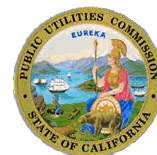


**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



FILED

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Application of Southern California Edison
Company (U338E) for Approval of Its
Carbon-Free Surplus Energy Transaction with
Bonneville Power Administration

A.19-10-001
(Filed October 1, 2019)

**RESPONSE OF JOINT COMMUNITY CHOICE AGGREGATORS
TO APPLICATION 19-10-001**

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November 4, 2019

Director of Regulatory Affairs
Clean Power Alliance of Southern California
on behalf of CalChoice and CPA

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OF THE STATE OF CALIFORNIA**

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In accordance with Rule 2.6 of the California Public Utilities Commission (“Commission”) Rules of Practice and Procedure (“Rules”), the California Choice Energy Authority (“CalChoice”) and Clean Power Alliance of Southern California (“CPA”) (collectively, the “Joint CCAs”) submit this Response to Southern California Edison (“SCE”) Application 19-10-001 (“Application”). Notice of the Application first appeared in the Daily Calendar on October 4, 2019. Therefore, in accordance with Rule 2.6(a), this Response is timely filed.

I. Introduction

CalChoice is a California joint powers authority initially formed by the cities of Lancaster and San Jacinto, with expanding membership available to other cities interested in implementing Community Choice Aggregation (“CCA”) programs using support services provided by CalChoice. Currently, the cities of Lancaster, San Jacinto, Rancho Mirage, and Pico Rivera, and the town of Apple Valley operate CCA programs in association with CalChoice. CalChoice also provides support to the cities of Baldwin Park, Commerce, Hanford, Palmdale, and Pomona, each of which plans to initiate CCA service to retail customers in 2020. CalChoice provides regulatory support services to its participating CCA programs.

CPA is a Community Choice Aggregator whose Joint Powers Agency was formed in June 2017 pursuant to the Joint Exercise of Powers Act, California Government Code section 6500 et seq. CPA consists of 31 member agencies, including the Cities of Agoura Hills, Alhambra, Arcadia, Beverly Hills, Calabasas, Camarillo, Claremont, Carson, Culver City, Downey, Hawaiian Gardens, Hawthorne, Malibu, Manhattan Beach, Moorpark, Ojai, Oxnard, Paramount, Redondo Beach, Rolling Hills Estates, Santa Monica, Sierra Madre, Simi Valley, South Pasadena, Temple City, Thousand Oaks, Ventura, West Hollywood and Whittier and the Counties of Los Angeles and Ventura (unincorporated areas).¹

II. Joint CCAs' Interest in this Application

The Joint CCAs' customers receive generation services from CalChoice and CPA, and receive distribution, transmission, and billing services from SCE. In addition to electricity generation, CalChoice and CPA have been developing other local energy programs to reduce or shift customer electricity demand.

Generally, the Joint CCAs are supportive of the pilot detailed in the Application and appreciates the innovative collaboration between SCE and Bonneville Power Administration ("BPA"). However, the Joint CCAs are concerned about SCE's proposal to seek cost recovery for the Energy Efficiency ("EE") measures installed in BPA's service territory through SCE's Public Purpose Program Charge ("PPPC"),² collected from both bundled and unbundled ratepayers. While the Joint CCAs do not oppose SCE's utilization of PPPC funds for this "proof of concept" pilot, we are concerned that this may set a precedent where a larger amount of PPPC

¹ CPA will begin to serve Westlake Village in 2020. CPA submitted its initial implementation plan to the California Public Utilities Commission (Commission) on August 15, 2017 and received certification on November 13, 2017 and has since submitted subsequent addenda to incorporate new member agencies and received certification of the respective addenda.

² See Application at Pg. 5.

collected from unbundled ratepayers would be used for future transactions that only benefit bundled ratepayers.

The Joint CCAs recommend the Commission only approve the cost recovery of the installed EE measures from PPPC on a non-precedential, one-off basis, to ensure that PPPC continues to be utilized for programs that directly generate energy savings and environmental benefits in California.

III. Issues to be Addressed In this Proceeding

The Joint CCAs' response is focused on the cost recovery mechanism for the EE Program Cost component that compensates for BPA's costs to install EE measures in BPA's territory; the Joint CCAs do not contest the Clean Power Fee or other cost components. The Joint CCAs are concerned that the approval of the Application would set a troubling precedent for future transactions where California ratepayers would pay for EE measures outside of California in exchange for carbon-free energy. Such transactions between load serving entities (LSEs) and sellers, especially at scale, should be funded by LSEs through generation rates without utilizing the PPPC.

The PPPC, which is funded by the Public Goods Charge ("PGC"), was created by Assembly Bill ("AB") 1890 in 1996. The intention of the PGC is to assist low-income ratepayers and support renewable energy, demand-side management, and technology demonstration that lead to greater public good.³ The Joint CCAs agree with SCE that the pilot demonstrates an innovative approach to clean energy transactions, so that the EE implementation costs can be recovered through the PPPC in a manner consistent with one of the intended uses of PGC.

However, the Commission should specify that approval of this pilot does not grant blanket future approval for LSEs to utilize PPPC to compensate for energy saving measures

³ See AB 1890 Section 1(d).

installed outside of California in exchange for carbon-free energy imports that benefit the generation customers of a single LSE. The cost recovery should be approved as a one-time demonstration, and similar transactions in the future should be funded through each LSE's own generation rates. Doing so would ensure that the PPC will continue to protect low-income ratepayers and invest in programs that generate direct environmental and economic benefits in California. It would also prevent future cross-subsidization of bundled or unbundled rates where the transactions only incur direct energy benefits for one customer group but not the other but are funded by all customers.

For reasons stated above, the Joint CCAs recommend the Commission approve the cost recovery for the installed EE measures from the PPC on a non-precedential basis, and direct SCE to recover the costs with any future transactions similar to this pilot from its own bundled generation customers.

IV. Service of Correspondence, Pleadings and Orders

For the purpose of receipt of all correspondence, pleadings, orders and notices in this proceeding, the following CalChoice and CPA representatives should be placed on the service list as a "party":

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The following representative should be placed on the service list as “Information Only”:

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V. Procedural Schedule and Hearings

a. Need for Hearing

The Joint CCAs agree that evidentiary hearings may be necessary.

b. Categorization

The Joint CCAs agree that that the application is properly categorized as ratesetting.

c. Proposed Schedule

The Joint CCAs do not propose any changes to the procedural schedule proposed by SCE.

VI. Conclusion

The Joint CCAs requests that the Commission consider the Response as it scopes and reviews the Application.

Respectfully submitted,

/s/ C.C. Song

C.C. Song
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on behalf of CalChoice and CPA

November 4, 2019