

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Continue
Implementation and Administration of California
Renewables Portfolio Standard Program.

Rulemaking 11-05-005
(Filed May 5, 2011)

**RESPONSE OF THE INDEPENDENT ENERGY PRODUCERS
ASSOCIATION TO THE PETITION OF SUSTAINABLE
CONSERVATION FOR MODIFICATION OF DECISION 07-07-027**

**INDEPENDENT ENERGY PRODUCERS
ASSOCIATION**

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Date: July 29, 2011

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When the Commission addressed the Independent Power Producer (IPP) portion of the Solar Photovoltaic Program of Southern California Edison Company in Resolution E-4299, it concluded, “*A timely, reliable, and efficient interconnection process is key to the success of the IPP Program*” (p. 10). The same considerations apply more generally to California’s ambitious program to achieve a Renewables Portfolio Standard (RPS) of 33% by 2020: *A timely, reliable, and efficient interconnection process is key to achieving the 33% RPS goal.*

Unfortunately, the current interconnection process is neither timely, reliable, nor efficient, as documented in the *Petition of Sustainable Conservation for Modification of D.07-07-027: Opinion Adopting Tariffs and Standard Contracts for Water, Wastewater and Other Customers to Sell Electricity Generated from RPS-Eligible Renewable Resources to Electrical Corporations* (Petition), filed on June 29, 2011.

ffi **Timely:** As noted in the Petition, the interconnection process takes up to two years (and rarely less than one year) to complete, even for small projects.

Because the cost of interconnection can be a significant element in a project's total cost, the project remains in limbo until the interconnection process is completed.

- ffi **Reliable:** The specific interconnection requirements, cost, and equipment can change considerably during the interconnection process. As noted in the Declaration of Allen Dusault attached to the Petition, cost estimates can vary by a factor of 10 during the process, and the utility may require installation of additional equipment that is not called for in the interconnection contract.
- ffi **Efficient:** The delays in completing the interconnection process and the changing cost estimates and equipment requirements translate into higher costs and greater risks for developers of renewable energy facilities. Those costs and risks will necessarily be reflected in the bids when these projects compete in solicitations for RPS products. The inefficiency of the current interconnection process results in higher-than-necessary costs for California ratepayers.

The Independent Energy Producers Association (IEP) responds to Sustainable Conservation's Petition to emphasize the need for **clarity** in the rules governing the interconnection process and for **timely** and **cost-effective** interconnection procedures. The Petition documents the inconsistency, delay, and excessive costs that have characterized the interconnection procedures for small renewable energy projects in recent years, but the same issues and the same problems also afflict the interconnection process for larger projects. Reforms to the Generator Interconnection Procedure (GIP) of the California Independent System Operator (CAISO) have reduced some of the uncertainty the projects previously faced, but the

time and cost required to complete the process are still significant hurdles to the development of RPS-eligible facilities. The Wholesale Distribution Access Tariff (WDAT), which is designed for lower-voltage interconnections, is also afflicted with considerable uncertainty and delay. The Rule 21 process has worked reasonably well in the past for other distribution-level interconnections, but the Commission has been inconsistent and unclear about when the Rule 21 process can be used, and the utilities are seeking to severely limit its availability to many small renewable energy projects, as the Petition explains.

At this time, IEP's concern is less about which procedure applies to smaller generators, as the Petition has ably advocated, and more about ensuring that the developers of prospective renewable energy projects of all sizes are clear about which process applies to their project and that **all** of the available interconnection procedures provide for a timely and cost-effective process. Delay, uncertainty, and inconsistency will lead to the demise of many worthwhile projects and will frustrate the state's ability to achieve its renewable energy goals.

IEP respectfully urges the Commission, as it deliberates on the Petition, to consider the obstacles that renewable energy projects of all sizes confront when they attempt to interconnect in California and to work toward the goal of developing clear interconnection procedures that are timely, reliable, and efficient.

Respectfully submitted this 29th day of July, 2011 at San Francisco, California.

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By /s/ Brian T. Cragg
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VERIFICATION

I am the attorney for the Independent Energy Producers Association in this matter. IEP is absent from the City and County of San Francisco, where my office is located, and under Rule 1.11(d) of the Commission's Rules of Practice and Procedure, I am submitting this verification on behalf of IEP for that reason. I have read the attached "Response of the Independent Energy Producers Association to Petition of Sustainable Conservation for Modification of D.07-07-027," dated July 29, 2011. I am informed and believe, and on that ground allege, that the matters stated in this document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 29th day of July, 2011, at San Francisco, California.

/s/ Brian T. Cragg

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