

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



**FILED**  
03/27/20  
04:59 PM

Order Instituting Rulemaking to Address  
Utility Cost and Revenue Issues  
Associated with Greenhouse Gas  
Emissions.

Rulemaking 11-03-012

**EMERGENCY MOTION  
OF THE PUBLIC ADVOCATES OFFICE  
TO PROVIDE CUSTOMER RELIEF RELATED TO COVID-19  
AND FOR AN ORDER SHORTENING TIME TO RESPOND;  
[PROPOSED] ORDER**

**ROBYN PURCHIA**  
Attorney for the  
Public Advocates Office

California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
Telephone: (415) 703-2354  
Email: [Robyn.Purchia@cpuc.ca.gov](mailto:Robyn.Purchia@cpuc.ca.gov)

March 27, 2020

## I. INTRODUCTION

Pursuant to Rule 11.1 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure,<sup>1</sup> the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) files this emergency motion for customer relief. The Public Advocates Office has a statutory mandate to "advocate on behalf of the interests of public utility customers and subscribers" with the goal "to obtain the lowest possible rate for service consistent with reliable and safe service levels."<sup>2</sup> Urgent action is necessary to provide relief to customers who may be facing economic hardship due to the impact of COVID-19. One action that the Commission can undertake is to modify the distribution schedule for the California electric and natural gas Climate Credits to lower customers' energy bills.

The Public Advocates Office requests that the Commission require Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE) to distribute the electric Climate Credits planned for October 2020 to residential customers in May 2020, and the electric Climate Credits anticipated for 2021 to residential customers in June and July of 2020. The Commission should require San Diego Gas & Electric Company (SDG&E) to distribute the electric and natural gas Climate Credits anticipated for 2021 to residential customers in May, June, and July of 2020. Concurrent with this motion, the Public Advocates Office is filing a petition to modify the decision in Rulemaking (R.) 14-03-003 to require SDG&E to distribute its anticipated natural gas Climate Credits in July 2020 instead of April 2021.

The Public Advocates Office also recommends the Commission immediately direct the IOUs to identify any and all accounts with accumulated overcollections and unused funds and moves to shorten the standard 15 days to respond to this motion to five days.<sup>3</sup>

---

<sup>1</sup> All citations to "Rule" refer to the California Public Utilities Commission Rules of Practice and Procedure. (Cal. Code Regs, tit. 20, div. 1, chpt. 1).

<sup>2</sup> Pub. Util. Code § 309.5, subd. (a).

<sup>3</sup> Rule 11.1, subd. (e)

## II. BACKGROUND

Assembly Bill 32, The Global Warming Solutions Act of 2006,<sup>4</sup> caps California’s greenhouse gas (GHG) emissions at 1990 levels and establishes a target to reach 1990 emission levels by 2020. Cap-and-Trade obligations are met through tradeable allowances, with each allowance equal to one metric ton of carbon dioxide equivalent gas. Entities whose GHG emissions are regulated under the Cap-and-Trade program are called covered entities. The electric investor-owned utilities (IOUs) became covered entities subject to a compliance obligation in 2013,<sup>5</sup> and the natural gas IOUs became covered entities subject to a compliance obligation in 2015.<sup>6</sup> Covered entities must surrender allowances equal to the entity’s annual GHG emissions.<sup>7</sup> The California Air Resources Board (CARB) issues a specific number of allowances directly to the IOUs for the purpose of protecting customers. The IOUs receive these allowance allocations on behalf of their customers. The electric IOUs must consign all allowances to auction, and the natural gas IOUs must consign some of the allowances to auction. Both electric and natural gas IOUs must distribute the proceeds directly to retail customers.<sup>8</sup>

The Commission has recognized that residential customers “will ultimately bear the increased costs of goods and services in the economy, inclusive of increased electricity costs as a result of the Cap-and-Trade program.”<sup>9</sup> To mitigate the financial hardship of the Cap-and-Trade program on residential customers, the Commission

---

<sup>4</sup> Statutes of 2006, Chapter 488.

<sup>5</sup> See *Adopting Cap-and-Trade Greenhouse Gas Allowance Revenue Allocation Methodology for the Investor-Owned Electric Utilities*, Decision (D.) 12-12-033 (Dec. 20, 2012) at p. 13.

<sup>6</sup> See *Adopting Procedures Necessary for Natural Gas Corporations to Comply with the California Cap on Greenhouse Gas Emissions and Market-based Compliance Mechanisms (Cap-and-Trade Program)*, D.15-10-032 at p. 3 (Oct. 22, 2015).

<sup>7</sup> D.12-12-033 at p. 14.

<sup>8</sup> D.12-12-033 at p. 15; D.15-10-032 at p. 27; Assembly Bill 32 (2006); Pub. Util. Code § 748.5.

<sup>9</sup> D.12-12-033 at p. 180.

allocated a portion of GHG allowances to them on an equal per residential account basis delivered as a semi-annual, on-bill credit (the electric Climate Credit).<sup>10</sup>

The Commission directed the electric IOUs to include their estimated GHG costs and revenues in their annual Energy Resource Recovery Account (ERRA) forecast proceedings and distribute Climate Credits in April and October of each year.<sup>11</sup> The purpose of distributing the Climate Credits during these months is to incentivize customers to conserve or effectively manage energy usage during peak summer months.<sup>12</sup> The Commission stated that “distribution in summer months...would alter such price signals to the extent that customers do not understand the nature of the Climate Dividend.”<sup>13</sup>

The Commission requires natural gas IOUs, such as SDG&E, to allocate a portion of the revenues from the sale of allowances to residential customers, similar to the electric Climate Credit.<sup>14</sup> However, SDG&E provides its natural gas Climate Credits only once a year in April and annually forecasts and reconciles costs and revenues through the Commission’s advice letter process.<sup>15</sup>

On March 29, 2019, SDG&E filed a petition to modify the timing of its electric Climate Credits’ distribution to August and September instead of April and October.<sup>16</sup> SDG&E stated that changing the timing could provide multiple benefits, including immediate bill relief, increased awareness of Climate Credits, and long-term increased rate acceptance. On December 5, 2019, the Commission granted SDG&E’s petition to

---

<sup>10</sup> D.12-12-033, p. 181.

<sup>11</sup> See *Adopting Cap-and-Trade Greenhouse Gas Allowance Implementation Plans*, D.13-12-003 (Dec. 5, 2013).

<sup>12</sup> D.13-12-003 at p. 13.

<sup>13</sup> D.13-12-003 at p. 22.

<sup>14</sup> D.15-10-032 at p. 27.

<sup>15</sup> See *Decision Modifying Decision 15-10-032*, D.18-03-017 (Mar. 22, 2018) at pp. 54-55, Ordering Paragraphs 7 and 8; D.15-10-032 at p. 63, Ordering Paragraph 5.

<sup>16</sup> *Petition for Modification of D.13-12-003 of San Diego Gas & Electric Company*, (Mar. 29, 2019).

modify the timing of electric Climate Credits' distribution to August and September for the years 2020 and 2021.<sup>17</sup>

### **III. DISCUSSION**

The Public Advocates Office requests that the Commission modify the distribution schedule of PG&E's and SCE's electric Climate Credits to provide customers with bill relief for the months of May, June, and July of 2020, and SDG&E's electric and natural gas Climate Credits to provide customers with relief for May, June, and July of 2020. This relief is requested because of the extraordinary and significant financial hardship California residents are facing due to COVID-19. By distributing PG&E's and SCE's October 2020 electric Climate Credits in May, PG&E's and SCE's April and October 2021 electric Climate Credits in June and July, SDG&E's 2021 electric Climate Credits in May and June, and SDG&E's 2021 natural gas Climate Credit in July, the Commission can lower electric utility bills and help alleviate some of that hardship.

The Public Advocates Office also recommends the Commission immediately direct the IOUs to identify any and all accounts with accumulated overcollections and unused funds, as well as shorten the time to respond to this motion from 15 days to five days.

#### **A. Many Californians Face Significant Financial Hardship Due to COVID-19**

The World Health Organization declared COVID-19 a global pandemic on March 11, 2020. To mitigate and control the pandemic, governments around the world have imposed strict social distancing measures. In California, these measures have gradually escalated from guidance to avoid gatherings, to school closures, to Governor Newsom's Stay at Home Executive Order.<sup>18</sup> Policymakers have not specified how long these social distancing measures will need to remain in place or whether they will need to be reinstated after they are lifted.

---

<sup>17</sup> See *Granting Petition for Modification of San Diego Gas & Electric Company for the Years 2020 and 2021*, D.19-12-002 (Dec. 5, 2019).

<sup>18</sup> See Executive Order N-33-20 (Mar. 19, 2020).

While social distancing measures are necessary for public health, they are also causing financial hardship for many Californians. Governor Newsom recognized that “Californians are experiencing substantial losses of income as a result of business closures, the loss of hours or wages, or layoffs related to COVID-19, hindering their ability to keep up with their rents, mortgages, and utility bills.”<sup>19</sup> Many utility providers voluntarily announced moratoriums on service disconnections and late fees for non-payment, and the Commission has notified electric utilities that it plans to take action to provide emergency customer protection measures.<sup>20</sup> Providing bill relief in May, June, and July is a measure the Commission can and should take immediately to help customers avoid accumulating large bill balances once the disconnection moratoriums are lifted.

**B. Modifying PG&E’s and SCE’s Distribution Schedule for Climate Credits Could Provide Necessary Bill Relief to Customers**

The Governor has directed the Commission to monitor measures undertaken by public and private electric utility providers to implement customer service protections in response to COVID-19.<sup>21</sup> While PG&E and SCE are scheduled to distribute Climate Credits in April, their customers will not receive additional credit on their electric bills until October. The Commission should require PG&E and SCE to provide Climate Credits this year in May instead of October. In addition, the Commission should require PG&E and SCE to provide additional credits in June and July 2020 using the April and October 2021 Climate Credits.

According to the IOUs’ ERRRA 2020 Forecast applications, PG&E and SCE will distribute the following Climate Credits per household this year:

---

<sup>19</sup> Executive Order N-28-20 (Mar. 16, 2020).

<sup>20</sup> See letter from Alice Stebbins, Executive Director, Cal. Pub. Util. Comm., to Energy Companies re COVID-19 (Mar. 17, 2020).

<sup>21</sup> Executive Order N-28-20.

**2020 California Electric Climate Credit**  
(\$ per household)

	<b>1st Distribution</b>	<b>2nd Distribution</b>
<b>PG&amp;E</b>	\$35.73	\$35.73
<b>SCE</b>	\$39.95	\$39.95

The Commission has already approved these distributions for 2020.<sup>22</sup> If the Commission also modifies the distribution schedule to require PG&E and SCE to provide electric Climate Credits in May instead of October, customers will see a reduction on their monthly bill from approximately \$35 to \$40 per household.

Furthermore, requiring the IOUs to distribute the electric Climate Credits anticipated for 2021 in June and July of 2020 would provide additional relief. Although the IOUs have not yet filed their ERRA forecast applications for 2021, the Commission can apply the same Climate Credit amounts approved for distribution in 2020. Any differences between the 2020 forecasted amount and the 2021 forecasted amount can be reconciled and resolved in the IOUs' ERRA forecast proceedings this year.<sup>23</sup>

**C. Modifying SDG&E's Distribution Schedule for Climate Credits Could Provide Necessary Bill Relief to Customers**

SDG&E's customers receive a natural gas Climate Credit on their bills in April, which is determined and approved through the advice letter process.<sup>24</sup> In addition,

---

<sup>22</sup> See *Adopting Southern California Edison Company's 2020 Electric Procurement Cost Revenue Requirement Forecast and 2020 Forecast of Greenhouse Gas-Related Costs*, D.20-01-022 (Jan. 21, 2020); *Adopting Pacific Gas and Electric Company's 2020 Energy Resource Recovery Account Forecast and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation*, D.20-02-04 (Feb. 28, 2020). PG&E revised its Climate Credit in Advice Letter 5579-E, filed March 10, 2020, pursuant to D.20-02-047.

<sup>23</sup> Reconciliation of GHG costs should not be a hardship for the IOUs because they already must reconcile GHG costs when determining each year's Climate Credits. When the IOUs submit their ERRA forecast applications, forecasting GHG costs for the next year, they are also required to reconcile the GHG costs for the previous year. (See D.12-12-033 at pp. 148-149.) The Commission has also directed utilities to use the prior year's forecast in the event a utility's forecast GHG revenue return has not yet been adopted. (See *Phase 2 Decision Adopting Standard Procedures for Electric Utilities to File Greenhouse Gas Forecast Revenue and Reconciliation Requests*, D.14-10-033 (Oct. 16, 2014) at p. 52.)

<sup>24</sup> See D.18-03-017 at pp. 54-55, Ordering Paragraphs 7 and 8; D.15-10-032 at p. 63, Ordering Paragraph 5.

SDG&E’s customers experience higher bills during the summer months than customers in PG&E and SCE’s service territories.<sup>25</sup> Therefore, the Public Advocates Office is requesting that the Commission adopt a slightly different approach for SDG&E’s customers.

Instead of modifying the 2020 distribution schedule, we request that the Commission require SDG&E to provide the anticipated 2021 electric Climate Credits in May and June of 2020. In addition, we have petitioned the Commission to modify D.18-03-017 to require SDG&E to distribute the 2021 natural gas Climate Credit in July of 2020. According to the SDG&E’s ERRA 2020 Forecast application and Advice Letter 2843-G, the Climate Credits per household this year amount to:

**SDG&E 2020 Climate Credits**  
(\$ per household)

	<b>1st Distribution</b>	<b>2nd Distribution</b>
<b>Natural Gas Climate Credit</b>	\$21.11	
<b>Electric Climate Credit</b>	\$34.89	\$34.89

The Commission has already approved these amounts for 2020.<sup>26</sup> Although SDG&E has not yet filed its ERRA forecast application and advice letter for 2021, the Commission

///

///

---

<sup>25</sup> D.19-12-002 at p. 18.

<sup>26</sup> See *Adopting San Diego Gas & Electric Company’s 2020 Electric Procurement Cost Revenue Requirement Forecast and 2020 Forecast of Greenhouse Gas Related Costs*, D.20-01-005 (Jan. 27, 2020); see also *Directing Investor-Owned Gas Utilities that Participate in California’s Cap-and-Trade Program to Ensure the Availability of First Year Funding Necessary to Implement Senate Bill (SB) No. 1477 (Stern, 2018)—Low Emissions Buildings and Sources of Heat Energy*, Resolution G-3565 (approving the natural gas climate credit).



can apply the same amounts approved for distribution in 2020.<sup>27</sup> This would allow SDG&E’s customers to see an approximately \$35 reduction in their electric bills in May and June, and a \$21.11 reduction in their natural gas bills for July. These reductions, in addition to the currently scheduled 2020 natural gas Climate Credit in April and the 2020 electric Climate Credits in August and September will provide SDG&E customers with several months of bill relief during these uncertain times.

**C. Modifying the Distribution Schedule Is Consistent With Commission Directives**

The Commission established Climate Credits to alleviate the financial hardship of the Cap-and-Trade program on residential customers, which is unrelated to the COVID-19 pandemic. However, the Commission permitted SDG&E to modify the distribution schedule to “explore whether distributing the electric Climate Credit at times of high bill volatility results in increased awareness and understanding of the Climate Credit and other conservation measures on a temporary and experimental basis.”<sup>28</sup>

Modifying the Climate Credit distribution schedule during this period of financial hardship related to COVID-19 may also increase customer awareness and understanding of the credits. To ensure this goal is met, the Commission should require the IOUs to communicate to customers about the shift in the timing of distribution and discuss conservation, energy efficiency, and other measures that customers may use to mitigate high bills going forward. The Commission should also increase Californians’ awareness by posting information about the Climate Credits on the Commission’s website.

---

<sup>27</sup> Any differences between the 2020 forecasted amount and the 2021 forecasted amount can be reconciled and resolved in SDG&E’s ERRA forecast proceeding and natural gas Climate Credit advice letter this year. Reconciliation of GHG costs should not be a hardship for SDG&E because it already must reconcile GHG costs when determining each year’s Climate Credits. When SDG&E submits its ERRA forecast application, forecasting GHG costs for the next year, it is also required to reconcile the GHG costs for the previous year. See D.12-12-033 at pp. 148-149. Similarly, when SDG&E submits its annual natural gas advice letter forecasting GHG costs for the next year, it must reconcile the GHG costs for the previous year. (See D.15-10-032 at p. 18.) The Commission has also directed utilities to use the prior year’s forecast in the event a utility’s forecast GHG revenue return has not yet been adopted. (See *Phase 2 Decision Adopting Standard Procedures for Electric Utilities to File Greenhouse Gas Forecast Revenue and Reconciliation Requests*, D.14-10-033 (Oct. 16, 2014) at p. 52.)

<sup>28</sup> D.19-12-002 at p. 19.

**D. Other Commission Actions to Provide Relief**

The Public Advocates Office also recommends the Commission immediately direct the IOUs to identify any and all accounts with accumulated overcollections and unused funds. This information will help the Commission and stakeholders determine whether temporary suspension of the collection of certain funds from customers to help lower bills is warranted under the present circumstances

**E. A Shortened Response Period Is Appropriate and Parties Will Not Be Prejudiced**

The Public Advocates Office requests that the response time be shortened pursuant to Rule 1.2 which provides:

These rules shall be liberally construed to secure just, speedy, and inexpensive determination of the issues presented. In special cases and for good cause shown, and within the extent permitted by statute, the Commission may permit deviations from the Rules.

It is important that the Commission immediately address this emergency motion to provide customer relief related to COVID-19. Californians are already experiencing financial hardships due to COVID-19. Customers need assurance that they will be able to afford their electric bills and keep the lights on when utilities lift moratoriums. Moreover, the IOUs will need time to prepare to distribute the Climate Credits according to the modified schedule. Therefore, shortening the time to respond to this motion is warranted to obtain an expeditious resolution on this matter.

Further, parties will not be prejudiced by a shortened response time. This motion involves one question — whether the IOUs should distribute Climate Credits earlier. Five days is sufficient time to review and respond.

///

///

///

#### IV. CONCLUSION

For these reasons, the Commission should provide customer relief by modifying the distribution schedule for Climate Credits and direct the IOUs to identify any and all accounts with accumulated overcollections and unused funds. The Commission should also shorten the 15-day response time to respond to this motion to five days.

Respectfully submitted,

/s/ ROBYN PURCHIA

ROBYN PURCHIA

Attorney for the  
Public Advocates Office

California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102  
Telephone: (415) 703- 2354  
Email: [Robyn.Purchia@cpuc.ca.gov](mailto:Robyn.Purchia@cpuc.ca.gov)

March 27, 2020

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Address  
Utility Cost and Revenue Issues  
Associated with Greenhouse Gas  
Emissions.

Rulemaking 11-03-012

**[PROPOSED] ORDER**

In accordance with the Rules of Practice and Procedure, the assigned Administrative Law Judge has considered the Public Advocates Office's request to shorten the time to respond to its Emergency Motion to Provide Customer Relief Related to COVID-19. The Administrative Law Judge rules as follows:

1. The Public Advocates Office's request to shorten time is granted.
2. The time to respond to the Public Advocates Office's Emergency Motion to Provide Customer Relief Related to COVID-19 is five days.

Dated \_\_\_\_\_, 2020

\_\_\_\_\_  
Administrative Law Judge