

From: [Redacted]
Sent: 6/12/2013 2:04:36 PM
To: 'Miller, Karen' (karen.miller@cpuc.ca.gov)
Cc: Dietz, Sidney (/O=PG&E/OU=Corporate/cn=Recipients/cn=SBD4); Brown, Carol A. (carol.brown@cpuc.ca.gov); Dawn Weisz (dweisz@marinenergy.com); jkudo@marinenergy.com (jkudo@marinenergy.com); [Redacted]; [Redacted]; DeVine, Kyle (kyle.devine@cpuc.ca.gov); Cooper, Judy (judy.cooper@cpuc.ca.gov); Kaur, Ravneet (Ravneet.Kaur@cpuc.ca.gov); Portillo, Claudia (Claudia.Portillo@cpuc.ca.gov); Elizabeth Kelly (ekelly@marinenergy.com)
Bcc:
Subject: Re: GHG Cost Comparison Issue

Dear Karen,

Thank you for resolving the outstanding issues. We will incorporate the items below in the Joint Rate Comparison mailer and send you and MCE a revised version.

Per your email for Item 3, I wanted to confirm the existing language shown in the most recent version of the Joint Rate Comparison document (sent on June 5, 2013) is as follow:

Generation Rate is the cost of creating electricity to power your home.

The Generation Rate varies based on your energy provider. PG&E

Generation Rates do not include temporarily deferred costs associated with greenhouse gas (GHG) compliance under the California Cap-and-Trade Program. These costs will be added to PG&E Generation Rates in 2014. MCE Generation Rates currently include these costs.

PG&E Delivery Rate is a charge assessed by PG&E to deliver electricity to your home. The PG&E Delivery Rate depends on your electricity

usage, but is charged equally to both MCE and PG&E customers.

This rate does not reflect reductions associated with the sale of GHG allowances under California's Cap-and-Trade Program, which will be included in 2014.

We will replace the sentence "MCE Generation Rates currently include these costs." with "MCE Generation Rates currently include these costs and MCE customers will not pay deferred costs in 2014."

If you have any concerns or questions, please let me know.

Best regards,

Redacted

Senior Case Manager

Pacific Gas and Electric Company

Redacted

From: Miller, Karen [mailto:karen.miller@cpuc.ca.gov]

Sent: Wednesday, June 12, 2013 1:17 PM

To: Elizabeth Kelly; Redacted

Cc: Dawn Weisz; Brown, Carol A.; jkudo@marinenergy.com; Dietz, Sidney; Redacted

Red DeVine, Kyle; Cooper, Judy; Portillo, Claudia; Kaur, Ravneet

Subject: RE: GHG Cost Comparison Issue

Hello all,

I met with Carol Brown and we discussed the unresolved issues at length. Our main concerns are that the information is correct and evenhanded. Here are the resolutions to the issues:

1. Electric Power Generation Mix Table – The Electric Power Generation Mix Table will reflect 2012 data. The text under the asterisk in the current table reflecting 2011 data needs to be changed to read “2012 Data is from the ‘Annual Report to the California Energy Commission: Power Source Disclosure Program’. The 2012 data is subject to an independent audit and verification will not be completed until October 1, 2013.”

2. 2013 Residential Electric Rate Comparison Table – MCE may include an additional line that reflects the 50% power generation mix for their Light Green Program and the 100% power generation mix for their Dark Green Program, consistent with the 2012 data reflected in the revised Electric Power Generation Mix Table. PG&E may include their 2012 power generation mix, if they so choose.

3. Generation Rate Cost Comparison Language – The existing language shown in the most recent version of the Rate Comparison document will remain the same, except for the addition of the highlighted language to the last sentence which will now read: “MCE Generation Rates currently include these costs and MCE customers will not pay deferred costs in 2014.”

4. CO2 Emissions Table – The 2011 Total CO2 Emissions Table will remain in the Rate Comparison Document.

Please let me know if you need additional clarification.

Karen

From: Elizabeth Kelly [mailto:ekelly@marinenergy.com]
Sent: Tuesday, June 11, 2013 5:27 PM
To: [Redacted] Miller, Karen
Cc: Dawn Weisz; jkudo@marinenergy.com; Dietz, Sidney; [Redacted] DeVine, Kyle; Cooper, Judy; Portillo, Claudia
Subject: GHG Cost Comparison Issue

Dear Karen and [Redacted]

I'm happy to provide additional information on the GHG cost comparison issue.

The Proposed Decision of ALJ Semcer in R.11-03-012 (dated May 28, 2013) provides an addition to Ordering Paragraph 20 of D.12-12-033. Specifically the proposed Ordering Paragraph 20 states:

PG&E, SCE, SDG&E, PacifiCorp, and CalPeco must accurately disclosure to customers shared by the utility and a Community Choice Aggregator or Energy Service Provider their respective deferred greenhouse gas costs in order to provide a direct comparison across rates.

MCE is concerned that the existing language within the cost comparison does not meet this requirement, which requires not only disclosing the deferred GHG costs – which PG&E has done – but also to have those costs presented in a way for customers to make a direct comparison across rates – which PG&E has not done. Rather, PG&E's cost reflects an amortization, not a cost.

To correct this, MCE proposes the following solution:

Generation Rate is the cost of creating electricity to power your home. The Generation Rate varies based on your energy provider. PG&E Generation Rates do not include \$180 million of temporarily deferred costs associated with greenhouse gas (GHG) compliance under the California Cap-and-Trade Program. The deferred cost is estimated to be ~~between \$0.00120 to \$0.00241~~ per kWh in 2013 and will be added to PG&E's Generation Rates in 2014. MCE Generation Rates currently include these costs and MCE customers will not pay deferred costs in 2014.

PG&E Delivery Rate is a charge assessed by PG&E to deliver electricity to your home. The PG&E Delivery Rate depends on your electricity usage, but is charged equally to both MCE and PG&E customers.

To be most useful to customers, customers should be able to look at 2013 PG&E rates versus 2013 MCE rates. If we use PG&E's amortized figures, we're not giving customers this apples to apples comparison.

If you have any questions, please feel free to reach out to us.

Beth

Elizabeth Kelly

Legal Director

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MCE is committed to protecting customer privacy. Learn more at: www.mceCleanEnergy.com/privacy