MCE Clean Energy
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February 22, 2017

CPUC Energy Division
Attention: ED Tariff Unit
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Re: Protest of Marin Clean Energy and Silicon Valley Clean Energy to Pacific Gas and Electric Company's ("PG&E") Advice Letter 5012-E seeking approval of *Second Amendments to the Power Purchase Agreements between Pacific Gas and Electric Company and Solar Partners II, LLC and Solar Partners VIII, LLC for Ivanpah 1 and 3*

On February 2, 2017, PG&E served its Advice Letter 5012-E entitled *Second Amendments to the Power Purchase Agreements between Pacific Gas and Electric Company and Solar Partners II, LLC and Solar Partners VIII, LLC for Ivanpah 1 and 3* ("Advice Letter"). Accordingly, Marin Clean Energy's ("MCE") protest to the Advice Letter is timely. Additionally, pursuant to Rule 1.8(d) of the Commission's Rules of Practice and Procedure, MCE states that it has been authorized to submit this protest on behalf of Silicon Valley Clean Energy Authority ("SVCEA"). MCE and SVCEA are collectively referred to hereunder as the "CCA Parties."

The Commission should ensure that PG&E's power costs associated with Ivanpah Units 1 and 3 ("Ivanpah Facilities") going forward are not included in PG&E's Power Charge Indifference Adjustment ("PCIA") rates because (i) these power costs are avoidable; and (ii) these costs are not attributable to ratepayers in PG&E's service territory that have departed[1] from PG&E's bundled electricity service to participate in CCA programs prior to the effective date of the Second Amendments.

[1] For ease of reference, the CCA Parties will refer to both CCA customers that have already departed utility service <u>and</u> those future CCA customers for whom a Binding Notice of Intent to depart utility service has been submitted as "departed CCA customers."

I. PG&E'S COSTS ASSOCIATED WITH CONTINUING TO PROCURE ELECTRICITY FROM THE UNDERPERFORMING IVANPAH FACILITIES SHOULD NOT BE PART OF PCIA RATES BECAUSE THESE COSTS ARE AVOIDABLE

PG&E chooses to continue to procure power from underperforming Ivanpah Facilities — despite already rampant over-procurement in the state.[2] Accordingly, PG&E's future costs from these facilities are avoidable and should not be recovered in PCIA charges.

California law requires that costs recoverable from departing customers must be unavoidable.[3] The Commission has further explained that "the utilities…should not sign contracts that might create new liabilities for CCA customers and utility customers where available information suggests the power might not be needed."[4]

PG&E's proposed Second Amendments to the Power Purchase Agreements ("PPAs") for the Ivanpah Facilities stem from a likelihood that at least one of the Ivanpah Facilities may fail to meet Guaranteed Energy Production ("GEP") requirements under the existing PPAs.[5] Such a failure would allow PG&E to terminate the PPA and eliminate its stranded costs associated with this underperforming facility.

By instead choosing to promote continued generation from the underperforming Ivanpah Facilities, PG&E's decision to execute the Second Amendments constitutes an ***avoidable*** extension of the PPAs. Accordingly, the Commission should not allow PG&E to recover the future costs of the PPAs in PCIA charges.

II. THE COMMISSION SHOULD NOT ALLOW PG&E TO PASS COSTS ASSOCIATED WITH A PROCUREMENT EXTENSION THROUGH AN AMENDED CONTRACT ON TO DEPARTED CCA CUSTOMERS

In addition to attempting to incur avoidable costs, PG&E also seeks to impose unnecessary procurement costs on to departed CCA customers in the guise of extending previously stranded power purchase contracts that could potentially be terminated. The Commission must not allow PG&E to pass costs associated with a new extension of the Ivanpah Facilities through to CCA customers who departed prior to the effective date of the extension because the costs associated with the extension are not attributable to those departed CCA customers.

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[2] *See e.g.*, *Los Angeles Times*, "Californians are paying billions for power they don't need" (February 5, 2017) (chronicling the premature closure of large efficient power plants in California due to a lack of need for their electricity and explaining that, despite using less electricity, Californians are paying more for electricity than they did in 2008 "because regulators have approved higher rates for years to come so utilities can recoup the expense of building and maintaining the new plants, transmission lines and related equipment, even if their power isn't needed.").

[3] *See* Cal. Pub. Util Code § 366.2(f)(2).

[4] Decision 04-12-046, mimeo at 30.

[5] Advice Letter 5012-E, at 3.

PCIA charges are only permitted for recovery of electricity purchase contract costs attributable to a departing load customer.[6] The Commission previously found that approval of Forbearance Agreements "d[id] not amend the [existing] PPAs, and therefore d[id] not justify any change to the Commission's earlier determination regarding cost responsibility."[7]

Here, the Second Amendments specifically <u>do</u> amend the existing PPAs.[8] Therefore, the amended PPAs justify the Commission changing cost responsibility determinations with respect to these PPAs. By choosing to extend the PPAs for the Ivanpah Facilities, PG&E acted solely on behalf of its present bundled customers.[9] PG&E's decisions are <u>not</u> attributable to departed CCA customers that have departed from PG&E's service *prior to* the effective date of the extension.

Thus, customers that departed from PG&E's bundled electricity service to participate in CCA programs or submitted a BNI to depart *prior to* the effective date of the Second Amendments can no longer be required to pay the power costs associated with the Ivanpah Facilities through their PCIA rates — *i.e.*, cost recovery for the Ivanpah Facilities should no longer apply to pre-2018 PCIA vintages.

III. CONCLUSION

The CCA Parties thank the Commission and its Energy Division staff for considering this protest to PG&E's Advice Letter 5012-E Second Amendments to the Power Purchase Agreements between Pacific Gas and Electric Company and Solar Partners II, LLC and Solar Partners VIII, LLC for Ivanpah 1 and 3.

Respectfully Submitted,

/s/ CC Song

CC Song
Regulatory Analyst
MCE

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[6] *See* Cal. Pub. Util Code § 366.2(f)(2); D.04-12-046, mimeo at 65, Conclusions of Law No. 12 (explaining that PCIA costs "should not include costs that … are not otherwise attributable to the CCA's customers.")
[7] Resolution E-4771, at 9–10 (March 17, 2016).
[8] PG&E Advice Letter 5012-E, at 2 and 4 (respectively stating that the Second Amendments "*modify* the PPAs' terms" and "*modify* the Contract Price provisions") (emphases added).
[9] In fact, PG&E is required to make procurement decisions having forecasted CCA departing load. *See* D.14-02-040, mimeo at 74–75, Ordering Paragraph No. 1.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of Energy Efficiency Rolling Portfolio Business Plan.	Application 17-01-013 (Filed January 17, 2017)
Application of San Diego Gas & Electric Company (U902M) to adopt Energy Efficiency Rolling Portfolio Business Plan Pursuant to Decision 16-08-019.	Application 17-01-014 (Filed January 17, 2017)
Application of Pacific Gas and Electric Company for Approval of 2018-2025 Rolling Portfolio Energy Efficiency Business Plan and Budget (U39M).	Application 17-01-015 (Filed January 17, 2017)
Application of SOUTHERN CALIFORNIA GAS COMPANY (U904G) for adoption of its Energy Efficiency Rolling Portfolio Business Plan and related relief.	Application 17-01-016 (Filed January 17, 2017)
In the Matter of the Application of Marin Clean Energy for Approval of its Energy Efficiency Business Plan.	Application 17-01-017 (Filed January 17, 2017)

PROTEST OF MARIN CLEAN ENERGY TO THE APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY FOR APPROVAL OF 2018-2025 ROLLING PORTFOLIO ENERGY EFFICIENCY BUSINESS PLAN AND BUDGET AND RESPONSE OF MARIN CLEAN ENERGY TO OTHER BUSINESS PLANS

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TABLE OF CONTENTS

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of Energy Efficiency Rolling Portfolio Business Plan.	Application 17-01-013 (Filed January 17, 2017)
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PROTEST OF MARIN CLEAN ENERGY TO THE APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY FOR APPROVAL OF 2018-2025 ROLLING PORTFOLIO ENERGY EFFICIENCY BUSINESS PLAN AND BUDGET
AND
RESPONSE OF MARIN CLEAN ENERGY TO OTHER BUSINESS PLANS

I. INTRODUCTION

In accordance with Rule 2.6 of the California Public Utilities Commission ("Commission") Rules of Practice and Procedure, the Marin Clean Energy ("MCE"), submits the following protest to the Application of Pacific Gas and Electric Company ("PG&E") for Approval of 2018-2025 Rolling Portfolio Energy Efficiency Business Plan and Budget, filed

January 17, 2017 ("PG&E Application") and response to other business plans. MCE protests the PG&E Application primarily on the grounds that (1) it does not provide sufficient information related to coordination with Community Choice Aggregators ("CCAs"); (2) it fails to include planned and significant third party solicitations for energy efficiency ("EE") programs; (3) it requires modifications and clarifications to the approach for statewide programs; and (4) it refuses to support CCA customers with time-of-use ("TOU") rate comparisons. MCE also responds in support of the business plans for the Bay Area Regional Energy Network ("BayREN"); the Southern California Regional Energy Network ("SoCalREN"); the Tri-County Regional Energy Network ("3C-REN"); and the Local Government Commission ("LCG"). Finally, MCE requests the Commission consider the presence of investor owned utilities ("IOUs") and non-IOUs to the extent it confirms previous rules related to antitrust defenses for statewide program activity.

II. BACKGROUND

MCE is a Commission-authorized energy efficiency ("EE") program administrator ("PA"). MCE filed an application with a business plan on January 17, 2017 concurrently with the IOU PAs. The Chief Administrative Law Judge's Ruling Consolidating Proceedings; Preliminarily Determining Category, Need for Hearings, and Assignment; and Setting Protest and Response Deadlines ("Consolidation Ruling"), filed on January 30, 2017, consolidated MCE's and the IOUs' applications into the above-captioned proceeding. The Consolidation Ruling also set February 21, 2017 as the deadline for protests and responses to the applications.[1] The Email Ruling Partially Granting IBEW[2] Motion for Extension of Time transmitted on

[1] Consolidated Ruling at p. 2.
[2] International Brotherhood of Electric Workers.

February 15, 2017 ("Extension Ruling") extended the date for protests and responses to March 3, 2017.

III. GROUNDS FOR PROTEST

MCE protests PG&E's application in four areas: (1) PG&E provides insufficient detail on coordinating programs with CCAs; (2) PG&E should be required to reflect competitive solicitations for EE in its business plan; (3) PG&E should modify or clarify portions of the Statewide Administration Approach; and (4) PG&E should support CCA customers with TOU rate comparisons.

A. PG&E Provides Insufficient Detail on Coordinating Programs with CCAs

PG&E provides an insufficient and cursory explanation of how it will coordinate with CCA PAs. The Commission called for each PA to provide a description of coordination regionally among PAs, including coordination with local government activities.[3] MCE is a local government PA with a service area that exists completely within the boundaries of PG&E's service territory. Beyond MCE, "PG&E anticipates growth in the number and size of CCAs over the next several years."[4] PG&E should address how it will coordinate to ensure the success of both PG&E and CCA programs while minimizing customer confusion. PG&E should provide an adequate description of how it will coordinate program activities with MCE and the other anticipated CCAs.

PG&E asserts that it collaborates closely with each PA and that each chapter discusses specific collaboration opportunities.[5] However, PG&E only addresses collaboration with MCE in

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[3] Decision ("D.")15-10-028, Appendix 3 at p. 2-3.
[4] PG&E Application, EE Business Plan 2018-2025, Chapter 1 at p. 24-25.
[5] *Id.*, Chapter 1 at p. 24-25.

the residential,[6] commercial,[7] and public[8] sector chapters. PG&E became aware of MCE's plans to serve the agricultural sector and industrial sector through participation in the California Energy Efficiency Industry Council ("CAEECC") and because it was stated in MCE's previously-filed business plan.[9] PG&E did not discuss collaboration opportunities in the agricultural or industrial sectors.

PG&E's discussion of coordination with MCE or CCAs is cursory and lacks specificity. For multifamily customers, PG&E asserts it will use a "common customer information form to help determine the best solutions to offer."[10] It is entirely unclear how this form will facilitate coordination of programs among multiple PAs. For single family customers, PG&E claims it works with MCE to deliver programs, create a "unified experience for the customer," and maximize energy savings.[11] There is no detail about how any of these will occur. PG&E further states it will "leverage" MCE's offerings and expertise.[12] It is not clear what is meant by "leverage." In the commercial sector, PG&E plans regular meetings with MCE but does not otherwise describe any details around coordination.[13] In the public sector, PG&E simply states it will continue cooperation with CCAs.[14] These statements are not specific enough to describe regional coordination.

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[6] PG&E Application, EE Business Plan 2018-2025, Chapter 2 at p. 36, 56.
[7] *Id.*, Chapter 3 at p. 61.
[8] *Id.*, Chapter 4 at p. 27.
[9] Application ("A.") 15-10-028.
[10] PG&E Application, EE Business Plan 2018-2025, Chapter 2 at p. 36.
[11] *Id.*, Chapter 2 at p. 56.
[12] *Id.*, Chapter 2 at p. 56.
[13] *Id.*, Chapter 3 at p. 61.
[14] *Id.*, Chapter 4 at p. 27.

B. PG&E Should be Required to Reflect Competitive Solicitations for Energy Efficiency in its Energy Efficiency Business Plan

PG&E's application to close the Diablo Canyon Power Plant ("DCPP Application")[15] includes large competitive solicitations for EE projects that should be reflected in PG&E's EE business plan. The Commission has expressed the need to ensure that such "solicitations are not just cannibalizing projects that otherwise would have been funded and conducted through the programmatic efforts…."[16] In the DCPP Application, PG&E proposes to procure 2,000 GWh of energy efficiency between 2018-2024[17] at a cost of $1.3 billion.[18] This amount of EE procurement is roughly equivalent to the entire electric savings from PG&E's portfolio during the 2013-2015 program cycle.[19] There is the potential for an additional 2,000 GWh of EE procurement between 2025-2030.[20] These EE programs are additional to what is in PG&E's business plan budgets and do not follow a goal setting process. The proposed DCPP Application EE procurement presents a significant risk of cannibalizing projects that would have been reached by all of the PAs in PG&E's service territory. The Commission should direct PG&E to reflect that procurement in its business plan.

The competitive solicitations in the DCPP Application should be viewed as third party programs and reflected in PG&E's business plan. The Commission defined third party programs as those that are competitively bid out[21] to be designed and implemented by third parties.[22] In the

[15] Application of PG&E (U 39 E) for Approval of the Retirement of Diablo Canyon Power Plant, Implementation of the Joint Proposal, and Recovery of Associated Costs through Proposed Ratemaking Mechanisms, filed August 11, 2016. A.16-08-006.
[16] D.16-08-019 at p. 70-71.
[17] DCPP Application, Attachment A at p. 5.
[18] DCPP Application at p. 12.
[19] PG&E Electricity Savings (GWH) for the 2013-14 Program Cycle. California EE Statistics. Available at http://eestats.cpuc.ca.gov/Views/EEDataPortal.aspx.
[20] DCPP Application, Attachment A at p. 6-7.
[21] D.16-08-019 at p. 75.
[22] D.16-08-019, Ordering Paragraph ("OP") 10 at p. 111.

supporting testimony to the DCPP Application, PG&E's describes a competitive solicitation process where the bidders propose specific programs and implement those programs.[23] These competitively bid programs are functionally identical to the third party programs. Southern California Edison ("SCE") supports this interpretation in its business plan application where it requests that supply-side EE solicitations count toward the third party requirement and the resulting EE savings count toward SCE's goals.[24] The Commission should recognize that the EE procurement proposed in the DCPP Application is, for all intents and purposes, third party program activity and should be reflected in PG&E's business plan.

The Commission should direct any winning bidders for the EE program solicitations in the DCPP Application to coordinate regionally in the same manner as PAs in their programmatic efforts under the business plans. As discussed above, the Commission called for each PA to provide a description of regional coordination. MCE's business plan includes a proposal for coordination[25] that is intended to prevent customer confusion and reduce the risk of difficultly arising from overlapping programs. The Commission should direct any EE programs authorized to adhere to the same program coordination framework to avoid these challenges. The Commission should provide a directive to PG&E that such coordination is required for any EE procurement that arises out of PG&E's DCPP Application.

PG&E's DCPP Application EE solicitations also pose a risk of unfairly competing with programmatic EE because they depart from the process and ratepayer protections developed by the Commission. The Commission has developed rules to ensure prudent use of ratepayer funds

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[23] DCPP Application, Prepared Testimony at p. 4-5 to 4-7.

[24] SCE Company's (U 338-E) Amended Energy Efficiency Rolling Portfolio Business Plan Application, filed February 10, 2017 ("SCE Application"). A.17-01-013.

[25] Application of MCE for Approval of its EE Business Plan, filed January 17, 2017, MCE EE Business Plan at p. 13-14.

for EE programs.[26] PG&E's DCPP Application is proposing to use the program administrator cost ("PAC") test with a $98 per MWh cost cap in lieu of the total resource cost ("TRC") test.[27] PG&E has also said that it will launch new utility programs via Tier 3 Advice Letter if it cannot meet the 2,000 GWh target through competitive solicitations; those programs would use the same rules as the competitive solicitations.[28] However, by keeping this EE procurement separate from the business plan, PG&E may avoid protections afforded through the standard rules and processes for utility EE programs.[29] PG&E may undermine the efforts of other PAs, or even PG&E's own programs, which are operating in the same area but are subject to more stringent rules and regulations. The Commission should direct any EE programs in the DCPP Application to be subject to the same rules and processes as the general EE programs and to be reflected in PG&E's business plan.

PG&E should incorporate all planned EE solicitations in its business plan. PG&E's only stated justification for not including the DCPP Application solicitations in the business plan is that they "will be determined as part of the Commission's decisions on PG&E's [DCPP] Application."[30] PG&E's own decision to file the DCPP Application in August of 2016, a mere five months before the business plan filings were due and still years before anticipated delivery of the DCPP EE programs, is not an adequate justification for excluding the EE procurement

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[26] *See, e.g.,* Commission, Energy Efficiency Policy Manual, Version 5, July 2013 ("CPUC Energy Efficiency Manual"), available at http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Utilities_and_Industries/Energy_-_Electricity_and_Natural_Gas/EEPolicyManualV5forPDF.pdf.

[27] DCPP Application, Prepared Testimony at p. 4-5.

[28] *Id.*, at p. 4-7 to 4-8.

[29] MCE supports a comprehensive re-look at the existing cost-effectiveness tests used by the Commission, and notes that such an examination is underway in the Integrated Demand-Side Management proceeding (R.14-10-003) and may be addressed in Phase III of the EE rulemaking (R.13-11-005).

[30] PG&E Application, EE Business Plan 2018-2025, Chapter 1 at p. 16.

from their business plan. The Commission should direct PG&E to reflect all competitive solicitations in its business plan.

C. PG&E Should Modify or Clarify Portions of the Statewide Administration Approach

A near identical Statewide Administration Approach document was included with each investor-owned utility ("IOU") application.[31] MCE specifically protests PG&E's filing on this topic because MCE's service area is entirely within PG&E's service territory. However, the issues raised here are relevant to all PAs that intend to participate in statewide programs.

MCE identified several elements of the Statewide Administration Approach that require modification or clarification. These relate to: (1) Commission review for changes to the list of statewide programs; (2) references to IOUs that should be references to all PAs; (3) minor modifications to reduce administrative burdens; and (4) several clarifications that are needed before approving the Statewide Administration Approach.

MCE also notes that the IOUs erroneously characterize the Statewide Administration Approach work product as a result of IOU effort exclusively, when in reality this document began through collaboration among all PAs. MCE and other non-IOU PAs engaged in the development of this document collaboratively leading up to Business Plan filings. At some point, the IOUs continued work on the document and excluded non-IOU PAs from finalizing the document. Based on MCE's experience working with the IOUs, it is very likely that continued collaboration would have avoided many of the issues raised below.

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[31] PG&E Application, EE Business Plan 2018-2025, Appendix A ("PG&E Statewide Administration Approach"); SCE Application, Exhibit SCE-4; Application of Southern California Gas Company (U 904 G) for Adoption of its Energy Efficiency Rolling Portfolio Business Plan and Related Relief, filed on January 17, 2017, EE Business Plan, Appendix A to the Executive Summary; and Application of San Diego Gas & Electric Company (U 902-M) to Adopt Energy Efficiency Rolling Portfolio Business Plan ("SDG&E Application"), Exhibit 2.

1. The Commission Should Not Delegate Authority to Modify the List of Statewide Programs

The Commission must retain, and not delegate, authority to modify the list of statewide programs to avoid creating a framework where IOU PAs could independently reduce the breadth of programs administered by non-IOU PAs. Statewide programs are administered by a single statewide lead PA.[32] All of the proposed statewide lead PAs are IOUs, in part due to the relatively larger staff and resource capacity associated with IOU EE program infrastructure. It appears PG&E seeks authority to modify the list of statewide programs without Commission authorization.[33] However, revisions to the list of statewide programs may directly limit the ability of MCE to administer certain programs. For example, if strategic energy management ("SEM") was delivered on a statewide basis, as was proposed by the IOUs before the CAEECC, it would preclude much of MCE's planned activity for the industrial sector. Similarly, PG&E and other IOUs may select certain programs for statewide administration specifically to preclude non-IOU PAs from administering those programs. The Commission should minimize the risk of this anti-competitive activity and require any change to the statewide program list to be approved by a Commission decision.

2. References to IOU PAs Should be Generalized to All PAs Where Appropriate

There are several references to IOU administrators that should be references to all PAs. The Commission authorized non-IOU PAs to serve as statewide lead PAs.[34] However, the Statewide Administration Approach indicates that final decisions regarding program design and delivery "shall be agreed upon by all IOU administrators…."[35] Both IOU and non-IOU PAs

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[32] D.16-08-019 at p. 61-62.
[33] PG&E Application at p. 26; *See also.* PG&E Application, Testimony at p. JF-8, lines 14-20.
[34] D.16-08-019 at p. 53.
[35] PG&E Statewide Administration Approach at p. 25.

should have equivalent roles in the statewide administration approach. There may be appropriate times to refer specifically to IOUs, as in a reference to the direction for statewide programs to "be delivered uniformly throughout the four large [IOU] service territories…."[36] However, the general approach should be to reference all PAs, instead of limiting references to IOUs. The Commission should direct PG&E and the other PAs to generalize references from IOU PAs to all PAs where appropriate in the Statewide Administration Approach document.

3. *Several Minor Modifications Should be Made to Reduce the Administrative Burden Associated with Statewide Programs*

The Statewide Administration Approach should invite, but not require, all PAs to attend meetings. The current proposal states that all PAs are required to attend periodic meetings on all programs.[37] However, it is likely that only a subset of those meetings will be relevant to certain PAs. To increase administrative efficiency and reduce regulatory burdens on small PAs, the Commission should allow but not require all PAs to attend all meetings related to the Statewide Administration Approach.

The Statewide Program Council should be limited to avoid an overly burdensome process. The current proposal specifies that each statewide program will have its own Statewide Program Council.[38] However, this is in addition to the California Energy Efficiency Coordinating Committee ("CAEECC") meetings and CAEECC subcommittee meetings where changes to statewide programs will also need to be discussed.[39] Generally, discussions about changes to statewide programs should be conducted before the CAEECC to include a broader range of stakeholders. To the extent there are topics, such as budget commitments or coordinating reporting that are more appropriately discussed only among PAs, those topics could

[36] *Id.*, at p. 2.
[37] *Id.*, at p. 22.
[38] PG&E Statewide Administration Approach at p. 24.
[39] *See* D.15-10-028 at p. 73-77 (describing CAEECC's ongoing scope of work).

be discussed within the Statewide Program Council. The Statewide Program Council may also be appropriate to develop certain straw proposals for discussion at the CAEECC.

The lead PA should be able to file an advice letter to close a statewide program upon their own initiative after consultation with the other PAs. The current proposal calls for consensus among all PAs before filing an advice letter to close a program.[40] This decision-making structure poses the risk of a single PA holding out and preventing the reasonable closure of a statewide program. The statewide lead PA should be able to file an advice letter after consulting with the other PAs and should state in the advice letter which PAs support and oppose the closure.

4. Several Clarifications are Necessary Before Approving the Statewide Administration Approach

There is an unclear limitation on the role of the lead PA. The Statewide Administration Approach indicates that the lead PA cannot make a budget decision without the consensus of the other PAs.[41] The meaning of "budget decision" is ambiguous and should be described more fully before approving the Statewide Administration Approach.

It is also not clear what is meant by "The Lead PA should consider, support, and where feasible, facilitate all local HOPPs and program partnerships, including those with publicly-owned utilities and public agencies, which addresses local issues or locational constraints."[42] There should be additional detail provided to describe what is meant by (1) consider; (2) support; and (3) facilitate. The intent of this provision is unclear in its current form. It is also unclear whether this language is strictly limited to locational EE activities. The Commission should

[40] PG&E Statewide Administration Approach at p. 24.
[41] *Id.*, at p. 23.
[42] PG&E Statewide Administration Approach at p. 25.

direct the PAs to refine and clarify this language before approving the Statewide Administration Approach.

It is also unclear what is meant by "Program Support and EM&V needs for statewide programs will be determined after Implementation Plans are developed."[43] Additional detail is required to understand what is meant by "Program Support." It would also be helpful to have an articulated process to determine the EM&V needs. The Commission should address this before approving the Statewide Administration Approach.

The Commission should require all PAs to define their budget and savings targets associated with each statewide program before the program launches. The Statewide Administration Approach recognizes that no one PA can launch a program "without the broad support, including budget and energy savings commitments, from the other PAs."[44] This approach is prudent and the Commission should direct PAs to identify the budgets and savings commitments prior to launching any statewide programs.

D. PG&E Should be Directed to Coordinate with CCAs to Support Customers Exploring TOU Rates

PG&E should support CCA customers exploring TOU rates by providing bill comparison support to CCA customers. PG&E indicates that CCA customers are "not eligible" for help to understand whether they may experience greater savings by switching to a different opt-in TOU rate plan.[45] However, PG&E recently filed an advice letter requesting funding to provide that support to CCA customers for the default TOU pilots.[46] The Commission has provided PG&E

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[43] *Id.*, at p. 28.
[44] *Id.*, at p. 23.
[45] PG&E Application, EE Business Plan 2018-2025, Chapter 2 at p. 52.
[46] Supplemental: Pacific Gas and Electric Company's Proposed Default Time-of-Use Pilot Design, in Compliance with Decision 15-07-001. PG&E Advice Letter 4979-E-B, filed February 24, 2017.

with bundled and unbundled ratepayer funding to develop the TOU rate comparison tools.[47] The Commission should not squander this ratepayer investment by allowing PG&E to exclude CCA customers from receiving the benefit of these tools. Allowing PG&E to exclude CCA customers would also create an inappropriate allocation of costs from bundled customers to CCA customers. The Commission should instead, (1) authorize PG&E to continue to collect costs for developing these tools from all rate payers; and (2) direct PG&E to work with CCAs to make these tools available to CCA customers.

IV. THE COMMISSION SHOULD APPROVE THE BAYREN, SOCALREN, 3C-REN, AND LGC BUSINESS PLANS

The Commission should approve the business plans for BayREN,[48] SoCalREN,[49] 3C-REN,[50] and LGC.[51] The Commission should encourage EE program administration by local governments. Local governments lack a profit motive, can incorporate local needs into program design, and leverage community connections to enhance program delivery. Local governments are relatively small compared to IOUs. This difference provides a unique opportunity to drive

[47] The costs for these tools are recovered through distribution rates.
[48] Motion of the Association of Bay Area Governments, on Behalf of the San Francisco Bay Area Regional Energy Network (CPUC #940), for Approval of 2018-2025 Rolling Portfolio Energy Efficiency Business Plan and Budget, filed on January 23, 2017, BayREN Energy Efficiency Business Plan 2018-2025 ("BayREN Business Plan").
[49] Motion of the County of Los Angeles, on Behalf of Southern California Regional Energy Network (CPUC #940) for Approval of its Energy Efficiency Rolling Portfolio Business Plan and Local Government Program Energy Efficiency Business Plan Proposal, filed on January 23, 2017, Attachment A: SoCalREN EE Rolling Portfolio Business Plan ("SoCalREN Business Plan").
[50] Motion of Ventura County on Behalf of the 3C-REN, Tri-County Regional Energy Network, for Approval of its Residential Energy Efficiency Rolling Portfolio Business Plan and Budget, filed January 23, 2017, Attachment A: 3C-REN Residential EE Business Plan and Budget Proposal ("3C-REN Business Plan").
[51] Motion of the County of Los Angeles, on Behalf of Southern California Regional Energy Network (CPUC #940) for Approval of its Energy Efficiency Rolling Portfolio Business Plan and Local Government Program Energy Efficiency Business Plan Proposal, filed on January 23, 2017, Attachment B: LGSEC's Statewide LGP EE Business Plan Proposal ("LGC Business Plan").

innovation because local governments can be more nimble and present less risk exposure for pilot programs than launching a new offering throughout an entire IOU service area.

These local government business plans have the potential to provide significant benefits to the state. Authorizing BayREN and SoCalREN to continue to serve as PAs will allow for continued innovation, such as the BayREN's water-energy nexus proposals.[52] The 3C-REN proposal was developed in response to the IOUs proposing to defund local government partnership programs ("LGPs") operating in the same area. The 3C-REN should be authorized as a new PA to execute their business plan, enhance service to their communities, and avoid disruption in program delivery. The LGC Business Plan is intended to eliminate inconsistencies between IOUs in administration of LGPs and to streamline the administration of those programs into a single administrator. This concept pairs well with the Commissions recent shift in statewide program administration and protects local government programs from the whims of the IOUs (*e.g.* the defunding proposals impacting 3C-REN's service area). The Commission should authorize these local governments to put their leadership into action in support of their communities and the state in achieving successful EE programs.

V. THE COMMISSION SHOULD CONSIDER THE EXISTENCE OF NON-IOU PAS IF IT CONFIRMS THAT STATEWIDE ADMINISTRATION IS SUBJECT TO THE STATE ACTION ANTITRUST DEFENSE

The Commission should consider non-IOU PAs if it chooses to confirm that statewide program administration is subject to the state action antitrust defense. The SDG&E Application requested the Commission confirm its previous direction that the state action antitrust defense applies to statewide program activity.[53] MCE notes that the 2010 decision that originally

[52] BayREN Business Plan, Section 6.
[53] SDG&E Application at p. 11.

articulated this rule[54] was issued before any non-IOU PAs existed. This rule, as currently stated, only applies to IOUs and would need to be extended or modified to shield non-IOU PAs engaged in statewide programs. Additionally, confirming such a defense may dangerously limit the IOUs' liability related to anti-competitive activity that harms non-IOU PAs. If the Commission considers confirming the defense, it should address the matter in workshops or comments and base that decision on a record that explores the implications of non-IOU PAs.

VI. CONCLUSION

MCE thanks Commissioner Peterman, Administrative Law Judge Fitch, and Administrative Law Judge Kao for their thoughtful consideration of this protest and response.

Respectfully submitted,

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March 3, 2017

[54] D.10-12-054, Ordering Paragraph 8 at p. 39.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State's Resource Planning Needs and Operational Requirements.	)))))	Rulemaking 13-09-011 (Filed September 19, 2013)

COMMENTS OF MARIN CLEAN ENERGY ON IMPLEMENTING THE COMPETITIVE NEUTRALITY COST CAUSATION PRINCIPLE

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March 3, 2017

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State's Resource Planning Needs and Operational Requirements.	)))))	Rulemaking 13-09-011 (Filed September 19, 2013)

COMMENTS OF MARIN CLEAN ENERGY ON IMPLEMENTING THE COMPETITIVE NEUTRALITY COST CAUSATION PRINCIPLE

Pursuant to the directions set forth in *Administrative Law Judge's Ruling Scheduling December 9, 2016 Webinar and February 22, 2017 Workshop and Requiring Filing of Proposals to Implement the Competitive Neutrality Cost Causation Principle* ("Ruling"), issued on December 2, 2016, Marin Clean Energy ("MCE"), respectfully submits the following comments. The comments respond to the Joint Utilities' Proposal, filed on February 17, 2017, and includes recommendations for implementing the Competitive Neutrality Cost Causation ("Competitive Neutrality") Principle. These comments are filed pursuant to the schedule set in Administrative Law Judge Hymes' e-mail ruling issued on February 24, 2017.

MCE agrees with the Joint Utilities' recognition of the need to "focus on simplicity in implementation, with an emphasis on reducing customer confusion and minimizing implementation costs."[1] However, the Joint Utilities' proposal offers a complex and administratively burdensome process, of which many elements are out of scope and not compliant with the Commission's previous decisions. MCE recommends the Commission provide a procedural schedule that will allow parties to

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1 Proposal at 3.

collaborative develop a record for the Competitive Neutrality Principle[2] and its implementation.

I. Introduction

MCE operates the first operational Community Choice Aggregation ("CCA") program within California. MCE's customers receive generation services from MCE, and receive transmission, distribution, billing and other services from Pacific Gas and Electric Company ("PG&E"). MCE currently provides generation service to approximately 250,000 customer accounts throughout Marin County, Napa County, and the cities of Richmond, San Pablo, El Cerrito, Benicia, Lafayette, and Walnut Creek. MCE also offers demand response ("DR") programs to its customers. Currently, MCE's DR offerings are limited to pilots, which utilize technologies such as controlled charging and thermostats. MCE customers also have the ability to participate in PG&E's DR programs, or directly participate in third-party programs.

MCE welcomes the opportunity to provide comments and recommendations in developing implementation of the Competitive Neutrality Principle. MCE anticipates that efficient implementation of the Competitive Neutrality Principle will effectively reduce the competitive barriers CCA providers face in providing their own DR programs. The Commission has acknowledged that reducing these barriers can be addressed by equitably allocating utility-offered program costs so that CCA customers, who have not caused the utility to incur such an expense, are able to participate in DR programs provided by their CCA provider. As such, in determining how to implement the Competitive Neutrality Principle, it is important to recognize that the fundamental intention of the

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[2] The Competitive Neutrality Principle states, "Once a direct access or community choice provider implements its own demand response program, the competing utility shall, no later than one year following the implementation of that program: i) end cost recovery from that provider's customers for any similar program and ii) cease providing the similar program to that provider's customers." D.14-12-024 at 48 (Ordering Paragraph 8a).

Competitive Neutrality Principle is to promote fair competition. The scope of discussion should therefore be limited to the mechanisms that will equitably allocate costs so that competition between utilities, CCA and Direct Access ("DA") providers does not give the IOUs an advantage.

II. Many Aspects of the IOUs' Proposal Are Out of Scope and Non-Compliant

The IOUs' Proposal ("Proposal") recommends a complex framework that includes various requirements that should be imposed on CCA and DA DR programs while largely overlooking the explicit requirements of the Competitive Neutrality Principle. MCE believes that the Proposal is insufficient and does not address the essence of the Competitive Neutrality Principle's intention to avoid barriers to competition in the DR market. In fact, instead of removing barriers to competition in the DR market, the Proposal would create additional barriers for CCA and DA providers. There are key statutory and practical differences between the IOUs and CCA providers, and it is wholly inappropriate for the IOUs to disregard these differences and to seek to conflate DR requirements, as further discussed below.

A. Certain Commission Requirements for Utility DR Programs are Not Applicable to CCA Programs and are Out of Scope

In their proposed second step, the IOUs recommend that certain State policy and Commission mandates applicable to IOU DR programs should also be applicable to CCA providers before implementing the Competitive Neutrality Principle.[3] The Proposal presents various Commission directives including: (i) sufficient financial backing, (ii) enabling third party providers and aggregators to be able to acquire CCA customers for direct participation in the CAISO wholesale market, (iii) the prohibition of fossil-fueled resources and verification compliance procedures, (iv) the bifurcation of

3 Proposal at 6.

DR into supply-side and load-modifying DR, and (v) dual participation rules.[4] The IOUs provide no substantial support for applying their checklist of various requirements on CCA DR programs. The Proposal notes: "Whether or not the Commission has direct authority over CCA and ESP programs, the Commission has the authority to determine the conditions under which CCA and ESP customers may participate in utility DR programs and assist with recovery of the associated costs."[5] To support this contention, the Proposal points to the Commission's jurisdiction over third party DR providers and makes the assumption that the Commission has jurisdiction over CCA providers for procurement plan purposes under the Integrated Resource Plans ("IRP") process.[6]

This is an incorrect assumption. As the IOUs are well aware, the issue of how IRP requirements apply to CCA providers is currently being discussed within the IRP Rulemaking.[7] Importantly, there are meaningful differences under the IRP statute and other CCA-related statutory provisions as to how procurement and other electricity-related functions should be carried out by CCA providers under the oversight of their local governing bodies.[8] MCE is unaware of any statute or Commission policy that would support the IOUs' claim, including D.14-03-026, D.14-12-024, and D.16-09-056, which establish policies and guidelines for DR programs and implementation.

Additionally, imposing requirements on CCA DR programs is out of scope for the purpose of implementing the Competitive Neutrality Principle. The Principle provides no directives with respect to additional requirements for CCA DR programs, but simply directs the IOUs to cease cost recovery and participation of CCA customers from the IOU's similar DR programs. The purpose of providing

4 Proposal at 6.

5 Proposal at 4-5.

6 Proposal at 5 (footnote 9).

7 Rulemaking 16-02-007.

8 *See, e.g.,* Public Utilities Code Section 454.52(b)(3) and Section 366.2(a)(5).

proposals and a future workshop on the Competitive Neutrality Principle is to implement its explicit requirements, not propose or speculate on potential new ones. Nowhere in the decision authorizing the Competitive Neutrality Principle does the Commission even imply that any requirements must be imposed on CCA DR programs before warranting implementation of the Competitive Neutrality Principle.[9] As discussed above, the Competitive Neutrality Principle is strictly a cost causation issue to avoid barriers to competition.

B. The Proposal Incorrectly Interprets the Competitive Neutrality Principle's Similarity Standard and Should be Disregarded

The Competitive Neutrality Principle is explicit in its rule that once a CCA provider "implements its own demand response program" the competing IOU shall end cost recovery from that provider's customers for "any similar program" and cease providing that similar program to that provider's customers.[10] The IOUs have interpreted this to mean that the CCA DR program should have "characteristics in common and alike in substance or essentials, such that the CCA or ESP DR program resembles the utility program in question."[11] The Proposal notes: "Based on the Commission's guidance, a CCA or ESP program that does not meet these foundational requirements would cease to further be considered for similarity to a utility-offered program."[12] Lastly, the Proposal recommends that the Commission review CCA programs on an "ongoing basis to determine if such programs remain 'similar' under the parameters described herein."[13]

The IOUs effectively turn the similarity standard on its head by insisting that the CCA providers must first develop a program that is similar to that of the competing IOU's program before

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9 D.14-12-024.

10 D.14-12-024 at 87 (Ordering Paragraph 8b).

11 Proposal at 12.

12 Proposal at 4.

13 Proposal at 7.

the IOU can cease cost recovery. However, as the Competitive Neutrality Principle clearly states, the requirements imposed on the utility are conditional simply on the existence of a CCA "implementing its own demand response program." Ceasing cost recovery from CCA customers is not conditional on whether a CCA's DR program is deemed substantially similar to a utility's DR program. Additionally, the Proposal's recommendation that CCA programs should be subject to ongoing review by the Commission should be disregarded, as discussed above.

The Proposal also provides a checklist of certain IOU DR program attributes that CCA programs should include, such as customer class eligibility, net energy metering terms, and grid benefits.[14] Requiring a CCA provider to design and implement its own DR program to be mirror that of the IOU's program defeats the Competitive Neutrality's underlying intention to promote a competitive DR market by requiring a CCA provider to duplicate its program to that of a competitor's program. A competitive barrier will continue to exist if the Commission imposes exacting restrictions on how similar a CCA's program must be to that of its competing IOU's program.

C. Certain Aspects of the Proposal Are Not Compliant with D.14-12-024 and Should Be Rejected

D.14-12-024 stated very clearly that the IOUs are directed to end cost recovery from CCA customers for any similar program offered by the CCA provider. The IOUs have proposed certain exceptions that are not compliant with D.14-12-024, and should therefore be rejected. These proposed exceptions include stranded costs and DR programs ordered due to emergency conditions.

First, recovering stranded costs is not compliant with D.14-12-024 because it contradicts with the directive to "end cost recovery." Furthermore, the IOUs did not provide any convincing reason why there would be any stranded costs. As the IOUs admit, because the periods for DR cost recovery

14 Proposal at 11-19.

have been relatively short, "there are probably no authorized existing costs that would likely be stranded in the next few years."[15] Proposing stranded cost recovery without any proof of actual stranded costs is inappropriate, and this proposal should be rejected by the Commission.

Second, the IOUs have proposed that DR programs ordered due to emergency conditions should be recovered from all customers.[16] This again contradicts with the directive provided in D.14-12-024. If there is an emergency requiring a "similar" IOU program to operate, the "similar" ESP or CCA program would also operate. This only provides further justification to remove the costs of the IOUs' DR program from the ESP or CCA customer's bills. If the IOU continues to recover costs from CCA customers in a similar program, CCA customers would have to pay for both the IOU's DR operation as well as the CCA provider's DR operation for the same emergency. This cost recovery would be duplicative and unfair, and should be rejected by the Commission due to non-compliance.

D. The IOUs' Bill Credit Mechanism Should Be Disregarded

The Proposal suggests a bill credit mechanism and asserts that the IOUs cannot implement different individualized rates for customers of different CCA providers.[17] The methodology for determining the bill credit would be based on forecast costs and sales but would still need to be developed through a stakeholder workshop process.[18] This proposal is problematic for several reasons. First and foremost, IOUs are CCA customers' default metering and billing agent, as required by statute.[19] The IOUs should strive to provide the same metering and billing services to CCA customers as they would to bundled customers. Second, receiving a bill credit could potentially create customer

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15 Proposal at 23.

16 Proposal at 26.

17 Proposal at 20.

18 Proposal at 20.

19 Public Utilities Code Section 366.2(c)(9).

confusion and reduce the benefit a customer could experience. Having a streamlined process for discontinuing cost recovery enables the utility to comply within the limited one-year time requirements of the Competitive Neutrality Principle.

III. The Commission Should Ensure that There Is A Substantive Record for Cost Allocation Equity and Competitive Neutrality

The Commission has previously recognized that barriers exist for DA and CCA providers that intend to administer their own DR programs.[20] The Commission has acknowledged that DR programs provide multiple benefits to the State.[21] These benefits can be realized by providing consumers a diverse market of DR options administered by both Investor-Owned Utilities ("IOUs") and non-IOU providers, such as DA and CCA providers. However, DA and CCA DR programs cannot fairly compete with IOU programs unless a standard process is in place to ensure that DA and CCA customers do not pay twice for two similar programs.

The Commission adopted a "demand response cost allocation principle," which directs that any DR program, tariff, or a pilot, that is available to all customers shall be paid for by all customers. Therefore, those costs are allocated to distribution rates.[22] Conversely, if a program, tariff, or pilot is only available to bundled customers, the program's costs shall be allocated solely to those customers' generation rates.[23] This principle provides the framework for equitable cost allocation, but implementing this principle requires further record development of the Competitive Neutrality Principle.

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20 Decision ("D.") 14-12-024 at 78 (Conclusion of Law 61).

21 DR programs reduce generation capacity needs, resource adequacy requirements, and energy prices in the CAISO market. They also alleviate transmission congestion, protect system and local grid reliability, and promote consumer education on energy use. (D.14-12-024 at 44.)

22 D.14-12-024 at 48 (Ordering Paragraph 8a).

23 D.14-12-024 at 48 (Ordering Paragraph 8a).

The Commission subsequently adopted the Competitive Neutrality Principle, which instructs the IOUs to cease cost recovery from CCA customers for programs that are similar to CCA programs, and discontinue programs that are similar to the ones provided by CCAs.[24] The Commission confirmed that the above principles "shall be utilized while simultaneously ensuring: a) consistency across all three utilities and b) the reduction of barriers to competition for direct access and community choice aggregation providers."[25]

However, before an IOU can perform those actions, a simple process should be developed to inform the IOU that the CCA provider intends to offer a similar DR program.[26] Once the IOU has been notified, it will have no later than one year following implementation of that program to perform the above requirements, as directed by the Commission.[27] The Commission has yet to develop a record that provide guidance to the IOUs to identify similar programs that need to be discontinued. The Commission also needs to provide a regulatory process where CCAs can notify the IOUs of similar programs, to be confirmed by the Commission.

Therefore, compliance guidelines should be established to ensure that the competing IOU will discontinue providing its similar DR program to the CCA provider's customers, following the Commission's review of similar DR programs. By maintaining a simplified process for implementing the requirements of the Competitive Neutrality Principle, the IOUs and CCA providers can instead expend resources on developing and enhancing DR programs to promote a competitive market. MCE looks forward participating the upcoming workshop and recommends a procedural schedule below to further explore unresolved matters mentioned above.

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[24] D.14-12-024 at 87 (Ordering Paragraph 8b).

[25] D.14-12-024 at 43.

[26] D.14-12-024 at 49.

[27] A discussion on the similarity of a utility program to that of a CCA provider's is discussed in Section III.

IV. Procedural Recommendations

In this section, MCE offers two procedural suggestions to develop a robust record for the Competitive Neutrality Principle. First, MCE offers a process to implement the Competitive Neutrality Principle. MCE looks forward to further exploring these points as part of the upcoming workshop.

As discussed above, before the IOU implements the Competitive Neutrality Principle, a standard process should be developed to inform the IOU that the CCA provider intends to offer a DR program. MCE believes that an advice letter process can and should be used to accomplish and implement the notification process. The following generally describes the proposed process:

- The DA or CCA provider would file a Tier 2 advice letter providing background information on its filing and generally describing the elements of its DR offering. The advice letter would be served on the IOUs and on the service list for the appropriate DR rulemaking proceeding. A Tier 2 advice letter is appropriate since the DA or CCA provider is simply requesting that a Commission decision be implemented and applied.

- The DA or CCA provider's filing of the advice letter would set the date by which the IOU would need to implement the Competitive Neutrality Principle (i.e., by not later than one year after the filing of the advice letter).

- Review and processing of the advice letter would follow the requirements in General Order ("GO") 96-B, relating to advice letters.

- The IOU may file a protest or response to the advice letter, to which the DA or CCA provider would be given an opportunity to reply, as described in GO 96-B.

- Upon review of the advice letter, the Commission's Energy Division's director would issue a disposition letter with respect to the advice letter.

Second, MCE offers a schedule to resolve outstanding matters related to the Competitive Neutrality Principle, such as criteria for identifying "similar" programs. From the Ruling, it is unclear what procedural steps following the contemplated workshop the Commission will take to finalize and implement the Competitive Neutrality Principle. Following the workshop, MCE requests that the Commission issue a ruling ("Further Scoping Ruling") adopting the following procedural schedule:

- Within 21 days of the Further Scoping Ruling, parties may submit opening post-workshop comments.

- Within 14 days of the submittal of opening post-workshop comments, parties may submit reply comments.

- Following receipt of post-workshop opening and reply comments, the Commission will consider and issue a proposed decision relating to the Competitive Neutrality Principle. (MCE also believes that implementation of the Competitive Neutrality Principle may be accomplished by resolution, and so references below to “decision” also include “resolution.”)

- Parties will be given the opportunity to provide opening and reply comments on the proposed decision.

- The Commission will adopt a final decision.

- DA and CCA providers will implement the final decision using the advice letter described above.

The recommended procedural schedule will allow parties, including the IOUs, third-party DR providers, DA providers, and CCAs to develop a robust record on the Competitive Neutrality Principle and its implementation.

V. CONCLUSION

MCE thanks the Commission for the opportunity to provide initial comments on the Competitive Neutrality Principles, and MCE looks forward to working with the IOUs and Commission to finalize and implement the principles.

Dated: March 3, 2017

Respectfully submitted,

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February 23, 2017

Re: CalCCA Informal CCA *En Banc* Hearing Comments

Introduction

CalCCA would first like to thank CPUC Commissioners and staff for taking the initiative to host the February 1st *en banc* hearing to explore CCA issues. We are heartened by the CPUC's growing awareness of the role CCAs can play in meeting state objectives in an efficient manner tailored to local communities, as well as the important role the Commission must play in this future.

CalCCA Members have demonstrated that they are treating State statutory clean energy goals and other regulatory requirements as a floor, with most of our members exceeding minimum compliance standards. We will continue to defend our statutorily-defined role as the sole entity responsible for procuring generation on behalf of our customers. CalCCA Members take this obligation very seriously, and will work with our governing boards to develop integrated resource plans that maximize grid value, environmental benefits, and protect customers.

Thanks to California's robust market for renewables and the proliferation of distributed energy resources, for-profit utilities no longer have the burden of procuring the majority of the State's load. This is the intended result of nearly two decades of legislation, policy, and investment – which will continue to reduce GHGs and customer costs. We encourage the Commission to continue to support partnership between local communities and incumbent utilities, without disrupting this growing market with unnecessary regulation. A natural friction arises in that CCAs seek to maximize societal benefit while IOUs have a fiduciary responsibility to their shareholders; this natural tension lends well to a critical role for the CPUC to ensure that the interests of California are protected. In addition, the CPUC has ongoing important work to ensure a safe grid, and to set and enforce clear standards to achieve climate goals in the most economically efficient manner.

CalCCA appreciates the opportunity to submit these informal comments, which will address factual inconsistencies as well as larger themes.

CCAs are not DA providers with a Different Structure

While both CCAs and DA providers were conceived to provide a cost-effective service and reliable alternative to the incumbent monopoly, they are fundamentally different business models. CCAs are not-for-profit local government agencies that offer service to all customers in a discrete geographical area. CCAs are required by law to serve all residential customers in their jurisdiction; they cannot and do not "cherry pick" more lucrative energy consumers.

CCAs are governed by a board of local elected officials who oversee decisions regarding procurement, budgets, and rates, and are directly accountable to the people who elected them. CCA board meetings are public meetings that follow the Brown Act requirements for public noticing and public decision-making. These elected officials, who represent both bundled and non-bundled customers, are motivated to maintain equitable treatment between both. Lastly, as CCAs value rate stability and not economic profit, they procure resources on a long-term basis and are committed to serving customers in perpetuity.

IOUs Advertise and Provide GHG Information to Customers

Professor Borenstein stated that it "isn't looked well upon if IOUs advertise". However, IOUs can – and do – frequently engage in extensive print, radio, and television advertising. CPUC Code of Conduct Rule 8.1.1 describes various forms of marketing that is allowed without restrictions. The CPUC's Code of Conduct protects ratepayers from IOU marketing against a CCA program until they have established a functionally and physically separate division funded by shareholders. The CPUC also ensures the accuracy of marketing claims. These two Commission policies arose as a reaction to PG&E's conduct in opposition to the formation of the first CCA, Marin Clean Energy.

A representative from The Utility Reform Network (TURN) made several misstatements about GHG disclosure requirements. The Commission does not prevent IOUs from providing GHG information to customers. For-profit utilities and CCAs may choose to have their retail GHG emissions audited by a third party for marketing purposes. In 2014, SCP and PG&E both used The Climate Registry (TCR) to audit emissions under an identical protocol. The result showed that SCP's base level portfolio produced 48% fewer GHG emissions than PG&E's. MCE also uses TCR methodology to track and report emissions. CleanPowerSF and MCE require third-party "green-e" certification for all resources in its 100% renewable retail products. In addition, the CPUC requires and oversees the disclosure of energy sources using the California Energy Commission's Power Content Label methodology. Incumbent IOUs and CCAs in their territory develop joint mailers to provide a side-by-side comparison of energy portfolios and applicable rates. The Commission requires that these be issued four times a year.

CalCCA agrees with TURN that RPS percentages alone do not directly reflect GHG emissions. As such, we will continue to support implementation of legislation such as AB 1110 that calls for uniform disclosure of GHGs by all LSEs. We would also support GHG intensity being reflected on Joint Mailers and would welcome the opportunity to work with the CPUC and stakeholders to implement such a requirement.

The TURN representative also expressed concern that PG&E's rate calculator on their website does not work if you are a CCA customer, like he is. The CCA community was heartened to hear PG&E agree that PG&E is responsible for providing a working rate calculator for all customers, as this is funded through the delivery charges that PG&E collects from every customer. We look forward to working with the CPUC to ensure that the IOUs provide this functionality for all customers.

CCAs Reduce – and do not Exacerbate – the Likelihood of Future Grid Crises

A number of comments at the *en banc* hearing suggested that the growth of CCAs could lead to another "energy crisis" similar to 2000-2001. The root cause of that crisis was a market design that forced all ESPs to procure power through the spot market, and prohibited the large IOUs from engaging in long-term contracting. By decentralizing energy procurement activities, the growth of CCAs reduces the risk of a future crisis. Indeed, the legislation enabling CCA formation, AB 117 (2002), was a direct result of the electricity crisis and the Legislature's desire to prevent future crises. Specifically, to prevent a repeat of 2000-2001, the State implemented policies and programs to diversify risk from large for-profit utilities and ensure continued reliability. These programs include resource adequacy, distributed generation, and community choice aggregation. CCAs comply with the same reliability (resource adequacy) and environmental mandates (RPS, storage) applicable to all other CPUC-jurisdictional LSEs. Parties accurately noted that CCAs are growing – this success is a direct result of legislative action and CPUC support to reduce risk.

CCA Procurement is Significant, Transparent, and Growing Rapidly

CCAs take a long-term approach to procurement, recognizing that a prudent, risk-minimizing portfolio requires a mix of short, mid-term, and long-term assets. The contention advanced at the *en banc* hearing that CCAs do not develop new "steel in the ground" projects or support grid stability and reliability is demonstratively false. As a result of CCAs' long-term planning, CCAs are able to adapt to both short- and long-term changes in the electricity sector, including changes in demand resulting from energy efficiency and DERs and changes in grid needs for integration, storage and ramping as energy sources evolve. CCA contracting is subject to the approval and oversight of elected board members through a public process subject to state and local transparency laws. The same process is utilized when the CCA governing board approves its Integrated Resource Plan (IRP).

We question whether the TURN representative's stated preference to develop new resources is prudent in the current environment, where IOUs have significantly more capacity than they need for reliability, and more RPS than they need for compliance. Relying solely on new resources would be economically inefficient and harmful to ratepayers. However, if the legislature codifies a preference for new resources, CCAs will comply.

Moreover, CCAs have been contracting for new, long-term renewables. As CleanPowerSF noted, CCA solicitations for power resources have been met with an overwhelming response of offers. Credit does not appear to be an impediment to CCA procurement, including long term contracts. Further, there has been a diverse selection of counterparties who are doing business with CCAs. The theme of CCAs emerging as the dominant force in procurement was accurately highlighted by project developers, financiers, and organized labor representatives. Below is a list of new renewable projects in California built with contracts from CCAs.

	Project Size (MW)	Resource	Resource Provider/Project Name	Location	Service Start Date	Contract Length (Years)
MCE	1	Solar	San Rafael Airport	San Rafael, Marin Co.	2012	20
	1.6	Biogas	G2 Energy / Hay Road Landfill	Vacaville, Solano Co.	2013	18
	4.8	Biogas	Genpower / Lincoln Landfill	Lincoln, Placer Co.	2013	20
	1.9	Biogas	G2 Energy / Ostrom Road Landfill	Wheatland, Yuba Co.	2013	18
	1	Solar	Dominion / Buck Institute of Research on Aging	Novato, Marin Co.	2016	25
	0.3	Solar	Rawson, Blum & Leon / Cost Plus Plaza	Larkspur, Marin Co.	2016	20
	1	Solar	North Solar Solar Partners / Freethy Industrial Pk. #1	Richmond, Contra Costa Co.	2016	20
	1	Solar	North Solar Solar Partners / Freethy Industrial Pk. #2	Richmond, Contra Costa Co.	2016	20
	0.5	Solar	REP Energy / Cooley Quarry	Novato, Marin Co.	2017	20
	1	Solar	REP Energy / Cooley Quarry	Novato, Marin Co.	2017	20
	3.6	Biogas	Waste Management / Redwood Landfill	Novato, Marin Co.	2017	20
	10.5	Solar	MCE / Solar One	Richmond, Contra Costa Co.	2017	25
	20	Solar	Dominion / RE Kansas Solar	Stratford, Kings Co.	2015	3
	23	Solar	Dominion / Cottonwood Solar	Stratford, Kings Co.	2015	25
	99	Wind	EDP Renewables / Rising Tree III	Mojave, Kern Co.	2015	3
	30	Solar	Recurrent Energy / Mustang Solar Power Project	Leemore, Kings Co.	2018	15
	100	Solar	Recurrent Energy / Tranquility 8	Tranquility, Fresno Co.	2018	15
	105	Solar	sPower / Antelope Expansion 2	Lancaster, Los Angeles Co.	2018	20
	42	Wind	Terra-Gen / Voyager Wind III	Mojave, Kern Co.	2018	12
	125	Wind	Terra-Gen / Los Banos Wind	Los Banos, Merced Co.	2018	12
	40	Solar	First Solar / Little Bear Solar	Mendota, Fresno Co.	2020	20
	80	Solar	EDF Renewables / Desert Harvest	Desert Center, Riverside Co.	2020	20
SCP	1	Solar	Cloverdale Soventix	Cloverdale, Sonoma Co.	2017	20
	1	Solar	VacaSolar Millenium	Petaluma, Sonoma Co.	2017	20
	1	Solar	Petaluma Solar Millenium	Petaluma, Sonoma Co.	2017	20
	12.5	Solar	Pristine Sun LLC	Multiple sites, Sonoma Co.	2017	20
	70	Solar	Recurrent Energy / Mustang Solar Power Project	Leemore, Kings Co.	2016	20
	46	Wind	NextEra / Golden Hills	Livermore, Alameda Co.	2018	20
LCE	10	Solar	sPower / Western Antelope Dry Ranch	Lancaster, Los Angeles Co.	2016	20
PCE	200	Solar	Frontier Renewables / Wright Solar Park	Santa Nella, Merced Co.	2018	20

<u>CCAs Comply with the Same Regulatory and Legislative Requirements as Other LSEs</u>

Professor Borenstein noted that IOUs feel they're held to "implicit standards", and a representative from SDG&E seemed to imply that procurement mandates are not applied uniformly to all LSEs.

CalCCA will refrain from conjecturing on what any implicit standards may be. It is critical to note that CCAs do not circumvent the State's environmental mandates. As California-based load serving entities, CCAs are subject to the same resource adequacy, renewable portfolio standard, and emissions performance standards as all other LSEs. The current State-mandated standards are the floor from which all CCAs may operate, and in practice CalCCA Members are going far above and beyond the minimum required environmental performance. This is due to a focus on creating societal benefits, and oversight by a governing board who demand that CCAs meet additional local requirements. For clarity's sake, a table of non-exhaustive compliance requirements for CCAs is included in Appendix-1 of these comments.

We do agree with the representative from SDG&E that procurement mandates are not always applied uniformly. The recent BioRAM Decision is an example of this: although CCA customers will pay for this procurement through non-bypassable charges, CCAs were prevented from being able to engage in this procurement for our customers despite having bark beetle infestations in our territories. The unfortunate result is that our customers are paying for, but not receiving, the local environmental benefits and reduced risk of fire-hazard created by the mandates.

CalCCA Members Actively Protect Their Customers and Advocate on Their Behalf

The Office of Ratepayer Advocates (ORA) signaled in the panel that it views its responsibility as being an advocate for all ratepayers, bundled and non-bundled. This is encouraging, as CalCCA views ORAs mission to be a critical check on the investor owned power industry in California. The CCA community hopes to coordinate with ORA going forward to determine the best way for all consumers to be protected while allowing for community choice and responsibility in energy provision. This directly aligns with the interests of our board members, who are accountable to both bundled and un-bundled customers.

We share the frustration expressed regarding the lack of a Time-of-Use (TOU) bill comparison tool for CCA customers. CCAs are required to rely on IOUs to provide billing services, and are therefore dependent on IOUs to provide the same quality of billing services to all customers. As the funds for these services come from distribution charges, we feel our customers deserve equitable treatment. The lack of a TOU bill comparison tool for CCA customers is an example of this issue. In response, CCAs have advocated at the Commission and directly to PG&E to that end. We remain hopeful that this tool will be developed in the near future and would welcome any role we can play in assisting in that development.

CalCCA Members Meet and Exceed Long-term Contract Requirements and Perform Integrated Resource Planning

Given the significant discussion on CCA's ability to enter long-term contracts, we would like to clarify that – as agencies committed to perpetual service in our jurisdictions – CCAs will meet or exceed long-term contracting requirements stipulated in SB 350. Indeed, CalCCA Members have never expressed resistance to complying with long-term contracting requirements. However, it is narrowly true that a CCA may be challenged to meet long-term contract requirements in its early days of operations. This is a practical implementation challenge CalCCA is working to overcome.

CalCCA looks forward to working with the CPUC and other parties to develop a robust long-term procurement paradigm through the Integrated Resource Plan (IRP) process. Using the IRP to manage all utility procurement will allow the CPUC to establish guidelines to accurately track all procurement activities. While the IOUs will have their IRP reviewed and approved by the CPUC, CCAs will follow the guidelines the CPUC establishes as each CCA seeks approval of its IRP through its public process with its local governing board. Given our increasing role in statewide procurement and ability to enter into contracts for resources more quickly than an IOU, CalCCA expects its members to play an important role in securing resources needed to meet environmental objectives and reliability needs.

Indifference Should be the Focus of the Power Charge Indifference Adjustment

A Southern California Edison representative made an unsupported statement that the existing Power Charge Indifference Adjustment (PCIA) does not result in indifference for bundled customers. The highly volatile PCIA has ballooned in the past two years and now represents over one third of the generation component of CCA customers' bills in PG&E's service territory. Without clear reasoning and a chance for fact finding, the notion that this charge is too low is unfounded.

In addition, SCE put forth the notion that earlier CCAs have a better environment to depart than later CCAs, suggesting costs are pushed off to later CCA creation. This notion is not true; the PCIA is calculated pro-rata, and only applied to the customers who depart. There is no competitive advantage from a cost-allocation standpoint to develop a CCA sooner rather than later. This statutorily-required principle of indifference is, in fact, exactly what the PCIA is designed to ensure.

Other Non-Bypassable Charges (NBCs)

In addition to the PCIA, CCAs are required to pay NBCs for capacity via the Cost Allocation Mechanism (CAM). The imposition of these charges results in double-payment by CCA customers. Standards are needed to ensure equal treatment of CCA customers compared to bundled customers.

CCAs' Role in Energy Efficiency

We agree with NRDC's comments that CCAs are well poised to deliver programs tailored to their local customers. CalCCA Members have a demonstrated track record of providing programs that meet the unique needs of their communities. When MCE first launched energy efficiency (EE) programs, it was directed to focus on gaps and hard-to-reach market sectors. These areas are often overlooked, as they tend to have relatively low total-resource-cost (TRC) results. MCE launched its multifamily and small commercial programs in late 2012, and has since demonstrated success with high levels of program participation, competitive TRC results, and positive feedback from participants. MCE's recently-approved Low-Income Tenants and Families (LIFT) pilot provides $1.75 million per year in Energy Savings Assistance Program (ESAP) funding to address EE needs from disadvantaged and hidden communities. Meeting the objectives of Senate Bill (SB) 350 will require capturing energy efficiency in these untapped and overlooked markets.

CPUC policies and regulations should be reconsidered to empower and enable CCAs to continue innovating in these hard-to-reach market sectors. A prior CPUC Decision on CCA Energy Efficiency (D. 14-01-033) put CCAs on equal footing with IOUs for TRC requirements and reporting obligations. MCE's existing portfolio is less than 1% of PG&E's, and CCA portfolios do not include statewide programs that produce high savings with relatively low administrative burdens. Instead, CCAs focus on downstream programs, which achieve savings through direct assistance to thousands of discrete customers to take actions that reduce energy use.

To facilitate continued successes, CPUC policies should empower and enable CalCCA Members to continue innovating in hard-to-reach market sectors. One aspect the Commission could assist in is reducing administrative burden. While CCAs administer a distinct portfolio of programs within a smaller service area, they endure the same level of administrative burden as the larger IOUs. The unfortunate result is to discourage innovation, as designing and launching new programs is more resource-intensive. We would welcome the opportunity to work to develop a framework to ensure fiscal responsibility while not stifling innovation.

CCAs' Role in Integrated Distributed Energy Resources

CCAs are well poised to integrate delivery of a diverse suite of resources that can reduce greenhouse gas emissions. CCAs operated by a single entity (such as a city or county) can directly coordinate with other applicable departments to provide customers with expanded conservation options. Multi-member CCAs can leverage connections with member jurisdictions, funding from outside agencies, and internal revenue to provide customers with multiple resource conservation options beyond energy efficiency. With an emphasis on greenhouse gas reduction, CCAs have already demonstrated their capacity for innovation in the areas of building and transportation electrification. MCE's LIFT pilot includes an element focusing specifically on heat pumps, and MCE's Business Plan discusses integrated delivery of energy efficiency and demand response strategies to provide maximum opportunities for load shaping and shifting through a single customer interface. Sonoma Clean Power's (SCP) recent electric vehicle (EV) pilot program resulted in over 200 new EVs on the road. Notably, 30% of program funds went to CARE customers, a significantly higher percentage than the 18% of customer accounts that are enrolled in CARE. SCP is now evaluating that program to inform best practices for future EV programs not only in SCP's service area, but across the state.

This type of flexible, non-critical load will be an important tool in integrating more renewables and meeting SB 350 goals. To most efficiently achieve these goals, EV programs should be geared towards customer classes based on location, with corresponding marketing and outreach.

Distributed energy resources – from rooftop solar to EV chargers – must provide maximum value to the grid to cost-effectively meet SB 350 goals. This will require a granular assessment of distribution grid conditions. As discussed at the *en banc* hearing, CCAs were recently granted access to IOU data that will allow them to build a map of "hot spots" on the grid where these DERs will provide the most benefit. Maps like these, coupled with insightful customer information (e.g. those interested in EE), will be extremely valuable to the effort to achieve state goals.

CCAs and Innovation

Commissioner Peterman expressed her interest in having the lessons learned with these innovative CCA programs shared with the greater community. CCAs have the ability to respond quickly and pilot new programs to test their effectiveness, such as SCP's EV program. Within the CCA community, CalCCA Members regularly share ideas on successful programs and are eager to share this knowledge beyond CCAs. For example, Peninsula Clean Energy (PCE) is exploring innovative ideas with local entrepreneurs to help support the grid with increased penetration of renewables.

CCAs' Role in Land Use Planning

President Picker noted that CCAs are able to add value in land use planning. As government entities, CCAs can engage with local planning officials as peers. This presents the opportunity to develop and implement zoning regulations and guidelines that unlock more potential for local implementation of state policy goals. This could be done, for example, by implementing zero net energy requirements for new homes (as done in Lancaster), streamlining the permitting process for EV chargers in targeted areas, or changing building codes to replace gas water heaters with electric. CalCCA looks forward to partnering with the Commission to develop successful policies to effectuate fuel switching.

CCAs' Role in Rewarding Disadvantaged Communities

Local communities are stronger when they embrace their most vulnerable members. The volatility of the PCIA and the application of the PCIA to California Alternative Rates for Energy (CARE) and medical baseline customers present an on-going threat to low-income and disadvantaged communities. CCAs work to collaborate with these communities, to integrate their perspectives into our approaches, and respond to their needs in our advocacy and programs. As the most mature CCA, MCE has made the most progress to date. MCE's solar program offers rebates exclusively to low-income customers in partnership with Grid Alternatives. $80,000 has been allocated to-date, resulting in more than 150 low income installations and contributing to nearly $1 million in customer bill savings. Additionally, the partnership between MCE and RichmondBuild has supported approximately $100,000 for energy efficiency and solar job training. MCE places a high emphasis on local workforce opportunities, and partners with the Marin City Community Development Corporation to provide workforce re-entry opportunities in its energy efficiency programs. MCE is requiring a minimum of 50% Richmond residents to be hired in building its 10.5 MW solar installation at a brownfield site in Richmond.

CCAs and the Role of Provider of Last Resort

The CCA model has been designed where the IOUs are the Providers of Last Resort and significant ratepayer protections have been put in place through CPUC decisions, implemented through Rule 23. The Provider of Last Resort role becomes operative under three scenarios: 1) the enrolled CCA customer opts-out; 2) the CCA decides to cease operations; or 3) the customer does not pay for CCA service.

Under the CCA model customers have choice. While CCAs become the default suppliers in their areas for customers they have offered service to, those customers still have the option of opting out under state law, and returning to the Provider of Last Resort, the IOU, at any time. The rates charged those returning customers protect bundled customers from cost shifting.

Under Rule 23, CCAs that voluntarily cease operations must provide one-year advanced notice to the CPUC and IOU and such CCAs are responsible for all costs arising from the termination. The customers of CCAs that are involuntarily terminated are required to pay Transitional Bundled Commodity Service, which the Commission established to protect bundled customers from any cost shifting that may result from CCA customers returning to bundled service.

The disorderly, abrupt termination of CCA service scenario is not realistic and the Commission acknowledged this in D.05-12-041. If termination of service happens at all, it will likely happen gradually, with customers opting out due to higher bills over a longer period of time. The CPUC should be proactive, and share and promote procurement best practices to support CCA durability. The RPS program requires a significant amount of long-term contracting, which will provide some protection to CCAs and their customers from market price volatility (market price shocks).

As we noted at the *en banc* hearing, perhaps the greatest threat to CCAs on-going attractiveness to customers, and therefore viability, is a large swing in the PCIA. The PCIA has proven to be highly volatile and impossible to predict. The CPUC needs to be careful that regulation not be the cause of massive CCA market disruption.

Finally, a CCA customer may be returned to the IOU for service due to non-payment of the CCA charges on the electric bill. After a CCA pursues a notice and collection process, which includes outreach to the customer, the CCA may return the customer to the IOU. The CCA has no authority to disconnect service. If the IOU disconnects service to the customer for non-payment of the IOU charges on the electric bill, the IOU notifies the CCA after-the-fact.

Conclusion

CalCCA is committed to helping California advance its clean-energy goals, serving low-income communities, and being responsible, law-abiding actors on the California grid. We see significant potential in a future founded on local responsibility joined with CPUC coordination, support, and oversight. There are many energy system challenges that require new approaches. From accessing hard-to-reach components of the community, including the low-income segment, to coordinating with local planners, locally-governed CCAs are poised to address challenges that may be more difficult for large investor owned utilities.

CCAs take our statutory obligation to procure for our customers very seriously. We look forward to working with the Commission to develop clear policy standards that protect all ratepayers and shape the future of the grid, without stifling the ability of new business models to help achieve California's goals.

Respectfully Submitted,

Barbara Hale
CalCCA President

Appendix 1: Non-exhaustive Sample of CCA Compliance Requirements

Report	Frequency	Entity
Resource Adequacy (Load Forecast-Year-Ahead)	Annual	CEC / CPUC
Resource Adequacy (Compliance Demonstration: System, Local, Flexible)	Monthly	CPUC
Resource Adequacy (Year Ahead Compliance Demonstration: Local, System)	Annual	CEC / CPUC
Resource Adequacy (Historical Load Data)	Annual	CEC / CPUC
Resource Adequacy (Load Forecast Updates)	As Needed	CEC
IEPR - Demand Forecast	Biennial	CEC
IEPR - Resource Plans Update	Biennial	CEC
Power Source Disclosure	Annual	CEC
QFER 1306B	Quarterly	CEC
Officer Certification	Annual	CAISO
Annual Retail Sales Report	Annual	CARB
Wind Power Purchases: Form 1386	Quarterly	CEC
RPS Report	Annual	CPUC
RPS Closing Report	As Requested	CEC / CPUC
EIA 826	Monthly	FERC
EIA 861	Annual	FERC
WREGIS REC Retirement Report	Annual	WREGIS
AMI Data Privacy Audit	Triennial	CPUC
AMI Data Privacy Report	Annual	CPUC
Energy Storage Tier 2 Advice Letter	Biennial	CPUC
GHG Emission Performance Standard Advice Letter	Annual	CPUC

Addendum to CPUC Background Paper on Community Choice Aggregators

Subject	Commission Background Paper Language	Existing Practice	Relevant Statute and Commission Decision
Energy Storage	N/A	The Commission directed CCAs to procure energy storage commensurate with 1% of their 2020 annual peak load. The project installation should occur no later than the end of 2024, consistent with the requirement for IOUs.	Public Utilities Codes Section 2836(a)(1), D.13-10-040
Renewable Portfolio Standard	"While the CPUC 'approves' these plans for IOUs, the CPUC only 'accepts' RPS plans for CCAs" (page 7).	As retail sellers, CCAs submit reports to both the CPUC and the CEC for RPS compliance. CCAs submit procurement plans to the CPUC consistent with statutory requirements. D.05-11-025 determined that CCAs should follow similar steps but not the same steps for RPS implementation purposes because the utilities are fully regulated by the Commission. The CPUC reviews the procurement plans to ensure that each CCA's portfolio content category is accurate. The CEC verifies RPS procurement for each 3-year compliance cycle. Retail sellers report their RPS WREGIS and e-tag claims annually to the Energy Commission.	Public Utilities Code Section 399.13(a)(5)(A)-(F), D.05-11-025
Integrated Resource Planning	"If the CPUC finds that the CCAs' renewable integration needs are best met through long-term procurement commitments for resources, CCAs are also required to make long-term commitments" (page 7).	CCAs can exercise their self-provision enabled by statute by making long-term commitments to satisfy renewable integration needs. The characteristics of these needs have yet to be defined by the Commission. As long as the renewable integration proposals satisfy the statutory requirements in Section 454.51(d)(1)-(4), the Commission should approve these proposals. Additionally, beginning on January 1, 2021, 65% of a retail seller's RPS procurement must be from contracts of 10 years or more from eligible energy resources. This requirement also applies to CCAs, because CCAs are retail	Public Utilities Code 454.51, 399.13(b)

		sellers.	
Resource Adequacy	"If significant numbers of bundled customers move to CCAs with their associated load, it could become difficult to use the utilities as a conduit for procurement for such purposes; potentially IOUs may be unwilling to procure capacity beyond their own customers' needs" (page 6-7).	As currently implemented, CAM should be balanced to maximize CCAs' ability to determine the generation resources used to serve their customers, in accordance with Section 380(b)(4). The Commission has also not clearly defined specific resource attributes that provide long-term reliability. This lack of clarity makes it difficult for CCAs to make informed procurement decisions to satisfy long term reliability needs and realize the market value for those resources. Additionally, Section 366.2(a)(5) provides CCAs the sole responsibility for generation procurement activities on behalf of their customers, unless otherwise expressly authorized by statute.	Public Utilities Code Section 380(b)(4), 366.2(a)(5)
Energy Efficiency	"MCE undertakes residential, commercial and financing programs" (page 10).	In addition to residential, commercial, and financing programs, MCE's Low-Income Families and Tenants (LIFT) program was recently approved by the Commission.	D.16-11-022
Transportation Electrification	"If the CPUC and IOUs develop rates that encourage electric vehicle charging at times of day that are beneficial to the grid, but CCAs do not adopt those or similar rate structures, we may lose the opportunity for electric vehicles to help integrate renewables and make the grid more efficient" (page 10).	All CCAs have electric vehicle rates that mirror those of the IOUs. Additionally, existing CCAs have demonstrated interests in deploying electric vehicles to improve renewable integration. Sonoma Clean Power recently provided additional rebates to encourage its customers to purchase electric vehicles. Lancaster Choice Energy is working with the Antelope Valley Transit Authority to replace its entire fleet with electric buses.	
Transportation	"CCA customers could	To-date, the Commission has directed the IOUs to conduct	D.16-01-023, D.16-

Electrification	be eligible for both IOU programs and CCA programs. This presents additional opportunities for customers but may be confusing for some as there is currently no mechanism to ensure CCA and IOU programs are complementary rather than duplicative. As a result, there is a risk that CCA customers will pay for electric vehicle programs offered by the IOU and also pay for similar programs offered by their CCA" (page 10).	cost recovery for updating the distribution infrastructure. CCAs only provide generation services, and their programs will not be duplicative of approved IOU programs that upgrade distribution infrastructure. CCAs have also shown willingness to collaborate with IOUs, demonstrated by the settlement between PG&E, MCE and Sonoma Clean Power.	01-045, D.16-12-065
Time-of-Use (TOU) Rates	"For example, PG&E's software tool can only produce rate comparisons for bundled customers. In addition, there is a question about allocation of costs for the rate comparison tool."	IOUs are the default billing and metering service providers to unbundled customers, as required by Section 366.2(c)(9). The Commission has also determined in D.04-12-046 that costs already reimbursed in the utility revenue requirements cannot be charged to CCAs, including billing system costs, and costs associated with customer services. The costs for the rate comparison tool should be recovered through the distribution function, consistent with the statute and Commission precedent.	Public Utilities Code 366.2(c)(9), D.04-12-046
Low Income Programs	"One concerns that has been raised is that CCAs could "cherry pick" customers by creating geographic boundaries that avoid low income or	There is no market incentives for CCAs to avoid serving low income or underserved neighborhoods. Current discount programs for income qualified households, such as CARE and FERA, are funded through the distribution function, not generation.	

	otherwise underserved neighborhoods. However, there is no evidence that this has happened with existing CCAs" (page 12).	Additionally, CCAs have also demonstrated their commitment to low income customers. MCE recently received $1.7 million per year for its Low-Income Families and Tenants pilot. MCE has also instituted a 50% local hire requirement for its development of a 10.5 MW solar facility at a brownfield at the Chevron refinery in Richmond, a disadvantaged community identified by CalEnviroScreen 2.0. Sonoma Clean Power recently completed an electric vehicle pilot program, and 30% of the program funds went to CARE customers, who represent 18% of SCP's accounts.	
Renewable Energy	"Staff has not evaluated whether CCAs can both be more green than IOUs and also provide lower rates" (page 13).	There are many publicly available documents that demonstrate CCAs' greener portfolios and lower rates. The links below contain rate comparison tools with information about renewable content of each electricity rate product provided by individual CCAs. CleanPowerSF: http://sfwater.org/index.aspx?page=997 Lancaster Choice Energy: http://www.lancasterchoiceenergy.com/your-options/ MCE: https://www.mcecleanenergy.org/your-energy-choices/ Peninsula Clean Energy: http://www.peninsulacleanenergy.com/residents/residential-rates/ Sonoma Clean Power: http://sonomacleanpower.org/your-options/	

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February 16, 2017

Via Regular Mail and Electronic Mail

Mr. Edward Randolph
Director, Energy Division
California Public Utilities Commission
505 Van Ness Avenue 4th Floor
San Francisco, California 94102

Re: Protest to SDG&E Advice Letter 3035-E

Dear Mr. Randolph:

The California Community Choice Association ("CalCCA") hereby protests and urges the Commission to reject Advice Letter 3035-E ("Advice Letter"), submitted by San Diego Gas & Electric Company ("SDG&E") on January 27, 2017. The Advice Letter is SDG&E's third attempt to develop a compliance plan which, if approved, would allow Sempra Services Corporation ("Affiliate-IMD"), an SDG&E affiliate, to market and lobby against Community Choice Aggregation ("CCA") programs as an Independent Marketing Division ("IMD").

SDG&E had previously sought Commission approval for an IMD in its:

- Original Compliance Plan (Advice Letter 2822-E), which was rejected by the Commission in Resolution E-4874 (August 18, 2016); and

- A first revised Compliance Plan (Advice Letter 3008-E), which was rejected by the Energy Division in a letter dated December 27, 2016 ("Disposition Letter").

In its current filing, SDG&E continues to submit a Compliance Plan that significantly fails to meet the requirements of Senate Bill ("SB") 790, the CCA Code of Conduct ("COC") and Resolution E-4874. The second revised Compliance Plan also fails to remedy the flaws specifically identified by the Energy Division in the Disposition Letter. Moreover, CalCCA remains concerned that Sempra Services Corporation appears to have engaged in, and may still be engaging in lobbying and marketing activities without a Commission-approved Compliance Plan in place, in direct violation of COC Rule 22(b)(i).[1] These flaws constitute material errors or omissions under General Order 96-B, Rule 7.6.2(3).

CalCCA respectfully requests that the Commission:

i.) Reject the Advice Letter for failing to remedy the flaws specifically identified in the Disposition Letter, as well as failing to comply with SB 790, the COC, and Resolution E-4874.

ii.) Clarify that Sempra Services Corporation, regardless of whether it is structured as an internal division of SDG&E or as an affiliate, is an Independent Marketing Division under SB 790 and the COC.

iii.) Order SDG&E to disclose all lobbying and marketing (as defined in the CCA Code of Conduct) that SDG&E and Sempra Services Corporation have engaged in without a Commission-approved Compliance Plan.

iv.) Order SDG&E and Sempra Services Corporation to immediately cease all lobbying and marketing activities until SDG&E's Compliance Plan is approved by the Commission.

INTRODUCTION

CalCCA is a California nonprofit organization representing the interests of California's Community Choice Aggregators. CalCCA's voting members are the following CCA programs: CleanPower SF, Lancaster Choice Energy, Marin Clean Energy ("MCE"), Peninsula Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, Apple Valley Choice Energy and Redwood Coast Energy Authority. CalCCA actively opposed SDG&E's first revised Compliance Plan by protesting Advice Letter 3008-E. MCE and the City of Lancaster participated extensively in the Commission's consideration of SDG&E's original proposed Compliance Plan in Advice Letter 2822-E.

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[1] References to the COC are to the *Code of Conduct and Expedited Compliant Procedure* adopted by the Commission in Decision ("D.") 12-12-036.

One of CalCCA's objectives is to ensure a fair playing field for existing and prospective Community Choice Aggregators. As the Legislature explicitly recognized in SB 790, one of the greatest threats to CCA programs is the Investor-Owned Utilities' ("IOUs") use of their "inherent market power," derived from their relationships with customers and access to ratepayer funds, to oppose CCA programs. CalCCA's membership is well aware of the tremendous resources at the IOUs' disposal, and the difficulty of forming a CCA program in the face of IOU lobbying and marketing efforts. SB 790 and the COC were adopted to prevent IOUs from abusing their inherent market power. SB 790 and the COC forbid the use of ratepayer funds and resources to market or lobby against CCA programs, and require that all lobbying or marketing be conducted by an IMD, either structured as an internal division of the company or as an affiliate, that is physically and functionally separate from the IOU.

As this is the first attempt by an IOU to form an IMD, the Commission's choices here will likely provide a template for the other IOUs. This makes it all the more important to ensure that SDG&E's Compliance Plan does not include loopholes and ambiguity that might allow SDG&E to subsidize its IMD with ratepayer funds or resources, or to otherwise lessen the protections provided in the COC.

PROTEST

SDG&E's Advice Letter should be rejected for the following reasons.

1. SDG&E's Third Attempt To Develop A Compliance Plan Continues To Fail To Demonstrate The Required "Holistic Review" Of "Shared Services"

SDG&E's second revised Compliance Plan fails to provide the "holistic review" of shared services job functions required to identify and segregate individuals who engage in marketing and lobbying activities, or who support individuals who do, as required by Resolution E-4874. Rule 13 of the COC provides that an IOU may share with its IMD certain "governance," "oversight" and "support" functions and personnel (referred to by SDG&E as "shared services"). However, Rule 13 forbids the sharing of personnel "who are themselves involved in lobbying and marketing." Rule 13 further forbids the sharing of personnel when doing so would "allow or provide a means for the transfer of competitively sensitive information from the electrical corporation to the independent marketing division, create the opportunity for preferential treatment or unfair competitive advantage, lead to customer confusion, or create significant opportunities for cross-subsidization of the independent marketing division."

Ordering Paragraph ("OP") 7 of Resolution E-4874 (August 18, 2016) requires:

> San Diego Gas and Electric Company shall not share with its Independent Marketing Division, employees or agents (including contractors or consultants) who are themselves involved in marketing or lobbying.[2]

OP 7 further requires that:

> 'Marketing or lobbying' shall be interpreted by review of the *job functions* of the personnel in question. This review shall focus on the duties and responsibilities of the personnel, not merely the title or department.[3]

Resolution E-4874 further elaborated on this requirement, stating:

> ...we are concerned that unless the job functions [of shared services personnel] are used in complying with [COC Rule 13], it would circumvent the purpose of the COC. If job functions are not used as the determinant, the electrical corporation could use certain tiles such as communications, public affairs, or regulatory relations for personnel actually engaged in lobbying and marketing.
>
> Consequently, the prohibition against sharing of personnel that 'are themselves engaged in marketing or lobbying' shall be interpreted by *a holistic review of the job functions of the personnel in question*.[4]

In its Disposition Letter, the Energy Division rejected SDG&E's first revised Compliance Plan, in part, on the grounds that SDG&E had failed to demonstrate the required holistic review. The Disposition Letter states:

> Although [the first revised Compliance Plan] expanded the term 'personnel' to include agents as well as employees*, it did not address how SDG&E would conduct a holistic review of the job functions.* SDG&E asserts that permissible shared services should include regulatory affairs and

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2 Resolution E-4874 at 23.

3 *Id. Emphasis added.*

4 *Id.* at 15. *Emphasis added.*

> legal, among other things, and provides no holistic review of their job functions. Thus, A.L. 3008-E is non-compliant.[5]

SDG&E's second revised Compliance Plan once again fails to demonstrate the required "holistic review" of shared services personnel job functions. The only relevant difference between SDG&E's first revised Compliance Plan (rejected by the Energy Division in its Disposition Letter) and SDG&E's second revised Compliance Plan is the addition of the following nearly verbatim restatement of OP 7:

> SDG&E shall not share with its Division affiliate, employees or agents (including contractors or consultants) who are themselves engaged in marketing or lobbying, as determined by an examination of job functions.[6]

Importantly, SDG&E has provided an unsupported assertion, not a meaningful plan. SDG&E's addition merely restates an applicable requirement, and provides no further substantive information regarding compliance. There is nothing regarding which shared services individuals or job functions may be engaged in lobbying or marketing, *how* SDG&E plans to conduct the required holistic review, and what policies, plans, or procedures SDG&E has in place to ensure compliance. This is contrary to the basic purpose of the COC Compliance Plan requirement: ensuring the Commission has enough concrete information to assess whether SDG&E's compliance mechanisms are adequately robust to ensure compliance.[7] SDG&E's lack of substantive information makes it impossible for the Commission to make any determination regarding its adequacy.

Tellingly, SDG&E's only attempt to address OP 7 is located in its response to COC Rule 2, the general rule requiring that the IMD be functionally and physically separate from SDG&E's ratepayer -funded divisions. The second revised Compliance Plan's response to COC Rule 13, the specific rule governing shared services, remains entirely unmodified. It still provides that "shared services" will include, among other corporate departments, "regulatory affairs," "legal," "communications," and "public affairs."[8] It does nothing to address the concern expressed by the Commission in Resolution E-4874 that personnel in these "shared services" departments may be engaged, to a greater or lesser degree, in lobbying or marketing, or in support of the lobbying and marketing activities of others.

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[5] Disposition Letter at 2. *Emphasis added.*

[6] Advice Letter, Attachment A, at 6.

[7] COC Rule 22.

[8] *See* Advice Letter, Attachment A, at 11-12.

Again, OP 7 of Resolution E-4874 provides that "'[i]nvolved in marketing or lobbying' shall be interpreted by review of the job functions of the personnel in question."[9]

As CalCCA noted in its last protest of SDG&E's first compliance plan, and which SDG&E appears to ignore in its latest filing, in order to comply with Rule 13 of the COC and Resolution E-4874 SDG&E must satisfactorily demonstrate that it has performed the required "holistic review." This process entails three principal steps, none of which has been satisfied by SDG&E's showing in the Advice Letter. First, a holistic review is required. Second, based on this holistic review, SDG&E is required to specifically identify and exclude from "shared services," any personnel who engage in advocacy, lobbying or marketing against the CCA program. Third, SDG&E must also demonstrate that it has identified and excluded individuals (and their associated costs) who provide support for persons engaged in these activities.

SDG&E's second revised Compliance Plan should not be considered until it has satisfied these steps. Moreover, following SDG&E's initial demonstration, public review and vetting is necessary.

2. SDG&E's Second Revised Compliance Plan Continues To Fail To Demonstrate Adequate Accounting For "Shared Services"

SDG&E's proposed accounting for the cost of permitted "shared services" is not adequately explained in the second revised Compliance Plan. SDG&E states that "[a]ll permitted corporate support services rendered to [an IMD] will be charged to SDG&E shareholders in accordance with the Community Choice Aggregation Transactions Procedures."[10] Rather than present it's proposed "Transactions Procedures" for review and approval, however, SDG&E states: "The Procedures will be posted on the SDG&E Intranet prior to the start of marketing or lobbying."[11] Thus SDG&E fails to propose any specific accounting protocols for the transfer of shared services costs to the IMD. These accounting and transfer protocols must be included as a part of SDG&E's second revised Compliance Plan, and must be subject to the same public review and vetting as other elements of SDG&E's proposal.

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[9] Resolution E-4874 at 23.

[10] Advice Letter, Attachment A, at 3.

[11] *Id*.

With respect to the public review and vetting process, CalCCA is concerned over Energy Division's reliance on responses to data requests in deciding whether to approve or reject an Advice Letter. While Energy Division's previous data requests regarding SDG&E's original Compliance Plan (Advice Letter 2822-E) produced important clarifications and commitments from SDG&E, CalCCA has a general concern regarding the fairness of a process in which the Commission relies upon an IOU's data request responses without allowing public review and comment on these responses. The Commission should not allow statements from SDG&E alone to be relied on in the Energy Division's review but instead should allow other parties to review and comment on these responses to ensure that the Commission can make an informed decision.

3. SDG&E's Second Revised Compliance Plan Fails To Demonstrate Any Mechanism For Complying With Logo/Disclaimer Requirements

OP 6 orders that: "The Independent Marketing Division, an affiliate, shall comply with the logo/disclaimer requirements of Affiliate Transactions Rule V.F."[12] In the Disposition Letter, the Energy Division rejected SDG&E's first revised Compliance Plan, in part, on the grounds that the plan did not comply with OP 6 stating that: "A.L. 3008-E does not address the logo/disclaimer requirements of Affiliate Transactions Rule V.F. anywhere in the compliance plan, and thus is non-compliant."[13]

SDG&E's second revised Compliance Plan *still* is not in compliance with OP 6. The second revised Compliance Plan contains only one modification addressing OP 6, the addition of a single declarative sentence: "The Division affiliate shall comply with the logo/disclaimer rules of Affiliate Transactions Rule V.F"[14] without providing any further detail. Specifically, it neither states *how* SDG&E will ensure that the IMD complies with the logo/disclaimer rules, nor does it offer *any* description of plans, procedures, or mechanisms in place to ensure compliance.

This falls far short of the standard, set by Rule 22 of the COC, which requires that the Compliance Plans *demonstrate* to the Commission that there are adequate procedures in place to ensure compliance with the COC rules. Merely restating a requirement, or

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12 Resolution E-4874 at 22.

13 Disposition Letter at 1.

14 Advice Letter at 6.

providing an otherwise unsupported assertion of compliance falls far short of the required "demonstration." In this regard, SDG&E has provided no useable, substantive information that would allow the Commission to assess the adequacy SDG&E's compliance mechanisms.

4. SDG&E's Second Revised Compliance Plan Fails To Demonstrate Required Training For The Affiliate-IMD's Employees And Agents

SDG&E's second revised Compliance Plan does not include any discussion of required COC compliance training for the *Affiliate-IMD's* employees and agents, and as such fails to comply with OP 8 of Resolution E-4874. In the Disposition Letter, the Energy Division rejected SDG&E's first revised Compliance Plan (Advice Letter 3008-E), in part, on the grounds that the plan did not comply with OP 8. The Energy Division stated:

> While A.L. 3008-E does state that CCA COC training will be provided for employees, it does not address whether CCA COC training will be provided to agents, including contractors and consultants. Thus, A.L. 3008-E is non-compliant.[15]

While SDG&E's second revised Compliance Plan has been modified to include training for SDG&E "employees or agents" [16] it includes no provision of the necessary training for employees and agents of the Affiliate IMD. OP 8 of Resolution E-4874 clearly requires that both SDG&E *and the Affiliate-IMD* conduct COC and Affiliate Transaction Rules compliance training for all employees and agents. OP 8 states, in relevant part:

> San Diego Gas and Electric Company *and its Independent Marketing Division, Sempra Services Corporation*, shall conduct training for all employees and agents, including contractors and consultants, to ensure that they are in compliance with the Community Choice Aggregation Code of Conduct and with the Affiliate Transaction Rules. [*Emphasis added*].[17]

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15 Disposition Letter at 2.

16 Advice Letter, Attachment A, at 6.

17 Resolution E-4874 at 23.

Despite the fact that the OP 8 training requirement clearly applies to both SDG&E and the Affiliate-IMD, the Compliance Plan's discussion of the requirement makes no mention of the Affiliate-IMD, only stating that SDG&E will provide training "to all employees or agents" hired to lobby or market "on behalf of SDG&E."[18] Nowhere does the Compliance Plan acknowledge the Affiliate-IMD's obligation to conduct similar compliance training for its employees and agents. SDG&E's Compliance Plan thus falls fall short of providing the required "demonstration" that the Affiliate-IMD will provide the training required under OP 8.

5. The Commission Should Clarify That Sempra Services Corporation Is An IMD

CalCCA remains deeply concerned by SDG&E's claim that it "has not established an independent marketing division," and instead is filing its Compliance Plan on behalf of Sempra Services Corporation, an existing affiliate that "may engage in speech that could trigger the application of the CCA [Code of Conduct]."[19] SDG&E's attempt to distinguish Sempra Services Corporation as an affiliate and not an IMD is unavailing, and more importantly raises the very real specter of confusion and potential mischief, unless specifically addressed by the Commission.

Nothing in SB 790 indicates that the legislature intended to limit its definition of "Independent Marketing Divisions" based on the entity's location within an IOU's (or holding company's) overall corporate structure. Interpreting SB 790 otherwise would render many of the most important provisions of SB 790 meaningless, as IOUs would be able to circumvent SB 790's essential protections for CCA programs merely by structuring their IMDs as affiliates rather than internal divisions, even when there is no functional distinction between an internal division and an "on paper" affiliate.

SDG&E itself has admitted that Sempra Services Corporation is an IMD, regardless of the fact that it happens to be structured as an affiliate. In its original Compliance Plan, SDG&E stated that the Compliance Plan's purpose was to "[appraise] the CPUC of [SDG&E's] intent to establish an independent marketing division... responsible for all

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[18] Advice Letter, Attachment A, at 6.

[19] *Id.* at 1.

marketing and lobbying... concerning community choice aggregation."[20] Similarly, SDG&E's Application for Rehearing of Resolution E-4874 specifically identifies SSC as "the entity performing the IMD function"[21] and repeatedly refers to Sempra Services Corporation as "the IMD."[22] In addition, one of the Application for Rehearing's primary objections to Resolution E-4874 was that requiring that Sempra Services Corporation comply with the full set of Affiliate Transaction Rules would be unnecessary and unreasonable because Sempra Services Corporation, as an IMD, is already subject to the COC.[23]

Given the clear intent of SB 790 and SDG&E's own admission otherwise, the Commission should correct SDG&E's assertion that Sempra Services Corporation is not an IMD.

6. The Commission Should Order An Immediate Halt To All Lobbying And Marketing

Under Rule 22(b) of the COC, SDG&E and its Affiliate-IMD are prohibited from lobbying and marketing against CCA programs until SDG&E's compliance plan has been approved by the Commission. Rule 22(b)(i) states:

> If [an electrical corporation that previously filed an advice letter stating that it does not intend to lobby or market against CCA] thereafter decides that it wishes to lobby or market against any community choice aggregation program, it shall not do so until it has filed *and received approval of* a compliance plan as described above, with its compliance plan filed as a Tier 2 advice letter with the Energy Division.[24]

In its protest to AL 3008-E (SDG&E's first revised Compliance Plan), CalCCA provided evidence that Sempra Services Corporation was lobbying and marketing against CCA programs without a Commission-approved Compliance Plan.[25] Specifically, CalCCA

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[20] SDG&E Advice Letter 2822-E, Attachment A, at p. 2.

[21] SDG&E Application for Rehearing of Resolution E-4874 at 10.

[22] *Id.* at 12-13.

[23] *Id.* at 9, 12-14.

[24] COC Rule 22(b)(i). *Emphasis Added.*

[25] CalCCA Protest to SDG&E Advice Letter 3008-E, Appendix A.

noted that Sempra Services Corporation had formed an entity called Clean Energy Advisors, which was "engaged in marketing against CCAs by encouraging local government leaders to rely on SDG&E to develop alternatives to a CCA program for their communities."[26]

CalCCA believes that Sempra Services Corporation has continued to engage in lobbying without a Commission-approved Compliance Plan, in violation of Rule 22(b). For example, Sempra Services Corporation sent a letter to Dianne Jacob, chair of the San Diego County Board of Supervisors, dated February 7, 2017 (attached hereto as Attachment A). The letter constitutes "lobbying" insofar as it appears to have as one of its purposes the intent of convincing San Diego County not to participate in a CCA program, specifically noting the less risky alternative that is available from SDG&E:

> [O]ne potential alternative to CCA would be implementation by the host utility of a default utility portfolio at the same level of renewables as would be offered by a CCA, developed on the basis of local public input. The benefits of such an option would be essentially the same as the benefits available under CCA, but a utility procurement option would impose no financial risk on the County. An ROI analysis that considered benefits and risk and also considered all available options would likely find such a utility procurement option to have a higher ROI than CCA.

Subsequent to the letter from Sempra Services Corporation, CalCCA understands that, at the February 15, 2017 regular meeting of the San Diego County Board of Supervisors ("Board"), the Board voted to postpone conducting a proposed CCA feasibility study, with alternative direction for staff to report back in twelve months on statewide growth of CCA programs.[27] Sempra Services Corporation is attributed with making the following statement in urging the Board's action: "'Today, we're told that if government is in control of procurement, we're going to have more renewables and lower emissions. But actual experience makes this conclusion highly questionable,' said Frank Urtasun, regional vice president of external relations for Sempra Energy Services."[28] The letter from Sempra

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26 CalCCA Protest to SDG&E Advice Letter 3008-E at 2

27 A news article on the decision may be found at the following website ("SD Union Tribune Article"): http://www.sandiegouniontribune.com/news/environment/sd-me-county-renewables-20170215-story.html

28 *See* SD Union Tribune Article.

Services Corporation and subsequent action by Sempra Services Corporation constitute "lobbying" under the COC.

In light of this, CalCCA asks that the Commission order SDG&E to disclose all lobbying and marketing activity that SDG&E and/or the Affiliate-IMD have engaged in without a Commission-approved compliance plan. Such disclosure is necessary for the Commission and affected parties to assess the extent of the harm caused by SDG&E's violations and to determine what steps are appropriate to address the violations. In addition, CalCCA renews its request that the Commission immediately order SDG&E and the Affiliate-IMD to cease and desist from lobbying and marketing until such date that a Commission-approved Compliance Plan goes into effect.

CONCLUSION

If approved, SDG&E's revised Compliance Plan will be the first of its kind. As shown above, SDG&E continues to fail to meet the requirements of SB 790, the COC, Resolution E-4874 and the Energy Division's Disposition Letter. As such, the Advice Letter must be denied. In addition, in light of evidence that the Affiliate-IMD has continued to engage in lobbying without a Commission-approved Compliance Plan, the Commission should order SDG&E to disclose all unapproved lobbying and marketing activities by SDG&E and the Affiliate-IMD, and should order SDG&E and the Affiliate-IMD to cease all further lobbying and marketing until the Compliance Plan is approved.

CONTACT INFORMATION

CalCCA requests that it be added to the service list for the Advice Letter. Please direct all correspondence and communication regarding this matter to:

Barbara Hale
President, CalCCA
1125 Tamalpais Ave.
San Rafael, CA 94901
(415) 464-6689
info@CalCCA.org

Thank you for your consideration of this protest.

Sincerely,

/s/ Barbara Hale

Barbara Hale
President

Attachment A: Sempra Services Corporation letter to San Diego County

Copy (via e-mail): CPUC Energy Division Tariff Unit (EDTariffUnit@cpuc.ca.gov)
Megan Caulson, SDG&E (MCaulson@semprautilities.com)
Service List: R.12-02-009

Attachment A

ATTACHMENT

For Item

#1

Wednesday,
February 15, 2017

PUBLIC COMMUNICATION RECEIVED BY THE
CLERK OF THE BOARD

Distributed: 2/10/17

Francisco J. Urtasun
Reg. Vice President of External Affairs
Sempra Services Corporation
488 8th Avenue, HQ 13S3
San Diego, CA 92101

619-696-2233
furtasun@SempraServices.com

February 7, 2017

Honorable Dianne Jacob
Chair, San Diego County Board of Supervisors
1600 Pacific Highway
San Diego, CA 92101

Re: San Diego County Renewable Energy Plan

Dear Chair Jacob:

Sempra Services supports efforts by the County of San Diego, as well as by all cities within our region to reduce Greenhouse Gas Emissions ("GHGs" or "GHG"). We believe that a well-designed emissions reduction effort will identify strategies to reduce GHG emissions that are designed to maximize benefits and minimize costs, while helping reduce other local pollutants. As such, we applaud the County's Technical Advisory Committee (TAC) for its commitment to use of a Return on Investment (ROI) analysis in order to adopt GHG emission reduction Best Management Practices ("BMPs") for the County. It should be noted that the TAC met several times to discuss how best to proceed with the CREP and decided that the energy sector didn't merit further consideration as a prioritized BMP.

Unfortunately, the San Diego County Renewable Energy Plan ("CREP") has adopted a BMP under which it would pursue a Community Choice Aggregation ("CCA") feasibility study, without studying the feasibility of any other available alternative for achieving the same level of emission reductions (BMP #3). The CREP states that it has found this BMP to have a higher ROI than other available alternatives. Unfortunately, it is apparent that the CREP has neither considered all of the available alternatives nor conducted an actual ROI analysis of this BMP or any other option. In order to achieve the County's emission reduction goals with maximum benefits and minimum cost, Sempra Services respectfully recommends that the CREP refrain from adopting a BMP on renewable energy procurement until it has considered the ROI of all available alternatives, and done so on the basis of quantifiable metrics.

For example, one potential alternative to CCA would be implementation by the host utility of a default utility portfolio at the same level of renewables as would be offered by a CCA, developed on the basis of local public input. The benefits of such an option would be essentially the same as the benefits available under CCA, but a utility procurement option would impose no financial risk on the County. An ROI analysis that considered benefits and risk and also considered all available options would likely find such a utility procurement option to have a higher ROI than CCA. However, BMP #3 was adopted without any consideration of risk, and without consideration of all available alternatives for achieving these emission reductions.

Similarly, because it did not look across industry sectors to identify BMPs with the highest overall ROI, the CREP did not consider the ROI of achieving an equivalent level of GHG emission reductions in the transportation sector. However, it is likely that the overall environmental benefits from such actions would be far greater by achieving GHG emission reductions in the transportation sector that would result from reductions in local pollutants. A properly structured ROI would consider these benefits.

The CREP points out that, ". . . it is important for the County to focus on the BMPs that will provide the highest return on investment, or the most benefit for the money spent." Sempra Services agrees. However, in order to fulfill this mission, the CREP should not adopt a BMP in the energy sector until it has conducted an actual ROI analysis on all available alternatives for achieving the goals associated with this BMP.

Sincerely,

Francisco J. Urtasun
Regional Vice President of External Relations

cc:

Greg Cox, District 1 Supervisor
Kristin Gaspar, District 3 Supervisor
Ron Roberts, District 4 Supervisor
Bill Horn, District 5 Supervisor
Mark Wardlaw, Director, Planning & Development Services

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

Application of Pacific Gas and Electric Company for Approval of the Retirement of Diablo Canyon Power Plant, Implementation of the Joint Proposal, and Recovery of Associated Costs Through Proposed Ratemaking Mechanisms (U39E)	Application 16-08-006 (Filed August 11, 2016)

RESPONSE OF MARIN CLEAN ENERGY TO PACIFIC GAS & ELECTRIC COMPANY DATA REQUEST 1

Jeremy Waen
MARIN CLEAN ENERGY
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February 16, 2017

Marin Clean Energy
Response to Pacific Gas & Electric Company February 2, 2017 Data Request 1 in A.16-08-006, PG&E Diablo Canyon Retirement Joint Proposal Application

GENERAL STATEMENT

Nothing in this response to Pacific Gas & Electric Company ("PG&E") First Set of Data Requests ("Data Requests" or "Requests") should be construed as prejudicing or waiving Marin Clean Energy's ("MCE") right to produce and provide additional documentary evidence based on information, evidence or analysis hereafter obtained or evaluated. MCE's responses are made subject to inadvertent or undiscovered errors, and are limited by records and information still in existence and or presently recollected and thus far discovered in the course of preparing this response. MCE reserves the right to update and/or supplement the responses provided herein if and when additional evidence, which is responsive to the Requests becomes available and at any time if it appears that inadvertent errors or omissions have been made.

These responses are made without intending to waive or relinquish MCE's rights to take the following actions:

1. Raise all questions regarding relevancy, materiality, privilege, admissibility as evidence for any purpose as to any documents identified or produced in response to these Requests which may arise in any subsequent proceeding, in, or at the trial of this, or any other action;

2. Object on any grounds to the use of said documents in any subsequent proceeding, in, or at the trial of this, or any other action;

3. Object on any grounds to the introduction into evidence of documents identified or produced in response to these Requests; and/or

4. Object on any grounds at any time to other requests for production or other discovery involving said documents, or the subject matter thereof.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 2, 2017
REQUEST NO.:	PG&E-MCE-001	**RESPONSE DATE:**	February 16, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 1

Please provide all supporting workpapers for MCE's testimony. Please provide workpapers in PDF and in their original form with working links in the case of workpapers that were developed in Excel.

CONFIDENTIAL (yes or no): No.

RESPONSE:

The workpapers supporting MCE's testimony include the following, all of which are provided as links and/or attachments:

1. **Exhibit 1-01**: MCE 2017 Integrated Resource Plan, February 2017: https://www.mcecleanenergy.org/wp-content/uploads/2017/02/MCE-2017-Integrated-Resource-Plan.pdf

2. **Exhibit 2-01**: SCP's October 2016 Implementation Plan: https://sonomacleanpower.org/wp-content/uploads/2015/01/2016-10-13-SCP-Implementation-Plan.pdf

3. **Exhibit 3-01**: Sonoma Clean Power Resource Summary and Guidance, Version 1.0 (February 2015)

4. **Exhibit 4-01**: San Francisco Public Utilities Commission Power Enterprise Request for Offers, Agreement Number: CS-1032, Community Choice Aggregation Power Supplies

5. **Exhibit 5-01**: Attachment A to the San Francisco Public Utilities Commission Power Enterprise Request for Offers, Agreement Number: CS-1032, Community Choice Aggregation Power Supplies

6. **Exhibit 6-01**: Greenhouse Gas Emission Factors: Guidance for PG&E Customers (November 2015)

7. **Exhibit 7-01**: Meeting Minutes: REGULAR MEETING of the Board of Directors of the Peninsula Clean Energy Authority (PCEA), Thursday, May 26, 2016

8. **Exhibit 8-01**: PCE Policy #11

9. **Exhibit 9-01**: Meeting Minutes: Silicon Valley Clean Energy Authority Board of Directors Meeting, January 11, 2017

10. **Exhibit 10-01**: Redwood Coast Energy Authority Community Choice Aggregation Implementation Plan & Statement of Intent (October 2016): http://www.redwoodenergy.org/images/Files/CCA/RCEA-Implementation-Plan-Final_web.pdf

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 2, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 16, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 2.a.i.

On page 11, MCE stated the following:

"MCE's 2017 Integrated Resource Plan update targets a 75% carbon-free supply portfolio in 2017, increasing to 100% carbon-free over the 10-year planning period." Accompanying this statement is footnote 23, which states the following: "MCE's draft 2017 Integrated Resource Plan update will be presented to its Governing Board in February or March, 2017, with approval of the noted clean energy targets expected to occur during such meeting."

a. For the statement "75% carbon-free supply portfolio in 2017":
   i. What resources may count as carbon-free?

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE objects to this request to the extent it calls for a legal conclusion regarding the meaning of "carbon-free." Subject to the foregoing, MCE responds that for purposes of this statement it considers both RPS-eligible renewable resources and large hydro to be "carbon-free" resources.

Further information regarding MCE's carbon-free supply portfolio can be found in its 2017 Integrated Resource Plan, attached as **Exhibit 1-01**. It is also available here: https://www.mcecleanenergy.org/wp-content/uploads/2017/02/MCE-2017-Integrated-Resource-Plan.pdf

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 2, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 16, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

<u>QUESTION NO. 2.a.ii.</u>

a. For the statement "75% carbon-free supply portfolio in 2017":
   ii. What is the methodology and calculations that yield this statement?

CONFIDENTIAL (yes or no): No.

<u>RESPONSE:</u>

The 75% "carbon-free" estimate is a ratio based on the relationship between MCE's planned "carbon-free" purchases (expressed in GWh; the numerator in this mathematical relationship) and MCE's projected retail sales (also expressed in GWh; the denominator in this mathematical relationship).

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 2, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 16, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 2.a.iii.

a. For the statement "75% carbon-free supply portfolio in 2017":
   ii. Has MCE's Governing Board previously approved the methodology that yields this statement?

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE's Technical Committee, a standing committee of MCE's Governing Board with delegated authority for certain actions, approved MCE's 2017 Integrated Resource Plan on February 2, 2017. MCE's Integrated Resource Plan includes discussion regarding MCE's expected resource mix during each year of the 10-year planning period (2017 through 2026), including the product categories contributing to its projected 75% carbon-free supply portfolio in 2017. Additional detail regarding the product categories comprising MCE's expected resource mix is also provided in the 2017 Integrated Resource Plan.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 2, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 16, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

<u>QUESTION NO. 2.a.iv - v.</u>

a. For the statement “75% carbon-free supply portfolio in 2017”:

iv. Are the resources that may count as carbon-free in the statement identical to the resources that are eligible for Tranche #2 procurement, as described in PG&E’s Testimony on pages 5-2 to 5-3, as follows:

> Tranche #2 will be limited to: (1) EE resources; (2) generation resources that do not emit GHGs (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride) while generating electricity; or (3) generation resources that are eligible for the Renewables Portfolio Standard (RPS) under California’s RPS statutes at the time when a Tranche #2 RFO is issued. An additional condition is that existing out-of-state nuclear generation resources are not eligible for Tranche #2 procurement. An unbundled Renewable Energy Credit (REC) is not a source of energy and therefore is not eligible for Tranche #2 procurement. Energy storage, by itself, is not a source of energy and therefore is not eligible for Tranche #2 procurement unless combined with another resource providing GHG-free energy or energy savings.

v. If the answer to part (a), subpart (iv) above is anything other than an unequivocal “yes,” please describe any differences between the resources that may count as carbon-free in the statement and the resources that are eligible for Tranche #2 procurement, as described in the above excerpt from PG&E’s Testimony.

CONFIDENTIAL (yes or no): No.

<u>RESPONSE:</u>

MCE objects to this request as confusing, argumentative, and calling for speculative legal conclusions. Because PG&E’s Tranche #2 solicitation has yet to occur, MCE cannot speculate as to the future eligibility of resources “under California’s RPS statutes at the time when a Tranche #2 RFO is issued.” MCE does not have sufficient information regarding PG&E’s proposed Tranche #2 procurement, nor can MCE speculate as to what

RPS-eligible resource types may exist in the future, to answer whether PG&E's Tranche #2 procurement does or does not differ from MCE's carbon-free procurement targets. Subject to the foregoing, MCE policy prohibits procurement of any nuclear generation resources, and MCE's procurement practices comply with all applicable laws.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 2, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 16, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 2.b.i

b. For the statement "100% carbon-free over the 10-year planning period"
   i. What resources may count as carbon-free?

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE objects to this request to the extent it calls for a legal conclusion regarding the meaning of "carbon-free." Subject to the foregoing, MCE responds that for purposes of this statement it considers both RPS-eligible renewable resources and large hydro to be "carbon-free" resources. Further information regarding MCE's carbon-free supply portfolio can be found elsewhere in these data responses.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 2, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 16, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 2.b.ii.

b. For the statement "100% carbon-free over the 10-year planning period":
   ii. What is the methodology and calculations that yield this statement?

CONFIDENTIAL (yes or no): No.

RESPONSE:

The 100% estimate is a ratio based on the relationship between MCE's planned "carbon-free" purchases (expressed in GWh; the numerator in this mathematical relationship) and MCE's projected retail sales (also expressed in GWh; the denominator in this mathematical relationship).

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 2, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 16, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 2.b.iii.

b. For the statement "100% carbon-free over the 10-year planning period":

iii. Has MCE's Governing Board previously approved the methodology that yields this statement?

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE's Technical Committee, a standing committee of MCE's Governing Board with delegated authority for certain actions, approved MCE's 2017 Integrated Resource Plan on February 2, 2017. MCE's Integrated Resource Plan includes discussion regarding MCE's expected resource mix during each year of the 10-year planning period (2017 through 2026), including the product categories that are expected to contribute to each year's resource mix. Additional detail regarding the product categories comprising MCE's expected resource mix is also provided elsewhere in these data responses.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 2, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 16, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 2.b.iv - v.

b. For the statement "100% carbon-free over the 10-year planning period"
   iv. Are the resources that may count as carbon-free in the statement identical to the resources that are eligible for Tranche #2 procurement, as described in PG&E's Testimony on pages 5-2 to 5-3, as cited above in part (a), section (iv)?
   v. If the answer to part (b), subpart (iv) above is anything other than an unequivocal "yes," please describe any differences between the resources that may count as carbon-free in the statement and the resources that are eligible for Tranche #2 procurement, as described in the above excerpt from PG&E's Testimony.

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE objects to this request as confusing, argumentative, and calling for speculative legal conclusions. Because PG&E's Tranche #2 solicitation has yet to occur, MCE cannot speculate as to the future eligibility of resources "under California's RPS statutes at the time when a Tranche #2 RFO is issued." MCE does not have sufficient information regarding PG&E's proposed Tranche #2 procurement, nor can MCE speculate as to what RPS-eligible resource types may exist in the future, to answer whether PG&E's Tranche #2 procurement does or does not differ from MCE's carbon-free procurement targets. Subject to the foregoing, MCE policy prohibits procurement of any nuclear generation resources, and MCE's procurement practices comply with all applicable laws.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 2, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 16, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 2.c.i.

c. If MCE's Governing Board approves the targets ("75% carbon-free supply portfolio in 2017, increasing to 100% carbon-free over the 10-year planning period") in February 2017 or March 2017:
   i. What enforcement mechanisms currently exist to ensure that the targets are achieved?

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE objects to this request to the extent it calls for a legal conclusion regarding the California laws and regulations setting targets and enforcement mechanisms for load serving entities' ("LSE") procurement of renewable resources. Subject to the foregoing, MCE responds that the State of California has already developed enforcement mechanisms to ensure that all LSEs procure sufficient renewable resources to support achievement of the state's GHG reduction goals.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 2, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 16, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

<u>QUESTION NO. 2.c.ii.</u>

c. If MCE's Governing Board approves the targets ("75% carbon-free supply portfolio in 2017, increasing to 100% carbon-free over the 10-year planning period") in February 2017 or March 2017:

ii. What enforcement mechanisms is MCE's Governing Board being asked to approve concurrently with the targets?

CONFIDENTIAL (yes or no): No.

<u>RESPONSE:</u>

MCE objects to this request to the extent it calls for a legal conclusion regarding the California laws and regulations setting targets and enforcement mechanisms for LSEs' procurement of renewable resources. Subject to the foregoing, MCE responds that the State of California has already developed enforcement mechanisms to ensure that all LSEs procure sufficient renewable resources to support achievement of the state's GHG reduction goals.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 2, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 16, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

<u>QUESTION NO. 2.c.iii.</u>

c. If MCE's Governing Board approves the targets ("75% carbon-free supply portfolio in 2017, increasing to 100% carbon-free over the 10-year planning period") in February 2017 or March 2017:
   iii. What enforcement mechanisms are planned to be in place, but do not yet exist, to ensure that the targets are achieved?

CONFIDENTIAL (yes or no): No.

<u>RESPONSE:</u>

MCE objects to this request to the extent it calls for a legal conclusion regarding the California laws and regulations setting targets and enforcement mechanisms for LSEs' procurement of renewable resources. Subject to the foregoing, MCE responds that the State of California has already developed enforcement mechanisms to ensure that all LSEs procure sufficient renewable resources to support achievement of the state's GHG reduction goals.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of the Retirement of Diablo Canyon Power Plant, Implementation of the Joint Proposal, and Recovery of Associated Costs Through Proposed Ratemaking Mechanisms (U39E)	Application 16-08-006 (Filed August 11, 2016)

RESPONSE OF MARIN CLEAN ENERGY TO PACIFIC GAS & ELECTRIC COMPANY DATA REQUEST 2

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February 17, 2017

Marin Clean Energy
Response to Pacific Gas & Electric Company February 3, 2017 Data Request 2 in A.16-08-006, PG&E Diablo Canyon Retirement Joint Proposal Application

GENERAL STATEMENT

Nothing in this response to Pacific Gas & Electric Company ("PG&E") Second Set of Data Requests ("Data Requests" or "Requests") should be construed as prejudicing or waiving Marin Clean Energy's ("MCE") right to produce and provide additional documentary evidence based on information, evidence or analysis hereafter obtained or evaluated. MCE's responses are made subject to inadvertent or undiscovered errors, and are limited by records and information still in existence and or presently recollected and thus far discovered in the course of preparing this response. MCE reserves the right to update and/or supplement the responses provided herein if and when additional evidence, which is responsive to the Requests becomes available and at any time if it appears that inadvertent errors or omissions have been made.

These responses are made without intending to waive or relinquish MCE's rights to take the following actions:

1. Raise all questions regarding relevancy, materiality, privilege, admissibility as evidence for any purpose as to any documents identified or produced in response to these Requests which may arise in any subsequent proceeding, in, or at the trial of this or any other action;

2. Object on any grounds to the use of said documents in any subsequent proceeding, in, or at the trial of this or any other action;

3. Object on any grounds to the introduction into evidence of documents identified or produced in response to these Requests; and/or

4. Object on any grounds at any time to other requests for production or other discovery involving said documents, or the subject matter thereof.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 3, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 17, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

<u>QUESTION NO. 1</u>

On page 11, MCE states that "SCP's clean energy policy includes a portfolio emissions limitation that is set at a minimum 20% below the incumbent utility."

a) Please provide MCE's reference sources for this statement, including but not limited to SCP's clean energy policy. Provide links to available versions.

b) Please describe the basis for SCP's determination of the 20% minimum standard or threshold. When must SCP's portfolio emissions achieve the 20% standard? What enforcement mechanisms exist or are currently planned to ensure SCP's portfolio emissions limitation is achieved?

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE objects to this request because it asks MCE to comment on the basis for the clean energy policy developed by Sonoma Clean Power ("SCP"), which is a third party entity not affiliated with MCE. To the extent PG&E has questions regarding SCP's clean energy policy, those questions should be directed to SCP. Subject to the foregoing, there are two points of reference that contributed to the development of MCE's testimony, including:

1) Sonoma Clean Power's October 2016 Implementation Plan, which is attached to MCE Data Response 1 as **Exhibit 2-01**: (https://sonomacleanpower.org/wp-content/uploads/2015/01/2016-10-13-SCP-Implementation-Plan.pdf); and

2) The Sonoma Clean Power Resource Summary and Guidance, which has been adopted as the acting policy of SCP. This document is attached to MCE Data Response 1 as **Exhibit 3-01**.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 3, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 17, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 2

On page 11, MCE also indicates that "CleanPowerSF has also adopted an emissions policy that promotes a comparatively cleaner power supply" than PG&E's, as measured by the GHG emissions intensity of CleanPowerSF and PG&E supply portfolios.

a) Please provide MCE's reference sources for this statement, including but not limited to CleanPowerSF's emissions policy. Provide links to available versions.

b) Please describe the basis for CleanPowerSF's 'comparatively cleaner power supply' standard, including any pertinent time horizons which apply and any existing or planned enforcement mechanisms.

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE objects to this request because it asks MCE to comment on the basis for the emissions policy developed by CleanPowerSF, which is a third party entity not affiliated with MCE. To the extent PG&E has questions regarding CleanPowerSF's emissions policy, those questions should be directed to CleanPowerSF. Subject to the foregoing, attached as **Exhibit 1-02** is a copy of the City and County of San Francisco's Ordinance No. 81-08, which reflects the City/County's goal of "becoming fossil fuel free by 2030." This goal was reflected in the San Francisco Public Utilities Commission Request for Offers for Community Choice Aggregation Power Supplies, attached to MCE Data Response 1 as **Exhibit 4-01**, and its Attachment A, attached to MCE Data Response 1 as **Exhibit 5-01**, which reflects a Total Delivered Product Carbon Content limitation for each year of the prospective energy delivery period. This limitation was derived in consideration of PG&E's Greenhouse Gas Emission Factors: Guidance for PG&E Customers (November 2015) document, attached to MCE Data Response 1 as **Exhibit 6-01**, which provides a forecast of PG&E's future emission factors through 2020.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 3, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 17, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 3

MCE also indicates on page 11 that PCE has targeted a minimum 75% GHG-free resource mix.

a) Please provide MCE's reference sources for this statement, including but not limited to PCE's clean energy policy adopting this target.

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE objects to this request because it asks MCE to comment on the basis for the clean energy policy developed by Peninsula Clean Energy ("PCE"), which is a third party entity not affiliated with MCE. To the extent PG&E has questions regarding PCE's clean energy policy, those questions should be directed to PCE. Subject to the foregoing, MCE based this element of its testimony on information reflected in approved Meeting Minutes from the Regular Meeting of the Peninsula Clean Energy Authority's Board of Directors, which occurred on May 26, 2016. Such Meeting Minutes are attached to MCE Data Response 1 as **Exhibit 7-01**. Item #3 of PCE's May 26, 2016 meeting agenda reflects discussion, public comment, and unanimous approval of PCE's initial default resource mix: 50% renewable; 75% GHG-free. PCE's default product has been named "EcoPlus," and a description of this retail product option, which corresponds with the Board-approved resource mix, is also available at the following link: http://www.peninsulacleanenergy.com/energy-options/

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 3, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 17, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

<u>QUESTION NO. 4</u>

Please describe the basis for PCE's minimum GHG-free standard, including any pertinent time horizons which apply and any existing or planned enforcement mechanisms.

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE objects to this request because it asks MCE to comment on the basis for the clean energy policy developed by PCE, which is a third party entity not affiliated with MCE. To the extent PG&E has questions regarding PCE's clean energy policy, those questions should be directed to PCE.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 3, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 17, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 5

On page 12, MCE claims that '...multiple Northern California CCAs have already eclipsed California's 2030 Renewables Portfolio Standard procurement mandate of 50%....'.

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE objects to this request because it is not a question.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 3, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 17, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 6

Please provide all references and workpapers supporting this claim.

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE assumes this question relates to PG&E's prior statement set forth in its Question No. 5 above. Assuming that is correct, the workpapers supporting MCE's statement include the following:

1) **Exhibit 7-01**, provided as an attachment to MCE Data Response 1: Meeting Minutes: REGULAR MEETING of the Board of Directors of the Peninsula Clean Energy Authority (PCEA), Thursday, May 26, 2016 ; and

2) **Exhibit 8-01,** provided as an attachment to MCE Data Response 1: PCE Policy #11

Additionally, to support this statement MCE referenced PCE's default "EcoPlus" product option, a description of which can be found using the following link: http://www.peninsulacleanenergy.com/energy-options/

To further support this claim, MCE also referenced MCE's RPS compliance reports, which are submitted to the Commission, provided to all parties on the service list for R.15-02-020 (including PG&E), and remain publicly available.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 3, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 17, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 7

Which Northern California CCAs have reached or exceeded the 50% RPS mandate? What RPS-level has each CCA achieved?

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE understands that both MCE and PCE have already reached or exceeded the 50% RPS mandate. With respect to MCE, its most recent RPS Compliance Report, which was timely submitted to the Commission in 2016 and provided to PG&E's personnel on the service list for R.15-02-020, reflected actual Annual RPS Procurement Percentages in excess of 50% during the 2014 and 2015 calendar years. A preliminary review of MCE's 2016 supply portfolio and expected retail sales suggests that renewable energy procurement will similarly surpass 50% of total supply in 2016. Based on information reflected in MCE's recently adopted Integrated Resource Plan, this trend is expected to continue in 2017 and beyond.

With respect to PCE, MCE's previous response to Data Request 2, Question No. 3 provides information regarding PCE's adopted resource mix, which includes 50% renewable energy content. MCE has no reason to believe that PCE did not achieve this renewable energy procurement target in 2016, which was PCE's initial year of operation. MCE drafted its testimony in consideration of PCE's planned procurement of renewable energy during initial operations. To the extent PG&E has additional questions regarding PCE's procurement, those questions should be directed to PCE.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 3, 2017
REQUEST NO.:	PG&E-MCE-002	**RESPONSE DATE:**	February 17, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 8

When did each CCA reach or exceed the 50% mandate? For each CCA, please specify amounts for each RPS-eligible Portfolio Content Category (PCC) product.

CONFIDENTIAL (yes or no):

RESPONSE:

As previously noted in MCE's response to Data Request 2, Question No. 7, MCE first indicated a RPS Procurement Percentage in excess of 50% in 2014. Based on PCE's adopted resource mix and procurement activities, MCE understands that PCE will reach or exceed the 50% mandate in 2016; information substantiating PCE's proportionate use of renewable energy should be reflected in upcoming RPS compliance reports as well as applicable Power Source Disclosure reporting submittals to the California Energy Commission that have yet to be prepared by this organization. To the extent PG&E has additional questions regarding PCE's procurement, those questions should be directed to PCE.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of the Retirement of Diablo Canyon Power Plant, Implementation of the Joint Proposal, and Recovery of Associated Costs Through Proposed Ratemaking Mechanisms (U39E)	Application 16-08-006 (Filed August 11, 2016)

RESPONSE OF MARIN CLEAN ENERGY TO PACIFIC GAS & ELECTRIC COMPANY DATA REQUEST 3

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February 23, 2017

Marin Clean Energy
Response to Pacific Gas & Electric Company February 8, 2017 Data Request 3 in A.16-08-006, PG&E Diablo Canyon Retirement Joint Proposal Application

GENERAL STATEMENT

Nothing in this response to Pacific Gas & Electric Company ("PG&E") Third Set of Data Requests ("Data Requests" or "Requests") should be construed as prejudicing or waiving Marin Clean Energy's ("MCE") right to produce and provide additional documentary evidence based on information, evidence or analysis hereafter obtained or evaluated. MCE's responses are made subject to inadvertent or undiscovered errors, and are limited by records and information still in existence and or presently recollected and thus far discovered in the course of preparing this response. MCE reserves the right to update and/or supplement the responses provided herein if and when additional evidence, which is responsive to the Requests becomes available and at any time if it appears that inadvertent errors or omissions have been made.

These responses are made without intending to waive or relinquish MCE's rights to take the following actions:

1. Raise all questions regarding relevancy, materiality, privilege, admissibility as evidence for any purpose as to any documents identified or produced in response to these Requests which may arise in any subsequent proceeding, in, or at the trial of this or any other action;

2. Object on any grounds to the use of said documents in any subsequent proceeding, in, or at the trial of this or any other action;

3. Object on any grounds to the introduction into evidence of documents identified or produced in response to these Requests; and/or

4. Object on any grounds at any time to other requests for production or other discovery involving said documents, or the subject matter thereof.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 8, 2017
REQUEST NO.:	PG&E-MCE-003	**RESPONSE DATE:**	February 23, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 1

Please produce a copy of MCE's integrated resource plan referred to on p.11 of MCE's testimony.

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE's 2017 Integrated Resource Plan is available here: https://www.mcecleanenergy.org/wp-content/uploads/2017/02/MCE-2017-Integrated-Resource-Plan.pdf.

MCE previously provided this document to PG&E as **Exhibit 1-01** to MCE's Responses to PG&E Data Request Set No. 1, Question 1.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 8, 2017
REQUEST NO.:	PG&E-MCE-003	**RESPONSE DATE:**	February 23, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 2

Please produce copies of the policies adopted by Sonoma Clean Power, Peninsula Clean Energy, and CleanPowerSF referred to on page 11, lines 17-21 of MCE's testimony.

CONFIDENTIAL (yes or no): No.

RESPONSE:

Further information regarding the clean energy policies of Sonoma Clean Power ("SCP"), Peninsula Clean Energy ("PCE"), and CleanPowerSF can be found in the following exhibits which were attached to MCE's Responses to PG&E's Data Requests Set Nos. 1 and 2.

Exhibit 3-01: Sonoma Clean Power's Resource Summary and Guidance

Exhibit 1-02: City and County of San Francisco's Ordinance No. 81-08

Exhibit 4-01: San Francisco Public Utilities Commission Request for Offers for Community Choice Aggregation Power Supplies

Exhibit 5-01: Attachment A, San Francisco Public Utilities Commission Request for Offers for Community Choice Aggregation Power Supplies

Exhibit 6-01: Greenhouse Gas Emission Factors: Guidance for PG&E Customers (November 2015)

Exhibit 7-01: Meeting Minutes from the Regular Meeting of the Peninsula Clean Energy Authority's Board of Directors, which occurred on May 26, 2016

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 8, 2017
REQUEST NO.:	PG&E-MCE-003	**RESPONSE DATE:**	February 23, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

<u>QUESTION NO. 3</u>

On page 12, lines 10-13, MCE asserts "[t]he clean energy requirements of Northern California CCAs have supported the operation and development of thousands of megawatts of new and existing renewable generators located within California and throughout the Western United States."

a. Identify each new resource that has been supported by a Northern California CCA, including the name of the resources, the size of the resource, when the resource started delivering energy, the type of technology, and the duration of any contract for the resource.

b. Identify each existing resource that has been supported by a Northern California CCA, including the name of the resources, the size of the resource, when the resource started delivering energy, the type of technology, and the duration of any contract for the resource.

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE objects to this question as substantially irrelevant and argumentative. Subject to the foregoing, information regarding MCE's Existing Resource Commitments (for both new and existing resources) can be found in Table 3 of MCE's 2017 Integrated Resource Plan provided to PG&E as **Exhibit 1-01** to MCE's Responses to PG&E Data Request Set No. 1.

Also subject to the foregoing objection, detail regarding the RPS procurement activities of SCP, CleanPowerSF, PCE, and Silicon Valley Clean Energy ("SVCE") can be found in each entities' respective RPS compliance report(s) (to the extent prepared by such entities), RPS procurement plans (to the extent prepared by such entities) and/or meetings materials, which are publically available. To the extent PG&E has questions regarding the planning and procurement activities of entities other than MCE, those questions should be directed to each individual CCA program.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 8, 2017
REQUEST NO.:	PG&E-MCE-003	**RESPONSE DATE:**	February 23, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 4

On page 12, lines 13-15, MCE asserts "multiple Northern California CCAs have already eclipsed California's 2030 Renewables Portfolio Standard procurement mandate of 50% . . ."

a. Has all of the RPS procurement referred to in this statement involved the procurement of Portfolio Content Category ("PCC") #1 resources?

b. If your response to subpart (a) is anything other than an unequivocal "yes," what percentage of the procurement referred to, for each CCA referred to, was from PCC #1?

c. Identify with specificity the "multiple" CCAs referred to in this testimony.

CONFIDENTIAL (yes or no): No.

RESPONSE:

As previously noted in MCE's response to Question #7 of PG&E's Data Request #2, MCE understands that both MCE and PCE have already reached or exceeded the 50% RPS mandate. With respect to MCE, its most recent 33% RPS Compliance Report, which was submitted to the Commission in 2016, reflected actual Annual RPS Procurement Percentages in excess of 50% during the 2014 and 2015 calendar years.

With respect to PCE, MCE understands that PCE has adopted a 50% renewable resource mix. MCE drafted its testimony in consideration of PCE's planned procurement of renewable energy during initial operations. To the extent PG&E has questions regarding PCE's procurement, those questions should be directed to PCE.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 8, 2017
REQUEST NO.:	PG&E-MCE-003	**RESPONSE DATE:**	February 23, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 5

Identify with specificity the "multiple power supply agreements" referred to on page 13, line 3 including the names of the counterparties, the specific products being purchased, the duration of the agreement, the resource or resources covered by the agreement, and any other specific information or details concerning these agreements.

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE objects to this data request because it calls for the production of various third party entities' commercially-sensitive information. Subject to the foregoing, MCE is aware that SVCE's meeting minutes related to its December 14, 2016 Board of Directors Meeting reflect unanimous approval of six power supply confirmation agreements as well as the adoption of related resolutions authorizing the CEO to execute such agreements, subject to specified conditions. Additional information related to this SVCE action is reflected in item #6 of the aforementioned SVCE meeting minutes, which was provided as **Exhibit 9-01** to MCE's Data Responses to PG&E's Data Request Set No. 1, Question 1.

To the extent PG&E has additional questions regarding the power supply agreements that specific Northern California CCAs have entered into, those questions should be directed to each individual entity.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 8, 2017
REQUEST NO.:	PG&E-MCE-003	**RESPONSE DATE:**	February 23, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

<u>QUESTION NO. 6</u>

Does MCE have copies of the agreements referred to on page 13, line 3 that Silicon Valley Clean Energy has entered in to? If so, please produce all copies of these agreements. If not, please explain in detail the basis for MCE's testimony about these agreements.

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE objects to this data request because it calls for the production of the commercially-sensitive contract information of SVCE. To the extent PG&E has questions regarding this agreement, those questions should be directed to SVCE. Subject to the foregoing, MCE responds that its testimony is based on discussions with SVCE as well as Mr. Dusel's personal knowledge and understanding of SVCE's recent contracting efforts.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 8, 2017
REQUEST NO.:	PG&E-MCE-003	**RESPONSE DATE:**	February 23, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 7

On page 13, lines 20-21, MCE states that "the renewable energy commitments that utility and CCA buyers enter into are often long-term in duration (specifically, ten years or longer) . . .."

a. Identify with specificity all "long-term" commitments for RPS-eligible energy that have been entered into by MCE, including, but not limited to, the names of the counterparties, the specific products being purchased, the duration of the agreement, the resource or resources covered by the agreement, and any other specific information or details concerning these commitments.

b. Identify with specificity all "long-term" commitments for RPS-eligible energy that have been entered into by the Sonoma Clean Power Authority, including, but not limited to, the names of the counterparties, the specific products being purchased, the duration of the agreement, the resource or resources covered by the agreement, and any other specific information or details concerning these commitments.

c. Identify with specificity all "long-term" commitments for RPS-eligible energy that have been entered into by CleanPowerSF, including, but not limited to, the names of the counterparties, the specific products being purchased, the duration of the agreement, the resource or resources covered by the agreement, and any other specific information or details concerning these commitments.

d. Identify with specificity all "long-term" commitments for RPS-eligible energy that have been entered into by Peninsula Clean Energy, including, but not limited to, the names of the counterparties, the specific products being purchased, the duration of the agreement, the resource or resources covered by the agreement, and any other specific information or details concerning these commitments.

e. Identify with specificity all "long-term" commitments for RPS-eligible energy that have been entered into by Silicon Valley Clean Energy, including, but not limited to, the names of the counterparties, the specific products being purchased, the duration of the agreement, the resource or resources covered by the agreement, and any other specific information or details concerning these commitments.

CONFIDENTIAL (yes or no): No.

RESPONSE:

MCE objects to this data request because it calls for the production of various third party entities' commercially-sensitive information. To the extent PG&E has questions regarding the power supply agreements that specific Northern California CCAs have entered into, those questions should be directed to each individual entity.

Subject to the foregoing, MCE responds that information related to its renewable energy supply agreements can be found in Table 3 of MCE's 2017 Integrated Resource Plan provided to PG&E as **Exhibit 1-01** to MCE's Responses to PG&E Data Request Set No. 1 and in MCE's periodic RPS compliance reports, which are submitted to the Commission, publicly available, and have previously been served on PG&E.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of the Retirement of Diablo Canyon Power Plant, Implementation of the Joint Proposal, and Recovery of Associated Costs Through Proposed Ratemaking Mechanisms (U39E)	Application 16-08-006 (Filed August 11, 2016)

RESPONSE OF MARIN CLEAN ENERGY TO PACIFIC GAS & ELECTRIC COMPANY DATA REQUEST 4

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February 28, 2017

Marin Clean Energy
Response to Pacific Gas & Electric Company February 13, 2017 Data Request 4 in A.16-08-006, PG&E Diablo Canyon Retirement Joint Proposal Application

GENERAL STATEMENT

Nothing in this response to Pacific Gas & Electric Company ("PG&E") Third Set of Data Requests ("Data Requests" or "Requests") should be construed as prejudicing or waiving Marin Clean Energy's ("MCE") right to produce and provide additional documentary evidence based on information, evidence or analysis hereafter obtained or evaluated. MCE's responses are made subject to inadvertent or undiscovered errors, and are limited by records and information still in existence and or presently recollected and thus far discovered in the course of preparing this response. MCE reserves the right to update and/or supplement the responses provided herein if and when additional evidence, which is responsive to the Requests becomes available and at any time if it appears that inadvertent errors or omissions have been made.

These responses are made without intending to waive or relinquish MCE's rights to take the following actions:

1. Raise all questions regarding relevancy, materiality, privilege, admissibility as evidence for any purpose as to any documents identified or produced in response to these Requests which may arise in any subsequent proceeding, in, or at the trial of this or any other action;

2. Object on any grounds to the use of said documents in any subsequent proceeding, in, or at the trial of this or any other action;

3. Object on any grounds to the introduction into evidence of documents identified or produced in response to these Requests; and/or

4. Object on any grounds at any time to other requests for production or other discovery involving said documents, or the subject matter thereof.

MARIN CLEAN ENERGY

RESPONSE TO PG&E DATA REQUEST

DOCKET NO.:	Application 16-08-006	**REQUEST DATE:**	February 13, 2017
REQUEST NO.:	PG&E-MCE-004	**RESPONSE DATE:**	February 28, 2017
REQUESTER:	PG&E	**RESPONDER:**	Kirby Dusel

QUESTION NO. 1

1. On page 11, MCE asserts: "'…since service commenced in May 2010, the organization has been very successful in providing its customers with an electric resource mix that offers a highly competitive emissions profile when compared to the incumbent utility, PG&E.'"

a) Please provide the emissions associated with MCE deliveries for each year 2010 through 2016. In responding, please list generation (GWh) by source.

b) To the extent that MCE used PCC 3 (unbundled RECs) in the calculation of the emissions profile, please list the number of PCC 3 RECs used in each year.

c) Please provide the breakdown, into owned vs. purchased power, for your responses to (a).

d) Please provide the breakdown, into short-term vs. long term contracts, for your response to (c).

e) For any RECs associated with the response to (a), please specify the year in which those RECs were used for RPS compliance and the year in which they were reported for the Power Content Label.

CONFIDENTIAL (yes or no): No.

RESPONSE to Question 1a:

MCE objects to PG&E's request because it is confusing, argumentative, and irrelevant to the issues in this proceeding. Subject to the forgoing, for operating years 2010 through 2015, MCE has provided the total estimated emissions, expressed in pounds of carbon dioxide ("CO_2"), associated with its electric energy supply portfolio. Such information is reflected in Table 1, below. Note that data for the 2016 operating year has not yet been compiled.

Table 1

Operating Year	Total Emissions (lbs. CO_2)
2010	25,643,117
2011	69,322,640
2012	212,864,133
2013	403,906,423
2014	406,651,211
2015	546,766,462

With regard to PG&E's request for MCE to "list generation (GWh) by source", MCE objects to this request as confusing, unreasonable, and argumentative. It is unclear what PG&E even means by the term "by source" (i.e. the term could be read to mean either generation source or fuel source). Subject to the foregoing, MCE responds that such information is publicly available in MCE's Power Source Disclosure Program annual reports, which it submits to the California Energy Commission.

RESPONSE to Question 1b:

MCE objects to PG&E's request because it is confusing, argumentative, and irrelevant to the issues in this proceeding.

RESPONSE to Question 1c:

MCE objects to PG&E's request because it is confusing, argumentative, and irrelevant to the issues in this proceeding. Subject to the foregoing, MCE responds that it does not own any generation resources.

RESPONSE to Question 1d:

MCE objects to PG&E's request because it is confusing, argumentative, and irrelevant to the issues in this proceeding. Subject to the foregoing, MCE responds that it complies with the California Public Utilities Commission's long-term contracting requirements for load serving entities' procurement of renewable resources. Further information regarding MCE's RPS procurement activities can be found in MCE's most recent 33% RPS Compliance Report, which was submitted to the Commission in 2016, is publically available, and was previously served on PG&E.

RESPONSE to Question 1e:

MCE objects to PG&E's request because it is argumentative and irrelevant to the issues in this proceeding. Subject to the foregoing, MCE responds that information related to its specified energy purchases is publicly available in MCE's Power Source Disclosure Program annual reports, which MCE periodically submits to the California Energy Commission. MCE also notes that information related to its RPS-eligible renewable energy procurement activities can be found in MCE's most recent 33% RPS Compliance Report, which was submitted to the Commission in 2016, is publically available, and was previously served on PG&E.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Develop an Electricity Integrated Resource Planning Framework and to Coordinate and Refine Long-Term Procurement Planning Requirements.	)	Rulemaking 16-02-007 (Filed February 11, 2016)

POST-WORKSHOP COMMENTS OF THE CITY OF LANCASTER, SILICON VALLEY CLEAN ENERGY AUTHORITY, MARIN CLEAN ENERGY AND SONOMA CLEAN POWER AUTHORITY

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February 17, 2017

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Develop an Electricity Integrated Resource Planning Framework and to Coordinate and Refine Long-Term Procurement Planning Requirements.	Rulemaking 16-02-007 (Filed February 11, 2016)

POST-WORKSHOP COMMENTS OF THE CITY OF LANCASTER, SILICON VALLEY CLEAN ENERGY AUTHORITY, MARIN CLEAN ENERGY AND SONOMA CLEAN POWER AUTHORITY

Pursuant to instructions provided by the Public Utilities Commission of the State of California ("Commission"), the City of Lancaster ("Lancaster"), Marin Clean Energy ("MCE"), Silicon Valley Clean Energy Authority ("SVCE") and Sonoma Clean Power Authority ("SCPA") (collectively, "CCA Parties") hereby submit formal comments in response to the December 21, 2016 *Ruling of the Assigned Commissioner and Administrative Law Judge Requesting Comments on Disadvantaged Communities and Other Aspects of Senate Bill 350* ("Ruling"). The CCA Parties thank the Commission for the opportunity to provide feedback on the important issues raised in the Ruling.

I. General Responses

General Response to Questions on Disadvantaged Communities (Questions 1-8):

The CCA Parties recognize the importance of protecting disadvantaged communities and applaud the Commission's proactive efforts to address this issue in the IRP process. Many of the existing Community Choice Aggregators ("CCAs") serve disadvantaged communities, as defined by CalEnviroScreen 2.0, and many CCAs either currently have or are planning programs that bring jobs and access to clean energy to those communities. Certain examples with respect to MCE are instructive in this regard. MCE has partnered with the RichmondBUILD and Rising Sun Energy Center programs to train and place workers and youth in local energy efficiency jobs. More recently, MCE became the first CCA administrator of Energy Savings Assistance Program ("ESAP") funding, receiving $1.7 million per year for its Low-Income Families and Tenants ("LIFT") pilot. Moreover, MCE also instituted a 50 percent local hire requirement for its development of a 10.5 MW solar facility at a brownfield site at the Chevron refinery in Richmond, a community severely impacted by environmental justice issues. In addition, MCE also sets aside funding for solar installation rebates for low-income families that can also be used for roof repair and other related costs, unlike other funding sources. An example with respect to SCPA is also instructive. SCPA recently completed an electric vehicle pilot program that resulted in over 200 new electric vehicle purchases, with a significant percentage of the funds going to customers served under the California Alternate Rate for Energy ("CARE") program. Specifically, 30 percent of the program funds went to CARE customers, which represent 18 percent of SCPA's accounts. Similarly, the City of Lancaster has in place a single-family affordable solar housing program that provides utility rebates for qualified low-income households to install solar power. These examples demonstrate that the CCA Parties share the Commission's dedication to serving and assisting disadvantaged communities.

A second general response is warranted at the outset. As the CCA Parties have previously stated in comments, the Commission must recognize that SB 350 treats CCAs differently than IOUs and non-IOU LSEs with respect to the IRP process, requiring the Commission to consider and apply a different approach for CCAs. These differences reflect the fact that under California law, the CCAs' respective local governing boards are given procurement autonomy. In short, while CCAs have certain specific statutory obligations relating to Integrated Resource Plans ("IRPs"), the Commission must be mindful of the differences between CCA-specific statutory provisions and those applicable to other LSEs, in order to accord due deference to the autonomy of CCAs' respective local governing boards.

The Commission's limited oversight of CCA IRPs *does not* mean that CCAs will disregard disadvantaged communities in developing their IRPs. To the contrary, as the above examples demonstrate the CCA Parties are dedicated to protecting the disadvantaged communities they serve. Indeed, the CCA Parties offer affordable, universal access to renewable energy for all of their communities, regardless of home ownership or roof repair needs. Further, the CCA Parties fully intend to collaborate and cooperate with the Commission to ensure that their IRPs are consistent with policy objectives for disadvantaged communities. Due to the small size and relatively nimble nature of CCAs, they are in an excellent position to implement pilot programs, which – working in conjunction with the Commission – can inform best practices of broader statewide policy.

General Response to Questions On Sections 454.52(a)(1)(F) and (H) (Questions 9–15):

Public Utilities Code Sections 454.52(a)(1)(F) and 454.52(a)(1)(H) apply in different ways to CCAs as opposed to other LSEs.[1] Walking through Section 454.52 shows why this is so.

Section 454.52(a)(1) requires the Commission to adopt a process for each LSE "to file an integrated resource plan … to ensure that load-serving entities" satisfy a list of eight criteria (the "LSE Criteria"). The LSE Criteria include the Section 454.52(a)(1)(F) requirement that IRPs "strengthen the diversity, sustainability, and resilience of the bulk transmission and distribution systems and local communities" and the Section 454.52(a)(1)(H) requirement that LSE IRPs

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[1] All further statutory references are to the Public Utilities Code, unless otherwise noted.

"Minimize localized air pollutants and other greenhouse gas emissions with early priority on disadvantaged communities."

Section 454.52(a)(1) sets forth a *general* rule for LSE IRPs. Subsections (b)(2), (b)(3), and (b)(4) then establish *specific* modifications, exceptions, and additions to the general rule for specific categories of LSE (electrical corporations, CCAs, and Electric Service Providers, respectively). The specific rule for CCAs at Section 454.52(b)(3) states:

> The plan of a community choice aggregator shall be submitted to its governing board for approval and provided to the commission for certification, consistent with paragraph (5) of subdivision (a) of Section 366.2, and shall achieve the following:
>
> A. Economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in paragraph (1) of subdivision (a).
>
> B. A diversified procurement portfolio consisting of both short-term and long-term electricity and electricity-related and demand reduction products.
>
> C. The resource adequacy requirements established pursuant to Section 380.

Thus, CCA IRPs are required to meet their own, separate set of three CCA-specific criteria ("CCA Criteria"). The language of Section 454.52(b)(3) suggests that the legislature intended the CCA Criteria to apply *instead of*, not in addition to, the LSE Criteria, while requiring that a CCA IRP nevertheless be generally "consistent with" the LSE Criteria. In this way, the legislature recognized the governing authority of CCAs' boards of local publicly elected officials in procurement matters – as is plainly clear from Section 454.52(b)(3)'s reference to Section 366.2(a)(5)("A community choice aggregator shall be solely responsible for all generation procurement activities on behalf of the community choice aggregator's customers, except where other generation procurement arrangements are expressly authorized by statute.").

The first CCA Criterion, Section 454.52(b)(3)(A), requires that CCA IRPs achieve benefits and characteristics that are "consistent with" the LSE Criteria. If CCAs were subject to the LSE Criteria, a CCA-specific requirement that CCA IRPs be consistent with the LSE Criteria would be duplicative and unnecessary.

Although under Section 454.52(b)(3) CCA IRPs are required to have "characteristics *consistent with* the goals of" the LSE Criteria (including the goals of Sections 454.52(a)(1)(F) and 454.52(a)(1)(H)), it is significant that the language of this section differs from the analogous requirement placed on IOUs by Section 454.52(b)(4): "[t]he plan of an electric service provider *shall achieve* the [LSE Criteria]." Section 454.52(b)(3) makes clear that each CCA's governing board, not the Commission, has authority to "approve" its IRP based in part on whether the IRP "is consistent with" the LSE Criteria. Under Section 454.52(b)(3) the Commission does not have the authority to approve CCA IRPs; rather, it requires that CCAs "provide" their IRPs to the Commission for "certification." Had the legislature intended to grant the Commission general authority to approve, deny, or modify a CCA's IRP based on these criteria, or to adopt requirements for CCAs based on the criteria, it would have said so.

The IRP requirements imposed by SB 350 thus attempt to balance the local procurement autonomy given by State law to CCA boards, on the one hand, against the State's interest in assuring that GHG reduction goals are met and that energy resources are developed in a sensible and coordinated manner. The balance achieved by the statute – requiring CCAs to undertake the IRP planning process and prepare plans "consistent with" the LSE Criteria, giving the Commission limited review authority over those CCA IRPs to assure they contain the statutorily-required elements, but leaving substantive determinations about procurement to the CCA's board – is consistent with respective roles of CCA boards and the Commission under existing law.

While this balance may give rise to challenges during the Commission's development of the IRP process, CCAs are confident that Commission staff will develop a process that respects this statutory balance.

<u>General Response to Questions on Transmission and Distribution System and Demand Side Management (Questions 1-15)</u>:

The questions on transmission and distribution system and demand side management are of limited relevance to the majority of CCA operations, since CCAs provide only generation services, not transmission or distribution services, and do not own or operate transmission or distribution infrastructure. This is not to say that CCAs are not required to consider transmission and distribution system issues at all in their IRPs. To the contrary, as noted earlier, Section 454.52(b)(3)(A) requires that CCA IRPs achieve benefits and characteristics that are "consistent with" the goals of subsections (F) and (G). The CCA Parties recognize that decisions regarding resource type and siting often raise transmission and distribution issues, and that CCAs should consider these issues in their IRPs.

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II. Conclusion

The CCA Parties thank the Commission for its consideration of these formal comments, and look forward to a productive partnership wherein CCA programs assist disadvantaged communities contribute to statewide best practices.

Dated: February 17, 2017

Respectfully submitted,

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

Order Instituting Rulemaking to Implement Portions of AB 117 Concerning Community Choice Aggregation.	Rulemaking 03-10-003 (Filed October 2, 2003)

PREHEARING CONFERENCE STATEMENT OF CALIFORNIA COMMUNITY CHOICE ASSOCIATION, CITY OF LANCASTER, CITY AND COUNTY OF SAN FRANCISCO, MARIN CLEAN ENERGY, PENINSULA CLEAN ENERGY, SILICON VALLEY CLEAN ENERGY AUTHORITY, AND SONOMA CLEAN POWER AUTHORITY

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February 13, 2017

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Implement Portions of AB 117 Concerning Community Choice Aggregation.	Rulemaking 03-10-003 (Filed October 2, 2003)

PREHEARING CONFERENCE STATEMENT OF CALIFORNIA COMMUNITY CHOICE ASSOCIATION, CITY OF LANCASTER, CITY AND COUNTY OF SAN FRANCISCO, MARIN CLEAN ENERGY, PENINSULA CLEAN ENERGY, SILICON VALLEY CLEAN ENERGY AUTHORITY, AND SONOMA CLEAN POWER AUTHORITY

Pursuant to the January 30, 2017 *Administrative Law Judge's Ruling Setting Prehearing Conference and Requesting Prehearing Conference Statements* ("ALJ Ruling"), the California Community Choice Association ("CalCCA"), City of Lancaster, City and County of San Francisco ("CCSF"), Marin Clean Energy ("MCE"), Peninsula Clean Energy ("PCE"), Silicon Valley Clean Energy Authority ("SVCEA") and Sonoma Clean Power Authority ("SCPA") (collectively, "CCA Parties")[1] respectfully submit this prehearing conference statement to provide "information relevant to resolution of the one remaining issue in this proceeding: setting the bond requirement for [Community Choice Aggregators ("CCAs")] in accordance with Section 394.25(e),"[2] and in response to the specific questions set forth in the ALJ Ruling.[3] As described below, the Commission should set the bond requirement for CCAs (i) based on an evidentiary record that considers the unique circumstances of CCAs, and (ii) to ensure that the CCA bond does not put CCAs at a competitive disadvantage.

[1] Pursuant to Rule 1.8(d) of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedures, CalCCA, Lancaster, CCSF, SVCE, and SCPA authorize counsel for MCE and PCE to submit this document on their behalf. Lancaster and PCE have requested party status in this rulemaking in separate motions.

[2] ALJ Ruling, at 3.

[3] ALJ Ruling, at 3–6.

I. RESPONSES TO SPECIFIC QUESTIONS RELATED TO THE ALJ RULING

1. What, if any, consideration should now be given to any of the information filed in response to the Amended Scoping Memo in 2011?

The purpose of the 2011 Amended Scoping Memo was to take additional briefing on whether to adopt or modify the 2010 proposed decision approving a 2008 proposed settlement among the three large IOUs, The Utility Reform Network, San Joaquin Valley Power Authority, and the City of Victorville ("2008 Proposed Settlement"). The questions posed in Amended Scoping Memo related to the 2008 Proposed Settlement, including whether or not to apply an IOU-proposed stress factor in the CCA bond methodology to reflect market volatility.

The 2008 Proposed Settlement should not be used as the basis for the CCA bond methodology. First, the 2008 Proposed Settlement involved none of the operating CCAs, and therefore was not based on "the actual operation of the several CCAs currently providing service."[4] Second, the Commission specifically rejected a number of elements in the 2008 Proposed Settlement, including the IOUs' proposed stress factor.[5] Finally, the 2008 Proposed Settlement is over eight years old and the Commission must consider and analyze current information. While the Commission can review past information related to generally applicable issues, such as legal obligations under Section 394.25(e), additional and newly available information gathered now will be of more importance and relevance. With respect to this past information, the CCA Parties offer the following comments.

First, the Commission issued several decisions in 2011 and 2013 that, among other things, updated and reformed the bond requirements for ESPs.[6] The Commission may be tempted to treat ESPs and CCAs the same. However, the Commission needs to both consider the actual impact of using the ESP bond methodology on CCAs and, even more importantly, take into account the differences between

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[4] ALJ Ruling, at 2.

[5] *See, e.g,* Decision11-12-008, *mimeo* 106-107 (Finding of Facts 55-59).

[6] *See generally* Decision 11-12-008 and Decision 13-01-021. The Commission explicitly stated that the scope of the decision only addressed requirements for ESPs and that it made no prejudgment concerning whether CCA bond requirements should be interpreted similarly or differently. Decision 11-12-018, *mimeo* at 3, 54.

ESPs and CCAs. For example, CCAs are entities that serve customers for the long term, including undertaking long-term planning and procuring long-term resources. In addition, the Commission has recognized that:

> CCAs[] are subject to numerous laws that will have the effect of protecting CCA customers and promoting accountability by CCAs... a CCA must conduct public hearings, operate within a budget and disclose most types of information to members of the public. To the extent that a CCA fails to consider the interests of its customers – who are local citizens – there is recourse in subsequent elections, the courts and before local government agencies.[7]

Furthermore, public entities cannot declare bankruptcy and disappear overnight.[8]

Importantly, the Commission specifically found that:

> A Commission decision regarding ESP financial security and reentry fee requirements pursuant to § 394.25(e) does not prejudge whether or how financial security and reentry fee requirements may apply for CCAs, which issues are pending in R.03-10-003."[9]

Accordingly, the Commission should not choose to summarily apply the ESP bond methodology to CCAs. A separate record must be developed in order to examine the bond methodology for CCAs.

Second, five CCAs are now operational in California where previously only MCE had just become operational. Each CCA posted a $100,000 bond pursuant to the interim guidance established in Resolution E-4133. As the ALJ Ruling recognizes, the Commission must resolve the methodology for setting a CCA bond "in light of the actual operation of the several CCAs currently providing service, as well as the plans of several entities considering becoming CCAs."[10] As the record in this proceeding will demonstrate, CCAs have been prudently operated and the likelihood of a CCA dissolving is very

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[7] Decision 05-12-041, *mimeo* at 10-11. *See* Charter of the City and County of San Francisco, Article VIIIB, §8B.125 (rates must be sufficient to ensure high bond ratings and continued financial health of utility consistent with good utility practice).

[8] In fact, the IOUs have specific tariff provisions that provide them with additional protections to ensure that CCAs cannot simply shutter and dump their customers overnight. *See* Pacific Gas and Electric Rule 23, Subpart S; San Diego Gas & Electric Company Rule 27, Subpart S; and Southern California Edison Rule 23, Subpart S.

[9] Decision 13-01-021, *mimeo* at 36 (Conclusions of Law 2).

[10] ALJ Ruling, at 2.

low. The Commission must take such an evidentiary record into account when determining "whether or how financial security and reentry fee requirements may apply for CCAs."[11]

2. Should a bond methodology be the same for all CCAs? Why or why not?

This factual matter should be thoroughly explored and ultimately resolved in this proceeding. There are a number of differences between CCAs that could impact the development of the bond methodology. For example, while all CCAs are locally-run public entities, some are joint powers authorities and others are municipalities. Additionally, a recently operational CCA with a small load will be in a different financial position than an established CCA with a large load. Finally, and importantly, the Commission must also consider how its determination regarding the CCA bond methodology may impact the ability of a newly-formed CCA to launch – the Commission's decision must meet its statutory obligation to facilitate the development of CCA programs.[12]

To treat CCAs comparably, the Commission must address the disparate re-entry fees the IOUs impose. PG&E currently imposes a re-entry fee that appears to be *nearly 800 percent more* than the re-entry fee proposed by SCE.[13] The Commission must examine this disparity.

3. Should a bond methodology be fundamentally a multiplication of an IOU's reentry fee by an estimate of the number of a CCA's customers, or some other arithmetic measure? What issues would need to be resolved to develop such a methodology?

The CCA Parties do not have a specific proposal on the methodology at this time. However, the CCA Parties believe that the final methodology should provide CCAs (especially CCAs in the process of being formed) certainty on the amount of the bond through a transparent methodology that relies on properly vetted inputs and calculations. At a minimum, the issues noted above must be resolved,

[11] Decision 13-01-021, *mimeo* at 36 (Conclusions of Law 2).

[12] *See, e.g.,* Decision 04-12-046, *mimeo* at 3 (emphasis added) ("The state Legislature has expressed the state's policy to permit *and promote* CCAs by enacting AB 117…."). *See also* Decision 10-05-050, *mimeo* at 13 (emphasis added) ("Certainly, Section 336.2(c)(9) evidences a substantial governmental interest in *encouraging the development* of CCA programs and allowing customer choice to participate in them.").

[13] *See* Section 5.b of PG&E Electric Schedule E-CCA ($4.24 per account) and SCE's proposed re-entry fee in A.16-09-001 ($0.50 per account).

specifically: (1) why is there a wide difference in reentry fees among the IOUs, and (2) how might rote application of the reentry fee, and the resulting amount of the CCA bond, render the bond anticompetitive and at cross-purposes with the State's policy of promoting the development of CCAs?

4. If some other type of methodology should be considered, what would it be? What issues would need to be resolved to develop such a methodology? Numerical examples should be provided.

See response to Question 3.

5. Should the bond methodology include any adjustment for risk and/or historical experience of a CCA? Why or why not?

Yes, this proceeding should specifically determine a bond methodology that examines the low risks associated with CCAs. As described above, the Commission has already recognized that as public entities, CCAs are subject to laws and requirements that significantly mitigate the risk to consumers of CCA operations.

The low-risk profile for CCAs should be a significant factor in the Commission's considerations regarding the need for, and the amount of, any financial security requirement that it sets for CCAs. Furthermore, a CCA's historical performance and thereby the certainty of its future operations also lowers the risk of CCA operations and should impact the financial security requirement associated with that CCA.

6. How, if at all, should the potential for expansion of a CCA's service to additional areas after its initial service begins be accounted for in developing a CCA bond methodology?

The "potential" for expansion outside the CCA's initial jurisdiction is speculative and should not be factored into the bond methodology; the bond methodology should capture any changes to the amount of security needed after any expansion has occurred. Additionally, the bond methodology should allow for the circumstance where an established CCA phases in service within its jurisdiction over time, understanding that all customers within a jurisdiction may not be served at launch.

7. **Provide a proposed schedule for resolving this issue in this proceeding. Any proposal that includes either a workshop or an evidentiary hearing must provide specific justification for the proposed activity.**

First, before any workshops or hearings are conducted, the schedule should allow individual CCAs to conduct discovery on the potential inputs to a proposed bond methodology and other relevant issues in order to develop a robust record for the development of the methodology.

Second, the Commission should conduct an initial workshop on the bond methodology, which would include, among other things, discussion of different processes and costs associated with a CCA providing a bond versus other potential financial security. The Commission should allow stakeholders to comment after the workshop, including on what the most appropriate method might be for a CCA to satisfy a potential financial security requirement. An initial workshop would help identify factual issues that must be addressed, and may work toward a possible consensus methodology.

After this initial workshop is conducted, the Commission should require the IOUs, and allow other stakeholders an opportunity, to submit specific proposals for a CCA bond methodology. Following the submission of CCA bond proposals, the Commission should proceed with a similar schedule to the schedule used to establish the ESP bond methodology. The factual and legal issues that will be considered in the CCA bond methodology are comparable to, if not more complicated than, those that were addressed in the context of the ESP bond methodology. In light of this, the CCA Parties propose the following schedule:

Prehearing Conference:	February 16, 2017
Scoping Memorandum:	March 16, 2017
Initial Workshop:	April 19, 2017
Comments on Initial Workshop:	May 12, 2017
Assigned Commission Ruling on Formal Process:	June 2, 2017
IOU (Other Party) Submittal of CCA Bond Proposal:	July 7, 2017
Opening Testimony:	August 4, 2017
Reply Testimony:	September 1, 2017
Evidentiary Hearing:	September 26-28, 2017
Post-Hearing Opening Brief:	October 27, 2017
Post-Hearing Reply Brief:	November 17, 2017

8. **Identify any other issues related solely to the setting of a bond for CCAs that a party believes should be discussed at the PHC.**

A CCA's process for obtaining a bond is very different than for private companies and may differ from CCA to CCA based on the internal rules and requirements of each public agency. The Commission should examine the costs and obstacles associated with establishing the types of financial security instruments that will satisfy the bond requirement. Furthermore, the frequency with which the amount of the financial security requirement will be adjusted is also relevant to a determination of the costs associated with posting any such requirement. Accordingly, those issues need to also be addressed as part of this process.

Respectfully submitted,
/s/

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