



# ADVICE LETTER SUMMARY

## ENERGY UTILITY



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

Company name/CPUC Utility No.: Clean Power Alliance of Southern California

Utility type:

☒ ELC ☐ GAS ☐ WATER  
☐ PLC ☐ HEAT

Contact Person: Francis Choi

Phone #: (213) 880-9934

E-mail: fchoi@cleanpoweralliance.org

E-mail Disposition Notice to: fchoi@cleanpoweralliance.org

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

December 7, 2020

Advice Letter (AL) #: 0007-E

Tier Designation: 1

Subject of AL: Clean Power Alliance of Southern California's Notice of Compliance with Financial Security Requirement

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 #: D.18-05-022 and Resolution E-5059

Does AL replace a withdrawn or rejected AL?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

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

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: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

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: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

<sup>1</sup>Discuss 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](mailto:EDTariffUnit@cpuc.ca.gov)

Name: C.C. Song  
Title: Director of Regulatory Affairs  
Utility Name: Clean Power Alliance of Southern California  
Address: 801 S. Grand Ave., Ste 400  
City: Los Angeles  
State: California Zip: 90017  
Telephone (xxx) xxx-xxxx: (213) 713-0363  
Facsimile (xxx) xxx-xxxx:  
Email: [csong@cleanpoweralliance.org](mailto:csong@cleanpoweralliance.org)

Name: Francis Choi  
Title: Regulatory Analyst  
Utility Name: Clean Power Alliance of Southern California  
Address: 801 S. Grand Ave., Ste 400  
City: Los Angeles  
State: California Zip: 90017  
Telephone (xxx) xxx-xxxx: (213) 880-9934  
Facsimile (xxx) xxx-xxxx:  
Email: [fchoi@cleanpoweralliance.org](mailto:fchoi@cleanpoweralliance.org)

## 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	



December 7, 2020

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**

**SUBJECT: 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.") 18-05-022<sup>1</sup> and Resolution E-5059<sup>2</sup>, Clean Power Alliance of Southern California ("CPA") respectfully submits this Advice Letter ("AL") to demonstrate CPA's compliance with the financial security requirement ("FSR") set forth in D.18-05-022 and Resolution E-5059 and to request the return of previously posted interim financial security to CPA.

**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."<sup>3</sup> 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").<sup>4</sup> 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.<sup>5</sup> 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.<sup>6</sup> In D.18-05-022, the Commission established that CCAs should submit an advice letter with the Commission to indicate compliance

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<sup>1</sup> See D. 18-05-022 at pages 11 and 16.

<sup>2</sup> E-5059 at page 5.

<sup>3</sup> D. 18-05-022 at page 2.

<sup>4</sup> *Id.* at pages 9 and 16.

<sup>5</sup> See *Id.* at page 11 and Resolution E-4133.

<sup>6</sup> 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.<sup>7</sup>

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.<sup>8</sup>

In response to Resolution E-5059, 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.<sup>9</sup>

### **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. SLCPDXX08099 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.

### **RETURN OF INTERIM SECURITY**

Pursuant to the issuance of the Letter of Credit, CPA hereby requests return of the Interim 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.

### **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.

### **EFFECTIVE DATE**

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<sup>7</sup> D. 18-05-022 at page 16.

<sup>8</sup> E-5059 at page 9.

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

This advice letter will become effective on January 6, 2021, 30 calendar days after the date of submission.

## **NOTICE**

Anyone wishing to protest this AL 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 AL. Protests should be submitted to:

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

In addition, protests and all other correspondence regarding this AL 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](mailto: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](mailto: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 AL 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 AL pursuant to GO 96-B Rule 1.3, CPA will not be filing a hard copy of this AL. 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](mailto:Process_Office@cpuc.ca.gov).