

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



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Application of Pacific Gas and Electric Company for)
Authority, Among Other Things, to Increase Rates)
and Charges for Electric and Gas Service Effective) Application No. 18-12-009
on January 1, 2020) (Filed December 13, 2018)
(U 39 M))
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**RESPONSE OF
SILICON VALLEY CLEAN ENERGY**

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Application of Pacific Gas and Electric Company for
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(U 39 M)

In accordance with Rule 2.6 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), Silicon Valley Clean Energy (“SVCE”) hereby submits this response to the application filed by Pacific Gas and Electric Company (“PG&E”) in the above-captioned docket. Notice of the application first appeared in the Commission’s Daily Calendar on December 18, 2018. Therefore, in accordance with Rule 1.15, this response is timely filed.

SVCE is a joint powers authority operating a community choice aggregation (“CCA”) program for electric customers within the jurisdictional boundaries of its members. SVCE’s members include thirteen communities in Santa Clara County.¹ SVCE was formed in March 2016 and began serving customers in April 2017. Through its CCA program, electric customers receive generation services from SVCE, and receive transmission, distribution, billing, and other services from PG&E. Additionally, under current law PG&E is the exclusive provider of

¹ The member agencies include the County of Santa Clara, the cities of Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, Mountain View, Saratoga, Sunnyvale, and the Unincorporated Santa Clara County.

metering, billing and collection services to SVCE in support of SVCE's provision of generation services to its customers.

Rule 2.6(c) states that a party "may file a response that does not object to the authority sought in an application, but nevertheless presents information that the person tendering the response believes would be useful to the Commission in acting on the application." At this time, SVCE does not object to PG&E's application, but SVCE is concerned about the impact of rate impacts on its customers. Also, as evidenced in other proceedings, SVCE and other CCA programs are concerned about PG&E's incurrence of certain costs, and how PG&E allocates those costs between the generation function (the cost of which is borne just by PG&E's generation service customers) and the delivery function (the cost of which is borne by all customers, including CCA customers). As reflected in legislation underlying CCA service, PG&E has "inherent market power derived from...the potential to cross-subsidize competitive generation services."² As such, it is important that close scrutiny be applied to PG&E's methodology for allocating costs. SVCE anticipates that it may identify additional issues as the proceeding moves forward, and reserves the right to address issues that arise.

II. RESPONSE

In the instant proceeding, PG&E is requesting authority, among other things, to increase gas and electric distribution and generation revenue requirements by a total of \$1,058 million, effective January 1, 2020. PG&E's request would result in a 12.4 percent increase over PG&E's 2019 authorized revenue requirement. Furthermore, PG&E is proposing cost allocation and rate changes with respect to its hydroelectric generation facilities, including shifting costs from generation rates to a non-bypassable charge, which will be borne by all customers (including CCA customers).

² Senate Bill 790 (Stat. 2011, ch. 599); Section 2(c).

PG&E provides a variety of services to CCA programs and CCA customers, including the distribution of electricity to customers and billing for generation services provided by community choice aggregators. As such, PG&E's proposed changes directly impact CCA programs and customers. As a community choice aggregator, SVCE has a strong interest in representing its members and customers, and is in a position to provide valuable input in this proceeding. SVCE desires to participate in this proceeding in order to represent the interests of SVCE and its customers.

III. PROCEDURAL MATTERS

Pursuant to Rule 2.6(d), SVCE provides the following procedural comments:

A. Proposed Category

The instant proceeding is appropriately categorized at "ratesetting."

B. Need for Hearing

SVCE believes that evidentiary hearings will be necessary.

C. Issues to be Considered

SVCE is still evaluating the application and issues associated with PG&E's request. Therefore, SVCE reserves the right to identify additional issues that should be addressed in this proceeding. As noted above, among other things, the Commission should give particular consideration in this proceeding to the issues of PG&E's proposed rate increase and PG&E's proposals with respect to cost allocation, including PG&E's proposal to establish a non-bypassable charge for the cost of PG&E's hydroelectric generation resources.

D. Proposed Schedule

SVCE has no comments on the proceeding's schedule at this time.

IV. PARTY STATUS

Pursuant to Rule 1.4(a)(2), SVCE hereby requests party status in this proceeding. As described herein, SVCE has a material interest in the matters being addressed in this proceeding. SVCE designates the following person as the “interested party” in this proceeding:

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V. CONCLUSION

SVCE thanks assigned Commissioner Michael Picker and Administrative Law Judges Elaine Lau and Rafael L. Lirag for their consideration of this response and the matters addressed herein.

Dated: January 17, 2019

Respectfully submitted,

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