

DRA

Division of Ratepayer Advocates California Public Utilities Commission

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PUBLIC

June 27, 2013

CPUC, Energy Division Attention: Tariff Files, Room 4005 505 Van Ness, Avenue San Francisco, CA 94102 EDTariffUnit@cpuc.ca.gov

Subject: Protest of the Division of Ratepayer Advocates of Pacific Gas and Electric

Company's Advice Letter 4238-E, requesting approval of PG&E's 2012

Renewable Portfolio Standard Shortlist

INTRODUCTION

The Division of Ratepayer Advocates (DRA) hereby submits this protest of Pacific Gas and Electric Company's (PG&E) Advice Letter 4238-E (AL 4238). In AL 4238, PG&E seeks the California Public Utilities Commission's (Commission) approval of its 2012 Renewable Portfolio Standard (RPS) shortlist. DRA protests and recommends that the Commission approve AL 4238 without the following projects:



¹ PAV "include[s] the following components: Location, RPS Portfolio Need, Energy Firmness, Contract Term Length (Tenor), and Curtailment." A higher PAV is more valuable than a lower one. PG&E 2012 RPS RFO, https://dx.ncbi.org/html/stachment-K, p. 7. PAV was calculated using the Commission's Energy Division's 2011 Project Viability Calculator. PAV and qualitative factors such as project viability, contribution to RPS goals, and supplier diversity are used to determine the shortlist.

² IE Report, p. 52.

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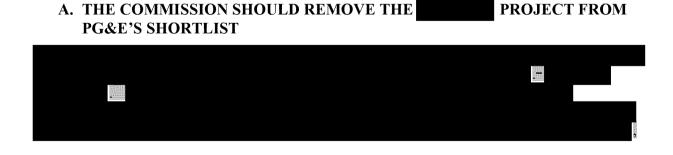


BACKGROUND

The RPS program was established by California Senate Bill (SB) 1078, and made effective on January 1, 2003. It was significantly modified in 2011 by SB 2 (1X). Among other things, SB 2 (1X) raised the RPS goal of California Investor Owned Utilities (IOUs), such as PG&E, from 20 percent of retail sales by the end of 2010 to 33 percent by 2020. In order to meet its RPS goals, PG&E issues an annual RPS solicitation, in addition to other RPS procurement programs.

DISCUSSION & RECOMMENDATION

DRA protests AL 4238 and recommends the Commission remove the projects from its shortlist. PG&E has not justified placing these projects on the shortlist in place of higher-PAV projects.



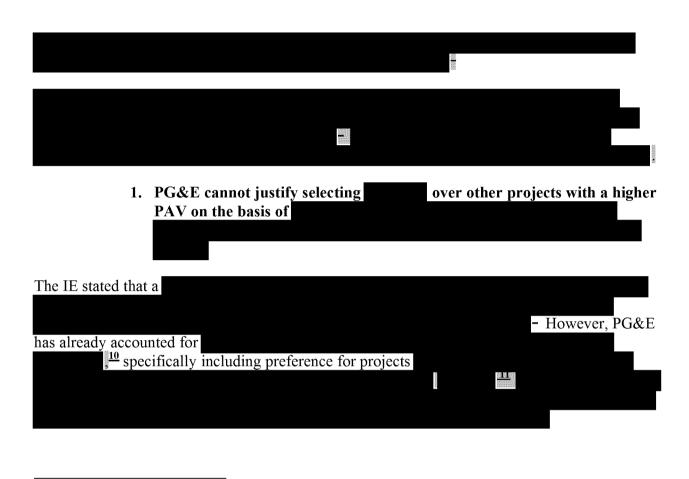
 $[\]frac{3}{2}$ IE Report, p. 60.

 $[\]frac{4}{9}$ IE Report, p. A-2.

⁵ PG&E 2012 RPS Shortlist, sent to PRG members May 8, 2013.

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⁶ IE Report, p. 59.

On page 7-8 of Attachment K for PG&E's 2012 RPS RFO, PG&E states its preference for projects in NP-15/its service territory "is influenced by constraints... that may limit the amount of capacity in SP15 that PG&E can count toward its RA requirement.... The calculation of PAV effectuates this by adjusting the value of energy and capacity for offers from resources in SP15."

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⁸ IE Report, p. 41-42. NP-15 means north of Path 15, a major transmission line. PG&E's territory generally consists of the area north of Path 15 and the area within ZP-26, which is between NP-15 and SP-15 (south of Path 15). PG&E's 2012 RPS Goals criteria include Executive Order S-06-06, detailed in the following section.

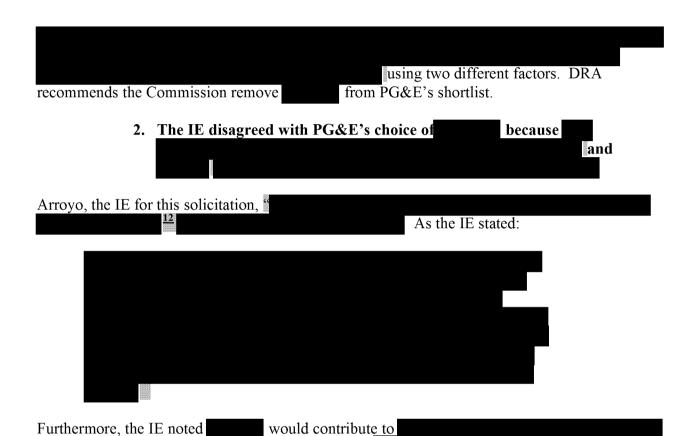
² IE Report, p. 42. Specifically, the IE stated

¹⁰ PAV "include[s] the following components: **Location**, RPS Portfolio Need, Energy Firmness, Contract Term Length (Tenor), and Curtailment," emphasis added. PG&E 2012 RPS RFO, <u>Attachment K</u>, p. 7. PAV was calculated using the Commission's Energy Division's 2011 <u>Project Viability Calculator</u>. PAV and **qualitative** factors such as project viability, contribution to RPS goals, and supplier diversity are used to determine the shortlist.

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"strong preference... for RECs or Product from Projects that commence renewable energy deliveries to PG&E beginning in 2019-2020." DRA recommends the Commission remove from PG&E's shortlist.

¹² IE Report, p. 50.

¹³ IE Report, p. 52.

¹⁴ IE Report, p. 59-60.

¹⁵ PG&E 2012 RPS Solicitation Protocol, issued December 10, 2012. p. 4.

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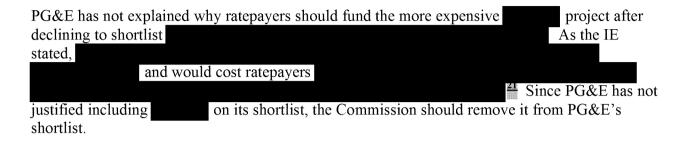
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3. should not be approved based on the claim of a vague, undefined future need of PG&E for additional biomass projects

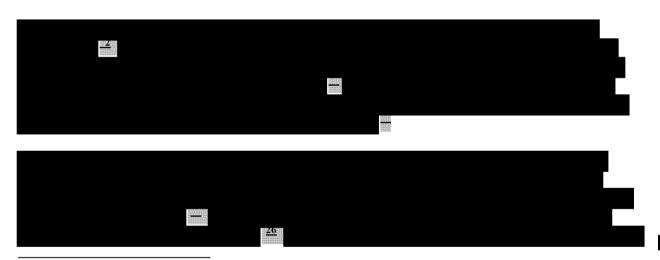
06-06 mandates that California enewable generation for 2010 and PS bid evaluation and selection
DRA recommends the
after it has declined to
projects
Despite this, PG&E chose to
RAM 3's dea line for ne for bids was February 6, 2013. a request, PG&E provided data showing

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B. THE COMMISSION SHOULD REMOVE FROM PG&E'S SHORTLIST, BECAUSE PG&E HAS NOT SUFFICIENTLY JUSTIFIED SELECTING THIS PROJECT



²¹ IE Report, p. 59.

However, on page 7-8 of Attachment K for PG&E's 2012 RPS RFO, PG&E states its preference for projects in NP-15/its service territory "is influenced by constraints... that may limit the amount of capacity in SP15 that PG&E can count toward its RA requirement.... The **calculation** of PAV effectuates this by adjusting the value of energy and capacity for offers from resources in SP15." Emphasis added.

²² IE Report, p. A-1. PAV value from PG&E 2012 RPS Shortlist, sent to PRG members May 8, 2013.

 $[\]frac{23}{2}$ IE Report, p. 59.

²⁴ IE Report, p. 41.

²⁵ IE Report, p. 42. Specifically, Arroyo stated it ¹¹

²⁶ PG&E 2012 RPS Shortlist, sent to PRG members May 8, 2013.

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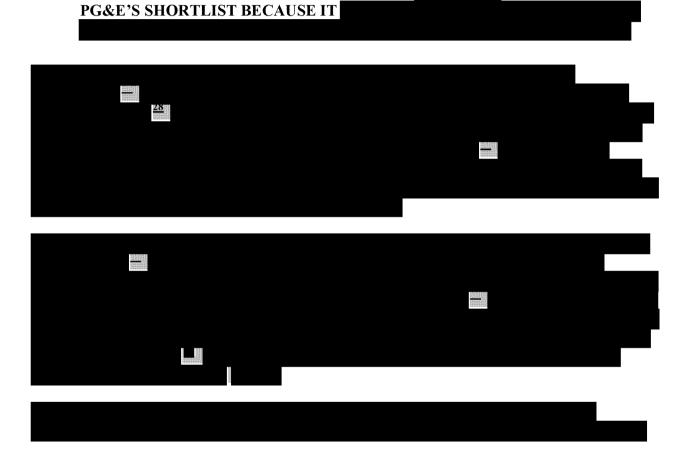
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PG&E's shortlist.

DRA recommends the Commission remove this project from

C. THE COMMISSION SHOULD REMOVE THE

PROJECT FROM



²⁷ IE Report, p. A-1. PAV value from PG&E 2012 RPS Shortlist, sent to PRG members May 8, 2013.

²⁸ IE Report, p. 42.

²⁹ Ibid.

 $[\]frac{30}{2}$ IE Report, p. 50.

<u>31</u> IE Report, p. 28.

 $[\]frac{32}{10}$ IE Report, p. 56, 60, 50.

³³ PG&E 2012 RPS Shortlist, sent to PRG members May 8, 2013.

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CONCLUSION

/s Chloe Lukins

Chloe Lukins, Program Manager Division of Ratepayer Advocates

cc: President Michael Peevey, CPUC

Commissioner Carla Peterman, CPUC

Commissioner Michel Florio, CPUC

Commissioner Catherine Sandoval, CPUC

Commissioner Mark Ferron, CPUC

Karen Clopton, Chief Administrative Law Judge, CPUC

Frank Lindh, General Counsel, CPUC

Edward Randolph, Director, CPUC Energy Division

Paul Douglass, CPUC Energy Division

Brian K. Cherry, PG&E Vice President of Regulatory Relations

Service List R.11-05-005 (Public)

³⁴ IE Report, p. 20, 43-44.