



DRA

*Division of Ratepayer Advocates
California Public Utilities Commission*

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Julie Fitch, Director
CPUC, Energy Division
Attention: Tariff Files, Room 4005
505 Van Ness, Avenue
San Francisco, CA 94102

Subject: **DIVISION OF RATEPAYER ADVOCATES PROTEST TO
ADVICE LETTER 2258-E**

The Division of Ratepayer Advocates (“DRA”) submits the following protest to Advice Letter (AL) 2258-E.

AL 2258-E (AL) proposes to amend San Diego Gas & Electric Company’s (SDG&E’s) Power Purchase Agreement (PPA) with MMR Power Solutions, LLC for the Mount Signal project. The PPA is a 20-year contract for approximately 300 gigawatt-hours annually of Renewable Portfolio Standard (RPS)-eligible energy to come online in 2013. SDG&E filed the instant AL on June 9, 2011. The AL proposes to alter the following aspects of the PPA: 1) technology, 2) developer, 3) conditions precedent (CP) dates, 4) commercial operation deadline (COD), 5) megawatt size, and 6) interconnection.

In AL 2258-E SDG&E requests a *fourth* amendment to this PPA. Past amendments have changed the technology, developer, pricing, CPs, and COD; some of these PPA provisions have been altered multiple times. This most recent amendment proposes to change the technology from a concentrated solar power (CSP)/biomass hybrid to solar photovoltaic (PV), as well as change the developer and substantially extend the COD.

Firstly, as a matter of due process, changing a PPA so dramatically effectively constitutes a new project. The PPA should therefore be filed as such rather than as an amendment to a previous PPA. Secondly, the project is not price-competitive. The prices of renewable contracts available to the utilities have been declining, and the project’s current price is hard to justify given other opportunities. In addition, the previous CSP/biomass hybrid technology was innovative and nascent at the time the PPA was negotiated; characteristics that arguably justified the project’s price at the time. This AL changes the project to the fairly mature solar PV technology, which has experienced a significant decline in installed costs. These savings should be passed on to ratepayers in the form of a price decrease, yet this AL does not propose such a decrease. The process of renewable PPA amendments is being abused in this instance. The PPA proposes a second change in such major factors as counterparty and technology. The contract and the

authority granted by its original CPUC approval in 2007 are being used simply as shells to harbor essentially new projects.

The latest COD of the project is September 30, 2013, which is more than two years in the future. The project's viability has obviously been severely challenged if it is requesting a fourth amendment and such substantial changes *six years* after its initial bid into SDG&E Request for Offers (RFO).

DRA recommends the Commission reject this amendment and encourage the project to bid into the solicitation that is currently open or, alternatively, bid into future solicitations. As a result, this project will be able to enter SDG&E's portfolio in a competitive manner and the Commission will review the project in the context of the latest available opportunities.

Please contact Yuliya Shmidt at (415) 703-2719 if you have any questions about this protest.

/s/ Cynthia Walker

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