

**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)

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

July 2, 2014

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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 Opening Comments.

I. RPS PLANS SHOULD ACCOUNT FOR IMPLEMENTATION OF AB 327

The Ruling directs the utilities to provide a written description explaining how the proposed renewable energy portfolio will optimize cost, value and risk for the ratepayer.¹ Understandably, the IOUs are concerned with meeting their compliance obligations, and have organized their procurement plans to meet these obligations while providing the “minimum procurement level necessary to comply with the RPS program to mitigate risk that renewable projects under contract are delayed or terminated.”² Yet none of the IOU’s procurement plans account for the

¹ Ruling, P. 10..

² Ruling, p. 13.

possibility that the Commission may exercise its authority under Assembly Bill (“AB”) 327 to require continued procurement of renewable generation.

In our comments issued on Administrative Law Judge’s Ruling Issuing Staff Proposal to Reform Procurement Review Process for the RPS Program in this proceeding, CUE identified the Commission’s failure to incorporate changes made by AB 327.³ The 2014 procurement plans still fail to identify AB 327 as “recent legislation”⁴ with which the proposed RPS plan will align. AB 327 permitted to Commission to require utilities to procure more than minimum statutory obligations from renewable resources.⁵ Therefore, the Commission has explicit authority to require procurement plans to exceed the statutory obligations. The procurement plans fail to incorporate the changes allowed under AB 327 and should be modified to reflect the Commission’s authority under AB 327.

II. EVEN WITHOUT PASSAGE OF AB 327, UTILITIES HAVE AN OBLIGATION TO MINIMIZE COSTS TO RATEPAYERS

We are now seeing renewable energy projects that would actually reduce costs. Indeed, PG&E discussed this decreasing costs trend in its proposed procurement plan: “The California renewable energy market has developed and evolved significantly over the past few years. The market now offers a variety of technologies at generally lower prices than seen in earlier years of the RPS program.”⁶

³ CUE’s Opening Comments on ALJ’s Ruling Issuing Staff Proposal to Reform Procurement Review Process for the RPS Program, p. 3.

⁴ Ruling, p. 10.

⁵ Pub. Util. Code § 399.15(b)(2)(B).

⁶ PG&E’s June 4, 2012 Draft Renewable Energy Procurement Plan, p. 23.

Utilities have an obligation to take steps to minimize costs for ratepayers.⁷ If a utility can procure renewable energy that reduces its costs because it avoids costs such as the expense of procuring natural gas to supply plants under tolling agreements, it should be able and obligated do so even if the energy is not needed to meet an RPS requirement. Therefore, the procurement plans should reflect the utilities' obligations to go beyond the minimum procurement levels if the renewable projects chosen result in a net ratepayer benefit.

III. 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.

Dated: July 2, 2014

Respectfully submitted,

/s/

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⁷ Pub. Util. Code § 451.

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 2nd day of July, 2014.

_____/s/_____
Jamie L. Mauldin, *Attorney for the
Coalition of California Utility
Employees*