

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

ENERGY DIVISION

**RESOLUTION E-4789
August 18, 2016**

R E S O L U T I O N

Resolution E-4789. Southern California Edison requests approval of its Protocol for Customer Advance Notice to Transfer to Lancaster Choice Energy’s Community Choice Aggregation Service.

PROPOSED OUTCOME:

- This Resolution approves Southern California Edison’s Advice Letter 3364-E, which requests approval of its Protocol for Customer Advance Notice of Transfer to Lancaster Choice Energy’s Community Choice Aggregation Service. The Protocol would waive the six-month notice and form submission requirements for residential customers who wish to transfer from Southern California Edison to Lancaster Choice Energy outside of the Automatic Enrollment period.

SAFETY CONSIDERATIONS:

- There is no impact on safety.

ESTIMATED COST:

- There is no ratepayer cost.

By Southern California Edison Advice Letter 3364-E, filed on February 12, 2016.

SUMMARY

This Resolution approves Southern California Edison’s (SCE) Advice Letter (AL) 3364-E, which requests approval of its Protocol for residential Customer Advance Notice to Transfer to Lancaster Choice Energy’s (LCE) Community Choice Aggregation (CCA) Service.

SCE's Tariff Rule 23 L. requires bundled customers who wish to "return to CCA Service" to give six months' notice to SCE and to fill out a standard form. In this AL, SCE requests approval of a limited exception to Rule 23 to waive the six-months' notice and form requirements for residential customers transferring to LCE for the first time or returning to LCE after previously accepting service from LCE.

The Protocol applies only to residential customers transferring from SCE to LCE. The Protocol exempts these customers from SCE's normal Rule 23 tariff requirements of giving six months' notice to SCE and filling out Form 14-954. SCE has agreed to make this accommodation at LCE's request, so long as the exemption requests do not exceed a certain *de minimis* threshold. SCE and LCE have negotiated in good faith and agree to the Protocol. SCE reserves the right to permanently suspend this exemption Protocol if more CCA programs become operational in SCE's service territory and those CCAs request similar exemptions and such resulting requests exceed the *de minimis* threshold described more fully below. This resolution does not establish precedent in any other proceeding.

In order to be eligible for this exemption, a customer who was previously an LCE customer would have to have served its 12-month stay requirement before being eligible to once again return to LCE. *See* SCE Electric Rule 23 L.3.a. For a customer making the switch to LCE for the first time, there is no 12-month stay requirement.

BACKGROUND

A deviation from an approved tariff requires Resolution.

Pursuant to General Order (G.O.) 96-B, Electric Industry Rule 8.5.6, "each utility shall compile and publish in its tariffs a list of all contracts and other deviations under which the utility provides service at rates or under conditions other than those contained in its tariffs then in effect." Furthermore, G.O. 96-B, Electric Industry Rule 5.3 (5), states that a "[c]ontract or other deviation" is appropriate for a Tier 3 Advice Letter and therefore, requires Resolution.

SCE's Rule 23 requires bundled residential customers who wish to return to a CCA to give six months' notice to SCE and fill out a standard form.

Decision (D.) 05-12-041 required electrical corporations to develop CCA tariffs. SCE filed AL 1965-E to comply. This included the current Rule 23 and was approved by Resolution E-4013. The current Rule 23 L.4.a. requires both residential and non-residential customers to give SCE six months' notice and fill out standard Form 14-954 to return from SCE to a CCA outside of the Automatic Enrollment period.

LCE and SCE have negotiated, in good faith, an exception to the general notice requirements.

Under the proposed Protocol LCE will submit to SCE a CCA Service Request (CCASR) on behalf of a residential customer who wishes to transfer to LCE outside of the Automatic Enrollment period. The residential customer will not be required to fill out Form 14-954 as long as the exception process in the Protocol is applicable. SCE and LCE will then cooperate in good faith to implement an exception process for customers seeking to transfer to LCE outside of the Automatic Enrollment period, with the expectation that the exception process will involve a *de minimis* number of customers and LCE's transfer would occur as soon as reasonably practicable following LCE's request.

A non-residential customer wishing to transfer from SCE to LCE outside of Automatic Enrollment will contact LCE, which will submit the signed form and give six months' notice or provide a spreadsheet in a form reasonably acceptable to SCE containing the pertinent information.

This Resolution is only meant to approve the Protocol that has already been agreed to by SCE and LCE. Therefore, any conflict between this Resolution and the Protocol is unintended and the Protocol shall govern.

NOTICE

Notice of AL 3364-E was made by publication in the Commission's Daily Calendar. SCE states that a copy of the Advice Letter was mailed and distributed

in accordance with Section 4 of General Order 96-B.

PROTESTS

Advice Letter 3364-E was not protested.

Lancaster Choice Energy filed a response in support of AL 3364-E on March 3, 2016.

DISCUSSION

Energy Division has reviewed AL 3364-E and LCE's response thereto. Energy Division has also convened several phone calls with SCE and LCE to further understand the contours and effects of the Protocol.

SCE and LCE negotiated this agreement in good faith.

Both SCE and LCE went through numerous rounds of good faith negotiations to reach the proposed Protocol which is the subject of AL 3364-E. LCE filed a response in support of the Protocol in AL 3364-E.

SCE bundled ratepayers are protected from harm because the requested exception applies only as long as the number of customers transferring is *de minimis*. If future CCAs form in SCE's territory and similarly request exemptions, SCE reserves its right to suspend the Protocol.

The Protocol states that the exception process can only accommodate a *de minimis* number of customers.¹ If other CCA programs become operational in SCE's service territory and request a similar exception as LCE is requesting here, and SCE determines that in the aggregate, those requests exceed the *de minimis* threshold, SCE can suspend the exception process.² Further, SCE and LCE will cooperate in good faith to anticipate, identify, and if possible, implement

¹ In a May 6, 2016, conference call between Energy Division staff, LCE, and SCE, SCE and LCE stated that the *de minimis* threshold was estimated to be between three and five exempted residential transfers per month.

² See AL 3364-E, Attachment B, Notice Protocol, pp. 1-2.

measures that may allow SCE to forestall suspension of the exception process and continue to accommodate a reasonable number of additional requests.³ SCE stated, in a conference call with LCE and Energy Division, that implementing this Protocol will not negatively affect its bundled ratepayers or power procurement planning, nor will it result in cost shifting.

In the event that more CCAs form in SCE's territory, nothing here would obligate SCE to agree to a similar Protocol for those CCAs.

This Resolution is memorializing a Protocol that is creating an exception to SCE's tariffs under very specific circumstances which accommodates a defined *de minimis* number of customers. SCE is waiving its otherwise applicable six-month notice requirement and customer signature form for SCE customers who wish to transfer to LCE. This exception is a result of a SCE and LCE negotiated agreement in good faith. Thus, given these very unique circumstances, this Resolution does not establish precedent in any other proceeding or for any other CCA.

Resolution E-4730 clarified the Commission's interpretation of the 12-month stay requirement. In order to be eligible for the exemption contemplated in this Protocol, a customer who was previously an LCE customer will have to serve its 12-month stay requirement before being eligible to once again return to LCE. *See* SCE Electric Rule 23 L.3.a. For a customer making the switch to LCE for the first time, there is no 12-month stay requirement.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this Resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

³ *See* AL 3364-E, Attachment B, Notice Protocol, p. 2.

The 30-day comment period for the draft of this Resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

SCE and LCE both filed comments on July 26, 2016, proposing minor technical or clarifying changes. The majority of those changes have been incorporated in this final Resolution.

FINDINGS

1. Southern California Edison and Lancaster Choice Energy negotiated the proposed Protocol in good faith.
2. Limiting the exception to only a *de minimis* number of residential customers transferring to Lancaster Choice Energy outside the Automatic Enrollment period provides bundled service customers sufficient protection from cost shifting.
3. This Resolution does not establish precedent in any other proceeding or for any other Community Choice Aggregator.

THEREFORE IT IS ORDERED THAT:

1. Southern California Edison's request to establish a Protocol for customer advance notice of transfer to Lancaster Choice Energy's Community Choice Aggregation service is approved as described in Advice Letter 3364-E, Attachment B.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on August 18, 2016, the following Commissioners voting favorably thereon:

/s/ TIMOTHY J. SULLIVAN
TIMOTHY J. SULLIVAN
Executive Director

MICHAEL PICKER
President

MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
CARLA J. PETERMAN
LIANE M. RANDOLPH
Commissioners