric Company's 2024 ERRA Forecast Proceeding. August 18, 2023.
- CPUC Application 23-06-002 – Direct Testimony of Carlo Bencomo-Jasso on Behalf of San Diego Community Power and Clean Energy Alliance in San Diego Gas and Electric Company's 2022 ERRA Compliance Proceeding. December 22, 2023.
- CPUC Application 23-01-008 – Direct Testimony of Carlo Bencomo-Jasso on Behalf of San Diego

Carlo Bencomo-Jasso

MANAGER

Community Power and Clean Energy Alliance in
San Diego Gas and Electric Company's 2024
General Rate Case Phase 2 Proceeding, January
8, 2024.

Attachment CBJ-2
SCE Discovery Responses to CalCCA Data Requests

Southern California Edison
A.23-05-010 – SCE 2025 GRC

DATA REQUEST SET C a l C C A - S C E - 0 0 5

To: CalCCA
Prepared by: Anita Shu
Job Title: Engy Mktg & Trdg Fncl Anlys, Sr Mgr
Received Date: 1/24/2024

Response Date: 2/5/2024

Question 5.2.a:

Referring to Workpaper SCE-05 CONFIDENTIAL, p. 40 (SCE Forecasted REC Prices):

a. Please confirm if the forecasted REC prices are in \$/MWh. If not confirmed, please explain what units apply to the forecasted REC prices.

Response to Question 5.2.a:

Yes. The forecasted REC prices are presented in \$/MWh.

Southern California Edison
A.23-05-010 – SCE 2025 GRC

DATA REQUEST SET C a l C C A - S C E - 0 0 5

To: CalCCA
Prepared by: Anita Shu
Job Title: Engy Mktg & Trdg Fncl Anlys, Sr Mgr
Received Date: 1/24/2024

Response Date: 2/6/2024

Question 5.2.b:

Referring to Workpaper SCE-05 CONFIDENTIAL, p. 40 (SCE Forecasted REC Prices):

b. Please explain SCE's process for creating the REC price forecast and/or source of the forecast.

Response to Question 5.2.b:

SCE uses a proprietary REC price forecasting mechanism that uses third party REC outlook – Platts – and SCE's own recent REC transactions to generate the REC price forecast, which cannot be shared.

Southern California Edison
A.23-05-010 – SCE 2025 GRC

DATA REQUEST SET C a l C C A - S C E - 0 0 5

To: CalCCA

Prepared by: Anita Shu

Job Title: Engy Mktg & Trdg Fncl Anlys, Sr Mgr

Received Date: 1/24/2024

Response Date: 2/5/2024

Question 5.2.c:

Referring to Workpaper SCE-05 CONFIDENTIAL, p. 40 (SCE Forecasted REC Prices):

c. Please provide all supporting documentation and workpapers, in working spreadsheet format if possible, used to create the REC price forecast.

Response to Question 5.2.c:

See response to Question 5.2.b in this data request set.

Southern California Edison
A.23-05-010 – SCE 2025 GRC

DATA REQUEST SET C a l C C A - S C E - 0 0 5

To: CalCCA
Prepared by: Anita Shu
Job Title: Engy Mktg & Trdg Fncl Anlys, Sr Mgr
Received Date: 1/24/2024

Response Date: 2/5/2024

Question 5.2.d:

Referring to Workpaper SCE-05 CONFIDENTIAL, p. 40 (SCE Forecasted REC Prices):

d. Please explain what Product Content Category (PCC) is associated with the forecasted REC prices (e.g., PCC-1, PCC-2, or PCC-3) or if the forecasted REC prices are an average of different PCC REC prices.

Response to Question 5.2.d:

See response to Question 5.2.b in this data request set.

Southern California Edison
A.23-05-010 – SCE 2025 GRC

DATA REQUEST SET C a l C C A - S C E - 0 0 5

To: CalCCA
Prepared by: Anita Shu
Job Title: Engy Mktg & Trdg Fncl Anlys, Sr Mgr
Received Date: 1/24/2024

Response Date: 2/5/2024

Question 5.2.e:

Referring to Workpaper SCE-05 CONFIDENTIAL, p. 40 (SCE Forecasted REC Prices):

e. Please confirm if SCE used a third-party REC forecast to create its forecasted REC prices. If confirmed, please explain what third-party forecast was used and provide all supporting documentation.

Response to Question 5.2.e:

See response to Question 5.2.b in this data request set.

Southern California Edison
A.23-05-010 – SCE 2025 GRC

DATA REQUEST SET C a l C C A - S C E - 0 0 5

To: CalCCA

Prepared by: Anita Shu

Job Title: Engy Mktg & Trdg Fncl Anlys, Sr Mgr

Received Date: 1/24/2024

Response Date: 2/5/2024

Question 5.3:

Referring to SCE-05 Vol. 01: Generation, p. 272, Table IV-49: Please confirm if there are any other components of the 2022 Present Value of Revenue Requirement Analysis of SPVP Repair and Decommissioning calculations for “Option 1” or “Option 2” that utilize the REC prices in Workpaper SCE-05 CONFIDENTIAL, p. 40 (SCE Forecasted REC Prices) besides Workpaper SCE-05 CONFIDENTIAL, p. 41 (Solar Rooftop Leases Itemized Forecast). If confirmed, please provide these additional calculations as workpapers in working spreadsheet format, with formulae intact.

Response to Question 5.3:

No. Only line 4 of SCE-05 Vol. 01: Generation, p. 272, Table IV-49, utilized the Oct 2021 REC price forecast presented in SCE-05 Vol 1 CONFIDENTIAL workpaper, p. 40.