

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

Order Instituting Rulemaking to Continue  
Implementation and Administration of California  
Renewables Portfolio Standard Program

**R. 11-05-005**  
(Filed May 5, 2011)

**SIERRA CLUB CALIFORNIA REPLY COMMENTS  
ON THE SECOND ASSIGNED COMMISSIONER'S RULING ON RPS  
PROCUREMENT REFORM PROPOSALS**

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December 12, 2012

## **I. INTRODUCTION**

Sierra Club California submits these reply comments on Commissioner Ferron's October 5, 2012 Assigned Commissioner's Ruling issuing Procurement Reform Proposals and Establishing a Schedule for Comments on Proposals (the "ACR").

## **II. THE LEAST-COST BEST FIT PROCESS REQUIRES A COMPREHENSIVE EXAMINATION TO FURTHER PLANNING FOR RENEWABLES.**

Sierra Club California agrees with GPI<sup>1</sup> and CEERT<sup>2</sup> that the least-cost, best-fit ("LCBF") process requires a comprehensive examination as to how it can be a productive tool for planning for renewables, achieving the best value in procurement, and designing optimized environmental benefits of the RPS. We agree with DRA's proposal for a workshop, and for these criteria to be established in a public and transparent manner, including further opportunity for staff investigation of criteria advanced by parties in their opening comments, followed by proposals and comments by parties.

The IOUs note that the Commission has already put into place discrete measures to implement some indirect transmission investment costs to address LCBF.<sup>3</sup> While the use of quantitative adders is one useful mechanism to encourage a limited result, Sierra Club emphasizes that the complex operations of the electricity grid requires a comprehensive planning process that models and compares scenarios to determine among alternatives how to displace

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<sup>1</sup> Opening Comments of Green Power Institute, November 20, 2012, p. 3.

<sup>2</sup> Opening Comments of the Center for Energy Efficiency and Renewable Technologies (CEERT), November 20, 2012, p.18.

<sup>3</sup> Opening Comments of SDG&E, November 20, 2012, at p.30.

fossil fuel by achieving a balanced portfolio, and procure efficiently when integrating renewables. This planning process should incorporate the Governor’s distributed generation goal of 12,000 MW, and project long-term scenarios that assume higher RPS standards, to ensure that planning for 2020 is consistent with long-term policy goals.<sup>4</sup>

We additionally agree with CEERT that the Governor’s signing statement and the Commission’s Loading Order mean that reaching a 33% RPS is not the end point or limit on procuring renewables, as a preferred resource in the Loading Order.<sup>5</sup> CEERT explains that without alignment with LTPP needs or Loading Order compliance, that some proposals effectively “curtail renewables procurement when in fact it should be considered on an “ongoing” basis to meet any and all identified need.”<sup>6</sup>

Sierra Club has communicated with SEIA and is supportive of their concurrent reply comments. In particular, Sierra Club believes it is both premature and unnecessary to revise the capacity value of solar at this juncture for the reasons set forth in those reply comments.

Sierra Club California supports comments of the Union of Concerned Scientists,<sup>7</sup> specifically the caution that the Commission not automatically reject a RPS contract on the basis of perceived need, that the Commission should not compare unbundled REC contracts to bundled procurement, and the retention of Standard Term and Condition 2 that defines “Green Attributes” associated with a REC.

Respectfully Submitted,

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<sup>4</sup> Governor’s Signing Statement for SB 1X 2, April 12, 2011. (That 40% RPS is “well within our grasp in the near future.”; Executive Order S-3-05 (Goal to reduce greenhouse gas emissions to 80 percent below 1990 levels by 2050).

<sup>5</sup> Affirmed in D.12-01-033, at p.20; Finding of Fact 7, at p.46, Ordering Paragraph 4, at p.51. “the utility obligation to follow the loading order is ongoing” regardless of whether a target is hit for a preferred resource to “satisfy other obligations of the utility.”

<sup>6</sup> CEERT at p.5.

<sup>7</sup> Opening Comments of the Union of Concerned Scientists, November 20, 2012, p.1.

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## VERIFICATION

I am the attorney for Sierra Club California and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in this pleading are true.

I declare under penalty of perjury that the matters stated in this pleading are true and correct.

Executed on the **12<sup>th</sup> day of December, 2012**, at Berkeley, California.

/s/ Andy Katz

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