

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



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Order Instituting Rulemaking to Continue
Implementation and Administration of
California Renewables Portfolio Standard
Program.

R.11-05-005

**JOINT COMMENTS OF CALIFORNIA COMMUNITY CHOICE ASSOCIATION AND
SHELL ENERGY NORTH AMERICA (US), L.P. D/B/A SHELL ENERGY SOLUTIONS
ON THE PROPOSED DECISION DENYING JOINT PETITION FOR MODIFICATION
OF DECISION 13-05-034**

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May 8, 2024

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SUMMARY OF RECOMMENDATIONS

The Proposed Decision denying Pacific Gas and Electric Company's and Southern California Edison Company's (the IOUs') Joint Petition for Modification of Decision 13-05-034 should be adopted because:

- It is inequitable to require community choice aggregators (CCAs) and electric service providers (ESPs) to pay for a program on behalf of their unbundled customers for which they cannot participate or receive the resource adequacy (RA) and renewables portfolio standard (RPS) benefits;
- The power charge indifference adjustment mechanism already equitably allows the IOUs to recover the above-market costs of the Renewable Market Adjusting Tariff (ReMAT) contracts from customers who were bundled customers at the time the ReMAT contract was entered into; and
- Redesigning the ReMAT program to allow CCAs or ESPs to participate and receive the RPS and RA benefits of future contracts is inconsistent with Public Utilities Code § 399.20.

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California Community Choice Association¹ (CalCCA) and Shell Energy North America (US), L.P. d/b/a Shell Energy Solutions (Shell Energy)² (the Joint Parties) submit these comments pursuant to Rule 14.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure³ in support of the proposed *Decision Denying Joint Petition for Modification of Decision 13-05-034* (Proposed Decision), mailed on April 18, 2024.

I. INTRODUCTION

The Proposed Decision addresses a Joint Petition for Modification (Joint PFM) filed by Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE) (the

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.

² Shell Energy has authorized the undersigned counsel for CalCCA to sign and file this document on its behalf.

³ *State of California Public Utilities Commission, Rules of Practice and Procedure, California Code of Regulations Title 20, Division 1, Chapter 1* (May 2021).

IOUs) on February 11, 2021.⁴ The Joint PFM requests modification of Decision (D.) 13-05-034⁵ which requires costs of all procurement under the Renewable Market Adjusting Tariff (ReMAT) to be included in bundled sales customers' generation rates. Above-market ReMAT procurement costs are included in the power charge indifference adjustment (PCIA) for departing load customers (served by community choice aggregators (CCAs) or electric service providers (ESPs)) that were bundled sales customers at the time the ReMAT contracts were signed. The IOUs request that costs of all existing and future ReMAT contracts be recovered through the Public Policy Program charge (PPPC) for two reasons. First, the IOUs claim that the ReMAT program serves California's broader public policy goals which benefit all customers in the IOUs' service areas. Therefore, the IOUs argue that allocating the costs only to bundled customers results in a cost shift in violation of Public Utilities Code sections 365.2, 366.2, and 366.3. Second, the IOUs seek to establish consistency in cost allocation between ReMAT and other mandated IOU-only procurement programs, such as the Bioenergy Market Adjusting Tariff (BioMAT) program.⁶

The Proposed Decision denies the PFM, finding that:

⁴ *Joint Petition for Modification of Decision 13-05-034 by Pacific Gas and Electric Company (U 39E) and Southern California Edison Company (U 338 E)*, R.11-05-005 (Feb. 11, 2021).

⁵ *D.13-05-034, Decision Adopting Joint Standard Contract for Section 399.20 Feed-In Tariff Program and Granting, In Part, Petitions for Modification Of Decision 12-05-035*, R.11-05-005 (May 23, 2013).

⁶ CalCCA filed a Response opposing the Joint PFM on March 15, 2021, stating that (1) bundled customers are the prime beneficiaries of ReMAT contracts given the energy, renewables portfolio standard (RPS) and resource adequacy (RA) benefits all accrue to bundled customers; (2) above-market RPS costs, including ReMAT costs, belong in the PCIA; and (3) if the Commission permits PPPC recovery of all ReMAT costs, CCAs must be able to participate in the program and receive the RPS and RA benefits associated with those resources. *Response of California Community Choice Association to Joint Petition for Modification of Decision 13-05-034 by Pacific Gas and Electric Company (U 39 E) and Southern California Edison Company (U 338 E)*, R.11-05-005 (Mar. 15, 2021). Shell Energy and the Alliance for Retail Energy Markets also filed a response opposing the Joint PFM on March 15, 2021. *Response of Shell Energy North America (US), L.P. and the Alliance for Retail Energy Markets in Opposition to Pacific Gas and Electric Company and Southern California Edison Company's Joint Petition for Modification of D.13-05-034*, R.11-05-005 (Mar. 15, 2021).

- ✓ “[M]odifying the cost allocation methodology as [the IOUs] request[] . . . would be inequitable . . . [as] departing load customers now would bear the costs of the broad public policy goal without receiving the full benefits of each contract;”⁷
- ✓ “[T]he IOUs should and can manage their RPS portfolio by taking into account the mandated procurement of ReMAT-eligible contracts while recovering the above-market costs through the PCIA mechanism for the remainder of [the ReMAT] program”;
- ✓ While the Commission did previously authorize IOU BioMAT procurement cost allocation through a non-bypassable charge to all customers in each IOU’s territory given that the unique benefits of the BioMAT program do benefit all Californians, the legislature subsequently passed Assembly Bill (AB) 843 authorizing CCAs to participate in the BioMAT program, and the Commission issued D.23-11-084 establishing rules for CCA participation, including allowing CCAs to purchase and benefit from the RA and RPS attributes of the BioMAT procurement;
- ✓ Requiring modification of the ReMAT program as requested by the IOUs is not consistent with Public Utilities Code § 399.20, and should be rejected.

For the reasons set forth below, the Commission should adopt the Proposed Decision.

II. THE PROPOSED DECISION DENYING THE IOUS’ REQUEST TO ALLOCATE COSTS OF EXISTING AND FUTURE REMAT CONTRACTS THROUGH THE PPPC SHOULD BE ADOPTED

The Proposed Decision denying the IOUs’ request to allocate costs of existing and future ReMAT contracts through the PPPC should be adopted. The Joint Parties appreciate the Commission’s careful cost-benefit analysis ensuring indifference among bundled and unbundled customers in compliance with Public Utilities Code Sections 365.2, 366.2, and 366.3. The Proposed Decision strikes the correct balance, ensuring that bundled customers continue to be allocated all costs for resources for which they directly benefit, and only requiring departed load customers to pay through the PCIA for above-market costs for resources contracted for while they were bundled customers. The Proposed Decision also correctly finds that to the extent unbundled customers are required to pay for resources serving a statewide policy goal, those

⁷ Proposed Decision, at 8.

unbundled customers must be allocated the full benefits of such contracts, including the RPS and RA benefits. Because the ReMAT authorizing statute does not allow CCAs or ESPs to participate in ReMAT or receive the benefits, the Commission correctly finds it inequitable to modify the cost allocation for ReMAT contracts as requested by the IOUs.

The Proposed Decision ensures equitable cost allocation and indifference among bundled and unbundled customers, and should be adopted.

III. CONCLUSION

For the reasons set forth herein, the Joint Parties request that the Commission adopt the Proposed Decision.

Respectfully submitted,



Evelyn Kahl,
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CALIFORNIA COMMUNITY CHOICE
ASSOCIATION

On Behalf of California Community Choice
Association and Shell Energy North America
(US), L.P. d/b/a Shell Energy Solutions

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**PROPOSED CHANGES TO FINDINGS OF FACT,
CONCLUSIONS OF LAW AND ORDERING PARAGRAPHS**

None.