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 ENERGY USERS FORUM ON PROPOSED ALTERNATE PROCUREMENT EXPENDITURE LIMITATIONS FOR THE RENEWABLES PORTFOLIO STANDARD PROGRAM

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For the Energy Users Forum

October 23, 2013

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Energy Users Forum[1] (EUF) hereby submits these comments on the alternate proposals for Procurement Expenditure Limitations (PEL) for the Renewables Portfolio Standard Program (RPS) pursuant to the Administrative Law Judge's Ruling dated September 9, 2013.

I. INTRODUCTION

EUF comments herein on the three PEL alternative proposals, including the modifications proposed jointly by the California Large Energy Consumers Association (CLECA), the Energy Producers and Users Coalition (EPUC) and the California Manufacturers and Technology Association (CMTA) (collectively, Large Users)

The PELs are important to EUF because they provide protection from excessive rate impacts that could result from the expenditures needed to meet the renewable portfolio standard requirements. Of key importance, SB 2 (1X) requires that rate increases associated with RPS procurement in excess of the

[1] EUF is an ad hoc organization of a diverse set of California electricity and natural gas customers with bundled and direct accounts taking service on a wide range of tariffs of the three California Investor-Owned Utilities and various municipal utilities.

PEL should be "*de minimis*."[2] Of the alternative proposals, only the Large Users' proposal would appear to provide the necessary ratepayer protection. Although we have concerns with SCE's Alternative Proposal, it has the potential to adequately limit expenditures.

II. COMMENTS

As a significant component of the total cost of electricity, the cost of meeting the RPS requirement is very important to EUF. The other cost increases being faced by ratepayers, including those associated other California policy objectives, other mandates associated with meeting California's GHG goals, and the cost of replacing generation from Once-Through Cooling generation and the San Onofre Nuclear Generating Station create additional sensitivity to the rate impacts of complying with the RPS mandate. Thus an effective PEL, that can be implemented without contention or excessive effort, is needed.

A. The Large Users' Modifications are Prudent

EUF supports the modifications to the Staff Proposal suggested by the Large Users. The suggestion of the Large Users to use recent historical information would base the important PEL calculations on relevant information and calculations that should not be contentious, could be easily obtained, are not complex and are transparent.

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[2] PU Code §399.15(f) ("If the cost limitation for an electrical corporation is insufficient to support the projected costs of meeting the [RPS] 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 electrical corporation pursuant to Section 454.5.").

B. SCE’s Alternate Proposal Might Provide Adequate Ratepayer Protection

EUF has insufficient information to make a determination as to whether SCE's Alternate Proposal would provide adequate ratepayer protection. Due to the CPUC's confidentiality rules, EUF and many other customer representatives do not have access to adequate historical and forecast information to examine SCE's proposal. EUF does not have access to renewable cost data and information on the impact of fossil fuel volatility to make conclusions about SCE's proposal. However, in general, SCE's proposal seems superior to the Staff Proposal or the proposal submitted by the California Wind Energy Association (CalWEA) and the Large-Scale Solar Association (LSA) (Collectively, LSA/CalWEA). SCE's proposal does not rely on Staff's rolling forecast method that would not create an effective mechanism for limiting rate impacts.

C. The LSA/CalWEA Proposal Is Not an Effective Solution

The Proposal of LSA/CalWEA will not effectively limit ratepayer impacts. Their Proposal is assumption intensive and would necessitate a lengthy, complex and litigious process which would require use of an unnecessary amount of Commission, utility and intervenor time and resources. In addition, after the elapsed time and extensive use of resources, the resulting PEL is not likely to provide adequate ratepayer protection.

III. CONCLUSION

EUF supports the modifications proposed by the Large Users. Their proposal is most likely to provide the needed rate protection and has the added benefits of being based on less contestable data and clear calculations. However, EUF cannot endorse the Staff Proposal or the other Alternate Proposals. EUF hopes that confidentiality issues are resolved prior to the next workshop so that Parties are able to fully explore SCE's Alternate Proposal.

Respectfully submitted,

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VERIFICATION

I am a Principal Consultant with Energy Management Services and represent Energy Users Forum. EUF is absent from the Yolo County, where my office is located, for that reason I am submitting this verification on behalf of EUF under Rule 1.11(d) of the Commission's Rules of Practice and Procedure. I have prepared and read the attached "**COMMENTS OF THE ENERGY USERS FORUM ON PROPOSED ALTERNATE PROCUREMENT EXPENDITURE LIMITATIONS FOR THE RENEWABLES PORTFOLIO STANDARD PROGRAM**," dated October 23, 2013. I am informed and believe that the matters stated in this document are true.

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

Executed on October 23, 2013 at Sacramento, California.

Carolyn M. Kehrein
Principal Consultant
Energy Management Services

on behalf of the Energy Users Forum