

**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)

**REPLY COMMENTS OF THE LARGE-SCALE SOLAR ASSOCIATION
ON THE PROPOSED DECISION OF ALJ DEANGELIS
CONDITIONALLY ACCEPTING 2012 RENEWABLE PORTFOLIO
STANDARD PROCUREMENT PLANS AND INTEGRATED RESOURCE
PLAN OFF-YEAR SUPPLEMENT**

Shannon Eddy, Executive Director
Rachel Gold, Policy Director
Large-scale Solar Association
2501 Portola Way
Sacramento, California 95818
eddyconsulting@gmail.com
rachel@largescalesolar.org

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Pursuant to Rule 14.3 of the California Public Utilities Commission's (CPUC) Rules of Practice and Procedure, the Large-scale Solar Association (LSA) respectfully submits these reply comments to address points raised in opening comments of The Green Power Institute and the Independent Energy Producers Association on the Proposed Decision of ALJ DeAngelis Conditionally Accepting the 2012 Renewable Portfolio Standard Procurement Plans and Integrated Resource Plan Off-Year Supplement (Proposed Decision or PD)

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I. The Commission should take into account diminished load growth due to the recession in its Renewable Net Short Projections.

In LSA's Opening Comments we recommended that the Commission reconsider allowing SCE to forego a 2012 Solicitation and at the very least allow for bilateral contracting during this period. As we expressed in our Opening Comments, we are concerned that disallowing contracting opportunities during this period will not only forgo the benefits of the sunseting ITC, but will impede the State from reaching its AB 32 goals.¹ Green Power Institute (GPI) in its Opening Comments is also concerned about the adequacy of renewable energy supply and contracting opportunities and questions the demand projections of the Renewable Net Short Calculator (RNS).² GPI raises concerns that the RNS fails to account for diminished load due to the recession and that as the State comes out of the recession, demand will grow, leaving the utility companies short of their RPS goals. LSA shares these concerns and encourages the Commission re-examine the RNS to ensure that utility companies will be able meet their goals under future increased growth scenario as noted by GPI and projected in the high growth scenario by the CEC.³ It is particularly important that SCE and the other utilities retain the ability to enter into bilateral contracts if load growth patterns begin to show increased need beyond that projected by the RNS. LSA would further recommend that, should SCE find a significant need for new RPS generation to fulfill its compliance needs, that it be required to present its need in a filing to the CPUC, and possibly hold an RFO for RPS-eligible resources if sufficient need is demonstrated to justify an RFO.

¹ Opening Comments of the Large Scale Solar Association on the Proposed Decision of ALJ DeAngelis Conditionally Accepting 2012 RPS Procurement Plans and IRP Off-Year Supplement (October 29, 2012), pp 2-3.

² Comments of the Green Power Institute on the Proposed Decision of ALJ DeAngelis (October 29, 2012), p. 4.

³ Id.; See California Energy Commission, Draft 2012 Integrated Energy Policy Report Update (October 2012), p. 12.

II. The Commission should modify the PD to allow third parties to procure Resource Adequacy capacity.

The Independent Energy Producers Association (IEP) in its Opening Comments recommends the Commission reconsider its rejection of SCE's proposal to allow third parties to bundle Resource Adequacy (RA) with renewable energy.⁴ LSA supports IEP's recommendation and SCE's proposal to allow for third-party RA. LSA believes allowing for third-party RA is particularly important given increasing concerns about how to manage the risk of transmission upgrade costs, while ensuring that the ratepayers receive maximum value with respect to both renewable energy and reliability. Allowing sellers the flexibility to provide third-party RA will enable sellers a mechanism to plan for and manage both transmission costs (over which they have little control) and the increased restrictions in the PD, including the unilateral termination right for network upgrade costs. Demand response may also provide an avenue of eliminating deliverability hurdles at minimum cost. LSA believes that third-party RA, including the potential for demand response to function as a compliance mechanism, could benefit ratepayers by serving as a cost effective way to get renewable energy projects on-line in a timely manner and to maintain reliability; flexible third party procurement options may well lessen the need for transmission upgrades, and in some cases avoid expensive network upgrades altogether. LSA urges the Commission to reconsider its rejection of SCE's proposal and allow sellers to provide third-party RA.

⁴ Comments of the Independent Energy Producers Association on the Proposed Decision Accepting RPS Procurement Plans (October 29, 2012), p.11.

CONCLUSION

LSA appreciates the opportunity to provide these Reply Comments on the Proposed Decision and urges the Commission amend the Proposed Decision to address the issues raised in these comments.

Dated: November 5, 2012

Respectfully Submitted,

/s/ Rachel Gold

Rachel Gold
Policy Director
Large-scale Solar Association
2501 Portola Way
Sacramento, California 95818
(510) 629-1024
rachel@largescalesolar.org

VERIFICATION

I, Rachel Gold, am the Policy Director of the Large-scale Solar Association. I am authorized to make this Verification on its behalf. I declare that the statements in the foregoing copy of *Reply Comments of the Large-scale Solar Association on the Proposed Decision* are true of my own knowledge, except as to the matters which are therein stated on information and 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.

Executed on November 5, 2012 at Berkeley, California.

/s/ Rachel Gold

Rachel Gold
Policy Director, Large-scale Solar
Association