



September 24, 2012

Edward Randolph, Director
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4004
San Francisco, CA 94102

Subject: RE: Southern California Electric Advice Letters 2773-E, 2774-E, 2775-E, and 2776-E.

For over three years now, Recurrent Energy has been an active and committed participant in the Renewable Auction Mechanism (RAM) proceeding in R. 08-08-009. Recurrent Energy is a wholesale, utility-scale developer of solar photovoltaic power plants with nearly 600 MW of contracted projects either completed or under construction across North America.

We believe that the Commission's final Decision (D.10-12-048) issued almost two years ago provides clear guidance to stakeholders about the Commission's intent for the RAM program to be the preferred procurement vehicle for renewable projects 1-20 MW in size. Since the final Decision in December of 2010, the IOUs have held two highly competitive auctions and challenging bidders to aggressively wring cost out of their projects. Successful bidders are now in the process of constructing projects to meet aggressive Commercial Operation deadlines. Others are assessing their ability to retool the most competitive projects in their portfolio or abandon them as unviable. This is the reality of using competition to deliver the highest value projects for the ratepayer.

Recurrent Energy appreciates the efforts SCE has made to procure renewable generation and incorporate renewable technology into their portfolio of resources. The request made by SCE in its suite of Advice Letters (2773-E, 2774-E, 2775-E, and 2776-E, here on referred to as "the ALs") is for the Commission to accept four "Amended and Restated" Power Purchase and Sale Agreements (PPSA) originating from SCE's RSC program that were already been terminated in 2010. Each of these contracts has now been re-executed based on new information. SCE's request that they be approved and counted toward SCE's RAM procurement volume is not immediately apparent to be consistent with the Commission's direction and necessitates further information be provided by SCE. Specifically, the Commission directed in D. 10-12-048 that particular contracts executed prior to the date of that Decision could count toward SCE's RAM program volume. Given the nearly two-year period separating the RAM Decision and the date of this series of ALs, and the Decision's additional disallowance of bi-lateral contracts in this size category, it is not clear whether it is appropriate for the Commission to consider approval of these ALs.

Recurrent Energy submits these Comments to the ALs on the grounds for more information to determine whether they comply with D. 10-12-048 and suggests the Commission request further information on what changes occurred subsequent to termination that SCE believes allows for their reinstatement. Specifically, these are contracts that were terminated because they "...exceeded the transmission cost cap stated in their contracts."¹ The Commission should request SCE provide the necessary information that demonstrates the Terminated contracts no longer exceed the transmission cost cap. Presumably this information was provided subsequent to the Termination event of the ALs but it is not referenced in their most recent filing. This information would be vital to determining whether the ALs met their original contract requirements.

Sincerely,



Sheldon Kimber
Chief Operating Officer

¹ Resolution E-4445 (p.2)