BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard Program

Rulemaking 11-05-005 (Filed May 5, 2011)

REPLY COMMENTS OF THE COALITION OF CALIFORNIA UTILITY EMPLOYEES ON THE 2014 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLANS

July 30, 2014

Marc D. Joseph
Jamie L. Mauldin
Adams Broadwell Joseph & Cardozo
601 Gateway Boulevard, Suite 1000
South San Francisco, CA 94080
(650) 589-1660 Telephone
(650) 589-5062 Facsimile
mdjoseph@adamsbroadwell.com
jmauldin@adamsbroadwell.com

Attorneys for Coalition of California Utility Employees

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Pursuant to the Assigned Commissioner's Ruling Identifying Issues and Schedule of Review for 2014 Renewables Portfolio Standard Procurement Plans ("Ruling") issued March 26, 2014, and the electronic ruling issued April 16, 2014, Revising Procedural Schedule, the Coalition of California Utility Employees ("CUE") offers these Reply Comments.

I. RPS PLANS SHOULD REFLECT PROCUREMENT ABOVE THE 33% FLOOR

In our Opening Comments, CUE identified the Commission's failure to incorporate changes made by Assembly Bill ("AB") 327 into the RPS plans. Several other parties also identified this issue. The Independent Energy Producers, Iberdrola Renewables, and The Center for Energy Efficiency and Renewable Technologies ("CEERT") all discuss the March 26 Assigned Commissioner's Ruling's ("ACR") lack of guidance on changing laws and policies related to renewable procurement. Most importantly, the ACR fails to recognize and address the impacts created by AB 327, which removed the 33% cap on renewable procurement.

As CEERT pointed out, the Commission's sole guidance to utilities on identifying and incorporating impacts of "recent legislation" on renewable procurement is found in Section 6.1 of the March 26 ACR. Nowhere else does the ACR provide guidance on the impact of AB 327 on procurement levels and RPS plans. CEERT also correctly identifies that the record in this proceeding is rife with opposition to caps or limitations on RPS plans, in light of AB 327.

Because the Commission guidance on the RPS Procurement Plans omits this important legislative policy change, the IOUs' procurement plans also fail to propose procuring more than the minimum obligation and do not describe the circumstances when the utilities should procure more than the minimum levels. As CEERT stated in its Opening Comments:

This interpretation is *not* supported by current law or policy and must be rectified either in revised 2014 RPS Procurement Plans or the Commission decision on those Plans...to make clear that there is no cap or ceiling on *renewables* procurement, especially as a Loading Order preferred resources, where cost-effective and available to meet an identified need.³

As CEERT further discusses, the IOUs' assessments of "need" and "minimum margin of over-procurement," among other things, are completely uninformed by the critical change in the RPS statute by AB 327.⁴ None of the IOUs' RPS Procurement Plans make any reference to AB 327.

CEERT makes several recommendations in order to correct the 2014 RPS plans, including:

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¹ CEERT Opening Comments, p. 6.

² *Id.*, at p. 8.

³ CEERT Opening Comments, p. 9.

⁴ *Id.*, at p. 14.

- (1) Direct the IOUs to *correct and include* in their 2014 RPS Procurement Plans analysis of AB 327 and any impacts or changes to their plans resulting from this statutory change; amd
- (2) Correct the recently adopted Revised RNS Methodology to be clear that, consistent with AB 327 and its LTPP decisions, renewables procurement can be, and has been, authorized that is not limited by a 33% RPS target.

CUE fully supports CEERT's recommendations and asks the Commission to promptly take action. The 2014 RPS plans, as currently submitted, fail to meet current state law and policy goals.

CONCLUSION

The RPS plans should be modified to reflect the Commission's authority under AB 327 and each utility's obligation to procure renewable energy beyond the minimum where that would reduce costs to ratepayers.

July 30, 2014

Respectfully submitted,

/s/

Marc D. Joseph
Jamie L. Mauldin
Adams Broadwell Joseph & Cardozo
601 Gateway Blvd., Suite 1000
South San Francisco, CA 94080
Telephone: (650) 589-1660
Facsimile: (650) 589-5062
mdjoseph@adamsbroadwell.com
jmauldin@adamsbroadwell.com

Attorneys for the Coalition of California Utility Employees

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VERIFICATION

I, Jamie L. Mauldin, am an attorney of records for the Coalition of California Utility Employees in this proceeding. No officer of CUE is located in this County where I have my office. I am authorized to make this verification on the organization's behalf. I have read this document. The statements in this document are true of my own knowledge, except for those matters which 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.

Executed on the 30th day of July, 2014.

Jamie L. Mauldin, Attorney for the Coalition of California Utility Employees

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