

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

Order Instituting Rulemaking to Integrate and Refine
Procurement Policies and Consider Long-Term
Procurement Plans.

Rulemaking 12-03-014
(Filed March 22, 2012)

**DISTRIBUTED ENERGY CONSUMER ADVOCATES
RESPONSE TO PACIFIC GAS & ELECTRIC'S MOTION TO MOVE THE TRACK 3
MULTI- YEAR PROCUREMENT REQUIREMENT ISSUE TO THE RESOURCE
ADEQUACY PROCEEDING**

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Distributed Energy Consumer Advocates (“DECA”) hereby files comments in R.12-03-014 in response to Pacific Gas & Electric's (“PG&E's”)Motion of September 20, 2012.

I. Background

DECA is a nonprofit California public benefit corporation that advocates on behalf of its members and their broader customer class that either currently produce and consume electricity, or consume electricity and are considering producing it as well. DECA seeks to promote the optimal regulatory climate and market in which its members and others may invest in distributed clean energy infrastructure, without preference to any single technology. DECA's comments here focus on the narrow issue of the appropriate forum for the multi-year procurement requirement, which PG&E suggests should be moved to the Resource Adequacy Proceeding (R.11-10-023).

II. DECA's Comments

DECA objects to moving the multi-year procurement requirement issue to the Resource Adequacy proceeding for three primary reasons. First, the issue of the multi-year procurement requirement is outside of the normal of normal activities and subjects in the Resource Adequacy Proceeding. The Resource Adequacy proceeding generally focuses on ministerial issues related to the administration of the Resource Adequacy program. In the past, when the Commission has considered non-ministerial, broad changes to the RA program it has separately initiated a Rulemaking to examine them, as it did with the last consideration of moving the RA program

into a multi-year forward environment in R10-05-006. There is simply a different scale of issues generally resolved in the RA proceeding than in a multi-year planning proceeding and the Commission is right to have scoped the issue in the Long Term Procurement Proceeding. Were it to approve PG&E's motion the Commission would run the risk of losing integrating into long term procurement planning the creation of an entirely new product, and would instead likely be forced to approving the procurement of a product in an ad hoc manner by advice letters filed individually by utilities precisely at the most critical time for a multi-year forward product to have the most potentially significant impact on a large number of programs.

Second, precisely because of the ministerial nature of the vast majority of the parties that might be negatively effected by how a multi-year forward product is implemented are not regular participants in the RA proceeding. They are, however, actively participating in the LTPP proceeding. The same issue applies to environmental and consumer advocacy organizations that may not be aware of how decisions in a seemingly ministerial proceeding may directly affect issues as complicated as air permits and deliverability for renewables in the LTPP, DR, and Storage proceedings to name but a few.

Finally, DECA cautions that the Commission currently has the ability to allow utilities to signal to the ISO that strategic resource are secured in the context of an integrated view of renewables integration in the LTPP proceeding. The RA proceeding generally relies on performance characteristics and filings by the CAISO to make determinations, while the LTPP proceeding has the benefit of extensive modeling where assumptions can be questioned by multiple parties with very different perspectives on what the future can and should look like. The LTPP proceeding is better of as a result of it. While those attributes may transfer to the RA proceeding, there is no clear reason why they necessarily should.

