

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

In the Matter of the Application of  
Southern California Edison Company  
(U338E) for Approval of its 2015  
Greenhouse Gas Cap-and-Trade  
Program Cost and Revenue Forecast and  
Reconciliation.

Application 14-06-010  
(Filed June 11, 2014)

**PROTEST  
OF THE OFFICE OF RATEPAYER ADVOCATES**

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July 21, 2014



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**I. INTRODUCTION**

Pursuant to Rule 2.6 of the Commission's Rules of Practice and Procedure, the Office of Ratepayer Advocates (ORA) timely submits this Protest to the *Application of Southern California Edison Company (U 338-E) for Approval of its 2015 Greenhouse Gas (GHG) Cost and Revenue Forecast and Reconciliation Testimony* (Application), which was noticed in the Daily Calendar on June 21, 2014.<sup>1</sup>

In Application (A.) 14-06-010, Southern California Edison Company (SCE) requests the California Public Utilities Commission's (Commission) approval of its: (1) forecast of 2015 GHG costs; (2) forecast of 2015 administrative and customer outreach costs; (3) forecast of allowance revenue and return to eligible customers; and (4) reconciliation of the prior activity to account for deviations between actual revenues returned to customers, and actual revenues received from the consignment of allowances to the auction, net of actual administrative and customer outreach costs.<sup>2</sup>

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<sup>1</sup> A protest or response to an application must be filed within 30 days of the first notice of the filing in the Daily Calendar. Rule 2.6(a).

<sup>2</sup> A.14-06-010, pp.1-2.  
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## **II. DISCUSSION**

### **A. Background**

On March 24, 2011, the Commission instituted Rulemaking (R.) 11-03-012 (GHG OIR) to address utility cost and allowance revenue issues associated with the California Air Resources Board's (ARB) implementation of California's Cap-and-Trade program. As part of the Cap-and-Trade program the investor-owned utilities (IOUs) receive allowances they are required to consign for sale in ARB's quarterly auctions. In that proceeding, the Commission issued Decision (D.) 12-12-033, adopting a methodology for allocating GHG allowance revenues to IOU customers, and requiring the IOUs to file applications (GHG Applications) by August 1 of each year to forecast costs and revenues related to the GHG Cap-and-Trade program.<sup>3</sup>

D.13-12-041 authorized the IOUs to incorporate forecast GHG Cap-and-Trade related costs and forecast GHG allowance auction revenues into 2014 customer rates,<sup>4</sup> and requires the IOUs to submit this application in 2014 to: (1) true up the GHG forecasts from 2013 with the actual costs and revenues from 2013; and, (2) forecast GHG costs and revenues for 2015.<sup>5</sup>

D.13-12-041 also noted the requirements for filing future GHG Applications and determined the methodologies used for forecasting future costs and revenues will be litigated and approved in Phase 2.<sup>6</sup>

### **B. Issues Anticipated**

#### **1. Issues in Scoping Memo**

ORA reviewed SCE's Application and supporting testimony, and agrees with SCE that the following issues fall within the scope of this review:

- Reasonableness of SCE's forecast of 2015 GHG costs;
- Reasonableness of SCE's forecast of 2015 administrative and customer outreach costs;
- Reasonableness of SCE's forecast of allowance revenue and revenue returns to eligible customers; and
- Reasonableness of SCE's reconciliation of the prior period activity to account for deviations between actual revenues returned to customers, and actual customers received from the consignment of allowances to the auction, net of actual administrative and customer outreach costs.

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<sup>3</sup> See generally, D.12-12-033.

<sup>4</sup> See, D.13-12-041, p.1, OP. 3.

<sup>5</sup> D.13-12-041, p.7, the true-up process will be repeated for 2014 forecasts in 2015.

<sup>6</sup> D.13-12-041, p.7.

ORA recommends the Commission also include in the scope consideration of how to incorporate any outcomes from the pending Phase 2 decision in A.13-08-002.

**III. SCHEDULE**

ORA agrees with the preliminary determination that this is a rate-setting proceeding. ORA does not anticipate a need for hearings, but reserves the right to request hearings at a later date.

ORA proposes an alternate schedule to SCE’s proposed schedule:

<b>Event</b>	<b>SCE’s Proposal</b>	<b>ORA’s Proposal</b>
Application Filed	June 11, 2014	June 11, 2014
Responses/Protests	July 11, 2014	July 21, 2014
Reply to Protests and Responses Due	July 21, 2014	July 31, 2014
Scoping Memo	Not Applicable	August 19, 2014
Opening Comments	Not Applicable	September 4, 2014
Reply Comments	Not Applicable	September 11, 2014
Proposed Decision	September 19, 2014	October 13, 2014
Opening Comments on Proposed Decision	October 9, 2014	October 23, 2014
Reply Comments on Proposed Decision	October 16, 2014	October 30, 2014
Final Decision Issued	November 17, 2014	November 2014

**IV. CONCLUSION**

For the reasons discussed above, ORA requests adoption of the recommended scope of issues and schedule.

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Respectfully submitted,

/s/ ROBERT W. HAGA

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