Outlook

[EXTERNAL] posting written public comment, May 22 SDCP Community Advisory Committee

From Bill Powers <bpowers@powersengineering.com>
Date Fri 5/22/2020 12:56 PM
To Sarria, Sebastian <SSarria@sandiego.gov>
Cc Hooven, Cody <CHooven@sandiego.gov>

Hi Sebastian,

Good job running the initial Community Advisory Committee meeting this morning. I attempted to submit a written public comment a few minutes ago, 391 words, but is was rejected for being greater than 800 characters (the text regarding written comments says no more than 400 words). Below is the comment. I would appreciate it if you could post it as a public comment to the CAC meeting. Thanks, Bill

<u>Request for amicus brief from SDCP</u>: The October 2018 California Public Utilities Commission *Power Charge Indifference Adjustment* (PCIA) decision, also known as the “exit fee” for community choice energy customers, is being challenged by San Diego-based non-profit Protect Our Communities Foundation (POC) in state appellate court in San Diego. The earliest the appellate court will rule on whether to take the appeal is June 22, 2020. An amicus brief from San Diego Community Power would be of great value.

<u>How the PCIA exit fee works</u>: SDG&E charges customers that depart SDG&E bundled service a substantial fee, the PCIA exit fee, to cover its investments in high cost gas-fired power plants and high cost renewable energy contracts that were entered into over the last two decades. Using the 2020 Solana Energy Alliance DR-residential rate as an example, the exit fee is substantial, $0.033/kilowatt-hour (kWh) on top of a generation rate of about $0.07/kWh.

The PCIA exit fee is allocated by dividing the utility’s fixed annual exit fee amount, for SDG&E about $450 million in 2020, over SDG&E’s grid power sales. If those grid power sales decline, more-and-more of the exit fee burden is concentrated on fewer-and-fewer grid power kWh sold by SDG&E. An analogy would be Metropolitan Transit Authority funding all of its capital improvements through bus and trolley ticket sales. If a ticket price of $2.50 is sufficient to cover all the costs with an average of 100,000 riders per day, the ticket cost will need to increase to $5 per ticket if ridership drops to an average of 50,000 per day. More of the burden is placed on public transit riders who do not have access to a car. That is also how the PCIA exit fee works. This fee structure creates a major disincentive to the expansion of local rooftop solar power, which inherently reduces grid power sales.

A priority objective of SDCP is the expansion of local rooftop solar (see *City of San Diego CCA Business Plan*, October 22, 2018, pp. 1-3). It will be very challenging to expand local rooftop solar with the PCIA exit fee applied in its current form. A successful appeal would remand the PCIA decision to the CPUC with direction from the court that the CPUC conform the decision to California law. I would be happy to answer any questions about this request.