

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 THE PROPOSED DECISION OF ALJ DEANGELIS  
CONDITIONALLY ACCEPTING 2012 RPS PROCUREMENT PLANS**

October 29, 2012

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## TABLE OF CONTENTS

	<i>Page</i>
Table of Contents .....	i
Table of Authorities .....	ii
I. WHILE BROAD IN SCOPE, THE PROPOSED DECISION ERRS IN FAILING TO AUTHORIZE RPS PROCUREMENT THAT IS SUPPORTED BY THE RECORD HERE AND IS CONSISTENT WITH THE EMERGING LONG-TERM NEED FOR A DIVERSE RPS PORTFOLIO.....	1
A. The Continuing Failure of the Commission to Connect-the-Dots Between RPS Procurement and LTPP Need Results in a Proposed Decision that Orders Procurement in a Manner that Is Not a Fit with Expected Need and Does Not Further the Commission’s “Loading Order” .....	1
B. The IOUs’ RPS Plans and, In Turn, the Proposed Decision Do Not Appropriately Consider Imperial Valley Issues .....	5
C. The Proposed Decision Errs in Granting SCE a Waiver on a 2012 RPS Solicitation .....	8
D. The Proposed Decision’s Approval of IOU Renewable “Preferences” Makes No Sense, Especially Given the Commission’s Repeated Rejection of “Carve-Outs” .....	11
II. CONCLUSION .....	12
APPENDIX A: Proposed Finding of Facts, Conclusions of Law, and Ordering Paragraphs VERIFICATION	

## TABLE OF AUTHORITIES

*Page*

### **CPUC DECISIONS**

Decision (D.) 12-05-035 .....	11
D.12-01-033 .....	2
D.11-04-030 .....	5
D.09-06-018 .....	5
D.08-12-058 .....	5, 6
D.08-02-008 .....	2
D.07-02-011 .....	2
D.06-05-039 .....	2
D.05-07-039 .....	2

### **CALIFORNIA PUBLIC UTILITIES CODE**

PU Code §399.14.....	2
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The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully submits these comments on the Proposed Decision of Administrative Law Judge (ALJ) DeAngelis Conditionally Accepting 2012 Renewables Portfolio Standard (RPS) Procurement Plans and Integrated Resource Plan Off-Year Supplement (“Proposed Decision”). These comments are timely filed and served pursuant to Article 14 of the Commission’s Rules of Practice and Procedure and the instructions accompanying the Proposed Decision, which was mailed in this proceeding on October 9, 2012.

**I.**

**WHILE BROAD IN SCOPE, THE PROPOSED DECISION ERRS IN FAILING TO AUTHORIZE RPS PROCUREMENT THAT IS SUPPORTED BY THE RECORD HERE AND IS CONSISTENT WITH THE EMERGING NEAR- AND LONG-TERM NEED FOR A DIVERSE RPS PORTFOLIO.**

**A. The Continuing Failure of the Commission to Connect-the-Dots Between RPS Procurement and LTPP Need Results in a Proposed Decision that Orders Procurement In a Manner that Is Not a Fit with Expected Need and Does Not Further The Commission’s Loading Order.**

CEERT has long advocated for greater connection between this Commission’s decisions on annually filed RPS Procurement Plans and its long term procurement planning (LTPP) that is currently the subject of Rulemaking (R.) 12-03-014. In the prior LTPP rulemaking (R.10-05-006), CEERT, both in testimony and briefs, urged a recognition that procurement of renewables

must not only take place to meet RPS compliance targets, but must be undertaken to further the State's Climate Change mandates and, even more, the Commission's Energy Action Plan II "Loading Order," which, following energy efficiency and demand response, identifies renewable resources as the first generation investment to be made by utilities to meet LTPP needs.<sup>1</sup>

The Commission has made clear that *all* utility resource procurement must comply with the Energy Action Plan II "Loading Order" and other state energy policies like AB 32.<sup>2</sup> Compliance is mandatory, not discretionary, and applies on an "ongoing" basis.<sup>3</sup> *No exception* to this policy mandate exists or has been adopted by this Commission for any procurement need or authorization, including any procurement to meet RPS targets.

Specifically, while the Commission has found that the *annual* RPS-specific procurement plans required by PU Code Section 399.14 should continue to be filed and considered in the RPS rulemakings, "*long-term RPS planning*" is to be addressed in the "*long term procurement planning component of R.04-04-003 [LTPP] or its successor, as contemplated by §399.14(a).*"<sup>4</sup> This directive has *not* been changed in any subsequent decision issued on RPS-specific procurement plans.<sup>5</sup>

Clearly, connecting-the-dots or at least coordinating RPS and LTPP proceedings and decisions has been a goal, but has still not been accomplished by the Commission. Why is this important here? It is critical in this case because the Proposed Decision has completely failed to account for what the generation need or profile looks like for the investor-owned utilities either near- or longer-term, *as presently being considered in R.12-03-014*. This connection must be made, especially to avoid directions being given by the Commission on the RPS Procurement

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<sup>1</sup> See, e.g., R.10-05-006 CEERT Opening Brief (June 17, 2011), at *passim*.

<sup>2</sup> R.12-03-014, at pp. 1-2; footnotes omitted; emphasis added; D.12-01-033, at p. 20.

<sup>3</sup> D.12-01-033, at p. 20; Finding of Fact 7, at p. 46, Ordering Paragraph 4, at p. 51; emphasis added.

<sup>4</sup> D.05-07-039, at p. 29; emphasis added. See also, D.06-05-039, at p. 6.

<sup>5</sup> See, e.g., D.06-05-039, at p. 7; D.07-02-011, at p. 6; D.08-02-008, at pp. 5-6.

Plans in conflict with what will be the utilities' actual generation needs going forward. Again, it is simply not enough to meet compliance targets if the energy delivered does not offset fossil procurement that *will* take place if preferred resources are not procured that match or meet the current utility generation needs.

Specifically, evidentiary hearings have recently concluded and briefs filed in the “Local Reliability Track 1” of R.12-03-014 on utility “local capacity requirements” (LCR), a subsequent Workshop has been held to examine the role that can be played by “preferred resources” and energy storage in meeting that LCR need, and standardized planning scenarios are being considered in the LTPP System Track 2.<sup>6</sup> Driven by expected retirements of Once-Through-Cooling (OTC) generation in the near and longer term in Southern California, coupled with the ongoing shut-down of San Onofre Nuclear Generating Station (SONGS) units, the California Independent System Operator (CAISO) has “identified” a local reliability “need for approximately 2400 MW of replacement OTC generation” in the Southern California Edison Company (SCE) service territory alone, which, in the CAISO’s opinion, should be met by “replacement” OTC generation, a “need,” especially, as defined by CAISO, with “flexibility” attributes that may potentially only be met by fossil resources.<sup>7</sup>

A widespread concern shared by many parties participating in R.12-03-014 is that, without the Commission taking steps to ensure that preferred resources are fairly and appropriately considered in IOU request for offers (RFOs) or in planning scenarios, the result will be an “all gas’ forecast and future”<sup>8</sup> or will require the IOUs to embark on a procurement that would

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<sup>6</sup> R.12-03-014 (LTPP) ALJ’s Ruling of August 14, 2012.

<sup>7</sup> R.12-03-014 (LTPP) Exhibit (Ex.) ISO-01, at p. 17 (CAISO (Sparks)); Ex. ISO-04, at p. 7 (CAISO (Rothleder)); Reporter’s Transcript (RT) at 112-113 (CAISO (Rothleder)); CEERT Opening Brief, at pp. 13-14.

<sup>8</sup> See, e.g., R.12-03-014 (LTPP) CEERT Comments on Standardized Planning Scenarios (October 5, 2012), at p. 1.

exclude preferred resources.<sup>9</sup> In particular, action by the Commission is required to avoid an LCR “need” resulting in over-procurement of fossil resources or crowding out of preferred resources.<sup>10</sup>

CEERT is obviously not asking that the LTPP and RPS rulemakings be consolidated, but they must inform each other and, at least, be coordinated. Why? Because without doing so, directives here, in particular, several at issue in the Proposed Decision, could result in renewables procurement that does not address *current* resource or reliability needs. What is called for here, as addressed further below, is to ensure that *every* RPS-obligated utility, especially SCE, be required to hold a 2012 RPS solicitation and that those solicitations and, more importantly, the “least cost, best fit” evaluations of bids, take into account the individual attributes and value of the renewable resource being bid to meet near and longer term resource needs. Reliance on “smaller-scale renewable” procurement mechanisms alone, as suggested by SCE and permitted by the Proposed Decision to meet “any unmet RPS need” is likely to yield only one technology type (solar photovoltaic (PV)), rather than result in a diversity of renewable resources and attributes necessary to address grid reliability and LCR needs.

Further, failing to further procurement of, e.g., geothermal resources also has consequences since even the utilities have recognized that such generation has the potential to meet LCR needs.<sup>11</sup> For these reasons, among others as addressed below, CEERT asks that the Proposed Decision be modified consistent with its recommendations and Appendix A hereto.

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<sup>9</sup> SDG&E’s LCR need is being addressed in the separate Application (A.) 11-05-023.

<sup>10</sup> R.12-03-014 (LTPP) CEERT Opening Brief, at p. 30.

<sup>11</sup> R.12-03-014 (LTPP) Reporter’s Transcript (RT) at 730-731 (SCE (Cushnie)).

**B. The IOUs' RPS Plans and, In Turn, the Proposed Decision Do *Not* Appropriately Consider Imperial Valley Issues.**

As CEERT demonstrated in its Opening and Reply Comments on the IOUs' 2012 RPS Plans, *none* of the utilities addressed "Imperial Valley" issues in their 2012 RPS Plans *as required by* Decision (D.) 09-06-018 and D.11-04-030. Specifically, these decisions required the utilities in their 2009 and 2011 RPS solicitation cycles to hold special Imperial Valley bidders conferences and for the Energy Division to conduct special monitoring to further consideration of viable renewable resource development in that area as part of the authorization for the Sunrise Powerlink (transmission) in D.08-12-058. Other "remedial measures," like "automatic shortlisting, a special bid evaluation metric, special solicitation, or other remedies," while not adopted in either decision because of a "robust" response to the 2009 RPS solicitation, were still to be considered "if future evidence shows the LCBF methodology fails to properly value Imperial Valley resources and their unique access to transmission, or that there are other infirmities."<sup>12</sup>

Despite this ongoing recognition by the Commission of the importance of the Imperial Valley resources, *none* of the IOUs' RPS Plans provide any assessment of any "response" (offers) from these resources in their 2011 RPS solicitations or any indication of whether those earlier offers actually resulted in procurement from this region. As the redlined plans of SCE and PG&E reflect, the entire discussion of "Imperial Valley Issues" has been eliminated from their 2012 RPS Plans,<sup>13</sup> and no utility has provided any protocols or even included the resource adequacy (RA) valuation required by a Assigned Commissioner's Ruling (ACR) issued in June 2011 (discussed below) in their LCBF methodologies or criteria. In fact, while SDG&E stated

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<sup>12</sup> D.09-06-018, at p. 18; D.11-04-030, at p. 25.

<sup>13</sup> SCE Public 2012 RPS Plan, Appendix A (Redline of RPS Written Plan), at pp. 25-27; PG&E Public 2012 RPS Plan, Appendix A, at p. 133.



that it is “currently in compliance with its pledge (referenced in D.08-12-058) to maintain a certain level of deliveries from projects in the Imperial Valley region,”<sup>14</sup> it then acknowledged that development in the Imperial Valley has been stymied by “significant permitting challenges” and the need to build “interconnection and network facilities necessary to interconnect and deliver this renewable energy to the transmission system.”<sup>15</sup>

Further, despite this Commission’s recent recognition of the cost of Imperial Irrigation District (IID) reinforcements serving as “a further impediment to the development of renewable generation resources in the region north of the Imperial Valley substation,”<sup>16</sup> the Proposed Decision nevertheless concludes that “we do not find that additional support for RPS procurement in this area is required.”<sup>17</sup> This conclusion is *not* supported by due process or the “record” here.

Specifically, the Proposed Decision declines to adopt “additional oversight mechanisms” based on “*reply*” *comments only* by the utilities related to “bid response[s]” to the 2009 and 2011 RPS solicitations which, the Proposed Decision concludes demonstrates “continued robust *procurement* in the area.”<sup>18</sup> Of course, *no party* had an opportunity to respond to these “reply” comments or the claimed “record” on which the IOUs, and, now, in turn, the Proposed Decision has relied. As a due process matter, there was no opportunity for parties to be “heard” on these claims since, of course, the IOUs made no such case in their Plans, as required by Commission decisions.

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<sup>14</sup> SDG&E Public 2012 RPS Plan, Appendix D; emphasis added. See also, SDG&E Redlined 2012 Request for Offers (RFO), at page 12 of 31.

<sup>15</sup> SDG&E Public 2012 RPS Plan, at p. 12.

<sup>16</sup> CEERT Comments on 2012 RPS Plans, Appendix A, at p. 3.

<sup>17</sup> Proposed Decision, at p. 15.

<sup>18</sup> Proposed Decision, at p. 15; emphasis added.

In addition, the Proposed Decision actually agrees with IID and other parties that “further information could have been provided regarding RPS procurement activities in this area in the 2012 Procurement Plan” and concludes that the IOUs should be directed “to provide such information in *future plans*.”<sup>19</sup> However, these statements do *not* cure this significant procedural defect in the record and the Proposed Decision’s reliance on the IOUs’ “reply” comments to ignore and reject additional remedial measures for the Imperial Valley area *in this RPS cycle*.

Further, by mixing “bid responses” with “procurement,” the Proposed Decision has completely missed the point of ongoing concerns regarding Imperial Valley resources – quite simply, “bid responses” mean nothing if those responses are not selected by the IOUs for *procurement* do not foster renewable resource diversity and instead yield only a single resource technology to the exclusion of others. The Proposed Decision fails to grasp the importance of geothermal resources, in particular, in meeting LCR needs in the Southern California area. As SCE’s witness, Colin Cushnie, recently testified in the LTPP Track 1 evidentiary hearings that “geothermal resources” could “potentially” be among the preferred resources that could meet an LCR need.

Thus, the very real need to consider and appropriately “promote cost-effective development of renewable resources through the Imperial Valley” and to avoid or eliminate barriers in the IOUs’ RPS Plans for procurement of a diverse range of renewable resources remains. CEERT, therefore, renews its call for “remedial measures” to procure Imperial Valley renewable resources to be included in a 2012 RPS solicitation for *all* of the IOUs. As stated in CEERT’s comments on the 2012 Plans: “Among them, the Commission should consider the previously identified ‘remedial measure’ of a ‘special solicitation’ for the procurement of a level

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<sup>19</sup> Proposed Decision, at p. 16; emphasis added.

of renewable resources within the IID balancing authority that can stimulate the financing required to achieve the needed upgrades,” a step that can and should be taken “by bringing together key representatives of the CPUC, CEC, CAISO, IID, and the IOUs, along with all stakeholders to work toward solutions to this pressing problem and need.”<sup>20</sup>

### **C. The Proposed Decision Errs in Granting SCE a Waiver on a 2012 RPS Solicitation.**

The Proposed Decision “accept[s] SCE’s proposal to not hold a 2012 RPS solicitation.”<sup>21</sup> According to the Proposed Decision, “SCE reasonably explains that during the time period covered by the 2012 RPS Procurement Plans, it will address any unmet RPS compliance needs through smaller-scale renewable facilities that are less than 20 MW in size,” in particular, through the “Feed-in Tariff program, the Renewable Auction Mechanism, Solar Photovoltaic Program (SPVP).”<sup>22</sup>

In rejecting the call by many parties, including CEERT, for annual RPS solicitations being required for SCE, along with the other IOUs, but declining to allow SCE to consider offers bilateral contracts, the Proposed Decision, ironically, relies on the very rationale offered by many parties to require *all of IOUs* to hold solicitations *in the first place*: (1) the “Commission’s review of all RPS contracts includes a comparison of the contract to the most recent solicitation and recently executed contracts,” (2) “[w]ithout a solicitation, the Commission will not be able to adequately determine the reasonableness of bilateral contracts as no comparable market data for SCE will exist,” and (3) the “Commission has a *preference for* contracts from solicitations.”<sup>23</sup> These same factors – including providing stability in the renewable market and enhancing

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<sup>20</sup> CEERT Comments on 2012 RPS Plans, at pp. 26-27.

<sup>21</sup> Proposed Decision, at p. 52.

<sup>22</sup> Proposed Decision, at pp. 52-53.

<sup>23</sup> Proposed Decision, at p. 55; emphasis added.

competition among a diverse set of renewable resources – are exactly why an RPS solicitation should be required for *every* IOU, including SCE to meet any unmet RPS need.

In this regard, the mechanisms on which SCE has said it will rely to procure energy from facilities under 20 MW are either specific to one renewable technology – solar PV (SPVP) – or have a demonstrated record of resulting in procurement solely from solar PV.<sup>24</sup> No experience exists to date to demonstrate that the “new” FiT (“ReMAT) will produce any different results.

CEERT supports all renewable resources and technologies. However, at a time when the Commission is focused on grid reliability or ensuring resources with characteristics that can meet an LCR need, CEERT finds the outcome achieved by the Proposed Decision on this issue – limiting SCE to procurement from mechanisms that are likely to yield only one renewable resource/technology type and then foreclosing SCE from doing anything else (i.e., bilateral contracts) to address different “fit” concerns or a greater MW need – to be an absurd outcome. In this regard, over-concentration of a single technology subjects the grid to the performance limitations and attributes specific to that technology, with potential implications for integration costs and grid reliability.

What is obviously missing, but continues to be deferred, is the transition toward a “mature phase” of “least cost, best fit” that appropriately values and advances resources with different values and attributes to create a more robust RPS portfolio.<sup>25</sup> There is no evidence that RAM or ReMAT is sufficient for that purpose.

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<sup>24</sup> See: SCE Advice Letter (AL) 2712-E (March 29, 2012), at pp. 6-8, in which SCE confirmed that, “[o]f the 92 offers received” by SCE in its first Renewable Auction Mechanism (RAM) solicitation, “91 were *solar photovoltaic technology* and one was a small hydro project” and *all signed PPAs* were for solar PV. (Emphasis added.)<sup>24</sup>

<sup>25</sup> The description of the needed transition to a “mature phase of LCBF” was provided by Marc Joseph, attorney for the California Coalition of Utility Employees (CCUE), at an All-Party Meeting held on October 22, 2012, to address Alternate Draft Resolution E-4522.

Further, SCE's decision to "shif[t] its procurement efforts...from large-scale generation to focus on procuring renewables from smaller-scale renewable projects"<sup>26</sup> centered on its claim of the "likely" future costs of large-scale generation that was *not* supported by any kind of "qualitative or quantitative *evidence*," as required by the ALJ Ruling of August 31, 2012.<sup>27</sup> As CEERT stated in its Comments on SCE's Response:

"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 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."<sup>28</sup>

Thus, until that time, it is imperative for the Commission to require *all of* the IOUs to hold 2012 RPS solicitations, especially to explore and test whether or not renewable resource diversity is actually being considered or delivered. Such a solicitation will serve to continue to provide updated information about the market, provide certainty to developers, and even provide or seek attributes that are better attuned to each IOU's current and forecasted generation needs, including those required to meet any identified LCR need. CEERT proposes modifications in Appendix A to the Proposed Decision's findings of fact, conclusions of law, and ordering paragraphs to ensure that all of the IOUs, including SCE, hold a 2012 RPS Solicitation.

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<sup>26</sup> SCE Response to ALJ's Ruling of August 31, 2012, at p. 3.

<sup>27</sup> CEERT Comments on SCE's Response (September 10, 2012), at p. 2.

<sup>28</sup> *Id.*, at pp. 2-3.

**D. The Proposed Decision’s Approval of IOU Renewable “Preferences” Makes No Sense, Especially Given the Commission’s Repeated Rejection of “Carve-Outs.”**

In repeated Commission meetings, assigned Commissioner Ferron often states that the Commission does not support “carve-outs” or set-asides for any specific renewable technology or resource and instead favors procurement that is “technology neutral.”<sup>29</sup> Nevertheless, the Commission has also claimed that it “support[s] the development of different renewable technologies,” with procurement to be based on and consistent with the *utility’s need and the value each product provides*.<sup>30</sup>

However, the Commission has done nothing to ensure that the current LCBF methodology or other of its adopted RPS procurement mechanisms are doing anything more than creating de-facto carve-outs for a single technology type. Further, in seeming contradiction to its proclaimed neutrality, the Proposed Decision in fact *does adopt and create resource preferences*.

Thus, despite widespread objections of many parties, including CEERT, especially as to the limitation on competition created by the IOUs’ requested preferences, the Proposed Decision nevertheless proceeds to “accept the proposal by PG&E and SDG&E to include varying [utility] preferences, such as project location, delivery start dates, term lengths, and specific portfolio content categories in the 2012 bid solicitation protocols.”<sup>31</sup> This action is taken without any attempt to determine whether or how each IOU’s *LCBF* criteria would even support such preferences and instead is based on a finding that such preferences are not contrary to the RPS Program because that statute does not require procurement of products from all portfolio content categories.<sup>32</sup>

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<sup>29</sup> See, e.g., D.12-05-035, at pp. 80-81.

<sup>30</sup> D.12-05-035, at p. 81.

<sup>31</sup> Proposed Decision, at p. 20.

<sup>32</sup> Proposed Decision, at pp. 21-22.

Regardless of whether the law “requires” procurement from all content categories, the Proposed Decision has missed the point of allowing “preferences” to be created in the first place, especially on a discretionary basis. Specifically, the Commission cannot have it both ways depending on who is asking – thus a “carve out” for any specific technology or resource, even if it can be demonstrated that the resource would have higher value to the IOU or a robust, diverse RPS portfolio is unacceptable, where preferences that limit the kind, location, size, and timing based on an IOU request and that most certainly will define the eligible technologies, is somehow all right.

If the Commission wants to build a more robust RPS Portfolio, it has to do so in a fair way that accounts for the values of each of the technologies to both the individual utility and local and system needs. That is the direction a new “mature” LCBF must take. Until that is achieved, what is good for the goose is good for the gander – no preferences for technologies, no preferences for IOUs, absent a clear demonstration that those “preferences” are the outcome of applying their LCBF evaluation.

## **II. CONCLUSION**

The Commission is at a pivotal time in meeting California renewable and climate change goals, including an ongoing commitment to the Energy Action Plan “loading order,” under which renewables remain the preferred generation resources to meet both local and system needs. The Commission should be much less concerned today with simply crossing the “t’s” and dotting the “i’s” on a numerical target for a specific “compliance period” and should instead be focusing on ensuring the build-out of an energy infrastructure that continues progress *away from*, not toward, increased fossil generation.

The Proposed Decision requires key changes to preserve this energy future as detailed in CEERT's Comments and its proposed modifications in Appendix A. These changes are needed especially to effectively coordinate the Commission's decision here with key decisions being made in both R.12-03-014 (LTPP) and R.11-10-023 (Resource Adequacy (RA)).

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**APPENDIX A  
PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW,  
AND ORDERING PARAGRAPHS**

CEERT recommends that the following changes be made in the Findings of Fact, Conclusions of Law, and Ordering Paragraphs of the Proposed Decision of ALJ DeAngelis Conditionally Accepting 2012 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan Off-Year Supplement issued in R.11-05-005 on October 9, 2012. The finding, conclusion, or ordering paragraph number is underlined, followed by a page citation to the Proposed Decision in brackets for the finding, conclusion, or order for which a modification is proposed. Added language is indicated by **bold type**; removed language is indicated by **bold strike-through**. An “*Added Finding of Fact*” or “*Added Conclusion of Law*” is so indicated.

**PROPOSED FINDINGS OF FACT:**

**[Added Finding of Fact]: It is imperative for the Commission to coordinate any decision made on 2012 RPS procurement with any need assessment or resource attributes identified in the currently pending long term procurement plan (LTPP) Rulemaking (R.) 12-03-014.**

2. [77] Contrary to Commission precedent, SDG&E, PG&E and SCE did not address adequately or at all renewable resource procurement in the Imperial Valley region. ~~SDG&E continues to consider contracting with projects located in the Imperial Valley region.~~

3. [78] ~~While [t]~~The Independent Evaluator’s report ~~may have shown some captures the robustness of~~ **in** the responses to PG&E’s 2009 and 2011 RPS solicitations in the Imperial Valley region, **no such record exists for the other two utilities and this “showing” of apparent robustness was not part of any RPS Plan.**

4. [78] **Based on the failure of the utilities to adequately address Imperial Valley RPS procurement and the confusion caused by** ~~There has been a lack of interest in the special Imperial Valley Bidder’s conferences in the past,~~ **it is appropriate to require each IOU to hold Imperial Valley specific RPS resource solicitations in 2012. and the event has created confusion.**

7. [78] Solicitation preferences are **not** consistent with the RPS Program's policies and rules. **Instead, each solicitation should be open to all eligible resources and locations and selection based on application of each utility's least cost, best fit evaluation.**

9. [78] The addition of new variables to the NMV calculation could potentially add to the robustness of the calculation **and should be included in each** ~~but sufficient evidence does not presently exist for determining whether these additional variables would be more appropriately included as part of the NMV calculation or as a separate aspect of the~~ utilities' LCBF evaluations.

23. [80] **Because reliance on smaller-scale renewable procurement mechanisms may not lead to robust, diverse renewable resource procurement, any unmet RPS compliance needs, including those of SCE, must be met through a 2012 RPS solicitation. During the time period covered by the 2012 RPS Procurement Plans, SCE can address any unmet RPS compliance needs through smaller-scale renewable facilities that are less than 20 MW in size.**

#### **PROPOSED CONCLUSIONS OF LAW:**

**[Added Conclusion of Law.]** The RPS plans and solicitations of each utility should be consistent with and reflect the need assessments made in the Commission's Long Term Procurement Plan (LTPP) Rulemaking (R.) 12-03-014.

1. [81] **In their RPS Plans, PG&E, SCE, and SDG&E all ignored ~~the~~ the Commission's commitment ~~is committed~~ to continuing to monitor and require robust renewable procurement activities in the Imperial Valley and, based on the record, should each be required to conduct individual RPS solicitations in the Imperial Valley in 2012.** ~~but declines the requests for additional oversight mechanisms based on, among other things, the continued robust procurement in the area.~~

2. [82] **A special Imperial Valley Bidder's conference should be optional for the utilities due to the lack of interest.**

5. [82] It is **only** reasonable for the utilities to solicit offers based on various preferences **to the extent those preferences result from application of each utility' least cost, best fit evaluations.**

8. [82] Based on the existing evidence, it is **not** reasonable to adopt additional variables to the NMV calculation, **especially to move toward a robust least cost, best fit evaluation that appropriately accounts for each resource's attributes consistent with the utility's specific resource needs.**

18. [84] SCE's proposal to not hold a 2012 RPS solicitation is **not** reasonable, **especially based on limiting procurement to smaller-scale renewable facility procurement mechanisms, and should be denied based on the explanation that, during the time period covered by the 2012 RPS Procurement Plans, SCE will address any unmet RPS compliance needs through smaller-scale renewable facilities that are less than 20 MW in size.**

**PROPOSED ORDERING PARAGRAPHS:**

3. [86] ~~The Commission's Energy Division Staff shall continue to monitor development of projects under the Renewables Portfolio Standard (RPS) Program in the Imperial Valley according to the parameters set forth in Appendix A of Decision 09-06-018. In addition, Pacific Gas and Electric Company, Southern California Edison Company and San Diego Gas & Electric Company are directed to conduct RPS solicitations specific to provide a specific assessment of the offers and contracted projects in the Imperial Valley region in 2012. future RPS Procurement Plans filed with the Commission pursuant to Pub. Util. Code § 399.11 et seq. until directed otherwise by the Commission.~~

5. [87] In the final 2012 Renewables Portfolio Standard (RPS) Procurement Plans to be filed with the Commission pursuant to the schedule adopted herein, Pacific Gas and Electric Company (PG&E) and San Diego Gas & Electric Company (SDG&E) are **not** authorized to include varying preferences, including, but not limited to, project location, delivery start dates, contract term lengths, and specific portfolio content categories, **except as otherwise supported by both the least cost, best fit evaluation conducted by each utility and the outcome of any decisions defining need or resource attributes in the Commission's Long Term Procurement Plan (LTPP) Rulemaking (R.) 12-03-014 (LTPP). This authorization applies to PG&E and SDG&E in any subsequent RPS Procurement Plans unless otherwise directed by the Commission. While Southern California Edison Company (SCE) will not hold a 2012 solicitation, this authorization shall apply to any subsequent SCE RPS solicitations unless otherwise directed by the Commission.**

6. [87] In the final 2012 Renewables Portfolio Standard (RPS) Procurement Plans to be filed with the Commission pursuant to the schedule adopted herein, Pacific Gas and Electric Company (PG&E), **Southern California Edison Company (SCE)**, and San Diego Gas & Electric Company (SDG&E) shall modify their Least Cost, Best Fit methodologies to reflect the Net Market Valuation (NMV) calculation set forth below. We authorize the Commission's Energy Division Staff to propose modifications to the inputs to the NMV calculation through the Commission Resolution process. ~~This methodology shall be employed by PG&E, Southern California Edison Company, and SDG&E in any subsequent RPS Procurement Plans unless otherwise directed by the Commission.~~

7. [88] In the final 2012 Renewables Portfolio Standard (RPS) Procurement Plans to be filed with the Commission pursuant to the schedule adopted herein, Pacific Gas and Electric Company (PG&E), **Southern California Edison Company (SCE)**, and San Diego Gas & Electric Company (SDG&E) are not authorized to include language that refers to the use of non-zero integration cost adders, including any language in the Net Market Valuation portion of their Least Cost, Best Fit evaluation methodologies. This directive applies to future RPS Procurement Plans filed by PG&E, **SCE**, and SDG&E unless otherwise directed by the Commission. ~~This directive shall also apply to Southern California Edison Company in future RPS Procurement Plans unless otherwise directed by the Commission.~~

8. [89] In the final 2012 Renewables Portfolio Standard Procurement Plans to be filed with the Commission pursuant to the schedule adopted herein, Pacific Gas and Electric Company (PG&E), **Southern California Edison Company (SCE)**, and San Diego Gas & Electric Company (SDG&E) shall incorporate terms into their respective pro forma agreements regarding termination rights and buy-down provisions in the event that the results of any interconnection study or agreement indicate that network upgrade costs will exceed a specific amount agreed to by seller and the utility. This directive applies to future pro forma agreements filed by PG&E, **SCE**, and SDG&E unless otherwise directed by the Commission. ~~While Southern California Edison Company will not hold a 2012 solicitation, this requirement shall apply to future use of its pro forma agreement unless otherwise directed by the Commission.~~

9. [89] Beginning with the final 2012 Renewables Portfolio Standard (RPS) Procurement Plans to be filed with the Commission pursuant to the schedule adopted herein, bids shortlisted

by Pacific Gas and Electric Company (PG&E), **Southern California Edison Company (SCE)**, and San Diego Gas & Electric Company (SDG&E) shall be executed, if at all, within 12 months from the date utilities submit final shortlists to the Commission for approval. This expiration date is included in the schedule adopted herein. If that deadline is not met, the bid will be removed from the shortlist and the utility will not be permitted to execute a bilateral contract for the same project until after the initiation of a subsequent RPS solicitation. The project may be bid into any subsequent RPS solicitation. This directive applies to future RPS solicitations by PG&E, **SCE**, and SDG&E unless otherwise directed by the Commission. ~~**While Southern California Edison Company (SCE) will not hold a 2012 solicitation, this requirement will apply to future SCE solicitations until otherwise directed by the Commission.**~~

10. [90] In the final 2012 Renewables Portfolio Standard (RPS) Procurement Plans to be filed with the Commission pursuant to the schedule adopted herein, Pacific Gas and Electric Company, **Southern California Edison Company**, and San Diego Gas & Electric Company are authorized to use in their 2012 RPS solicitations two sets of Time of Delivery factors to reflect energy-only and fully deliverable status. This authorization only applies to the 2012 solicitation. ~~**Because Southern California Edison Company (SCE) will not hold a 2012 solicitation, SCE is not included.**~~

11. [90] In the final 2012 Renewables Portfolio Standard (RPS) Procurement Plans to be filed with the Commission pursuant to the schedule adopted herein, Pacific Gas and Electric Company (PG&E), **Southern California Edison Company**, and San Diego Gas & Electric Company (SDG&E) shall modify their RPS bid solicitation protocols, as needed, to require bids have the minimum of a completed California Independent System Operator (CAISO) Generator Interconnection Procedures (GIP) Phase I (or equivalent) study to bid into the solicitation. Additionally, we direct PG&E, **SCE**, and SDG&E to modify their bid solicitation protocols to require that projects will need to have the minimum of a completed CAISO GIP Phase II (or equivalent) study to execute a contract. This directive applies to future RPS Procurement Plans filed by PG&E, **SCE**, and SDG&E unless otherwise directed by the Commission. ~~**While Southern California Edison Company (SCE) will not hold a 2012 solicitation, SCE shall modify future bid solicitation protocols consistent with these requirements unless otherwise directed the Commission.**~~

12. [90] In the final 2012 Renewables Portfolio Standard Procurement Plans to be filed with the Commission pursuant to the schedule adopted herein, Pacific Gas and Electric Company (PG&E), **Southern California Edison Company (SCE)**, and San Diego Gas & Electric Company (SDG&E) shall amend their plans such that the minimum nameplate capacity for projects to bid into a solicitation is greater than three megawatts. This directive applies to future RPS Procurement Plans filed by PG&E, **SCE**, and SDG&E unless otherwise directed by the Commission. ~~While Southern California Edison Company (SCE) will not hold a 2012 solicitation, SCE shall modify future bid solicitation protocols consistent with this requirement unless otherwise directed by the Commission.~~

14. [91] In the final 2012 Renewables Portfolio Standard (RPS) Procurement Plans to be filed with the Commission pursuant to the schedule adopted herein, Pacific Gas and Electric Company (PG&E), **Southern California Edison Company (SCE)**, and San Diego Gas & Electric Company (SDG&E) shall remove the Tax Credit Mitigation Option Term or similar term from their pro forma agreements. Parties are not prohibited from agreeing to include this term in their contracts on a case-by-case basis. This directive applies to future RPS Procurement Plans filed by PG&E, **SCE**, and SDG&E unless otherwise directed by the Commission. ~~While Southern California Edison Company (SCE) will not hold a 2012 solicitation, SCE shall modify future bid solicitation protocols consistent with this requirement unless otherwise directed by the Commission.~~

17. [92] In the final 2012 Renewables Portfolio Standard (RPS) Procurement Plans to be filed with the Commission pursuant to the schedule adopted herein, Pacific Gas and Electric Company (PG&E), **Southern California Edison Company (SCE)**, and San Diego Gas & Electric Company (SDG&E) may include a provision permitting the resource adequacy component of a contract to cover less than the entire term of the contract. This directive applies to future RPS Procurement Plans filed by PG&E, **SCE**, and SDG&E unless otherwise directed by the Commission. ~~While SCE will not hold a 2012 solicitation, SCE may modify future RPS Procurement Plans consistent with this requirement unless otherwise directed by the Commission.~~

20. [93] The following schedule is adopted for the 2012 Renewables Portfolio Standard (RPS) solicitation, **to include all of the utilities, Pacific Gas and Electric Company (PG&E)**,

**Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E):**

*[Schedule that follows should be modified to include Southern California Edison Company (SCE) at each timeline point.]*

## 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 the Proposed Decision of ALJ DeAngelis Conditionally Accepting 2012 RPS Procurement Plans, 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 October 29, 2012, at San Francisco, California.

Respectfully submitted,

/s/ SARA STECK MYERS

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