



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.:

Utility type:

☐ ELC ☐ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person:

Phone #:

E-mail:

E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☐ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? ☐ Yes ☐ No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? ☐ Yes ☐ No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City:
State: Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtailable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	



February 26, 2021

California Public Utilities Commission
Energy Division
Attention: Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298

Advice Letter CPA 0007-E-A

SUBJECT: Supplement to Clean Power Alliance of Southern California's Notice of Compliance with Financial Security Requirement

PURPOSE

Pursuant to California Public Utilities Commission's ("Commission") Decision ("D.") 18-05-022¹ and Resolution E-5059², Clean Power Alliance of Southern California ("CPA") respectfully submits this supplemental Advice Letter ("Supplemental Advice Letter") to include its financial security requirement ("FSR") instrument as an attachment to its original advice letter, CPA Advice Letter 0007-E, dated as of December 7, 2020 ("Original Advice Letter").

BACKGROUND

On June 7, 2018, the Commission issued D.18-05-022, establishing reentry fees and FSRs applicable to community choice aggregators ("CCAs"), as required by Public Utilities Code Section 394.25(e). The Commission stated that the "basic idea behind Section 394.25(e) is to ensure that existing customers of an electric utility are protected from potential costs resulting from a mass involuntary return of CCA customers to the utility."³ In D.18-05-022, the Commission determined that letters of credit, surety bonds, and cash held by a third party may be used by CCAs to satisfy their respective FSR obligation (such instrument, the "FSR Instrument").⁴ As an interim measure prior to the finalization of FSR guidelines, CCAs were required to post interim financial security in the amount of \$100,000 directly with the Commission.⁵ On May 30, 2018, the Los Angeles County Auditor-Controller posted \$100,000 with the Commission on behalf of CPA (the "Interim Security") to satisfy the interim requirements.⁶ In D.18-05-022, the Commission established that CCAs should submit an advice letter with the Commission to indicate compliance

¹ See D. 18-05-022 at pages 11 and 16.

² E-5059 at page 5.

³ D. 18-05-022 at page 2.

⁴ *Id.* at pages 9 and 16.

⁵ See *Id.* at page 11 and Resolution E-4133.

⁶ See Letter to Michelle Morales, California Public Utilities Commission, "RE: \$100,000 CPUC Bond Posting for Clean Power Alliance of Southern California, formerly known as ("LACCE")", dated as of May 30, 2018.

with the FSR and request the return of any interim financial security posted with the Commission once an updated FSR Instrument was posted.⁷

To provide further guidance on issues related to FSR Instruments, the Commission issued Resolution E-5059 on October 9, 2020. In Resolution E-5059, the Commission stated its expectation that terms and conditions in the FSR Instrument should be mutually acceptable among the parties thereto, and no party may unreasonably withhold its agreement to commercially reasonable terms and conditions of the FSR Instrument. Resolution E-5059 orders each CCA to post its FSR Instrument within 30 days of the issuance of the resolution, which date shall be December 7, 2020.⁸

In response to Resolution E-5059, Southern California Edison Company (“SCE”) submitted Advice Letter 3840-E-A to the Commission on November 6, 2020 for the purpose of revising SCE Rule 23 (the “Tariff”) to reflect changes directed by the Commission in Resolution E-5059. As disposed by the Commission, SCE’s Tariff shall govern matters related to the FSR amount and other matters related to the FSR Instrument and reentry fees. SCE further submitted Advice Letter 4335-E to the Commission on November 10, 2020 for the purpose of providing FSR calculations to each active CCA within SCE’s territory, including CPA. The FSR amount for CPA, as determined by SCE’s November 2020 calculations in Advice Letter 4335-E, shall be \$147,000.⁹

In accordance with D.18-05-022 and Resolution E-5059, CPA served the Original Advice Letter on December 7, 2020, which provided the Commission notice of CPA’s FSR compliance and requested return of the Interim Security. Subsequent to CPA’s service of the Original Advice Letter, the Commission distributed an email to CCAs on January 8, 2021 advising CCAs that interim security would be returned once CCAs have submitted executed FSR instruments as a supplement to their respective FSR advice letters.

DESCRIPTION OF FINANCIAL SECURITY REQUIREMENT INSTRUMENT

On December 7, 2020, U.S. Bank National Association issued that certain Irrevocable Nontransferable Standby Letter of Credit No. SLCPDX08099 on behalf of CPA for the benefit of SCE (the “Letter of Credit”) to satisfy the FSR for CPA. The maximum amount payable to SCE in accordance with the terms of the Letter of Credit is \$147,000, which is consistent with the FSR calculation provided in SCE Advice Letter 4335-E. The issuance of the Letter of Credit was accepted by SCE and satisfies CPA’s FSR obligations as set forth in D.18-05-022 and Resolution E-5059. In accordance with the Commission’s e-mail directive on January 8, 2021, CPA hereby attaches the Letter of Credit as Appendix A hereto.

RETURN OF INTERIM SECURITY

Pursuant to the issuance of the Letter of Credit and the supplemental evidence thereof provided in this Supplemental Advice Letter, CPA hereby restates its request for the return of the Interim

⁷ D. 18-05-022 at page 16.

⁸ E-5059 at page 9.

⁹ CPA’s FSR amount was provided confidentially in Attachment A to SCE Advice Letter 4335-E.

Security from the Commission in accordance with the process set forth in D.18-05-022. Amounts related to the return of the Interim Security shall be payable to CPA.

APPENDICES

Appendix A: FSR Instrument – Issued Letter of Credit

TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2, and Resolution E-5059, this advice letter is submitted with a Tier 1 designation, which is the same tier designation as the Original Advice Letter.

EFFECTIVE DATE

CPA requests that this Supplemental Advice Letter become effective concurrent with the Original Advice Letter.

NOTICE

Anyone wishing to protest this Supplemental Advice Letter may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received by the Energy Division and CPA no later than 20 days after the date of this Supplemental Advice Letter. Protests should be submitted to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

In addition, protests and all other correspondence regarding this Supplemental Advice Letter should be sent by letter or transmitted electronically to the attention of:

C.C. Song
Director of Regulatory Affairs
Clean Power Alliance of Southern California
801 S. Grand Ave., Suite 400
Los Angeles, CA 90017
Email: csong@cleanpoweralliance.org

Francis Choi
Regulatory Analyst
Clean Power Alliance of Southern California
801 S. Grand Ave., Suite 400
Los Angeles, CA 90017

Email: fchoi@cleanpoweralliance.org

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with General Rule 4 of GO 96-B, CPA is serving copies of this Supplemental Advice Letter to the interested parties shown on the R.03-10-003 service list. Pursuant to the March 20, 2020 order (as updated on September 18, 2020) from Executive Director waiving the hard copy filing requirements for the Supplemental Advice Letter pursuant to GO 96-B Rule 1.3, CPA will not be filing a hard copy of this Supplemental Advice Letter. For changes to these service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Appendix A

FSR Instrument – Issued Letter of Credit

[See next page]



U.S. Bank National Association
Global Documentary Services
555 S.W. Oak Street, Suite 400-P
Portland, Oregon U.S.A. 97204
Fax: (503) 464-4125
Phone: (503) 464-3700

Issue Date: December 7, 2020

IRREVOCABLE NON-TRANSFERABLE STANDBY LETTER OF CREDIT NO. SLCPPDX08099

BENEFICIARY:

Southern California Edison Company,
a California corporation
2244 Walnut Grove Avenue, GO1 Quad 2B
Rosemead, CA 91770
Attn: Manager of Risk Operations and
Collateral Management

APPLICANT:

Clean Power Alliance of Southern California,
a Joint Powers Authority in the State of California
555 West 5th Street, 35th Floor
Los Angeles, CA 90013

AVAILABLE AMOUNT:

US\$ 147,000.00
(One Hundred Forty-Seven Thousand
U.S. Dollars)

EXPIRATION DATE:

December 7, 2021 at our counters

Ladies and Gentlemen:

We have been informed that this Letter of Credit is issued in connection with the California Public Utilities Commission Decision 18-05-022, dated as of June 7, 2018, and Resolution E-5059, dated as of October 9, 2020.

U.S. Bank National Association (the "Bank") hereby establishes this Irrevocable Nontransferable Standby Letter of Credit ("Letter of Credit") in favor of Southern California Edison Company, a California corporation (the "Beneficiary"), for the account of Clean Power Alliance of Southern California, a Joint Powers Authority in the State of California (the "Applicant"), for the amount stated above (the "Available Amount"), effective immediately.

This Letter of Credit shall be of no further force or effect at 5:00 p.m., California time on the expiration date stated above or, if such day is not a Business Day (as hereinafter defined), on the next Business Day (as may be extended pursuant to the terms of this Letter of Credit) (the "Expiration Date").

For the purpose hereof, "Business Day" shall mean any day other than:

1. A Saturday or a Sunday,
2. A day on which banking institutions in the city of Portland, Oregon, are required or authorized by Law to remain closed, or
3. A day on which the payment system of the Federal Reserve System is not operational.

This page forms an integral part of credit SLCPPDX08099



It is a condition of this Letter of Credit that the Expiration Date shall be automatically extended without amendment for one (1) year from the Expiration Date hereof or any future Expiration Date unless at least sixty (60) days prior to such Expiration Date, we send notice to you by certified mail or hand delivered courier, at the address stated below, that we elect not to extend this Letter of Credit for any such additional period.

Subject to the terms and conditions herein, funds under this Letter of Credit are available to Beneficiary by complying presentation on or before 5:00 p.m. California time, on or before the Expiration Date of the following:

1. The original Letter of Credit and all amendments, or a copy of such documents in the case of partial drawings;
2. A Drawing Certificate in the form of Attachment "A" attached hereto and which forms an integral part hereof, duly completed and bearing the signature of an authorized representative of the Beneficiary signing as such; and
3. A Sight Draft in the form of Attachment "B" attached hereto and which forms an integral part hereof, duly completed and bearing the signature of an authorized representative of the Beneficiary.

Drawings may also be presented by facsimile transmission ("Fax") to Fax number (503) 464-4125 Attn: Global Documentary Services under telephone pre-advice to (866) 359-2503 (extension 3620) or alternatively to (503) 464-3620; provided that such Fax presentation is received on or before the Expiration Date on this instrument in accordance with the terms and conditions of this Letter of Credit. It is understood that any such Fax presentation shall be considered the sole operative instrument of drawing. In the event of presentation by Fax, the original documents should not also be presented.

Partial drawing of funds shall be permitted under this Letter of Credit, and this Letter of Credit shall remain in full force and effect with respect to any continuing balance; provided, the Available Amount shall be reduced by the amount of each such drawing.

This Letter of Credit is not transferable or assignable. Any purported transfer or assignment shall be void and of no force or effect.

All correspondence and any drawings (other than those made by facsimile) hereunder are to be directed to U.S. Bank National Association, 555 SW Oak Street, Suite 400-P, Portland, Oregon 97204, Attn: Global Documentary Services.

All notices to Beneficiary shall be in writing and are required to be sent by certified mail or overnight courier to: Southern California Edison Company, a California corporation, 2244 Walnut Grove Avenue, GO#1 Quad 2B, Rosemead, CA 91770, Attn: Manager of Risk Operations and Collateral Management. Only notices to Beneficiary meeting the requirements of this paragraph shall be considered valid. Any notice to Beneficiary which is not in accordance with this paragraph shall be void and of no force or effect.

This page forms an integral part of credit SLCPDX08099



Banking charges shall be the sole responsibility of the Applicant.

This Letter of Credit sets forth in full our obligations and such obligations shall not in any way be modified, amended, amplified or limited by reference to any documents, instruments or agreements referred to herein, except only the attachment referred to herein; and any such reference shall not be deemed to incorporate by reference any document, instrument or agreement except for such attachment. Except in the case of an increase in the Available Amount or extension of the Expiration Date, this Letter of Credit may not be amended or modified without the Beneficiary's prior written consent.

The Bank engages with the Beneficiary that Beneficiary's drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to the Bank on or before the Expiration Date.

Except so far as otherwise stated, this Letter of Credit is subject to the International Standby Practices ISP98 (also known as ICC Publication No. 590), or revision currently in effect (the "ISP"). As to matters not covered by the ISP, the laws of the State of California, without regard to the principles of conflicts of laws thereunder, shall govern all matters with respect to this Letter of Credit.

U.S. Bank National Association

A handwritten signature in dark ink, appearing to read "M. Marcela Menchero", written over a horizontal line.

Authorized Signature

M. Marcela Menchero
Assistant Vice President

This page forms an integral part of credit SLCPDX08099



ATTACHMENT A
Drawing Certificate

TO: U.S. BANK NATIONAL ASSOCIATION
555 S.W. OAK STREET, SUITE 400-P
PORTLAND, OR 97204
PH: 503-464-3620 /FAX: 503-464-4125

IRREVOCABLE NONTRANSFERABLE STANDBY LETTER OF CREDIT REFERENCE
NUMBER: SLCPDX08099

DATE: _____

Southern California Edison Company, a California corporation (the "Beneficiary"), demands U.S. Bank National Association (the "Bank") payment to the order of the Beneficiary the amount of U.S.\$_____ (_____ U.S. Dollars), drawn under the Letter of Credit referenced above (the "Letter of Credit"), for the following reason(s) [check applicable provision]:

[] A. Under terms of the Tariff Rule 23, Beneficiary is entitled to draw under Letter of Credit No. SLCPDX08099 amounts owed by Clean Power Alliance of Southern California.

[] B. The Letter of Credit will expire in fewer than twenty (20) Business Days from the date hereof and the CCA or its successor has not provided Beneficiary alternative financial security acceptable to Beneficiary.

Unless otherwise provided herein, capitalized terms which are used and not defined herein shall have the meaning given each such term in the Letter of Credit.

Authorized Signature for Beneficiary:
Southern California Edison Company, a California corporation

By:
Name: [print name]
Title: [print title]

This page forms an integral part of credit SLCPDX08099



ATTACHMENT B
SIGHT DRAFT

[Insert Date]

TO: U.S. BANK NATIONAL ASSOCIATION
555 S.W. OAK STREET, SUITE 400-P
PORTLAND, OR 97204
PH: 503-464-3604 /FAX: 503-464-4125

PAY AT SIGHT TO THE ORDER OF SOUTHERN CALIFORNIA EDISON COMPANY, A CALIFORNIA CORPORATION (THE "BENEFICIARY") THE AMOUNT OF USD [INSERT AMOUNT] DRAWN UNDER U.S. BANK NATIONAL ASSOCIATION IRREVOCABLE NONTRANSFERABLE STANDY LETTER OF CREDIT NUMBER SLCPDX08099 ISSUED ON [INSERT DATE].

FUNDS PAID PURSUANT TO THE PROVISIONS OF THE LETTER OF CREDIT SHALL BE WIRE TRANSFERRED TO THE BENEFICIARY IN ACCORDANCE WITH THE FOLLOWING INSTRUCTIONS:

[INSERT WIRING INSTRUCTION]

SOUTHERN CALIFORNIA EDISON COMPANY,
A CALIFORNIA CORPORATION

AUTHORIZED SIGNATURE

NAME: [PRINT NAME]
TITLE: [PRINT TITLE]

This page forms an integral part of credit SLCPDX08099