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 11-05-005 (Filed May 5, 2011)

PROPOSAL OF THE CALIFORNIA WIND ENERGY ASSOCIATION AND THE LARGE-SCALE SOLAR ASSOCIATION FOR A PROCUREMENT EXPENDITURE LIMITATION FOR THE CALIFORNIA RENEWABLES PORTFOLIO STANDARD PROGRAM

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On behalf of the
California Wind Energy Association
and the Large-Scale Solar Association

September 26, 2013

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I. INTRODUCTION

On July 23, 2013, the presiding Administrative Law Judge issued a detailed ruling (Ruling) requesting alternatives to, and comments on, a Staff Proposal for a methodology to implement a new procurement expenditure limitation (PEL), or cost cap, for California's Renewables Portfolio Standard (RPS) program. Senate Bill (SB) 2 (1x) enacted new statutory provisions related to an RPS cost cap in Public Utilities Code Sections 399.15(c) through (g).[1] In this filing, the California Wind Energy Association (CalWEA) and the Large-scale Solar Association (LSA) respectfully submit their alternative proposal for the RPS cost cap. As directed in the Ruling, LSA and CalWEA also are filing comments responding to the Staff Proposal, in a separate filing. The LSA / CalWEA proposal and our comments on the Staff Proposal build upon our prior comments on RPS cost cap issues, which CalWEA and LSA filed in February 2012. LSA and CalWEA welcome this opportunity to help the Commission implement this aspect of SB 2 (1x), while continuing to make progress toward achieving the overall goals of the Renewables Portfolio Standard and of California's AB 32 Global Warming Solutions Act (AB 32).

[1] All statutory references herein are to the California Public Utilities Code unless otherwise specified.

CalWEA and LSA present this RPS cost cap proposal following the same general outline as the Staff Proposal. We appreciate the considerable thought and effort that the Staff has put into its proposal. LSA and CalWEA agree with many aspects of the Staff proposal, and have incorporated those features into our proposal. Accordingly, we focus on those aspects of our proposal on which we differ from the Staff Proposal – principally on the timeframe for the procurement expenditure limitation and the calculation that the Commission should use to set a cap that fulfills the statutory criterion of avoiding "disproportionate rate impacts." These changes from the Staff Proposal are needed to ensure that the adopted cost cap fulfills both the letter and the intent of SB 2 (1x), and can be implemented in a straightforward and transparent fashion. CalWEA and LSA also will respond to questions posed in the Ruling to help clarify key provisions of our proposal.

II. CALWEA / LSA PROPOSAL

A. Methodological Framework

a. Introduction – the Statutory Framework

CalWEA and LSA begin with the assumption that the Commission intends to respect the sanctity of RPS contracts that have been signed and approved. Accordingly, the primary control that the Commission can exercise over RPS costs is to regulate the cost of prospective RPS procurement. Pursuant to Section 399.15(d)(1), the Commission is to set the new limit on RPS costs at a level that will prevent "disproportionate rate impacts." If the utility's RPS costs exceed this level, under Section 399.15(f) the Commission could relieve an IOU of its obligation to purchase new RPS-eligible power supplies that would cause the IOU to exceed the cost cap; nothing in the provision suggests that existing contracts are to be put at risk. In fact, if the cap is exceeded, Section 399.15(f) states that "the electrical corporation may refrain from entering into new contracts or constructing facilities beyond the quantity that can be procured within the limitation, unless eligible renewable energy resources can be procured without exceeding a *de minimis* increase in rates."

Based on this statutory framework, establishing a PEL for the RPS program has two key steps: first, forecasting future RPS procurement costs and, second, developing a baseline against which to determine whether those expected costs may result in "disproportionate rate impacts."

As set forth in detail in this proposal, CalWEA and LSA generally support the Staff's perspective that the PEL should be forward-looking and should include all RPS procurement expenditures. We differ from the Staff in the timeframe for the PEL and in how to develop a standard against which to determine whether RPS costs will result in "disproportionate rate impacts."

b. Timeframe

CalWEA and LSA propose a forward-looking PEL based on actual and forecasted RPS procurement expenditures over the next 20 years. The staff's 10-year look-ahead is, in our view, the minimum timeframe necessary to recognize the long-term, dynamic nature of the RPS portfolio. Nonetheless, we urge the Commission to consider strongly a longer, 20-year timeframe, which corresponds to the term of many RPS contracts and is similar to the long-term time horizon examined in the Commission's Long-Term Procurement Plan (LTPP) proceedings. Furthermore, a 20-year timeframe will allow for a reasonable comparison between the costs of all types of resources.

The language of Section 399.15(c)(1) to (3) underlines the forward-looking nature of the cost cap. These sections state that the Commission should "rely on the following" in developing the cost cap:

- "the most recent renewable energy procurement plan" (which is forward-looking),
- "procurement expenditures that approximate the expected cost of building, owning, and operating eligible renewable energy resources" (indicating that future RPS costs are to be forecasted, rather than assessing costs that have already been incurred), and
- "the potential that some planned resource additions may be delayed or canceled" (indicating that the PEL should consider the future need to replace a portion of already-contracted, but not yet built, resources).

All of these elements of the PEL focus on the future volumes and costs of an IOU's remaining RPS procurement needs.

c. All RPS Procurement Included in Procurement Expenditure Limitation

Section 399.15(d)(3) states that "costs of all procurement credited toward achieving the renewables portfolio standard" must be "counted towards the limitation." To be consistent with this portion of the statute, CalWEA and LSA generally agree with Staff's proposal that the costs of all procurement actually required to meet the RPS should be included in the determination of the PEL. This will include the utility's costs to purchase RPS-eligible power from independent power producers or marketers, as well as the costs of RPS-credited utility-owned generation (UOG). The PEL should include the costs that the utility incurs under all of the various programs that it may use to procure RPS-eligible generation.[2]

Although all RPS costs should be considered in determining the PEL, the PEL should be forward-looking and should focus on costs of new procurement expected to be needed to meet RPS requirements over the next 20 years. The purpose of the PEL is to regulate the cost of prospective RPS procurement. Pursuant to Section 399.15(d)(1), the Commission is to set the limit on RPS costs at a level that will prevent "disproportionate rate impacts." If the utility's RPS costs exceed this level, under Section 399.15(f) the Commission could relieve an IOU of its obligation to purchase new RPS-eligible power supplies that would cause the IOU to exceed the cost cap. In this event, the utility would only have to procure RPS-eligible resources that produce no more than "a *de minimis* increase in rates." *Id.* However, even if the PEL is reached and limits future RPS procurement, nothing in the statute indicates that the Commission should seek to change the existing RPS contracts or otherwise affect costs that the IOUs have previously incurred, that the Commission has already approved, and that already may be included in rates. In short, the cost cap that the Commission implements is forward-looking, and should not amount to a retrospective reasonableness review of whether the prices in already-approved RPS contracts have been too high or too low.

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[2] Some of the programs under which the IOUs purchase RPS-eligible resources for RPS credit have quantity (MW) limits, such as the RAM and SB 32 feed-in tariffs and the IOUs' solar programs. Thus, any forecast of the future costs for such programs should consider these program limits, as well as the progress toward these limits that has been made at the time of the forecast.

d. Process for Commission Determination of the PEL

LSA and CalWEA generally agree with the process that the Staff proposes for Commission adoption of the PEL for the RPS program. The Commission should first adopt the PEL methodology in a decision in this docket. That order should direct Energy Division Staff to update the RPS calculator so that it can generate a range of potentially expected costs for each IOU, to assemble IOU-specific inputs for thecalculator, and then to calculate the range of potential costs for each IOU. As noted below, key inputs for the calculator will come from the Commission-adopted RPS procurement plan for each IOU. The Energy Division should use a workshop-and-comment process to obtain stakeholder feedback on the updated RPS calculator, the calculations generating the range of potential costs, and commentary regarding what considerations parties believe the Commission should take into account (in addition to the calculator outputs) in setting the PEL at a level that would prevent "disproportionate rate impacts." The Energy Division then would prepare a draft resolution for the Commission's approval containing recommendations for each IOU's PEL. The Commission would approve or modify the recommended PELs and make the statutorily-required finding that each IOU's adopted PEL "is set at a level that prevents disproportionate rate impacts." [Section 399.15(d)(1)] In order to comply with Section 399.15(e)(1), the Commission will need to complete the initial determination of the cost cap by January 1, 2016.

B. Procurement Expenditure Limitation Methodology

a. Summary of CalWEA / LSA Proposal

CalWEA's and LSA's central concern with the Staff Proposal is how it determines whether anticipated RPS procurement will result in "disproportionate rate impacts," as Section 399.15(d)(1) requires. Our issues with the Staff Proposal are discussed in more detail in the joint comments on the Staff Proposal which we are filing concurrently.

As discussed further in CalWEA's and LSA's separate comments on the Staff Proposal, SB 2 (1x)'s use of the words "disproportionate rate impacts" clearly requires the Commission to answer the question "in proportion to what?" Consistent with the rules of statutory interpretation, the Commission must answer this question in the overall context of the statutory scheme. In other words, expected RPS costs need to be compared to some other scenario to determine if there is any rate impact. The logical, common-sense answer to this question is "rate impacts in proportion to future costs without the RPS mandate." In other words, the Commission needs to establish a "no mandate" baseline of IOU costs that would be anticipated without the RPS investments. In the No Mandate case, the IOUs would meet their energy and capacity needs, plus their other compliance responsibilities (including AB 32 compliance, as discussed below), but the utilities would no longer be required to undertake the incremental RPS procurement needed to reach the 33%-by-2020 RPS mandate. After determining if there is a rate impact from the RPS mandate, the Commission can decide whether that impact is disproportionate, considering the values provided by the RPS that are specified in the statute. Thus, the core of the LSA / CalWEA cost containment mechanism is a rate impact analysis that compares full compliance with the RPS program (the "RPS Mandate" case) to a "No Mandate" case in which the utilities have no further obligation, going forward, to purchase RPS-eligible power regardless of cost.

Importantly, California's energy supply is subject to the constraint of meeting California's post-2020 goals for reducing greenhouse gas (GHG) emissions, as required under AB 32, notwithstanding any renewables PEL. The development of the No Mandate scenario therefore must include the costs of meeting those requirements in the absence of an RPS mandate. CalWEA and LSA emphasize that the No Mandate case is not necessarily an "All Gas" case, if a complete reliance on natural gas does not allow the state to meet its AB 32 emission reduction goals. Thus, the No Mandate case may well include additional procurement of renewable resources, if they are needed to meet the updated AB 32 Scoping Plan's goals for statewide GHG reductions, and if they are less expensive than other resource options that also reduce GHG emissions. Examples of such other non-renewable resource options to reduce GHG emissions could be the expanded use of nuclear power, carbon sequestration, additional use of efficient combined heat and power units, and further improvements in end-use efficiency or demand response.

CalWEA / LSA propose the following outline of the steps involved in setting the PEL:

- The Energy Division would use an updated RPS Calculator to determine system average rates both with and without the 33% RPS mandate, over a 20-year period beginning in 2014. The No Mandate case would assume that, beginning in 2014, the RPS mandate no longer requires the IOUs to meet the statutory requirements for RPS procurement. However, all RPS power successfully developed and brought on-line under contracts approved by the Commission prior to 2014 would be included in this case. The IOUs also would continue to procure renewables if they are economic on an "all-source" basis,[3] and if they are the least-cost means to meet the updated AB 32 Scoping Plan's goals for GHG reductions after 2020.

- To accomplish this, the current E3 RPS Calculator would need to be updated,[4] and its new features and assumptions should be publicly vetted. The updated RPS Calculator should include:
    - GHG allowance prices and/or volume constraints consistent with the ARB Scoping Plan, which is the process of being updated and is scheduled to be issued in early 2014. These constraints would apply to both the RPS Mandate and No Mandate cases.

    - High, Base, and Low natural gas price scenarios.[5] RPS resources have significant value as a hedge against future price increases for fossil fuels or periods of high inflation. In recognition of these hedging benefits, the Commission should place significant weight on the High Gas price scenario. CalWEA / LSA observe that, in the High Gas scenario, more renewables may be cost-effective than in the Base Gas scenario, even on an "all-source" basis without the RPS mandate. In the Low Gas

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[3] Renewable projects that are economic on an "all-source" basis can necessarily be procured without a disproportionate rate impact, and without even a "*de minimus*" increase in rates, as the alternatives are by definition more expensive and would cause a greater increase in rates.

[4] E3 developed a variation of its RPS Calculator which includes a model of future system average rates for the IOUs for a twenty-year period (2011-2030) under a variety of 33% RPS scenarios, as well as an All-Gas case that assumes no further RPS additions after 2010. This model was presented in the 2010 LTPP case, R. 10-05-006. See "Joint IOU Supporting Testimony at Appendix A: Performance Evaluation Metrics – Testimony of E3, Inc.," served July 1, 2011 in R. 10-05-006, and associated workpapers (LTPP_EMC_07-01-2011.xlsm). CalWEA and LSA believe that the RPS Calculator and this model could be readily modified to serve as the basis for the Commission's determination of the rate impacts of a utility's future RPS procurement, and for the No Mandate case.

[5] The rationale for the inception of the RPS was, in significant part, to moderate ratepayer exposure to gas price fluctuations. While gas prices recently have been relatively stable, increasing price pressures could be seen as gas is used increasingly in the transportation sector and exported in liquefied form.

scenario, the difference between the RPS Mandate and the No Mandate cases may be greater than for the other gas price scenarios, but the system average rate needed to meet the 33% RPS goal may remain reasonable compared to the scenarios with higher gas prices.

- RPS procurement scenarios. The Commission should develop several distinct scenarios for future RPS procurement, as it has done in the 2010 and 2012 LTPP proceedings. This will allow the Commission to understand the impact on the PEL from various scenarios for the mix of RPS resources to be procured to meet the RPS residual net short (RNS).

- In the No Mandate case, all resources would compete on an "all-source" basis to meet energy and system needs, while considering GHG costs or constraints.

- The RPS Calculator would calculate the system average rate increases over the 20-year period under both the RPS Mandate and the No Mandate cases, for all three gas price scenarios and for the different RPS procurement scenarios. The Commission would consider what level of rate impacts, within or above the range produced by the RPS Calculator, would be "disproportionate" to the rate impacts that would result in the No Mandate scenario, considering all of the benefits that the Legislature adopted the RPS Mandate to provide.[6] The Commission then would set the PEL for the 20-year period, in terms of total RPS procurement expenditures, that would be necessary to prevent such "disproportionate" impacts.

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[6] Section 399.11(b) states as follows:

"(b) Achieving the renewables portfolio standard through the procurement of various electricity products from eligible renewable energy resources is intended to provide unique benefits to California, including all of the following, each of which independently justifies the program:

(1) Displacing fossil fuel consumption within the state.

(2) Adding new electrical generating facilities in the transmission network within the Western Electricity Coordinating Council service area.

(3) Reducing air pollution in the state.

(4) Meeting the state's climate change goals by reducing emissions of greenhouse gases associated with electrical generation.

(5) Promoting stable retail rates for electric service.

(6) Meeting the state's need for a diversified and balanced energy generation portfolio.

(7) Assistance with meeting the state's resource adequacy requirements.

(8) Contributing to the safe and reliable operation of the electrical grid, including providing predictable electrical supply, voltage support, lower line losses, and congestion relief.

(9) Implementing the state's transmission and land use planning activities related to development of eligible renewable energy resources."

Given the significant updates and changes needed to the RPS Calculator, LSA and CalWEA suggest that the Energy Division retain a consultant to assist them in making the changes, release a draft update of the calculator to the parties, hold a workshop to discuss the new calculator, and take written comments. Once a range of values are produced by the calculator, parties would comment on what level of rate impacts would be "disproportionate" to those in the No Mandate scenario, considering all of the expected benefits referenced in the RPS statute (many of which are not addressed by the calculator and are not easily quantified). The Commission then would issue an order resolving any issues with the calculator, decide what level of rate impacts from meeting the RPS mandate would be "disproportionate," and give final approval to the PEL for each IOU.

b. Calculation of Procurement Expenditures

i. Methodology for Calculating Actual Procurement Expenditures from Executed Contracts or Utility-Owned Generation

LSA and CalWEA support the Staff Proposal for calculating actual RPS procurement expenditures. As these RPS projects already are on-line, these actual expenditures would be included in both the RPS Mandate and the No Mandate cases.

ii. Methodology for Calculating Forecasted Procurement Expenditures from Executed Contracts or UOG

LSA and CalWEA support the Staff Proposal for calculating forecasted RPS procurement expenditures from executed contracts or UOG, including the Staff's proposal to use the same forecast of future generation that is used to calculate the RPS RNS in the annual RPS procurement plan. This projection of the RPS RNS should assume that some contracted RPS projects will be delayed past their original on-line dates (but will ultimately come on-line), while others will be cancelled and will never produce power. Each IOU's projection of RPS needs should consider data on the historical record of delays and cancellation of RPS procurement contracts, both for its own contracted projects as well as for the contracted projects of the other two IOUs. Finally, the projection of the RPS RNS should consider the RPS Calculator-related issues that may arise if IOUs sell excess RPS RECs, or if they decide to use RPS RECs banked before the 20-year PEL forecast period begins or to bank RPS RECs past the end of the 20 years.

Each IOU's RPS procurement plan is the correct venue to consider these issues, because it is in each IOUs' plan that the utility's future RPS RNS is forecasted.

As these RPS projects already are under contract, the expected expenditures for these contracts would be included in both the RPS Mandate and the No Mandate cases.

iii. Methodology for Calculating Forecasted Incremental Procurement Expenditures Associated with Renewable Net Short

LSA and CalWEA support the Staff Proposal for calculating forecasted RPS procurement expenditures associated with the RPS RNS that the utilities have not yet contracted. In particular, Staff proposes to use the calculation of the MWhs in the RNS that is adopted in the annual RPS procurement plan, plus RPS resource costs from the publicly-available RPS calculator. The current RPS Calculator should be updated with the best available public data on RPS resource costs, including consideration of the public data on RPS contract costs contained in the "Padilla Reports" that the Commission has issued in 2012 and 2013 pursuant to SB 863. Another source of public data on wind and solar costs is the Lawrence Berkeley National Laboratory's periodic surveys of wind and solar costs.

LSA and CalWEA strongly favor the use of public data for determining the RPS cost cap. This will ensure that the methodology is transparent, and that the widest possible range of parties can have input into analyzing rate impacts and into developing and implementing the RPS PEL. If rate impacts and the cost cap are developed using confidential, market-sensitive data, and if the details of the rate impact and cost cap calculations are available only to non-market-participants, the result could be a serious loss of market confidence in the state's RPS program, particularly if the cost cap were suddenly and unexpectedly applied based on calculations that were not transparent to market participants.

c. Forecasting Revenue Requirements and Sales

The LSA / CalWEA proposal requires calculations of system average retail rates over the 20-year forecast period, in both the RPS Mandate and the No Mandate cases. Determining system average rates includes a forecast of future revenue requirements in the numerator. RPS-related costs are a significant portion of the revenue requirement; our proposed methodology includes detailed forecasts of such costs in both the RPS Mandate and the No Mandate cases.

For the remainder of the revenue requirement, CalWEA and LSA support the Staff Proposal to use a reasonable escalation rate – for example, the attrition adjustment adopted in recent general rate cases.

The system average rate also requires a forecast of future sales in the denominator. This forecast should be consistent with the sales forecast used in the utility's RPS procurement plan.

d. Monitoring the Procurement Expenditure Limitation

Section 399.15(g)(1) provides that the Commission shall monitor the status of the PEL for each IOU on an ongoing basis. The Commission should direct the utilities to report each year, in their annual RPS procurement plans, on whether their anticipated procurements of RPS-eligible power are likely to approach the existing PEL, based on the additional RPS power procured over the prior year. If an IOU believes that its RPS costs may approach its PEL, or if Commission staff draw that conclusion, then the RPS Calculator, if more than two years out of date, should be updated. This update does not constitute "moving the goal posts"; it simply recognizes the difficulty of setting a PEL that accurately forecasts the future. For example, when a utility approaches its PEL, if natural gas and GHG allowance prices are much higher than when the PEL was set originally, the rate impacts of meeting the RPS mandate could be much lower than originally expected, allowing an increase in the original PEL without disproportionate rate impacts.[7] Conversely, if the rate impacts of exceeding the PEL are now greater than first anticipated, the Commission would have greater confidence that it should proceed immediately to limit further RPS procurement to new generation that has *de minimus* rate impacts. This review of the PEL would enable the Commission to assess RPS costs and benefits in the context of the additional years of historical data available at that time, and to apply a PEL that is more meaningful and relevant to the both the purposes of the RPS statute and to the actual rate impacts. The review should include updating the adopted RPS calculator model for that IOU, if changed circumstances warrant such an update. This update could be limited to those inputs that are readily capable of being updated, such as new RPS contracts approved since the last update,

[7] Section 399.15(e)(1) explicitly allows the Commission to modify the original PEL for an IOU; however, such a change to the original PEL could not take effect until after January 1, 2017.

the new data on future RPS procurement needs approved in the IOU's most recent RPS procurement plan, current fossil fuel forward price curves, and inflation factors. Such an update might reveal that additional RPS procurement costs could be incurred without causing disproportionate rate impacts in excess of the levels set by the Commission.

Even if a utility's PEL is not approached or exceeded, CalWEA and LSA recommend that the Commission review each IOU's PEL every five years, and make adjustments to the PEL based on that update. There can be significant changes in resource costs, gas prices, revenue requirements, loads, and other factors over a five-year period. This review would take place as part of the annual review of RPS procurement plans, and would include any necessary updates to the RPS calculator.

The tasks of creating and monitoring the PEL need be undertaken only to guide procurement to achieve the 33% RPS and to maintain it for some years beyond 2020. At that point, California may have moved on to a more holistic planning and procurement approach, under which consideration of RPS costs need not be considered in isolation from other sources of generation. In other words, LSA and CalWEA envision that, over time, there will be little difference between the RPS Mandate and No Mandate scenarios, because the IOUs will be served by a penetration of renewable resources that is well in excess of 33%, and because there may be substantial procurement of renewables on an "all-source" basis. Therefore, it is unnecessary for the Commission to try to determine now whether a PEL is needed far beyond 2020.

e. Insufficiency of PEL to Meet RPS Obligations

If a utility or Commission staff expects RPS costs to approach the PEL, and the Commission agrees, the Commission will need to determine a level of future RPS contract costs which will meet the standard of causing no more than a "*de minimis*" increase in rates. The Commission should be able to derive the ongoing long-term marginal cost of generation, including both energy and capacity costs, from the costs of the generation added to meet the RNS in the No Mandate case. Because these marginal costs represent the costs to be incurred by the IOUs regardless of whether that procurement is RPS-eligible or other resources, they can be used to set a RPS contract price benchmark below which incremental RPS procurement will not result in an appreciable rate increase, and the Commission can use those values to limit further individual RPS procurement contracts. In other words, the long-term marginal costs in the No Mandate case can be used to produce a set of "MPR-like" limits on RPS contract prices for a given contract start date and duration. These contractual price limits would apply only to the busbar contractual costs of RPS power, and should not include any of the other types of costs excluded in Section 399.15(d)(3). Moreover, these RPS contract price limits would apply only to procurement by a given IOU in the event that the Commission has made a finding that the cost cap for that IOU has been reached. These RPS contract price limits would cease to apply if the Commission raises the cost cap for that IOU in a subsequent RPS procurement plan proceeding.

LSA and CalWEA greatly appreciate the Commission's consideration of this proposal.

Respectfully submitted,

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On behalf of the
Large-scale Solar Association and California Wind Energy Association

September 26, 2013

VERIFICATION

I, Nancy Rader, am Executive Director for the California Wind Energy Association, and am authorized to make this Verification on its behalf. I declare under penalty of perjury that the statements in the foregoing copy of the PROPOSAL OF THE CALIFORNIA WIND ENERGY ASSOCIATION AND THE LARGE-SCALE SOLAR ASSOCIATION FOR A PROCUREMENT EXPENDITURE LIMITATION FOR THE CALIFORNIA RENEWABLES PORTFOLIO STANDARD PROGRAM are true to my own knowledge, except as to the matters which are therein stated on information or belief, and as to those matters I believe them to be true.

Executed on September 26, 2013 in Berkeley, California.

/s/ Nancy Rader____
Nancy Rader

I, Shannon Eddy, am Executive Director for the Large-Scale Solar Association, and am authorized to make this Verification on its behalf. I declare under penalty of perjury that the statements in the foregoing copy of the PROPOSAL OF THE CALIFORNIA WIND ENERGY ASSOCIATION AND THE LARGE-SCALE SOLAR ASSOCIATION FOR A PROCUREMENT EXPENDITURE LIMITATION FOR THE CALIFORNIA RENEWABLES PORTFOLIO STANDARD PROGRAM are true to my own knowledge, except as to the matters which are therein stated on information or belief, and as to those matters I believe them to be true.

Executed on September 26, 2013 in Sacramento, California.

/s/ Shannon Eddy____
Shannon Eddy, Executive Director
Large-Scale Solar Association