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ED Tariff Unit
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
EDTariffUnit@cpuc.ca.gov

Re: Protest of Marin Energy Authority to PG&E Advice Letter 4203-E

Dear Energy Division:

On March 15, 2013, Pacific Gas and Electric Company ("PG&E") submitted Advice Letter ("AL" or "Advice Letter") 4203-E ("PG&E Advice Letter") in order to comply with Decision ("D.") 12 -12-033, Ordering Paragraph ("OP") 29. This AL pertains to the Outreach and Education ("O&E"), which is mandated by California Public Utilities ("P.U.") Code section 748.5(b), relating to the Commission's implementation of the Cap and-Trade Program ("C&T"). In order to comply with state law, the Commission, per D.12 -12-033, directed PG&E to "file a Tier 2 Advice Letter setting forth the scope and estimated timing of proposed customer outreach activities for 2013 consistent with the requirements set forth in Ordering Paragraph #11."

A key policy objective within D.12 -12-033 is to maintain competitive neutrality between generation service providers while implementing the return of C&T related allowance revenues to ratepayers. Hence the Commission requires PG&E to "solicit input from Community Choice Aggregator and Direct Access Providers prior to the submission of Tier 2 Advice Letter." The Marin Energy Authority ("MEA") is the only operational Community Choice Aggregator ("CCA") within the State of California, thus MEA is very concerned with the competitively neutral implementation of this O&E.

On April 2, 2013, PG&E filed AL 4210 -E outlining its plans to market against CCAs. In light of this recent filing, MEA requests that the ED staff be particularly thorough when evaluating the competitive neutrality of all PG&E marketing plan and materials relating to C&T implementation.

MEA requests that PG&E revise its Advice Letter to comply with the directions set forth in D.12 -12-033. The grounds for this non-compliance are presented as follows:

1.) The PG&E Advice Letter Does Not Comply with OP 11

While OP 29 directly requires the filing of the AL in question, there are additional sections of D.12 -12-033 which Energy Division ("ED") must

weigh when considering this PG&E Advice Letter. OP 11 clearly outlines the criterion for how PG&E and the other Investor Owned Utilities (“IOUs”) will “develop and administer a competitively neutral customer outreach and education program on behalf of all customers receiving greenhouse gas allowance revenues, including customers of Community Choice Aggregator and Direct Access providers.” Amongst the criterion necessary for IOU compliance is the following:

“Any communications from the investor-owned utilities to Community Choice Aggregator and Direct Access customers pertaining to the Cap-and-Trade program and the various greenhouse gas allowance revenue returns authorized in this decision must include both the logo of the investor-owned utility and the Community Choice Aggregator or Direct Access provider.” (Emphasis Added, OP 11).

Furthermore, the relevant section of statute – P.U. Code Section 748.5(b) – that prompts the inclusion of both OP 11 and OP 29 in D.12-12-033 reads:

“748.5 (b) Not later than January 1, 2013, the commission shall require the adoption and implementation of a customer outreach plan for each electrical corporation, including, but not limited to, such measures as notices in bills and through media outlets, for purposes of obtaining the maximum feasible public awareness of the crediting of greenhouse gas allowance revenues. Costs associated with the implementation of this plan are subject to recovery in rates pursuant to section 454.” (Emphasis Added).

However, PG&E’s Advice Letter includes the following note relating to the use of logos:

“Note: Additionally, per OP 11, PG&E plans to incorporate the logo of Energy Service Providers (ESPs) and Community Choice Aggregators (CCAs) on written education and outreach materials to DA and CCA customers, where feasible, such as fact sheets or brochures. While PG&E does not plan to include ESP’s and CCA’s logos on the bill, PG&E can customize bill messaging for DA and CCA customers.” (Emphasis Added, PG&E Advice Letter at 6).

PG&E incorrectly interprets OP 11’s requirements regarding the use of joint logos to pertain only to the “written materials” and only “where feasible”. First, MEA requests that PG&E clarify that “written” materials includes websites and other non-print media. Second, PG&E must include both PG&E’s and MEA’s logo on all communications made through any type of media to MEA customers regarding the C&T program and greenhouse gas (“GHG”) allowance revenue returns. If PG&E wishes to limit the applicability of these logo requirements “where feasible”, then PG&E must go through the steps of filing a Petition for Modification to D.12-12-033.

2.) PG&E Has Failed to Comply with OP 12 Regarding the Appointment of an Independent Marketing Firm

Though OP 12 did not prompt the filling of this AL, OP 12 is directly related to the substance of this AL because it directs PG&E and the other IOUs to hire, “in consultation with Community Choice Aggregator and Direct Access providers” and with approval from the executive director of ED, a firm with marketing and public relations expertise to implement the O&E plan presented within this AL by April 1, 2013. This marketing firm is also tasked with evaluating the “feasibility

and benefit of the use of a third -party administrator for customer outreach and education activities going forward.”

The competitively neutral selection of this marketing firm is tantamount, because the firm will have tremendous influence over how competitively neutral or anti -competitive the O&E to ratepayers will be throughout the entirety of the C&T program. To date, MEA has not been consulted with by PG&E or any of the other IOUs regarding the selection of this marketing firm. Hence MEA believes that the review of PG&E Advice Letter is premature, because PG&E and the other IOUs are out of compliance with OP 12. ED should direct PG&E and the other IOUs to comply with OP 12 and consult with CCA and Direct Access providers regarding the overdue hiring of this independent marketing firm.

3.) Additional Concerns Regarding the Content of the PG&E Advice Letter

Upon reviewing the content within the PG&E Advice Letter, MEA still has several concerns regarding the proposed O&E.

A.) Review and Approval of Communications using MEA’s Logo is Necessary

MEA’s primary concern is related to PG&E use of MEA’s logos on communications to MEA’s customers. As stated above, the Commission requires the IOUs to include the logos of relevant CCA or DA provider when communicating to unbundled customers regarding the C&T program and GHG allowance revenue returns. MEA agrees with this requirement because it attempts to preserve the competitive neutrality of the communications; however, MEA is concerned that PG&E and the other IOUs will take this requirement as permission to use MEA’s brand and logo without MEA’s own review and explicit approval. ED should clarify this matter and require that all communications prompting the need for joint logos be reviewed and approved by both parties whose logos appear on the communication in question, *prior* to issuance and circulation.

B.) Proposed Outreach Activities may be Biased Towards Bundled Customers

PG&E presents in the AL several examples of outreach activities that would be leveraged to communicate with ratepayers within PG&E’s service territory about C&T. (AL at 5). These outreach activities include items such as “on-line publications geared to PG&E-only customers”, PG&E’s website pge.com, e-mail blasts, community events, and social media. While MEA appreciates PG&E’s resolve to conduct this O &E through convenient means by leveraging many of its preexisting communications tools, MEA is concerned that many of these means for communications may be biased, either by its content or by its target audience, towards bundled PG&E customers. MEA asks ED to direct PG&E to prioritize its outreach activity selection, first in terms of competitive neutrality and second in terms of convenience.

C.) Lack of Details Regarding Call Center Training

MEA has had challenges working with PG&E in the past regarding establishing competitively neutral scripting about CCAs for PG&E’s call centers. MEA is concerned that the PG&E Advice Letter provides no insight into how PG&E will be trained to properly explain the C&T program and the related bill credits that customers will be presented with. MEA asks that ED direct PG&E to provide more details on this matter.

4.) Conclusion

MEA recommends that the PG&E revise Advice Letter 4203 -E to bring it into compliance with Ordering Paragraph 11 of the guiding Decision D.12 -12-033. Furthermore, MEA requests that the Commission direct PG&E and the other IOUs to comply with OP 12 and consult with CCA and DA providers prior to approaching Energy Division for the approval of proposed marketing firm.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Jeremy Waen", is written over a faint, dotted rectangular grid.

Jeremy Waen
Regulatory Analyst

cc: R.11-03-012 Service List
Ed Randolph, Executive Director of Energy
Division

Brian K. Cherry, PG&E