

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

Application of Pacific Gas and Electric  
Company for Adoption of Electric Revenue  
Requirements and Rates Associated with its  
2015 Energy Resource Recovery Account  
(ERRA) and Generation Non-Bypassable  
Charges Forecast

(U 39 E)

Application 14-05-024  
(Filed May 30, 2014)

Expedited Application of Pacific Gas and  
Electric Company Pursuant to the  
Commission's Approved Energy Resource  
Recovery Account (ERRA) Trigger  
Mechanism

(U 39 E)

Application 14-08-023  
(Filed August 29, 2014)

**CONSOLIDATED**

**REPLY COMMENTS OF MARIN CLEAN ENERGY, SONOMA CLEAN POWER,  
THE CITY OF LANCASTER, LEAN ENERGY US, CLEAN COALITION,  
AND COMMUNITIES FOR A BETTER ENVIRONMENT  
ON THE DRAFT WORKSHOP REPORT**

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Pursuant to the *Administrative Law Judge's Ruling Introducing a Draft Workshop Report and Inviting Comments* ("Ruling") issued on June 6, 2016, Main Clean Energy,<sup>1</sup> Sonoma Clean Power Authority,<sup>2</sup> Lancaster Choice Energy,<sup>3</sup> LEAN Energy US,<sup>4</sup> Clean Coalition,<sup>5</sup> and

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<sup>1</sup> Marin Clean Energy ("MCE") is a CCA program that serves customers in Marin, Napa, west Contra Costa, and Solano counties. By the end of 2016, MCE will have a peak load of 500 MW and serve approximately 250,000 customer accounts.

<sup>2</sup> Sonoma Clean Power ("SCP") is a California joint powers authority operating a CCA program in Sonoma County. SCP currently serves about 198,000 accounts encompassing a population of approximately 450,000. The reduction of greenhouse gas emissions in Sonoma County is one of the primary reasons for SCP's formation.

Communities for a Better Environment<sup>6</sup> (“Joint Parties”) hereby submit their reply comments on the draft *Power Charge Indifference Adjustment (PCIA) Inputs and Methodologies Workshop Report*. The Joint Parties limit their reply to responding to a single issue raised by both Pacific Gas and Electric Company (“PG&E”) and Southern California Edison (“SCE”) in their comments presented on June 20, 2016.

## I. INTRODUCTION

The Joint Parties appreciate the California Public Utilities Commission’s (“Commission”) efforts in considering this particularly challenging issue. The workshop and ensuing workshop report are starting points for a broader discussion on the fairness and reasonableness of non-bypassable charges.

As expressed in the Joint Parties’ opening comments the continuance of this proceeding, amending the proceeding’s scope to address issues related to PCIA fairness, uncertainty, and reasonableness is paramount. The potential for efforts to seek PCIA reform through working

<sup>3</sup> The City of Lancaster is a community of nearly 160,000 residents that is aggressively pursuing energy solutions in hopes of bettering the current and future environmental and economic conditions of its community and region. In that context, the Lancaster City Council approved a CCA program, Lancaster Choice Energy, which is now fully operational.

<sup>4</sup> LEAN Energy US is a 501(c)(3) non-profit to support the development of viable CCA programs in California and nationwide. LEAN’s participation in this proceeding is focused on the interests of those California jurisdictions that plan to launch CCA programs and those that should have the option to do so at a later date, by ensuring that the PCIA is fair and calculated according to Commission rules and consistent with California law.

<sup>5</sup> The Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. In this proceeding, the Clean Coalition seeks to ensure that all renewable energy options affected by the PCIA, including CCAs and the Green Tariff Shared Renewables Program, remain cost-competitive by ensuring that the PCIA properly accounts for both the net costs and benefits of departing load.

<sup>6</sup> Communities for a Better Environment (“CBE”) is a non-profit environmental justice movement building organization, with several members in Richmond and Benecia that are residential customers of MCE. CBE is particularly concerned with the inconsistent application of the PCIA to customers enrolled in the California Alternate Rate for Energy (“CARE”) program throughout the state.

groups should not supplant the continuing need for a formal venue before the Commission to address PCIA reform.

## **II. WORKING GROUPS ARE NOT A VIABLE SUBSTITUTE FOR A FORMAL PROCEEDING AND WILL PROVIDE LIMITED PROGRESS TOWARDS SIGNIFICANT PCIA REFORM**

SCE's comments state that it would support "the use of working groups to further clarify and potentially resolve issues identified by parties."<sup>7</sup> PG&E's comments also draw attention to the convening of a working group including several parties to address the potential for forecasting of PCIA rates by PG&E.<sup>8</sup> While MCE and SCP are both engaged in this working group effort and remain hopeful that efforts will result in the creation of both medium-term (5-year) and long-term (duration of vintage) forecasts of PCIA rates, these parties – and moreover the Joint Parties as a whole – do not believe these working groups will result in meaningful PCIA reform. Such necessary reform can only come through a formal proceeding overseen by the Commission.

As stated in parties' responses to the "optional homework assignment" leading up to the March 8, 2016 workshop and as parties stated through detailed presentations during the workshop, there are significant disputes over whether the PCIA is being correctly implemented at present. Without the support and oversight of the regulator through a formal venue there is no incentive for the Investor-Owned Utilities ("IOUs") to meaningfully alter the status quo. As such, working groups convened through the mutable willingness of the IOUs will only go so far

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<sup>7</sup> SCE Comments at 3.

<sup>8</sup> PG&E Comments at 3 states "Since the PCIA Workshop, Marin Clean Energy, Sonoma Clean Power, the Alliance for Retail Energy Markets and Direct Access Customer Coalition, California Large Energy Consumers Association, Energy Users Forum, and PG&E have been working together collaboratively to develop a methodology and have agreed to a schedule for providing the Mid-Term (*i.e.*, five years) PCIA Forecast to DA and CCA representatives beginning in 2016."

towards effecting change.

The Commission should not rely on unregulated workgroups to perform its own duties as the regulatory authority charged with setting PCIA rates. To do so would be a disservice to ratepayers statewide. Instead as detailed in the Joint Parties' opening comments, the Commission should amend the scope of the instant proceeding by creating a new phase to finally address issues related to PCIA fairness, uncertainty, and reasonableness.

### **III. CONCLUSION**

The Joint Parties thank Administrative Law Judge Tsen and Commissioner Florio for their attention to the matters discussed herein.

Respectfully submitted,

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