CALCCA
ADVANCING LOCAL ENERGY CHOICE

July 2, 2024

California Public Utilities Commission – Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

By electronic delivery to *EDTariffUnit@cpuc.ca.gov*

Re: CalCCA Response to Pacific Gas and Electric Company's Advice Letter 7295-E

To the Energy Division's Tariff Unit:

Pursuant to Rule 7.4.1 of the California Public Utilities Commission's (Commission) General Order 96-B,[1] the California Community Choice Association[2] (CalCCA) submits this Response to Pacific Gas and Electric Company's (PG&E) Advice Letter 7295-E[3] (Advice Letter or AL) submitted on June 12, 2024.

The AL proposes modifications to Appendix P to PG&E's Bundled Procurement Plan (BPP) consistent with Decision (D.) 23-12-036, which directs PG&E to allocate Greenhouse Gas-Free (GHG-free) attributes associated with extended operations at Diablo Canyon Nuclear Power Plant (DCPP) to Commission-jurisdictional load serving entities (LSE).[4] While the AL proposes modifications that would effectuate a GHG-free attribute election/offer process as well as a process for identifying LSEs eligible to receive an allocation, the AL does not *fully* effectuate D.23-12-036 because PG&E has not yet developed a process to calculate "Allocation Ratios."[5] "Allocation Ratios" are the proportions of DCPP's GHG-free attributes each eligible LSE may elect to receive.

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1 General Order No. 96-B, General Rules sec. 7.4.2 (GO 96-B).

2 California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Ava Community Energy, Baldwin Park Resident Owned Utility District, 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, 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.

3 PG&E Advice Letter 7295-E, *Allocation of Greenhouse Gas-Free Attributes to Load Serving Entities Associated with Diablo Canyon Power Plant's Extended Operations, Update to Pacific Gas and Electric Company's Bundled Procurement Plan – Appendix P* (June 12, 2024).

4 D.23-12-036 at Ordering Paragraph 10.

5 AL at 3-4.

According to PG&E, despite consulting with "various stakeholders" and Energy Division staff, the utility was "unable to develop a solution [for developing Allocation Ratios] that fully addressed concerns expressed by stakeholders regarding data confidentiality, transactability, and roles."[6] As CalCCA understands the issue, PG&E is able to calculate Allocation Ratios for investor-owned utilities (IOU) and community choice aggregators (CCA) using data from the California Energy Commission's (CEC) California Energy Demand forecast.[7] However, PG&E has not determined how to calculate Allocation Ratios for Energy Service Providers (ESP) (in particular, ESPs in Southern California Edison Company's and San Diego Gas and Electric Company's service territories) because the California Energy Demand forecast lacks ESP-specific load forecast information.[8] PG&E therefore proposes to confer with IOU, CCA and ESP representatives as well as Energy Division staff within 45 days of the submission of the AL on a "workable solution" for developing GHG-free attribute allocation ratios, and supplement the AL to address any calculation developed through that stakeholder process.[9]

CalCCA does not oppose the relief PG&E requests but submits this Response for three reasons. First, CalCCA describes a workable solution for developing GHG-free Allocation Ratios for ESPs. PG&E did not confer with CalCCA before submitting the AL and therefore CalCCA did not have the opportunity to bring this solution to PG&E's attention until after the AL's submission (CalCCA conferred with both PG&E and ESP representatives before submitting this Response). Second, CalCCA requests PG&E clarify in its Reply to this Response, or in the supplement to the AL, the timeline for its annual GHG-free attribute offer such that eligible LSEs intending to receive an allocation can plan procurement around that timeline. Third, CalCCA requests PG&E revise the language of Appendix P to clarify it will file a supplement to the AL, and not a new Tier 1 advice letter, in order to address the calculation of Allocation Ratios.

I. Discussion

A. PG&E Could Allocate GHG-Free Attributes to ESPs Desiring an Allocation Without Disclosing Confidential Data to Other ESPs

The basics of CalCCA's GHG-free attribute allocation proposal, adopted by the Commission in D.23-12-036, are as follows. PG&E offers Commission-jurisdictional LSEs an allocation of GHG-free attributes from DCPP's extended operations on an annual basis.[10] That allocation is calculated by multiplying the LSE's "Allocation Ratio" by the total generation from DCPP on a monthly basis.[11] The Allocation Ratio in turn is calculated by dividing the LSE's load

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[6] *Id*. at 4.

[7] *Id*. at 3-4

[8] *Id*.

[9] *Id*. at 4.

[10] Rulemaking (R.) 23-01-007, *Opening Testimony of Brian Dickman on behalf of the California Community Choice Association* at 18 (June 9, 2023); D.23-12-036 at 90.

[11] AL at 18-19 (June 9, 2023); D.23-12-036 at 90.

forecast by the total load forecast for customers responsible for the costs of DCPP's extended operations.[12] LSEs confirm their acceptance of an allocation by executing a sales agreement with PG&E subject to the conditions in Appendix P.[13] LSEs may then report their GHG-free allocation amounts on their respective Power Content Labels under the CEC's Power Source Disclosure program.[14]

The AL correctly implements most components of CalCCA's proposal as adopted by D.23-12-036, but does not implement the calculation of Allocation Ratios. That is because, according to PG&E, there is a problem with calculating the Allocation Ratios for a fraction of the State's LSEs, specifically, ESPs outside of PG&E's service territory. The CEC's California Energy Demand Forecast—which includes LSE-level load forecast information for CCAs and IOUs—does not include LSE-level load forecast information for ESPs (who, as Commission-jurisdictional LSEs, would be eligible to receive an allocation under CalCCA's proposal and D.23-12-036). While PG&E has the data it needs to calculate the Allocation Ratios for ESPs in PG&E's service territory, on account of ratesetting processes outside of the instant process, it does not have the data it needs for ESPs in Southern California. That issue, however, is not a significant hurdle to developing Allocation Ratios and certainly does not make CalCCA's proposal "unimplementable", as PG&E claims.

First, PG&E does not require ESP-specific load forecast information to determine the *denominator* of the Allocation Ratio calculation (*i.e.,* the total load forecast for customers responsible for the costs of DCPP's extended operations). PG&E can derive the total load forecast of cost-responsible customers from the CEC's California Energy Demand Forecast, which includes aggregated ESP load forecasts.

Second, the *numerator* of ESP-specific Allocation Ratios can be derived based on load forecast information ESPs already provide to the CEC via Form 7.1.[15] While load data included in Form 7.1 is confidential, PG&E could allocate GHG-free attributes to any ESP desiring an allocation without disclosing that ESP's confidential load forecast data to other ESPs. Under that approach, Eligible ESPs desiring an allocation would confidentially provide their CEC Form 7.1 load forecasts to PG&E by a date certain ahead of the Delivery Year. That load forecast would form the numerator of the Allocation Ratio for that ESP. PG&E would then offer that ESP a GHG-free attribute allocation calculated based on the ESP-specific Allocation Ratio, and the ESP would execute a sales agreement with PG&E. While PG&E would not receive load forecasts for *all*

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[12] R.23-01-007, *Opening Testimony of Brian Dickman on behalf of the California Community Choice Association* at 18, footnote 34 (June 9, 2023).

[13] AL at 19; D.23-12-036 at 91.

[14] AL at 19.

[15] Form 7.1, ESP Report of Loads and Resources Under Contract. Through Form 7.1, ESPs report annual metered sales in megawatt-hours, for customers under contract, before any losses, among other data. *See* California Energy Commission, Forms and Instructions for Submitting Electricity Demand Forecasts, at: https://efiling.energy.ca.gov/GetDocument.aspx?tn=248968&DocumentContentId=83521.

eligible LSEs under this Option, it would not require that information, because PG&E would not need to calculate Allocation Ratios for all ESPs (just those ESPs desiring to receive an allocation).

An extra step could be added to this process to the extent that verification is needed for an opt-in LSE's load forecast, *i.e.*, to ensure that the data the LSE is providing to PG&E is accurate. Essentially, the LSE would give notice to Energy Division it wanted to take the allocation by a date certain ahead of the Delivery Year, and then Energy Division would provide a CEC-endorsed load forecast (*i.e.*, data from the ESP's CEC Form 7.1) for that ESP to PG&E.

The Attachment to this Response provides redlines to Appendix P that would effectuate the solution described above. CalCCA looks forward to continue discussing the details of these (or other) solutions with PG&E, ESP representatives, and Energy Division staff, and will work with PG&E to develop further modifications to Appendix P necessary to fully effectuate the GHG-free attribute allocations required by D.23-12-036.

B. PG&E Should Clarify the Exact Timing of its Annual GHG-free Attribute Offer

The AL and attached modifications to Appendix P state PG&E will offer GHG-free attribute allocations from DCPP extended operations to eligible LSEs ahead of the Delivery Year (*i.e.*, ahead of January 1, 2025 for 2025 allocations). However, the AL does not clarify exactly when PG&E will make offers to eligible LSEs. In order for eligible LSEs—including CCAs—to effectively plan around the annual offer and election process, and conduct any necessary procurement, PG&E should clarify the exact timing of its annual GHG-free attribute offers to eligible LSEs. CalCCA requests PG&E make this clarification in its Reply to this Response, or in the supplement to the AL.

C. PG&E Should Clarify it Will File a Supplement to this AL and Not a New Tier 1 Advice Letter to Address the Calculation of Allocation Ratios

In the body of the AL, PG&E states it will supplement the AL to address the calculation of Allocation Ratios.[16] In its revisions to Appendix P, however, PG&E states Allocation Ratios "shall be calculated as proposed in a future Tier 1 advice letter."[17] CalCCA agrees supplementing the AL to address Allocation Ratios is an appropriately expedient approach, whereas requiring a future Tier 1 advice letter risks compromising the timing of PG&E's GHG-free attribute allocation for the 2025 Delivery Year. CalCCA therefore requests PG&E clarify in its Reply to this Response that it will file a supplement to the AL, and not a new Tier 1 advice letter, to address the calculation of Allocation Ratios.

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16 AL at 4.

17 *Id*. at Attachment A, Bundled Procurement Plan, Appendix P (Redline), Cal. P.U.C. Sheet No. 252.

II. Conclusion

CalCCA generally supports the relief PG&E requests in the AL. CalCCA will work with PG&E and other stakeholders on a solution to develop Allocation Ratios for ESPs, such that PG&E fully effectuates the GHG-free attribute allocation process directed by D.23-12-036. CalCCA further requests PG&E clarify in its Reply to this Response, or in the supplement to the AL, the timeline for its annual GHG-free attribute offer. CalCCA also requests PG&E clarify in its Reply to this Response that it will file a supplement to this AL, and not a new Tier 1 advice letter, to address the calculation of Allocation Ratios.

Respectfully submitted,

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cc: PGETariffs@pge.com
Service Lists: R.23-01-007, 20-05-003, and 17-06-026.

ATTACHMENT
TO
CALCCA RESPONSE TO PACIFIC GAS AND ELECTRIC COMPANY'S ADVICE LETTER 7295-E

Redlines to Appendix P

Cal. P.U.C. Sheet No. 251, Section B.1.b.:

Allocation Ratio is defined as the LSE's monthly percentage share of GHG-Free Energy.

[. . .]

(2) Nuclear Allocations of GHG-Free Energy from Extended Operations of DCPP: An LSE's ~~nuclear energy monthly percentage share of GHG-Free energy shall be calculated as proposed in a future Tier 1 advice letter~~ monthly load forecast, derived either from PG&E's ERRA Forecast Application or from California Energy Commission Form 7.1, divided by the total load forecast for customers responsible for the costs of DCPP's extended operations. An Energy Service Provider (ESP) that is an Eligible LSE and desires to receive nuclear allocations of GHG-Free Energy from Extended Operations of DCPP shall confidentially provide its California Energy Commission Form 7.1 to PG&E by September 1 of the year prior to the Delivery Period.

Cal. P.U.C. Sheet No. 252, Section B.1.e.:

Eligible LSE is defined as ~~an LSE (as defined in the CAISO Tariff) that receives an offer of an Allocation Amount.~~ follows:

[. . .]

(2) Nuclear Allocations of GHG-Free Energy from Extended Operations of DCPP: An Eligible LSE is a California LSE (as defined in the CAISO Tariff) ~~that~~ whose customers ~~(1)~~ pay~~s~~ for eligible DCPP extended operations costs.[2]~~; and (2) has been identified by the Commission for a nuclear energy Allocation ratio.~~

~~[2]D.23-12-036~~