

**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)

**COMMENTS OF THE INDEPENDENT ENERGY PRODUCERS
ASSOCIATION ON STAFF PROPOSAL FOR A METHODOLOGY
TO IMPLEMENT PROCUREMENT EXPENDITURE
LIMITATIONS FOR THE RPS PROGRAM**

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Dated: September 26, 2013

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On July 23, 2013, the Administrative Law Judge (ALJ) issued a ruling inviting comments on a proposal developed by the Energy Division (ED) staff for a methodology to implement a procurement expenditure limitation (PEL) framework for the Renewables Portfolio Standard (RPS) program. In addition, the ruling invited parties to submit alternative expenditure limitation proposals. The Independent Energy Producers Association (IEP) offers the following comments on the questions posed in the ruling related to the staff proposal. Because alternative proposals may be submitted at the same time as these comments, IEP will defer taking a specific position on the staff proposal until all proposals are available for review, comment, and consideration.

IEP's responses follow the format of questions presented in the ruling. Portions of the questions that are not addressed in IEP's responses will be omitted.

- 1. Section 399.15(e) mandates that the Commission assess whether each electrical corporation can “achieve a 33-percent renewables portfolio standard by December 31, 2020, and maintain that level thereafter, within the adopted cost limitations.”**

- **Does this require that the procurement expenditure limitation methodology extend beyond 2020? Explain why or why not.**

IEP's Answer: If the Commission determines that each electrical corporation can achieve a 33% RPS by December 31, 2020 within an adopted cost limitation framework and adopts a framework that can be extended beyond 2020, then the statutory requirement is to maintain a 33% RPS “thereafter” within the adopted cost limitation framework.

2. Do you agree with Staff’s proposal to use a rolling 10-year time frame for setting and administering the PEL? Explain why or why not.

- **Do you support a rolling PEL timeframe, but spanning some other amount of time? Explain what time period is preferred and why.**
- **Should the PEL timeframe span a fixed amount of time? If yes, please suggest an amount of time and justify the choice.**

IEP's Answer: The Commission should use a sufficiently lengthy time to smooth out anomalous effects of year-to-year events. For example, the economic recession beginning in 2008 had a significant impact on energy consumption that also influenced both the RPS goals (based on retail sales) and the utility’s revenue requirement that is the denominator of the proposed PEL ratio. A rolling average will help account for anomalous events like the recession that affect the components of the staff’s PEL calculations. A PEL methodology based on a 10-year rolling timeframe seems reasonable.

3. If a longer-term timeframe is required or preferred to implement and administer the PEL, what methodological framework can be established to:

- **account for the length of the majority of the IOUs’ RPS contracts (e.g., 20+ years);**
- **account for the need to contain RPS costs while enabling an IOU to maintain flexibility to optimize the value of its RPS portfolio.**
 - **Should the PEL framework extend over a period equal to the length of the longest term RPS contract, while the actual PEL would apply on a rolling 10-year period, similar to the approach used in the current LTPP?**

- **Should another process for incorporating the long-term RPS procurement time horizon be used?**
- **Please identify strengths and weaknesses of the approach chosen from both an analytical and practical (i.e., implementation by IOUs and by the Commission) perspective.**

IEP's Answer: As noted above, a rolling 10-year timeframe is reasonable. The staff's proposal appears to address the fact that many RPS contracts extend beyond the 10-year timeframe by using a levelized price for these contracts.

4. Should the PEL expire after an IOU achieves 33% of its retail sales from RPS eligible resources for a compliance period? Why or why not? Should the PEL be reinstated if the IOU falls below 33% in a subsequent compliance period? Why or why not?

IEP's Answer: The proposed PEL should be set at a level that allows each utility a reasonable opportunity to achieve the RPS procurement obligation without incurring direct expenditures resulting in disproportionate rate impacts. If a utility can achieve or exceed the RPS goal without creating disproportionate rate impacts, the utility should be permitted and encouraged to do so. If a utility's direct expenditures cause (or are expected to cause) disproportionate rate impacts before the utility achieves the RPS goals, the Commission is obligated to investigate and identify the reasons the utility exceeded the limitations (PU Code § 399.15(g)(2)(A)) and notify the appropriate legislative policy and fiscal committees (PU Code § 399.15(g)(2)(B)). The utility should continue to procure any additional eligible renewable resources that it can without exceeding a de minimis increase in rates (PU Code § 399.15(f)). During the pendency of this review process, the RPS mandate continues, and the utility should continue to implement its approved RPS Procurement Plan consistent with section 399.15(f).

5. Section 399.15(c)(2) provides that, in establishing the procurement expenditure limitation, the Commission shall rely on "procurement expenditures that approximate the expected cost of building, owning, and operating eligible renewable energy

resources." Section 399.15(d)(3) provides that "procurement expenditures do not include any indirect expenses, including imbalance energy charges, sale of excess energy, decreased generation from existing resources, transmission upgrades, or the costs associated with relicensing any utility-owned hydroelectric facilities."

This question 5, and the following question 6, explore these two statutory provisions and seek comment on how the Commission should interpret the different elements contained in these statutory provisions.

IEP's Answer: The methodology for establishing the PEL may be distinct from the methodology for determining whether incremental RPS procurement is properly constrained by the PEL going forward. The Commission has the authority to base a PEL on a number of factors, including the cost of building, owning, and operating eligible renewable resources. Once the PEL is established, the Commission is instructed to evaluate direct, incremental, actual expenditures needed to achieve the RPS against the PEL, and the Commission is directed specifically to exclude indirect expenses in determining whether the incremental RPS procurement might be constrained by the PEL.

In terms of setting the numerator of the staff's proposed PEL,¹ the estimate of total RPS expenditures in the future should include four components: (a) total costs associated with PPAs for operating projects delivering RPS products, (b) total costs associated with RPS PPAs for projects approved by the Commission but not yet operating, (c) total costs associated with utility-owned facilities the output of which is counted toward the RPS goal, (d) total costs of PPAs with projects forecasted to fill the utility's RPS Residual Net Short (RNS). Each of these components is addressed more fully below:

¹ The RPS is calculated based on energy delivered by retail sellers to their customers. The price paid by retail sellers for RPS-eligible renewable energy may include additional attributes, including capacity. Typically, these additional attributes are reflected in "all-in" pricing, setting a single price per MWh for all attributes associated with the delivered renewable energy.

a) Operating Projects

Current RPS contracts with operating projects provide for “all-in” pricing for energy, capacity, and environmental attributes. Accordingly, this component should be calculated as follows for each PPA for projects currently delivering to the utility:

<p style="text-align: center;">Annual Cost of PPAs for RPS Delivered Product:</p> <p style="text-align: center;">Delivered Power (MWh) Per Year X Price (\$/MWh)</p>
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b) Projects Approved but not yet Operating

The costs associated with PPAs with projects that are approved by Commission but not yet operating should account for the fact that not all approved RPS projects become operational. The utilities project a failure rate of approximately 40% in their RNS forecasts. Accordingly, the proposed PEL calculation should assume that only 60% (or more generally, 1.0 minus the failure rate) of the Commission-approved PPAs for RPS projects that are not yet operational will actually deliver power and incur costs. In the absence of specific information about which approved projects will fail to deliver (which is unknowable in advance), IEP recommends that the total cost of this class of RPS projects be reduced by the assumed failure rate (*e.g.*, 40%). Accordingly, the variable in the equation should be calculated as follows for each approved PPA:

<p style="text-align: center;">Annual Cost of Commission-approved PPA for RPS Facilities Not Yet Delivering RPS Power:</p> <p style="text-align: center;">Forecast of Delivered Power (MWh) Per Year X Contract Price (\$/MWh) X [1 – Failure Rate (%)]</p>

c) Utility-Owned Generation (UOG)

For utility-owned facilities counted toward the utility's RPS obligation, the cost should be the annual revenue requirement for the facility. Annual revenue requirements are estimated as part of the utility's application for a Certificate of Public Convenience and Necessity (CPCN) for utility-owned facilities. Portions of the annual revenue requirement are updated in General Rate Cases and in Energy Resource Recovery Account (ERRA) proceedings. The utility should be required to provide the most recent determination of annual revenue requirements for its UOG facilities as part of its RPS procurement plan filings.

<p style="text-align: center;">Cost of Utility-Owned RPS Facilities:</p> <p style="text-align: center;">Annual Revenue Requirement (or equivalent) for the Facility</p>

d) Future Projects

Costs associated with future PPAs for projects needed to meet the RNS identified in the utilities' RPS procurement plans approved by the Commission will necessarily require estimation. Staff's proposal to use the most recent assumptions contained in the RPS Calculator seems reasonable.² Accordingly, the calculation for deriving estimated costs of PPAs with projects needed to meet the utility's RNS can be summarized as follows:

<p style="text-align: center;">Annual Cost of RPS PPAs for Projects Needed to Meet the Utility's RNS:</p> <p style="text-align: center;">Forecast of RPS Residual Net Short (MWh) X Estimated Average Price (\$/MWh)</p>
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6. Section 399.15(d)(3) provides: Procurement expenditures do not include any indirect expenses, including imbalance energy charges, sale of excess energy, decreased

² It may be prudent to compare these costs to results from RPS solicitations to ensure that the estimates are generally consistent with recent price trends.

generation from existing resources, transmission upgrades, or the costs associated with relicensing any utility-owned hydroelectric facilities.

IEP's Answer: In the context of setting the proposed PEL, direct expenses are those expenses actually incurred or reasonably forecasted to be incurred related to the delivery of RPS-eligible energy and environmental attributes (as represented in the Renewable Energy Credit or REC) by the eligible renewable facility to the Buyer at the delivery point specified in the PPA. These costs will be included in the RPS contract price provided in an executed, Commission-approved PPA. For UOG, these costs will be presented in the utility's General Rate Case and annual ERRA reasonableness review.

All other expenses are indirect costs and, therefore, are excluded from the setting of the PEL.

7. Section 399.15(d)(2) provides that “the costs of all procurement credited toward achieving the renewables portfolio standard” will count towards the procurement expenditure limitation.

- **For purposes of the PEL, how should an IOU's costs associated with RPS-eligible UOG facilities be accounted for? Is it necessary for this treatment to be comparable to the costs associated with a PPA?**

IEP's Answer: The costs of UOG facilities providing RPS eligible energy and environmental attributes should be reflected in the annual revenue requirement associated with the facility and reported by the utility. The calculation of UOG costs will necessarily be different from the determination of the costs of a project under a PPA, but the Commission should ensure that all components of the UOG facility's costs are accounted for, including an appropriate allocation of administrative and general, financing, taxes, and other costs that are reflected in the price of power under a PPA.

8. How should forecasted procurement expenditures be calculated for contracts with generation facilities that are already in operation?

IEP's Answer: As noted above, the formula for deriving the costs for operational projects should be as follows:

<p style="text-align: center;">Annual Cost of PPAs for RPS Delivered Product:</p> <p style="text-align: center;">Delivered Power (MWh) Per Year X Price (\$/MWh)</p>
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When forecasting future production from these facilities, the Commission should apply the average production (MWh) over the past five years multiplied by the price in the forecast years, escalated as specified in the contract.

9. Do you support Staff's proposal to include executed contracts in the PEL methodology? Or, should only contracts that have been approved by the Commission be included? Why or why not?

IEP's Answer: No. Only Commission-approved contracts should be included. PPAs typically become effective only when the Commission's approval of the contract is no longer appealable. The same standard should be applied to determine whether a project is likely to become operational. On the other hand, even Commission-approved contracts face a failure rate. Applying a failure rate (reflecting historical experience) to Commission-approved PPAs when determining the numerator of the staff's PEL equation is necessary to accurately estimate actual expenditures associated with RPS compliance.

10. What is the role of the RNS in setting the PEL?

IEP's Answer: To the extent that there is a gap between the RPS obligation and the sum of expected deliveries from operating RPS projects and projects with approved contracts

(adjusted to reflect project failure rates), then the PEL needs to be set taking into account the estimated cost of PPAs required to fill the gap identified as the RNS.

11. The RPS procurement expenditure limitation methodology proposed by Staff measures an IOU's total RPS procurement costs and not the marginal cost (or savings) associated with RPS procurement compared to conventional resources for electric generation and capacity.

- **Do you agree that this methodology is the appropriate means of setting the limitation on RPS procurement expenditures?**

IEP's Answer: In the context of setting the numerator of the staff's proposed PEL under the staff's proposed methodology, using the total RPS procurement cost seems reasonable. However, when evaluating the potential for disproportionate rate impact of future procurement, the Commission should consider non-price values associated with renewables, including the hedging and diversity value of renewables, the environmental improvement associated with renewables, and the economic impacts associated with renewable development (local taxes, jobs, etc.), among other benefits.

12. The RPS procurement expenditure limitation methodology proposed by Staff measures an IOU's total RPS procurement costs and not the incremental costs for RPS procurement or ownership agreements to achieve and maintain the 33% RPS procurement quantity requirements.

- **Do you agree that this methodology is the appropriate means of setting the limitation on RPS procurement expenditures?**

IEP's Answer: As stated in the preceding response, when setting the numerator of the PEL under the staff's proposed methodology, using the total RPS procurement cost seems reasonable. However, when the Commission evaluates the potential for disproportionate rate impact of future procurement, the Commission should consider non-price values associated with renewables, including hedging and diversity, environmental improvement, and economic impacts, among other benefits.

13. Section 399.15(d)(1) specifies that the PEL must be “set at a level that prevents disproportionate rate impacts.” The Staff proposal in effect sets the procurement expenditure limitation at the level at which the Commission determines that disproportionate rate impacts can be prevented.

- **Do you agree with Staff’s proposal that the Commission use the ratio of RPS procurement expenditure to revenue requirement as the basis to determine whether a potential rate impact would be “disproportionate?” Explain why or why not.**

IEP’s Answer: The staff proposal seems reasonable.

14. What criteria should the Commission use to determine whether the rate impact of a proposed PEL would, or would not, be "disproportionate?"

IEP’s Answer: IEP notes that the Legislature concluded that consumers would derive value from the procurement of renewable energy to meet a 33% RPS beyond the value of the electricity delivered to consumers. These additional benefits include reduced air pollution and associated positive health impacts, reduced carbon emissions and associated positive climate effects, and greater security of fuel supply through resource hedging, among other benefits. A rate impact would be disproportionate only if the total costs of achieving a 33% RPS significantly exceeded the total value of the delivered electricity and these associated benefits. RPS costs could exceed 33% of total generation and procurement costs by a considerable margin before the costs exceeded the total value of achieving the RPS goal.

15. Over what time period should the Commission assess whether a potential rate impact is “disproportionate?” Please specify and explain your choice of time periods.

IEP’s Answer: In the context of the staff’s proposed PEL methodology, forecasting rate impacts on a rolling five-year basis seems appropriate. Forecasting rate impacts over a five year period provides sufficient information to decision-makers as to whether

disproportionate rate impacts are likely to occur on a sustained basis. A longer forecast period could to make this review highly speculative, due to unknowns and uncertainties that will arise over a longer forecast horizon (e.g., 10 years).

16. Do you agree with the Staff’s proposal that the 10-year PEL methodology should forecast an increase in IOUs’ total revenue requirements annually by 2.75%? Explain why or why not. If some other escalation rate should be used, explain why the proposed rate is preferred.

IEP’s Answer: No. IEP does not agree that the forecasted increase in a utility’s total revenue requirements of 2.75% is the proper escalator. During the 10-year period ending 2012, the average annual change in electric utility revenue was 4.15% for PG&E, 3.40% for SCE, and 10.27% for SDG&E. The combined average annual increase was 4.25%. IEP recommends applying an escalator of at least 4.25% because it accurately reflects the historical average annual increases and because utility infrastructure costs and programmatic costs for certain resources (*i.e.*, EE, DR, CHP, Storage) will require an increasingly larger investment over time, even after taking into account that the prices of resources will decline due to market efficiencies and other factors.

17. Section 399.15(c)(1) provides that, in establishing the procurement expenditure limitation, the Commission shall rely on, among other things, “the most recent renewable energy procurement plan.”

- **Identify specific information that the Commission should request that IOUs provide in an annual RPS procurement plan to provide information for the PEL methodology. Please specify the element(s) of Sections 399.15(c)-(f) to which the identified information is relevant.**

IEP’s Answer: The Commission should require the RPS procurement plans to include the forecasted cost of the planned procurement for energy and RECs used for RPS compliance, aggregated by technology or product (*e.g.*, baseload, peaking as-available, or non-

peaking as-available). The RPS procurement plans should include information on approved contracts, including expected annual deliveries and contract prices. The procurement plan should also include the utility's estimated contract failure rate for projects not yet in operation. The utility should report annual revenue requirements for each of its RPS-eligible UOG facilities. Finally, the RPS procurement plan should include an estimate of RNS. These elements are necessary to provide the information that the Commission is directed to rely on in Section 399.15(c).

18. Do you agree with Staff's proposal that the IOUs should update inputs and assumptions at each key decision point along the procurement continuum? (See Attachment C.) Explain why or why not.

IEP's Answer: Excessive revision of the inputs and assumptions that underlie the proposed PEL could create instability that could undermine efficient procurement. Planning requires a certain degree of stability. For those reasons, the inputs and assumptions should be updated once a year unless some extraordinary material change occurs that would jeopardize RPS procurement if it is not taken into account.

19. Do you agree with Staff's proposal for the PEL to be recalculated every two years? Why or why not? What other, time period would be preferable?

IEP's Answer: Recalculating the PEL every two years seems reasonable. This timeframe would enable the PEL to stay reasonably updated based on the latest information (see Question 18) and make it relatively contemporaneous with the most recent RPS procurement plans (see Question 17) without creating excessive burdens for ED staff, utilities, and stakeholders.

20. What process should be used to recalculate the PEL every two years? If a different time period should be used, should a different process be used, as well. Please explain any differences.

In the context of the staff-proposed PEL, it seems appropriate to use the same process to update the PEL as proposed to initially establish the PEL.

21. The IOUs utilize a standardized method to determine the net market value (NMV) of an RPS procurement contract using least-cost, best-fit criteria, as required by Section 399.13(a)(4)(A). The NMV quantifies key direct and indirect cost factors and ensures that an IOU's RPS procurement decisions are based on the expected value of the procurement, rather than simply the identification of the contract with the lowest cost. The statutory limit on RPS procurement expenditures set by Section 399.15(c) does not interfere with or override the requirement for an IOU to select contracts based on NMV. However, a situation might occur in which an IOU would have to decide between a higher valued contract and a lower valued contract if the marginal higher valued contract may cause the IOU to exceed its PEL.

IEP's Answer: IEP is unable to respond to this question without more information about how the NMV is calculated. If the NMV follows the least-cost/best-fit (LCBF) approach, the higher value of the contract should be captured in the analysis. Consistent with LCBF principles, the proposed PEL should be applied in a way that recognizes that an evaluation based solely on least cost, without due consideration of best fit, will not result in the optimum procurement of RPS resources. The utilities' shortlisting and contract execution decisions and the Commission's review and approval of contracts should lead to the development of RPS resources with the highest net market value consistent with the LCBF approach. Lower value contracts should not be selected solely on the basis of PEL or cost containment considerations.

22. How, if at all, should the PEL methodology take account of new or emerging technologies or procurement requirements? (e.g., IOUs' investments in storage connected to distribution systems; or procurement necessary for local capacity requirements (see D.13-02-015).)

IEP's Answer: The cost and performance of new and emerging technologies are necessarily speculative until the technologies achieve commercial availability. New and emerging technologies should not be included in the calculation of the proposed PEL until they are sufficiently commercially available to result in PPAs or comparable commitments. Procurement that is primarily for purposes other than compliance with the RPS requirements, e.g. procurement for local capacity requirements, should also be excluded from the proposed PEL calculation. Only the direct cost of procurement with a primary purpose of meeting the RPS obligation should be considered in the calculation of the PEL. Storage is not an RPS-eligible resource per se, although it may store RPS-eligible energy produced by eligible facilities (the direct costs of which would be included in the PEL calculation). Similarly, capacity is not an RPS product.

23. Should the PEL include a portfolio cost minimization strategy/framework? How would such a strategy be implemented as part of the PEL?

IEP's Answer: Requiring a portfolio cost minimization strategy or framework is not necessary for the PEL. The utilities should already be attempting to minimize cost on a portfolio basis, and the PEL may create additional incentives for cost minimization.

24. What is the role of “portfolio optimization” in implementing the PEL?

- **Please identify and describe methods used by IOUs to optimize their RPS portfolios and overall electricity portfolios (supply and demand).**
- **Please identify the criteria by which an IOU optimizes its portfolio (e.g., cost, procuring sufficient energy and capacity to meet load, system reliability, etc.). Please identify and explain any system or process used to weight the identified criteria in the optimization process.**
- **Please identify how an IOU uses the tools for RPS compliance (e.g., purchases of unbundled RECs, applying excess procurement in one compliance period to later compliance periods, etc.) to optimize the value of its RPS procurement.**

- **Please identify any other elements of IOUs' management of their portfolios that could improve the effectiveness of the PEL.**

IEP's Answer: See IEP's Answer to Question 23.

25. Please identify any information necessary to provide the appropriate inputs for the PEL calculation, as it is described in the Staff Proposal. Please specify where each type of information may be found, and whether it is currently in public or in confidential form. If the information is kept confidential, please identify any publicly available information that would be a satisfactory approximation, for purposes of the PEL. Please explain why the publicly available approximation would be appropriate.

IEP's Answer: IEP does not have access to confidential information and has no response to this question at this time.

26. Section 399.15(f) provides that:

If the cost limitation for an electrical corporation is insufficient to support the projected costs of meeting the renewables portfolio standard procurement requirements, 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, consistent with the long-term procurement plan established for the electrical corporation pursuant to Section 454.5.

- **What criteria should the Commission use to determine that an IOU's PEL will be insufficient to support the projected cost of meeting the IOU's RPS procurement obligations? Please consider at least the following:**
 - **At what point in time should the determination be made?**
 - **For what time period into the future should the determination apply?**

IEP's Answer: The utility is in the best position to make an initial evaluation of its ability to meet the RPS procurement goals within the framework of the PEL. Under this approach, the utility would formally inform the Commission that further procurement will result in total expenditures for RPS exceeding the PEL. In response, the Commission will need to make a determination that further RPS procurement is excused due to the expectation that future costs will result in disproportionate rate impacts above a de minimis level. This determination

should be made as early as possible, before the utility and potential bidders have invested considerable resources into preparing bids for a solicitation that may never occur. One logical decision point is the Commission's decision on the utilities' RPS procurement plans. Any decision to allow a utility to refrain from RPS procurement should be revisited after a year. The utility's level of retail sales, and thus the level of its RPS obligation, will vary from year to year.

27. How should the Commission interpret “a de minimis increase in rates?” Please specify and justify the choice made.

IEP's Answer: “De minimis” is necessarily a somewhat subjective standard. In IEP's view, an increase in total rates of less than 1% should be considered de minimis.

28. Section 399.15(b)(3) provides that “a retail seller may voluntarily increase its procurement of eligible renewable energy resources beyond the renewables portfolio standard procurement requirements.”

- **How, if at all, should such voluntary increases in RPS procurement be accounted for in the PEL methodology?**

IEP's Answer: Voluntary utility procurement of renewable resources above the RPS requirement should be excluded from the PEL. The costs of such voluntary procurement would still be subject to the Commission's review of the reasonableness of the utility's decisions and actions. IEP notes that a utility may procure renewable resources for other reasons, including greenhouse emissions reductions, demonstration of emerging technologies, etc.

29. Section 399.15(c) provides that, “the commission shall establish a limitation for each electrical corporation on the procurement expenditures for all eligible renewable energy resources used to comply with the renewables portfolio standard.” The Legislature has also established unique rules for IOUs that meet the criteria set forth in Sections 399.17 and 399.18.

- **Should the Commission use a different methodology for an IOU that is subject to the requirements of Section 399.17?**

IEP's Answer: To the extent practicable, the Commission should apply the same cost containment framework and rules to all retail sellers under its jurisdiction, including the utilities that are the subjects of sections 399.17 and 399.18.

IEP respectfully asks the Commission to consider these comments as it develops a cost containment methodology for the RPS procurement obligation.

Respectfully submitted this 26th day of September, 2013 at San Francisco, California.

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By /s/ Brian T. Cragg

Brian T. Cragg

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Producers Association

VERIFICATION

I am the attorney for the Independent Energy Producers Association in this matter. IEP is absent from the City and County of San Francisco, where my office is located, and under Rule 1.11(d) of the Commission's Rules of Practice and Procedure, I am submitting this verification on behalf of IEP for that reason. I have read the attached "Comments of the Independent Energy Producers Association on the Staff Proposal for a Methodology to Implement Procurement Expenditure Limitations for the RPS Program," dated September 26, 2013. I am informed and believe, and on that ground allege, that the matters stated in this document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 26th day of September, 2013, at San Francisco, California.

/s/ Brian T. Cragg

Brian T. Cragg