

PROPOSED DIRECT ACCESS REOPENING SCHEDULE

SUBMITTED INFORMALLY BY:

**ADVANCED ENERGY BUYERS GROUP, ADVANCED ENERGY ECONOMY,
ALLIANCE FOR RETAIL ENERGY MARKETS, CALIFORNIA LARGE
ENERGY CONSUMERS ASSOCIATION, COMMERCIAL ENERGY OF
CALIFORNIA, DIRECT ACCESS CUSTOMER COALITION,
ENERGY USERS FORUM, RENEWABLE ENERGY BUYERS ALLIANCE,
SHELL ENERGY NORTH AMERICA (US), L.P.,
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, AND
3 PHASES RENEWABLES INC.**

January 21, 2020

R.19-03-009

Commission staff requested at the January 8, 2020 workshop that parties provide a proposed direct access (“DA”) reopening schedule in their informal comments to be filed subsequent to the workshop. Accordingly, Advanced Energy Buyers Group, Advanced Energy Economy, Alliance for Retail Energy Markets, California Large Energy Consumers Association, Commercial Energy of California, Direct Access Customer Coalition, Energy Users Forum, Renewable Energy Buyers Alliance,¹ Shell Energy North America (U.S.) L.P., the Regents of the University of California in its role as an Electric Service Provider, and 3 Phases Renewables Inc. (“Joint Parties”) have developed and recommend the reopening schedule described herein and request that the Commission adopt it for inclusion in its recommendations to the Legislature in compliance with Senate Bill 237.

¹ The Renewables Energy Buyers Alliance is not a party to this proceeding.

The schedule proposed below begins new DA service for commercial and industrial (“C&I”) customers in 2022, phases-in DA for all C&I over several years, provides for the termination of the existing lottery process, and aligns DA load migration with the forecasting and procurement activities required of load serving entities (“LSEs”) for Resource Adequacy (“RA”), Integrated Resource Plans (“IRPs”), and Renewable Portfolio Standards (“RPS”).

1. Yearly Amount: New load migration to DA should be set at a level that has been shown to be managed successfully in recent years. This level can then form the basis for the pace of DA expansion that can reasonably be accommodated without undue concern for system impacts.

The largest level of load migration in recent years has been from the launch of Community Choice Aggregators (“CCAs”). The Clean Power Alliance of Southern California (“CPA”) planned for and implemented the launch of 9.3 terawatt-hours (“TWh”) of new retail load migration in 2019, as set forth in Addendum 3 to its Implementation Plan.² Using this level of new LSE retail load migration as the basis, the allowed annual increase in the DA cap should be set at 9 TWh/yr. This level of cap increase should be spread out in a *pro-rata* share across all Investor Owned Utilities (“IOUs”). Spreading it out in this fashion will have a much lower impact on individual IOUs when compared to CCA launches such as CPA, which took place in just in one IOU service territory. For

² CPA initiated service in February 2018. Table 1, p. 7 in CPA’s Addendum 3 submitted to Energy Division on December 18, 2018 shows CPA planning to serve 967 GWh in 2018 and 10,295 GWh in 2019. Therefore, the load migration attributed to CPA in 2019 was 9.3 TWh. D.19-11-016, Table 1, verifies that CPA is expected to serve 11.8 TWh of load in 2021. CPA’s Addendum is available at: https://cleanpoweralliance.org/wp-content/uploads/2018/12/CPA-Implementation-Plan-Addendum-3_20181219.pdf

comparison, the statewide load migration associated with the rollout of just two CCAs in 2019 – CPA and East Bay Community Energy (“EBCE”) – totaled 14.2 TWh.³

2. Subsequent Yearly Allowances in the Lottery: The annual lottery will continue initially on the current schedule, both to (a) establish a wait list for the following year in the event that space becomes available under that year’s currently-effective cap and (b) determine the order of customer admittance to DA as a result of a cap increase pursuant to SB 237. The amount of DA cap space available in the lottery should increase by 9 TWh each year for 5 years, after which the cap will be fully lifted, allowing all C&I customers to elect DA service if they choose. If the lotteries for all three IOUs are no longer fully subscribed in any of the first 5 years, then the DA cap should be lifted in the following year, customers should be allowed to sign up for DA service at any time, and the annual lottery process should be discontinued.
3. Starting Year: The effective date for C&I customers taking new DA service under the first 9-TWh expansion should be January 1, 2022.⁴

³ As noted, CPA accounted for 9.3 TWh of load migration in 2019. EBCE initiated service in May 2018 by planning to serve 1,346 GWh of load, which increased to 6,201 GWh of load in 2019, as set forth in Table 3 of its Implementation Plan. Therefore, the load migration attributed to EBCE in 2019 was 4.9 TWh. Taken together with CPA, these two CCAs accounted for 14.2 TWh of load migration in 2019. D.19-11-016, Table 1, verifies that EBCE is expected to serve 6 TWh of load in 2021. EBCE’s plan is available at: <https://ebce.org/wp-content/uploads/East-Bay-Community-Energy-Implementation-Plan.pdf>

⁴ This start date presumes that legislation for further reopening and the subsequent CPUC proceeding for implementation can conclude by year end 2020, so that the first-year new load migration is accomplished by February 2021. In the event that the proposed changes are not adopted in time for this starting date to be feasible, the schedule, as outlined, remains indicative of the timing recommended by the Joint Parties in future years.

4. Lottery Program: D.19-05-043 (as modified by D.19-08-004) directed that customers selected in the 2019 lottery could not take service until January 2021 to align load migration with the year-ahead RA process and avoid adverse RA impacts. Accordingly, the Joint Parties propose that the Commission adopt the same key deadlines for the new DA expansion.⁵ The IOUs, LSEs and C&I customers have had experience operating under this schedule since May 2019 and have developed procedures to accommodate it. No known major problems have occurred. Moreover, adopting the same schedule will accomplish the same purpose that it had in the Phase 1 reopening-- aligning the timing between the lottery and when customers begin taking service – to ensure LSEs have the necessary information on expected load migration in time for RA forecasting and procurement.

As during the Phase 1 reopening, customers selected by the June lottery would be required to have their Direct Access Service Requests (“DASRs”) submitted by early February of the following year so that all LSEs know what load they will be serving in the year-ahead RA process. In addition, leaving the DASR due date in February provides adequate time for customers and LSEs to contract for the necessary energy and capacity resources and avoids deadlines during the November-December holiday period. This schedule would be repeated each year until DA is fully re-opened for C&I customers, the earlier of either 5 years or

⁵ D.19-05-043, Table 2, p. 21-22.

when the lottery for all three IOUs is no longer over-subscribed, as discussed in Section 2 above.⁶

The following shows the proposed schedule for customers that would begin DA service on January 1, 2022 pursuant to the SB 237 expansion:

Re-Opening Schedule for 2020-2022	
Activity	Deadline
Submission of NOI Switching Requests (Lottery)	June 8-12, 2020
Deadline for IOU Vetting of NOIs (30 business days), including time for Customer Deficiency Notifications and Deficiency Cure Period	July 6, 2020
Customer Acceptance of DA Selection	September 3, 2020
IOUs provide affected CCAs a preliminary report of the aggregate hourly peak demand and hourly load data of customers choosing to switch to DA service	September 10, 2020
Deadline for Submission of DASRs	February 3, 2021
IOUs provide affected CCAs a final report of the aggregate hourly peak demand and hourly load data of customers choosing to switch to DA service	February 10, 2021
LSE Submission of Year-Ahead RA Load Forecasts	March 16, 2021 (tentative)
New DA Customers Begin Taking Service	January 1, 2022

This proposed schedule reasonably meets C&I customers' demands for more choice, while ensuring LSEs will have the information needed to meet their own loads and regulatory requirements. The Joint Parties urge that the Commission adopt this schedule and recommend that the Legislature enact enabling legislation to permit additional DA based on this schedule.

⁶ Under this proposal, annual lotteries would take place from 2020 to 2025 and then be discontinued as of 2026, unless discontinued earlier pursuant to Section 2