

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

Order Instituting Rulemaking on the)	
Commission's Own Motion to Conduct a)	Rulemaking 12-06-013
Comprehensive Examination of Investor Owned)	(Filed June 21, 2012)
Electric Utilities' Residential Rate Structures, the)	
Transition to Time Varying and Dynamic Rates,)	(Phase 1)
<u>and Other Statutory Obligations.</u>)	

PREHEARING CONFERENCE STATEMENT OF THE VOTE SOLAR INITIATIVE

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March 10, 2014

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I. INTRODUCTION

Pursuant to the California Public Utilities Commission’s (“Commission’s”) Rules of Practice and Procedure 7.2 and the *Assigned Commissioner’s Ruling Requiring Utilities to Submit Phase 1 Rate Change Proposals* dated February 13, 2014 (“Ruling”), The Vote Solar Initiative (“Vote Solar”) respectfully submits this Prehearing Conference (“PHC”) Statement in advance of the PHC set for March 14, 2014. This statement provides comments in response to the particular questions posed by the Ruling.

II. RESPONSES TO QUESTIONS IDENTIFIED IN THE RULING

A. Specific Factual and Legal Issues that Need to be Decided in Phase 1

1. Impact on Market for Residential Distributed Generation

Residential rate design has obvious implications for the financial viability of renewable distributed generation, and particularly the residential solar market. The Commission needs to acknowledge and fully consider the long-term impacts of residential rate design proposals on existing and potential future residential customers with solar photovoltaic systems and the businesses serving the residential market. Accordingly, the scope of factual issues under

consideration in Phase 1 should include the impacts of residential rate design changes on renewable distributed generation, and specifically the residential solar market.

To fail to do so undermines established policy supporting the maintenance and growth of the residential solar market. For example, Governor Brown's Clean Energy Jobs Plan calls for 12,000 megawatts of clean distributed generation by 2020 and seeks to grow the number of clean energy jobs in the state.¹ The Commission's stated goals for the California Solar Initiative include creation of a residential solar market that is both price competitive and self-sustaining.² Also, the Commission's goal of reducing peak demand is advanced by a robust market for residential distributed generation. The Commission would not be acting in step with these goals if the Commission were to adopt residential rate designs that effectively punish residential customers that have invested in solar, discourage new residential solar customers, and reduce the demand for services from companies installing residential rooftop solar PV systems.

The three investor-owned utility ("IOU") proposed rate designs adversely impact the incentives for residential customers to install renewable distributed generation and may reduce the economic value of these systems to existing customers. In particular, the IOUs' proposals reducing the differential between rate tiers, imposing fixed charges, and quickly transitioning to the new rate designs have disruptive and adverse impacts on the residential solar market.

Therefore, Vote Solar requests that the Commission, in its consideration of the appropriate residential rate design, acknowledge and consider the ramifications that changes will have on existing and future residential solar customers and businesses.

¹ Governor Brown's Clean Energy Jobs Plan, available at http://gov.ca.gov/docs/Clean_Energy_Plan.pdf.

² California Public Utilities Commission's California Solar Initiative Annual Program Assessment 2013, June 2013, p. 8, available at <http://www.cpuc.ca.gov/NR/rdonlyres/7A350E8E-3666-4AA5-98E3-5E9C812D3DE6/0/CASolarInitiativeCSIAnnualProgAssessmtJune2013FINAL.pdf>.

2. *Inclusion of Proposed Changes in TOU Periods*

Underlying the IOUs' time-of-use rate proposals are efforts by the IOUs to change TOU periods outside this proceeding. While the appropriate TOU periods may not be determined in this proceeding, it is appropriate and important that any change to the TOU periods that apply to residential customers be analyzed and considered in this proceeding so that TOU rate proposals can be sufficiently assessed.

B. The Possibility and/or Status of Settlement Discussions

Vote Solar is open to efforts to settle the matters under consideration in Phase 1 of this proceeding. However, any effort to settle must be open to all parties from the earliest stage in order for such settlement to sufficiently encompass the interests represented by all the parties to this proceeding.

C. The Need for Discovery, the Anticipated Date that Discovery will be Completed, and the Need for Evidentiary Hearings

Vote Solar anticipates propounding data requests on each of the three IOUs in order to obtain the information necessary to develop and respond to testimony. Based on prior experience in ratesetting proceedings, Vote Solar anticipates that the discovery process will require approximately three months to complete. Evidentiary hearings are required to sufficiently examine the numerous and interrelated rate components and impacts in this broad overhaul of residential rate design.

D. The Preliminary Procedural Schedule Set Forth in the Ruling

Vote Solar anticipates that the schedule set forth in the Ruling is adequate. However, where discovery is drawn out or other circumstances arise that make it difficult to timely prepare testimony or briefs that adequately consider the impacts of the IOU proposals, Vote Solar may support extension of the schedule.

III. CONCLUSION

Vote Solar respectfully submits this PHC Statement in advance of the March 14, 2014 Phase 1 PHC. Vote Solar urges the Commission to incorporate into the scope of issues for consideration in this phase the impacts of rate redesign on the residential solar market and any proposals made outside this proceeding to alter the TOU periods for residential customers.

Dated: March 10, 2014

Respectfully submitted,

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