

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)

**COMMENTS OF THE
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
ON SOUTHERN CALIFORNIA EDISON COMPANY'S RESPONSE TO
ALJ'S RULING REQUESTING ADDITIONAL INFORMATION**

September 10, 2012

SARA STECK MYERS
Attorney for the
Center for Energy Efficiency and
Renewable Technologies

122 – 28th Avenue
San Francisco, CA 94121
Telephone: (415) 387-1904
Facsimile: (415) 387-4708
E-mail: ssmyers@att.net

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The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these Comments on Southern California Edison Company's (SCE's) Response to the Administrative Law Judge's (ALJ's) Ruling issued in this proceeding on August 31, 2012 (August 31 ALJ's Ruling) requesting additional information from SCE regarding its proposal not to hold a 2012 RPS Solicitation. These Comments are timely filed and served pursuant to the Commission's Rules of Practice and Procedure and the August 31 ALJ's Ruling.

SCE'S RESPONSE IS BOTH NON-RESPONSIVE AND SPECULATIVE

The August 31 ALJ's Ruling specifically sought "qualitative and quantitative evidence" from SCE in support of its decision to forego a 2012 RPS Solicitation in the face of the 2016 expiration of the Federal Investment Tax Credit, which will "potentially decrease procurement options and increase ratepayer costs."¹ In its Response, SCE states that it "does not share the concerns expressed by LSA [Large-Scale Solar Association] regarding the potential reduction in the ITC from 30% to 10% beginning in 2017" and "strongly disagrees ...that foregoing a 2012 RPS solicitation will decrease procurement options and increase customers costs in the future due to the potential reduction in the ITC."² SCE largely bases these conclusions on its claim that

¹ August 31 ALJ's Ruling, at p. 2.

² SCE Response, at p. 2.

“any increased costs due to the possible reduction in the ITC are likely to be outweighed by forecasted decreases in overall project costs, resulting in lower customer costs for future procurement.”³ SCE also claims that it will be continue to advance the State’s RPS goals by “shifting its procurement efforts...from large-scale generation to focus on procuring renewables from smaller-scale renewable projects.”⁴

SCE’s conclusions regarding the “likely” future costs of large-scale generation are not supported by any kind of “qualitative or quantitative *evidence*” in its Response, In fact, the only “documentation” offered by SCE in support of its conclusions is a “Bloomberg New Energy Finance PV Market Outlook” dated August 7, 2012, which is included in full as Appendix A, even though SCE’s Response relies on only one slide in that 23-page “presentation.” This document was not prepared by SCE, and its analysis and conclusions were not authenticated by SCE in any way in its Response.

At most, SCE’s assertion that “forecasted costs” will diminish to a level that will fully offset any reduction in the ITC is a matter of pure speculation. There is no assurance that the costs for large-scale solar will be lower in the future than they are today or that smaller scale projects, in comparison to the economies of scale realized by large projects, will, by comparison, be a more cost-effective means of meeting RPS goals for ratepayers.

Further, the broad RPS Solicitations are a significant means of “testing” the competitive market for renewables for projects of all sizes. In fact, those results can certainly inform the Commission whether or not prices paid and energy deliveries actually realized through “procurement mechanisms aimed at smaller renewable generators” are in fact reasonable. In

³ Id.

⁴ Id., at p. 3.

these circumstances, and without an adequate “response” to the August 31 ALJ’s Ruling, SCE should not be allowed to forego the requirement of holding a 2012 RPS Solicitation.

Respectfully submitted,

September 10, 2012

/s/ SARA STECK MYERS

Sara Steck Myers
Attorney for CEERT

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San Francisco, CA 94121
Telephone: (415) 387-1904
Facsimile: (415) 387-4708
E-mail: ssmyers@att.net

**VERIFICATION
(Rule 1.11)**

I am the attorney for the Center for Energy Efficiency and Renewable Technologies (CEERT). Because CEERT is absent from the City and County of San Francisco, California, where I have my office, I make this verification for said party for that reason. The statements in the foregoing Comments of the Center for Energy Efficiency and Renewable Technologies on Southern California Edison Company's Response to ALJ's Ruling Requesting Additional Information, have been prepared and read by me and are true of my own knowledge, except as to matters which are therein stated on information or 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 and executed on September 10, 2012, at San Francisco, California.

Respectfully submitted,

/s/ SARA STECK MYERS

Sara Steck Myers
Attorney at Law
122 – 28th Avenue
San Francisco, CA 94121
(415) 387-1904
(415) 387-4708 (FAX)
ssmyers@att.net

Attorney for the
Center for Energy Efficiency and Renewable Technologies