

**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)
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**CALIFORNIA SOLAR ENERGY INDUSTRIES ASSOCIATION RESPONSE  
TO JOINT MOTION FOR A RULING DIRECTING THE CONSIDERATION  
OF AN ADMINISTRATIVELY DETERMINED AVOIDED COST PRICING  
METHODOLOGY FOR THE RENEWABLE FIT AT A JANUARY 2012  
WORKSHOP THAT WOULD BE PART OF THE RECORD FOR THE DECISION  
ON THE RENEWABLE FIT**

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January 10, 2012

CALSEIA

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In accordance with the Joint Party’s motion<sup>1</sup> requesting a ruling directing consideration of an administratively determined avoided-cost pricing methodology for the renewable feed-in tariff (FIT) at a workshop that would be part of the record for the decision on the renewable FIT, the California Solar Energy Industries Association (CALSEIA) provides the following response.

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<sup>1</sup> “Joint Motion of the Center for Energy Efficiency and Renewable Technologies, [and others], For A Ruling Directing The Consideration Of An Administratively Determined Avoided Cost Pricing Methodology For The Renewable Fit At A January 2012 Workshop That Would Be Part Of The Record For The Decision On The Renewable FIT,” December 19, 2011, <http://docs.cpuc.ca.gov/efile/MOTION/155924.pdf>.

**I. CALSEIA Supports the Joint Parties' Request for a Workshop to Present and Discuss Alternative FIT Pricing Methodologies.**

The Commission staff held a workshop on September 26, 2011 to obtain feedback on its proposal<sup>2</sup> to use bids from a Renewable Auction Mechanism (RAM) for setting initial FIT prices for three types of renewable generation (that is, peaking as available, baseload, and intermittent as available). To date, no workshop has been held to present and discuss alternative price-setting methodologies other than the staff's proposal.

The Joint Parties' motion suggested a January 2012 date for this workshop, because ALJ DeAngelis indicated that workshops on standard form contract language for the Renewable FIT would be held during the week of January 9 through 13, 2012. Since then, ALJ DeAngelis postponed that workshop until February 22, 2012. CALSEIA would not object to postponing a workshop on FIT pricing until a date near the February 22, 2012 workshop as well.

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<sup>2</sup> "Renewable FIT Staff Proposal – First Draft," Energy Division Staff, September 23, 2011. This proposal has been revised. See "Renewable FIT Staff Proposal – Revised Draft," Energy Division Staff Proposal, October 13, 2011, <http://docs.cpuc.ca.gov/efile/RULINGS/145433.pdf>.

## **II. CALSEIA Supports the Joint Parties' Proposed Methodology for Setting an Administratively Determined Avoided Cost Price for the renewable FIT for Solar Photovoltaic Systems greater than 1 MW.**

The Joint Parties' motion offered an alternative FIT-pricing methodology, which is based on a draft Market Price Referent for 2011, plus "adders" for other avoided costs and environmental attributes (that is, avoided transmission and distribution costs, line losses, resource adequacy, and environmental/ health-related attributes).

CALSEIA's initial comments<sup>3</sup> on FIT implementation supported using this methodology, which was developed by Dr. Lori Schell. CALSEIA continues to support using this methodology for setting FIT prices for solar photovoltaic systems that are sized between greater than 1 MW and 3 MW.

## **III. CALSEIA Requests that the Workshop on Alternative FIT-Pricing Methodologies Include CALSEIA's Proposed Methodology for Setting an Administratively Determined Avoided Cost Price for Solar Photovoltaic Systems Sized 1 MW or less.**

CALSEIA's subsequent comments on the staff proposal included another alternative FIT-pricing methodology for solar photovoltaic systems sized 1 MW or less. Rather than a RAM-based FIT price, CALSEIA proposed using 2011 installed-cost data from the California Solar Initiative program to determine FIT prices for the smallest-scale rooftop solar electric generators.

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<sup>3</sup> CALSEIA comments, dated July 21, 2011, <http://docs.cpuc.ca.gov/efile/CM/140873.pdf>.

CALSEIA would welcome the opportunity to discuss this alternative methodology at the requested Commission workshop along with other proposed alternative FIT-pricing methodologies.

#### **IV. Conclusion**

On December 19, 2011, Joint Parties filed a motion requesting the Commission hold a workshop to discuss alternative price-setting methodologies for the new renewable FIT program. In addition, the Joint Parties proposed an alternative methodology, which uses a draft 2011 MPR and avoided-cost adders. CALSEIA also proposed an alternative method to the RAM for setting FIT prices using 2011 CSI data for solar PV systems 1 MW and below. CALSEIA supports the Joint Parties' motion to hold a workshop to discuss alternative pricing methods, including these two methods.

CALSEIA appreciates this opportunity to reply to others' comments on the Revised Staff Proposal.

**Signed by:**



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## VERIFICATION

I, Mignon Marks, represent the California Solar Energy Industries, and am authorized to make this verification on the behalf of the association. The statements in the foregoing documents are true to the best of my knowledge, except for those matters that are stated on information and belief, and to those matters, I believe them to be true.

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

Dated January 10, 2012 at Rancho Cordova, California.

/s/

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