



To: President Michael Picker  
California Public Utilities Commission, 505 Van Ness Ave  
San Francisco CA 94102

From: Kim Delfino, Defenders of Wildlife

Date: June 16, 2017

Subject: Comments of Defenders of Wildlife on the May 19<sup>th</sup> Retail Choice En Banc and Whitepaper

Defenders of Wildlife (Defenders) respectfully submits these comments on the *Retail Choice En Banc* to the California Energy Commission.

Defenders, on behalf of our 140,000 members and supporters in California, works towards protection of wildlife, ecosystems, and landscapes while supporting the timely development of renewable energy resources in California. Achieving a low carbon energy future is critical for California – for our economy, our communities and the environment. Achieving this future—and *how* we achieve it—is critical for protecting California’s internationally treasured wildlife, landscapes, productive farmlands, and diverse habitats. Defenders strongly supports innovations which provide consumers with more options to meet their energy needs, and the many ongoing efforts by California leaders and citizens to continue moving forward to decarbonize our economy. We appreciate that the Commission is putting so much effort into keeping abreast of rapid changes in the market.

## **I. Comments**

We offer the following comments in response to selected questions posed at the En Banc.

### **I. Panel Discussion: What Customers Want**

Overview and discussion of priorities and requirements of major customer categories, including the types of retail electricity choices they want, key consumer protection concerns, general view on the structure of California's retail electricity market, and the role of regulatory agencies and utilities.

- A. In this 'future' retail electric system, how do you see the role for the regulated utility evolving and what role do consumers' choices play in achieving broad public policy goals?

The practices being put in place by the emerging Community Choice Aggregators (CCAs) are highlighting one trend: there is very strong consumer demand for green energy in California. Indeed, many CCAs are offering "opt-up" products, which exceed the state's baseline renewable energy requirement, in some cases offering 100% renewable energy products available today, much sooner than the deadline for the state to achieve this goal under the RPS or SB350. And consumers are buying.

We believe that CCAs are uniquely positioned to fulfill community goals and consumer desires for green power. Power which is not simply from renewable sources but is "truly green." We support the trend of CCAs seeking to exceed the base level targets adopted by the Investor Owned Utilities (IOUs). We encourage CCAs to consider, adopt, and implement strategies which result in power purchases from environmentally sustainable sources which are situated, developed, and operated with minimal impacts to wildlife, cultural resources, and natural and working lands.

- B. As technology and customer engagement evolves, what regulatory models do you believe are best suited to allow customers to make the choices they want while ensuring that all necessary investments are made to achieve California's environmental and reliability goals? Do you think that the CPUC should react to it over time, or attempt to shape its direction (and conditions)?

We are particularly interested in ensuring that all necessary investments are made to achieve California's environmental goals. Unregulated market competition can lead to "tragedy of the commons," especially from an environmental perspective.

We encourage regulators to consider, in this new regulatory framework, what is the best approach to addressing environmental externalities, including but not limited to greenhouse gas emissions reductions, in the context of increased market competition.

A question that should be posed to stakeholders is this: How can we ensure that, as developers rush to access new market opportunities, we don't accidentally bring about more habitat destruction and extinctions?

Whatever new regulatory model is put in place, it must continue to monitor progress toward the 2030 greenhouse gas goals established in SB 350, and it must continue to recognize that, under SB 1386,<sup>1</sup> the protection and management of natural and working lands, as defined, is an important strategy in meeting the state's greenhouse gas reduction goals. As the number of energy suppliers increases, so the administrative burden of monitoring and reporting also increases. New regulatory mechanisms should seek to streamline and minimize this burden.

The California Public Utility Commission's (CPUC) new Integrated Resource Planning (IRP) process is being designed with the intention of adding up the many clean energy proceedings (including energy efficiency, demand response, renewable energy, fuel-switching, and electrification), to ensure that the sum of the parts will equal the whole that is needed for our goals.

We recommend that the new regulatory system must continue to ensure that the sum of the parts equals the whole, in terms of monitoring progress toward the state's many environmental goals: reducing statewide greenhouse gas emissions by 40% below 1990 levels by 2030, while protecting natural and working lands, using tools such as a 50% (or greater) renewable portfolio standard, doubling of existing energy efficiency savings for both electricity and natural gas usage, meeting the energy storage mandate, and vehicle electrification.

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<sup>1</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160SB1386](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1386)

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It will likely be necessary to design new monitoring and reporting mechanisms to ensure that the new energy suppliers are contributing fairly to these goals. It will be critical to ensure transparency. It may be necessary to establish new centralized public notice and disclosure processes or procedures.

For example, under the historic model, it was possible for environmental Non-Governmental Organizations (NGOs) to monitor new power supply procurement activities, because each utility's proposed power purchase agreements went through routine approvals by the CPUC. Will this continue to be the case in the new decentralized market? We recommend that transparency should continue at the same level or better than the historic levels.

## **II. Conclusion**

Defenders of Wildlife appreciates the opportunity to comment on the CEC hearing held on May 19, 2017 on Retail Choice, and we recommend that the Commission move forward with our recommendations above.

We appreciate and commend the Commission for continuing to provide leadership in the important area. We look forward to continued participation in the proceeding.

Sincerely,



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