

2015 PIP Addendum

Program Name	Marin Energy Authority	Date Submitted	10/15/2015
Subprogram Name	Single Family	Utility Name	MCE Clean Energy
Program ID	Element of Subprograms MEA04 (and related to Subprogram MEA03)	CCA Program Contact	Beckie Menten

This form is to be used to document any required changes to the Program Implementation Plans (PIPs). The following are triggers that will require a PIP change:

1. Changes to eligibility rules
2. Changes affecting incentive levels
3. Fund shifts (indicate advice letter approval below if required)
4. Portfolio Budget and Other Commission-Directed Changes
5. Changes to Program Theory/Logic Models
6. Addition or elimination of programs and/or sub-programs (indicate advice letter approval below)
7. Changes in program targets
8. Change in sub-program approach - unless the IOUs submit logic models for the sub-programs (to be defined) with IOUs
9. Changes in incented measures
10. Changes in adopted PPMs/MTIs (indicate advice letter approval below if required)

Identify Specific Trigger (above) requiring the PIP change

6. Addition or elimination of programs and/or sub-programs (indicate approved advice letter)

Driver of Change:

The drivers behind eliminating MCE's Single Family On-Bill Repayment Program are low participation and closure of program by the lending institution.

Description of Change (if advice letter approval required, indicate Commission resolution or approval and provide hyperlink to advice letter):

MCE's Single Family On-Bill Repayment Program was closed per [Advice Letter 10-E](#)

PIP Section and/or Wording to be Changed or replaced:

Section III. Executive Summary: Total Program Savings table
 Section VI. Sub-Program MEA03 – Single Family
 Section VII. Sub-Program MEA04 – Financing Pilots

Replacement Language or Information

Remove reference to Single Family On-Bill Repayment Program, including:

- Replace MEA with MCE throughout.
- Page 11: in Table 2, reduce projected budget for "Finance Pilot Programs" from \$1,300,000 to \$800,500, and eliminate savings targets (kWh, kW, and therms)
- Page 12: under "SF Utility Demand Reduction Program" delete the phrase "the MEA finance pilots with targeted marketing and will market"
- Page 58: in section e, change references to MEA's OBR program to providing information on other financing programs, such as PACE.
- Page 80: delete references to homeowners (two instances)
- Page 82: change numbers in Table 1 to the following:

Sub-Program	Program Year		
	2013	2014	Total

Revision Date: 11/16/2015

Admin (\$)	\$31,000	\$31,000	\$62,000
General Overhead (\$)	\$12,500	\$12,500	\$25,000
Incentives (\$)			
Direct Install Non-Incentives (\$)	\$330,250	\$330,250	\$660,500
Marketing & Outreach (\$)	\$0	\$45,000	\$45,000
Education & Training (\$)	\$4,000	\$4,000	\$8,000
Total Budget (\$)	\$377,750	\$422,750	\$800,500

- Pages 82: delete reference to homeowners (first paragraph of section 9)
- Page 85: add the following disclaimer at the top of the “OBR Program in Support of Residential Single Family Program” section: “MCE’s SF OBR program closed in Q3 2015. There is one outstanding loan; MCE has set aside the appropriate dollars in the loan loss reserve with First Community Bank. This section provides a few details on the now-closed program; for additional details please consult MCE.”
- Page 85: delete the section beginning with: “The OBR Residential Program will allow the customer to avoid the up-front cost...” and ending with “Per the legal requirements of the California Building Code”
- Page 86: delete the section: “Legal Issues Associated with On-Bill Repayment Program”
- Page 88: delete PPMs related to SF OBR program
- Page 89: delete row on “Energy Efficiency Building Loans – Single Family Residential” in Table 7, delete bullet “complete a minimum of 500 single-family home energy efficiency upgrades financed through OBR”, and delete bullet “Produce an average of at least 15% energy efficiency improvement in single-family home projects”
- Page 90: delete bullet: “Complete energy efficiency upgrades to single-family homes encompassing at least 300,000 square feet”
- Page 92: delete paragraph about SF OBR, which begins with “As MEA does not have a specific rebate program for the single family sector...”
- Page 95: delete Single-Family OBR row from Table 10
- Page 96: delete references to single-family (first paragraph under section f)
- Page 97: delete the sentence beginning with “However, training will be provided for single family contractors” under section g
- Page 100: delete Single-Family Sub-Program row
- Page 101: delete the reference to residential in the sentence beginning with “MEA is structuring the Program to address the water-energy nexus”
- Pages 103-104: delete references to residential, Whole House, and Energy Upgrade throughout the list of market actors

Revised Energy Savings (If Any):

No energy savings associated with the SF OBR program.

Other PIP Changes Required:

Note: Upon closing the SF OBR program, \$499,500 was transferred to the Multifamily program for program year 2015 (see [Advice Letter 10-E](#)) . This change does not require an addendum to the 2013-2014 PIP.

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY LSE (Attach additional pages as needed)

Company name/CPUC Utility No. Marin Clean Energy

Utility type:

☒ ELC

☐ GAS

☐ PLC

☐ HEAT

☐ WATER

Contact Person for questions and approval letters: Mike Callahan-Dudley

Phone #: (415) 464-6045

E-mail: mcallahan-dudley@mcecleanenergy.org

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: MCE 11-E

Subject of AL: Identification of Unspent Funds from Marin Clean Energy's 2015 Energy Efficiency Programs Available for the 2016 Program Budget

Tier Designation: ☐ 1 ☒ 2 ☐ 3

Keywords (choose from CPUC listing): Compliance

AL filing type: ☐ Monthly ☐ Quarterly ☒ Annual ☐ One-Time ☐ Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.14-10-046

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL _____

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? ☐ Yes ☒ No

Requested effective date: December 31, 2015

No. of tariff sheets: 0

Estimated system annual revenue effect: (%): n/a

Estimated system average rate effect (%): n/a

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: n/a

Service affected and changes proposed: Identification of Unspent Funds from Marin Clean Energy's 2015 Energy Efficiency Programs Available for the 2016 Program Budget

Pending advice letters that revise the same tariff sheets: none

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.

San Francisco, CA 94102

EDTariffUnit@cpuc.ca.gov

CCA Info (including e-mail)

Marin Clean Energy

1125 Tamalpais Ave.

San Rafael, CA 94901

mcallahan-dudley@mcecleanenergy.org

December 1, 2015

CA Public Utilities Commission
Energy Division
Attention: Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298



Advice Letter MCE E-011

Re: Identification of Unspent Funds from Marin Clean Energy's 2015 Energy Efficiency Programs Available for the 2016 Program Budget

Ordering Paragraph ("OP") 25 of Decision ("D.") 14-10-046 (the "Decision"), *Decision Establishing Energy Efficiency Savings Goals and Approving 2015 Energy Efficiency Programs and Budgets (Concludes Phase I of R.13-11-005)*, requires MCE to identify unspent funds from 2015 energy efficiency ("EE") programs available for MCE's 2016 EE programs.¹

Effective Date: December 31, 2015

Tier Designation: Tier 2 Designation

Purpose

This Compliance Filing provides the information required by OP 25 of the Decision. This Compliance Filing includes:

- (i) Advice Letter Cover Letter.
- (ii) Identified unspent funds from MCE's 2015 EE programs available for 2016.

¹ Decision at 30.

Background

The funding for EE programs is provided by ratepayers, collected by the IOUs on behalf of the state, and subsequently distributed by the IOUs.

The Decision ordered an extension of the 2013-2014 annual EE program budgets through 2025.² OP 24 directs Pacific Gas and Electric (“PG&E”) to transfer \$1.002 million to MCE for EE programs, less any amount MCE identifies as unspent.³ The decision also requires MCE to file a Tier 2 Advice Letter identifying these unspent funds each year on December 1.⁴ This Tier 2 Advice Letter serves to comply with the December 1 filing requirement.

Identification of Unspent Funds

The total identified unspent EE funds available for MCE’s 2015 EE program is \$310,778.68.

The Decision recognized that MCE will not have all data on hand in December.⁵ The Commission suggested MCE “use its best estimates for the months for which it does not yet have actual spending data.”⁶ Since this filing is made 30 days before the end of 2015, it includes an estimate for the November and December program expenditures.

Appendices: Appendix A: Identified 2015 Unspent EE Funds Available for Carryover to 2016

Notice

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

² Decision at 167.

³ *Id.* at 167-68.

⁴ *Id.*

⁵ *Id.* at 126.

⁶ *Id.*

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bmenten@mceCleanEnergy.org

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

MCE is serving copies of this advice filing to the relevant parties shown on the R.13-11-005 service list. For changes to this service list, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Correspondence

For questions, please contact Michael Callahan-Dudley at (415) 464-6045 or by electronic mail at mcallahan-dudley@mceCleanEnergy.org.

/s/ Michael Callahan-Dudley
Michael Callahan-Dudley
Regulatory Counsel
MARIN CLEAN ENERGY

cc: Service List R.13-11-005

Appendix A: Identified 2015 Unspent EE Funds Available for Carryover to 2016

Program #	Main Program Name / Sub-Program Name	2015 Unspent Funds Available for Carryover	2016 Approved Budgets	Approved Budget Less Carryover
MCE01	Multi-Family Program	\$293,564.28	\$423,486	\$129,921.72
MCE02	Small Commercial Program	\$15,466.62	\$432,379	\$416,912.38
MCE03	Single-Family Utility Demand Reduction Program	\$391.31	\$264,402	\$264,010.69
MCE04	Financing Pilots Program	\$1,356.46	\$100,000	\$98,643.54
ALL	MCE PROGRAM SUBTOTAL	\$310,778.68 ⁷	\$1,220,267	\$909,488.32
ALL	Unspent Carryover from 2013-2014	\$196,458.90 ⁸		
ALL	TOTAL (including 2013-2014 Unspent Carryover)	\$507,237.58	\$1,220,267	\$713,029.42

⁷ 2015 Unspent Funds include \$499,500 shifted into the budget from the Single Family On-Bill Financing Loan Loss Reserve Fund and a \$200,000 increase in the MCE gas incentive budget as approved in PG&E Advice Letter 3642-G/4720-E.

⁸ MCE's unspent funds from 2013-2014 were sufficient to more than completely offset the 2015 electric savings budget transfer from PG&E. This figure is the carryover (i.e. remainder) of the unspent funds from 2013-2014 and will be applied to offset the 2016 electric savings budget transfer. The number is higher than projected in MCE's advice letter MCE-007-CCA due to subsequent true ups on actual spending.

Application of Pacific Gas and Electric Company
for Adoption of Electric Revenue Requirements and
Rates Associated with its 2016 Energy Resource
Recovery Account (ERRA) and Generation Non-
Bypassable Charges Forecast and Greenhouse Gas
Forecast Revenue and Reconciliation (U39E).

In the meeting, MCE’s representatives requested that the Proposed Decision’s scheduled Power Charge Indifference Adjustment (“PCIA”) workshop be tied to a proceeding where an official record could be developed. As presented in its Summary, MCE proposed to hold the workshop either through the second phase of the 2016 PG&E ERRR proceeding, as part of the 2016 Long-Term Procurement Planning proceeding, or as a new Order Instituted Rulemaking focused exclusively on PCIA reform.

MCE's representatives also proposed changes to the Proposed Decision regarding the PCIA rate for 2016. In particular, MCE requested that the increase be limited to 15% of the current PCIA rate and that a balancing account be used to isolate the remaining balance until the Commission reaches a decision in an ultimate proceeding for PCIA reform.

Dated: December 2, 2015

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott Blaising". The signature is fluid and cursive, with a large initial "S" and a stylized "B".

Scott Blaising

Dan Griffiths

BRAUN BLAISING McLAUGHLIN & SMITH, P.C.

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Counsel for Marin Clean Energy

Attachment 1
SUMMARY OF MCE'S REQUESTED CHANGES TO THE PROPOSED DECISION



REQUESTED CHANGES TO THE 2016 PG&E ERRR PD:

Change 1: The proposed workshop must be tied to a proceeding.

1. This workshop is important because it recognizes and is a clear response by the Commission to the timely need for PCIA reform. For this workshop's impact to be lasting it must be tied to a proceeding where an official record can be developed in either:
 - a. A second phase within the 2016 PG&E ERRR.
 - b. Part of the 2016 Long-Term Procurement Planning proceeding.
 - c. As a new Order Instituted Rulemaking focused exclusively on PCIA reform.

Change 2: The Commission should limit the increase of the PCIA rate for 2016 to 15% of current PCIA rate and use a balancing account to isolate the remaining balance.

1. The remaining 85% of the 2016 PCIA revenue requirement should be held in this balancing account until the Commission has reached a decision on potential PCIA reform through one of the three proceeding venues listed above.
2. The Commission should find the use of a balancing account in this manner as reasonable because:
 - a. It *will not* create immediate, anti-competitive harm for bundled customers.
 - b. It *will* protect CCAs and CCA customers from sudden anti-competitive, harm by dampening the extreme volatility of the proposed change in the PCIA rate.
3. The Commission should find PG&E's full requested PCIA rate change unreasonable because:
 - a. It would force CCAs to compete against less than 75% of PG&E's 2016 generation rate.
 - b. It would subject residential CCA customers, including CARE customers, to a PCIA rate increase by as much as 95% from the previous year.
 - c. It would have a strongly anti-competitive impact on CCAs and CCA customers and run contrary to prior Commission intent.

Attachment 2
MCE'S 2015 OVERVIEW OF RENEWABLE ENERGY PROJECTS

MCE California Renewable Energy

OVERVIEW 2015

Marin Clean Energy (MCE) has committed \$515.9 million to 195 MW of new California renewable energy projects. This includes \$353.9 million for solar, \$44.7 million for wind, and \$117.2 million for waste-to-energy projects. Below is the current list of all California renewable resources currently under contract with MCE.

Since May 2010, MCE customers have reduced more than 59,421 tons of greenhouse gas emissions, equivalent to removing 12,500 cars from the road for one year, the carbon sequestered by 48,705 acres of U.S. forests in one year, or eliminating the energy use of 5,422 homes for one year. In 2014, MCE customers saved more than \$5.9 million through lower electricity rates.

Resource Type*	Generator	Location	Installed Capacity (MW)	MCE Service Start Date	Contract Length	Jobs Impact**	
						Construction	Operations & Maintenance
Solar, PPA	RE Kansas	Kings Co.	20 MW	2014	3 years	78	6
Solar, PPA	EDF Cottonwood	Kings Co./ Kern Co.	23 MW	2015	25 years	746	7
Solar, PPA	EDF Cottonwood	Novato, Marin Co.	1 MW	2015	25 years	30	0
Solar, PPA	RE Mustang	Kings Co.	30 MW	2016	15 years	973	9
Solar, PPA	MCE Solar One	Richmond, Contra Costa Co.	10.5 MW	2015	25 Years	341	3
Solar, PPA	EDF	Novato, Marin Co.	1 MW	2016	25 years	32	0
Solar, FIT	San Rafael Airport	San Rafael, Marin Co.	1 MW	2012	20 years	32	0
Solar, FIT (Local Sol)	Cooley Quarry	Novato, Marin Co.	1.5 MW	2015	20 years	49	0
Solar, FIT	Cost Plus	Larkspur, Marin Co.	0.25 MW	2015	20 years	8	0
Solar, FIT	Self Storage	Novato, Marin Co.	1 MW	2016	20 years	32	0
Wind, PPA	EDP, Rising Tree III	Kern Co.	99 MW	2015	4 years	63	14
Landfill Gas, PPA	G2 Energy	Solano Co.	1.6 MW	2013	18 years	23	11
Landfill Gas, PPA	G2 Energy	Yuba Co.	1.6 MW	2013	18 years	23	11
Landfill Gas, PPA	Genpower	Lincoln, Placer Co.	4.8 MW	2012	20 years	16	19
Landfill Gas, PPA	Redwood Landfill	Novato, Marin Co.	3.5 MW	2015	20 years	39	16
Geothermal, PPA	Calpine	Sonoma Co./ Lake Co.	3 MW	2013	1 year (multiple)	N/A	N/A
Geothermal, PPA	Calpine	Sonoma Co./ Lake Co.	10 MW	2013	10 years	N/A	13

*PPA = Power Purchase Agreement; FIT=Feed-In Tariff

**MCE uses the National Renewable Energy Laboratory's (NREL) Jobs and Economic Development Impacts (JEDI) Model best suited to each generating project/contract and may adjust to more accurately reflect the nature of MCE's relationship with the generator and/or actual jobs statistics provided by generator owners.

2,400+ CALIFORNIA JOBS

As of December 31, 2014, MCE's contracted power projects have supported more than 2,400 California jobs. MCE's new solar projects will create more than 750,000 union work hours in just 12 months.

MCE's sustainable workforce policy outlines support for local businesses, union members, training and apprenticeship programs, and support for green and sustainable businesses.

Renewable and carbon-free energy projects



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During the teleconference, MCE’s representatives requested that the Proposed Decision in this proceeding be modified to associate the Power Charge Indifference Adjustment (“PCIA”) workshop with a proceeding where an official record could be developed. MCE proposed to hold the workshop either through the second phase of the 2016 PG&E ERRRA proceeding or another proceeding, including the currently open second phase of the 2015 PG&E ERRRA proceeding. MCE’s representatives also proposed changes to the Proposed Decision regarding the PCIA rate for 2016. In particular, MCE requested that the increase be limited to 15% of the current PCIA rate and that a balancing account be used to isolate the remaining balance until the Commission reaches a decision in an ultimate proceeding for PCIA reform.

Dated: December 3, 2015

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott Blaising". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Scott Blaising

Dan Griffiths

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

Application of Pacific Gas and Electric Company)	
for Adoption of Electric Revenue Requirements and)	
Rates Associated with its 2016 Energy Resource)	Application No. 15-06-001
Recovery Account (ERRA) and Generation Non-)	(Filed June 1, 2015)
Bypassable Charges Forecast and Greenhouse Gas)	
Forecast Revenue and Reconciliation (U39E).)	
)	

**OPENING COMMENTS OF MARIN CLEAN ENERGY
ON THE PROPOSED DECISION**

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December 3, 2015

Counsel for Marin Clean Energy

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**BEFORE THE PUBLIC UTILITIES COMMISSION
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Application of Pacific Gas and Electric Company)	
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Forecast Revenue and Reconciliation (U39E).)	
)	

**OPENING COMMENTS OF MARIN CLEAN ENERGY
ON THE PROPOSED DECISION**

In accordance with Rule 14.3 of the Rules of Practice and Procedure of the Public Utilities Commission of the State of California (“Commission”), Marin Clean Energy (“MCE”) hereby submits the following comments on the *Proposed Decision of Administrative Law Judge Seaneen M. Wilson* (“Proposed Decision”).

I. INTRODUCTION AND SUMMARY

MCE operates a Community Choice Aggregation (“CCA”) program that provides generation service to approximately 170,000 customer accounts throughout Marin County, unincorporated Napa County, and the cities of Richmond, San Pablo, El Cerrito, and Benicia. MCE’s customers pay, among other things, the Power Charge Indifference Adjustment (“PCIA”) – a non-bypassable charge imposed on departing customers in order to maintain so-called “bundled customer indifference.”

MCE actively participated in this proceeding, submitting testimony and providing opening and reply briefs – the principal focus of which has been on Pacific Gas and Electric Company’s (“PG&E”) calculation and application of the PCIA. It is appropriate for the Commission to meaningfully review PCIA-related issues in this proceeding since Energy

Resource Recovery Account (“ERRA”) proceedings have been designated by the Commission as the forum within which parties may address and challenge the investor-owned utility’s (“IOU”) calculation and application of the PCIA.¹

The following is a summary of MCE’s comments on the Proposed Decision:

- The Proposed Decision appears to misapprehend the significant, unprecedented nature of PG&E’s proposed PCIA increase, and the associated impact on customers. To put the PCIA increase in perspective, for modest amounts of electricity (500 kWh to 1,000 kWh) the most vulnerable residential customers (CARE customers) will pay between \$12 and \$24 a month for ***just the PCIA (nothing else)***.
- MCE appreciates and supports the Proposed Decision’s determination that a workshop should be held in order to re-evaluate the PCIA calculation. Abnormalities, rate volatility and anachronistic outcomes (as reflected in the record for this proceeding) point to the need for a re-evaluation.
- MCE appreciates and supports the Proposed Decision’s determination that PG&E must request authority to dispose of PG&E’s billion dollar negative indifference amount balance. The negative indifference amount balance is a key factor in determining “bundled customer indifference,” and it is appropriate for the Commission to authorize PG&E’s disposition of this balance. It is also appropriate for the Commission to consider this balance as part of the PCIA re-evaluation.
- The Proposed Decision should be modified to correct two shortcomings:
 - The PCIA workshop should not be held “outside of any proceeding,” as is contemplated in the Proposed Decision. Rather, the workshop should be associated with an active proceeding. Failure to associate the workshop with an active proceeding would deprive parties of key procedural rights (*e.g.*, discovery, *etc.*) and could potentially compromise the evidentiary record for the PCIA re-evaluation. The Commission should give consideration to using the existing second phase of PG&E’s 2015 ERRA proceeding (A.14-05-024) (“Existing PCIA/ERRA Phase”) as the forum within which the workshop and related activities occur. Among other things, the Commission is already considering PCIA-related issues in the

¹ See D.06-07-030 at 57 and D.08-09-012 at 69-70.

Existing PCIA/ERRA Phase, and all interested parties (including the three IOUs) are involved in that proceeding.

- The Proposed Decision errs in summarily concluding that creating a PCIA balancing account would cause harm to bundled customers. No evidence exists in this proceeding to reach such a conclusion. To the contrary, record evidence in this proceeding supports the use of a limited and temporary PCIA balancing account. As further discussed below, the controlling standard with respect to the PCIA (namely, bundled customer indifference) would not be violated by such an account. The Proposed Decision should be modified to *temporarily* limit the 2016 PCIA increase to 15 percent. This action would be a prudent, “no regrets” step, which could be revisited and reversed, if necessary, following the PCIA re-evaluation and/or the Commission’s determination with respect to PG&E’s negative indifference balance.

II. IMPACT FROM THE NOVEMBER UPDATE

On August 14, 2015, MCE provided testimony highlighting the potential impacts that PG&E’s proposed PCIA would have on CCA customers. On November 5, 2015, PG&E presented an update to its initially prepared testimony (“November Update”). The November Update includes revisions to the initially forecast 2016 revenue requirements, including revisions to the PCIA. The initial version of the Proposed Decision does not represent the updated information in the November Update, and therefore necessarily understates the ultimate impact on CCA customers. As further described in Section III.D, below, the negative impact on CCA customers is material and unprecedented.

In MCE’s initial analysis of the PCIA, the PCIA for residential customers was projected to increase by 72 percent.² However, based upon the November Update, PG&E is now proposing to increase the PCIA for residential customers by 95 percent. MCE’s initial analysis showed that, as originally proposed by PG&E, the PCIA would account for 20 percent of

² See Exhibit MCE-1 (MCE Testimony) at 3.

residential customers' overall generation charges.³ In the November Update, this percentage increases to 26 percent. MCE also states within its testimony that “it can be projected that \$30.6 million will be collected from MCE’s participating communities and customers due to PCIA charges in 2016.”⁴ Based upon the updated PCIA in the November Update, MCE now anticipates that this collection will be closer to \$36.4 million for the upcoming year.

III. COMMENTS

A. MCE Supports The Proposed Decision’s Determination Regarding The Need For A PCIA Workshop

The Proposed Decision notes that several parties, including MCE, requested a forum within which the Commission could further explore and formally address matters relating to the PCIA.⁵ Based on these requests, the Proposed Decision orders that a workshop be held in early 2016 “to address the methodologies and input for calculating the PCIA.”⁶ The Proposed Decision directs that notice of this workshop extend to and include parties in all ERRRA-related proceedings, including the “three large electric utilities.”⁷

As qualified in Section III.B, below, MCE supports the Proposed Decision’s determination that further evaluation of the PCIA is necessary. As described in MCE’s opening brief, circumstances have changed over the last three years, especially this last year, and it is now reasonable and necessary for the Commission to review, among other things, whether the PCIA has become a means by which unlawful cross-subsidization is occurring. Of late and with particular relevance to CCA programs, concerns over cross-subsidization have percolated into

³ See Exhibit MCE-1 (MCE Testimony) at 5.

⁴ Exhibit MCE-1 (MCE Testimony) at 6.

⁵ See Proposed Decision at 12.

⁶ Proposed Decision at 12.

⁷ See Proposed Decision at 12.

various Commission decisions.⁸ Accordingly, and based on facts and arguments advanced in this proceeding, it is proper for the Commission to examine, among other things, whether cross-subsidization is occurring within the context of the PCIA.

MCE also supports further review of the PCIA on the grounds that such review is the fulfillment of an expectation formed in recent years. In its decision denying a broad-based petition for a rulemaking to address departing load charges, the Commission suggested that a workshop should be convened by the Energy Division to address “departing load charges or other fee mechanisms that may benefit from review due to significant changes in circumstances since the charge’s development.”⁹ However, in the two-plus years since issuance of D.13-08-023, no workshop has been convened. Moreover, in response to concerns expressed by MCE and others in the 2014 Long-Term Procurement Plan (“LTPP”) proceeding (R.13-12-010), the scope of issues for Phase 2 in that proceeding was expanded to include an examination of “[c]hanges to Commission rules regarding the treatment of CCAs and DA, including those adopted related to the CAM per SB 695, SB 790, D.11-05-005 and any relevant previous decisions.”¹⁰ However, in the 18 months since issuance of the scoping ruling in the LTPP proceeding, no further action has been taken to address these issues. As such, the Commission’s review of the PCIA, as directed in the Proposed Decision, is ripe – if not perhaps overdue.

⁸ See, e.g., D.12-12-036 at 6 (“In SB 790, the legislature directed the Commission to develop rules and procedures that...protect against cross-subsidization paid by ratepayers.”) and D.13-08-023 at 17 (“[W]e will continue to consider both the mechanics and overall fairness of cost allocation and departing load charge methodologies proposed in the future, with the specific goal of avoiding cross-subsidization.”).

⁹ D.13-08-023 at 17.

¹⁰ Scoping Ruling (R.13-12-010) at 10-11.

B. The PCIA Workshop Should Be Associated With An Active Proceeding, And The Workshop Should Be Held As Soon As Reasonably Practicable

The Proposed Decision concludes that “[a] workshop should be held, outside of any proceeding, by the Commission’s Energy Division, within the first half of 2016, to address the methodologies and inputs used for calculating the PCIA.”¹¹ As previously stated, MCE generally supports the use of a workshop to re-evaluate the PCIA, and MCE largely commends the Proposed Decision’s determination in this regard. That said, there are two aspects of the Proposed Decision’s determination that should be modified and one aspect that should be added.

1. The PCIA Workshop Should Be Associated With An Active Proceeding

As a preliminary matter, it is unclear on what basis the Proposed Decision concludes that the workshop should be held “outside of any proceeding.” To MCE’s knowledge, no party proposed a workshop, and clearly no party proposed detachment of a workshop from a formal proceeding. Rather, the consensus among parties has been that re-evaluation of the PCIA should occur within the context of a formal proceeding. For example, MCE proposed that a separate phase of this proceeding be established to address PCIA-related issues.¹² Likewise, Sonoma Clean Power (“SCP”) proposed that PCIA-related issues should be examined in a separate proceeding, but SCP alternatively supported consideration of PCIA issues in a separate phase of this proceeding.¹³ Additionally, the Direct Access Customer Coalition and The Alliance of Retail Energy Markets (“DACC/AReM”) supported MCE’s and SCP’s proposal for formal

¹¹ Proposed Decision at 18; Conclusion of Law 2.

¹² See MCE Opening Brief at 3,13 and MCE Reply Brief at 9.

¹³ See, e.g., SCP Reply Brief at 1.

consideration of PCIA-related issues.¹⁴ Importantly, deferring PCIA-related issues was done, not as a way to relegate these important issues or detach them from a proceeding, but rather as a procedural accommodation to PG&E’s concerns and its desire to have the Commission expeditiously vote out a rate decision in this proceeding.¹⁵

Detachment of the workshop from a formal proceeding would implicate a host of procedural infirmities. Among other things, failure to associate the workshop with an active proceeding would deprive parties of key procedural rights (*e.g.*, discovery). As summarized in Rule 10.1, the right to discovery turns on, among other things, “party status” and the pendency of an active “proceeding” within which a relevant matter is being addressed. A workshop detached from an active proceeding would likely result in MCE being precluded, or materially limited, in its right to conduct necessary discovery.¹⁶ Moreover, detachment of the workshop from this proceeding might deprive parties of the extensive evidentiary record in this proceeding. As noted in the Proposed Decision, in addition to briefs, the evidentiary record in this proceeding includes numerous exhibits containing factual information on issues of relevance to a re-evaluation of the PCIA.¹⁷ If the Commission associates the workshop with a proceeding other

¹⁴ See DACC/AReM Reply Brief at 4 (“As proposed by MCE and Sonoma Clean Power (“SCP”), a separate phase to consider PCIA-related and rate stabilization issues should be commenced.”).

¹⁵ See, *e.g.*, SCP Reply Brief at 1-2 (“Either addressing these concerns in separate proceedings or potentially in a second phase of this proceeding would address PG&E’s concerns regarding potential participation by other parties and unnecessary delay.”)

¹⁶ To date, limitations on the discovery rights of “market participants,” such as MCE, has hindered access to core PCIA-related data. MCE is hoping to address these limitations, which will make the existence of discovery rights even more important.

¹⁷ See Proposed Decision at 14-15 (referencing the exhibits moved by PG&E, MCE, SCP, and the California Large Energy Consumers Association (“CLECA”) into the record of this proceeding).

than this proceeding, MCE requests that a ruling be issued through which the record of this proceeding could be transferred.

The Commission's establishment and use of separate phases in ERRA proceedings has become relatively commonplace of late, and the Commission should not shy away from using this procedural device. As noted in MCE's reply brief, the Commission effectively established second phases in each of PG&E's and Southern California Edison Company's ("SCE") 2015 ERRA proceedings.¹⁸ In the case of PG&E's 2015 ERRA proceeding, all of the IOUs were provided notice of and given an opportunity to participate in the Existing PCIA/ERRA Phase, "[b]ecause [PCIA] issues may potentially affect other utilities".¹⁹ Another recent example involves SCE and San Diego Gas & Electric Company ("SDG&E"), and their respective 2014 ERRA proceedings. On January 8, 2014, a joint workshop was held in SCE's 2014 ERRA proceeding (A.13-08-004) and SDG&E's 2014 ERRA proceeding (A.13-09-017), the purpose of which was to discuss thorny PCIA-related issues implicated by the closure of the San Onofre Nuclear Generating Station ("SONGS"). The joint workshop was fruitful insofar as it produced a joint consensus on PCIA treatment.²⁰ Nevertheless, the main point should not be lost: while workshops have routinely been used in joint ERRA proceedings/phases, the workshops have been connected to active proceedings.²¹ The same should occur in this proceeding.

¹⁸ See MCE Reply Brief at 9.

¹⁹ See D.14-12-043 at 12.

²⁰ See D.14-05-003 at 25; Ordering Paragraph 4.

²¹ See, e.g., March 12, 2015 workshop held in A.14-05-024 (PG&E's 2015 ERRA) and January 8, 2014 joint workshop held in A.13-08-004 (SCE's 2014 ERRA) and A.13-09-017 (SDG&E's 2014 ERRA). Workshops were also used extensively in the Commission's previous consideration of PCIA-related modifications. (See D.11-12-018 at 5.)

MCE recommends for the Commission's consideration the use of the Existing PCIA/ERRA Phase as the forum within which the PCIA re-evaluation may occur. Among other things, the Commission is already considering PCIA-related issues in the Existing PCIA/ERRA Phase, and all interested parties (including the three IOUs) are involved in that proceeding.

2. *The PCIA Workshop Should Be Held As Soon As Reasonably Practicable*

MCE requests that the Proposed Decision be modified to accelerate and more specifically define the date for the workshop. As it is now, the workshop will occur "within the first half of 2016," which speaks nothing to the fact that additional procedural devices (*e.g.*, comments, briefs, *etc.*) will also be used *following* the workshop in order to arrive at a Commission decision. MCE recognizes that all of this takes time, and that the Commission's and parties' resources are consistently taxed. However, MCE believes that, by conducting the workshop approximately 90 days following the effective date of a final decision, the Commission and parties will have ample time to conduct additional discovery, frame issues and otherwise prepare for a productive workshop. Clearly, the matters addressed within this workshop will likely impact PG&E's next ERRA proceeding cycle and haste should be taken now to minimize the potential delays due to these impacts. Accordingly, MCE requests that the Proposed Decision be modified to convene the PCIA workshop approximately 90 days following the effective date of a final decision.

3. *The Commission Should Consider The Use Of An Audit As A Precursor To Or Complement Of The PCIA Workshop*

As noted above, MCE and other "market participants" (a term that includes most, if not all, active parties in this proceeding) are materially limited in their ability to meaningfully review PCIA-related data that is considered market sensitive (which covers most PCIA-related data). While D.11-07-028 softened some of these restrictions, it is still very difficult for MCE (and presumably other market participants), which rely on all-purpose consulting support, to retain

single-purpose (ethics wall-separated) reviewing representatives for the limited purpose of reviewing PCIA-related data, particularly when coupled with the compressed timeframe associated with typical ERRA proceedings. This has led to an absence of meaningful and critical review of PCIA-related data.

To remedy this problem, MCE recommends that the Proposed Decision be modified to direct that an audit be conducted (either through the Energy Division, Office of Ratepayer Advocates or outside consultant) in connection with the contemplated PCIA workshop. The audit could occur prior to the workshop, in which case it could serve as a catalyst for discussion and proposals, or after the workshop, in which case its output could be shaped by discussion at the workshop. In either case, an audit would be a helpful and necessary adjunct to the workshop.

C. The Proposed Decision Rightly Determines That PG&E Must Formally Seek And Obtain Commission Authorization To Dispose Of PG&E's Negative Indifference Amount Balance

The Proposed Decision concludes that “PG&E should request authority for its disposition/retirement of the negative indifference amounts associated with pre-2009 DA customers, in its next ERRA forecast application.”²² MCE supports this conclusion. It is right and appropriate for the Commission to seriously consider issues implicated by the proposed disposition/retirement of PG&E's billion dollar negative indifference amount balance, particularly since such issues are at the core of the Commission's so-called “threshold policy issue,” namely, whether or not “remaining bundled ratepayers [will] remain indifferent to stranded costs left by the departing customers.”²³

²² Proposed Decision at 18; Conclusion of Law 4.

²³ See D.08-09-012 at 10 (referencing D.04-12-048; Finding of Fact 28).

The Commission has defined “bundled customer indifference” as being the condition in which “bundled customers should be no worse off, nor should they be any better off as a result of customers choosing alternative energy suppliers (ESP, CCA, POU or customer generation).”²⁴ Retirement of PG&E’s negative indifference balance raises multiple issues relating to the bundled customer indifference standard, particularly since the negative balance reveals that bundled customers are currently “better off” (much better off) because of the departure of customers.²⁵ As such, MCE supports the Proposed Decision’s general treatment of this issue. That said, MCE encourages the Commission to consider the negative indifference balance within the context of the Commission’s proposed re-evaluation of the PCIA. In this way, the Commission may weigh and balance *all* material PCIA-related issues.

D. The Proposed Decision Should Be Modified To *Temporarily* Limit The 2016 PCIA Increase To 15 Percent, Subject To Post-Workshop Adjustment

The Proposed Decision summarily states that “freezing the PCIA rates would cause harm to bundled ratepayers, violating applicable law, [and therefore] we do not freeze the PCIA rates at 2015 levels.”²⁶ In this regard, the Proposed Decision errs. As rightly noted in the opening brief of LEAN Energy US (“LEAN”), the Commission has a duty to carefully “consider alternatives presented and factors warranting adoption of those alternatives.”²⁷ The Proposed Decision is lacking in this regard. The quoted portion, above, is the entirety of the Proposed

²⁴ D.08-09-012 at 10.

²⁵ See, e.g., D.08-09-012 at 41 (“If the total portfolio costs are lower than market costs resulting in a negative indifference amount, the customers’ departure is economic.”). See also D.07-05-005 at 25 (“If only positive amounts were recognized while negative amounts were ignored, the resulting calculation would be inconsistent and would not achieve indifference.”).

²⁶ Proposed Decision at 12.

²⁷ See LEAN Opening Brief at 6 (citing *US Steel vs Public Utilities Commission*, 29 Cal.3d 603, 608 (1981)).

Decision's consideration of MCE's and LEAN's alternatives with respect to a balancing account. The Proposed Decision must be modified in order to be legally sustainable. Moreover, the Proposed Decision should be modified in order to be measured and fair, offering a prudent, no regrets step that can be adjusted following the PCIA workshop.

The record in this proceeding supports a temporary 15 percent cap on the PCIA increase ("Temporary PCIA Cap") pending further consideration of the PCIA in the context of the PCIA workshop. MCE and LEAN proposed and have sufficiently supported this alternative. Three points, however, bear additional consideration.

First, a Temporary PCIA Cap would not violate the controlling standard, namely, bundled customer indifference. As supported in MCE's opening brief, bundled customer indifference is not a static, time-specific determination, but rather it is a determination that is tracked over a span of time.²⁸ This is seen most clearly in the context of negative indifference amounts. If bundled customer indifference were measured at a single point in time, a negative indifference amount would immediately violate the standard, since this amount reflects the fact that bundled customers are better off by the departure of customers (an outcome expressly prohibited by the Commission). However, the Commission has allowed the *carry-forward* of negative indifference amounts in order to *eventually* result in bundled customer indifference. The same holds true with respect to a Temporary PCIA Cap. In the case of a Temporary PCIA Cap, the positive indifference amount would be *carried-forward* based on the reasonable expectation that the PCIA evaluation workshop or other events could lead to certain offsetting

²⁸ See MCE Opening Brief at 10-12 (citing numerous Commission decisions addressing the tracking of indifference amounts over time; see, e.g., D.07-05-005 at 19 ["[I]n order to maintain indifference, both positive and negative indifference effects must still be tracked, with the negative amounts offsetting positive amounts."]).

indifference amounts. If this does not prove true (namely, if the PCIA evaluation workshop or other events do not lead to offsetting indifference amounts), the Commission can order PG&E to implement adjustments in the 2017 ERRRA proceeding that would address, over a reasonable period of time, the positive indifference amount associated with the Temporary PCIA Cap.²⁹

Second, any temporal impact on bundled customers associated with the Temporary PCIA Cap should be weighed against the fact that such impact is temporary and counter-balanced by the significant benefit that has already been realized by bundled customers due to the negative indifference balance. The impact is temporary insofar as MCE is only proposing that the balancing account be maintained during the pendency of the PCIA workshop period, and thereafter the balance can be disposed of in a manner reflective of the Commission's conclusions with respect to PCIA re-evaluation. The impact is counter-balanced insofar as any temporal detriment to bundled customers is counter-balanced by the fact that bundled customers have benefited *significantly* from PG&E's negative indifference balance. It is unfair and legally infirm for the Commission to be overly rigorous in its refusal to temporarily accommodate a positive indifference balancing account while, at the same time, seemingly ignoring the significant benefit that has already inured to bundled customers due to the negative indifference balance.

²⁹ It should be noted that, while it has little bearing on whether the Temporary PCIA Cap is in accord with the bundled customer indifference standard, the magnitude of the carried-forward amount is *relatively* small. MCE estimates that the amount associated with the Temporary PCIA Cap would be approximately \$63 million, which is derived as follows. In D.14-12-053, PG&E was authorized to collect \$61.1 million via the PCIA. (See D.14-12-053 at 21.) In the November Update in this proceeding, PG&E's requested revenue requirement for the PCIA in 2016 is \$135.7 million. (See November Update at 1.) The difference between the 2015 and 2016 PCIA-related revenue requirements is \$74.6 million (\$135.7 million - \$61.1 million = \$74.6 million), 15 percent of which (\$11.19 million) would be recovered immediately through the PCIA while \$63.41 million would be held in a balancing account pending the outcome of the PCIA workshop and related activity.

Third, while PG&E has created confusion in this regard, the record clearly reveals that this year's PCIA increase is **material and unprecedented**, particularly for residential customers. The current PCIA for residential customers (2012 Vintage) is \$0.01214 per kWh, which tracks relatively close to historical levels.³⁰ PG&E's proposed PCIA for residential customers (2012 Vintage) is \$0.02363 per kWh³¹ (an **increase** of \$0.01149 per kWh or a **95 percent increase** in the PCIA). This increase is staggering, particularly when compared with historical levels and when compared against the rate standard set by the Commission in the recent residential rate rulemaking proceeding (R.12-06-013). Again, PG&E has caused confusion in this area, arguing that it is curious that MCE was not concerned when the PCIA decreased between 2012 and 2013.³² PG&E's statement is specious, at best. The decline in 2013 (the only ***decrease*** in recent years) was minor in comparison to the proposed 2016 increase, and was quickly erased by successive increases in each of the last three years. Moreover, the "decrease" in 2013 still resulted in a positive PCIA (\$0.00607 per kWh). This year's proposed PCIA is ***materially*** different. As noted above, for modest amounts of electricity (500 kWh to 1,000 kWh) the most vulnerable residential customers (CARE customers) will pay between \$12 and \$24 a month for ***just the PCIA*** (**nothing else**), effectively doubling the current PCIA.³³

With these additional factors in view, it is right for the Commission to modify the Proposed Decision. Specifically, the Proposed Decision should be modified to limit the 2016

³⁰ See Exhibit MCE-1 (MCE Testimony) at 11; Table 3.

³¹ See PG&E's November Update at 44; Table 14-3.

³² See PG&E Opening Brief at 20.

³³ It is instructive to note that the PCIA amounts, and the swing in the PCIA from this year to next year, are well above the tolerance level over which the Commission wrestled mightily during the residential rate reform debate. (See MCE Opening Brief at 5-6 (referencing, among other things, the Commission's deliberations in R.12-06-013).)

increase in the PCIA to 15 percent, and to direct that PG&E should carry the remaining amount in a balancing account pending the outcome associated with the PCIA workshop.

IV. PROPOSED CHANGES

In accordance with Rule 14.3(c), and in light of the discussion above, MCE requests that the changes set forth in Attachment A be made to the Proposed Decision.

V. CONCLUSION

MCE thanks Administrative Law Judge Wilson and Commissioner Florio for their attention to the matters discussed herein.

Dated: December 3, 2015

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott Blaising", with a stylized flourish at the end.

Scott Blaising
Dan Griffiths

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Counsel for Marin Clean Energy

Attachment A: Redlined Changes to the Proposed Decision

Docket No.: A.15-02-009
Exhibit No.: MCE-01
Date: November 30, 2015
Witness: C.C. Song

**TESTIMONY OF MARIN CLEAN ENERGY ON THE POTENTIAL ANTI-COMPETITIVE
IMPACTS AND RISKS TO RATEPAYERS POSED BY PACIFIC GAS AND ELECTRIC
COMPANY'S ELECTRIC VEHICLE SERVICE EQUIPMENT DEPLOYMENT PROPOSAL**

**APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY FOR APPROVAL OF ITS
ELECTRIC VEHICLE INFRASTRUCTURE AND EDUCATION PROGRAM (U39E)**

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1 **TESTIMONY OF MARIN CLEAN ENERGY ON THE POTENTIAL ANTI-COMPETITIVE**
2 **IMPACTS AND RISKS TO RATEPAYERS POSED BY PACIFIC GAS AND ELECTRIC**
3 **COMPANY’S ELECTRIC VEHICLE SERVICE EQUIPMENT DEPLOYMENT PROPOSAL**

4 **I. INTRODUCTION**

5 Marin Clean Energy (“MCE”) is the first operational Community Choice Aggregator
6 (“CCA”) in California. MCE currently provides generation services to approximately 176,000
7 customer accounts throughout Marin County; the Cities of Benicia, El Cerrito, Richmond, and
8 San Pablo; and unincorporated Napa County. MCE’s customers receive generation services from
9 MCE, and receive transmission, distribution, billing and other services from Pacific Gas and
10 Electric Company (“PG&E”). MCE’s participation in this proceeding aims to ensure the
11 deployment of Electric Vehicle Service Equipment (“EVSE”) is implemented in a competitively
12 neutral manner that does not disadvantage non-Investor Owned Utility (“IOU”) Load Serving
13 Entities (“LSEs”) and their customers. Additionally, MCE advocates for the Phase 1 EVSE
14 deployment to be conducted within PG&E’s service territory in a manner that minimizes the risk
15 for stranded, ratepayer-funded EVSE assets and provides more rigorous studies that can inform
16 future EV market development policies.

17 Based on the publically available county-level data published by the California Clean
18 Vehicle Rebate Project (“CVRP”), MCE estimates it serves 2,852 Electric Vehicles (“EVs”)
19 within its service territory.¹ Additionally, MCE has prior experiences collaborating with local
20 municipal governments and transportation planning authorities within its service territory to site
21 and install publically accessible EVSE.

22 As a non-IOU LSE serving a growing number of EVs in its territory, MCE is concerned
23 that PG&E’s full ownership model will create an anti-competitive environment that would

¹ Estimated by aggregating data from zip codes within MCE’s territory. Center for Sustainable Energy (2015). California Air Resources Board Clean Vehicle Rebate Project, Rebate Statistics. Data last updated October 12, 2015. Retrieved November 20, 2015 from <https://cleanvehiclerebate.org/rebate-statistics>

1 inhibit other LSEs’ abilities to play a significant role in spurring EV adoption,² especially for
2 CCAs within PG&E’s service territory. Currently MCE and Sonoma Clean Power (“SCP”) are
3 the two operational CCAs within PG&E’s service territory; however, both San Francisco and
4 San Mateo counties are intending to launch CCAs in 2016.³ ⁴ Other communities, such as the
5 Counties of Alameda, Monterey, San Benito, and Santa Cruz, are expending significant
6 resources to consider launching their own CCAs. In addition, the full utility ownership model
7 takes away “skin in the game” for site hosts to fully realize the benefits of on-site EVSEs. This
8 can potentially pose risks of wasteful ratepayer funding if the installed EVSEs are underutilized.

9 MCE elaborates its concerns in the sections below, and recommends a “make-ready”
10 ownership model that allows customers the flexibility to choose retail electricity and EVSE
11 providers based on their needs and preferences. This model provides CCAs and local
12 governments the opportunities to choose their levels of involvement in deploying EVSEs within
13 their communities, such as: providing EVSE-specific tariffs, offering referral services,
14 coordinating with local and regional transit planning initiatives, and conducting comprehensive
15 outreach and education campaigns that target specific market segments. Allowing more parties to
16 participate in a competitively neutral EVSE deployment that is facilitated by ratepayer funding,
17 where appropriate, will ultimately result in greater innovations that enable customer choice and
18 market transformation to promote EV adoption and usage.

² PG&E Supplement to Application, pg. 17.

³ “Launch of CleanPowerSF Delayed Due to Contract Approvals, Business Review.” California Energy Markets, No. 1354. October 2, 2015.

⁴ “San Mateo County Advances Plan to Launch CCA Program in 2016.” California Energy Markets, No. 1356. October 16, 2015.

II. PG&E'S PROPOSALS SHOULD BE MODIFIED TO MINIMIZE ANTI-COMPETITIVE POTENTIAL AGAINST CCAS, AND PG&E SHOULD BE DIRECTED TO ENGAGE WITH CCAS IN ORDER TO FACILITATE COMPETITIVELY NEUTRAL EVSE DEPLOYMENT

A. PG&E's EVSE Program Proposals Create a Monopoly Where One Should Not Exist, and the Commission Should Direct PG&E to Provide Clarifications on Its Implementation Plan in CCA or Emerging CCA Territories

In accordance with the Joint Assigned Commissioner and Administrative Law Judges' Scoping memo and Ruling issued by the Commission on September 4, 2015, PG&E provided a revised Phase 1 EV Program proposal with a reduced scope of EVSE deployment, and shortened deployment schedule from its original Application request filed in February 2015. PG&E's revised proposal asks for permission to deploy 2,510 EVSEs across PG&E's service territory over 24 months by leveraging \$87 million of ratepayer funds. PG&E's revised proposal also included a supplemental proposal referred to as PG&E's "Enhanced Proposal" that would deploy a maximum of 7,530 EVSEs over 36 months, utilizing \$222 million of ratepayer funds. Both proposals maintained the full utility ownership model that many parties protested in their opening comments.⁵

PG&E will purchase and install equipment procured from the competitive marketplace, and own the infrastructure, including the service connection, supply infrastructure and charging equipment. PG&E ultimately will be responsible for the operations and maintenance of the charging equipment, through contracts with equipment and service providers as partners in the program delivery and ongoing operations. PG&E's EV service partners (PG&E's customer of record) will buy the electricity from PG&E to resell to EV drivers at agreed upon prices.⁶

⁵ Many protests filed by parties opposed the monopolistic full ownership model, including California Energy Storage Alliance, California Manufacturers & Technology Association, ChargePoint, Inc., City and County of San Francisco, Clean Fuel Connections, Inc., Consumer Watchdog, the National Federation of Independent Business Small Business Legal Center, NRG Energy, Inc., the Office of Ratepayer Advocates, the Technology Network, and The Utility Reform Network.

⁶ PG&E Supplement to Application, pg. 17.

1 While PG&E argued that this “turnkey” approach would eliminate the upfront cost
2 burden for site hosts, this approach would create an advantage for PG&E against CCAs and other
3 market participants. These proposals create anti-competitive potential for several reasons:

- 4 • PG&E would be the sole LSE in its service territory with direct administrative rights to
5 distribution ratepayer funds for the purpose of spurring EV adoption, even though CCAs are
6 striving to increase EV adoption within their service territories. This puts PG&E in a position
7 to abuse its role of distribution service provider to aid its competitive generation service
8 efforts.
- 9 • PG&E does not indicate how it plans to comply with the CCA Code of Conduct⁷ and
10 coordinate with CCAs if proposed EVSE sites are in CCA’s service territory, or in
11 jurisdictions that are pursuing the establishment of new CCAs. Therefore, PG&E could
12 potentially mislead its EVSE service partners to opt out of CCA generation service.

13 ***1. PG&E May Recover Costs from CCA Customers even if CCA Customers***
14 ***Do Not Directly Benefit from PG&E’s EV Program***

15 PG&E proposes to leverage ratepayer funds collected from distribution rates to cover the
16 costs of its EV program without detailing how it plans to collaborate with CCAs. If PG&E opts
17 to leave CCA customers out of parts of its EV program and still recover the costs associated with
18 the program in electric distribution rates, which CCA customers pay, CCA customers would be
19 subsidizing this program for the exclusive benefit of bundled ratepayers. To ensure generation-
20 related costs are not unfairly passed onto CCA customers, the Commission should direct PG&E
21 to provide greater transparency on its proposed spending, and to leverage partnerships with
22 CCAs whenever applicable during the Phase 1 deployment.

⁷ Decision 12-12-036 Adopting a Code of Conduct and Enforcement Mechanisms Related to Utility Interactions with Community Choice Aggregators, Pursuant to Senate Bill 790. December 20, 2012.

1 In its response to MCE’s data request, PG&E revealed that it “would not consider CCA
2 participation as a criterion in the site selection,” and the selection process will be indifferent to
3 site hosts’ choice of bundled or unbundled service.⁸ MCE acknowledges PG&E’s effort to be
4 indifferent towards CCAs, but remains concerned about the absence of testimony that
5 specifically addresses coordination with CCAs. Without plans to leverage CCA collaboration or
6 oversight by the CPUC, CCA customers may experience disproportionately fewer of the benefits
7 due to EVSE deployment while still bearing the full cost burden of the program.

8 MCE’s concern of generation-related cost-shifting is rooted in PG&E’s repeated attempts
9 to shift ratepayer funding allocations between its distinct generation and distribution lines of
10 business in order to gain competitive advantages over other LSEs. For example, in Application
11 (“A.”) 11-11-017, PG&E attempted to allocate the costs for its Smart Grid Pilot proposal
12 exclusively to electric distribution rates even though many of the potential benefits from this
13 pilot would be exclusively generation-related.⁹ Because CCA customers pay PG&E’s
14 distribution rates, but not PG&E’s generation rates, this shifting of funding across PG&E’s lines
15 of business would create a cross-subsidy in favor of PG&E’s bundled generation customers.¹⁰ In
16 the case of A.11-11-017, the Commission ultimately determined in Decision (“D.”) 13-03-032
17 that not all of PG&E’s Smart Grid Pilot proposal costs should be recovered from electric
18 distribution rates since not all of the benefits realized from these pilots would extend to PG&E’s
19 distribution customers.¹¹

20 Similarly, it is unclear if 100% of the costs that incurred by PG&E’s EVSE infrastructure
21 deployment program will be distribution related. Certain parts of the EVSE buildout may be

⁸ PG&E Responses to Data Request, MCE 001-06.

⁹ Brief of Marin Energy Authority regarding the Application of Pacific Gas and Electric Company for Adoption of Its Smart Grid Pilot Deployment Project, pg. 3-4.

¹⁰ *Id.*

¹¹ Decision 13-03-032, pg. 71.

1 inexorably linked to PG&E’s generation services, including aspects of program management and
2 Vehicle Grid Integration (“VGI”) pilots, and therefore should not be funded with distribution
3 ratepayer funds. If PG&E intends to fund the entirety of the EVSE deployment, then PG&E
4 should leverage its generation funds for the generation-related portions. If PG&E does not want
5 to leverage its generation funds, then ratepayer funds should only be leveraged for costs
6 associated with distribution infrastructure upgrades to make ready for EVSE installation.
7 Otherwise, CCA generation customers would pay twice for the same services, and do not
8 experience the same benefits as bundled customers.

9 **2. PG&E Could Improperly Lead EVSE Service Partners to Opt Out of**
10 **CCA Generation Service**

11 PG&E’s proposal could use ratepayer funds collected from all ratepayers’ via distribution
12 rates to install EVSE infrastructure while *requiring* the EV service partners operating the EVSEs
13 to purchase electricity generation service from PG&E.¹² While PG&E has stated that it would
14 not actively require its EV service partners to opt out of CCA service in CCA territories,¹³ the
15 absence of clear testimony that details the coordination with CCAs may result in PG&E taking
16 advantage of the information asymmetry with EV service partners. PG&E’s unique role as
17 administrator makes it privy to information that may not be as easily accessible to EV service
18 partners, and PG&E could neglect to educate these EV service partners regarding their full
19 options for competitive electricity supply services within territories where CCAs are the default
20 electricity providers.

21 In PG&E’s response to MCE’s data request regarding PG&E’s proposed treatment of
22 EVSEs in CCA territories, and in jurisdictions that are considering joining or forming their own

¹² PG&E Supplement to Application, pg. 18.

¹³ PG&E Responses to Data Request, MCE 001-04 and 001-06.

1 CCAs, PG&E indicated that the EV service partners “will have the decision-making power to opt
2 out or not opt out of applicable CCA service.”¹⁴ While MCE acknowledges that PG&E has made
3 some progress detailing how it will comply with the CCA Code of Conduct, PG&E has not yet
4 provided details regarding i) when and how EV service partners will receive information about
5 the local default electricity generation providers, ii) when or if CCAs will receive advanced
6 notice of EVSE deployment in their territories, and iii) whether CCAs will be provided with
7 EVSE deployment forecasting and data so CCAs can plan their procurement accordingly to meet
8 the new load growth. Without providing a plan to leverage and include CCAs, PG&E can
9 potentially both dissuade EV service partners from accepting electricity generation service from
10 CCAs.

11 PG&E does not have the statutory authority to be the default generation service provider
12 in MCE’s or other CCAs’ territories.¹⁵ As proposed, PG&E’s EVSE deployment program would
13 present risks for anti-competitive impacts on the LSE market. The Commission should *not*
14 approve PG&E’s EVSE deployment program in either revised or “enhanced” proposal format
15 without clarification on how PG&E intends to engage CCAs in its EVSE deployment efforts in
16 territories where CCAs are the default providers. Furthermore, the Commission should take
17 significant steps to ensure that PG&E’s administrator role within the EVSE deployment will not
18 allow PG&E to abuse this role for anti-competitive gains.

19 **B. PG&E Must Directly Engage With CCAs to Facilitate EVSE Deployment**

20 MCE and SCP are the two fully formed CCAs in PG&E’s territory, and more CCAs are
21 expected to become operational in the near future. In fact according to PG&E’s own testimony in
22 the 2017 Generate Rate Case proceeding, PG&E forecasts there will be 1.1 million ratepayers

¹⁴ PG&E Responses to Data Request, MCE 001-04 and 001-06.

¹⁵ California Public Utilities Code Section 366.2.

1 participating in CCA service by 2017.¹⁶ CleanPowerSF of the City and County of San Francisco
2 expects to begin its customer enrollment in early to mid-2016,¹⁷ and San Mateo County plans to
3 launch its own CCA in mid to late 2016.¹⁸ All of these counties have significant EV adopters,¹⁹
4 and can help achieve California's climate policy goal of expanding EV adoption by providing
5 adequate support to their community members through targeted outreach, public education, and
6 referral services.

7 The Commission should direct PG&E to leverage and collaborate with the CCAs within
8 its service territory to facilitate EVSE deployment in communities where CCAs are present or
9 will be forming. Leveraging CCAs can both ensure that CCA ratepayers will be able to take
10 advantage of incentives and services provided by the EV program, and that PG&E's
11 implementation will be carried out in a competitively neutral manner that does not unfairly
12 disadvantage CCAs and CCA customers.

13 As not-for-profit local government entities, CCAs are connected to local communities
14 through community partners and locally elected leaders who are on their boards of directors.
15 CCAs make decisions that are not compelled by shareholder profits, but rather by local
16 community needs and the resultant GHG emissions reductions that would come from increased
17 EV usage. These attributes are motivations that drive CCAs to facilitate effective EV deployment
18 in their territories.

¹⁶ PG&E Generate Rate Case 2017 Prepared Testimony, Exhibit 8 pg. 15-16.

¹⁷ "Launch of CleanPowerSF Delayed Due to Contract Approvals, Business Review." California Energy Markets, No. 1354. October 2, 2015.

¹⁸ "San Mateo County Advances Plan to Launch CCA Program in 2016." California Energy Markets, No. 1356. October 16, 2015.

¹⁹ Residents in San Francisco County have been issued 2,718 CVRP rebates, and 5,177 CVRP rebates have been issued to San Mateo County residents. Data obtained from Center for Sustainable Energy (2015). California Air Resources Board Clean Vehicle Rebate Project, Rebate Statistics. Data last updated October 25, 2015. Retrieved October 30, 2015 from <https://cleanvehiclerebate.org/rebate-statistics>

1 MCE's service territory already observes a healthy baseline of EV adoption. Since it is
2 not yet known how the increased deployment of EVSE will influence EV adoption, MCE's
3 service territory could provide a superior testing environment for analyzing and quantifying the
4 correlations between EVSE infrastructure build-out and increased adoption and usage rates of
5 EVs. Since MCE serves a socioeconomically and geographically diverse customer base located
6 along several significant transportation corridors, pilots can be implemented in MCE's territory
7 to determine which policies can best overcome income and geographic barriers for EV adoption.

8 Additionally, as part of its Commission authorized administration of Energy Efficiency
9 funds, MCE is already engaging with the hard-to-reach segments of its community base, such as
10 Multi-Unit Dwellings ("MUD"). The relationships MCE has built will enable MCE to target
11 customer segments that have the greatest barriers to EVSE deployment, including MUDs and
12 small commercial customers. MCE can leverage its relationships with community partners to
13 build community outreach programs that can increase consumer awareness of the benefits of
14 driving EVs, recruit participants for potential pilot programs, and determine strategic locations
15 for EVSE installations that will maximize utilization.

16 **C. PG&E Should Leverage the Statewide Energy Upgrade California Brand for**
17 **Its EVSE Marketing, Education and Outreach Activities**

18 MCE supports making Energy Upgrade California ("EUC") a comprehensive consumer
19 platform for all Integrated Demand Side Management ("IDSM") programs, including EVs.²⁰ The
20 Commission should direct PG&E and other IOUs to plan and coordinate its Marketing,
21 Education and Outreach ("ME&O") activities with the statewide EUC administrator, and funding
22 for ME&O should be directed to the statewide EUC administrator. The third-party administrator

²⁰ Opening Comments of Marin Clean Energy on the Statewide Marketing, Education and Outreach Program, November 20, 2015.

1 can streamline the channels where consumers receive information about new technologies,
2 ensure competitively neutral marketing materials that are agnostic to technologies or LSEs, and
3 provide more transparency and accountability metrics to measure PG&E's and other IOUs'
4 progress in meeting its ME&O objectives.

5 To ensure a greater degree of ME&O coordination, the Commission can designate EVs as one of
6 the main jointly planned ME&O campaigns of EUC, and authorize the joint planning process for
7 EVSE deployment to begin in the third or fourth quarter of 2016 instead of 2017. The
8 Commission can also open a track through the Order Instituting Rulemaking (R. 13-11-007) to
9 focus on ME&O, for which the Green Power Institute ("GPI") and the Joint Minority Parties
10 ("JMP") have recently submitted a motion.²¹ Both approaches will allow stakeholders, including
11 ratepayer advocates, technology providers, IOUs, CCAs, and others to share lessons learned to
12 help develop ME&O campaigns that adhere to competitive neutrality and can meaningfully spur
13 the adoption of EVs.

14 **III. PG&E'S MODEL OF FULL OWNERSHIP OF EVSES POSES RISKS TO**
15 **RATEPAYERS, AND SHOULD BE MODIFIED AFTER THE "MAKE-READY"**
16 **MODEL IN THE SCE'S PHASE 1 SETTLEMENT TO MINIMIZE RISKS**

17 **A. Utility Ownership of EVSE May Pose Substantial Risks to Ratepayers**

18 PG&E's full utility ownership approach model may result in insufficient benefits to
19 ratepayers while raising the cost of electricity.

20 First, the utility ownership model may lead to stranded assets that are underutilized and
21 completely funded by ratepayers. Muting the price signal and the ability of the site hosts to make
22 decisions based on their specific needs may diminish site hosts' willingness to participate, let

²¹ Joint Motion for a New Track Focused on EV Education and Outreach, November 19, 2015.

1 alone actively ensure the utilization of on-site charging stations.²² The utility ownership model
2 also takes away the flexibility that allows site hosts to choose equipment and services that will
3 most adequately meet the site host's needs, preferences, and budget. As ChargePoint explained
4 in its protest to PG&E's Application, PG&E's ownership model "will eliminate customer choice
5 and customer investment by replacing network services on the market with a single centralized
6 network and utility-centered procurement process."²³

7 Second, allowing utilities the ability to recover their EVSE investment costs completely
8 through ratepayer funds may provide a disincentive to deploy EVSE in the most cost-effective
9 fashion since ratepayer funds will be the primary revenue in the first few years of deployment.
10 The revenue will not likely be generated through electricity sales tied to charging incidents
11 before the EV market reaches economies of scale. Allocating the entire costs of installation and
12 ownership to the rate base may eliminate the incentive for utilities to minimize the costs of
13 installing EVSEs, or install EVSEs at sites where utilization will be high and deployment costs
14 will be lower.²⁴ In contrast, private firms that are not able to recover in rates the costs of
15 installing EVSEs will seek to minimize the costs of deployment and maximize revenue by
16 installing EVSEs at locations that have greater utilization potential. Furthermore, no peer-
17 reviewed study so far has found a causal link between increasing the availability of EVSEs and
18 greater EV adoption, and PG&E's original Application and the recently filed Supplement have
19 language that assumes this unconfirmed causal link.²⁵ While the availability and accessibility of

²² DeShazo, JR. Utility Ownership of Electric Vehicle Charging Stations: An Environmental Economist's Perspective. Draft White Paper. May 28, 2015.

²³ Protest of ChargePoint, Inc. and Clean Fuel Connection, Inc. to Pacific Gas and Electric Company's (U 39 E) Electric Vehicle Infrastructure and Education Program Application, pg. 5.

²⁴ DeShazo, JR. Utility Ownership of Electric Vehicle Charging Stations: An Environmental Economist's Perspective. Draft White Paper. May 28, 2015.

²⁵ PG&E Electric Vehicle Infrastructure and Education Program Prepared Testimony, Chapter 1-9, February 9, 2015.

EVSEs may be one factor that is associated with EV adoption, there are other factors that drive EV adoption, including income, knowledge spillover, and access to High-Occupancy Vehicle (“HOV”) lanes.^{26 27} MCE acknowledges the importance of making EVSEs more available to reduce range anxiety, but before a causal relationship between EVSE availability and EV market growth can be established, ratepayer funds should be spent prudently.

B. PG&E Should Pursue the Make-Ready Approach Similar to Southern California Edison’s (“SCE”) Phase 1 Settlement

MCE believes that it would be prudent to approach PG&E’s proposed EV Program in a “make-ready” manner that is similar to the SCE’s Phase 1 Settlement (“SCE Settlement”). In the SCE Settlement, SCE limited its role to provide electric infrastructure upgrades and manage EV load to support the grid.²⁸ Site hosts are responsible for the costs associated with installing the EVSE, and SCE provides rebates of varying amount based on the market segment categorization of the site receiving the EVSE installation.²⁹ The make-ready approach can ensure competitive neutrality between different LSEs, and minimize the risks associated with underutilized stranded ratepayer assets.

The CPUC should direct PG&E to limit its role in EVSE deployment to providing electric infrastructure upgrade and ensuring distribution grid stability as more EVs and EVSEs are deployed. This approach will ensure that PG&E does not have the opportunity to unfairly

²⁶ Griskevicius, Vladas, Joshua M. Tybur, and Bram Van den Bergh. “Going Green to Be Seen: Status, Reputation, and Conspicuous Consumption.” *Interpersonal Relations and Group Processes*. June 2009.

²⁷ Learning from California’s Early Plug-in Electric Vehicle Market Growth and Policies Experiments: 2010-2015. UCLA Luskin Center, October 2015.

²⁸ Motion for Approval of Phase 1 Settlement Agreement between and among Southern California Edison Company (U 338-E), American Honda Motor Co., Inc., CALSTART, The California Energy Storage Alliance, ChargePoint, Inc., Coalition of California Utility Employees, Environmental Defense Fund, General Motors, LLC., Greenlining Institute, Natural Resources Defense Council, NRG Energy, Inc., The Office of Ratepayer Advocates, Plug In America, Sierra Club, The Utility Reform Network, and Vote Solar, pg. 6-7.

²⁹ *Id.*, pg. 8.

1 compete with CCAs in providing generation service to newly installed EVSEs. By focusing on
2 providing distribution upgrade and benefits, PG&E can still play a role in reducing the cost
3 barrier for EV adoption, while ensuring that all ratepayers, including those served by CCAs, are
4 not adversely impacted by the increased load tied to more EV adoption.

5 The make-ready approach will also move California closer to the “plug and play”
6 distribution energy resource vision shared by the Commission and many other stakeholders. By
7 reducing the infrastructure cost barrier, more technology and service providers can actively
8 participate in the market to enable more customer choice. This approach will still achieve the
9 Governor’s and California state climate policy goal to provide grid infrastructure to support the
10 deployment of 1 million Zero Emission Vehicles (“ZEVs”) by 2020, and protect ratepayers from
11 shouldering the risks associated with new technology adoption. The make-ready approach will
12 provide the potential for PG&E and interested parties to develop quantitative analysis and
13 qualitative lessons learned from the initial phase to inform EVSE deployment and outreach in
14 Phase 2.

15 **IV. CONCLUSION**

16 Founded on the principle to reduce climate change by increasing renewable energy
17 generation and the adoption of energy efficient technologies, MCE appreciates the steps that the
18 Commission and other stakeholders have taken to strengthen California’s leadership in climate
19 policies. MCE recognizes that deploying more electric vehicles and charging infrastructure is
20 one of the steps that will bring California closer to a strong distributed energy future, and
21 acknowledges the importance of the role of ratepayer funded activities.

22 MCE supports the Commission’s undertaking in examining the utilities’ EV program
23 proposals, and intends to continue to be an active participant in the PG&E proceeding to ensure

1 that ratepayer funds will be spent prudently to produce meaningful results that can inform the
2 design and implementation of future EV deployment programs. While MCE acknowledges that
3 PG&E has gone through tremendous efforts to design its EV program proposals, they pose many
4 risks that may jeopardize market competition, stifle innovation, and lead to stranded ratepayer
5 assets.

6 PG&E's proposals should not be adopted without modifications. In particular, MCE
7 recommends the Commission to direct PG&E to provide greater details on its treatment of CCAs
8 and jurisdictions actively pursuing CCAs during its deployment. The Commission should also
9 direct PG&E to revise its full utility ownership model of EVSEs to a make-ready model that is
10 similar to the SCE Phase 1 Settlement in order to minimize the risks imposed on ratepayer funds.

1

MCE EXHIBITS

2

EXHIBIT A:

PG&E'S RESPONSES TO MCE'S DATA REQUEST

PACIFIC GAS AND ELECTRIC COMPANY
Electric Vehicle Infrastructure and Education Program
Application 15-02-009
Data Response

PG&E Data Request No.:	MCE_001-04		
PG&E File Name:	EV Infrastructure_DR_MCE_001-Q04		
Request Date:	June 16, 2015	Requester DR No.:	001
Date Sent:	June 30, 2015	Requesting Party:	Marin Clean Energy
PG&E Witness:	David Almeida	Requester:	Jeremy Waen/ Elizabeth Kelly

SUBJECT: PROPOSAL-SPECIFIC MATTERS

QUESTION 4

Will PG&E market its EVSE program to communities either participating in or actively pursuing CCA service?

- a. If so, how will this marketing comply with SB 790 and the Code of Conduct?
- b. If so, how would this marketing differ from EVSE-related marketing efforts conducted within PG&E's service territory in communities that are not either participating in or actively pursuing CCA service?

ANSWER 4

- a. PG&E will market its EVSE program to communities throughout its service territory, including in compliance with the SB 790 Code of Conduct and applicable CPUC rules to communities either participating in or actively pursuing CCA service.
- b. In compliance with the SB 790 Code of Conduct, PG&E's marketing efforts will not differ between CCA and non-CCA communities based on their CCA status.

PACIFIC GAS AND ELECTRIC COMPANY
Electric Vehicle Infrastructure and Education Program
Application 15-02-009
Data Response

PG&E Data Request No.:	MCE_001-06		
PG&E File Name:	EV Infrastructure_DR_MCE_001-Q06		
Request Date:	June 16, 2015	Requester DR No.:	001
Date Sent:	June 30, 2015	Requesting Party:	Marin Clean Energy
PG&E Witness:	James Ellis	Requester:	Jeremy Waen/ Elizabeth Kelly

SUBJECT: PROPOSAL-SPECIFIC MATTERS

QUESTION 6

Will PG&E have the decision making power to opt-out of CCA service for any of the EVSE built in a CCA service territory?

ANSWER 6

Under PG&E's current proposal, the customer of record for the EVSE installations will be the EV services partner. The EV services partner, not PG&E, will have the decision-making power to opt-out or not opt-out of applicable CCA service.

1 **MCE APPENDICES**

2 **APPENDIX A: STATEMENT OF QUALIFICATIONS**

3 Q1 C.C. Song, please state your name, position, and address.

4 A1 My name is C.C. Song. I am the Regulatory Analyst at Marin Clean Energy. My business
5 address is 1125 Tamalpais Avenue, San Rafael, CA 94901.

6 Q2 Please describe your background.

7 A2 I am a full-time employee for the Marin Clean Energy where I fulfill the role of
8 Regulatory Analyst. I participate in proceedings on MCE's behalf on a wide range of topics that
9 include, among others, utility ratemaking, distributed energy resources, and implementation of
10 state policies on the electricity sector. Prior to working at MCE, I was a Program Manager at the
11 Luskin Center for Innovation at the University of California, Los Angeles Luskin School of
12 Public Affairs. There I managed research projects and grant proposals related to factors that
13 drive electric vehicle deployment, and developed electric vehicle service equipment siting
14 analyses for local agencies. I hold a Master of Public Policy from the University of California,
15 Los Angeles, and a Bachelor of Arts in Political Science and Creative Writing from the
16 University of Michigan located in Ann Arbor, Michigan. My resume is attached as Exhibit B.

17 Q3 What is the purpose of your testimony?

18 A3 I am sponsoring the "Testimony of Marin Clean Energy on the Potential Anti-
19 Competitive Impacts and Risks to Ratepayers Posed by Pacific Gas and Electric Company's
20 Electric Vehicle Service Equipment Deployment Proposal."

21 Q4 Does this conclude your statement of qualifications?

22 A4 Yes.

APPENDIX B: RESUME OF C.C. SONG

Education

University of California, Los Angeles, Luskin School of Public Affairs (Graduated 2015)

Master in Public Policy

Concentration in Energy and Environmental Policy

University of Michigan, Ann Arbor (Graduated 2008)

B.A. Political Science, B.A. English, B.A. Creative Writing, B.A.

University Honors

Experience

Marin Clean Energy San Rafael, CA

Jul. 2015-Present **Regulatory Analyst**

- Authored analysis and regulatory documents for CPUC proceedings related to emerging technologies, including electric vehicle, demand response, renewable energy.
- Drafted comments to advocate for MCE and community choice aggregation at the California Energy Commission and the California Independent System Operator.
- Managed energy efficiency and electricity rate implementation projects.

Eos Consulting Los Angeles, CA

Mar. 2014-Jun. 2015 **Policy Analyst**

- Analyzed and recommended economic development, workforce development, and technology acceleration and adoption policies for implementations at the Los Angeles Department of Water and Power.
- Designed policy analysis relevant to sustainability and economic development, including land use, transportation, economic development, affordable housing, government incentives, and zoning in the City of Los Angeles.
- Conducted interviews with industry and civic leaders on economic development opportunities and barriers to inform local government investment recommendations.
- Produced interview guidelines, research summaries, and interview questions for research focus groups.

Luskin Center for Innovation, UCLA Los Angeles, CA

Sept. 2013- Jun. 2015 **Project Manager, Electric Vehicles Program**

- Managed electric vehicle siting analysis projects and drafted analysis for local government implementations.
- Conducted quantitative and qualitative research on California's plug-in electric vehicle policy incentives to inform state regulation updates.

- 1 ▪ Managed grant administration for grant awards over \$400k for various
- 2 initiatives related to electric vehicles and grid infrastructure.
- 3 ▪ Maintained communications with various regulatory agencies, including the
- 4 California Public Utilities Commission, California Energy Commission, and
- 5 South Coast Air Quality Management District.

6 **Rebuild the Dream**

Los Angeles, CA

7 Sept. 2011- Aug. 2013 **Program Associate/Executive Assistant to the President**

- 8 ▪ Prepared talking points on a variety of public policies for the President's
- 9 media and public appearances.
- 10 ▪ Maintained a database of VIP, donor, and celebrity contacts for fundraising
- 11 and publicity.
- 12 ▪ Developed communications strategies with progressive think tanks on
- 13 economic policies.
- 14 ▪ Organized staff retreats logistics, and assisted in facilitating training and
- 15 strategy sessions.

16 **Greenlining Institute**

Berkeley, CA

17 Sept. 2010-Aug. 2011 **Green Assets Fellow**

- 18 ▪ Conducted research and analysis on environmental and energy legislative
- 19 proposals and policies being implemented through regulatory agencies.
- 20 ▪ Participated in drafting legislative proposals and working with statewide
- 21 environmental coalitions to advance environmental policies.
- 22 ▪ Analyzed the impact of AB 32 electric sector cap-and-trade revenue allocation
- 23 and assisted Legal Counsel in formulating drafting regulations in regulatory
- 24 rulemaking proceedings at the California Public Utilities Commission.
- 25 ▪ Determined program's policy priorities and hired personnel to manage new
- 26 policy priorities.
- 27 ▪ Managed grant proposals and grant reporting with foundations.

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

Order Instituting Rulemaking to Consider
Alternative-Fueled Vehicle Programs, Tariffs, and
Policies

Rulemaking R.13-11-007
(Filed November 14, 2013)

Application of San Diego Gas & Electric Company
(U 902 E) for Approval of its Electric Vehicle-Grid
Integration Pilot Program

Application A.14-04-014
(Filed April 11, 2014)

**RESPONSE OF MARIN CLEAN ENERGY
ON JOINT MOTION FOR A NEW TRACK FOCUSED
ON EV EDUCATION AND OUTREACH**

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December 4, 2015

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

Order Instituting Rulemaking to Consider
Alternative-Fueled Vehicle Programs, Tariffs, and
Policies

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(U 902 E) for Approval of its Electric Vehicle-Grid
Integration Pilot Program

Application A.14-04-014
(Filed April 11, 2014)

**RESPONSE OF MARIN CLEAN ENERGY
ON JOINT MOTION FOR A NEW TRACK FOCUSED
ON EV EDUCATION AND OUTREACH**

I. INTRODUCTION

Pursuant to Rule 11.1 of the CPUC Rules of Practice and Procedure, Marin Clean Energy (“MCE”) respectfully submits the following response to the *Joint Motion for a New Track Focused on EV Education and Outreach* (“Joint Motion”) filed on November 19, 2015 by the Green Power Institute (“GPI”) and the Joint Minority Parties (“JMP”).

II. RESPONSE OF MCE

A. MCE Supports the Motion to Create a New Track Focused on Education and Outreach

The Joint Motion demonstrated that there is a need for greater focus on Education and Outreach (“E&O”) efforts to expand EV deployment. The studies cited in the Joint Motion showed that EV sales have slowed down in recent years, and the public is still not fully aware of the benefits and incentives associated with EV purchases. The lack of awareness poses great

barriers for consumer acceptance—“The purchase of a new vehicle is typically a lengthy process that often involves substantial research and is strongly affected by consumer perceptions,” according to a report produced by the National Research Council of the National Academy of Science. The process of installing EV chargers, the complexities of determining fuel costs and savings, and the lack of information on incentives, among many other reasons, contribute to consumers’ unwillingness to switch from conventional internal combustion engine vehicles to electric vehicles.

MCE agrees with GPI and JMP that the Commission should commence a new track focused on E&O that begins in early 2016, before the IOUs start to implement their EVSE deployment plans. First, the new track can provide a forum for IOUs and other interested parties to coordinate closely on E&O activities that can best spur consumer acceptance. Second, early planning can ensure that ratepayer funds will be spent prudently and in a competitively neutral manner on coordinated E&O efforts, once the IOUs begin EVSE deployment.

B. The E&O Track Should Coordinate Closely with Energy Upgrade California

MCE believes that the E&O track should leverage the Energy Upgrade California (“EUC”) brand and coordinate with the chosen third party administrator. This can elevate the visibility of the EUC brand and streamline the channels from which consumers receive information about new technologies. Close coordination with the administrator of EUC can also avoid duplicative spending of ratepayer fund, pursuant to the directions set forth by Resolution E-4611.

As the energy technology field continues to evolve towards more integration of demand-side resources, including EVs, consumers are constantly barraged with information. This tends to overwhelm consumers and reduce their incentives to take actions. Coordinating with the EUC

brand administrator can ensure that consumers will have more seamless experiences when they make decisions about energy upgrades, including EVs.

III. CONCLUSION

MCE thanks Assigned Commissioner Peterman and Assigned Administrative Law Judge Wong for the opportunity to provide the response to support the Joint Motion.

Respectfully submitted,

/s/ C.C. Song

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December 4, 2015

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

Application of Pacific Gas and Electric Company
for Approval of 2013-2014 Statewide Marketing,
Education and Outreach Program and Budget.
(U39M)

Rulemaking 12-08-007
(Filed August 2, 2012)

And Related Matters.

Application 12-08-008
Application 12-08-009
Application 12-08-010

**OPENING COMMENTS OF MARIN CLEAN ENERGY
ON THE STATEWIDE MARKETING, EDUCATION AND OUTREACH PROGRAM**

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November 20, 2015

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

Application of Pacific Gas and Electric Company
for Approval of 2013-2014 Statewide Marketing,
Education and Outreach Program and Budget.
(U39M)

Rulemaking 12-08-007
(Filed August 2, 2012)

And Related Matters.

Application 12-08-008
Application 12-08-009
Application 12-08-010

**OPENING COMMENTS OF MARIN CLEAN ENERGY
ON THE STATEWIDE MARKETING, EDUCATION AND OUTREACH PROGRAM**

I. INTRODUCTION

Pursuant to the directions set forth in the *Amended Scoping Memo and Ruling of Assigned Commissioner* (“Ruling”) issued on October 26, 2015, Marin Clean Energy (“MCE”) respectfully submits the following comments. MCE limits its comments to the questions related to the vision and structure of statewide Marketing, Education and Outreach (“ME&O”) Program. As the demand-side resource services field continues to evolve and expand, the statewide Energy Upgrade California (“EUC”) brand should not be solely focused on Energy Efficiency (“EE”). Rather, EUC should strive to break down the many silos of demand-side resource programs.

MCE envisions the statewide ME&O Program to be a comprehensive platform that increases consumers’ awareness of demand-side technologies and incentive programs, and empowers consumers to take actions with their local demand-side resource services providers. MCE supports the structure of a single statewide party that is agnostic to Load Serving Entities (“LSE”) and technology providers, which will be crucial for the state to market demand-side

resource programs in a competitively neutral manner. The statewide administrator should aim and be empowered to elevate collaboration and coordination between the statewide ME&O administrator and various demand-side resource program administrators and providers. To avoid duplicative ME&O efforts and to streamline the spending of ratepayer funds prudently, ME&O-related funds for various demand-side resource deployment programs, including Electric Vehicle (“EV”) infrastructure and Energy Storage (“ES”), should be directed to the EUC administrator.

II. BACKGROUND

MCE is the first operational CCA within California. MCE currently provides generation service to approximately 170,000 customer accounts throughout Marin County, unincorporated Napa County, and the Cities of Richmond, San Pablo, El Cerrito, and Benicia. MCE’s customers receive generation services from MCE, and receive transmission, distribution, billing and other services from PG&E. There are two additional CCAs currently serving customers within California—Sonoma Clean Power (“SCP”) within PG&E’s service territory, and Lancaster Choice Energy (“LCE”) within Southern California Edison’s (“SCE”) territory.

MCE actively engaged in Phase 2 of this proceeding to advocate for a competitively neutral third party statewide ME&O administrator. MCE has also participated time and again in proceedings before the Commission dealing with ME&O efforts for specific proposals, including: (i) the implementation of the California Climate Credit (“CCC”) as part of the Cap-and-Trade (“C&T”) program implementation within the Rulemaking (“R.”) 11-03-012 and related Applications (“A.”) 13-08-026 *et al.*, and (ii) the Applications seeking approval of the IOUs’ proposals for utility build-out of Electric Vehicle Service Equipment (“EVSE”) with ratepayer funds (A.14-04-014, A.14-10-014, A.15-02-009, and R.13-11-007).

III. RESPONSES TO QUESTIONS WITHIN THE SCOPING MEMO AND RULING

A. Vision of Statewide Marketing, Education and Outreach

Doubling California's building energy efficiency by 2030 will require significant efforts to provide clear pathways for consumers to leap from awareness to actions. MCE believes that the statewide ME&O administrator should lead the charge in creating a platform for consumers to learn about demand-side technologies and take advantage of various state, local, and private sector opportunities and incentives to adopt these technologies. While the statewide ME&O administrator should serve the role to provide consumers with knowledge, service providers such as LSE and REN programs are the implementers who can fulfill the actions that consumers want to take. Therefore the statewide ME&O administrator should also aim to drive consumers to their local demand-side service providers.

This vision is motivated by MCE's experience as an Energy Efficiency ("EE") program administrator. MCE acknowledges that as the EE service field continues to evolve, the options available to consumers and the choices they have to make will increase. Very often, consumers resort to inactions because of the overwhelming amount of information they have received. The statewide ME&O administrator can serve as the one-stop shop for information about demand-side technologies, thus eliminating the need for consumers to visit different sources to learn about energy saving options that are available to them.

Based on the consumers' needs, budgets, and location, the statewide ME&O administrator can drive consumers to their local service providers to pursue actions that will lead to energy savings. The local providers can include contractors, third-party technology providers, RENs, IOUs, and CCAs. Regardless of the provider, the statewide ME&O should provide

detailed information about their services to ensure that consumers are able to make informed choices that will lead to implementation of demand-side resources.

B. Goals of Statewide Marketing, Education and Outreach

MCE has no specific revisions for the current goals and guidance to direct statewide ME&O.

C. Structure of Statewide Marketing, Education and Outreach

MCE believes that a more collaborative planning process and closer coordination of ME&O activities between the statewide ME&O administrator and different stakeholders will be crucial in creating a more seamless experience consumers have with the statewide EUC brand, the ME&O administrator, and demand-side resource service providers. Cohesive planning and coordination can also ensure a more transparent process of developing program objectives and metrics, and create more accountability for service providers to meet these objectives and metrics.

The statewide ME&O administrator should lead coordination efforts with California state energy agencies, IOUs, POU, CCAs, third party technologies providers, and other stakeholders to develop high-level ME&O strategies for each demand-side resource program prioritized by the state. This collaborative planning process can ensure the competitive neutrality of marketing materials, increase the visibility of the state EUC brand, and reduce the duplicative spending of ratepayer funds.

Currently, stakeholders function in silos when they plan their ME&O activities that may not always properly promote the statewide EUC brand, and have separate messaging, communication channels, and objectives and metrics for individual program evaluations.

Providing the statewide ME&O administrator the ability to develop a holistic action plan with

different stakeholders in advance can ensure more efficiency in executing ME&O activities. The Commission should also enable the ME&O administrator to develop a set of standard metrics with stakeholders to hold program implementers accountable to their program objectives.

D. The Request for Proposal (RFP) Process

MCE thinks that the CPUC staff should administer the solicitation process to ensure competitive neutrality. The CPUC staff should develop the RFP criteria and eligibility requirements, and score bids submitted by contractors. Based on the final score, the CPUC staff would select the next statewide ME&O administrator.

If the CPUC staff decides to create a stakeholder group to solicit advice on developing RFP criteria and eligibility requirements, the stakeholder groups should have representation of different types of stakeholders, including ratepayer advocates, third-party technology providers, IOUs, and CCAs. To meaningfully engage groups that may not have the resources to participate in this advisory process otherwise, the Commission should avail intervenor compensation for ratepayer advocates.

Ultimately, the RFP process should follow the standard CPUC solicitation process for independent evaluators, and the process and decision should be managed and made by CPUC staff.

E. Budget

MCE does not have specific inputs on the appropriate annual funding level.

F. Contract Management and Governance

MCE thinks the current governance structure is meeting the goal for strong oversight.

IV. CONCLUSION

MCE thanks Assigned Commissioner Peterman and Assigned Administrative Law Judge Stephen Roscow for the opportunity to provide these comments on parties' NEM proposals.

Respectfully submitted,

/s/ C.C. Song

C.C. Song
Regulatory Analyst
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November 20, 2015



Dawn Weisz
Executive Officer

Damon Connolly
Chair
City of San Rafael

Kathrin Sears
Vice Chair
County of Marin

Bob McCaskill
City of Belvedere

Sloan C. Bailey
Town of Corte Madera

Larry Bragman
Town of Fairfax

Kevin Haroff
City of Larkspur

Garry Lion
City of Mill Valley

Denise Athas
City of Novato

Tom Butt
City of Richmond

Carla Small
Town of Ross

Ford Greene
Town of San Anselmo

Ray Withy
City of Sausalito

Emmett O'Donnell
Town of Tiburon

Marin Clean Energy
781 Lincoln Ave., #320
San Rafael, CA 94901

1 (888) 632-3674
mceCleanEnergy.org

November 10, 2015

California Energy Commission
Dockets Unit

Re: Docket No. 15-IEPR-01
1516 Ninth Street, MS 4
Sacramento, CA 95814-5512
via email docket@energy.ca.gov

Re: 2015 Draft Integrated Energy Policy Report

Marin Clean Energy ("MCE") hereby submits its comments on the 2015 Draft Integrated Energy Policy Report ("IEPR") promulgated by the California Energy Commission ("CEC"). MCE applauds the tremendous endeavors that the CEC staff undertook to produce the draft IEPR to provide guidance on California's energy planning in coming years. MCE respectfully requests that the CEC acknowledge the leadership Community Choice Aggregators ("CCA") have taken to drive Energy Efficiency ("EE") adoption and promote the consumption of renewable electricity by including forecasts of the impacts of CCAs within the Energy Efficiency, Decarbonizing the Electricity Sector, and Electricity Demand Forecast chapters in the final 2015 IEPR. Additionally, MCE requests that CCA supply and demand data be clearly represented within the 2015 IEPR work papers so that they can properly inform the Long-Term Planning Process overseen by the CPUC.

I. Introduction

MCE is the first of the three operational CCAs in California; the other two being Sonoma Clean Power ("SCP") in Sonoma County, and Lancaster Choice Energy ("LCE") in northern Los Angeles County. MCE currently provides generation services to over 176,000 customer accounts throughout Marin County; unincorporated Napa County; and the cities of Benicia, El Cerrito, Richmond, and San Pablo. MCE has received several requests from other municipalities to join MCE's territory, including cities in Napa, Contra Costa, and Yolo counties. MCE's customers receive generation services from MCE, and receive transmission, distribution, billing and other services from Pacific Gas and Electric Company ("PG&E"). MCE is also an EE Program Administrator approved by the California Public Utilities Commission ("CPUC") to implement EE programs using ratepayer funds.

MCE offers three electricity products to its customers, and all products have renewable contents that have far exceeded the State's minimum requirement of 33%:

- Light Green: MCE's default product, and 56% of the Light Green power mix came from renewable sources in 2014
- Deep Green: Customers can elect to pay a higher premium for this 100% renewable energy product
- Local Sol: 100% of the electricity for this product is generated by local solar projects

MCE is a not-for-profit public agency formed to reduce greenhouse gas emissions by providing communities within its service area with a choice to purchase a cleaner energy mix than what PG&E offers. MCE is governed by a Board of Directors, comprised of locally elected officials from municipalities within MCE's service territory.

II. Incorporating Strategies to Engage CCAs in Achieving Statewide Energy Efficiency Goals

MCE applauds the CEC's recognition of the importance of innovation in the Draft 2015 IEPR, and suggests specific changes that acknowledge the role of CCAs in administering energy efficiency programs, as well as specific challenges CCAs face in improving energy efficiency adoption. Some of these challenges are shared in common with other local governments or private third parties, such as data access and navigating building energy standard compliance.

a. Recognizing CCA's Role in Increasing Local Government Leadership in Energy Efficiency

MCE is the first CPUC-approved CCA EE Program Administrator ("PA") for all ratepayers in its service territory. As other CCAs form and mature, more CCAs may elect to apply for ratepayer funding at CPUC and funding from other sources to expand the reach and the effectiveness of their EE programs. Due to CCAs' inherent connections with local communities, they are primed to provide EE and other Integrated Demand Side Management ("IDSM") services that can be more responsive to various local needs than large Investor Owned Utilities ("IOU")

MCE recently submitted a proposal to the CPUC to become the default EE provider in its territory and expand the suite of program offerings to its customers. This reflects MCE's intention to lead in facilitating EE market transformation that will drive greater Greenhouse Gas ("GHG") emissions reduction. MCE's proposal included an innovative approach that will establish MCE as the Single Point of Contact ("SPOC") for its customers. SPOC will help MCE's customers achieve greater energy savings by streamlining the process by which customers receive information about eligible upgrades and incentives. Through SPOC, contractors will continuously identify

additional upgrade opportunities for customers that will ultimately achieve the goal of Zero Net Energy (“ZNE”) buildings.

The CEC’s 2015 IEPR and ongoing efforts to increase local government leadership in EE should recognize innovative programs administered by CCAs, and support promising CCA efforts to enable more innovative EE programs in their territories. The CEC should clarify if CCAs are eligible to apply for funding sources dedicated to local governments and utilities indicated by CEC in the Draft Report, including the reallocated American Recovery and Reinvestment Act (“ARRA”) funds for local government. MCE looks forward to working with the CEC, along with other CCAs and local governments, to develop opportunities that will empower local initiatives to further drive EE innovations.

b. Data Access

MCE appreciates the CEC’s acknowledgement of data access difficulties experienced by non-IOU entities, including local governments. MCE, much like other local governments, experiences similar difficulties in accessing EE data, and is making some progress by working with PG&E and the CPUC to obtain data that can better inform the deployment of MCE’s EE programs. MCE appreciates the specific actions that CEC is taking to work with the CPUC to identify data that can be made available to meet market needs. MCE also looks forward to CEC’s update on its Title 20 data collection regulations in 2016.

To the extent possible, ongoing efforts between the CEC and the CPUC to identify publically available data should engage stakeholders to refine the formats of these data. This will ensure that data are made available at levels of granularity that will be useful for various entities.

c. Engaging CCAs in implementing the 2016 Standards Update and the 2019 Standards Development Cycle

As the CEC takes the steps to implement the 2016 Standards Update to enhance the effect of updates on existing building, the efforts to work with local utilities, and other local jurisdictions to develop early compliance incentive, training programs for projects, and retrofit programs should also engage CCAs. With three years of providing EE programs with ratepayer funds approved by the CPUC, MCE can offer insights into challenges, opportunities, and needs in administering EE programs. While some of these perspectives may be unique to CCAs, they may overlap with experiences similar to other local governments as well. Similarly, the CEC should also engage CCAs in the 2019 Standards development cycle to improve cost-effectiveness framework, identify roadblocks to EE implementations, and develop solutions to those roadblocks.

d. Incorporating CCA Electricity Savings and Demand Reduction Data in Future IEPR

As more CCAs emerge and mature, some CCAs, in addition to MCE, may pursue the opportunity to be the default administrator of EE programs in their service territories. As the sole current CCA EE PA, MCE recognizes that CCAs' present collective electricity savings and demand reduction data may not be significant enough to warrant their own assessment in the final 2015 IEPR. However, MCE welcomes the opportunity to continuously engage with CEC staff, as MCE expands its EE programs and as other CCAs grow, to develop strategies and timeline to incorporate EE data from CCAs in future iterations of the IEPR.

III. Including CCA Renewable Portfolio Progress into the IEPR

All three existing CCAs offer default electricity products with renewable power content that significantly exceed the state's minimum RPS requirements and will likely continue to increase in the future.

- 56% of MCE's 2014 default Light Green power mix comes from renewable sources
- 36% of SCP's default CleanStart power mix is generated by renewable sources
- 35% of LCE's default ClearChoice comes from renewable sources

MCE's Board of Directors has already approved plans to incrementally increase its RPS eligible power content to 80% by 2025, and to continue exceeding the environmental performance standards mandated by state regulations with respect to renewable energy and GHG emissions. Efforts by MCE and other CCAs to aggressively procure more renewable energy can help meet various state policy goals, including the Governor's renewable distributed generation target.

Presently, there is no recognition of CCAs' renewable power mix in the Draft 2015 IEPR, and MCE respectfully requests that the CEC include such information in the Decarbonizing the Electricity Sector chapter. Incorporating CCAs' efforts in decarbonizing the electricity sector will inform the energy regulatory agencies, IOUs, POU's, CCAs, and key state policymakers on key issues that affect renewable energy deployment, including the costs and benefits of renewable projects, over-generation of renewable sources, and grid reliability. MCE and other CCAs are willing to work with the CEC staff to provide additional data to be incorporated within this section of the 2015 IEPR.

IV. Incorporating CCA Supply and Demand Projections into the IEPR

MCE acknowledges that the revised forecast will be presented at the IEPR workshop on December 3, 2015, after the deadline for comments on the Draft 2015 IEPR has passed. In the effort to be included in both the 2015 IEPR and work papers, MCE submitted its demand forecast data on April 13, 2015. MCE looks forward to reviewing the revised forecast, and continuing to provide information and assistance to CEC staff on developing the forecast of CCA electricity supply and demand forecast.

MCE submitted a set of comments on the 2015 IEPR General Scope related to incorporating CCA electricity supply and demand forecast into the IEPR in February. MCE reiterates some of the points below to underscore the importance of reflecting data and forecasts relating to the electricity load impacts of CCAs. Including this information in the IEPR will inform the CPUC's long-term planning processes to minimize the prospects of unnecessary and inefficient over-procurement of energy resources by the IOUs on behalf of CCA customers. Avoiding such over-procurement will help protect CCA customers from having unnecessarily high exit fees relating to IOU procurement activities.¹

The 2015 IEPR should further refine these departing load estimates, inclusive of the following considerations: 1) specific accounting of load impacts/reductions related to individual CCA initiatives; 2) direct accounting of load impacts associated with smaller CCA initiatives (with peak demands below the 200 MW IEPR reporting threshold); and 3) reasonable forecasts of additional departing load due to prospective CCA growth, including expansion of existing CCA programs and commencement of service by new CCA programs. Additionally, the 2015 IEPR should reflect new long-term resources being brought online as a direct result of ongoing CCA procurement activities.

At this point, CCAs receive no recognition by the CPUC for the reliability benefits they provide. At the same time, CCAs are required by way of CAM to pay the IOUs to procure new resources to meet all of the CPUC-determined grid reliability needs. The IEPR should incorporate and reflect any new generation resources being brought online by CCAs so that the CPUC can consider these resources alongside IOU procured resources as part of its long-term planning process when evaluating reliability need. This will prevent over-procurement of reliability resources by the IOUs and overpayment of the reliability-related CAM fees by CCA customers.

V. Conclusion

MCE respectfully requests that the CEC acknowledges the leadership MCE has taken to drive EE innovations and renewable energy procurement, and clarifies channels for CCAs to seek further support for EE programs. MCE reiterates the importance of including CCA forecast of electricity demand and supply, and long-term procurement into the final 2015 IEPR. MCE looks forward to continue its participation in the 2015 IEPR and thanks CEC staff for addressing these important issues.

Sincerely,

¹ The component of exit fees affected by IOU over-procurement of energy products is the Power Charge Indifference Adjustment ("PCIA"). The component of exit fees affected by IOU over-procurement of capacity resources is the Cost Allocation Mechanism ("CAM").

A handwritten signature in blue ink, appearing to read 'C.C. Song', with a long vertical line extending downwards from the end of the signature.

C.C. Song
Regulatory Analyst

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

Order Instituting Rulemaking to Integrate and
Refine Procurement Policies and Consider Long-
Term Procurement Plans.

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)
)
)
)
R.13-12-010
(Filed December 19, 2013)

RESPONSE OF MARIN CLEAN ENERGY

Scott Blaising
BRAUN BLAISING McLAUGHLIN & SMITH, P.C.
915 L Street, Suite 1480
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November 19, 2015

Counsel for Marin Clean Energy

Order Instituting Rulemaking to Integrate and
Refine Procurement Policies and Consider Long-
Term Procurement Plans.

I. INTRODUCTION

MCE responds without objection to the Petition's requested modifications, as clarified further below.

The Petition requests the Commission to correct errors in Decision D.15-10-031 (“Decision”), including modifying language to reflect PG&E’s proposed forecasts for CCA, direct access (“DA”) and distributed generation (“DG”). Specifically, the Petition points to

1
Response of Marin Clean Energy

Finding of Fact 9, Conclusion of Law 9, and Ordering Paragraph 1(e) in the Decision as inconsistent with what was reflected in the revised Proposed Decision.² The Petition requests that language in those portions of the Decision be modified so that it is consistent with the rest of the Decision and reflects the Commission’s final determination on CCA, DA, and DG forecasts as proposed by PG&E.³

The Petition, however, is ambiguous as to which forecast PG&E refers to for modification. PG&E simply states in the Petition that it addressed departing load forecasts in its comments to the Proposed Decision, and that the revised Proposed Decision adopted PG&E’s forecasts for CCA, DA, and DG.⁴ However, PG&E proposed two load forecasts in its comments to the Proposed Decision – a preferred proposal, *i.e.*, the “CEC IERP forecast,” and an alternative proposal, *i.e.*, PG&E’s “Alternative Scenario.” Neither the Petition nor the modified language it proposes indicates which of these proposals PG&E intended.

After consulting with counsel for PG&E, PG&E has confirmed with MCE that the forecast PG&E refers to in the Petition and the modified language it proposes is the “Alternative Scenario.” In light of this clarification, MCE does not object to the Petition’s request to modify and correct the portions of the Decision regarding the adoption of PG&E’s “Alternative Scenario” forecasts for CCA, DA, and DG.

² See Petition at 2 (referencing Revision 1 of the Proposed Decision).

³ See Petition at 2.

⁴ See Petition at 2.

III. CONCLUSION

MCE thanks the Commission, Administrative Law Judge Fitch and Commissioner Picker for their attention to the issue discussed herein.

Dated: November 19, 2015

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott Blaising". The signature is stylized with a large, sweeping "S" and a long horizontal stroke at the end.

Scott Blaising

BRAUN BLAISING McLAUGHLIN & SMITH, P.C.

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Counsel for Marin Clean Energy



AGENDA BILL

Agenda Item No. 5(C)

Date: December 1, 2015

To: El Cerrito City Council

From: Maria Sanders, Operations + Environmental Services Manager
Yvetteh Ortiz, Public Works Director/City Engineer

Subject: Power Charge Indifference Adjustment Exit Fee Charged to Community Choice Aggregation Customers

ACTIONS REQUESTED

Adopt a resolution and send a letter to the California Public Utilities Commission (CPUC) requesting that it reject a proposed increase to the Power Charge Indifference Adjustment (PCIA) exit fee charged to Community Choice Aggregation (CCA) customers and reexamine the fairness and reasonableness of the PCIA.

BACKGROUND

Marin Clean Energy (MCE), a local government Joint Powers Authority (JPA), provides low-carbon electricity at competitive rates for residents and businesses in member cities. This arrangement is known as Community Choice Aggregation (CCA). On January 6, 2015, the City Council adopted a CCA Program Ordinance (Ordinance No. 2015-02), which authorized the implementation of a CCA Program in El Cerrito and approved the Joint Powers Authority Agreement with MCE. Electricity customers in El Cerrito that chose not to opt out of the CCA started receiving electricity from MCE in June of 2015.

PG&E imposes exit fees on CCA customers. PG&E's exit fee, called the Power Charge Indifference Adjustment (PCIA), is billed monthly and is based on kilowatt-hour use. In the past two years, MCE customers have spent over \$32 million in PCIA fees. The PCIA fee is intended to cover any losses incurred by PG&E from customers departing their system after PG&E had already entered into power contracts to cover its power needs. However, when a customer chooses another provider, such as MCE, PG&E can and does sell the excess electricity it bought for that customer. Depending on market conditions, PG&E may earn or lose money when it sells the power. If PG&E does not earn money through the sale of the excess power, the PCIA fee is intended to fairly compensate PG&E for that loss. Whenever PG&E makes a profit on the sale of departing load, the proceeds are tracked in a separate PCIA account.

Currently, PG&E has accumulated more than \$1 billion in the PCIA account from earning money on the market when selling the excess power left by customers exiting the system. All of this \$1 billion was accumulated before the launch of MCE in 2010, mainly from "Direct Access" customers--those who are large enough to directly enter into their own electricity contracts. Since that time, wholesale electricity prices have

dipped, and PG&E has lost money when it has sold the excess energy. The PCIA is increasing due to the high cost of contracts that were made before CCA customers left PG&E generation service.

Historically, there has been much discussion as to whether PG&E is accurately forecasting departing loads of CCA customers. In a January 12, 2012 decision, http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/157640.PDF the CPUC found that PG&E did not properly plan its procurement for the departure of MCE's electric load. Nevertheless, PG&E's planning assumptions resulted in excess energy procurement, which inflated and continues to inflate the PCIA fee and requires CCA customers to pay for over-procurement by PG&E.

ANALYSIS

In a rate application proceeding (Application 15-06-001) currently before the California Public Utility Commission (CPUC), PG&E is proposing to increase the PCIA exit fee by an estimated 100% from 2015 to 2016. PG&E's current PCIA methodology most heavily impacts residential customers. Moreover, PG&E is the only utility in the state to levy PCIA fees on customers on the utility bill discount program for low-income customers, California Alternate Rates for Energy (CARE). CARE customers throughout MCE service territory are projected to pay more than \$2 million in 2016 with the proposed 95% increase to the PCIA.

In the same proceeding, PG&E proposed to close its PCIA Account with over \$1 billion in accumulated funds, essentially absorbing the funds into the corporation. MCE has asked the CPUC to instead apply some of the \$1 billion to mitigate the impact of the 2016 PCIA increase on its customers. An increase in the PCIA fee and failure to use PCIA windfalls to offset future PCIA fees undermine the economic competitiveness of CCA programs throughout the State by inflating electric costs for CCA customers.

On November 13, 2015, the CPUC released a Proposed Decision ("Decision Adopting Pacific Gas and Electric Company's 2016 Electric Procurement Cost Revenue Requirement Forecast") <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M155/K876/155876836.PDF> that indicates it will be approving PG&E's proposed PCIA increase. The Commission also rejected MCE's request to apply funds from the PCIA account to offset PCIA fee increases, directed PG&E to not close the account, and indicated it will further examine this account next year. The CPUC is expected to take a final vote on these issues at its December 17 meeting.

MCE is requesting that member agencies pass a resolution and send a letter prior to the December 17 meeting, urging the CPUC to examine the fairness and reasonableness of the PCIA and to apply some of the \$1 billion to offset the PCIA fees customers pay. The resolution is designed to support any future action that MCE may take regarding the fairness and reasonableness of the PCIA in 2016.

STRATEGIC PLAN CONSIDERATIONS

Advocating for the fair and reasonable application of the PCIA supports the ability of CCAs in providing member communities with clean energy at competitive rates. This

Agenda Item No. 5(C)

supports the following City of El Cerrito Strategic Plan goal and objective: Goal F: Foster Environmental Sustainability Citywide (*Implement the City's Climate Action Plan, including facilitating greater adoption of clean energy*).

ENVIRONMENTAL CONSIDERATIONS

There is no direct environmental impact with this action. However, if the CPUC were to implement the fair and reasonable application of the PCIA, CCAs throughout the State will continue to provide member communities with clean energy at increasingly competitive rates, thereby supporting greater adoption of clean energy.

FINANCIAL CONSIDERATIONS

There is no financial obligation associated with the requested action.

LEGAL CONSIDERATIONS

There are no legal issues associated with the requested action.

Reviewed by:



Scott Hanin, City Manager

Attachments:

1. Resolution
2. Letter to CPUC President Picker and CPUC Commissioner Florio

RESOLUTION 2015–XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO REQUESTING THE CALIFORNIA PUBLIC UTILITY COMMISSION TO REJECT A PROPOSED INCREASE IN THE POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA) FEE ON COMMUNITY CHOICE AGGREGATION CUSTOMERS AND TO REEXAMINE THE FAIRNESS AND REASONABLENESS OF THE PCIA

WHEREAS, the City of El Cerrito is committed to elevating the quality of life for its residents, businesses, and electricity consumers by pursuing innovative public policies that advance sustainable development, environmental justice, and economic prosperity; and

WHEREAS, on January 6, 2015, the City Council adopted Ordinance No. 2015–02 joining Marin Clean Energy (MCE), a regional Joint Powers Authority and California’s first Community Choice Aggregation (CCA) program, in order to provide all electricity consumers with competitively-priced renewable energy options; and

WHEREAS, CCA customers pay Investor Owned Utilities (IOUs), such as PG&E, an exit fee known as the Power Charge Indifference Adjustment (PCIA), which is designed for the IOUs to recover the cost of purchasing electricity for consumers who depart from their energy supply portfolio by choosing a local CCA’s service options; and

WHEREAS, the California Public Utilities Commission (CPUC) found in Decision 12-01-033 that PG&E did not properly plan its procurement for the departure of MCE’s electric load, and this excess energy procurement inflates the PCIA and requires CCA customers to pay for over-procurement by the IOU; and

WHEREAS, the PCIA fee undermines the economic competitiveness of Community Choice Aggregation programs throughout the State of California by inflating electric costs for CCA customers; and

WHEREAS, PG&E has received a benefit from departing loads of more than One Billion Dollars (\$1,000,000,000) and had planned to absorb this benefit by retiring the account where it is held instead of passing it along to CCA departing load customers; and

WHEREAS, PG&E is presently requesting an increase of approximately 100% to the residential PCIA fee from the CPUC in Application 15-06-001, and is also the only utility in California levying the PCIA fee upon low-income qualified CARE program participants.

Agenda Item No. 5(C)

Attachment 1

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of El Cerrito that it hereby requests that the California Public Utilities Commission: 1) Reject PG&E's proposed increase to the PCIA; 2) Re-examine the fairness and reasonableness of the PCIA on CCA customers, and particularly those who rely on low-income assistance programs, such as CARE; and 3) Direct PG&E to use revenue already received for departing loads before imposing costs on CCA customers.

BE IT FURTHER RESOLVED, that the City Clerk is directed to send this resolution and a letter from the Mayor of El Cerrito to the President of the CPUC and other CPUC Commissioners expressing El Cerrito's concern with the fairness and reasonableness of the PCIA.

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon passage and adoption.

I CERTIFY that at a regular meeting on December 1, 2015, the City Council passed this resolution by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on December XX, 2015.

Cheryl Morse, City Clerk

Approved:

Mark Friedman, Mayor



OFFICE OF THE MAYOR
MARK FRIEDMAN

Attachment 2

December 1, 2015

The Honorable California Public Utilities Commission President Michael Picker
The Honorable California Public Utilities Commissioner Mike Florio
505 Van Ness Avenue
San Francisco, CA 94102

RE: The Power Charge Indifference Adjustment Proposed Increase in A.15-06-001

Dear President Picker and Commissioner Florio,

On behalf of the City of El Cerrito, we wish to express our deep concern regarding the proposed 100% increase by PG&E of the Power Charge Indifference Adjustment (PCIA) exit fee charged to Community Choice Aggregation (CCA) customers in Application 15-06-001. As a member-community of Marin Clean Energy (MCE), California's first CCA program, our City and our citizens will be profoundly impacted by the proposed increase.

In the past two years, MCE customers have collectively paid more than \$32 million in PCIA fees. MCE customers are projected to pay more than \$30 million in PCIA fees in 2016 alone, without including the latest increases submitted by Pacific Gas & Electric (PG&E). In addition, PG&E is currently seeking to retire an account with \$1 billion in excess PCIA fees. We urge the Commission to consider using a some portion of this account to help mitigate the impact of 2016 PCIA fees charged to customers.

The fairness and reasonableness of the PCIA fee and how it is applied to CCA customers must be examined. In early 2012, through Decision 12-01-033, the Commission found that PG&E did not properly plan for the loss of CCA electric load. This poor planning can inflate the PCIA costs that CCA customers must pay. Moreover, the PCIA methodology most heavily impacts residential customers and PG&E is the only utility in the state to levy PCIA fees on customers on the utility bill discount program, California Alternate Rates for Energy (CARE). CARE customers throughout MCE service territory are projected to pay more than \$2 million in 2016 with the proposed 95% increase to the PCIA.

Our citizens have led the state in achieving Governor Brown's ambitious renewable energy goals. They should not be penalized for being the early adopters of innovative renewable energy programs. We therefore respectfully urge the California Public Utilities Commission to reject PG&E's proposed increase and apply a portion of the excess \$1 billion account towards PCIA fees for CCA customers.

Sincerely,

Mark Friedman
Mayor, City of El Cerrito



AGENDA BILL

Agenda Item No. 5(C)

Date: December 1, 2015

To: El Cerrito City Council

From: Maria Sanders, Operations + Environmental Services Manager
Yvetteh Ortiz, Public Works Director/City Engineer

Subject: Power Charge Indifference Adjustment Exit Fee Charged to Community Choice Aggregation Customers

ACTIONS REQUESTED

Adopt a resolution and send a letter to the California Public Utilities Commission (CPUC) requesting that it reject a proposed increase to the Power Charge Indifference Adjustment (PCIA) exit fee charged to Community Choice Aggregation (CCA) customers and reexamine the fairness and reasonableness of the PCIA.

BACKGROUND

Marin Clean Energy (MCE), a local government Joint Powers Authority (JPA), provides low-carbon electricity at competitive rates for residents and businesses in member cities. This arrangement is known as Community Choice Aggregation (CCA). On January 6, 2015, the City Council adopted a CCA Program Ordinance (Ordinance No. 2015-02), which authorized the implementation of a CCA Program in El Cerrito and approved the Joint Powers Authority Agreement with MCE. Electricity customers in El Cerrito that chose not to opt out of the CCA started receiving electricity from MCE in June of 2015.

PG&E imposes exit fees on CCA customers. PG&E's exit fee, called the Power Charge Indifference Adjustment (PCIA), is billed monthly and is based on kilowatt-hour use. In the past two years, MCE customers have spent over \$32 million in PCIA fees. The PCIA fee is intended to cover any losses incurred by PG&E from customers departing their system after PG&E had already entered into power contracts to cover its power needs. However, when a customer chooses another provider, such as MCE, PG&E can and does sell the excess electricity it bought for that customer. Depending on market conditions, PG&E may earn or lose money when it sells the power. If PG&E does not earn money through the sale of the excess power, the PCIA fee is intended to fairly compensate PG&E for that loss. Whenever PG&E makes a profit on the sale of departing load, the proceeds are tracked in a separate PCIA account.

Currently, PG&E has accumulated more than \$1 billion in the PCIA account from earning money on the market when selling the excess power left by customers exiting the system. All of this \$1 billion was accumulated before the launch of MCE in 2010, mainly from "Direct Access" customers--those who are large enough to directly enter into their own electricity contracts. Since that time, wholesale electricity prices have

dipped, and PG&E has lost money when it has sold the excess energy. The PCIA is increasing due to the high cost of contracts that were made before CCA customers left PG&E generation service.

Historically, there has been much discussion as to whether PG&E is accurately forecasting departing loads of CCA customers. In a January 12, 2012 decision, http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/157640.PDF the CPUC found that PG&E did not properly plan its procurement for the departure of MCE's electric load. Nevertheless, PG&E's planning assumptions resulted in excess energy procurement, which inflated and continues to inflate the PCIA fee and requires CCA customers to pay for over-procurement by PG&E.

ANALYSIS

In a rate application proceeding (Application 15-06-001) currently before the California Public Utility Commission (CPUC), PG&E is proposing to increase the PCIA exit fee by an estimated 100% from 2015 to 2016. PG&E's current PCIA methodology most heavily impacts residential customers. Moreover, PG&E is the only utility in the state to levy PCIA fees on customers on the utility bill discount program for low-income customers, California Alternate Rates for Energy (CARE). CARE customers throughout MCE service territory are projected to pay more than \$2 million in 2016 with the proposed 95% increase to the PCIA.

In the same proceeding, PG&E proposed to close its PCIA Account with over \$1 billion in accumulated funds, essentially absorbing the funds into the corporation. MCE has asked the CPUC to instead apply some of the \$1 billion to mitigate the impact of the 2016 PCIA increase on its customers. An increase in the PCIA fee and failure to use PCIA windfalls to offset future PCIA fees undermine the economic competitiveness of CCA programs throughout the State by inflating electric costs for CCA customers.

On November 13, 2015, the CPUC released a Proposed Decision ("Decision Adopting Pacific Gas and Electric Company's 2016 Electric Procurement Cost Revenue Requirement Forecast") <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M155/K876/155876836.PDF> that indicates it will be approving PG&E's proposed PCIA increase. The Commission also rejected MCE's request to apply funds from the PCIA account to offset PCIA fee increases, directed PG&E to not close the account, and indicated it will further examine this account next year. The CPUC is expected to take a final vote on these issues at its December 17 meeting.

MCE is requesting that member agencies pass a resolution and send a letter prior to the December 17 meeting, urging the CPUC to examine the fairness and reasonableness of the PCIA and to apply some of the \$1 billion to offset the PCIA fees customers pay. The resolution is designed to support any future action that MCE may take regarding the fairness and reasonableness of the PCIA in 2016.

STRATEGIC PLAN CONSIDERATIONS

Advocating for the fair and reasonable application of the PCIA supports the ability of CCAs in providing member communities with clean energy at competitive rates. This

Agenda Item No. 5(C)

supports the following City of El Cerrito Strategic Plan goal and objective: Goal F: Foster Environmental Sustainability Citywide (*Implement the City's Climate Action Plan, including facilitating greater adoption of clean energy*).

ENVIRONMENTAL CONSIDERATIONS

There is no direct environmental impact with this action. However, if the CPUC were to implement the fair and reasonable application of the PCIA, CCAs throughout the State will continue to provide member communities with clean energy at increasingly competitive rates, thereby supporting greater adoption of clean energy.


FINANCIAL CONSIDERATIONS

There is no financial obligation associated with the requested action.

LEGAL CONSIDERATIONS

There are no legal issues associated with the requested action.

Reviewed by:



Scott Hanin, City Manager

Attachments:

1. Resolution
2. Letter to CPUC President Picker and CPUC Commissioner Florio

RESOLUTION 2015–XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO REQUESTING THE CALIFORNIA PUBLIC UTILITY COMMISSION TO REJECT A PROPOSED INCREASE IN THE POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA) FEE ON COMMUNITY CHOICE AGGREGATION CUSTOMERS AND TO REEXAMINE THE FAIRNESS AND REASONABLENESS OF THE PCIA

WHEREAS, the City of El Cerrito is committed to elevating the quality of life for its residents, businesses, and electricity consumers by pursuing innovative public policies that advance sustainable development, environmental justice, and economic prosperity; and

WHEREAS, on January 6, 2015, the City Council adopted Ordinance No. 2015–02 joining Marin Clean Energy (MCE), a regional Joint Powers Authority and California’s first Community Choice Aggregation (CCA) program, in order to provide all electricity consumers with competitively-priced renewable energy options; and

WHEREAS, CCA customers pay Investor Owned Utilities (IOUs), such as PG&E, an exit fee known as the Power Charge Indifference Adjustment (PCIA), which is designed for the IOUs to recover the cost of purchasing electricity for consumers who depart from their energy supply portfolio by choosing a local CCA’s service options; and

WHEREAS, the California Public Utilities Commission (CPUC) found in Decision 12-01-033 that PG&E did not properly plan its procurement for the departure of MCE’s electric load, and this excess energy procurement inflates the PCIA and requires CCA customers to pay for over-procurement by the IOU; and

WHEREAS, the PCIA fee undermines the economic competitiveness of Community Choice Aggregation programs throughout the State of California by inflating electric costs for CCA customers; and

WHEREAS, PG&E has received a benefit from departing loads of more than One Billion Dollars (\$1,000,000,000) and had planned to absorb this benefit by retiring the account where it is held instead of passing it along to CCA departing load customers; and

WHEREAS, PG&E is presently requesting an increase of approximately 100% to the residential PCIA fee from the CPUC in Application 15-06-001, and is also the only utility in California levying the PCIA fee upon low-income qualified CARE program participants.

Agenda Item No. 5(C)

Attachment 1

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of El Cerrito that it hereby requests that the California Public Utilities Commission: 1) Reject PG&E's proposed increase to the PCIA; 2) Re-examine the fairness and reasonableness of the PCIA on CCA customers, and particularly those who rely on low-income assistance programs, such as CARE; and 3) Direct PG&E to use revenue already received for departing loads before imposing costs on CCA customers.

BE IT FURTHER RESOLVED, that the City Clerk is directed to send this resolution and a letter from the Mayor of El Cerrito to the President of the CPUC and other CPUC Commissioners expressing El Cerrito's concern with the fairness and reasonableness of the PCIA.

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon passage and adoption.

I CERTIFY that at a regular meeting on December 1, 2015, the City Council passed this resolution by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on December XX, 2015.

Cheryl Morse, City Clerk

Approved:

Mark Friedman, Mayor



Attachment 2

**OFFICE OF THE MAYOR
MARK FRIEDMAN**

December 1, 2015

The Honorable California Public Utilities Commission President Michael Picker
The Honorable California Public Utilities Commissioner Mike Florio
505 Van Ness Avenue
San Francisco, CA 94102

RE: The Power Charge Indifference Adjustment Proposed Increase in A.15-06-001

Dear President Picker and Commissioner Florio,

On behalf of the City of El Cerrito, we wish to express our deep concern regarding the proposed 100% increase by PG&E of the Power Charge Indifference Adjustment (PCIA) exit fee charged to Community Choice Aggregation (CCA) customers in Application 15-06-001. As a member-community of Marin Clean Energy (MCE), California's first CCA program, our City and our citizens will be profoundly impacted by the proposed increase.

In the past two years, MCE customers have collectively paid more than \$32 million in PCIA fees. MCE customers are projected to pay more than \$30 million in PCIA fees in 2016 alone, without including the latest increases submitted by Pacific Gas & Electric (PG&E). In addition, PG&E is currently seeking to retire an account with \$1 billion in excess PCIA fees. We urge the Commission to consider using a some portion of this account to help mitigate the impact of 2016 PCIA fees charged to customers.

The fairness and reasonableness of the PCIA fee and how it is applied to CCA customers must be examined. In early 2012, through Decision 12-01-033, the Commission found that PG&E did not properly plan for the loss of CCA electric load. This poor planning can inflate the PCIA costs that CCA customers must pay. Moreover, the PCIA methodology most heavily impacts residential customers and PG&E is the only utility in the state to levy PCIA fees on customers on the utility bill discount program, California Alternate Rates for Energy (CARE). CARE customers throughout MCE service territory are projected to pay more than \$2 million in 2016 with the proposed 95% increase to the PCIA.

Our citizens have led the state in achieving Governor Brown's ambitious renewable energy goals. They should not be penalized for being the early adopters of innovative renewable energy programs. We therefore respectfully urge the California Public Utilities Commission to reject PG&E's proposed increase and apply a portion of the excess \$1 billion account towards PCIA fees for CCA customers.

Sincerely,

Mark Friedman
Mayor, City of El Cerrito

RESOLUTION 15-50

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FAIRFAX URGING THE CPUC TO EXAMINE THE FAIRNESS AND REASONABLENESS OF THE POWER CHARGE INDIFFERENCE ADJUSTMENT ("PCIA"), TO REJECT PG&E'S PROPOSED INCREASE TO THE PCIA, AND TO APPLY SOME OF THE \$1 BILLION TO OFFSET PCIA FEES PAID BY MCE CUSTOMERS

WHEREAS, the Town of Fairfax is committed to elevating the quality of life for its residents, businesses, and electricity consumers by pursuing innovative public policies that advance sustainable development, environmental justice, and economic prosperity; and

WHEREAS, on November 19, 2008, the Fairfax Town Council voted to join Marin Clean Energy (MCE), a regional Joint Powers Authority and California's first Community Choice Aggregation (CCA) program, in order to provide all electricity consumers with competitively-priced renewable energy options; and

WHEREAS, the mission of MCE is to address global climate change by reducing energy-related GHG emissions, and securing energy efficiencies, rate stability, and local economic and workforce benefits; and

WHEREAS, MCE provides electricity consumers the option to purchase 50-100% renewable energy at generation rates currently lower than those offered by Pacific Gas & Electric (PG&E), previously the incumbent provider of energy supply; and

WHEREAS, in 2014, MCE's electric customers collectively saved approximately \$5.9 million in electric rates; and

WHEREAS, the California Alternate Rates for Energy (CARE) program provides financial support to energy consumers who have a total gross annual household income of 200% of the Federal Poverty Guidelines (\$48,500 for a family of four), or less, for their routine energy usage; and

WHEREAS, CCA customers pay Investor Owned Utilities (IOUs), such as PG&E, an exit fee known as the Power Charge Indifference Adjustment (PCIA); and

WHEREAS, the PCIA fee is designed for IOUs to recover the cost of purchasing electricity for consumers who depart from their energy supply portfolio by choosing a local CCA's service options; and

WHEREAS, excess energy procurement inflates the PCIA and requires CCA customers to pay for over-procurement by the IOU; and

WHEREAS, the California Public Utilities Commission (CPUC) found in Decision 12-01-033 that PG&E did not properly plan its procurement for the departure of MCE's electric load; and

WHEREAS, the PCIA fee undermines the economic competitiveness of Community Choice Aggregation programs throughout the State of California by inflating electric costs for CCA customers; and

WHEREAS, PG&E has received a benefit from departing loads of more than \$1 Billion (\$1,000,000,000) and plans to absorb this benefit by retiring the account where it is held instead of passing it along to CCA departing load customers; and

WHEREAS, PG&E is presently requesting an increase of nearly 100% to the residential PCIA fee from the CPUC in Application 15-06-001; and

WHEREAS, all customers in MCE's service area have spent over \$32 million in PCIA fees in 2014-2015; and

WHEREAS, PG&E is the only utility in California levying the PCIA fee upon CARE customers; and

WHEREAS, approximately 15.5% of MCE's electricity consumers rely on CARE to help make their electricity costs more affordable; and

WHEREAS, in 2016, MCE's CARE customers are projected to collectively spend over \$2 million in PCIA fees; and

WHEREAS, in 2006, the State of California ("State") passed Assembly Bill 32, the Global Warming Solutions Act, which requires the State to reduce its GHG emissions to 1990 levels by 2020; and in 2015, the State of California passed Senate Bill 350, the Clean Energy and Pollution Reduction Act, which requires 50% of the electricity sold to consumers be generated from eligible renewable resources by 2030, as defined by the State's Renewable Portfolio Standard (RPS); and

WHEREAS, MCE voluntarily exceeds the RPS standard and has reduced GHG emissions by approximately 60,000 metric tons within its first three years of providing service to electricity customers;

NOW, THEREFORE, BE IT RESOLVED, that the Town Council of the Town of Fairfax, urges the California Public Utilities Commission to (1) reexamine the fairness and reasonableness of the PCIA on CCA customers, particularly those who rely on low-income assistance programs such as CARE, (2) reject PG&E's proposed 96% increase of the PCIA, and (3) direct PG&E to use revenue already received for departing loads before imposing costs on CCA customers.

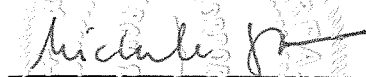
The foregoing Resolution was adopted at a regular meeting of the Town Council of the Town of Fairfax, held in said Town on the 2nd day of December 2015 by the following vote:

AYES: Coler, Goddard, Lacques, Reed, Weinsoff
NOES: None
ABSENT: None
ABSTAIN: None



Barbara Coler, Mayor

Attest:



Michele Gardner, Town Clerk



City Council

Brandt Andersson, Mayor
Traci Reilly, Vice Mayor
Mike Anderson, Council Member
Mark Mitchell, Council Member
Don Tatzin, Council Member

12/1/2015

November 30, 2015

The Honorable President Michael Picker
The Honorable Commissioner Mike Florio
The Honorable Commissioner Catherine Sandoval
The Honorable Commissioner Carla Peterman
The Honorable Commissioner Liane Randolph
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: OPPOSE The Power Charge Indifference Adjustment Proposed Increase and Proposed Decision in A.15-06-001, PG&E's 2016 ERRR Proceeding

Dear President Picker and Commissioners:

The City of Lafayette supports the ability of ratepayers to exercise choice in their selection of electricity provider and therefore opposes PG&E's proposed 95% increase of the Power Charge Indifference Adjustment (PCIA) charged to Community Choice Aggregation (CCA) customers in Application 15-06-001. PG&E's proposed PCIA increases are too large and will have a chilling effect on CCA formation efforts in many communities. We urge the Commission to reject PG&E's proposed PCIA increase because it:

- Approves PG&E's 2016 PCIA rate hike, independent of impact on CCAs and their customers;
- Rejects rate stabilization proposals by MCE and LEAN that would impose less harm on CCA customers;
- Rejects MCE's proposal to mitigate the PCIA increases with rate savings accrued to other customers exercising electricity choice (the Direct Access customers), rather than considering all customers exercising choice to be in the same category;
- Results in pricing that is anti-competitive and could thwart or kill consumer power choice in California. Indeed, the proposal may violate legislative intent as expressed in Senate Bill 790, which reads, in part:

It is the policy of the state to provide for the consideration, formation, and implementation of community choice aggregation programs authorized in Section 366.2 of the Public Utilities Code.

California has a substantial governmental interest in ensuring that conduct by electrical corporations does not threaten the consideration, development, and implementation of community choice aggregation programs.

We urge the Commission to instead take the following actions:

- Disallow PGE to "retire" the "negative balancing account", thereby capturing for themselves the nearly \$1B in savings accrued as a result of customers exercising choice to depart from IOU service;
- Consider means for offsetting PGE's claimed "above market" contract expenses to reduce the customer impacts of 2016 PCIA on CCA customers;
- Open a proceeding to examine PCIA calculation methodologies as they apply to CCA customers; customers are entitled to a better understanding of why/ how their PCIA charges can double one year to the next;
- Recognize the role that CCAs play in enabling municipalities to meet California's ambitious climate objectives.

We appreciate your attention and this opportunity to comment.

Most sincerely,

A handwritten signature in blue ink, appearing to read "Brandt Andersson", with a stylized flourish at the end.

Brandt Andersson
Mayor



City of Larkspur

400 Magnolia Avenue, Larkspur, California 94939
Telephone: (415) 927-5110 Fax: (415) 927-5022
Website: www.cityoflarkspur.org

December 3, 2015

The Honorable California Public Utilities Commission President Michael Picker
The Honorable California Public Utilities Commissioner Mike Florio
505 Van Ness Avenue
San Francisco, CA 94102

RE: The Power Charge Indifference Adjustment Proposed Increase in A.15-06-001

Dear President Picker and Commissioner Florio,

On behalf of the City of Larkspur, we express strong concern about the proposed 95% increase of the Power Charge Indifference Adjustment (PCIA) exit fee charged to Community Choice Aggregation (CCA) customers in Application 15-06-001. As a member-community of Marin Clean Energy (MCE), California's first CCA program, our [City/County] and our citizens will be profoundly impacted by the proposed increase.

In the past two years, MCE customers have collectively paid **more than \$32 million** in PCIA fees. MCE customers are projected to pay more than \$30 million in PCIA fees in 2016 alone, without including the latest increases submitted by Pacific Gas & Electric (PG&E). In addition, PG&E is currently seeking to retire an account with \$1 billion in excess PCIA fees. We urge the Commission to consider whether it is appropriate to use a small portion of this account to offset PCIA fees charged to CCA customers.

At a larger level, the fairness and reasonableness of the PCIA fee and how it is applied to CCA customers must be examined. In Decision 12-01-033, the Commission found that PG&E did not properly plan for the loss of CCA electric load. This poor planning can inflate the PCIA costs that CCA customers must pay. Moreover, the PCIA methodology most heavily impacts residential customers and PG&E is the only utility in the state to levy PCIA fees on customers on the utility bill discount program, California Alternate Rates for Energy (CARE). CARE customers throughout MCE service territory are projected to pay more than \$2 million in 2016 with the proposed 95% increase to the PCIA.

Our citizens have led the state in achieving Governor Brown's ambitious renewable energy goals.

They should not be penalized for being the early adopters of innovative renewable energy programs. We therefore respectfully urge the California Public Utilities Commission reject

PG&E's proposed increase and apply a portion of the excess \$1 billion account towards PCIA fees for CCA customers.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Schwarz". The signature is fluid and cursive, with the first name "Daniel" and last name "Schwarz" clearly distinguishable.

Daniel Schwarz
City Manager
City of Larkspur

RESOLUTION No. 88/15

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LARKSPUR ASKS PG&E TO USE REVENUE ALREADY RECEIVED FOR DEPARTING LOADS BEFORE IMPOSING COSTS ON CCA CUSTOMERS

WHEREAS, the City of Larkspur is committed to elevating the quality of life for its residents, businesses, and electricity customers by pursuing innovative public policies that advance sustainable development, environmental justice, and economic prosperity;

WHEREAS, on October 5, 2011 the Larkspur City Council voted to join Marin Clean Energy (MCE), a regional Joint Powers Authority and California's first Community Choice Aggregation (CCA) program, in order to provide all electricity customers with competitively-priced renewable energy options;

WHEREAS, the mission of MCE is to address global climate change by reducing energy-related GHG emissions, and securing energy efficiencies, rate stability, and local economic and workforce benefits;

WHEREAS, MCE provides electricity customers the option to purchase 50-100% renewable energy at generation rates currently lower than those offered by Pacific Gas & Electric (PG&E), previously the incumbent provider of energy supply;

WHEREAS, in 2014, MCE's electric customers collectively saved approximately \$5.9 million in electric rates;

WHEREAS, the California Alternate Rates for Energy (CARE) program provides financial support to energy customers who have a total gross annual household income of 200% of the Federal Poverty Guidelines (\$48,500 for a family of four), or less, for their routine energy usage;

WHEREAS, CCA customers pay Investor Owned Utilities (IOUs), such as PG&E, an exit fee known as the Power Charge Indifference Adjustment (PCIA);

WHEREAS, the PCIA fee is designed for IOUs to recover the cost of purchasing electricity for customers who depart from their energy supply portfolio by choosing a local CCA's service options;

WHEREAS, excess energy procurement inflates the PCIA and requires CCA customers to pay for over-procurement by the IOU;

WHEREAS, the California Public Utilities Commission (CPUC) found in Decision 12-01-033 that PG&E did not properly plan its procurement for the departure of MCE's electric load;

WHEREAS, the PCIA fee undermines the economic competitiveness of Community Choice Aggregation programs throughout the State of California by inflating electric costs for CCA customers;

WHEREAS, PG&E has received a benefit from departing loads of more than \$1 Billion (\$1,000,000,000) and plans to absorb this benefit by retiring the account where it is held instead of passing it along to CCA departing load customers;

WHEREAS, PG&E is presently requesting an increase of approximately 100% to the residential PCIA fee from the CPUC in Application 15-06-001;

WHEREAS, all customers in MCE's service area have spent over \$32 million in PCIA fees in 2014-2015;

WHEREAS, PG&E is the only utility in California levying the PCIA fee upon CARE customers;

WHEREAS, approximately 15.5% of MCE's electricity customers rely on CARE to help make their electricity costs more affordable;

WHEREAS, in 2016, MCE's CARE customers are projected to collectively spend over \$2 million in PCIA fees;

WHEREAS, in 2006, the State of California ("State") passed Assembly Bill 32, the Global Warming Solutions Act, which requires the State to reduce its GHG emissions to 1990 levels by 2020; and in 2015, the State of California passed Senate Bill 350, the Clean Energy and Pollution Reduction Act, which requires 50% of the electricity sold to customers be generated from eligible renewable resources by 2030, as defined by the State's Renewable Portfolio Standard (RPS); and

WHEREAS, MCE voluntarily exceeds the RPS standard and has reduced GHG emissions by approximately 60,000 metric tons within its first three years of providing service to electricity customers;

NOW, THEREFORE, BE IT RESOLVED by the Larkspur City Council that the California Public Utilities Commission should 1) reexamine the fairness and reasonableness of the PCIA on CCA customers, and particularly those who rely on low-income assistance programs, such as CARE, and 2) direct PG&E to use revenue already received for departing loads before imposing costs on CCA customers.

IT IS HEREBY CERTIFIED that the foregoing resolution was duly introduced and adopted at a regular meeting of the Larkspur City Council held on the 2nd day of December, 2015, by the following vote, to wit:

AYES: COUNCILMEMBER: Chu, Hillmer, Morrison, Way

NOES: COUNCILMEMBER: None

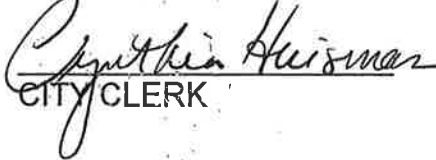
ABSENT: COUNCILMEMBER: Haroff

ABSTAIN: COUNCILMEMBER: None



MAYOR

ATTEST:



CITY CLERK

CITY OF RICHMOND, CALIFORNIA

Tom Butt
Mayor

Office of the Mayor

"We Can Do It!"
Office: 510.620.6503



November 30, 2015

The Honorable Commission President Michael Picker
The Honorable Commissioner Mike Florio
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: The Power Charge Indifference Adjustment Proposed Increase in A.15-06-001

Dear President Picker and Commissioner Florio,

I am writing to express strong concern about the proposed 95% increase of the Power Charge Indifference Adjustment (PCIA) exit fee charged to Community Choice Aggregation (CCA) customers in Application 15-06-001. As a member-community of Marin Clean Energy (MCE), California's first CCA program, our city and our citizens will be profoundly impacted by the proposed increase.

In the past two years, MCE customers have collectively paid **more than \$32 million** in PCIA fees. MCE customers are projected to pay more than \$30 million in PCIA fees in 2016 alone, without including the latest increases submitted by Pacific Gas & Electric (PG&E). In addition, PG&E has proposed to retire an account with \$1 billion in excess PCIA fees. We urge the Commission to consider whether it is appropriate to use a small portion of this account to offset PCIA fees charged to CCA customers.

At a larger level, the fairness and reasonableness of the PCIA fee and how it is applied to CCA customers must be examined. In Decision 12-01-033, the Commission found that PG&E did not properly plan for the loss of CCA electric load. This poor planning can inflate the PCIA costs that CCA customers must pay. Moreover, the PCIA methodology most heavily impacts residential customers and PG&E is the only utility in the state to levy PCIA fees on customers on the utility bill discount program, California Alternate Rates for Energy (CARE). CARE customers throughout MCE service territory are projected to pay more than \$2 million in 2016 with the proposed 95% increase to the PCIA. Richmond CARE customers are expected to contribute almost \$1 million dollars of this.

Home of Rosie the Riveter WWII Home Front National Historical Park

450 Civic Center Plaza, Richmond, CA 94804 | www.RichmondCAMayor.org

Our citizens have led the state in achieving Governor Brown's ambitious renewable energy goals. They should not be penalized for being the early adopters of innovative renewable energy programs. We therefore respectfully urge the California Public Utilities Commission reject PG&E's proposed increase and apply a portion of the excess \$1 billion account towards PCIA fees for CCA customers.

Sincerely,



Tom Butt
Mayor, City of Richmond

TOWN OF SAN ANSELMO
STAFF REPORT
December 1, 2015

For the Meeting of December 8, 2015

TO: Town Council

FROM: Debra Stutsman, Town Manager

SUBJECT: Power Charge Indifference Adjustment Exit Fee

RECOMMENDATION

That Council adopt the resolution and send a letter to the California Public Utilities Commission (CPUC) requesting that it reject a proposed increase to the Power Charge Indifference Adjustment (PCIA) exit fee charged to Community Choice Aggregation (CCA) customers and reexamine the fairness and reasonableness of the PCIA.

BACKGROUND

San Anselmo is a member of Marin Clean Energy, a Joint Powers Authority (JPA) providing low-carbon electricity at competitive rates for residents and business in member cities.

PG&E imposes exit fees on CCA customers. PG&E's exit fee, called the Power Charge Indifference Adjustment (PCIA), is billed monthly and is based on kilowatt-hour use. In the past two years, MCE customers have spent over \$32 million in PCIA fees. The PCIA fee is intended to cover any losses incurred by PG&E from customers departing their system after PG&E had already entered into power contracts to cover its power needs.

However, when a customer chooses another provider, such as MCE, PG&E can and does sell the excess electricity it bought for that customer. Depending on market conditions, PG&E may earn or lose money when it sells the power. If PG&E does not earn money through the sale of the excess power, the PCIA fee is intended to fairly compensate PG&E for that loss. Whenever PG&E makes a profit on the sale of departing load, the proceeds are tracked in a separate PCIA account.

Currently, PG&E has accumulated more than \$1 billion in the PCIA account from earning money on the market when selling the excess power left by customers exiting the system. All of this \$1 billion was accumulated before the launch of MCE in 2010, mainly from "Direct Access" customers – those who are large enough to directly enter into their own electricity contracts. Since that time, wholesale electricity prices have dipped, and PG&E has lost money when it has sold the excess energy. The PCIA is increasing due to the high cost of contracts that were made before CCA customers left PG&E generation service.

Historically, there has been much discussion as to whether PG&E is accurately forecasting departing loads of CCA customers. In a January 12, 2012 decision, http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/157640.PDF, the CPUC found that PG&E did not properly plan its procurement for the departure of MCE's electric load. Nevertheless, PG&E's planning assumptions resulted in excess energy procurement, which inflated

and continues to inflate the PCIA fee and requires CCA customers to pay for over-procurement by PG&E.

DISCUSSION

In a rate application proceeding (Application 15-06-001) currently before the California Public Utility Commission (CPUC), PG&E is proposing to increase the PCIA exit fee by an estimated 100% from 2015 to 2016. PG&E's current PCIA methodology most heavily impacts residential customers. Moreover, PG&E is the only utility in the state to levy PCIA fees on customers on the utility bill discount program for low-income customers, California Alternate Rates for Energy (CARE). CARE customers throughout MCE service territory are projected to pay more than \$2 million in 2016 with the proposed 95% increase to the PCIA.

In the same proceeding, PG&E proposed to close its PCIA Account with over \$1 billion in accumulated funds, essentially absorbing the funds into the corporation. MCE has asked the CPUC to instead apply some of the \$1 billion to mitigate the impact of the 2016 PCIA increase on its customers. An increase in the PCIA fee and failure to use PCIA windfalls to offset future PCIA fees undermine the economic competitiveness of CCA programs throughout the State by inflating electric costs for CCA customers.

On November 13, 2015, the CPUC released a Proposed Decision ("Decision Adopting Pacific Gas and Electric Company's 2016 Electric Procurement Cost Revenue Requirement Forecast") <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M155/K876/155876836.PDF> that indicates it will be approving PG&E's proposed PCIA increase. The Commission also rejected MCE's request to apply funds from the PCIA account to offset PCIA fee increases, directed PG&E to not close the account, and indicated it will further examine this account next year. The CPUC is expected to take a final vote on these issues at its December 17 meeting.

MCE has requested member agencies pass a resolution and send a letter prior to the December 17 meeting, urging the CPUC to examine the fairness and reasonableness of the PCIA and to apply some of the \$1 billion to offset the PCIA fees customers pay. The resolution is designed to support any future action that MCE may take regarding the fairness and reasonableness of the PCIA in 2016.

Respectfully submitted,



Debra Stutsman
Town Manager

Attachment 1 – Draft Resolution
Attachment 2 – Letter to CPUC

RESOLUTION NO. ____

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF SAN ANSELMO
EXPRESSING CONCERN ABOUT PROPOSED 95% INCREASE OF THE POWER
CHARGE INDIFFERENCE ADJUSTMENT (PCIA) EXIT FEE CHARGED TO
COMMUNITY CHOICE AGGREGATION CUSTOMERS.**

WHEREAS, the Town of San Anselmo is committed to elevating the quality of life for its residents, businesses, and electricity consumers by pursuing innovative public policies that advance sustainable development, environmental justice, and economic prosperity; and

WHEREAS, the Town is a member of Marin Clean Energy (MCE), a regional Joint Powers Authority and California's first Community Choice Aggregation (CCA) program, in order to provide all electricity consumers with competitively-priced renewable energy options; and

WHEREAS, the mission of MCE is to address global climate change by reducing energy-related Greenhouse Gas (GHG) emissions, and securing energy efficiencies, rate stability, and local economic and workforce benefits; and

WHEREAS, MCE provides electricity consumers the option to purchase 50-100% renewable energy at generation rates currently lower than those offered by Pacific Gas & Electric (PG&E), previously the incumbent provider of energy supply; and

WHEREAS, in 2014, MCE's electric customers collectively saved approximately \$5.9 million in electric rates; and

WHEREAS, the California Alternate Rates for Energy (CARE) program provides financial support to energy consumers who have a total gross annual household income of 200% of the Federal Poverty Guidelines (\$48,500 for a family of four), or less, for their routine energy usage; and

WHEREAS, CCA customers pay Investor Owned Utilities (IOUs), such as PG&E, an exit fee known as the Power Charge Indifference Adjustment (PCIA); and

WHEREAS, the PCIA fee is designed for IOUs to recover the cost of purchasing electricity for consumers who depart from their energy supply portfolio by choosing a local CCA's service options; and

WHEREAS, excess energy procurement inflates the PCIA and requires CCA customers to pay for over-procurement by the IOU; and

December 8, 2015

WHEREAS, the California Public Utilities Commission (CPUC) found in Decision 12-01-033 that PG&E did not properly plan its procurement for the departure of MCE's electric load; and

WHEREAS, the PCIA fee undermines the economic competitiveness of Community Choice Aggregation programs throughout the State of California by inflating electric costs for CCA customers; and

WHEREAS, PG&E has received a benefit from departing loads of more than \$1 Billion (\$1,000,000,000) and plans to absorb this benefit by retiring the account where it is held instead of passing it along to CCA departing load customers; and

WHEREAS, PG&E is presently requesting an increase of approximately 100% to the residential PCIA fee from the CPUC in Application 15-06-001; and

WHEREAS, all customers in MCE's service area have spent over \$32 million in PCIA fees in 2014-2015; and

WHEREAS, PG&E is the only utility in California levying the PCIA fee upon CARE customers; and

WHEREAS, approximately 15.5% of MCE's electricity consumers rely on CARE to help make their electricity costs more affordable; and

WHEREAS, in 2016, MCE's CARE customers are projected to collectively spend over \$2 million in PCIA fees; and

WHEREAS, in 2006, the State of California ("State") passed Assembly Bill 32, the Global Warming Solutions Act, which requires the State to reduce its GHG emissions to 1990 levels by 2020; and in 2015, the State of California passed Senate Bill 350, the Clean Energy and Pollution Reduction Act, which requires 50% of the electricity sold to consumers be generated from eligible renewable resources by 2030, as defined by the State's Renewable Portfolio Standard (RPS); and

WHEREAS, MCE voluntarily exceeds the RPS standard and has reduced GHG emissions by approximately 60,000 metric tons within its first three years of providing service to electricity customers;

NOW, THEREFORE, BE IT RESOLVED, by the Town Council of the Town of San Anselmo, that the California Public Utilities Commission should 1) reexamine the fairness and reasonableness of the PCIA on CCA customers, and particularly those who rely on low-income assistance programs, such as CARE, and 2) direct PG&E to use revenue already received for departing loads before imposing costs on CCA customers.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of San Anselmo on this 8th day of December, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor

ATTEST:

Carla Kacmar, Town Clerk

John Wright
Mayor

Doug Kelly
Vice Mayor



Tom McInerney
Councilmember

Ford Greene
Councilmember

Kay Coleman
Councilmember

525 San Anselmo Avenue, San Anselmo, CA 94960-2682
www.townofsananselmo.org
(415) 258-4600 | Fax (415) 459-2477

December 9, 2015

The Honorable California Public Utilities Commission President Michael Picker
The Honorable California Public Utilities Commissioner Mike Florio
505 Van Ness Avenue
San Francisco, CA 94102

RE: The Power Charge Indifference Adjustment Proposed Increase in A.15-06-001

Dear President Picker and Commissioner Florio,

On behalf of the Town Council of the Town of San Anselmo, we express strong concern about the proposed 95% increase of the Power Charge Indifference Adjustment (PCIA) exit fee charged to Community Choice Aggregation (CCA) customers in Application 15-06-001. As a member community of Marin Clean Energy (MCE), California's first CCA program, our Town, and our citizens will be profoundly impacted by the proposed increase.

In the past two years, MCE customers have collectively paid **more than \$32 million** in PCIA fees. MCE customers are projected to pay more than \$30 million in PCIA fees in 2016 alone, without including the latest increases submitted by Pacific Gas & Electric (PG&E). In addition, PG&E is currently seeking to retire an account with \$1 billion in excess PCIA fees. We urge the Commission to consider whether it is appropriate to use a small portion of this account to offset PCIA fees charged to CCA customers.

At a larger level, the fairness and reasonableness of the PCIA fee and how it is applied to CCA customers must be examined. In Decision 12-01-033, the Commission found that PG&E did not properly plan for the loss of CCA electric load. This poor planning can inflate the PCIA costs that CCA customers must pay. Moreover, the PCIA methodology most heavily impacts residential customers and PG&E is the only utility in the state to levy PCIA fees on customers on the utility bill discount program, California Alternate Rates for Energy (CARE). CARE customers throughout MCE service territory are projected to pay more than \$2 million in 2016 with the proposed 95% increase to the PCIA.

Our citizens have led the state in achieving Governor Brown's ambitious renewable energy goals. They should not be penalized for being the early adopters of innovative renewable energy programs. We therefore respectfully urge the California Public Utilities Commission

reject PG&E's proposed increase and apply a portion of the excess \$1 billion account towards PCIA fees for CCA customers.

Sincerely,

Debra Stutsman
Town Manager

C-2 DIGEST

Town of Tiburon • 1505 Tiburon Boulevard • Tiburon, CA 94920 • P. 415.435.7373 F. 415.435.2438 • www.ci.tiburon.ca.us

Office of the Tiburon Town Council / 415.435.7377



November 30, 2015

The Honorable California Public Utilities Commission President Michael Picker
The Honorable California Public Utilities Commissioner Mike Florio
505 Van Ness Avenue
San Francisco, CA 94102

RE: The Power Charge Indifference Adjustment Proposed Increase in A.15-06-001

Dear President Picker and Commissioner Florio,

On behalf of the Town of Tiburon, we express strong concern about the proposed 95% increase of the Power Charge Indifference Adjustment (PCIA) exit fee charged to Community Choice Aggregation (CCA) customers in Application 15-06-001. As a member-community of Marin Clean Energy (MCE), California's first CCA program, Tiburon and our citizens will be profoundly impacted by the proposed increase. Tiburon and most of our rate paying citizens have been customers of MCE for a numbers of years, and one might reasonably argue that this particular fee should be sun setting after a certain period and not dramatically increasing. PG&E has had years to account for the departing electrical load with proper integrated resource planning.

In the past two years, MCE customers have collectively paid more than \$32 million in PCIA fees. MCE customers are projected to pay more than \$30 million in PCIA fees in 2016 alone, without including the latest increases submitted by Pacific Gas & Electric (PG&E). In addition, PG&E is currently seeking to retire an account with \$1 billion in excess PCIA fees. We urge the Commission to consider whether it is appropriate to use a small portion of this account to offset PCIA fees charged to CCA customers.

At a larger level, the fairness and reasonableness of the PCIA fee and how it is applied to CCA customers must be examined. In Decision 12-01-033, the Commission found that PG&E did not properly plan for the loss of CCA electric load. This poor planning can inflate the PCIA costs that CCA customers must pay. Moreover, the PCIA methodology most heavily impacts residential customers and PG&E is the only utility in the state to levy PCIA fees on customers on the utility bill discount program, California Alternate Rates for Energy (CARE). CARE customers throughout MCE service territory are projected to pay more than \$2 million in 2016 with the proposed 95% increase to the PCIA.

Our citizens have led the state in achieving Governor Brown's ambitious renewable energy goals. They should not be penalized for being the early adopters of innovative renewable energy programs. We therefore respectfully urge the California Public

Frank X. Doyle
Mayor

Erin Tollini
Vice Mayor

Jim Fraser
Councilmember

Alice Fredericks
Councilmember

Emmett O'Donnell
Councilmember

Margaret A. Curran
Town Manager

Letter to California Public Utilities President Picker
And Commissioner Florio
November 30, 2015
Page 2 of 2



Utilities Commission to reject PG&E's proposed increase and apply a portion of the excess \$1 billion account towards PCIA fees for CCA customers.

Sincerely,

A handwritten signature in black ink, which appears to read "Emmett O'Donnell". The signature is fluid and cursive, written over a light background.

Emmett O'Donnell
Tiburon Town Council

CITY OF RICHMOND, CALIFORNIA

Tom Butt
Mayor

Office of the Mayor

"We Can Do It!"
Office: 510.620.6503



December 2, 2015

The Honorable Commission President Michael Picker
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: The Power Charge Indifference Adjustment Proposed Increase in A.15-06-001

Dear President Picker,

I am writing to express strong concern about the proposed 95% increase of the Power Charge Indifference Adjustment (PCIA) exit fee charged to Community Choice Aggregation (CCA) customers in Application 15-06-001. As a member-community of Marin Clean Energy (MCE), California's first CCA program, our city and our citizens will be profoundly impacted by the proposed increase.

In the past two years, MCE customers have collectively paid **more than \$32 million** in PCIA fees. MCE customers are projected to pay more than \$30 million in PCIA fees in 2016 alone, without including the latest increases submitted by Pacific Gas & Electric (PG&E). In addition, PG&E has proposed to retire an account with \$1 billion in excess PCIA fees. We urge the Commission to consider whether it is appropriate to use a small portion of this account to offset PCIA fees charged to CCA customers.

At a larger level, the fairness and reasonableness of the PCIA fee and how it is applied to CCA customers must be examined. In Decision 12-01-033, the Commission found that PG&E did not properly plan for the loss of CCA electric load. This poor planning can inflate the PCIA costs that CCA customers must pay. Moreover, the PCIA methodology most heavily impacts residential customers and PG&E is the only utility in the state to levy PCIA fees on customers on the utility bill discount program, California Alternate Rates for Energy (CARE). CARE customers throughout MCE service territory are projected to pay more than \$2 million in 2016 with the proposed 95% increase to the PCIA. Richmond CARE customers are expected to contribute almost \$1 million dollars of this.

Home of Rosie the Riveter WWII Home Front National Historical Park

450 Civic Center Plaza, Richmond, CA 94804 | www.RichmondCAMayor.org

Our citizens have led the state in achieving Governor Brown's ambitious renewable energy goals. They should not be penalized for being the early adopters of innovative renewable energy programs. We therefore respectfully urge the California Public Utilities Commission reject PG&E's proposed increase and apply a portion of the excess \$1 billion account towards PCIA fees for CCA customers.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Tom Butt', with a stylized flourish at the end.

Tom Butt
Mayor, City of Richmond