

January 21, 2021

California Public Utilities Commission  
Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue, 4th Floor  
San Francisco, CA 94102-3298  
Email: [EDTariffUnit@cpuc.gov](mailto:EDTariffUnit@cpuc.gov)

**RE: CLEANPOWERSF ADVICE LETTER 13-E  
SUBMITTAL OF CLEANPOWERSF FINANCIAL SECURITY  
INSTRUMENT EXECUTED WITH PACIFIC GAS AND ELECTRIC  
IN COMPLIANCE WITH RESOLUTION E-5059**

## **PURPOSE**

The City and County of San Francisco (“San Francisco” or “City”) hereby submits and posts its Community Choice Aggregator (“CCA”) Financial Security Requirement (“FSR”) Instrument, executed with Pacific Gas and Electric Company (“PG&E”), pursuant to Resolution E-5059 of the California Public Utilities Commission (“Commission”). The City, through its CCA CleanPowerSF, submits this CleanPowerSF Advice Letter 13-E posting CleanPowerSF’s FSR Instrument executed with PG&E.

## **BACKGROUND**

CleanPowerSF is San Francisco’s CCA program developed and operated by the San Francisco Public Utilities Commission (“SFPUC”), an enterprise department of the City. CleanPowerSF was certified by the Commission on May 18, 2010 and re-certified on August 25, 2015, following the City’s submission of an updated Implementation Plan. CleanPowerSF began serving customers in May 2016. With an annual operating budget of approximately \$220 million, CleanPowerSF now serves about 380,000 customer accounts.

Under Public Utilities Code Section 394.25(e), CCAs are required to post financial security to cover the reentry fees that would be imposed on CCA customers in the event these customers are involuntarily returned to IOU service. On June 7, 2018, the Commission in Decision (“D.”)18-05-022 found that Public Utilities Code Section 394.25(e) requires the implementation of both a reentry fee and a corresponding FSR to address the costs of a potential mass

CleanPowerSF is a program of the San Francisco Public Utilities Commission (SFPUC), an enterprise department of the City and County of San Francisco.

CleanPowerSF is committed to protecting customer privacy. Learn more at [cleanpowersf.org/privacy](http://cleanpowersf.org/privacy).

OUR MISSION: To provide our customers with high-quality, efficient and reliable water, power and sewer services in a manner that values environmental and community interests and sustains the resources entrusted to our care.

**London N. Breed**  
Mayor

**Sophie Maxwell**  
President

**Anson Moran**  
Vice President

**Tim Paulson**  
Commissioner

**Ed Harrington**  
Commissioner

**Michael Carlin**  
Acting  
General Manager



involuntary return of CCA customers to utility service.<sup>1</sup> In D.18-05-022, the Commission established the methods for calculating re-entry fees and financial security amounts and established a minimum CCA financial security amount of \$147,000.<sup>2</sup> The Commission ordered each CCA to submit a compliance advice letter to the Commission's Energy Division, providing notice of compliance with the FSR and requesting the return of the interim financial security posted with the Commission.<sup>3</sup>

On August 15, 2018, PG&E submitted Advice Letter 5354-E, Southern California Edison Company ("SCE") submitted Advice Letter 3840-E, and San Diego Gas & Electric Company ("SDG&E") submitted Advice Letter 3257-E (collectively, "IOU Advice Letters") seeking Commission approval of proposed revisions to the three IOUs' tariffs to define and calculate the CCA financial security and reentry fees requirements pursuant to D.18- 05-022. On September 4, 2018, the California Community Choice Association ("CalCCA") protested the IOU Advice Letters arguing that the IOU Advice Letters were overly broad and went beyond the scope of D.18-05-022.<sup>4</sup>

On October 9, 2020, the Commission issued Resolution E-5059 partially approving the IOU Advice Letters and directing the CCAs to post new FSR instruments within 60 days of the Resolution.<sup>5</sup> In Resolution E-5059, the Commission determined that the FSR instrument will govern the rights and obligations of the parties and shall be based on commercially reasonable and accepted terms and conditions.<sup>6</sup>

In Resolution E-5059, the Commission also ordered the IOUs to resubmit their tariff sheets to clarify, among other things, that: (i) the terms of the FSR are subject to mutual agreement by the IOU, the CCA, and the third-party issuer of the FSR instrument, (ii) failure of the CCA to post the FSR instrument within the sixty-day period following issuance of Resolution E-5059 may be grounds for the CCA's involuntary service suspension by the Commission, and (iii) the IOU may not terminate CCA service without approval from the Commission.<sup>7</sup>

On November 6, 2020, the IOUs refiled their tariff sheets via respective Tier 1 Advice Letters to conform with Resolution E-5059 ("Updated IOU Advice Letters").<sup>8</sup> On November 30, 2020 CalCCA filed a Limited Protest of the Updated IOU Advice Letters requesting clarification of certain tariff revisions related to the treatment of protested reentry fees as well as the timing and

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<sup>1</sup> D.18-05-022 p. 14 (Conclusion of Law 1).

<sup>2</sup> D.18-05-022 p. 16 (Ordering Paragraph 9).

<sup>3</sup> D.18-05-022 (Ordering Paragraph 10).

<sup>4</sup> See CalCCA Protest, dated September 4, 2018.

<sup>5</sup> While Resolution E-5059 required the CCAs to submit their FSRs on December 8, 2020, the Energy Division granted CalCCA's request for a 45-day extension (until January 21, 2021).

<sup>6</sup> Resolution E-5059 p. 26.

<sup>7</sup> Resolution E-5059 pp. 26-27 (Ordering Paragraph 4).

<sup>8</sup> See PG&E Advice Letter 5354-E-B, SCE Advice Letter 3840-E-A, and SDG&E Advice Letter 3257-E-A.

circumstances in which CCA customer payment remittances may be withheld.<sup>9</sup>

### **FINANCIAL SECURITY REQUIREMENT INSTRUMENT**

Under Resolution E-5059, a CCA has complied with the FSR posting requirements when the CCA has demonstrated that the financial instrument has been formed, and the IOU made its obligee, recipient, or equivalent.<sup>10</sup> Appendix A to this AL is a copy FSR Instrument that has been executed by the City and PG&E.<sup>11</sup> In the event that an involuntary return occurs, Resolution E-5059 requires the IOU to submit a Tier 1 Advice Letter within 30 days of the involuntary return to notify the Commission that the return has occurred and to set forth the reentry fee calculation.<sup>12</sup>

Consistent with that requirement, the FSR instrument states that, unless otherwise mutually agreed, PG&E will not draw from the FSR amount until at least 20 days after PG&E submits the Tier 1 advice letter notifying the Commission of the involuntary return. In addition, the FSR instrument states that PG&E will not draw from the FSR amount except: (a) upon written agreement between the City and PG&E; or (b) until at least 15 calendar days after PG&E has issued a written demand for payment to the City.

### **REQUEST FOR RETURN OF INTERIM SECURITY**

The City previously posted an interim FSR of \$100,000 with the Commission in compliance with Resolution E-4133. Per Resolution E-5059 and D.18-05-002, the interim financial security posted with the Commission should be returned to the posting CCA when the CCA complies with the financial security requirements as described in Resolution E-5059.<sup>13</sup> Through this AL, the City is posting a copy of the FSR Instrument. The City is also requesting the return of the interim FSR amount of \$100,000.

### **EFFECTIVE DATE**

CleanPowerSF requests that this Tier 1 Advice Letter become effective on January 21, 2021, which is which is the date of this submission.

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<sup>9</sup> See California Community Choice Association's Protest of SCE Advice Letter 3840-E-A, PG&E Advice Letter 5354-E-B, and SDG&E Advice Letter 3257-E-A Community Choice Aggregation Financial Security Requirements.

<sup>10</sup> Resolution E-5059 p. 26 (Finding of Fact 17).

<sup>11</sup> See D.18-05-022 p. 16 (Ordering Paragraph 7) ("Letters of credit...are acceptable forms for satisfying the financial security requirement.").

<sup>12</sup> Resolution E-5059 p. 27 (Ordering Paragraph 7).

<sup>13</sup> Resolution E-5059 p. 5; see *also* D.18-05-022 p. 11.



## **Appendix A**

### **CleanPowerSF Letter of Credit for Financial Security Requirement**