



October 1, 2012

Tariff Unit
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: TURN comments on Draft Alternate Resolution E-4522

Dear Energy Division Tariff Unit:

Pursuant to Rule 14.5 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), The Utility Reform Network (TURN) offers the following comments regarding Draft Alternate Resolution E-4522 (“DAR”) which responds to AL-2339-E-A, AL 2339-E-B, AL 2339-E-C, and AL 2339-E-D filed by Southern California Edison (SCE). TURN supports the DAR and urges the Commission to approve it at the next business meeting.

The DAR strikes a reasonable balance by approving 2 of the 5 project PPAs with Brightsource for new solar thermal generating facilities. TURN believes that the DAR serves the interest of SCE’s ratepayers by rejecting one of the two Rio Mesa PPAs. The remaining Rio Mesa PPA is only reasonable when considered as a necessary bridge to the lower-cost, higher-value 3rd generation Brightsource technology that will be developed at Sonora West.

TURN offers one concern about the DAR. On page 3, the DAR states “SCE must notify the Commission through an information-only filing if the point of interconnection changes for any BSE PPA and the renewable premium does not increase. SCE must verify with an Independent Evaluator that the renewable premium for the PPA(s) does not increase due to a change in the point of interconnection. If the renewable premium is negatively impacted for the PPA(s), SCE must file a supplemental Tier 3 Advice Letter requesting approval of the amended and restated PPA(s).” TURN recommends that this condition be amended to replace “renewable premium” with “PPA price” since the renewable premium can change as a result of benchmarking an unchanged PPA price against updated forward energy curves. The renewable “premium” can therefore rise, or fall, for a particular project even without any switch in the PPA price based solely on the date

on which the analysis is performed. TURN would oppose allowing SCE to use an information-only filing to amend one or both PPAs with a higher price even if the resulting renewable premium does not increase relative to those shown in SCE's Advice Letters seeking approval of the amended PPAs. TURN believes that SCE should be permitted to make an information-only filing so long as the PPA price is unchanged.

The DAR concludes that SCE should have compared the amended PPAs to the results of its most recent RPS solicitation.¹ TURN agrees that any material revision to a PPA submitted for Commission approval should be compared against the most recent available solicitation data. Ratepayers should not be bound to compare revised PPAs against stale, above-market prices for alternatives that no longer exist. In the event that the Commission rejects a revised PPA, the utility would not proceed to execute contracts with projects from a many-years old solicitation but would instead be left to explore alternatives in the current market. Since old offers from many years past no longer represent legitimate alternatives, it is reasonable and proper to compare the revised PPA with the current market.

Sincerely,

MATTHEW FREEDMAN

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Frank Lindh General Counsel
Jason Simon, CFA, CPUC Energy Division
R.11-05-005 service list

¹ DAR, page 14.