

April 29, 2013

VIA E-MAIL

Maria Salinas  
California Public Utilities Commission  
Energy Division  
505 Van Ness Avenue  
San Francisco, CA 94102-3298

**Re: Draft Resolution E-4582: Changes to the Renewable Auction Mechanism for Pacific Gas and Electric Company, Southern California Edison Company and San Diego Gas & Electric Company**

Dear Ms. Salinas:

In this letter, the Solar Energy Industries Association (SEIA)<sup>1</sup> and the Large Scale Solar Association (collectively "The Joint Solar Parties") provide comments on the Draft Resolution E-4546 (Draft Resolution) circulated on April 9, 2013. The Draft Resolution addresses two changes to the Renewable Auction Mechanism (RAM) Program which were proposed by the Energy Division on its own motion. In short, the Energy Division has proposed (1) that the capacity allocation targets for each of the investor owned utilities in the RAM 4 auction be modified, and (2) that an additional RAM auction (RAM 5) be held. The Joint Solar Parties support the Energy Division's proposed modifications to the MW allocation targets to the RAM 4 auction, but, for the reasons set forth below, offer a couple of refinements to the Energy's Division's proposal regarding an additional RAM auction.

The Energy Division acknowledges that no mechanism is currently in place to authorize a utility to solicit additional RAM contracts in the event that the utility fails to procure contracts for all of its RAM capacity targets by the close of the fourth RAM auction. Nor is there any mechanism for the IOUs to solicit additional RAM contracts to replace any previously executed RAM contracts which may fail or may be terminated. To address this situation and help ensure that program MW targets are met, the Energy Division recommends that an additional auction be held, with such auction closing no later than June 27, 2014. The Joint Solar Parties agree with the Energy Division that steps should be taken to ensure that RAM program MW targets are met. The Joint Solar Parties, however, are concerned that holding one additional auction (RAM 5),

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<sup>1</sup> The comments contained in this filing represent the position of the Solar Energy Industries Association as an organization, but not necessarily the views of any particular member with respect to any issue.

one year after the close of RAM 4 is insufficient. Rather, the Commission should authorize a fifth RAM solicitation six months after the close of RAM 4 and hold three subsequent solicitations on an annual basis thereafter to ensure that all failed MWs through RAM 5 may be re-contracted.<sup>2</sup>

Because the Energy Division proposes that the IOUs procure one-third of their previously authorized, unsubscribed RAM MWs as part of the fifth auction, the procurement schedule for that auction should align with the original program requirement of bi-annual solicitations. In adopting the requirement for bi-annual solicitations, the Commission stated:

One important advantage of a fixed-price FIT is that it is continuously available (i.e., projects can access the tariff at any time). We lose that benefit with RAM, but in exchange gain potential cost savings from competition. *At the same time, we want to minimize the loss of the continuous availability element as much as possible.*<sup>3</sup>

Providing for three annual solicitations beyond a RAM 5 proposed by the Energy Division would allow sufficient time and opportunity for the re-contracting of any failed RAM MWs through the fifth solicitation. Given that the Commission, as part of Resolution E-4489, extended the commercial operation deadline for RAM projects from 18 months after Commission approval to 24 months after Commission approval,<sup>4</sup> ensuring that any failed MWs through RAM 4 may be re-contracted will require that solicitations be held as far out as December 2015.<sup>5</sup> Because the RAM 5 proposed by the Energy Division would include MWs from the initial program allocation, an additional solicitation should be scheduled during 2016 to sufficiently incorporate program fallout from that solicitation. The Joint Solar Parties submit that such is necessary to ensure that the 1299 MW that the Commission has ordered the IOUs to procure as part of the RAM program is reached.

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<sup>2</sup> This would result in the final RAM auction, in December 2016.

<sup>3</sup> Decision 10-12-048, at p. 32-33 (emphasis added).

<sup>4</sup> Resolution E-4489, at p. 11

<sup>5</sup> MWs procured from a RAM 4 solicitation closing in June 2013, as proposed, will not be approved by the Commission until December 2013 and the extent of any dropouts will not be fully realized for 24 months thereafter.

Accordingly, the Joint Solar Parties respectively request that the Commission approve the Draft Resolution, with the modifications set forth herein.

Very truly yours,

GOODIN, MACBRIDE, SQUERI,  
DAY & LAMPREY, LLP

By



Jeanne B. Armstrong

Counsel for the Solar Energy  
Industries Association

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