

[Submitted by Rick Brown via email to customerchoice@cpuc.ca.gov on 11/17/17]

Dear Customer Choice Team,

A fundamental role of the CPUC is to establish (and monitor compliance with) regulations that reflect the State's policies. Regulation however, is only one mechanism for holding IOUs and others the CPUC regulates accountable for complying with those policies, e.g., affordability, reliability and decarbonization. Just as important are markets. As we have seen in California, this is especially true for issues like affordability and decarbonization; opening up energy markets to allow for CCAs and customer self-generation (and storage) has probably done more to reduce the cost and expansion of clean energy than any particular regulation. In that regard, the CPUC's role should also include establishing policies that promote "efficient markets"; i.e., markets where there is a level playing field; especially in unfettered access to market information and resources.

For example, CCAs recently submitted testimony calling for the CPUC to require IOUs to provide objective, accurate bill comparison information; i.e., so customers can fairly compare rate and pricing options. (We at TerraVerde are already able to provide this, and currently do this for our clients consideration whether to opt-in or -out of a CCA, self-generate or add storage.)

Another example within our current model is that IOUs have a significant market advantage over other participants in decisions about distribution grid investment options. For example, it is they who determine implementation of DER/non-wire alternatives. Given their clear financial conflict of interest in the outcome of such decisions, this practice clearly violates the efficient market choice model.

A final example: as part of an ICA work group process, we requested that SCE work with third parties to develop an API to allow third parties to access ICA data for the purposes of developing grid services NWA models. SCE staff told the work group "they are unable to support this request". Of course we will follow-up on this request, but this example clearly illustrates how an IOU's role as gatekeeper can interfere with unfettered access to data; handicapping efficient markets.

These are just three examples of the importance of reexamining the CPUC's role in promoting accountability through support of more efficient markets.

In summary, choice for its own sake is not the point, enabling choice to promote markets that hold market participants accountable to State policies should be a central principle guiding the CPUC's actions.

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