


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

[Proceeding Name]	[Proceeding Number]
<p>Application of Southern California Edison Company (U338E) for Applying the Market Index Formula and As-Available Capacity Prices adopted in D.07-09-040 to Calculate Short-Run Avoided Cost for Payments to Qualifying Facilities beginning July 2003 and Associated Relief.</p> <p>And Related Matters.</p>	<p>Application 08-11-001 (Filed November 4, 2008)</p> <p>Rulemaking 06-02-013 Rulemaking 04-04-003 Rulemaking 04-04-025 Rulemaking 99-11-022</p>

**SUPPLEMENTAL NOTICE OF INTENT TO CLAIM INTERVENOR
COMPENSATION AND, IF REQUESTED (and checked), ALJ RULING
ON SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP**

Customer (party intending to claim intervenor compensation):			
Californians for Renewable Energy, Inc. (CARE)			
Assigned Commissioner: Mark J. Ferron on April 13, 2011		ALJ Assigned: Amy C. Yip-Kikugawa on November 7, 2008 ALJ Assigned: Mark S. Wetzell on September 30, 2010	
I hereby certify that the information I have set forth in Parts I, II, III and IV of this Notice of Intent (NOI) is true to my best knowledge, information and belief. I further certify that, in conformance with the Rules of Practice and Procedure, this NOI and has been served this day upon all required persons (as set forth in the Certificate of Service attached as Attachment 1).			
Signature:			
Date:	July 3, 2011	Printed Name:	Michael E. Boyd

PART I: PROCEDURAL ISSUES

(To be completed by the party ("customer") intending to claim intervenor compensation)

A. Status as "customer" (see Pub. Util. Code § 1802(b)): The party claims	Applies
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“customer” status because it (check one):	(check)
1. Category 1: Represents consumers, customers, or subscribers of any electrical, gas, telephone, telegraph, or water corporation that is subject to the jurisdiction of the Commission (§ 1802(b)(1)(A))	
2. Category 2: Is a representative who has been authorized by a “customer” (§ 1802(b)(1)(B)).	
3. Category 3: Represents a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential customers, to represent “small commercial customers” (§ 1802(h)) who receive bundled electric service from an electrical corporation (§ 1802(b)(1)(C)), or to represent another eligible group.	X
<p>4. The party’s explanation of its customer status, economic interest (if any), with any documentation (such as articles of incorporation or bylaws) that supports the party’s “customer” status. Any attached documents should be identified in Part IV.</p> <p>CALifornians for Renewable Energy, Inc. (CARE) is a “group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential ratepayers.”</p> <p>CARE is authorized by its Bylaws to represent the interest of residential customers. Specifically, CARE’s functions are:</p> <ol style="list-style-type: none"> 1 To supply on a nonprofit basis both nonprofessional and professional legal assistance to planning, conservation groups, small business customers, residential customers, small business and residential renewable energy self suppliers, and neighborhood groups, in regards to new energy projects in the state of California. 2 To engage on a nonprofit basis in research and information dissemination with respect to legal rights in a healthy environment by giving legal advice, appearing before administrative bodies, and enforcing environmental laws through court actions 3 To employ legal counsel, technical experts, and associated staffing on a professional or contractual basis to carry out these purposes. <p>Because CARE is specifically authorized by its Bylaws to represent the interests of residential customers before administrative bodies, it clearly qualifies as a category 3 group or organization. For the preceding reasons, CARE qualifies as an authorized group in accordance with Section 1802(b). CARE’s corporate documents were provided to the Commission on April 3, 2008 in the A.07-12-021 proceeding.</p>	

B. Timely Filing of NOI (§ 1804(a)(1)):	Check
1. Is the party’s NOI filed within 30 days after a Prehearing Conference? Date of Prehearing Conference: _____	Yes ___ No <u>X</u>
2. Is the party’s NOI filed at another time (for example, because no Prehearing Conference was held, the proceeding will take less than 30 days, the schedule did not reasonably allow parties to identify issues within the timeframe normally permitted, or new issues have emerged)?	Yes <u>X</u> No ___

2a. The party's description of the reasons for filing its NOI at this other time:

On June 10, 2011 CARE filed a law suit in the United States District Court, Central District of California; in Solutions for Utilities, Inc., CALifornians for Renewable Energy, Inc, Plaintiffs v. California Public Utilities Commission, Southern California Edison, Inc., Defendants, Complaint CV11-4975-SJO(JCGx).¹

According to Rule 17.1 (f) of the Commission's Rules of Procedure and Practice "An intervenor who intends to request compensation for costs of judicial review shall file a supplemental notice of intent within 30 days after the date that the intervenor first appears or files a pleading in the judicial review proceeding. The supplemental notice of intent shall identify the issues upon which the intervenor intends to participate in judicial review, and an itemized estimate of the compensation that the intervenor expects to request by reference to those identified issues. If the intervenor intends to support the Commission's decision on review, the supplemental notice of intent shall include a showing of why the intervenor expects that its participation in judicial review will supplement, complement or contribute to the Commission's defense of its decision."

2b. The party's information on the proceeding number, date, and decision number for any Commission decision, Commissioner ruling, or ALJ ruling, or other document authorizing the filing of its NOI at that other time:

See Rule 17.1 authorizing filing of amended NOI

PART II: SCOPE OF ANTICIPATED PARTICIPATION

(To be completed by the party ("customer") intending to claim intervenor compensation)

A. Planned Participation (§ 1804(a)(2)(A)(i)):

- The party's description of the nature and extent of the party's planned participation in this proceeding (as far as it is possible to describe on the date this NOI is filed).

This legal action challenges the basis in law and facts for the Order Decision 10-12-035 issued by CPUC 12/21/2010

Findings of Fact

1. Since the QF program was implemented in the 1980s, there have been numerous disputes between the QFs, IOUs, and ratepayer advocates involving contract terms, SRAC pricing, capacity payments, contract extensions and terminations, and the availability of new contracts. Many of these disputes are still pending at the Commission.
2. To implement the QF program going forward, the Commission must address the impact of the CAISO's MRTU on SRAC and the QF program, disputes over the terms and conditions of the new QF Standard Offer Contract, and the amount of QF capacity to include in the LTPP.
3. State policy embodied in Pub. Util. Code Section 372(a) and Energy Action Plan II supports the development of efficient, environmentally beneficial CHP.

¹ <http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=12684088>

4. In adopting the CARB Scoping Plan pursuant to AB 32, the CARB noted that the widespread development of efficient CHP systems would help displace the need to develop new, or expand existing, power plants.
5. The CARB Scoping Plan sets a target of an additional 4,000 MW of installed CHP capacity by 2020, enough to displace approximately 30,000 GWh of demand from other power generation sources.
6. On September 24, 2010, parties in these proceedings and in R.03-10-003, R.07-05-025, and R.08-06-024 were given notice that a formal settlement conference would be convened on October 7, 2010 and that settlement documents would be posted on the IOUs' websites prior to the settlement conference.
7. The Term Sheet setting forth in detail the elements of the Proposed Settlement was posted on the IOUs' respective websites on October 4, 2010, as were the pro forma agreements and amendments.
8. Parties had opportunity to participate and ask questions about the Proposed Settlement at the October 7, 2010 settlement conference and to propound data requests.
9. The settlement rules do not require that all parties participate in settlement discussions.
10. The process followed in this proceeding for review of the Proposed Settlement is in conformance with the Commission's settlement rules.
11. The issues of cost allocation to LSEs and GHG emissions reductions for the LSEs, including the question of Commission jurisdiction over CCAs and ESPs for purposes of GHG emissions reductions, were addressed in one or more of the consolidated proceedings.
12. The Proposed Settlement is the result of arms-length settlement negotiations and compromise among divergent interests.
13. The settling parties are experienced with Commission processes and well-represented, and their respective decisions to sign the Proposed Settlement were, in each case, the product of informed choices.
14. The Joint Parties addressed the major issues regarding the development and operation of CHP in California historically and going forward.
15. The Proposed Settlement resolves numerous complex and contentious disputes pending at the Commission.
16. The Proposed Settlement provides a comprehensive framework for a QF/CHP Program in California that will encourage the development of efficient CHP and provide environmental benefits through reduced GHG emissions, consistent with the reduction targets of AB 32.
17. The Proposed Settlement adopts a procurement process for QF and CHP resources that is competitive, flexible, and allows for sufficient regulatory oversight to ensure that the IOUs are able to minimize costs and select appropriate resources for California customers.
18. The Proposed Settlement includes several provisions that promote the Commission's objective of transparency in RFO and procurement processes.
19. Converting an existing CHP facility to a dispatchable facility gives the IOU the ability to dispatch the resource when it is needed and may ultimately result in GHG emission reductions.

20. To the extent the GHG Emissions Reduction Targets are modified, the ESP and CCA obligations will also be modified to reflect any final CARB rules or regulations.
21. The Commission has determined that where DA and CCA customers benefit from procurement, these customers should pay their share of the procurement costs.
22. The Commission has allocated GHG compliance costs and certain locational costs associated with CHP facilities developed under AB 1613 to DA and CCA customers because these customers benefitted from the AB 1613 program.
23. The Commission has determined that GHG reduction goals and responsibilities be shared as broadly as possible.
24. The Commission has determined that it has authority to regulate CCA and ESP procurement activities related to GHG insofar as the determination of those targets is "germane to the regulation of public utilities" and promotes equity.
25. The Commission has determined that exempting ESPs and CCAs from GHG-related requirements would give these LSEs an improper competitive advantage over the IOUs.
26. The Proposed Settlement recognizes that the POUs are not subject to Commission jurisdiction and it does not impose any GHG Emissions Reduction Targets on them.
27. D.08-09-012 exempted MDL from stranded cost responsibility for new generation resources because the load forecast to determine new resource needs takes into account the departure of customers for municipal service.
28. The GHG Emissions Reduction Targets are based on actual retail sales data that includes all current bundled service customers, not load forecasts that exclude MDL.
29. Approval of the pro forma PPAs and amendments is distinguishable from mandating that a contract's rate be set at a specific price.
30. The Proposed Settlement resolves disputes that are outstanding at the Commission and establishes a California QF/CHP Program.
31. The cost allocation method set forth in Section 13.1.2.2. of the Term Sheet addresses concerns about the ability of ESPs and CCAs to procure CHP resources and reduces the administrative burden on the Commission.
32. The Proposed Settlement has numerous public interest benefits that include resolution of disputes, a QF/CHP Program that is aligned with Commission-approved procurement processes, continued operation of existing CHP facilities and the development of new CHP facilities, a framework for achieving CARB's current CHP goals for the reduction of GHG emissions, encouraging the retirement or repowering of inefficient CHP facilities, competitively determined CHP PPA energy prices, a transparent procurement process, and equitable allocation of costs associated with the QF/CHP program to all Commission-jurisdictional LSEs.
33. Pending action by the FERC and CARB and a determination that the Conditions Precedent to the Settlement Date have been met, it is premature to close the proceedings.

Conclusions of Law

1. In reviewing the Proposed Settlement, it would be inappropriate to apply the review standards for all-party settlements.

2. There is no connection between the evidentiary hearings held in R.06-02-013 in 2007 and the pending petition for modification that would warrant the strict application of Rule 12.1(a) to this proceeding.

3. Parties who did not join in the Proposed Settlement had adequate time to review and comment on it, and were not unreasonably burdened or prejudiced by the expedited comment schedule.

4. Because parties were given notice of the settlement and had the opportunity to be heard, the process followed in this proceeding for review of the Proposed Settlement meets due process requirements.

5. The Proposed Settlement is within the noticed scope of these consolidated proceedings.

6. Evidentiary hearings and/or workshops on the Proposed Settlement are not necessary for fair resolution of the issues.

7. With respect to implementation of state policy objectives for CHP and GHG emissions reductions, the Proposed Settlement is consistent with state and Commission policy and law.

8. Under Pub. Util. Code Section 365.1(c)(1), enacted as part of SB 695, ESPs should be subject to the same GHG emissions reduction requirements as the IOUs.

9. By approving the Proposed Settlement and directing the IOUs to meet the CHP procurement targets included on behalf of all retail customers in their service territories, the Commission would trigger Pub. Util. Code Section 365.1(c)(2), enacted as part of SB 695, which requires the Commission to allocate the net capacity costs and resource adequacy benefits to all customers, including ESP and CCA customers.

10. Since Pub. Util. Code Section 366.2(f)(2) requires the Commission to ensure that CCA customers reimburse the IOUs for their share of procurement costs attributable to the customer, CCA customers should be responsible for their share of the costs of the QF/CHP Program.

11. Both California statutory law and Commission precedent fully support the Commission's jurisdiction to adopt the portions of the Proposed Settlement that are applicable to the ESPs and CCAs.

12. Because CHP resources count toward resource adequacy requirements and provide system and local reliability benefits commensurate with their Net Qualifying Capacity, a requirement for procurement of CHP by the IOUs is consistent with SB 695.

13. It is appropriate to provide an exception to the D.08-09-012 conditions to ensure recovery of the QF/CHP program costs that will be incurred over the entire term of the PPAs.

14. The cost allocation provisions of the Proposed Settlement, including provisions that allocate the costs of the QF/CHP Program among all LSEs, are fair, reasonable, and consistent with California law.

15. The Proposed Settlement's methodology for allocating the GHG Emissions Reduction Targets reflects a fair allocation of these targets among all customers.

16. Requiring MDL customers to bear a share of the IOU costs incurred on their behalf is appropriate, and it is therefore appropriate to approve an exception to D.08-09-012 related to MDL.

17. The Proposed Settlement resolves Commission-jurisdictional issues and is subject to review

by the Commission.

18. Taken as a whole, the Proposed Settlement balances the interests at stake and constitutes a reasonable and appropriate resolution of the many QF issues presently under consideration before the Commission and in other forums.

19. The Proposed Settlement promotes state policy for CHP and GHG and does not contravene any provision of law.

20. The Term Sheet attached to the Proposed Settlement is precedential.

21. The Proposed Settlement is reasonable in light of the whole record, consistent with the law, and in the public interest.

22. The Proposed Settlement and attached pro forma PPAs and amendments should be approved without modification.

23. The cost allocation method set forth in Section 13.1.2.2. of the Term Sheet should be adopted.

24. Upon the effective date of the QF/CHP Program, exceptions to D.06-07-029, D.08-09-012, and D.07-12-052 should be allowed to the extent set forth in the order.

25. Upon the effective date of the QF/CHP Program, Commission-jurisdictional LSEs should be subject to and be governed by the provisions of the program.

26. These proceedings should remain open pending action on a motion for closure to be filed by Joint Parties if and when the conditions precedent to the settlement effective date set forth in the Settlement Agreement have been met.

ORDER

IT IS ORDERED that:

1. The "Qualifying Facility and Combined Heat and Power Program Settlement Agreement," filed on October 8, 2010, is approved and adopted without modification.

2. The Pro Forma Purchase Power Agreements set forth in Attachment A, Exhibits 1 through 7 of the October 8, 2010 "Qualifying Facility and Combined Heat and Power Program Settlement Agreement" are approved and adopted without modification.

3. If and when the conditions precedent to the Settlement Effective Date set forth in the October 8, 2010 "Qualifying Facility and Combined Heat and Power Program Settlement Agreement" (Settlement Agreement) are met and the Qualifying Facility/Combined Heat and Power Program (QF/CHP Program) becomes effective, then exceptions to previous decisions are approved as follows:

(a) Exceptions to conditions in Decision (D.) 06-07-029 and D.08-09-012 will be permitted as set forth below:

(i) the relevant costs (either "above market costs" or "net capacity costs" as appropriate) of this QF/CHP Program can be recovered through Non-Bypassable Charges consistent with Section 13 of the Term Sheet attached to the Settlement Agreement; and

(ii) the same relevant costs of new Purchase Power Agreements entered into pursuant to the QF/CHP Program can be recovered through Non-Bypassable Charges for up to twelve (12)

years consistent with Section 13 of the Term Sheet attached to the Settlement Agreement.

(b) The Procurement obligations in the Settlement Agreement and under the Renewables Portfolio Standard Program are permitted as exceptions to the Qualifying Facility Megawatts requirements set forth in D.07-12-052.

4. If and when the conditions precedent to the Settlement Effective Date set forth in the October 8, 2010 "Qualifying Facility and Combined Heat and Power Program Settlement Agreement" (Settlement Agreement) are met and the Qualifying Facility/Combined Heat and Power Program (QF/CHP Program) becomes effective, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, electric service providers, and community choice aggregators are subject to and shall be governed by the provisions of the QF/CHP Program set forth in the Settlement Agreement.

5. Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company shall procure combined heat and power resources on behalf of electric service providers (ESPs) and community choice aggregators (CCAs) and shall allocate the resource adequacy benefits and net capacity costs associated with this procurement to the ESPs and CCAs as described in Section 13.1.2.2 of the Term Sheet attached to the October 8, 2010 "Qualifying Facility and Combined Heat and Power Settlement Agreement."

6. Application 08-11-001, Rulemaking (R.) 06-02-013, R.04-04-003, R.04-04-025, and R.99-11-022 shall remain open pending action on a motion for closure to be filed by proponents, with the supporting documentation, of the October 8, 2010 "Qualifying Facility and Combined Heat and Power Program Settlement Agreement" (Settlement Agreement) if and when the conditions precedent to the settlement effective date set forth in the Settlement Agreement have been met. Subject to the discretion of the assigned Commissioner or Administrative Law Judge, the proceedings may be held in abeyance pending such motion and Commission action on such motion. The Settlement Agreement proponents shall file and serve, with copies also served on the Energy Division Director and the Chief Administrative Law Judge quarterly status reports, beginning three months from today's order, and continuing until the motion for closure is filed, stating what actions have been completed and what actions remain to be completed before the conditions precedent have been met. The Commission decision that addresses the motion for closure will set the effective date of the Qualifying Facility/Combined Heat and Power Program set forth in the Settlement Agreement.

- The party's statement of the issues on which it plans to participate.

CARE effectuated service on the California Public Utilities Commission [CPUC] on June 17, 2011. The suit's introduction is as follows:

This is a federal question action in which Plaintiffs, Solutions for Utilities, Inc. ["SFUI"] and CALifornians for Renewable Energy, Inc. ["CARE"], California based small scale energy companies, are seeking equitable relief and money damages from Defendants, California Public Utilities Commission ["CPUC"] a California state agency charged with inter alia California energy policymaking and delegated federal regulation enforcement, and Southern California Edison, Inc. ["SCE"], a state enabled monopoly energy corporation acting collusively and in concert with CPUC to undermine the federal policy of promoting the viability and integration of small energy generating companies and protecting them from monopolistic practices.

Plaintiffs seek injunctive and/or declaratory relief compelling and/or commanding Defendant CPUC to perform its federal-mandated regulatory duties, including federally mandated standards in connection with the Public Utility Regulatory

Polices Act ["PURPA"], as prescribed by the Federal Energy Regulatory Commission ["FERC"]. Plaintiffs also seek remedial money damages from Defendants for Plaintiffs' economic injuries caused by Defendants' violations of said federal laws and regulations, and punitive damages for Defendants' intentional and repetitive violations of law.

B. The party's itemized estimate of the compensation that the party expects to request, based on the anticipated duration of the proceeding (§ 1804(a)(2)(A)(ii)):

Item	Hours	Rate \$	Total \$	#
ATTORNEY FEES				
[Attorney 1] Meir J. Westreich Attorney at Law CSB 73133 221 East Walnut, Suite 200 Pasadena, California 91101 Phone: 626-440-9906 FAX: 626-440-9970 E-mail: meirjw@aol.com	300	\$535/hour	\$160,500	1
[Attorney 2]				
		Subtotal:	\$160,500	
EXPERT FEES				
[Expert 1] Michael E. Boyd	200	\$135/hour	\$27,000	2
[Expert 2]				
		Subtotal:	\$27,000	
OTHER FEES				
[Person 1]				
[Person 2]				
		Subtotal:		
COSTS				
[Item 1]				
[Item 2]				
[Item 3]				
		Subtotal:		
TOTAL ESTIMATE \$:			\$187,500	
Comments/Elaboration (use reference # from above): Attorney 1 based on Market Rate, Expert 1 based on Basis for Rate D.10-05-046 rate of \$135/hr.				
When entering items, type over bracketed text; add additional rows to table as necessary. Estimate may (but does not need to) include estimated claim preparation time. Claim preparation is typically compensated at ½ of preparer's normal hourly rate.				

PART III: SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP

(To be completed by party (“customer”) intending to claim intervenor compensation; see Instructions for options for providing this information)

A. The party claims “significant financial hardship” for its claim for intervenor compensation in this proceeding on the following basis:	Applies (check)
1. “[T]he customer cannot afford, without undue hardship, to pay the costs of effective participation, including advocate’s fees, expert witness fees, and other reasonable costs of participation” (§ 1802(g)); or	
2. “[I]n the case of a group or organization, the economic interest of the individual members of the group or organization is small in comparison to the costs of effective participation in the proceeding” (§ 1802(g)).	
3. A § 1802(g) finding of significant financial hardship in another proceeding, made within one year prior to the commencement of this proceeding, created a rebuttable presumption of eligibility for compensation in this proceeding (§ 1804(b)(1)).	X
<p>ALJ ruling (or CPUC decision) issued in proceeding number:</p> <p>Date of ALJ ruling (or CPUC decision):</p> <p>CARE most recent showing of “significant financial hardship” pursuant (§ 1802(g)) was found in Decision 11-03-020 on March 10, 2011 issued in proceeding number A.09-09-021</p>	

<p>B. The party’s explanation of the factual basis for its claim of “significant financial hardship” (§ 1802(g)) (necessary documentation, if warranted, is attached to the NOI):</p>

**PART IV: THE PARTY’S ATTACHMENTS DOCUMENTING SPECIFIC
ASSERTIONS MADE IN THIS NOTICE**

(The party (“customer”) intending to claim intervenor compensation identifies and attaches documents (add rows as necessary.) Documents are not attached to final ALJ ruling.)

Attachment No.	Description
1	Certificate of Service

ADMINISTRATIVE LAW JUDGE RULING²
(ALJ completes)

	Check all that apply
1. The Notice of Intent (NOI) is rejected for the following reasons:	
a. The NOI has not demonstrated status as a “customer” for the following reason(s):	
b. The NOI has not demonstrated that the NOI was timely filed (Part I(B)) for the following reason(s):	
c. The NOI has not adequately described the scope of anticipated participation (Part II, above) for the following reason(s):	
2. The NOI has demonstrated significant financial hardship for the reasons set forth in Part III of the NOI (above).	
3. The NOI has not demonstrated significant financial hardship for the following reason(s):	
4. The ALJ provides the following additional guidance (see § 1804(b)(2)):	

² An ALJ Ruling will not be issued unless: (a) the NOI is deficient; (b) the ALJ desires to address specific issues raised by the NOI (to point out similar positions, areas of potential duplication in showings, unrealistic expectations for compensation, or other matters that may affect the customer’s claim for compensation); or (c) the NOI has included a claim of “significant financial hardship” that requires a finding under § 1802(g).

IT IS RULED that:

	Check all that apply
1. The Notice of Intent is rejected.	
2. Additional guidance is provided to the customer as set forth above.	
3. The customer has satisfied the eligibility requirements of Pub. Util. Code § 1804(a).	
4. The customer has shown significant financial hardship.	
5. The customer is preliminarily determined to be eligible for intervenor compensation in this proceeding. However, a finding of significant financial hardship in no way ensures compensation.	

Dated _____, at San Francisco, California.

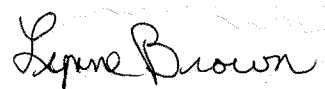
ADMINISTRATIVE LAW JUDGE

Verification

I am an officer of the Intervening Corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except matters, which are therein stated on information and belief, and as to those matters I believe them to be true.

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

Executed on this 3rd day of July 2011, at San Francisco, California.

A handwritten signature in cursive script that reads "Lynne Brown".

Lynne Brown Vice-President
CALifornians for Renewable Energy,
Inc. (CARE)