

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



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Order Instituting Rulemaking to Investigate
and Design Clean Energy Financing Options
for Electricity and Natural Gas Customers.

R.20-08-022
(Filed August 27, 2020)

**OPENING COMMENTS OF THE UTILITY CONSUMERS' ACTION NETWORK TO
ORDER INSTITUTING RULEMAKING TO INVESTIGATE AND DESIGN CLEAN
ENERGY FINANCING OPTIONS FOR ELECTRICITY AND NATURAL GAS
CUSTOMERS**



October 5, 2020

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I. INTRODUCTION

In accordance with Rule 6.2 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure (Rules), the Utility Consumers' Action Network (UCAN)¹ submits these comments in response to the August 27, 2020 Order Instituting Rulemaking to Investigate and Design Clean Energy Financing Options for Electricity and Natural Gas Customers (OIR).

II. DISCUSSION

A. UCAN Recommends Two Additional Issues in Scope

UCAN commends the Commission for recognizing the need to consider options for financing clean energy projects in a more comprehensive manner. As noted in the OIR, the Commission has historically authorized financial support in individual resource proceedings. This has resulted in each funding source being directed and limited to a single resource type (i.e., energy efficiency, self-generation, energy storage etc.) This OIR wishes to examine options for

¹ UCAN is a 501(c)(3) non-profit public benefit corporation dedicated to protecting and representing the interests of residential and small business customers in the San Diego Gas & Electric service territory. Approximately 98% of UCAN's members are residential customers. UCAN has been active in Commission proceedings since 1983 and strives to meet the Commission's goals for rates that are equitable and affordable for all ratepayers.

multiple sources of funding by leveraging ratepayer funds as well as private financing to create a more comprehensive approach to clean energy investments.² While supporting California's ambitious climate protection goals in the energy sector, UCAN has ongoing concerns that the result of ratepayer money being used to subsidize these goals is increasingly high electricity rates with no end in sight.

California ratepayers are bearing the burden of California's clean energy and greenhouse gas reduction goals. Ratepayers have already been asked to subsidize numerous investor-owned utility (IOU) transportation electrification (TE) investment projects. The total amounts of these subsidies are hard to track because the Commission has previously authorized TE investments in individual proceedings making it hard to determine the total figure of ratepayer investments. However, a simple tally of at least seven Commission TE decisions show over \$1.1 billion dollars in ratepayer funding previously approved for TE programs and investments.³

Additionally, San Diego Gas & Electric customers already have the highest rates in the state.⁴ Using additional ratepayer funding to help finance even more clean energy investments will continue this risk of upward pressure on rates. While TE investments promise to at some point put downward pressure on rates due to increasing loads, this has yet to bear out in rates. UCAN appreciates that throughout the OIR a concern is expressed for ratepayers and the need to mitigate the use of ratepayer funding.⁵ UCAN shares the concern that more needs to be done to increase the amount of alternative funding available for clean energy investments.

² OIR, p. 2.

³ See D.16-01-023, D.16-01-045, D.16-12-065, D.18-01-024, D.18-05-040, D.19-08-026, D.19-11-017

⁴ See A.19-09-014, Reply of San Diego Gas & Electric Company (U 902 E) to Protests & Responses, p. 3, filed November 7, 2019; and see A.19-10-012, Protest of the Utility Reform Network to San Diego Gas and Electric's Power Your Drive Extension Program, p. 2 Figure 1, filed December 2, 2019.

⁵ OIR, p. 26, 31.

Therefore, in order to help reduce ratepayer risks, UCAN recommends the Commission include two additional issues in the scope of this proceeding: 1) a method for the Commission to track total amounts of ratepayer subsidies used for clean energy investments and financing by each IOU 2) a process to explore working with legislators to design a tax mechanism on fossil fuels that will increase with a corresponding decrease in ratepayer funding. UCAN believes these two issues, along with all the other alternative financing ideas from private sources, will help ensure that ratepayer risks are mitigated as California pursues its clean energy and greenhouse gas reduction goals.

B. UCAN Supports the Quasi-Legislative Categorization and Agrees that Evidentiary Hearings Are Not Needed

UCAN supports the OIR's preliminary quasi-legislative categorization and also agrees that evidentiary hearings are not needed in this proceeding.

C. UCAN Supports the Preliminary Schedule, the 24-month Timeline and Recommends that Additional Workshops Be Scheduled

UCAN supports the preliminary schedule in the OIR.⁶ Additionally, UCAN agrees that due to the large number of complex issues, a 24-month timeline from the date of the decision adopting this Rulemaking is appropriate. Because of the large number of complex issues, UCAN recommends multiple workshops be scheduled in order to fully explore and discuss all of the financing options and other issues with stakeholders.

III. CONCLUSION

UCAN appreciates this opportunity to provide these comments on the OIR.

⁶ OIR, p. 35-36.

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Respectfully submitted,
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