



Draft Gap Analysis/Choice Action Plan Overview



California Customer Choice Project En Banc

State Capitol

Room 4203

October 29, 2018

Diane I. Fellman

Senior Policy Analyst

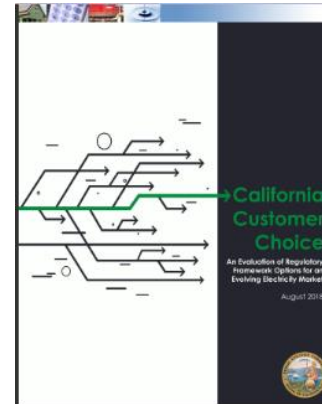
Policy and Planning Division





Presentation Overview

- **Mission Statement**
- **Choice Project**
- **Gap Analysis**
 - **Process**
 - **Key Findings**
- **Draft Choice Action Plan**
 - **Recommendations**



California Customer Choice Project

Draft
**Gap Analysis/
Choice Action Plan**





Why the Choice Project?

- **Choice is now**
 - Market fragmentation
 - Customer driven
- **Regulatory paradigm shift**
- **Conversation on path forward**
 - Outside of proceedings
 - Broad stakeholder input
 - Commission-wide engagement



Objective: Flexible policies to accommodate multiple outcomes without a designated end-state





Choice Project Mission Statement

**Actions to
maintain statewide Core Principles of
California's energy policy
AND create a platform for customer choice**





California Energy Policy Core Principles:

- ✓ Ensuring affordable electricity
- ✓ Achieving decarbonization goals
- ✓ Maintaining reliability





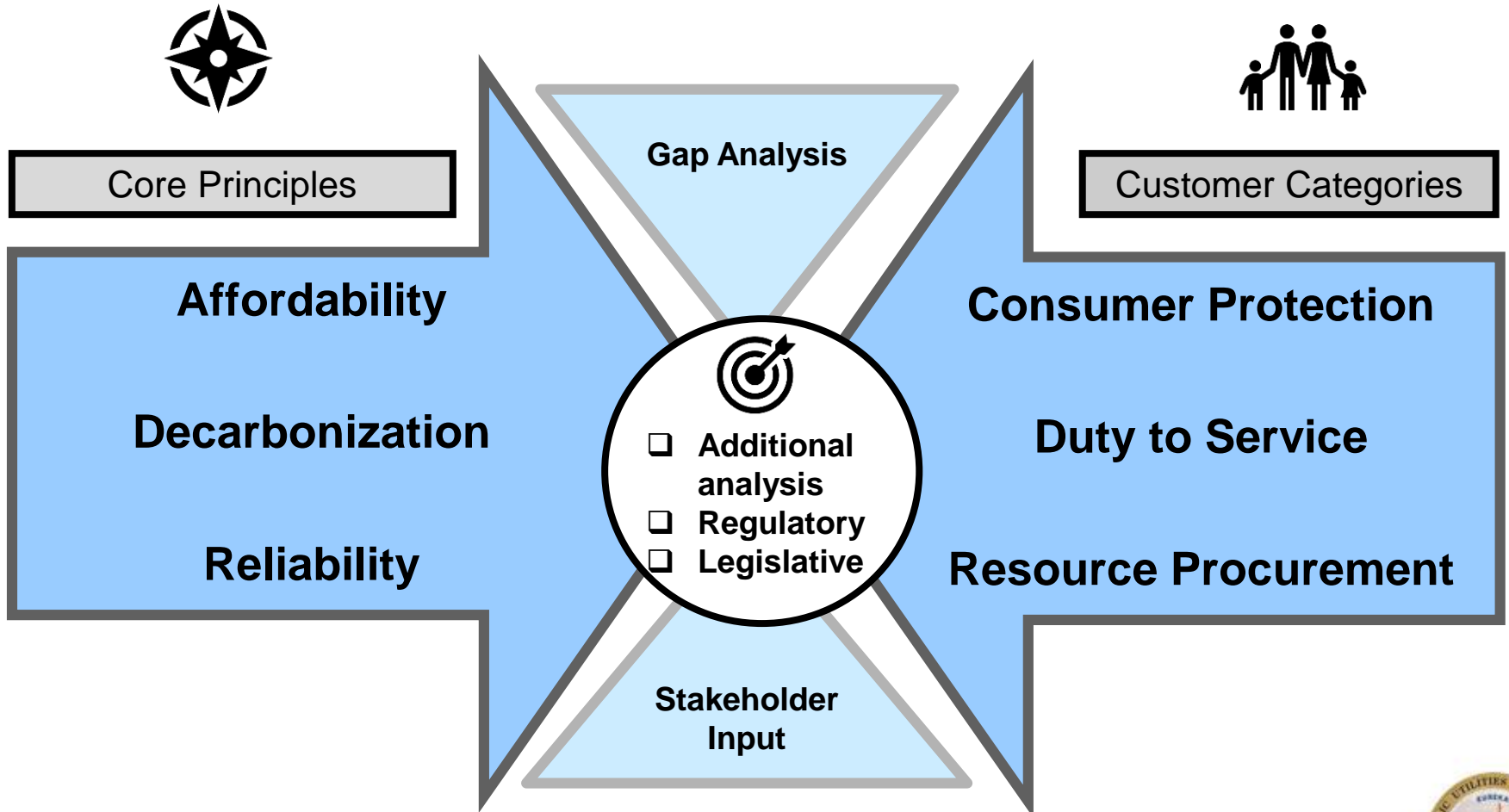
Gap Analysis Process

- **Identify consumer-driven categories** 
- **Pinpoint key issues in each category by identifying regulatory gaps** 
- **Determine existing processes underway, if any, to address gap** 
- **Recommend additional analysis, regulatory, or legislative action** 





Choice Action Plan





Gap Analysis Issues: Overview

Data Access	Price Disclosure for LSE residential rates
Relief for disconnections during natural disasters	Public Purpose Programs
Disclosure of GHG content for LSE portfolios	Distribution of grid services
Disconnection of residential customers	Rate design
Emergency planning and response	Resource adequacy
Provider of Last Resort	Role of IOUs in disaggregated market
Predatory sales tactics by CTAs and ESPs	Contacting for reliability resource requirements
Predatory sales tactics for residential customers	Electrification of buildings and transportation



Consumer Protection



Duty to Serve



Resource Procurement





KEY STAFF TAKEAWAYS

- **Customer-driven safeguards**
 - Ensuring electricity supply without disruption (POLR)
 - Uniformity
 - Nondiscriminatory access
 - Transparency
- **Statewide policy to meet statewide goals**
 - Compliance requirements
 - Enforcement authority
- **The market end-state does not need to be defined**
 - California needs a plan to support multiple outcomes





Next Steps

- **November 13:** Written public comment due
 - Submit comments to customerchoice@cpuc.ca.gov
- **Winter 2018:** Final Gap Analysis and Customer Choice Action Plan
- **Early 2019:** Implementation





APPENDIX

Recommendations Matrix





Draft Choice Action Plan Recommendations: Consumer Protection

R	A	U	L	Issue	Action
X	X	X		Data Access	Narrow data attributes, aggregation & availability Effective, equal, open and timely access by all LSEs
X		X		Disconnection: Disaster Relief	R. 18-03-011 underway at the CPUC Monitor to determine to ensure protections regardless of LSE
X		X		Disclosure of GHG Content	CEC is initiating a proceeding implementing AB 1110 Amendments in consultation with CARB & CPUC for all GHG
X	X	X		Disconnection of Residential Customers	R. 18-07-005 will address disconnection rates of electric and gas IOUs Analyze whether all LSEs should conform to the same protocols for repayment and reinstatement of service
	X			Emergency Planning and Response	Is emergency response solely IOU responsibility as grid operators? What is the obligation of other LSEs? What authority is required?

- R Regulatory Action (Existing CPUC proceeding [or other agency])
- A Additional Analysis
- U Underway
- L Legislative Action





Draft Choice Action Plan Recommendations: Consumer Protection (2)

R	A	U	L	Issue	Action
	X		X	Provider of Last Resort (POLR)	As competition increases, what is the utilities' obligation to serve? Who provides the default service? What are the criteria to be POLR?
X	X	X	X	Predatory Sales: ESPs & CTAs	CPUC has taken a proactive role in developing protocols Additional enforcement authority may be required with more competition
x	x	x	x	Predatory Sales: Rooftop Solar	D. 18-09-04 adopted for existing IOU customers with AG & CSLB Compliance enforcement protocols needed for all LSEs This may require additional CPUC enforcement authority.
x	x		x	Price Disclosure: LSE residential rates and products	Establish statewide internet platform for all LSE rates and products CPUC has already required CCA/IOU pricing comparisons Enforcement authority may be needed to create clearinghouse
	x			Public Purpose Programs	Analyze whether current LSE expansion of CCAs, ESPs and BTM will impact current collection that occurs through the distribution charges
x	x		x	Rate Design	Conduct additional analysis on fixed charges for cost recovery and how behind-the-meter and preferred resources are impacted by rate design ; legislative action for CCAs to default customers to time-of-use rates





Draft Choice Action Plan Recommendations: Duty to Serve

R	A	U	L	Issue	Action
x	x	x		Distribution of Grid Services	Continue existing CPUC regulatory action; additional analysis to determine if any new issues regarding distributed energy resources should be addressed in a new CPUC regulatory proceeding
x	x			Resource Adequacy	Underway at the CPUC in coordination with CAISO and CEC Analyze grid reliability needs for daily load profiles e.g. DR impacts
	x		x	Role of the IOUs in a disaggregated market	<p>Additional Analysis: Who has the obligation to serve?</p> <ol style="list-style-type: none"> 1. Impact of departing load on collection of T&D charges under current rate structure ‘ 2. Threshold criteria for providing universal service if primary provider fails or rejects customer 3. Role of fixed charges, demand charge reform and time-varying rates to align usage by customers with statewide policy goals in an open market <p>Statutory changes may be required especially for defining the provider of last resort.</p>





Draft Choice Action Plan Recommendations: Resources & Procurement

R	A	U	L	Issue	Action
X	X			Contracting for reliability resource requirements	Monitor and continue existing regulatory CPUC action ; additional analysis required to assess new market developments and determine the best ways to deploy capital to support cost-effective investment to advance the state's GHG reduction goal
X		X		Electrification of transportation, buildings and appliances	Electrification of transportation and other fuel uses, e.g. buildings and appliance standards, is underway at the CPUC and CEC . The Commission should monitor progress.





Thank you!
For Additional Information:
<http://www.cpuc.ca.gov/customerchoice/>

Questions or Comments:
customerchoice@cpuc.ca.gov

