

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion to Conduct a Comprehensive Examination of Investor Owned Electric Utilities' Residential Rate Structures, the Transition to Time Varying and Dynamic Rates, and Other Statutory Obligations.

Rulemaking 12-06-013
(Filed June 21, 2012)

**NOTICE OF INTENT TO CLAIM INTERVENOR COMPENSATION
AND, IF REQUESTED (and [X] checked), ADMINISTRATIVE LAW JUDGE'S
RULING ON LOCAL ENERGY AGGREGATION NETWORK'S SHOWING OF
SIGNIFICANT FINANCIAL HARDSHIP**

Customer (party intending to claim intervenor compensation):			
Local Energy Aggregation Network			
Assigned Commissioner: Michael R. Peevey		Assigned ALJ: Jeanne McKinny Timothy J. Sullivan	
I hereby certify that the information I have set forth in Parts I, II, III and IV of this Notice of Intent (NOI) is true to my best knowledge, information and belief. I further certify that, in conformance with the Rules of Practice and Procedure, this NOI and has been served this day upon all required persons (as set forth in the Certificate of Service attached as Attachment 1).			
Signature:		/s/ Justin Wynne	
Date:	11/26/2012	Printed Name:	Justin Wynne

Rule 17.1(a)(1) states that a notice of intent to claim compensation may be filed "until 30 days after the prehearing conference." The prehearing conference for this proceeding occurred on October 24, 2012. November 23, 2012 is the 30th day after the prehearing conference, however, November 23 was a "day when the Commission offices are closed," followed by a Saturday and Sunday. Therefore, according to Rule 1.15, Monday, November 26 is the last day for filing a notice of intent to claim compensation. Accordingly, this notice of intent to claim compensation is timely filed.

PART I: PROCEDURAL ISSUES

(To be completed by the party ("customer") intending to claim intervenor compensation)

A. Status as "customer" (see Pub. Util. Code § 1802(b)): The party claims "customer" status because the party (check one):	Applies (check)
1. Category 1: Represents consumers, customers, or subscribers of any electrical, gas, telephone, telegraph, or water corporation that is subject to the jurisdiction of the Commission (§ 1802(b)(1)(A)).	
2. Category 2: Is a representative who has been authorized by a "customer" (§ 1802(b)(1)(B)).	

<p>3. Category 3: Represents a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential customers, to represent “small commercial customers” (§ 1802(h)) who receive bundled electric service from an electrical corporation (§ 1802(b)(1)(C)), or to represent another eligible group.</p>	<p>X</p>
<p>4. The party’s explanation of its customer status, with any documentation (such as articles of incorporation or bylaws) that supports the party’s “customer” status. Any attached documents should be identified in Part IV.</p> <p>The Local Energy Aggregation Network (“LEAN”) is a non-profit organization within the meaning of Section 501(c)(3) of the United States Internal Revenue Code. LEAN’s application for formal status as a non-profit organization was submitted several months ago and a ruling from the Internal Revenue Service should be issued next month. As stated in LEAN’s Articles of Incorporation,</p> <p style="padding-left: 40px;">[t]he primary objectives and purposes of this Corporation shall be to protect the environment, encourage renewable energy and efficiency, lessen the burdens of government, and foster consumer protection by encouraging the utilization of Community Choice Aggregation, a method to improve the procurement, supply, and conservation of electricity.</p> <p>Community Choice Aggregation (“CCA”) is widely recognized as having great potential as an effective mechanism for substantially increasing the procurement of renewable power. A Public Interest Energy Research (“PIER”) Program funded project analyzed the feasibility of CCA in 12 California Communities and made the following conclusion:</p> <p style="padding-left: 40px;">The research conducted during the course of this project suggests great potential for Community Choice Aggregation programs to increase development of new generation, with a particular emphasis on renewable resources. The researchers found that the primary motivation for exploring CCA for most of the Pilot Project participants (cities and counties) is to exceed the RPS by a significant margin; all 12 participating communities established a goal of meeting a 40% renewable energy target and several established a goal of at least 50% renewable energy.”(Stoner, G. Patrick. 2008. Community Choice Aggregation Pilot Project Final Report. (California Energy Commission, PIER Renewable Energy Technologies Program. CEC-500-2008-091 at 30.).</p> <p>The report also found that “CCA programs are naturally suited to develop local generation resources, which promise to add much needed infrastructure investment to the state’s electric system.” Such benefits are already being realized in Marin County, where the Marin Energy Authority (the state’s only operational CCA) recently approved a 1 MW solar installation at a local airport. Additionally, CCA programs offer communities the ability to exercise greater control over their electricity rates and to leverage the construction of generation at the local level to stimulate the local economy and create jobs. CCA programs can also support a broad array of energy goals, including encouraging community scale distributed generation, energy efficiency programs,</p>	

demand response, and feed-in tariffs.

In order to support its public benefit efforts and ensure that CCA remains an option for California ratepayers, LEAN plans to participate from time to time in regulatory proceedings. LEAN's bylaws specifically authorize it to "represent the interests of consumers in administrative and judicial proceedings concerning public utilities matters." LEAN is principally interested in addressing biases within the utility's rate and program design that inherently favor utility programs and bundled customers, and unfairly disadvantage actual and prospective CCA residential customers, thereby creating artificial barriers to the development and expansion of CCA programs.

LEAN is a national organization that supports the expansion of CCA programs throughout the country through educational outreach efforts and by providing technical support. LEAN is located in California and will actively pursue the promotion of CCA throughout the state. LEAN is in the early stages of implementing its membership program, which is non-voting. LEAN's membership will include residential customers of California investor-owned utilities, public agencies, non-profit groups, as well as large and small businesses. LEAN currently has numerous supporters from each of these groups, including hundreds of residential customers currently living within the service territory of a California investor-owned utility.

While LEAN's membership will include governmental entities, LEAN was not formed by governmental agencies for the purpose of participating in CPUC proceedings as prohibited by Cal. Pub. Util. Code § 8002(b)(2). LEAN does not exist for the purpose of promoting the interests of existing governmental entities, and indeed, LEAN's objectives are clearly distinct from existing CCA programs in California. This is because LEAN's primary objective is to protect and promote the ability of ratepayers not already in a CCA to pursue that option should they so choose.

B. Timely Filing of Notice of Intent (NOI) (§ 1804(a)(1)):	Check
1. Is the party's NOI filed within 30 days after a Prehearing Conference? Date of Prehearing Conference: October 24, 2012	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
2. Is the party's NOI filed at another time (for example, because no Prehearing Conference was held, the proceeding will take less than 30 days, the schedule did not reasonably allow parties to identify issues within the timeframe normally permitted, or new issues have emerged)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
2a. The party's description of the reasons for filing its NOI at this other time:	
2b. The party's information on the proceeding number, date, and decision number for any Commission decision, Commissioner ruling, ALJ ruling, or other document authorizing the filing of NOI at that other time:	

PART II: SCOPE OF ANTICIPATED PARTICIPATION

(To be completed by the party (“customer”) intending to claim intervenor compensation)

A. Planned Participation (§ 1804(a)(2)(A)(i)):

- The party’s statement of the issues on which it plans to participate.

This is the first regulatory proceeding in which LEAN has obtained party status and plans to participate. LEAN plans to minimally participate in this proceeding in order to ensure basic safeguarding of key residential rate design principles affecting the development and expansion of CCA programs. At this time, LEAN anticipates that it will participate on the following issues:

- Are the new residential rate designs neutral with respect to customer choice offered by CCA programs?
- What cross-subsidies exist in the new residential rate designs and are the cross-subsidies supported by overriding state policy goals?
- Do the new residential rate designs provide simplicity and stability in order to serve as effective benchmarks for residential rates offered by CCA programs?

- The party’s explanation as to how it plans to avoid duplication of effort with other parties and intervenors.

There are currently two parties representing CCA interests in CPUC proceedings, the Marin Energy Authority (“MEA”) and the City and County of San Francisco (“CCSF”). MEA is the first operational CCA program in the state and CCSF is in the late stages of implementing their CCA program. LEAN plans to coordinate with these parties to avoid duplication of efforts.

In general, the efforts of LEAN can be distinguished from MEA and CCSF on several levels. First, the focus of MEA’s and CCSF’s participation is principally on issues affecting CCA operations, not necessarily on issues affecting residential customers served by a CCA. LEAN plans to address residential rate issues on behalf of current and prospective residential CCA customers. Second, since MEA and CCSF are located in PG&E’s service area, they are focused principally on PG&E’s rates, not necessarily on the rates of California’s other major investor-owned electric utilities. LEAN will be addressing residential rate issues on a statewide basis, including rates offered by SCE and SDG&E. Finally, although a certain amount of overlap may exist with MEA and CCSF on this point, LEAN plans to review rate proposals with a specific focus on the preservation and expansion of the CCA option. It has been recognized repeatedly that there are substantial barriers to the widespread adoption of CCA as an option for California’s ratepayers. LEAN will be advocating solutions to these barriers and outcomes to preserve and expand the CCA option for ratepayers throughout the state.

B. The party's itemized estimate of the compensation that the party expects to request, based on the anticipated duration of the proceeding (§ 1804(a)(2)(A)(ii)):				
Item	Hours	Rate \$	Total \$	#
ATTORNEY FEES				
Scott Blaising	20	\$395	\$7,900	1
Justin Wynne	35	\$270	\$9,450	1
		Subtotal:	\$17,350	
EXPERT FEES				
[Expert]	45	\$195	\$8,775	1
		Subtotal:	\$8,775	
OTHER FEES				
Shawn Marshall Ex. Director	20	\$150	\$3,000	1
Lean Support Staff	20	\$95	\$1,900	
		Subtotal:	\$4,900	
COSTS				
Travel			\$600	1
Copies and postage			\$300	1
		Subtotal:	\$900	
TOTAL ESTIMATE \$:			\$31,925	1
Comments/Elaboration (use reference # from above):				
No. 1 – At this point in the proceeding, LEAN’s estimate of potential compensation is necessarily quite subjective as the full scope of the issues (and selective issues that LEAN will address) and the proceeding process are still being determined. However, LEAN intends to keep its participation in this proceeding narrow so as to contain costs.				
When entering items, type over bracketed text; add additional rows to table as necessary. Estimate may (but does not need to) include estimated Claim preparation time. Claim preparation (as well as travel time) is typically compensated at ½ of preparer’s normal hourly rate.				

PART III: SHOWING OF SIGNIFICANT FINANCIAL HARDSHIP

(To be completed by party (“customer”) intending to claim intervenor compensation; see Instructions for options for providing this information)

A. The party claims “significant financial hardship” for its Intervenor Compensation Claim in this proceeding on the following basis:	Applies (check)
1. “[T]he customer cannot afford, without undue hardship, to pay the costs of effective participation, including advocate’s fees, expert witness fees, and other reasonable costs of participation” (§ 1802(g)); or	
2. “[I]n the case of a group or organization, the economic interest of the individual members of the group or organization is small in comparison to the costs of effective participation in the proceeding” (§ 1802(g)).	X
3. A § 1802(g) finding of significant financial hardship in another	

proceeding, made within one year prior to the commencement of this proceeding, created a rebuttable presumption of eligibility for compensation in this proceeding (§ 1804(b)(1)).	

B. The party’s explanation of the factual basis for its claim of “significant financial hardship” (§ 1802(g)) (necessary documentation, if warranted, is attached to the NOI):

Pursuant to Cal. Pub. Util. Code § 1802(g), LEAN must demonstrate that “the economic interest of the individual members of the group or organization is small in comparison to the costs of effective participation in the proceeding.”

LEAN was initially funded through a grant by the Galvin Electricity Initiative, a non-profit organization supporting consumer energy choice and the modernization of the American electric grid. This start-up grant will end in a few months; going forward, LEAN’s activities will be funded through foundation grants and the donations of its members. However, this funding is devoted to its public education and outreach efforts, local formation support, and regulatory and legislative monitoring; what it does *not* cover are the legal and expert witness fees associated with participation in CPUC proceedings. The cost of LEAN’s participation in this CPUC proceeding, which is estimated to be \$31,925, substantially outweighs the benefit to the individual supporters of LEAN and exceeds LEAN’s ability to cover those expenses. LEAN’s supporters include residential and commercial customers whose individual financial interest is significantly less than that the cost of participation. It is unlikely that LEAN’s supporters will see financial benefits that exceed the cost of participation.

PART IV: ATTACHMENTS DOCUMENTING SPECIFIC ASSERTIONS MADE IN THIS NOTICE
 (The party (“customer”) intending to claim intervenor compensation identifies and attaches documents; add rows as necessary)

Attachment No.	Description
1	Certificate of Service
2	Articles of Incorporation
3	Bylaws

ADMINISTRATIVE LAW JUDGE RULING¹
 (ALJ completes)

	Check all
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¹ An ALJ Ruling needs not be issued unless: (a) the NOI is deficient; (b) the ALJ desires to address specific issues raised by the NOI (to point out similar positions, areas of potential duplication in showings, unrealistic expectations for compensation, or other matters that may affect the customer’s Intervenor Compensation Claim); or (c) the NOI has included a claim of “significant financial hardship” that requires a finding under § 1802(g).

	that apply
1. The Notice of Intent (NOI) is rejected for the following reasons:	
a. The NOI has not demonstrated the party's status as a "customer" for the following reason(s):	
b. The NOI has not demonstrated that the NOI was timely filed (Part I(B)) for the following reason(s):	
c. The NOI has not adequately described the scope of anticipated participation (Part II, above) for the following reason(s):	
2. The NOI has demonstrated significant financial hardship for the reasons set forth in Part III of the NOI (above).	
3. The NOI has not demonstrated significant financial hardship for the following reason(s):	
4. The ALJ provides the following additional guidance (see § 1804(b)(2)):	

IT IS RULED that:

	Check all that apply
1. The Notice of Intent is rejected.	
2. Additional guidance is provided to the customer as set forth above.	
3. The customer has satisfied the eligibility requirements of Pub. Util. Code § 1804(a).	
4. The customer has shown significant financial hardship.	
5. The customer is preliminarily determined to be eligible for intervenor compensation in this proceeding. However, a finding of significant financial hardship in no way ensures compensation.	

Dated _____, at San Francisco, California.

ADMINISTRATIVE LAW JUDGE