



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

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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 ADDRESSING ASSEMBLY BILL 205
REQUIREMENTS FOR ELECTRIC UTILITIES**

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SUMMARY OF RECOMMENDATIONS

The California Community Choice Association recommends the California Public Utilities Commission adopt the following elements of the proposed *Decision Addressing Assembly Bill 205 Requirements for Electric Utilities* (Proposed Decision):

- Exclusion of the Power Charge Indifference Adjustment and Competition Transition Charge from the Income-Graduated Fixed Charges (IGFC) to comply with Assembly Bill 205;
- Establishment of a Marketing, Education, and Outreach (ME&O) plan development process to ensure the investor-owned utilities (IOUs) incorporate community choice aggregator (CCA) feedback into ME&O plans;
- Establishment of an implementation working group to allow CCA feedback on implementation; and
- Amend the Proposed Decision to direct the IOUs to include IGFC tier data in existing customer data reports to CCAs on a regular basis.

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The California Community Choice Association (CalCCA)¹ submits these comments pursuant to Rule 14.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure² on the proposed *Decision Addressing Assembly Bill 205 Requirements for Electric Utilities*³ (Proposed Decision), mailed March 27, 2024. This decision authorizes all investor-owned electric utilities to change the structure of residential customer bills in accordance with Assembly Bill (AB) 205, Stats. 2022, ch. 61.⁴

¹ 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: cal-cca.org.

² *State of California Public Utilities Commission, Rules of Practice and Procedure, California Code of Regulations Title 20, Division 1, Chapter 1* (May 2021): <https://webproda.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/rules-of-practice-and-procedure-may-2021.pdf>.

³ Proposed *Decision Addressing Assembly Bill 205 Requirements for Electric Utilities*, Rulemaking (R.) 22-07-005 (Mar. 27, 2024): <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M528/K422/528422138.PDF>.

⁴ Assembly Bill No. 205: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=20210220AB205.

I. INTRODUCTION

CalCCA appreciates the Commission's thorough discussion of stakeholder evidence presented in Track A of this proceeding and its thoughtful conclusions for implementing the Income-Graduated Fixed Charge (IGFC) required by AB 205. A major tenant of AB 205 is that the IGFC may only collect fixed costs from customers. The Proposed Decision correctly excludes two sets of costs which are not entirely fixed: the Power Charge Indifference Amount (PCIA) and the Competition Transition Charge (CTC). Additionally, the IGFC has understandably already caught public attention and has raised questions from customers as to what it will look like and how customers will be affected. The Proposed Decision rightfully establishes a marketing, education, and outreach (ME&O) planning process with opportunities for stakeholders to provide feedback as well as an implementation working group for resolving any ongoing issues with implementation. To ensure customer experiences remain consistent regardless of whether they are bundled or unbundled customers, the investor-owned utilities (IOUs) should provide IGFC tier data to CCAs on a regular basis. CalCCA recommends the Commission adopt the following elements of the Proposed Decision to ensure implementation of the IGFC:

- Exclusion of the PCIA and CTC from the IGFC to comply with AB 205;
- Establishment of an ME&O plan development process to ensure the IOUs incorporate CCA feedback into ME&O plans;
- Establishment of an implementation working group to allow CCA feedback on implementation; and
- Amend the Proposed Decision to direct the IOUs to include IGFC tier data in existing customer data reports to CCAs on a regular basis.

II. THE COMMISSION SHOULD ADOPT THE PROPOSED DECISION'S EXCLUSION OF PCIA AND CTC FROM THE IGFC TO COMPLY WITH AB 205

The Proposed Decision correctly concludes the IGFC should not recover the PCIA nor the CTC. The Proposed Decision determined that the CTC should not be recovered through the

IGFC since statute requires it be recovered volumetrically⁵ and that PCIA costs should not be recovered through the IGFC due to the complexity and volatility of the PCIA.⁶ This complexity includes the process to split out fixed and variable costs that the PCIA collects. As argued in Opening Briefs, this process would be complex and administratively onerous to perform.⁷ Including the costs of either the PCIA or CTC would prove administratively burdensome and violate the intention to collect only fixed costs through the IGFC. CalCCA supports the Proposed Decision’s assessment and recommends the Commission adopt the exclusion of the PCIA and CTC from the IGFC.

III. THE COMMISSION SHOULD ADOPT THE PROPOSED DECISION’S ME&O PLAN DEVELOPMENT PROCESS TO ENSURE THE IOUS INCORPORATE CCA FEEDBACK INTO ME&O PLANS

The Proposed Decision’s ME&O plan development process should be adopted to ensure IOUs incorporate feedback from CCAs regarding implementation of the IGFC. The Proposed Decision establishes a process in which the IOUs develop a consistent set of definitions around the IGFC with Commission staff, host a workshop with parties, and file a Tier 3 advice letter with ME&O plans.⁸ This process provides at least two points for CCAs to provide feedback on IOU ME&O plans for the IGFC based on deep CCA knowledge of their customers and

⁵ See Proposed Decision, at 63 and; *see also* Proposed Decision Conclusion of Law (COL) 21 (excluding CTC from lists of costs in the IGFC).

⁶ See Proposed Decision, at 64; *see also* Proposed Decision COL 21 (excluding PCIA from lists of costs in the IGFC).

⁷ See R.22-07-005, *CalCCA Opening Brief* pursuant to *Assigned Commissioner’s Phase 1 Scoping Memo and Ruling, Administrative Law Judge’s Ruling Addressing the Track A Procedural Schedule, Opening Briefs Guidance, and Exhibits and Email Ruling Clarifying ALJ Ruling on Track A Briefs, Opening Briefs, and Exhibits* (CalCCA Opening Brief) (Oct. 6, 2023), at 4-5 (“While the fixed costs of the PCIA portfolio would theoretically be eligible based on AB 205’s requirements for the IGFC, the PCIA portfolio’s variable costs would not be eligible. Separating the fixed costs from variable costs that make up the PCIA portfolio would require fundamentally restructuring the PCIA.”).

⁸ See Proposed Decision Ordering Paragraph 3 (directing the IOUs to develop consistent messaging, consult with Commission staff, host a workshop with parties, and file a Tier 3 advice letter for ME&O plans).

communities. For example, knowledge from CCAs could provide feedback for improved messaging based on knowledge of communities that speak a primary language other than English. Reaching all communities for education on the IGFC is critical given the fixed charge will affect every customer. CCAs will also provide important checks and balances when it comes to how the new fixed charges are presented. Customers should be able to understand what the IGFC collects, and messaging should not imply different treatment between bundled and unbundled customers. Therefore, the Commission should adopt the Proposed Decision's ME&O plan development process.

IV. THE COMMISSION SHOULD ADOPT THE PROPOSED DECISION'S ESTABLISHMENT OF AN IMPLEMENTATION WORKING GROUP TO ALLOW CCAS TO PROVIDE FEEDBACK ON IMPLEMENTATION AS LESSONS ARE LEARNED

Similar to Section III above, the Commission should adopt the Proposed Decision's establishment of an Implementation Working Group to allow CCAs to provide feedback to IOUs on an ongoing basis. The Proposed Decision establishes an Implementation Working Group, convened and facilitated by the Commission, to present IGFC-related metrics and hear lessons learned from IOUs once per quarter.⁹ While the IOUs are charged with implementing the IGFC, CCAs already have received and will continue to receive questions from customers about the IGFC. This means CCAs will act as another entity gathering data on how IGFC implementation occurs, what may be confusing to customers about the IGFC, and any issues customers identify. This information will be valuable to the IOUs and the Commission when the Implementation Working Group meets on a quarterly basis. For this reason, the Commission should adopt the

⁹ See Proposed Decision COL 34, 35, and 36 (outlining implementation working group scope and how often the implementation working group will convene).

Proposed Decision's Implementation Working Group to provide a consistent place for CCA feedback on IGFC implementation.

V. THE COMMISSION SHOULD AMEND THE PROPOSED DECISION TO DIRECT THE IOUS TO INCLUDE IGFC INCOME TIER DATA IN EXISTING CUSTOMER REPORTS PROVIDED TO CCAS TO ENHANCE CUSTOMER SERVICE

Related to the IGFC's ongoing implementation, the Proposed Decision should direct the IOUs to augment weekly customer database updates and billing transactions to include customer IGFC income tier data. CalCCA argued this point in its Opening Brief as part of a set of recommendations to enhance customer experience and messaging related to the IGFC.¹⁰ In the same theme as Sections III and IV above, CCAs are and will continue to be a touchpoint for a significant portion of customers, even though the IGFC will reside on the IOU side of the bill. CCAs can currently determine what tier California Alternative Rate for Energy (CARE) and Family Electric Rate Assistance (FERA) program customers will be in because customer participation in CARE/FERA is included in weekly customer reports to which CCAs have access. However, these reports would not include the customers who IOUs will sort into the middle tier through their participation in an affordable housing program that requires an income lower than 80 percent area median income. If the IOUs added this information, or a flag indicating which tier each customer is assigned, to existing CCA customer reports, CCAs could provide an enhanced and more consistent customer experience to all customers, regardless of the reason they are sorted into a specific tier. Therefore, the Commission should amend the Proposed Decision to direct the IOUs to include IGFC income tier information in existing database updates as recommended in Appendix A.

¹⁰ See CalCCA Opening Brief, at 9-10 (providing recommendations to ensure consistent IGFC messaging to bundled and unbundled customers).

VI. CONCLUSION

CalCCA appreciates the opportunity to submit these comments and requests adoption of the recommendations proposed herein. For all the foregoing reasons, the Commission should modify the proposed decision as provided in Appendix A.

Respectfully submitted,

A handwritten signature in blue ink that reads "Evelyn Kahl". The signature is written in a cursive, flowing style.

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

April 16, 2024

**APPENDIX A
TO
CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S
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**PROPOSED CHANGES TO FINDINGS OF FACT,
CONCLUSIONS OF LAW AND ORDERING PARAGRAPHS**

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

Proposed text additions show as **bold and underlined**

FINDINGS OF FACT

None.

CONCLUSIONS OF LAW

74. It is reasonable for Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to include income-graduated fixed charge tier information to CCAs through existing database updates and billing transactions.

ORDERING PARAGRAPHS

None.

New Order:

16. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each include income-graduated fixed charge tier information for customers in existing customer data reporting processes.