

**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.

R. 12-03-014
(Filed March 22, 2012)

**REPLY COMMENTS OF MARIN CLEAN ENERGY
ON TRACK 3 PROPOSED DECISION MODIFYING LONG-TERM
PROCUREMENT PLANNING RULES**

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I. INTRODUCTION

These reply comments of Marin Clean Energy (“MCE”) on the Track 3 Proposed *Decision Modifying Long-term Procurement Planning Rules* dated January 28, 2014 (“PD”) of Administrative Law Judge (“ALJ”) Gamson, is submitted in accordance with Rule 14.3 of the California Public Utilities Commission’s (“Commission” or “CPUC”) Rules of Practice and Procedure.

II. RELYING SOLELY ON A BINDING NOTICE OF INTENT (BNI) IS INAPPROPRIATE

San Diego Gas and Electric Company (SDG&E)¹ and Pacific Gas & Electric Company (PG&E)² argue the Commission should rely solely on a Community Choice Aggregator’s (CCA’s) Binding Notice of Intent (BNI) in order to determine when CCA load will depart. As explained in MCE's Opening Comments, the BNI is an inappropriate mechanism to use for this purpose because it does not reflect the best projection or estimates of departing load. Reliance

¹ SDG&E Comments at 8.

² PG&E Comments at 4.

solely on the BNI will lead to over -procurement because: 1) the BNI is an optional step in establishing a CCA ; 2) the BNI, if issued, falls too late in the CCA formation process to be reasonable; and 3) reflect a sole CCA's load rather than projected trends in CCA load departure as consistent with the Long-Term Procurement Plan (LTPP) planning process.

PG&E's assertion that a "CCA only commits itself to serve departing load when it submits a BNI" ³ is not only patently false, it is a red herring. The LTPP is a reflection of estimated supply and demand to authorize reasonable procurement by the Investor -Owned Utilities (IOUs). It is the best available estimation of departing load in the long run, not an ex - post calculation of load.

Creating a CCA and determining load is a multi -step process that includes much forecasting, planned implementation, and phasing. None of these stages are reflected in a BNI. SDG&E and PG&E have no basis to reject the use of the Integrated Energy Policy Report (IEPR) issued by the California Energy Commission (CEC) as another source of information in the LTPP process. ⁴ In forecasting departing CCA load, the Commission should adhere to the methodology utilized in D. 04-12-048 and determine high, medium, and low forecasts for CCA load. These projections should include information from multiple sources, such as the IEPR, and a list of the communities who are developing or joining CCAs.

³ *Id.*

⁴ SDG&E Comments at 8; PG&E Comments at 4.

III. NON-BYPASSABLE CHARGES SHOULD BE VINTAGED ACCORDING TO THE PROJECTED DATE OF DEPARTURE

SDG&E indicates that departing load should be vintaged according to the date of a customer's departure.⁵ However, as stated in MCE's Opening Comments, vintaging should apply prospectively from the projection of departing CCA load once it is included in the LTPP.

IV. ARGUMENTS PERTAINING TO METHODOLOGY OF THE COST ALLOCATION MECHANISM (CAM) SHOULD BE REJECTED

PG&E⁶ argues that the incremental stranded cost charge exemption should not apply to CAM charges. These arguments on CAM methodology are outside of the scope of this Track, which is focused on projections of departing load. Delving into the mechanisms of CAM should be addressed in another proceeding where evidence has been put forth on its implementation.

V. MCE SUPPORTS COMMENTS MADE REGARDING FORECAST UPDATES, TRANSPARENCY, AND FACTUAL CLARIFICATIONS

MCE is supportive of several comments made by other parties in this proceeding. In particular, the California Environmental Justice Alliance and the Sierra Club made two recommendations MCE supports. First, the IOUs should do an annual update of its forecasts of departing load.⁷ Second, the Procurement Review Group (PRG) should have more transparent information practices in order to maximize participation and fairness.⁸

MCE also supports the factual clarification by the Alliance for Retail Energy Markets and Direct Access Customer Coalition that CCAs and Direct Access customers were given their own energy storage goals to fulfill in D.13-10-040.⁹

⁵ SDG&E Comments at 9.

⁶ PG&E Comments at 5-6.

⁷ CEJA and Sierra Club Comments at 3-4.

⁸ *Id.* at 4-5.

⁹ Comments of AREM and DACC at 8.

VI. CONCLUSION

MCE thanks the Commission, ALJ Gamson and Commissioner Florio for their attention to the issues discussed herein.

Respectfully submitted,

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