

436 14th Street, Suite 1305 Oakland, CA 94612 (510) 314-8200 www.keyesandfox.com

## February 21, 2012

Honesto Gatchalian Maria Salinas Energy Division, California Public Utilities Commission Tariff Files, Room 4005 DMS Branch 505 Van Ness Avenue San Francisco, CA 94102

Re: Silverado Power LLC's Response to Pacific Gas & Electric Company's Advice Letter 4000-E Requesting Modification of Its Renewable Auction Mechanism Program

Dear Mr. Gatchalian and Ms. Salinas:

As Pacific Gas & Electric Company (PG&E) states in Advice Letter (AL) 4000-E, the Commission adopted the Renewable Auction Mechanism (RAM) program on December 17, 2010, in Decision (D.) 10-12-048, and on August 18, 2011, the Commission provided implementation details for the RAM program in Resolution E-4414. In both D.10-12-048 and Resolution E-4414, the Commission specified an 18-month commercial operation date (COD) with the potential for one six-month extension due to regulatory processes outside of a developer's control, such as permitting or interconnection delays not caused by the developer. In AL 4000-E, PG&E proposes two modifications to its RAM program: (1) modifications to the product allocations based on results from the first RAM program solicitation and (2) an extension to the regulatory delay period for the COD from six months to 12 months. As PG&E notes, Ordering Paragraph 5 in D.10-12-048 indicates that the investor-owned utilities may seek modifications to the RAM program via advice letter. Under the same Ordering Paragraph, the Energy Division may also issue a resolution on its own motion to propose program modifications.

<sup>&</sup>lt;sup>2</sup> AL 4000-E at 1-2.

<sup>&</sup>lt;sup>3</sup> D.10-12-048 at 96-97.

<sup>&</sup>lt;sup>4</sup> *Id.* at 97.

 $\Box \eth$ 

Silverado Power LLC (Silverado Power) respectfully submits the following response supporting PG&E's second proposal regarding extending the regulatory delay period. Silverado Power is engaged in the full lifecycle of utility-scale solar development projects—from site acquisition through physical plant development, ownership and operation. Silverado Power has over 2,800 megawatts of utility-scale projects currently under development in California and the western United States.

In AL 4000-E, PG&E proposes to increase the regulatory delay extension in its RAM program from six months to 12 months based on its experience with its first RAM program auction, as well as its photovoltaic and feed-in tariff programs. As PG&E rightly points out, "small renewable developers face a number of regulatory, permitting and interconnection hurdles developing their projects and achieving commercial operation." Silverado Power agrees with PG&E that it is appropriate to allow developers additional time, if necessary, to achieve commercial operation and that the resulting timeline—a total of 30 months instead of the current 24 months—remains reasonable.

Silverado Power has made or supported similar proposals several times in the past, advocating for a total RAM project timeline—COD plus regulatory delay extension—of 30 months. We continue to believe that the total RAM project timeline should be at least 30 months in order to reflect a reasonable assessment of the time it should take to complete development after participation in a RAM auction, including the interconnection process. In particular, we note that the Small Generator Interconnection Procedure cluster study process, which is the interconnection process many RAM projects are likely to use, alone typically takes more than 18 months. The current RAM project timeline leaves developers with too little flexibility to accommodate interconnection delays and other regulatory delays outside of developers' control, such as permitting-related delays. For these reasons, Silverado Power supports PG&E's proposal in AL 4000-E to extend its RAM program regulatory delay period from six months to 12 months.

Silverado Power appreciates the opportunity to submit this response.

Silverado Power LLC 2

<sup>&</sup>lt;sup>6</sup> *Id.* at 2.

See Silverado Power LLC's Response to Pacific Gas and Electric Company's Petition for Modification of Decision 10-12-048, R.08-08-009, at 2-3 (April 8, 2011); Silverado Power LLC's Response to Southern California Edison Petition for Modification of Decision 10-12-048 Adopting the Renewable Auction Mechanism, R.08-08-009, at 10-12 (April 4, 2011); Silverado Power's Reply to Responses to Petition for Modification of Decision 10-12-048 Adopting the Renewable Auction Mechanism, R.08-08-009, at 1 (Mar. 28, 2011); Silverado Power's Request for Modification of Decision 10-12-048 Adopting the Renewable Auction Mechanism, R.08-08-009, at 3-8 (Feb. 15, 2011).

See Silverado Power's Request for Modification of Decision 10-12-048 Adopting the Renewable Auction Mechanism, R.08-08-009, at 3-5 (Feb. 15, 2011).

ō

## Respectfully submitted,

## /s/ Kevin T. Fox

Kevin T. Fox KEYES & FOX, LLP 436 14th Street, Suite 1305 Oakland, CA 94612

Phone: 510-314-8201

E-mail: kfox@keyesandfox.com

Attorneys for SILVERADO POWER LLC

cc: Brian Cherry, Vice President, Regulation & Rates, PG&E Edward Randolph, Director, CPUC Energy Division Service list for R.11-05-005

Silverado Power LLC 3