

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 8

To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Interim General Manager
Shawn Marshall, LEAN Energy US

Subject: Regulatory Update

Date: June 6, 2018

RECOMMENDATION: Receive attached regulatory report.

BACKGROUND & DISCUSSION:

Participation in CCA regulatory and legislative affairs is a critical aspect of VCEA's long-term planning, operations, and risk management strategy that will grow in importance as VCEA draws closer to full operations. LEAN Energy has been providing regulatory monitoring and reporting on key regulatory issues affecting emergent CCAs. Cal-CCA, of which VCEA is an operational member, participates in regulatory proceedings and also provides coordinated legislative support in Sacramento. Starting in July, regulatory reports will be provided by Keyes & Fox, VCEA's regulatory counsel, as part of their ongoing regulatory engagement now that VCEA is operational.

Regulatory Priorities

Attached please find LEAN's most recent regulatory report (dated June 4, 2018) which provides a summary overview and several links to supporting documents regarding key regulatory issues currently before the CPUC and other State Commissions. Please note that the report makes use of yellow-shading to highlight those items that are new, and green-shading to highlight items that may be of particular interest.

Priority issues called out in this month's report include:

- CPUC's "Green Report" regarding CA Customer Choice Regulatory Framework Options for an Evolving Electricity Market (see update below)
- PCIA Rulemaking (see update below)
- CCA Bond/Financial Security Requirements (see update below)
- Resource Adequacy Rulemaking (see update below)
- Integrated Resource Planning
- Time of Use (TOU) Pilots and Applications
- RPS Procurement Plans

CPUC Green Report Issued: As an outgrowth of the ongoing [CPUC Customer Choice Project](#), the CPUC issued a report entitled [California Customer Choice: An Evaluation of Regulatory](#)

[Framework Options for an Evolving Electricity Market](#); also being referred to as the "Green Book." As described by the CPUC, the Green Book is designed to initiate a policy conversation among a wide range of stakeholders and interests about the future of California's electricity market. This draft report will inform the next stage of the Customer Choice Project to gather input before issuing a final paper (expected Summer 2018). Public comments on the draft report are due June 11th. A follow up En Banc has been scheduled for June 22 from 9 -5 pm at the CPUC auditorium in San Francisco.

PCIA Reform (track 2) Schedule/Process

- May 7-11: Evidentiary Hearings
- June 1: Concurrent Opening Briefs/ Request for Final Oral Argument Filed and Served
- June 15: Concurrent Reply Briefs
- Late July 2018: Proposed Decision mailed for comment

CCA Bond Requirement -- Now Called Financial Security Requirement (FSR)

This rulemaking proceeding was originally opened in 2003 to implement the CCA enabling statute AB 117. However, this rulemaking is now focused on the methodology for setting the CCA financial security requirement, which is intended to cover the costs of involuntary re-entry fees of CCA customers to bundled IOU service.

On May 31, the CPUC adopted a slightly revised [Agenda Decision](#), which includes the following revisions:

- A minimum Financial Security Requirement (FSR) of \$147,000 was established.
- Surety bonds were reinserted as an acceptable form of security for the FSR.

Resource Adequacy (RA) Rulemaking

The CPUC regularly considers RA-related matters in a rulemaking proceeding. This proceeding was instituted in September 2017, and on January 18, 2018, a [Scoping Memo](#) was issued. Among other things, RA-related issues associated with CCA load migration will be addressed in a decision by early June 2018. Recent activities include:

- May 22: [Proposed Decision](#) adopting local capacity obligations for 2019 and refinements.
 - For 2019, the PD denies intra-year migration allowed under Resolution E-4907; all CCA load migration must follow the RA year-ahead process.
 - The PD did not adopt a multi-year RA requirement for Track 1, but endorsed an approach for Track 2.
 - RA measurement hours were modified in the PD to align with a shift to later hours (4PM-9PM).
 - Combined energy storage/demand response resources are now eligible RA resources under the PD.

Attachments:

LEAN Energy US May/June 2018 Regulatory Report



To: LEAN Energy Clients:
City of San Luis Obispo
Desert Community Energy
East Bay Community Energy
Monterey Bay Community Power
Valley Clean Energy Alliance
Western Community Energy

From: Shawn Marshall, Executive Director, LEAN Energy US

Date: June 4, 2018

Subject: Regulatory Update #23, May/June 2018

Each month, LEAN focuses on regulatory activities likely to have broad impact on the Community Choice Aggregation (CCA) community and emergent CCA programs. This memo provides an update on key developments at the California Public Utilities Commission (CPUC) and California Energy Commission (CEC) in the past month.¹ Since this memo is progressive, using information from last month's memo, LEAN makes use of yellow-shading to generally note those items that are new to the report, and green-shading to note those items that may be of particular interest. As a general matter, the information contained at the beginning of a section provides historical information on the issue, and is repeated from month-to-month in order to provide context.

CCA-SPECIFIC ACTIVITY

1. Final Resolution E-4907

As further described below, the CPUC issued a [Proposed Decision](#) in the Resource Adequacy (RA) proceeding. The Proposed Decision states that the intra-year transition and waiver process allowed under Resolution E-4907 will not be carried-forward. Instead, CCAs that plan to serve load in the upcoming year must follow the RA process timeline, which initially requires load forecasts to be submitted in April.

On December 8, the CPUC issued [Draft Resolution E-4907](#), (DR) proposing a registration and implementation plan process for CCA programs, including requirements on RA forecasting. The DR would have, in effect, delayed until 2020 the launch of any CCA program that had not submitted an Implementation Plan as of December 8. In response to submitted comments, revisions were made to offer flexibility for CCA programs that wish to serve load in 2019, but had not submitted an Implementation Plan as of December 8, 2017.

On February 8, the Commission approved [Final Resolution E-4907](#). The Energy Division gave a [presentation](#) at the Commission Voting Meeting to explain the purpose, requirements and revisions to Resolution E-4907. In sum, the Resolution requires that all CCA programs meet the same forecasting and contracting process for RA as all other Load Serving Entities (LSEs) prior to serving new customers. Energy Division claims the Resolution serves two major purposes:

¹ This monthly memo is designed to provide LEAN's clients with a current snapshot of key regulatory activities related to CCA in order to help them make informed decisions about whether and how to engage in regulatory processes during their program formation and early operations. This monthly report is not a comprehensive inventory of regulatory and statutory requirements impacting operational CCAs. Regulatory and statutory compliance requires a more comprehensive inventory than the subset of activities described herein, and must be tailored to the specific circumstances of each CCA program.

(1) to ensure that CCA programs are incorporated into the annual RA process when they launch or expand (to help avoid cost-shifting); and (2) to satisfy an outstanding order in D. 05-12-041, which required a process on how to submit implementation plans for CCAs and obtain registration for RA. Energy Division states publication of this process will provide needed clarity to prospective communities about how to submit implementation plans and obtain registration.

The Final Resolution grandfathers all CCA programs that submitted implementation plans prior to December 8, 2017. Additionally, the Resolution also includes the Energy Division's plan to process CCA implementation plans submitted by March 1, 2018, within 45 days (which is half the statutory mandate of 90 days.) For CCAs that weren't grandfathered under either of these options, and want to serve load in 2019, there is a waiver process with two options:

1. The CCA can negotiate with the investor-owned utility (IOU) to buy RA needed to serve their load.
2. If the CCA is not able to buy the RA from the IOU, the CCA can submit a letter to the CPUC, and the RA will be assigned at a CPUC determined price.

Recent Activity:

- March 12: the City and County of San Francisco (CCSF) filed an [Application for Rehearing \(A. 18-03-005\)](#).
 - March 27: Joint IOUs' filed a [Response](#).
- April 16: PG&E and King City Community Power file [AL 5275-E](#) on RA allocation under Resolution E-4907.
- April 18: Energy Division [approves](#) SVCE-PG&E advice letter on RA allocation under Resolution E-4907.
- **May 9: SCE and Desert Community Energy submit [AL 3801-E](#) allowing for August 2018 launch.**

2. Petition for Modification of the CCA Code of Conduct

No relevant activity occurred on this matter last month.

On January 30, 2018, the Joint Utilities filed a [Petition for Modification](#) of CPUC [Decision 12-12-036](#), which adopted the CCA Code of Conduct as required by Senate Bill (SB) 790 (2011). The Joint Utilities request that the CCA Code of Conduct be modified to eliminate the current limitation imposed on utilities to refrain from "lobbying" against CCA programs, which is broadly defined as communicating with public officials or the public for the purpose of convincing a government agency not to participate in or to withdraw from a CCA program. The Joint Utilities claim that the current restriction is inhibiting their ability to provide timely and effective information to local governments on CCA formation decisions. Responses to the Petition for Modification were filed on March 1. (See [CalCCA Response](#), [WRCOG-LACCE-DCE Response](#), [Other Responses](#).) On March 12, the Joint IOUs filed [Reply Comments](#) addressing other parties' responses.

3. SCE Submittal of Advice Letter 3781-E Proposing Substantive CCA Tariff Changes

On April 11, 2018, SCE submitted an Advice Letter 3781-E, which contains certain [Changes](#) to its CCA tariff. The changes were included in an advice letter that addressed various tariff changes. Among other things, SCE has proposed that it not be involved in rebilling for CCA charges, notwithstanding SCE's role as the exclusive billing service provider for CCA customers. SCE also proposes to modify the scope of its non-disclosure agreement with prospective CCAs, and to limit information that is provided to prospective and operational CCAs. On May 1, [CCEA](#), [CPA-WRCOG](#), and [CC Partners](#) filed extensive protests arguing that SCE's proposals are unjustified and that SCE's proposals should be considered in a formal proceeding.

Recent Activity:

- **May 8: SCE [requested](#) that its advice letter be withdrawn, acknowledging CCEA's protest, which pointed out that SCE failed to include all prospective and current CCAs in its service of the advice letter.**
- **TBD: SCE indicates that it plans to refile the advice letter.**

4. Announcement of "Green Book" – Changes to the Retail Choice Regulatory Framework

On May 3, 2018 the [CPUC Customer Choice Project](#) issued a draft report, entitled [California Customer Choice: An Evaluation of Regulatory Framework Options for an Evolving Electricity Market](#). This draft report is also being referred to as the "Green Book." Also on May 3, a webinar was held to introduce the Green Book (see [presentation](#)). The CPUC indicates the Green Book is designed to initiate a policy conversation among a wide range of stakeholders and interests about the future of California's electricity market. This draft report will inform the next stage of the process to gather input before issuing a final paper (expected Summer 2018).

Next Steps:

- June 11: Public comments on the draft report due.
- June 22: [En Banc](#) to be held at CPUC in San Francisco.

CPUC REGULATORY CASE DEVELOPMENTS

1. Power Charge Indifference Adjustment (PCIA) Rulemaking Proceeding

To Do:

LEAN is monitoring developments in the [PCIA Rulemaking Proceeding](#).

Background:

As previously reported, the topics for consideration in the PCIA rulemaking include:

1. Improving the transparency of the existing PCIA process;
2. Revising the current PCIA methodology to increase stability and certainty;
3. Reviewing specific issues related to inputs and calculations for the current PCIA methodology;
4. Considering alternatives to the PCIA;
5. SB 350 considerations on the treatment of bundled retail customers and departing load customers;
6. Status of PCIA exemptions for California Alternate Rate for Energy (CARE) and Medical Baseline (MB) customers.

The initial [Scoping Memo](#) established two Tracks of the PCIA Rulemaking proceeding. On March 2, an [Amended Scoping Memo](#) was issued establishing a new schedule for the proceeding (reflected below).

[Track 1](#) is addressing exemptions from the PCIA for customers participating in the CARE and MB programs (PCIA Exemption). On March 28, PG&E filed a [Motion](#) seeking approval of a settlement agreement regarding the PCIA Exemption, which will apply to CCA customers that receive service prior to the date PG&E first starts phasing-out the PCIA Exemption (likely 2019). Phase-out will occur over a 4-year period in equal increments (e.g., 25% PCIA in 2020, 50% PCIA in 2021, 75% PCIA in 2022, and 100% PCIA in 2023). Alternatively, SCE moved forward to briefing on Phase 1 issues, with Opening Briefs filed February 20 (See: [SCE](#), [CCEA](#), [CforAT](#), [ORA](#), [LACCE/DCE/WRCOG](#)) and Reply Briefs filed on March 13 (See [Reply Brief Folder](#).) No responses were filed on PG&E's joint motion for approval of settlement agreement.

[Track 2](#) is considering alternatives to the current PCIA methodology, with initial emphasis placed on how to get proper access to PCIA data through a protective order. Direct testimony was filed April 2. ([CalCCA Testimony](#); [Joint IOUs](#); [Combined Folder](#) of all Testimony; [CalCCA Press Release](#); [CalCCA Testimony Fact Sheet](#).) Rebuttal testimony was filed April 23 ([CalCCA](#), [Joint IOUs](#), and [Folder](#) of all Rebuttal Testimony). On April 24, the Joint IOUs filed a [Request](#) for Oral Argument. [Evidentiary hearings took place May 7-11.](#) (See [Transcript Folder](#).)

Recent Activity:

- May 18: CalCCA Ex Parte Meeting (See [Notice/Presentation](#)).
- May 21: East Bay Community Energy (EBCE) Ex Parte Meeting (See [Notice](#)).
- June 1: 20 parties submitted opening briefs on Track 2 issues. (See [PCIA Opening Brief Folder](#).)

Next Steps:

Track 1 – PCIA Exemption

- June: Likely Proposed Decision on the PG&E settlement and on contested matters litigated by SCE and parties.

Track 2 – PCIA Successor

- June 15: Concurrent Reply Briefs.
- Late July 2018: Proposed Decision mailed for comment.

2. Integrated Resource Planning (IRP)

To Do:

LEAN is monitoring [this proceeding](#) and considering forming a working group to address CCA IRP issues.

Background:

This rulemaking proceeding addresses the new IRP requirements associated with SB 350, as well as long-term procurement planning (LTPP) policies. On December 28, Assigned Commissioner (Randolph) issued a [Proposed Decision](#) (PD) setting requirements for CCA programs and other LSEs' IRPs and adopting a two-year planning cycle for the CPUC to consider IRP filings. (See [Initial Summary and Recommendation](#).) As written, the PD minimized the role of local CCA governing boards in approving IRPs and elevated the CPUC's role over such IRPs. On January 17, Parties filed Opening Comments on the PD ([CalCCA](#), [SCE](#) and [Folder](#) of all Opening Comments.) On January 22, Parties filed Reply Comments on the PD ([CalCCA comments](#)).

On February 8, the CPUC approved [D.18-02-018](#) (see [Redline PD](#)). The final decision acknowledges a certain degree of distinction and separation between the CPUC and local governing boards, but does not go as far as CalCCA requested. The decision also clarifies that any CCA that has an approved implementation plan as of the scheduled IRP filing date should be required to file an IRP, even if it is not yet serving load. The decision maintained the "Alternative" Plan approach for CCAs serving less than 700 GWh per year in load, but added a number of additional requirements for these IRP submittals (see [D.18-02-018](#) at 135). On April 16, a [Ruling](#) granted Valley Clean Energy Alliance (VCEA) party status and also noted that new CCAs are not required to submit motions for party status before their August 1, 2018 IRP filing deadline.

On February 28, several parties (including PG&E and Natural Resources Defense Council) jointly filed a [Petition for Modification](#) seeking to modify D.18-02-018 to authorize greenhouse gas-free procurement to replace Diablo Canyon. On March 30, [CalCCA](#) filed a response, requesting that the Petition for Modification be rejected. (See [Other Parties' Responses](#).) On April 9, PG&E along with other parties filed a [Reply](#) to responses to the Petition for Modification.

On April 3, the ALJ issued a [Ruling](#) Seeking Comment on GHG Emissions Accounting Methods and Providing Updated GHG Benchmarks. Opening comments were filed April 20 ([CalCCA](#), [Joint IOUs](#), [Riverside CCA](#), [San Jacinto](#), [RMEA](#), and [CMUA](#)) and reply comments were filed April 30 ([CalCCA](#) and [Joint IOUs](#)).

On April 23, [PG&E](#) and [SCE](#) filed informal comments regarding Draft Sources for [2019-2020 IRP Supply Side Resources](#). On April 27, an IRP Modeling Advisory Group Webinar was held (See [Agenda](#) and [Slides](#)). CARB held an SB 350 IRP Workshop on April 30 (See [Notice](#).)

Recent Activity:

- May 14: [Amended Scoping Memo](#) and ruling re-categorized the proceeding as ratesetting.
- May 18: [Peninsula Clean Energy Ex Parte Notice](#) (Meeting to discuss Energy Division's Net Short Proposal)
- May 25: [ALJ Ruling](#) finalizing GHG emissions accounting methods, load forecasts and GHG benchmarks.
- May 25: The CPUC posts [IRP Filing Templates](#).

Next Steps:

- August 1: IRP filings by individual CCAs.
- Early August: Commission Staff workshop for LSEs to present key elements of their IRPs.
- September 12: Stakeholder Comments due on individual LSE IRP filings.
- September 26: LSE reply comments due.

3. CCA Bond Requirements

To Do:

LEAN will continue to monitor [this proceeding](#).

Background:

This rulemaking proceeding was originally opened in 2003 to implement the CCA enabling statute (Assembly Bill (AB) 117). However, this rulemaking proceeding is now simply focused on the methodology for setting the CCA Bond, which is intended to cover the costs of involuntary re-entry fees of CCA customers to bundled IOU service. On April 6, a [Proposed Decision](#) was issued. On April 26, Opening Comments were filed by [Joint Utilities](#) and [CalCCA](#), both of whom are seeking revisions.

Recent Activity:

- May 1: Reply comments filed ([Joint Utilities](#) and [CalCCA](#)).
- May 31: The CPUC adopts a slightly revised [Agenda Decision](#), which include the following revisions:
 - A minimum Financial Security Requirement (FSR) of \$147,000 was established (the original PD would have allowed negative incremental procurement costs to fully offset administrative costs.
 - Given current market conditions, the FSR is expected to be the minimum amount (\$147,000).
 - Surety bonds were reinserted as an acceptable form of security for the FSR.

Next Steps:

- Late-June: Guidance from the CPUC Energy Division on process for updating the FSR amount for CCAs.

4. Resource Adequacy (RA) Rulemaking

To Do:

LEAN will monitor developments in this [RA Rulemaking Proceeding](#).

Background:

The CPUC regularly considers RA-related matters in a rulemaking proceeding. This proceeding was instituted in September 2017, and on January 18, 2018, a [Scoping Memo](#) was issued. Among other things, RA-related issues associated with CCA load migration will be addressed in a decision by June 1, 2018.

On February 16, RA proposals were filed (See [Energy Division](#), [CCA Parties](#), [SCE](#), [PG&E](#) and [Folder](#) of all Proposals.) A workshop to discuss these proposals took place on February 22-23. (See [Agenda](#), [ED Presentation](#) and [Email Ruling](#)

noting issues for comment.) On March 7, parties filed Opening Comments on the Track 1 Proposals and Workshop ([CCA Parties'](#), [PG&E](#), and [SCE](#); See [Folder](#) with all). Reply Comments were filed March 16 ([CCA Parties'](#), [PG&E](#), and [SCE](#); See [Folder](#) with all). On April 23, CAISO filed its [Report](#) on local capacity and flexible capacity needs. On April 24, a working group meeting on RA Reforms took place (see [Working Group Questions](#)). On April 27, CalCCA submitted a [Motion](#) for Leave to Submit RA-related Information to Staff Under Seal.

Recent Activity:

- May 18: [Ruling](#) Granting CalCCA request to submit RA price data under seal.
- May 22: [Proposed Decision](#) adopting local capacity obligations for 2019 and refinements. (See [PD Summary](#).)
 - For 2019, the PD denies intra-year migration allowed under Resolution E-4907; all CCA load migration must follow the RA year-ahead process.
 - The PD did not adopt a mult-year RA requirement for Track 1, but endorsed an approach for Track 2.
 - RA measurement hours were modified in the PD to align with a shift to later hours (4PM-9PM).
 - Combined energy storage/demand response resources are now eligible RA resources under the PD.

Next Steps:

- June 11: Opening Comments on Proposed Decision.
- June 16: Reply Comments on Proposed Decision.
- June 21: Expected Adoption of Final Decision.
- July 10: Revised date for submission of Track 2 opening testimony.

5. Residential Rates, Default Time of Use (TOU), and Marketing Education and Outreach (ME&O)

To Do:

LEAN will monitor developments in the [Residential Rate Rulemaking](#) and [Rate Design Window Applications](#).

Residential Rate TOU-Pilots

On June 28, a [Draft Resolution](#) was issued on PG&E's [Pilot](#) Residential Rate TOU program. MCE and SCP are the only CCAs participating in PG&E's Pilot TOU program; all other CCAs are excluded from participation. On July 31, MCE and SCP submitted [comments](#) on the Draft Resolution, expressing concern about PG&E's lack of progress in providing a comparable bill-comparison tool for CCA customers. On August 10, a [Final Resolution](#) approved PG&E's Residential Rate TOU Pilot program. The resolution clarified that PG&E may recover costs necessary to provide CCA customers with rate comparisons for the default pilot entirely through distribution rates. However, the resolution declined to provide any direction regarding the appropriate method or cost recovery for creating a long-term rate comparison tool solution for CCA customers.

Residential Default TOU-ME&O

On September 26, the CPUC submitted [Draft Resolution E-4882](#) addressing PG&E's ME&O on Residential [Default](#) TOU Rates. On October 30, [CCA parties](#) (MCE, SCP and SVCE) submitted a response to the Draft Resolution, arguing that CCA representatives should be involved in the development of marketing material. On December 14, the Commission approved PG&E's ME&O plan with [Final Resolution E-4882](#), which now recognizes the need for coordination with CCAs in ME&O efforts.

On December 14, a final decision ([D.17-12-023](#)) was issued in the residential rate rulemaking on statewide ME&O. This decision expands the existing Energy Upgrade California campaign and permits IOUs to switch customers to TOU rates in waves. (See [Redlined Version](#).)

On January 5, the Commission issued [Draft Resolution 4895](#), approving SCE's ME&O Plan for Residential [Default](#) TOU Rates; CCEA submitted [Comments](#) on the DR. On February 8, the Commission approved [Final Resolution E-4895](#). The

resolution required SCE to file a Tier 2 advice letter to provide a proposal describing how it intends to engage with CCAs in its service territory regarding the development of default TOU ME&O materials.

Recent Activity:

- March 30: PG&E [AL 5263-E](#), submitting CCA coordination plan pursuant to Resolution E-4882.
 - April 19: CCA Parties [Protest](#), requesting more coordination with CCAs.
 - April 26: PG&E [Reply](#), confirming that issues will be addressed in the consolidated proceeding.
- March 30: SCE [AL 3777-E](#), submitting CCA engagement plan pursuant to Resolution E-4895.
 - April 19: CCEA [Protest](#), requesting more coordination with CCAs.
 - April 26: SCE [Reply](#), confirming that issues will be addressed in the consolidated proceeding.

Default TOU- IOU Applications

On December 20 and 21, PG&E and SCE filed their Rate Design Window (Default TOU) Applications ([PG&E Application and Testimony](#); [SCE Application and Testimony](#)). On January 22, parties filed Protests/Responses to the applications. (See CCA Parties' [Protest](#) to PG&E and East Bay Community Energy [Response](#) to PG&E; see CCEA [Protest](#) to SCE).

On January 25, ALJ Tsen issued a [Ruling](#) consolidating the three IOU Rate Design Window applications ([PG&E - A.17-12-011](#), [SCE - A.17-12-012](#), [SDG&E - A.17-12-013](#)). On February 14, a joint [Prehearing Conference Statement](#) was filed, and a [Prehearing Conference](#) was held on February 21. On February 23, the CCA Parties' and CCEA filed a [Supplemental Prehearing Conference Statement](#), further arguing that the issue of cost allocation is within the scope of the proceeding.

On March 1, a [Scoping Memo](#) was issued for Phase 1, which addressed PG&E's and SCE's requests to delay roll-out until late-2020. Opening Comments on Phase 1 were filed March 12 ([PG&E](#), [SCE](#), [SDG&E](#), [ORA](#), [EDF](#), [CFC](#)) and Reply Comments were filed March 19 ([PG&E](#), [SCE](#), [SDG&E](#), [CforAT](#), [EDF](#), [CCA Parties](#), [UCAN](#)).

On April 10, a [Scoping Memo](#), for phases two and three was issued and set the schedule for the remainder of consolidated proceeding.

Recent Activity:

- May 17: Phase 1 [Final Decision](#), authorizing PG&E and SCE to begin transitioning eligible residential customers to TOU rates later than originally expected: now October 2020.

Next Steps:

- October 26: Intervenor Testimony for Phase IIB (most CCA related issues).
- December 7: Rebuttal Testimony for Phase IIB (most CCA related issues).

6. Renewables Portfolio Standard (RPS)-Procurement Plans

To Do:

A final decision was adopted in [this proceeding](#). LEAN will continue to monitor any developments.

Background:

This rulemaking proceeding addresses ongoing oversight of the RPS program, including review of procurement plans and reporting on RPS progress. The following CCA-related RPS Procurement Plans were submitted July 21, 2017:

- [Apple Valley Choice Energy](#)

- [Lancaster Choice Energy \(LCE\)](#)
- [Silicon Valley Clean Energy \(SVCE\)](#)
- [MCE](#)
- [Peninsula Clean Energy \(PCE\)](#)
- [Pico Rivera Innovative Municipal Energy \(PRIME\)](#)
- [Redwood Coast Energy Authority \(RCEA\)](#)
- [SCP](#)

On September 22, [Apple Valley Choice Energy](#), [PRIME](#), [SVCE](#) and [LCE](#) submitted Updated 2017 RPS Procurements Plans. On November 1, several CCAs submitted supplemental compliance documents. On November 14, a [Proposed Decision](#) was issued, approving all of the submitted CCA RPS procurement plans. On December 12, the [Agenda Redline Decision](#) accepted CCA Parties' request on the submission date for new CCAs. On December 14, the CPUC adopted the Final Decision ([D.17-12-007](#)). On January 11, [PG&E](#), [Monterey Bay Community Power Authority](#) and [San Jacinto Power](#) filed 2017 RPS Procurement Plans, followed on January 31 by [Rancho Mirage](#). On March 2, [Valley Clean Energy Alliance](#) filed its 2017 RPS Procurement Plan.

Recent Activity:

- May 16: PG&E [AL 5294-E](#) seeking approval of power purchase and sale agreements that seek to sell RPS-eligible products from PG&E's existing procured energy portfolio to other LSEs (including CCAs).

7. Green Tariff Shared Renewables (Green Tariff or GTSR)

To Do:

[No relevant activity occurred on this matter last month.](#) LEAN will monitor developments.

Background:

The Green Tariff program was authorized in SB 43 (2013). The program allows the utilities an opportunity to offer optional Green Tariff rates for customers electing to receive a higher level of renewable energy. The CPUC approved the programs in D.15-01-051. In that decision, the CPUC set a termination date of January 1, 2019 and required the utilities to file advice letters to extend the programs. On December 22, PG&E filed [AL 5206-E](#) proposing modifications to its Green Tariff program, and SCE filed [AL 3722-E](#), proposing to terminate its Green Tariff program due to low subscription rates. (See PG&E's [2016 Annual GTSR Report](#) and SCE's [Annual GTSR Progress Report](#).)

On February 2, protests were filed on IOU advice letters. (SCE AL 3722-E: [Joint Parties](#), the [Joint Solar Interests](#), [Clean Coalition](#), and [ORA](#); PG&E AL 5206-E: [CCA Parties](#), [CCSF](#), [ORA](#), [SEIA](#) and [CCSA](#)). On February 9, the IOUs filed replies to the protests ([SCE](#) and [PG&E](#)). On February 21, the Annual Green Tariff program forum took place (See [Agenda](#) and [Presentation](#).)

Recent Activity:

- March 15: PG&E [2017 Annual Progress GTSR Report](#) and SCE [Annual GTSR Progress Report](#).

Next Steps:

- Disposition letter or draft resolution in response to PG&E and SCE advice letters.

8. SDG&E's Request to Establish a Marketing Affiliate (Advice Letter 2822-E) (CCA Code of Conduct)

To Do:

No relevant activity occurred on this matter last month. LEAN will continue to monitor activity related to this matter.

Background:

On January 27, 2017 SDG&E filed a revised compliance plan, [Advice Letter 3035](#), for its Independent Marketing Division (IMD). On February 16, 2017 LEAN joined with other parties in [protesting](#) this latest advice letter. On April 6, 2017 the Energy Division issued a [Disposition Letter](#) approving AL 3035. On April 17, 2017 the CalCCA sent a [letter](#) to the CPUC requesting full Commission review of the Disposition Letter, and reiterating an earlier request for an Order to Show Cause regarding lobbying activity that SDG&E/Sempra conducted before the Advice Letter was approved. CalCCA's request, however, does not suspend the effectiveness of the Energy Division's approval. CPUC staff indicated in a teleconference on July 24, 2017 that no formal action will be taken on the Order to Show Cause.

On a matter related to the CCA Code of Conduct, Cal Choice submitted a [Letter](#) to assigned Commissioners on September 25, 2017. The letter expressed concern for SCE's conduct in forming a coalition related to the PCIA. On September 28, SCE submitted a [Response](#).

Next Steps:

- The CPUC's Energy Division will prepare a draft resolution addressing CalCCA's request for full Commission review of the disposition letter. [This request is long overdue.](#)
- Separately, the CPUC's Legal Division is preparing a decision responding to SDG&E's application for rehearing of Resolution E-4874, which determined that SDG&E's IMD is also subject to the CPUC's affiliate transaction rules.

9. Tree Mortality Nonbypassable Charge (NBC)

To Do:

LEAN will continue monitoring [this proceeding](#).

Background:

On November 14, 2016, the Joint Utilities filed their proposal to establish a Tree Mortality NBC ([Testimony](#).) CalCCA filed a [Protest](#). On July 14, 2017 CalCCA filed a [motion](#) arguing that parties should be allowed to argue for different cost recovery treatment for costs that have been statutorily authorized, on the one hand, versus costs that have simply been authorized by the CPUC. On December 12, 2017, there was an Informal Workshop on BioRAM NBC Mechanism IOU/CCA proposals. (See [Agenda](#), [CalCCA](#) and [IOUs](#) Presentations.) An initial settlement teleconference took place on January 5. On March 14, 2018, a [Ruling](#) denied CalCCA's Motion to include consolidated cost recovery in the scope of the application. On April 17, the ALJ issued a [Ruling](#) requesting comments on the Energy Division [Staff Proposal](#), which proposes to determine above-market costs by subtracting aggregate 2016 RPS PPA costs from BioRAM PPA costs.

Recent Activity:

- May 11: Opening Comments on Staff Proposal ([CalCCA](#), [Joint IOU](#)).
- May 18: Reply Comments on Staff Proposal ([CalCCA](#), [Joint IOU](#), [ORA](#) [ORA supports Joint IOU approach]).
- May 30: CPUC issues [Scoping Memo](#), providing for testimony, possible hearings and briefing.

Next Steps:

- June 21: Opening testimony.

CEC REGULATORY CASE DEVELOPMENTS

1. Implementation of AB 1110 – Power Source Disclosure

To Do:

No relevant activity occurred on this matter last month. LEAN is monitoring developments in this [CEC Proceeding](#). (See [OIR](#).)

Background:

This proceeding considers modifications to the Power Source Disclosure Program. Retail sellers, which includes CCAs, will be required to disclose both GHG emissions intensity of their respective electricity portfolios offered to customers and the CEC's calculation of GHG emissions intensity associated with all statewide sales. Retail sellers will also annually report other information to verify procurement claims and environmental claims made for the previous year. The CEC is required to adopt program guidelines by January 1, 2018. On June 27, 2017, CEC staff issued the [AB 1110 Implementation Proposal](#). Numerous parties have submitted comments on the proposal. On September 18, PCE submitted a fairly detailed set of [Comments](#). On January 17, 2018, the CEC released the [Revised AB 1110 Implementation Proposal](#) for Power Source Disclosure.

On February 1, 2018, there was a staff workshop on the updates to the Power Source Disclosure regulations (see [Notice](#), [Slides](#), and [Transcript](#)). On February 23, parties filed comments on the Revised Proposal (See [CalCCA Comments](#) and [Joint Utility](#) comments). On April 10, PG&E filed [Comments](#) further advocating for PG&E's Clean Net Short proposal.

Next Steps:

- CEC staff continues to work on the AB 1110 Implementation Proposal. AB 1110 set a January 1, 2018 CEC adoption timeframe, with reporting of GHG intensity occurring after December 31, 2018, though this adoption timeframe may be extended.

CPUC/CEC – JOINT ACTIVITY

1. Environmental Justice (EJ) and Disadvantaged Communities (DAC) Issues

To Do:

LEAN will monitor any developments related to the new DAC Advisory Group.

Background:

SB 350 requires that the CPUC and the CEC create a DAC Advisory Group (DACAG), which will assist the two Commissions in understanding how energy programs impact these communities. On July 31, the CPUC and the CEC provided notice of their [proposal](#) to establish the DACAG. (See [summary](#).) On November 1, the CPUC released a [Draft Resolution](#) and a [Solicitation Letter](#) proposing to establish a charter for the DACAG. On December 13/14, the CEC/CPUC approved the DACAG charter (see CPUC [Resolution](#)); the CEC subsequently [approved](#) 10 members of the DACAG. On April 4, the first [meeting](#) took place at the CEC.

On a related note, on March 2, CCEA submitted a [Proposal](#) to provide CCA support services in the San Joaquin Valley. On April 6, Parties filed comments on CCEA's San Joaquin proposal. (See [TURN](#), [Greenlining](#) and [Pilot Team](#)).

Recent Activity:

- **May 8: Workshop on Proposed Implementation Plan for AB 523 (see [slide deck](#)).**

Next Steps:

- May 30: [Joint Agency Workshop](#) on Clean Energy in Low-Income Multifamily Buildings.

CA Air Resources Board (CARB) ACTIVITY

1. Low Carbon Fuel Standard

To Do:

LEAN will monitor key CCA-related developments in the California Air Resources Board's (CARB) review of proposed regulations related to the Low Carbon Fuel Standard (LCFS). [CARB's LCFS Webpage](#).

Background:

CARB is considering LCFS amendments that staff expect will be adopted in 2018. The proposed changes range from simple updates to improve the program's overall effectiveness, to more significant proposals for improving California's long-term ability to support the consumption of increasingly lower-Carbon Intensity fuel. (See [Current LCFS Regulations](#)). On February 20, CARB posted the [Draft Proposed Regulation Order](#). CCAs are participating in the proceeding to address various issues associated with the CCAs' promotion of transportation electrification and electric vehicle efforts.

Recent Activity:

- April 23: Various parties submitted comments on the draft regulations:
 - [Public Comments Folder](#)
 - [Smart EV Charging Group \(Various CCAs, ChargePoint et al.\)](#) Comments.
- April 27: Public hearing to consider proposed amendments to the LCFS regulations. (See [Notice](#).)
- April 30: [PG&E](#) and [SCE](#) LCFS Standard Annual Reports.

Next Steps:

- June 11: [Workshop](#) to discuss proposed amendments to the LCFS regulations.