

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



**FILED**  
08/17/20  
04:59 PM

Application of Southern California Edison Company )  
(U 338-E) for Approval of its Charge Ready 2 )  
Infrastructure and Market Education Programs. )

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A.18-06-015  
(Filed June 26, 2018)

**OPENING COMMENTS OF THE  
CALIFORNIA CHOICE ENERGY AUTHORITY  
ON THE PROPOSED DECISION**

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August 17, 2020

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In accordance with Rules 1.15 (Computation of Time) and 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the California Choice Energy Authority (“CalChoice”) submits these opening comments on the *Proposed Decision of ALJ Goldberg*, dated July 27, 2020 (“PD”).

**I. INDEX OF RECOMMENDED CHANGES**

In accordance with Rule 14.3(b) and as supported below, CalChoice provides the following subject index of recommended changes to the PD:

- The PD should be modified, based on the record in this proceeding, to elevate the tier designation for Southern California Edison’s (“SCE”) implementing advice letter, and to direct SCE, as part of the Tier 3 advice letter, to jointly propose with the city of Lancaster (“Lancaster”) a pilot program that would more fully involve Lancaster in Transportation Electrification (“TE”) efforts as part of the Charge Ready 2 (“CR2”) program.

**II. OPENING COMMENTS**

**A. CalChoice Acknowledges The PD’s Deferral Of Core Community Choice Aggregator Issues To The TE Rulemaking, But Believes The Record Demonstrates That A Formal Pilot Effort Is Justified Now.**

The PD notes that “the Commission is looking at the issue of [Community Choice Aggregator (“CCA”)] participation in TE programs and resulting equity concerns at a more in-depth level in the Rulemaking (“R.”) 18-12-006. We invite CalChoice to contribute to the CCA

matters within the draft Transportation Electrification Framework.”<sup>1</sup> CalChoice recognizes and appreciates the Commission’s examination of CCA-related equity and participation issues in R.18-12-006. In that regard, CalChoice has been an active participant in the Joint CCAs group, which has filed several comments in R.18-12-006. On September 11, the Joint CCAs anticipate filing extensive comments on Section 10 of the draft Transportation Electrification Framework relating to the role of CCAs in the Commission’s TE efforts. CalChoice is contributing to the comments, and CalChoice looks forward to continued involvement in Commission proceedings on TE-related matters.

While CalChoice appreciates the Commission’s broader examination of CCA issues in the context of the TE rulemaking, CalChoice is disappointed that the PD, as currently written, does not more fully embrace the opportunity to establish a “pilot” effort with an active, experienced local governmental agency (Lancaster). The PD does not find that the set-asides proposed by CalChoice for Lancaster are reasonable, and on that basis the PD summarily rejects *any* formal involvement by Lancaster.<sup>2</sup> In doing so, the PD creates a false dichotomy, and fails to explore lesser alternatives that may nevertheless prove fruitful for broader TE initiatives. While CalChoice disagrees with the PD’s finding that the requested set-asides are not reasonable, CalChoice is more concerned that the PD does not adopt *any* formal opportunity or invitation for Lancaster to participate in CR2 as part of a pilot effort.

Pilots have been used by the Commission to gain experience with local government involvement in Commission-overseen programs. A prime example relates to Regional Energy

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<sup>1</sup> PD at 90.

<sup>2</sup> See PD at 89.

Networks (“RENs”) in the context of energy efficiency (“EE”) efforts.<sup>3</sup> In D.12-05-015, in response to comments in favor of expanding local government involvement in EE programs, the Commission *invited* pilot proposals from local government entities to form RENs.<sup>4</sup> The Commission stated as follows:

We find the concept of local government regional pilots to be reasonable. Authorizing pilots in the 2013-2014 transition portfolio would provide local governments the opportunity to develop a track record. We anticipate that the 2013-2014 programs would lead to a series of lessons learned on the appropriate level of local government administration of ratepayer-funded energy efficiency programs.<sup>5</sup>

The record in this proceeding is replete with facts and policy rationale to support the Commission’s invitation for a formal pilot with Lancaster. In this proceeding, CalChoice collaborated with Dr. Nancy Ryan, who sponsored testimony and advanced policy perspectives on behalf of CalChoice.<sup>6</sup> In short, Dr. Ryan testified that *formal* cooperation between SCE and Lancaster – one which permits Lancaster to implement specified elements of Charge Ready 2 under Commission oversight – would lower the cost of realizing the program’s goals while simultaneously expanding its reach.<sup>7</sup> Importantly, Dr. Ryan stated that such cooperation, if authorized in this proceeding, could serve as a model for how IOUs and CCA programs can formally collaborate in the future on ratepayer funded-efforts to support TE efforts statewide.<sup>8</sup> In addition to testifying to the fact that California’s local governments have consistently played a

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<sup>3</sup> RENs are regional government entities, representing several local government entities, that are chosen by the Commission to design, manage, deliver, and oversee their own EE programs independently. (See Decision (“D.”)12-11-015, at 7-16.)

<sup>4</sup> See D.12-05-015 at 146-51.

<sup>5</sup> D.12-05-015 at 148.

<sup>6</sup> See Exhibit (“Ex.”) CalChoice-2; Appendix A.

<sup>7</sup> See Ex. CalChoice-2 at 1.

<sup>8</sup> See Ex. CalChoice-2 at 1.

key role in supporting and promoting TE adoption,<sup>9</sup> Dr. Ryan testified to Lancaster’s unique attributes and accomplishments, including recognition by the Luskin Center at the University of California, Los Angeles as a leading city in terms of removing barriers and actively encouraging TE adoption.<sup>10</sup>

Like RENs, a pilot with Lancaster “would provide local governments the opportunity to develop a track record” and “would lead to a series of lessons learned on the appropriate level of local government administration....” CalChoice therefore requests that the PD be modified to direct that SCE meet with Lancaster for the purpose of developing a Tier 3 joint advice letter that could be used as a vehicle to gain Commission approval of a relatively modest pilot that would more clearly and directly involve Lancaster in SCE’s TE efforts.

As it stands now, the PD would direct the submission of a Tier 2 advice letter by SCE to describe areas of informal involvement by Lancaster.<sup>11</sup> CalChoice appreciates the PD’s direction that SCE submit an implementation advice letter. However, as further described below, the current directive in the PD does not include a requirement that SCE and Lancaster jointly propose a pilot effort. Therefore, CalChoice requests that the final decision make clear that the implementation advice letter should also include a description of the pilot effort.

CalChoice also recommends that the advice letter be designated as a Tier 3 joint advice letter, which would require disposition through a Commission resolution. This would ensure that the Commission can properly exercise oversight over the pilot and ensure consistency with other

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<sup>9</sup> See Ex. CalChoice-2 at 1.

<sup>10</sup> See Ex. CalChoice-2 at 2 (citing the Luskin Center plan as follows: “The City of Lancaster’s code is notable in that it requires not only PEV-ready wiring in new construction, but even requires the installation of some ready-to-use charge stations.”). See also <http://www.scag.ca.gov/programs/Pages/PEVReadinessPlan.aspx> at 125.

<sup>11</sup> See PD at 90.

TE goals and objectives. Given SCE's previous expressions of interest in working with Lancaster, CalChoice does not foresee any challenges in SCE and Lancaster mutually agreeing upon key elements of a pilot proposal. However, to better ensure success, the final decision should clarify, with respect to the pilot, that (1) the pilot should be designed to take advantage of the inherent strengths of SCE and Lancaster and (2) Lancaster may pursue cost recovery for its efforts associated with the pilot, under a process determined by the Commission. Regarding this latter point, CalChoice and other CCAs have been encouraged by the Commission's willingness of late to expressly authorize cost recovery for CCAs efforts conducted under Commission oversight.<sup>12</sup>

**B. The PD Should Be Modified To Elevate The Required Tier 2 Advice Letter And Allow For Joint Development.**

The PD directs that, "within 90 days of adoption of the instant decision, SCE should file a Tier 2 advice letter with the Commission's Energy Division, that *at a minimum* addresses: (1) SCE's plan to incorporate cobranding and competitively neutral marketing; and (2) SCE and Lancaster's implementation plan to allow Lancaster to own charging stations on behalf of its customers, at no additional subsidy level to the program."<sup>13</sup> As mentioned above, CalChoice appreciates the PD's recognition that further implementation activity involving Lancaster is warranted. However, for reasons described above (with respect to the development of a pilot effort) and below (with respect to cobranding and other implementation activities),

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<sup>12</sup> See *Opening Brief of the California Energy Authority*, dated March 15, 2019 ("CalChoice Opening Brief"), at 7-8 (describing the various ways that the Commission has recently authorized CCA cost recovery via Tier 3 advice letters upon adherence to program rules). Importantly, as authorized by the Commission in D.18-06-027 and Resolution E-4999, the Clean Power Alliance of Southern California ("CPA") submitted a Tier 3 advice letter (and recent supplement) proposing disadvantaged communities community solar programs. (See CPA AL 0004-E [December 27, 2019] and CPA AL 0004-E-A [July 17, 2020].)

<sup>13</sup> PD at 90 (emphasis added).

CalChoice requests that the required advice letter be designated as Tier 3, which would require a Commission resolution. CalChoice also requests that the 90-day time frame be loosened to allow a reasonable amount of time for SCE and Lancaster to jointly develop the advice letter and associated proposals.

The PD specifically identifies two areas that should be covered in the implementation advice letter. First, the PD finds that “CalChoice’s proposal for cobranding and competitive neutrality within marketing is reasonable....”<sup>14</sup> CalChoice’s proposal largely relied on terms of a settlement with CCAs adopted in a relatively recent Pacific Gas and Electric Company (“PG&E”) TE application.<sup>15</sup> The PD acknowledges this settlement, and states that the approach used by PG&E should be the basis for cobranding and competitive neutrality in the context of CR2.<sup>16</sup> Second, the PD also “direct[s] SCE to work with Lancaster to identify if any locations within Lancaster’s service territory qualifies for a site-host ownership option under CR2, whereby Lancaster would own and operate the make-ready infrastructure.”<sup>17</sup> The PD bases this action, in part, on SCE’s statement that “that Lancaster is well-situated to identify and communicate with customers in its jurisdiction that may be a good fit for [CR2].”<sup>18</sup>

In addition to these two areas that, “at a minimum,” must be included in the implementation advice letter, the PD prudently leaves open the possibility that SCE and Lancaster may develop other areas that should be included in the implementation advice letter.

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<sup>14</sup> PD at 88.

<sup>15</sup> See CalChoice Opening Brief at 21, note 58 (referencing Ex. CalChoice-4, which provided excerpts from PG&E’s settlement that was adopted by the Commission in D.16-12-065).

<sup>16</sup> See PD at 88 (citing D.16-12-065 and endorsing “cobranding similar to PG&E’s EV Charge Network program”).

<sup>17</sup> PD at 90.

<sup>18</sup> PD at 89-90 (referencing Ex. SCE-2 at 24).

For reasons described above, CalChoice believes that a description of the pilot effort should also be included in the implementation advice letter. Other areas may likewise be added to the advice letter, including identification of potential overlap between SCE’s and Lancaster’s respective TE programs.<sup>19</sup>

CalChoice appreciates the PD’s recognition that, in the context of advancing TE efforts, Lancaster has a “positive relationship with its own customers” that can be tapped for purposes of CR2.<sup>20</sup> Lancaster welcomes the opportunity to formally participate with SCE in CR2. To do this, however, greater time than 90 days will likely be needed to develop a mutually acceptable framework for this arrangement, and additional review by the Commission will likely be necessary. As such, CalChoice believes that modest changes to the PD are required.

### III. PROPOSED CHANGES

In accordance with Rule 14.3(c) and in light of the discussion above, CalChoice requests that the following changes be made to the PD (as shown in redline/track format with additions underlined and deletions in strikethrough):

Ordering Paragraph 33	<p>Within 90 days of the date of adoption of this decision, <u>or such other time mutually agreed upon (not to exceed 180 days),</u> Southern California Edison Company (SCE) <u>and the city of Lancaster (Lancaster)</u> shall <u>jointly</u> file a Tier <u>23</u> Advice Letter with the Commission’s Energy Division, that at a minimum addresses: (1) SCE’s <u>and Lancaster’s</u> plan to incorporate cobranding and competitively neutral marketing; <del>and</del> (2) SCE and Lancaster’s implementation plan to allow Lancaster to own charging stations on behalf of its customers, at no additional subsidy level to the program; <u>and (3) SCE’s and</u></p>
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<sup>19</sup> In D.18-05-041, the Commission addressed the potential for overlap between EE programs, and required administrators to submit a joint cooperation memorandum to “summar[ize] the areas of potential overlap in their portfolios and the manner in which they will coordinate and collaborate during the business plan period.” (D.18-05-041 at 111.) A similar approach seems to be warranted here.

<sup>20</sup> See PD at 88. See also PD at 89-90 (describing how “SCE applauds Lancaster’s efforts to encourage and facilitate [TE] [and] SCE also acknowledges that Lancaster is well-situated to identify and communicate with customers in its jurisdiction that may be a good fit for [CR2].”).

	<u>Lancaster's plan for a pilot effort involving Lancaster in the advancement of CR2 goals.</u>
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**IV. CONCLUSION**

CalChoice thanks assigned Commissioner Rechtschaffen and Administrative Law Judge Goldberg for their consideration of the comments provided herein.

Dated: August 17, 2020

Respectfully submitted,

/s/ Laura Fernandez

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