

February 3, 2014 L. Jan Reid

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.

Rulemaking 13-12-010
(Filed December 19, 2013)

COMMENTS OF L. JAN REID ON PRELIMINARY SCOPING MEMO

February 3, 2014

L. Jan Reid
3185 Gross Road
Santa Cruz, CA 95062
Tel/FAX (831) 476-5700
janreid@coastecon.com

TABLE OF CONTENTS

| | Page |
|--------------------------------------|-------------|
| I. Introduction | 1 |
| II. Summary and Recommendations..... | 1 |
| III. Proposed Findings..... | 2 |
| IV. Interagency Consideration | 2 |
| V. Conclusion | 3 |

I. Introduction

Pursuant to the December 30, 2013 Order Instituting Rulemaking (OIR) that established Rulemaking (R.) 13-12-010, I submit these comments on the Preliminary Scoping Memo. The OIR states that "We direct parties to limit their comments to the specific issues set forth in this OIR, as well as to objections to the preliminary determinations below." (OIR, p. 15) I interpret the Commission's direction as allowing parties to comment on material contained in Sections 3, 5, and 6 of the OIR and to OIR subsections 3.1-3.6. I note that Section 3 is entitled "Preliminary Scoping Memo."

Opening comments are due on Monday, February 3, 2014. I will send this pleading to the Docket Office using the Commission's electronic filing system on the due date, intending that it be timely filed.

II. Summary and Recommendations

I have relied on state law and past Commission rulings in developing Recommendations concerning the standardized planning assumptions and scenarios. I recommend the following:¹

1. The Commission should encourage the California Energy Commission to participate in the instant rulemaking as a party, rather than as a decision-maker. (pp. 2-3)

¹ Citations for these recommendations and proposed findings are given in parentheses at the end of each recommendation and finding.

III. Proposed Findings

My recommendations are based on the following proposed findings.

1. The Commission has an obligation under Public Utilities Code Section (PUC §) 451 to protect ratepayers and to ensure that rates are just and reasonable. Consistent with PUC § 451, the Commission must protect ratepayers from resource over-procurement associated with uncertainties such as a decline in load faced by the IOUs. (pp. 2-2)
2. There is no provision in state law for the Commission to share decision-making authority with other state agencies. (p. 3)

IV. Interagency Consideration

The Commission states that: (OIR, p. 9)

In recent years, we have encouraged the active participation of the CEC [California Energy Commission] in our rulemaking endeavors on the decision-making side, rather than as a party to the proceeding. We invite the CEC to join us in this proceeding by continuing the collaborative approach that both agencies pursued in the development of procurement policy since R.05-12-013.

Thus, the Commission's statement incorrectly implies that the CEC has not been a party in a Commission procurement proceeding since 2005. The CEC was a party in R.06-02-013 and last filed comments in that rulemaking on December 14, 2007. (See Reply Comments of the California Energy Commission on the Proposed Decision for Phase 2 of the Long-Term Procurement Plan Proceeding)

The Commission should encourage the CEC to participate in the instant rulemaking as a party rather than as a decision-maker for the following reasons:

1. The CPUC, but not the CEC, has a statutory mandate to ensure that rates are just and reasonable under Public Utilities Code Section (PUC §) 451. The CPUC was established to ensure that rates are just and reasonable.

2. There is no provision in state law for the Commission to share decision-making authority with other state agencies. It is unclear how the Commission proposes to share decision-making authority with the CEC, because Commission decisions must be approved by a vote of the CPUC Commissioners and not by the commissioners of other state agencies.
3. In this instance, I define collaboration as one or more agencies working together to achieve a common goal or goals. In this case, the collaborative goal is unclear.
4. The Commission apparently intends to use the results of the CEC's Integrated Energy Policy Report (IEPR) California Energy Demand (CED) forecasts as an input into the Commission's LTPP process. Thus, the CED results may have a significant impact on future Commission decisions and on the rates paid by bundled ratepayers. Parties should have the right to conduct discovery concerning the CED process to make sure that the assumptions are reasonable and the results are accurate. I note that the CEC is not required to answer discovery requests in the instant rulemaking if they are not a party.

V. Conclusion

The Commission should adopt Reid's recommendations for the reasons given herein.

* * *

Dated February 3, 2014, at Santa Cruz, California.

/s/

L. Jan Reid
3185 Gross Road
Santa Cruz, CA 95062
Tel/FAX (831) 476-5700
janreid@coastecon.com

VERIFICATION

I, L. Jan Reid, make this verification on my behalf. The statements in the foregoing document are true to the best of my knowledge, except for those matters that are stated on information and belief, and as to those matters I believe them to be true.

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

Dated February 3, 2014, at Santa Cruz, California.

/s/

L. Jan Reid
3185 Gross Road
Santa Cruz, CA 95062
Tel/FAX (831) 476-5700
janreid@coastecon.com