

**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 4 PROPOSED DECISION AUTHORIZING LONG-TERM PROCUREMENT
FOR LOCAL CAPACITY REQUIREMENTS DUE TO PERMANENT RETIREMENT OF
THE SAN ONOFRE NUCLEAR GENERATIONS STATIONS**

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I. INTRODUCTION

These reply comments of Marin Clean Energy (MCE) on Track 4 Proposed Decision Authorizing Long -Term Procurement for Local Capacity Requirements Due to Permanent Retirement of the San Onofre Nuclear Generations Stations (PD) is submitted in accordance with Rule 14.3 of the California Public Utilities Commission (Commission) Rules of Practice and Procedure. The Opening Comments were filed on March 3 , 2014; thus, these comments are timely filed.

**II. THE COMMISSION’S APPLICATION OF CAM MERITS FURTHER
SCRUTINY**

MCE agrees with both Western Power Trading Forum (WPTF) and Alliance for Retail Markets and Direct Access Customer Coalition (ARem/DACC) that the Commission’s approval of CAM treatment for SONGS replacement resources merits further scrutiny. ¹ D.13-08-023

¹ ARem/DACC Comments at 3-5, 7-9.

clearly set forth that CAM was to be assigned on a “case-by-case basis informed by the specific contexts in which costs are incurred.”² MCE believes the Commission should adhere to its earlier precedent and determine CAM treatment dependent upon the IOUs’ applications for each resource coming online to serve the needs of the Southern California service territories.

CAM has exclusively been used for incremental needs in an area, never for replacement of a facility. Authorizing replacement of a facility using the CAM mechanism would fundamentally shift Commission policy and reshape the use of CAM, to the detriment of CCAs and CCA customers.

Therefore, the Commission should reserve the right to examine whether CAM allocation is “fair and equitable” to CCA customers authorized as a result of the PD, particularly if communities take steps to form CCAs within the affected service territories.

III. ENERGY STORAGE GOALS WERE ALREADY SET FORTH FOR CCAS AND DA CUSTOMERS IN D.13-10-040

AREM/DACC is correct “the PD’s determination that energy storage is subject to CAM treatment conflicts with established Commission policies.”³ D.13-10-040 set forth energy storage targets for CCA and DA customers, which is 1% of their 2020 annual peak load, with installation and operation of the projects required by the end of 2024.

⁴ Therefore, MCE joins AREM/DACC’s recommendation that the PD should be modified to “clarify that any Track 4 - related procurement of energy storage by SCE or SDG&E is not subject to CAM...”⁵ due to the storage targets already mandated for CCA and DA customers.

² WPTF Comments at 7.

³ D.13-08-023, Conclusion of Law 29 at 14.

⁴ D.13-10-040 at 74.

⁵ AREM/DACC Comments at 14.

IV. PROCUREMENT PLANS RESULTING FROM TRACK 4 SHOULD BE TRANSPARENT

MCE supports the comments of the Office of Ratepayer Advocates⁶ and the Sierra Club of California that “stakeholders should... have the opportunity to review and comment” on SDG&E’s procurement plan and similar updates to SCE’s procurement plan.⁷ MCE supports full transparency for these procurement plans, especially as to which resources the IOUs will seek to receive CAM treatment. This transparency is especially important to CCAs as they are assigned CAM allocations are unpredictably because of the Commission’s current practices of excluding CCAs from the Peer Review Group.

V. MCE CONTESTS TURN’S CHARACTERIZATION OF THE ANALYSIS OF CAM ISSUES AS “REDUNDANT LITIGATION”

MCE objects to TURN’s characterization that the Commission’s analysis of CAM and its application to resources is “redundant litigation” on these issues.⁸ To date, the Commission has not analyzed the effect of CAM on CCAs, nor created a proceeding with this issue clearly within its scope. Thus, MCE’s attempts to present the issue for consideration can hardly be labeled as “redundant.” Simply stated, these issues remain unresolved. The Commission has a duty to examine these issues particularly for CCA customers, who have not yet had the opportunity for a full review and consideration of their unique needs.

VI. CONCLUSION

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

⁶ ORA Comments at 7.

⁷ Sierra Club of California Comment at 7-8.

⁸ TURN Comments at 3.

Respectfully submitted,

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