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 R.11-05-005

COMMENTS OF THE GREEN POWER INSTITUTE ON THE PROPOSED DECISION AND ALTERNATE PROPOSED DECISION

April 8, 2013

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COMMENTS OF THE GREEN POWER INSTITUTE ON THE PROPOSED DECISION AND ALTERNATE PROPOSED DECISION

Pursuant to Rules 14.3 and 14.6 of the Commission's Rules of Practice and Procedure, in Proceeding R-11-05-005, the **Order Instituting Rulemaking to Continue**Implementation and Administration of California Renewables Portfolio Standard Program, the Green Power Institute, a program of the Pacific Institute for Studies in Development, Environment, and Security (GPI), provides these *Comments of the Green Power Institute on the Proposed Decision and Alternate Proposed Decision* (PD/APD).

Our greatest concern with the FiT Joint Standard Contract (SC) is that it fails to meet the mark in one very fundamental way. One of the major objectives of the FiT program is to tailor the contracting process to the needs of the small (< 3 MW) generators that it is designed to serve. Due to the high transaction costs that these generators face, the fact that in many instances they do not have the luxury of economies of scale, and the fact that, individually, their impact on the grid is de minimus, it is desirable to develop a simplified and streamlined contract that will minimize transaction costs for all parties involved. The SC does not accomplish this objective. It is simply too complex and burdensome for the market for which it is intended.

Some of the major problems with the SC include its

- burdensome financial requirements
- burdensome recordkeeping requirements
- restrictions on adjustments to expected energy production
- penalties for failure to meet commercial online date, even if the delay is caused by the utility
- penalties for failure to meet delivery specifications

The GPI is particularly interested in the implementation of SB 1122, which the PD/APD reserves for a future Decision. We look forward to the implementation process, and urge the Commission to move forward expeditiously.

Dated April 8, 2013 Respectfully Submitted,

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VERIFICATION

I, Gregory Morris, am Director of the Green Power Institute, and a Research Affiliate of the Pacific Institute for Studies in Development, Environment, and Security. I am authorized to make this Verification on its behalf. I declare under penalty of perjury that the statements in the foregoing copy of *Comments of the Green Power Institute on the Proposed Decision and Alternate Proposed Decision*, filed in R.11-05-005, 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.

Executed on April 8, 2013, at Berkeley, California.

Gregory Morris