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BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE

STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U39E) for Approval and Recovery of Oakland Clean Energy Initiative Preferred Portfolio Procurement Costs.

Application 20-04-013

(Filed April 15, 2020)

RESPONSE OF ALAMEDA MUNICIPAL POWER, THE ALLIANCE FOR RETAIL ENERGY MARKETS, THE CALIFORNIA LARGE ENERGY CONSUMERS ASSOCIATION, THE CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES, THE DIRECT ACCESS CUSTOMER COALITION, AND THE NORTHERN CALIFORNIA POWER AGENCY TO THE INTERIM REPORT OF PACIFIC GAS AND ELECTRIC COMPANY DATED MARCH 29, 2021 AND ITS ADDITIONAL FILING DATED APRIL 5, 2021

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April 26, 2021

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This response is filed pursuant to the January 26, 2021 Email Ruling (Ruling) of Administrative Law Judge (ALJ) Cathleen Fogel, as amended by the April 1, 2021 ALJ Ruling, by Alameda Municipal Power,¹ the Alliance for Retail Energy Markets (AReM),² the California Large Energy Consumers Association (CLECA),³ the Center for Energy Efficiency and Renewable

¹ Alameda Municipal Power (AMP) is a department of the City of Alameda, California; AMP provides utility service to approximately 35,000 customers throughout a 12.8 square mile service territory in northern California.

² AReM is a California non-profit mutual benefit corporation formed by electric service providers that are active in the California's direct access market. This filing represents the position of AReM, but not necessarily that of a particular member or any affiliates of its members respect to the issues addressed herein.

³ CLECA is an organization of large, high load factor industrial customers located throughout the state; the members are in the cement, steel, industrial gas, pipeline, beverage, cold storage, and mining industries, and share the fact that electricity costs comprise a significant portion of their costs of production. Some members are bundled customers, others are Direct Access (DA) customers, and some are served by Community Choice Aggregators (CCAs); a few members have onsite renewable generation. CLECA has been an active participant in Commission regulatory proceedings since the mid-1980s, and all CLECA members engage in Demand Response (DR) programs to both promote grid reliability and help mitigate the impact of the high cost of electricity in California on the competitiveness of manufacturing. CLECA

Technologies (CEERT),⁴ the Direct Access Customer Coalition (DACC),⁵ and the Northern California Power Agency (NCPA)⁶ (collectively, Joint Parties).⁷

The Ruling directed a suspension of the schedule in the proceeding after the applicant Pacific Gas and Electric Company (PG&E) filed a Motion to Suspend Comment Period on the January 8, 2021 Proposed Decision. In that Ruling, ALJ Fogel directed PG&E to file information regarding the online date of two delayed Local Area Reliability Service (LARS) Agreements no more than 60 days from the date of the Ruling. PG&E filed an Interim Report on March 29, 2021 and requested an additional week to respond further to questions in the Ruling. On April 1, 2021, ALJ Fogel issued a second Email Ruling (2nd Ruling) granting PG&E's request. PG&E submitted the additional filing on April 5, 2021. In the 2nd Ruling, the ALJ also provided 20 days for parties to respond to the information provided by PG&E. This response is timely.

members have participated in the Base Interruptible Program (BIP) and its predecessor interruptible and non-firm programs since the early 1980s.

⁴ CEERT is a nonprofit public-benefit organization founded in 1990 and based in Sacramento, CA. CEERT is a partnership of major private-sector clean energy companies, environmental organizations, public health groups and environmental justice organizations.

⁵ DACC is a regulatory alliance of educational, commercial, industrial and governmental customers who have opted for direct access to meet some or all of their electricity needs. In the aggregate, DACC member companies represent over 1,900 MW of demand that is met by both direct access and bundled utility service and about 11,500 GWH of statewide annual usage.

⁶ NCPA is a nonprofit California joint powers agency established in 1968 to construct and operate renewable and low-emitting generating facilities and assist in meeting the wholesale energy needs of its 16 members: the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Shasta Lake, and Ukiah, Plumas-Sierra Rural Electric Cooperative, Port of Oakland, San Francisco Bay Area Rapid Transit (BART), and Truckee Donner Public Utility District—collectively serving nearly 700,000 electric consumers in Central and Northern California.

⁷ Pursuant to Rule 1.8(d) of the Commission's Rules of Practice and Procedure, CLECA's counsel has been authorized to file this pleading on behalf of the parties named herein.

As more fully set forth below, the Joint Parties request that the Commission direct PG&E to make a formal filing withdrawing the Application within the 10 days the ALJ had provided for PG&E to respond to party responses to its recent filings.

I. INTRODUCTION

When PG&E filed its Application in this proceeding for California Public Utilities Commission (Commission) approval of its Oakland Clean Energy Initiative (OCEI), parties realized that it was an unusual project and devoted much effort to responding to the Application and to PG&E's testimony. This effort grew from a realization that the application raised new issues with respect to the treatment of storage resources as a transmission alternative, proposed to create a novel product known as a Local Area Reliability Service (LARS), raised novel cost allocation issues, and also raised concerns about reliability in the impacted area. Parties devoted time and scarce financial resources to responding to the application. They were subject to an extremely tight schedule because of PG&E's assertions of urgency in approval of OCEI in order to be able to shut down at least part of the aging Oakland Power Plant, which has been running to provide local reliability under Reliability Must Run contracts with the California Independent System Operator (CAISO). PG&E further claimed full support from the CAISO for this alternative. The two storage projects providing the novel LARS were with Vistra and esVolta.

After a Proposed Decision (PD) was issued by ALJ Cathleen Fogel on January 8, 2021, with a 20-day comment period, PG&E filed an extraordinary document on January 15, 2021, namely a request to suspend the comment period on the PD.⁸ PG&E's offered rationale for requesting the

⁸ Motion of Pacific Gas and Electric Company to Suspend Comment Period on the January 8, 2021 Proposed Decision (Motion) filed January 15, 2021.

suspension was that it was in contract renegotiations with each storage project to delay the start date of the reliability services they would provide.⁹ This delay was attributed to the interconnection timeline associated with each project, “which will require moving its online date out several months.”¹⁰

In its Interim Report and Additional Filing, PG&E tersely announced that its contract renegotiations had failed with each storage project. The first pronouncement came in the Interim Report:

[I]n spite of the good faith efforts of PG&E and esVolta, PG&E and esVolta were unable to reach agreement on workable amendments to the esVolta Agreement. As a result, the esVolta LARS Agreement will be terminated pursuant to its termination provisions.”¹¹

In its Additional Filing, PG&E again tersely declared its failure to renegotiate the Vistra contract:

Substantive discussions with Vistra have concluded. PG&E is now in a position to provide its final response to the Suspension Ruling and is filing this pleading to do so.

In summary, the Vistra LARS Agreement will also be terminated.¹²

While settlement negotiations are by their nature confidential, these few sentences provide no explanation of why the application to which the parties have devoted so much attention has resulted in no contribution to increased reliability in the Oakland area, and has further assured continued operation of the Oakland Power Plants.

⁹ Motion at 1.

¹⁰ Motion at 2.

¹¹ Interim Report of Pacific Gas and Electric Company and Request for an Additional Week to Respond Further to the Questions in the Suspension Ruling at 3.

¹² PG&E Additional Filing at 2.

II. RESPONSE

A year after PG&E's OCEI application was filed, after trumpeting great urgency for its adoption, we are now back where we started, after enormous effort and expense by numerous parties, with nothing to show for either. From the onset, PG&E attempted to downplay the significance of the delay and the impact it would have on the entire record in this proceeding. As the Joint Parties noted in their response to PG&E's Motion to Suspend, "PG&E's request is based on the incorrect assumption that the start date for the deliverability of the resources from the LARS agreements is a 'stand-alone' issue that does not impact the totality of the record in this proceeding," and PG&E's request to move the start date of the reliability commitments "out several months" represents a material change that impacts the entire record in this proceeding.¹³ Interconnection of the energy storage facilities and the start date for providing the reliability services were key and determinative parts of the Application, and the underpinnings for the PD.

While sanctions may not be merited in this case, PG&E should be chastised by the Commission for bringing before it an application that was half-formed and clearly not ready for Commission and parties' review and engagement. By doing so prematurely, PG&E has caused Assigned Commissioner Genevieve Shiroma and her office, ALJ Fogel, and Energy Division staff to engage in wasted effort that could have been employed more productively. The same can be said for the proceeding's many intervenors who also expended valuable time and money on this ill-conceived application. Therefore, Joint Parties request that the Commission direct PG&E to make

¹³ Response of Alameda Municipal Power, The Alliance for Retail Energy Markets, The California Large Energy Consumers Association, the Center for Energy Efficiency and Renewable Technologies, the Direct Access Customer Coalition, The Northern California Power Agency, and Shell Energy North America (US) L.P., to the Motion of Pacific Gas and Electric Company to Suspend Comment Period on the January 8, 2021 Proposed Decision, dated January 22, 2021, at 3.

a formal filing withdrawing its application within the 10 days the ALJ had provided for PG&E to respond to party responses to its recent filings.

III. CONCLUSION

Joint Parties request that PG&E be directed to withdraw its application, the PD be vacated, the application denied with prejudice, and the entire docket closed.

Respectfully submitted,

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By:



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Counsel for the California Large Energy
Consumers Association



April 26, 2021