

OPEN LETTER TO THE MEMBERS OF THE CALIFORNIA PUBLIC UTILITIES COMMISSION

We applaud your support for consumer choice and fair and accurate rate forecasting in the best interest of ratepayers and the achievement of California's Climate and Clean Energy Goals

Dear President Batjer and Commissioners:

As you consider a final decision regarding San Diego Gas & Electric's (SDG&E's) 2021 Electric Procurement Revenue Requirement (ERRA) Forecast Application (A. 20-04-014), we recommend adoption of the proposed decision issued on December 2, 2020, that requires SDG&E to use a consistent and accurate forecast for their proposed rate structure and that takes into account the fact that thousands of customers will be deciding between Community Choice and bundled utility service next year. Adoption of the proposed decision will have an immediate positive impact on ensuring that Community Choice Energy customers and SDG&E's bundled customers receive accurate price signals, which are necessary to make critical decisions that will impact California's ability to meet its imperative climate change and clean energy goals established by the legislature and Governor.

The proposed decision in front of you now properly requires SDG&E to incorporate known data regarding the number of customers departing for Community Choice next year, which is necessary to derive an accurate rate based on a realistic sales forecast. SDG&E's application relies on contradictory load forecasting data to justify artificially deflated commodity rates for a limited timeframe that directly coincides with the launch of Community Choice Energy programs in its service region. While SDG&E accurately accounts for the anticipated revenue shift caused by the launch of CCAs, it fails to account for the same departing load in its sales forecast, which represents anticipated customer energy use. Although SDG&E asserts its hands are tied based on Commission process, the incongruent calculations create a faulty model used to support absurdly low rates which will stifle the community-supported launch of a competitive offering. Additionally, SDG&E's proposal would cause a temporary rate drop for bundled customers that would quickly need to be trued up, causing confusion and rate volatility. With the current pandemic and economic crisis, the last thing ratepayers need – whether they are bundled or community choice customers – is this type of fluctuation. The higher trued up rates would likely surprise many ratepayers, creating financial instability and hardship for businesses and families already struggling to make ends meet during the pandemic.

The proposed decision also agrees with Community choice programs in their request for more data transparency about the power under contract in SDG&E's resource portfolio and directs SDG&E to supply all additional data necessary to make accurate rate decisions in future forecasts. This will protect all ratepayers in the future by ensuring

important decisions about rates are made with full access to the relevant data and related information. We fully support this decision.

The families and businesses in our five member cities indicated loud and clear they want choice and community-driven power options. As elected leaders in those communities, we are committed to fighting for their interests. If this kind of willful manipulation of data by SDG&E is allowed to stand, it will set a precedent that no community choice program will be able to launch in its territory and competition will be stifled. As Community Choice Energy represents the most viable path to increasing clean energy in the region, your decision will also have far-reaching impacts on the ability of our cities to contribute to reaching California's ambitious climate and clean energy goals.

In addition to charging the highest rates in the state, SDG&E also stands alone in using inaccurate calculations to temporarily deflate its commodity rates. Both PG&E and Southern California Edison provide accurate forecasting that incorporates Community Choice customers into all relevant aspects of their ERRA forecasts.

We appreciate the balance you have to strike as California Public Utility Commissioners protecting *all* ratepayers. The health of our economy, communities, environment, and the future of community energy choice rests with your decision. We applaud the proposed decision and urge you to formalize final support for accurate reporting . Community-driven energy choice must be allowed to compete on a fair and level playing field.

Signed:

Joe Mosca, Chair
Encinitas Councilmember

Bill Baber
La Mesa, Vice Mayor

Mark West
Imperial Beach Councilmember

Stephen Padilla, Vice Chair
Chula Vista Councilmember

Monica Montgomery
San Diego Councilmember

