

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking to Continue  
Implementation and Administration, and  
Consider Further Development of, California  
Renewables Portfolio Standard Program.

Rulemaking 15-02-020  
(February 26, 2015)

**OFFICE OF RATEPAYER ADVOCATES'  
PREHEARING CONFERENCE STATEMENT**

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April 15, 2015

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Pursuant to the April 1, 2015 Administrative Law Judge’s E-Mail Ruling Setting Prehearing Conference and Directing Parties to File Prehearing Conference Statements, the Office of Ratepayer Advocates (ORA) respectfully submits its Prehearing Conference (PHC) Statement.

**I. INTRODUCTION**

On March 6, 2015, the Commission opened this Order Instituting Rulemaking (OIR) to address the various issues remaining in Rulemaking (R.)11-05-005 (the former Renewables Portfolio Standard (RPS) proceeding to consider raising the RPS target, the relationship of the RPS program to the state’s greenhouse gas (GHG) reduction goals, the integration of GHG reduction goals and metrics into RPS procurement methods, and to implement any new statutory requirements related to the RPS program. The OIR asked parties to comment on: (1) whether to revise the issues; (2) how to prioritize the issues to be resolved; (3) how procedurally to address these issues, and (4) a proposed timeline for resolving issues identified. Parties filed comments and reply comments on March 26, 2015 and April 6, 2015, respectively.

On April 1, 2015, Administrative Law Judge (ALJ) Mason asked that parties file PHC statements addressing five issues that parties think have the highest priority in this proceeding.

## II. DISCUSSION

In answer to ALJ Mason's E-mail Ruling, ORA identifies the following top five priority issues the Commission should consider. As instructed in the E-mail Ruling, ORA notes that it has not changed its ranking for the top four items and added the Least-Cost, Best-Fit issue (Rank 5) after reviewing the comments of other parties.

### 1. Consider the role of Energy Only (EO) in meeting a new renewable target while minimizing additional transmission needs.

As noted in ORA's opening comments on the OIR, the Commission should address items related to the RPS Calculator in a timely manner to ensure that portfolios can be developed in time for the 2016 Long Term Procurement Plan (LTPP) and 2016-2017 California Independent System Operator (CAISO) Transmission Planning Process (TPP) studies. The CAISO, in collaboration with the Commission, is conducting a special study that assumes incremental renewable generation comes from energy only resources. The results of this study will be included in version 6.1 of the RPS Calculator, which is a model developed to provide feasible portfolios of renewable resources to the Commission's LTPP and the CAISO's TPP.

### 2. Address the Procurement Expenditure Limitation (PEL).

ORA reiterates its recommendation that the Commission address the PEL because it will protect ratepayers from unreasonable costs and will promote cost effective RPS procurement. Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E)<sup>1</sup> agree that the PEL is a key component to renewable procurement and should be prioritized. As ORA explained in opening comments, Senate Bill (SB) 2 (1X) required the Commission to design and implement rules to limit expenditures for RPS procurement.

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<sup>1</sup> PG&E Opening Comments at 7, SCE Opening Comments at 3, SDG&E Opening Comments at 3.

**3. The approach to achieving a higher renewable energy target should be determined in the context of the contributions that it and other programs (e.g. energy efficiency and zero-emissions vehicles) can make towards reaching the state’s GHG reduction goals.**

ORA agrees with several parties<sup>2</sup> that implementation of the RPS program in isolation from other policies such as the State’s climate goals is no longer sustainable. As ORA explained in opening comments, renewable energy can play an important role in meeting the state’s objective to reduce GHG emissions to 80% below 1990 levels by 2050, and other programs such as energy efficiency and zero-emissions vehicles can also make substantial contributions. Therefore, ORA reiterates its recommendation that the Commission coordinate with the CARB and the CEC to develop a 2050 GHG framework where program performance and costs are optimized.

**4. Consider how to achieve the additional grid flexibility that will be needed to integrate higher percentages of renewables.**

As ORA explained in its comments,<sup>3</sup> higher penetrations of renewables will require additional grid flexibility. Therefore, ORA reiterates that to achieve a higher renewable energy target, the Commission should consider the costs and abilities of other zero-emissions programs (such as energy storage, demand response and zero-emissions vehicles) to provide that additional flexibility. The Commission should coordinate the development of these programs with any increase in renewable energy targets to provide additional grid reliability in a cost-effective and clean manner.

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<sup>2</sup> PG&E Opening Comments at 3, SDG&E Opening Comments at 3-4, Utility Consumers Acton Network Opening Comments (UCAN) at 3, Large-scale Solar Association (LSA) Opening Comments at 5, Center for Energy Efficiency and Renewable Technologies Opening Comments (CEERT) at 4, Joint Conservation Parties (JCP) Opening Comments at 2, Sierra Club Opening Comments at 3-4, Sacramento Municipal Utility District Reply Comments at 3, and PG&E Reply Comments at 2-3.

<sup>3</sup> ORA Opening Comments at 4-5.

**5. Consider updating the Least-Cost Best-Fit methodology (LCBF)**

ORA agrees with several parties<sup>4</sup> that the Commission should update the LCBF methodology to add new criteria included in this proceeding. The Commission adopted LCBF criteria for the rank ordering and selection of least-cost, best-fit renewable generation resources in Decision (D.)04-07-027 which the Utilities use to rank offers received. ORA recommends the Commission update the LCBF methodology to include new criteria (benefits and costs) addressed in this proceeding that may have an effect on the total cost of the project.

**III. CONCLUSION**

ORA respectfully requests the Commission consider ORA's top five priority issues discussed above.

Respectfully submitted,

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<sup>4</sup> CEERT Opening Comments at 9, Sierra Club Opening Comments at 4, CESA Opening Comments at 2, Calpine Opening Comments at 2, JCP Opening Comments at 2, Clean Coalition Opening Comments at 7, SDG&E Opening Comments at 5, and Imperial Irrigation District Reply Comments at 2.