

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider Electric
Procurement Policy Refinements pursuant to the
Joint Reliability Plan.

Rulemaking 14-02-001

COMMENTS OF MARIN CLEAN ENERGY

Jeremy Waen
Regulatory Analyst
MARIN CLEAN ENERGY
781 Lincoln Avenue, Suite 320
San Rafael, CA 94901
Telephone: (415) 464-6027
Facsimile: (415) 459-8095
E-Mail: jwaen@mceCleanEnergy.org

Andrew B. Brown
Ellison, Schneider & Harris, LLP
2600 Capitol Avenue, Suite 400
Sacramento, CA 95816
Telephone: 916.447.2166
Facsimile: 916.447.3512
Email: abb@eslawfirm.com
Attorneys for Marin Clean Energy

February 20, 2014

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider Electric Procurement Policy Refinements pursuant to the Joint Reliability Plan.

Rulemaking 14-02-001

COMMENTS OF MARIN CLEAN ENERGY

I. INTRODUCTION

Marin Clean Energy (“MCE”) submits the following comments as requested by Ordering Paragraph No. 7 of the *Order Instituting Rulemaking to Consider Electric Procurement Policy Refinements pursuant to the Joint Reliability Plan* (“Joint Reliability Plan OIR”) released on issued on February 13, 2014.

II. BACKGROUND

MCE is a Community Choice Aggregator (“CCA”) established pursuant to California law and regulations developed by the Commission. MCE currently serves approximately 125,000 customer accounts throughout Marin County and the City of Richmond. MCE’s procurement efforts are focused on low carbon, renewable resources with a higher overall renewable content requirement than required under the Renewables Portfolio Standard (“RPS”), as well as the use of newer technologies to reduce total energy consumption or shift the timing of that consumption. While MCE customers receive generation service from the CCA program, they continue to receive transmission, distribution, billing and other services from Pacific Gas and Electric Company (“PG&E”).

III. COMMENTS

The issues under consideration in the Joint Reliability Plan OIR will have a direct impact on MCE's resource planning effort to meet its long-term customer load requirements consistent with MCE's 10-year integrated resource plan.¹ Of critical importance to MCE is the ability to manage the resource portfolio being developed for its customers and avoid stranded cost issues that could arise if changes to the regulatory structure are not carefully crafted. For example, the Joint Reliability Plan OIR should ensure that the program provides for the ability of a load serving entity ("LSE") to procure on its own behalf rather than imposing costs of procurement by investor owned utilities ("IOUs") on non-IOU LSEs).

Similarly, policies regarding multiple forward year procurement should not undermine the expected value of other MCE resource investments, such as incremental capacity additions, demand response or expanded distributed generation, that are intended to manage the size and shape of MCE loads and the use of local resources to serve loads. For example, net energy metered and feed-in tariff distributed generation ("DG") will have the effect of reducing the load or changing the load shape in ways that affect procurement requirements. To the extent that load shifting programs such as the introduction of smart appliances, HVAC controls, and other demand response are implemented, the capacity benefits should be recognized and appropriately valued, even if the programs are not direct participants in CAISO.

The Joint Reliability Plan OIR states that issues regarding existing resource adequacy, long-term procurement planning or CAM policies will not be relitigated.² However, it is critical that any multi-year forward RA obligation, and assumptions that feed into potential utility procurement needs, account for any CCA long-term resource procurement planning efforts,

¹ See, *MCE Integrated Resource Plan Annual Update*, November 2013, posted at: http://marincleanenergy.org/sites/default/files/key-documents/Integrated_Resource_Plan_2013_Update.pdf.

² See, OIR, page17.

otherwise the policies adopted by the Commission to protect the IOUs from potential stranded costs are simply shifted over to the CCA customers.

The issue lists found under the multi-year forward design topics (pages 8 through 11) should be augmented to include this CCA procurement plan concern. This critical concern has not been squarely addressed in any CAM policy decision, particularly since the concept of a multi-year RA and forward procurement obligation are just now being addressed. Moreover, the issue of potential impact on CCA resourcing is not the same as the load migration concern under topic 3(g)³, and is distinct from the forecasting issues listed under section 3.2 of the OIR. Put simply, the section 3.1 issues list should include how long-term resource planning efforts by CCAs to secure capacity for their own loads will be recognized and excluded from any potential procurement commitments made by other LSEs.

IV. CONCLUSION

MCE appreciates the opportunity to provide these comments on issue scope and looks forward to working with the Commission and parties on the issues presented in the Joint Reliability Plan OIR.

Dated: February 20, 2014

Respectfully submitted,

/s/ Andrew Brown

Andrew B. Brown
Ellison, Schneider & Harris, LLP
2600 Capitol Avenue, Suite 400
Sacramento, CA 95816
Telephone: 916.447.2166
Facsimile: 916.447.3512
Email: abb@eslawfirm.com
Attorneys for Marin Clean Energy

³ See OIR, page 10.