Questions for Discussion – Cap and Trade Implementation Plans

GHG Cost Accounting in August Applications v. ERRA

- Topics for Discussion:
  - GHG cost forecasting and true-ups in August applications
  - Methodology to forecast Cap-and-Trade-related costs
    - The Plan indicates that each IOU has a "slightly different methodology" (p.5). Can the IOUs explain their current methodologies and how they vary? What are the IOUs' views on using a standard methodology?
- Direction provided in Decision:
  - P. 147-8: IOUs must file an application "setting forth forecasted GHG costs for the subsequent year and estimating GHG revenues to be distributed… Beginning in 2014, the applications must also include a detailed accounting of GHG costs incurred for the previous year as well as revenues distributed to eligible customer classes."
  - P. 148: "The methodology the utilities will use to calculate realized GHG costs against which to apply revenues…must be established given that it will be practically infeasible to determine actual GHG costs embedded in the market price of electricity."

Forecasting the Allocation of Revenues Owed

- Exactly how do the IOUs propose to forecast how much revenue to set aside for the EITE allocation? Do the IOUs plan to use a common forecasting methodology and assumptions? (Section 4.2)
- How do the IOUs propose to forecast how much allowance revenue they expect to receive from consigned allowances in a given year? (Section 2.4) Do the IOUs plan to use a common methodology? Can SCE and PG&E cite where they describe this forecast process in their ERRA filings?

Bill Limiter Adjustment and Zero Bill Minimum

- PG&E to give overview of the BLA, its origins, its effects on a customer's bill, and how this issue is different from circumstances in SCE and SDG&E's territory when a bill credit exceeds a customer's bill.
- What does it mean to have the allocation "impeded" by the BLA? How exactly does the BLA inhibit the return of the Climate Dividend or the volumetric return from rates? What happens to these credits if they cannot flow through to a customer's bill?
- What solutions exist to address his problem?

Rollover Provisions

- Discuss proposed characterization of rollover payments as "overpayments." (Section 5.4.2)
- If the Climate Dividend exceeds the delivery portion of a customer's bill, walk through how that excess will be carried over to either the generation component of the bill or to subsequent bills.
- Do the IOUs believe D.12-12-033 requires that any excess bill credits must continue to be applied only to the delivery portion of a customer's bill? See FOF 112; COL 29, 32, 36; OP 7, etc. Do these requirements differ for the small business return, the volumetric residential return, and the Climate Dividend?
- On Joint IOU reply comments, p. 5-6, explain how in SCE's system remaining credits apply to "the total customer's bill's balance." How is this total balance apportioned between the CCA/DA and the IOU service accounts?

- Illustrative examples would be helpful.

Outreach to Master Meter Customers

- How do the utilities plan to educate master meter customers?
- Is there any way to reach sub-metered customers so they know to expect a Climate Dividend?

Duplicative Distributions to EITE Small Business Customers (Section 3.3.2)

How will the IOUs identify small businesses that are eligible for the EITE return, and therefore should not receive the small business credit on their bills? If the volumetric small business return commences before the initial EITE allocation in 2014, how will the IOUs identify EITE entities in 2013 and prevent their service accounts from receiving a small business return?

If the IOUs cannot identify these accounts in the near term, before CPUC communicates to the IOUs a discrete list of eligible EITE customers, how do they plan to recoup duplicative allocations?