

**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)

**REPLY COMMENTS OF THE  
INTERSTATE RENEWABLE ENERGY COUNCIL, INC.  
ON COORDINATION QUESTIONS**

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December 7, 2012

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Pursuant to the Administrative Law Judges' Ruling Inviting Comments, issued on November 6, 2012, the Interstate Renewable Energy Council, Inc. (IREC), respectfully submits this reply to parties' opening comments regarding coordination of this docket with other proceedings at the California Public Utilities Commission (Commission). In these reply comments, IREC focuses solely on coordination of this docket with other Commission proceedings addressing net energy metering (NEM) policy.

IREC agrees with parties' comments that a future NEM rulemaking should be coordinated with this proceeding, but emphasizes that the Commission should not bypass the current opportunity to consider the impacts of alternative residential rate design proposals on residential customer-generators under existing NEM policy.

**I. The future of NEM policy will be determined in a separate rulemaking, but it remains important to consider the impact of residential rate design on existing NEM policy in R.12-06-013.**

IREC agrees with the comments of the Solar Energy Industries Association (SEIA) that this proceeding, to the extent the Commission will use it to also consider the consequences of residential rate redesign on NEM policy, should be closely coordinated with the outcome of the ongoing Energy + Environmental Economics NEM Cost-Effectiveness Study (E3 Study) and the alternate NEM proceeding that will follow. IREC agrees that the Commission signaled its intent in D.12-05-036 to "reassess the NEM program in light of the study results" in order to set "future

policy for the NEM program with full awareness of the economic impacts of any policy choices on all classes of ratepayers.”<sup>1</sup> IREC emphasizes, however, that it is critical to take the current opportunity to consider the impact that alternative rate designs proposed in this proceeding will have on existing and prospective residential customer-generators.

**II. It is important to coordinate the ongoing E3 study on NEM cost-effectiveness and any future NEM rulemaking with this proceeding.**

IREC recognizes that the record developed in this proceeding may prove helpful to the Commission’s later consideration of the future of NEM. IREC supports Vote Solar Initiative’s (Vote Solar) comments suggesting that any rate impact modeling conducted in this proceeding, based on new or alternative rate designs that may not be included in the E3 Study, could assist the Commission in developing a sufficient record in any new NEM rulemaking.<sup>2</sup> Additionally, IREC agrees with Vote Solar that the E3 Study should be coordinated with this proceeding,<sup>3</sup> as that study will be of much greater value to the Commission if it considers the likely future direction of residential rate design in California.

IREC appreciates SEIA’s suggestion that this proceeding should incorporate any results from the E3 study and work product from the future NEM proceeding.<sup>4</sup> However, the schedule for R.12-06-013 seems to contemplate completion prior to the inception of the future NEM proceeding, so it is not clear the extent to which these proceedings will overlap and coordination will be possible.

**III. Conclusion**

IREC appreciates the opportunity to submit these reply comments and encourages the Commission to consider the impacts of any prospective residential rate design changes on existing NEM policy and to inform the ongoing E3 study concerning the likely direction of residential rate design moving forward.

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<sup>1</sup> SEIA comments at 2 (citing D.12-05-036 at 15 and 19).

<sup>2</sup> Vote Solar comments at 3.

<sup>3</sup> *Id.*

<sup>4</sup> SEIA comments at 3.

Respectfully submitted at San Francisco, California on December 7, 2012,

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