

Decision 24-08-004 August 1, 2024

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Review, Revise, and Consider Alternatives to the Power Charge Indifference Adjustment.

Rulemaking 17-06-026

DECISION DENYING PETITION FOR MODIFICATION OF DECISION 23-06-006

Summary

This decision denies the Petition for Modification of Decision 23-06-006 filed by Southern California Edison Company on September 11, 2023.

Consistent with Rule 16.4 of the Commission’s Rules of Practice and Procedure, the Commission finds insufficient justification for the request to modify Decision 23-06-006 to specify that utilities should apply the direction in that decision to the classification and valuation of renewable energy credits generated and banked on or after January 1, 2019, and should not apply such direction to renewable energy credits generated and banked before that date.

This decision also modifies Decision 23-06-006 to clarify the language regarding Decision 19-10-001.

This proceeding is closed.

1. Background

The Commission opened Rulemaking (R.) 17-06-026 on June 26, 2017, to review, revise, and consider alternatives to the Power Charge Indifference Adjustment (PCIA). The Commission adopted the PCIA to ensure that when electric customers of an investor-owned utility (utility or IOU) depart from utility service and receive their electricity from a non-utility provider, those customers remain responsible for costs previously incurred on their behalf by the utility.

In Phase 1 of this proceeding, the Commission considered issues regarding exemptions from the PCIA for customers who participate in the California Alternate Rates for Energy program or are served by Medical Baseline rates, the PCIA methodology, and an annual cap on PCIA rate increases. The Commission resolved these issues in Decision (D.) 18-07-009, D.18-09-013, and D.18-10-019.

The Commission held a prehearing conference on December 19, 2018, to consider procedural matters for Phase 2. On February 1, 2019, the assigned Commissioner issued a Scoping Memo (2019 Scoping Memo). The Commission resolved the issues in the 2019 Scoping Memo in D.19-10-001, D.20-03-019, D.20-08-004 and D.21-05-030.

On December 16, 2020, the assigned Commissioner issued an Amended Scoping Memo (2020 Scoping Memo) to add issues to Phase 2 of this proceeding. The Commission addressed the 2020 Scoping Memo issues in D.21-05-030, D.22-01-023, and D.23-06-006. On June 13, 2023, the Commission issued D.23-06-006, which closed this proceeding.

On September 11, 2023, Southern California Edison Company (SCE) filed a Petition for Modification of Decision 23-06-006 (Petition) to address whether the

directions on how to treat renewable energy credits (RECs) in D.19-10-001 should apply to RECs that were generated and banked before January 1, 2019.

On October 11, 2023, California Community Choice Association (CalCCA) filed a response to oppose the Petition, and Pacific Gas and Electric Company (PG&E) filed a response to support the Petition. On October 23, 2023, SCE filed a reply to the responses to the Petition.

On October 11, 2023, CalCCA filed a motion to file under seal a confidential version of its response to the Petition.

This matter was submitted on October 23, 2023, upon the filing of SCE's reply to the responses to the Petition.

2. Issues Before the Commission

Rule 16.4 of the Commission's Rules of Practice and Procedure (Rules) governs petitions for modification of Commission decisions. Rule 16.4(d) provides that petitions for modification should be filed within one year of the effective date of the decision proposed to be modified, with limited exceptions. The Petition was filed within one year of the effective date of D.23-06-006.

The issue before the Commission is whether to grant the Petition and specify whether the directions on how to treat RECs in D.19-10-001 should apply to RECs that were generated and banked before January 1, 2019.

3. Whether to Grant the Petition

In D.23-06-006, the Commission denied parties' requests to keep the proceeding open to address additional issues that were not included in the 2020 Scoping Memo, including the request to consider permanent rules for how to classify and value banked RECs during PCIA rate development.

In Section 8 of D.23-06-006, D.23-06-006 provided:

[Alliance For Retail Energy Markets and Direct Access Customer Coalition (AReM/DACC)], CalCCA, PG&E, and SCE each

commented that the Commission should keep this proceeding open to address concerns raised by these parties in comments on the [Administrative Law Judge (ALJ)] ruling issued on March 3, 2023. CalCCA and PG&E also commented that the Commission should provide direction on where to address these concerns if this proceeding is closed. We respond to these comments below.

AReM/DACC, CalCCA, PG&E, and SCE urged the Commission to establish permanent rules for how to classify and value banked [RECs] during PCIA rate development. The Commission provided sufficient direction for treatment of banked RECs in Section 5.1 and Attachment B of D.19-10-001. IOUs should apply the [market price benchmark (MPB)] for the year in which they use the banked REC.

In the Petition, SCE requested that the Commission modify the language above in D.23-06-006 to specify that utilities should apply the direction in D.19-10-001 only to the classification and valuation of RECs generated and banked on or after January 1, 2019, and not to RECs generated and banked before that date. SCE noted that how to classify and value RECs generated and banked before January 1, 2019 was an issue in dispute in Application 23-06-001.

CalCCA opposed the Petition, arguing that the language in D.23-06-006 regarding D.19-10-001 should be interpreted as clarifying that utilities should apply the directions in D.19-10-001 to RECs banked prior to 2019.

SCE replied that CalCCA is incorrect because D.23-06-006 only reiterated the holdings in D.19-10-001, and there was no underlying administrative record that would have permitted the Commission to consider issues associated with RECs banked prior to 2019 in D.23-06-006.

In D.23-06-006, the Commission did not modify D.19-10-001. The Commission declined to keep the proceeding open to consider issues associated with how to classify and value banked RECs.

SCE did not provide a sufficient justification for modifying D.23-06-006 to specify how D.19-10-001 should apply to RECs that were generated or banked prior to 2019. While we recognize that parties have different perspectives about the direction in D.19-10-001 and its applicability to pre-2019 RECs, we do not have the record to fully evaluate them here. We may consider the issue in a future rulemaking. It is reasonable to deny the Petition.

SCE's and CalCCA's arguments regarding the Petition indicated that the language in D.23-06-006 regarding D.19-10-001 may be confusing. Therefore this decision modifies D.23-06-006 as follows for clarification:

- a. The following language shall be removed from D.23-06-006 at 44: "The Commission provided sufficient direction for treatment of banked RECs in Section 5.1 and Attachment B of D.19-10-001. IOUs should apply the MPB for the year in which they use the banked REC."
- b. The following language shall replace the language removed from D.23-06-006: "The Commission provided direction for the treatment of banked RECs in D.19-10-001."

4. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding. There are no relevant public comments on the Docket Card of this proceeding.

5. Procedural Matters

On October 11, 2023, CalCCA filed a motion (CalCCA Motion) to file under seal a confidential version of its response to the Petition. The CalCCA Motion asserted that the confidential version of CalCCA's response, filed on

October 11, 2023, included confidential data provided by SCE in response to CalCCA data requests relating to the Petition. CalCCA asserted that SCE's data responses contained market-sensitive information regarding SCE's projected market position on RECs in 2024, sales forecast for 2024, and current inventory of banked RECs. CalCCA's motion asserted that SCE marked the information provided as protected in accordance with D.06-06-006, and CalCCA did not challenge that designation. No party filed a response to the CalCCA Motion. We grant the CalCCA Motion to file under seal a confidential version of CalCCA's response to the Petition.

This decision also affirms all rulings made by the assigned Administrative Law Judge (ALJ) and the assigned Commissioner in this proceeding. All motions not ruled on are deemed denied.

6. Comments on Proposed Decision

The proposed decision of ALJ Stephanie Wang in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3. Comments were filed on July 11, 2024, by SCE.

7. Assignment of Proceeding

John Reynolds is the assigned Commissioner and Stephanie Wang is the assigned ALJ in this proceeding.

Finding of Fact

1. The Petition was filed within one year of the effective date of D.23-06-006.

Conclusions of Law

1. In D.23-06-006, the Commission did not modify D.19-10-001.
2. It is reasonable to deny the Petition.
3. It is reasonable to remove the following language from D.23-06-006: "The Commission provided sufficient direction for treatment of banked RECs in

Section 5.1 and Attachment B of D.19-10-001. IOUs should apply the MPB for the year in which they use the banked REC.”

4. It is reasonable to replace the language removed from D.23-06-006 with the following language: “The Commission provided direction for the treatment of banked RECs in D.19-10-001.”

5. It is reasonable to grant the CalCCA Motion.

6. It is reasonable to affirm all rulings made by the assigned ALJ and the assigned Commissioner in this proceeding and deny all motions not ruled on in this proceeding.

O R D E R

IT IS ORDERED that:

1. The Petition for Modification of Decision 23-06-006 filed by Southern California Edison Company on September 11, 2023 is denied.

2. Decision 23-06-006 is modified to remove the following language: “The Commission provided sufficient direction for treatment of banked RECs in Section 5.1 and Attachment B of D.19-10-001. IOUs should apply the MPB for the year in which they use the banked REC.”

3. Decision 23-06-006 is modified to replace language removed by this decision with the following language: “The Commission provided direction for the treatment of banked RECs in D.19-10-001.”

4. California Community Choice Association’s motion to file a confidential version of its response to the Petition for Modification of Decision 23-06-006 is granted. The confidential version will remain under seal and will not be made accessible or disclosed to anyone other than the Commission’s staff for a period of three years after the date of this order, except pursuant to a further order of the Commission or a ruling by an Administrative Law Judge or Commissioner. If

California Community Choice Association or Southern California Edison Company believes it is necessary for any of this confidential information to remain under seal for longer than three years, either party may file a new motion at least 30 days before the expiration of this order, stating the justification for further withholding the information from public inspection.

5. All rulings made by the assigned Administrative Law Judge and the assigned Commissioner in this proceeding are affirmed, and all motions not ruled on in this proceeding are denied.

6. Rulemaking 17-06-026 is closed.

This order is effective today.

Dated August 1, 2024, at San Francisco, California.

ALICE REYNOLDS

President

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

Commissioners

Commissioner Matthew Baker recused himself from this agenda item and was not part of the quorum in its consideration.