

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

Order Instituting Rulemaking to Address Utility
Cost and Revenue Issues Associated with
Greenhouse Gas Emissions.

R.11-03-012
(Filed March 24, 2011)

**RESPONSE OF THE DIRECT ACCESS CUSTOMER COALITION TO THE
PETITION FOR MODIFICATION OF DECISION 12-12-033
OF THE MARIN ENERGY AUTHORITY**

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February 4, 2013

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In accordance with the Rule 16.4(f) of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the Direct Access Customer Coalition (“DACC”)¹ provides this response to the Petition for Modification (“Petition”) of Decision (“D.”) 12-12-033 submitted by the Marin Energy Authority (“MEA”) on January 3, 2013. In the Petition, MEA explains that delaying the collection of greenhouse gas (“GHG”) costs in the investor-owned utilities’ (“IOUs”) generation rates will negatively affect its planned July enrollment of customers² and urgently requests that the Commission modify D.12-12-033 to allow recovery of the IOUs’ GHG costs in their generation rates beginning no later than February 28, 2013.³

I. RESPONSE

While MEA’s Petition focuses on community choice aggregation (“CCA”), DACC notes that the same issues are also clearly and equally applicable to direct access. Specifically,

¹ DACC is a regulatory alliance of educational, commercial and industrial customers that utilize direct access for all or a portion of their electrical demand. In the aggregate, DACC member companies represent over 1,900 MW of demand that is met by both direct access and bundled utility service and about 11,500 GWH of statewide annual usage.

² MEA Petition, pp. 3-4.

³ MEA Petition, p. 1.

delaying the collection of GHG costs in the IOUs' generation rates will create artificially low rates that can lead to anti-competitive outcomes for CCAs and electric service providers ("ESPs"), all of which are currently bearing those GHG costs. Moreover, allowing the competitors of the CCAs and ESPs to maintain artificially-suppressed generation rates directly conflicts with the Commission's "high priority policy objectives" set forth in D.12-12-033⁴ and the regulations of the California Air Resources Board⁵ to avoid anti-competitive treatment of direct access and CCA customers. To remedy these adverse outcomes, DACC respectfully requests that the Commission adopt MEA's recommendations, as detailed in the Petition.⁶

II. CONCLUSION

As described above, DACC strongly supports MEA's Petition and respectfully requests that the Commission adopt the recommendations identified therein.

Respectfully submitted,



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⁴ See, for example, D.12-12-033, Finding of Fact 39, p. 168.

⁵ ARB regulations require "equal treatment" of DA/CCA and bundled utility customers. California Air Resources Board, Final Regulation Order, Cap-and-Trade Program, December 21, 2011, Article 5, Subarticle 8, § 95892(d)(4), p. 119.

⁶ MEA Petition, p. 6.