



Harnessing the Power of Communities

June 11, 2018

VIA E-MAIL

customerchoice@cpuc.ca.gov

California Customer Choice Team
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: Informal Comments on the "Green Book", *California's Customer Choice: An Evaluation of Regulatory Framework Options for an Evolving Electricity Market*.

Dear Customer Choice Team:

Thank you for the opportunity to provide comments on the draft Green Book released in May 2018. While our organization, which has been instrumental in the expansion of the Community Choice Aggregation (CCA) model in California since 2011, takes exception to the implication that the rise in CCA over the past several years is somehow analogous to a market crisis that occurred before the CCA model even existed, we did find it an interesting historical read.

We acknowledge the important role of planning and collaboration among the CPUC, the utilities it regulates, CAISO in certain instances, and alternative electric providers, including CCAs. Collaborative planning and problem solving has not been the hallmark of the CPUC/IOU/CCA relationship over the years, and we hope that with focused leadership provided by the Commission, Cal-CCA and others, that relationship will begin to improve so that issues can be identified and solutions developed before lines are drawn and problems escalate. To a large degree, that is the role of dockets and proceedings at the Commission, and it appears that nearly all the issues raised in the Green Book are currently being addressed through existing proceedings; as they should be. That process should be allowed to continue without additional omnibus proceedings or distractions.

With this letter we are not addressing every question posed by staff but would like to draw your attention to four issues that are relevant to the topic:

- 1) **LEAN understands and agrees with the Commission's three guiding principles related to affordable rates, decarbonization, and grid reliability.** CCAs have adhered to and delivered on those principles from day one; and in fact, most CCA programs have exceeded State mandates with respect to renewable power generation and carbon reduction while offering competitive rates even in the face of growing PCIA/exit fees imposed on departing load customers. CCAs have met every requirement with respect to resource adequacy (RA) and are adjusting to the Commission's recently imposed E-4907 to deal with issues regarding RA timing and availability.

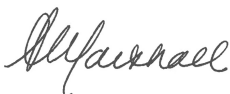
- 2) **A guiding principle for CCA programs is local control and accountability.** This is engendered by local Boards of Directors who are directly responsible to their communities and motivated to serve their constituent ratepayers. A critical component of local control is procurement autonomy and rate setting. We respectfully request that these elements remain with the CCA with the full understanding that CCAs will continue to be responsive to procurement planning as required by certification of Integrated Resource Plans and the myriad of compliance reports already required by the CPUC. Any attempt by the CPUC to redefine itself as a centralized procurement coordinator would amount to regulatory overreach and is legally antithetical to a community's right to choose its power mix within guidelines already established by State statute and existing code.

- 3) **Consumer protection issues have been problematic in states that operate under a full retail model such Texas.** This is due to aggressive marketing tactics, sometimes predatory contract terms/higher pricing, and confusing requirements with which everyday consumers are unfamiliar. It is notable that two states with individual retail and municipal aggregation (i.e. CCA) – Illinois and Massachusetts – have proposed legislative action to scale back or close their individual retail markets while leaving municipal aggregation in place to achieve local consumer choice, pricing and environmental goals.¹ An excerpt from a March 29, 2018 press release from the Massachusetts Attorney General's office reads: *"As a follow on to the study, the AG's Office will work with the Legislature, the Department of Public Utilities, the energy industry and civil rights and consumer advocates to close down the market for individual residential competitive electric supply in Massachusetts. The AG's Office does not propose any changes to Massachusetts cities' and towns' municipal aggregation programs or the markets for commercial and industrial competitive supply."*

- 4) **By our read, a tertiary but rather pressing issue highlighted by the Green Book is the need for the CPUC to thoughtfully redefine its role and that of IOUs in a transitioning energy market that is becoming more decentralized.** This does not translate to mission creep or regulatory overreach in the absence of substantiated problems, but rather to the need to focus on the future role of the investor owned utilities, the modernization of our California's transmission and distribution infrastructure, grid safety/resilience, and regulatory reforms that that support ongoing innovation and competition.

Thank you very much for the opportunity to provide these comments. We look forward to following the Initiative's next steps and attending the En Banc meeting scheduled for June 22, 2018.

Sincerely,



Shawn Marshall
Executive Director

¹ [HB 5101 - Illinois General Assembly](#) and <https://www.mass.gov/news/ag-healey-calls-for-shut-down-of-individual-residential-competitive-supply-industry-to-protect>