



FILED
4-27-15
04:59 PM

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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

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

**COMMENTS OF
THE OFFICE OF RATEPAYER ADVOCATES ON THE ADMINISTRATIVE
LAW JUDGE'S RULING SEEKING POST-WORKSHOP COMMENTS**

**CHARI WORSTER
NEHA BAZAJ**

Analysts for the Office of Ratepayer Advocates

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Tel. (415) 703-1585
Email: chari.worster@cpuc.ca.gov

LISA-MARIE SALVACION

Attorney for the Office of Ratepayer Advocates

California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Tel. (415) 703-2069
Email: lisa-marie.salvacion@cpuc.ca.gov

April 27, 2015

I. INTRODUCTION

The Office of Ratepayer Advocates (ORA) respectfully submits these comments pursuant to the April 13, 2015 *Administrative Law Judge's Ruling Seeking Post-Workshop Comments* (ALJ Ruling).

II. BACKGROUND

On October 10, 2014, Administrative Law Judge (ALJ) DeAngelis issued a Ruling seeking comments on Energy Division's (ED's) Staff Proposal to revise components of the Renewables Portfolio Standard (RPS) Calculator. Parties filed opening and reply comments on December 3, 2014 and December 22, 2014, respectively. On February 10-11, 2015, ED Staff held a public workshop to discuss proposed revisions to the RPS Calculator based on parties' comments and reply comments to the October 10, 2014 ALJ Ruling. ED Staff made changes to the RPS Calculator Work Plan based on comments and input received during the February 2015 workshop. The April 13, 2015 ALJ Ruling sets forth nine 'use-specific' questions and five "general questions" for parties' comments.

III. DISCUSSION

"Use-Specific" questions

1. What aspects of the RPS Calculator appear to work well for the intended use?

ORA has no comment at this time, but reserves the right to respond to parties' comments in its reply.

2. Are there any aspects of the RPS Calculator that make it unacceptable for the intended use? If so, what changes do you propose to correct the problem you identify?

ORA recommends that the transmission inputs to the RPS Calculator should reflect the entire portfolio of existing transmission within the California Independent System Operator (CAISO). Currently, the RPS Calculator does not take into account transmission lines which have not been the subject of recent interconnection studies.¹ In

¹ Comments shared during the February 10-11, 2015 RPS Calculator Workshop.

order for the RPS Calculator to properly select a portfolio of resources according to least-cost best-fit (LCBF), it is important for the RPS Calculator to fully reflect the potential for generic renewable projects (projects that could be developed based on known resource potential) to utilize existing transmission capacity. Without this information, the RPS Calculator may select generic projects that would require new transmission, potentially leading the CAISO to plan and approve additional and unnecessary transmission projects, resulting in unnecessary costs to ratepayers. This recommendation applies to all uses of the RPS Calculator.

3. What are additional improvements that would make the RPS Calculator even better for the intended use?

See ORA's response to Question (Q) #7 below.

4. Given the potential for much larger net short in the case that RPS or other policies target an increase of RPS eligible energy to 40%-50% of retail sales, should the RPS Calculator be used to generate multiple reasonable plausible patterns of development, if not, why not?

ORA recommends that the RPS Calculator should generate multiple portfolios to represent multiple reasonable plausible patterns of renewable development. With reductions in solar photovoltaic (PV) costs, advances in smart grid technology, new challenges to grid stability, and other myriad changes to the energy landscape, it is possible that development patterns may emerge in the coming years that are not accurately reflected by the LCBF criteria currently in the RPS Calculator.

Different patterns of renewable development could result in different need authorizations in the Long Term Procurement Plan (LTPP). The CAISO's analysis of these multiple scenarios would result in determinations of transmission projects of least regret. This recommendation applies to the RPS Calculator's use in the 2016 LTPP, 2016-2017 Transmission Planning Process (TPP), 2017-2018 TPP and future LTPP and TPP analyses.

5. If multiple scenarios should be generated, which scenarios, or types of scenarios, should be represented among the portfolio(s) available for the intended use?

In addition to the portfolio based on the RPS Calculator's LCBF criteria, the RPS Calculator could produce portfolios that reflect:

- *A continuation of current trends in renewables contracting (trajectory scenario).* This would provide a baseline against which to compare how other evaluation criteria alter the generation portfolio.
- *High levels of distributed generation (DG).* The Commission has implemented a number of DG procurement programs, including the Renewable Auction Mechanism (1,374 MW), the Renewable Market Adjusting Tariff (750 MW) and is implementing the Bioenergy Market Adjusting Tariff (250 MW). Additionally, Governor Brown has called for 12,000 MW of distributed generation by 2020.² It is possible that DG will play a larger role in meeting future RPS procurement goals.
- *Least cost resources (based solely on contract prices for existing contracts and the Levelized Cost of Energy (LCOE) for generic projects).* This would provide a baseline against which to compare the generation costs of other portfolios.

This recommendation applies to the RPS Calculator's use in the 2016 LTPP, 2016-2017 TPP, 2017-2018 TPP and future LTPP and TPP analyses.

6. What criteria, if any, should be applied to determine if RPS portfolios need to be manually adjusted to reflect commercial viability or environmental plausibility? How should these criteria be developed? (For example, through a stakeholder process; staff analysis; formal comments; etc.)

ORA has no comment at this time, but reserves the right to respond to parties' comments in its reply.

² Governor Brown's November 2010 Clean Energy Jobs Plan.

7. Should environmental or land-use type “screens” be applied to remove from consideration those areas where development of significant RPS-eligible generation is undesirable or unlikely due to environmental and/or land-use concerns? If not, why not?

ORA recommends environmental or land-use type “screens” be applied to remove from consideration those areas where development of significant RPS-eligible generation is undesirable. One of the principal uses of the RPS Calculator is to inform the CAISO’s TPP. In the TPP, the CAISO identifies transmission lines that are likely to be needed for achieving compliance with the RPS. A generation portfolio that accurately considers all barriers to siting and constructing renewable generation projects is necessary to be able to perform a true analysis of potential transmission needs.

The CAISO will use the same planning assumptions as the Commission does in the LTPP.³ Therefore, this recommendation applies to the RPS Calculator’s use in the 2016 LTPP, 2016-2017 TPP, 2017-2018 TPP and future LTPP and TPP analyses.

8. If environmental or land-use type “screens should be applied, what source should be used to develop and vet the screens? Please provide citations to any publicly available information used in your answer. If information is used that is not publicly available, please identify the type of non-public information and its significance for your answer.

ORA has no comment at this time, but reserves the right to respond to parties’ comments in its reply.

³ ALJ Ruling at 2-3.

- 9. If additional information should be considered for the RPS Calculator, what information should be used? How would that information improve the RPS Calculator? Please provide citations to any publicly available information used in your answer. If information is used that is not publicly available, please identify the type of non-public information and its significance for your answer.**

ORA has no comment at this time, but reserves the right to respond to parties' comments in its reply.

General Questions

- 10. What changes, if any, are required in the process through which RPS portfolios are developed and selected for the purpose of transmittal to CAISO? If no changes are required, why not?**

ORA has no comment at this time, but reserves the right to respond to parties' comments in its reply.

- 11. If you propose changes, please explain the reason the changes are needed and the value of making the changes. In your explanation, consider at least:**

- **the timing of portfolio development**
- **the opportunities for stakeholder involvement.**

ORA has no comment at this time, but reserves the right to respond to parties' comments in its reply.

- 12. How frequently should inputs and assumptions used in the RPS Calculator be updated? Why?**

ORA has no comment at this time, but reserves the right to respond to parties' comments in its reply.

13. Should the planning activities and analytic development associated with the RPS Calculator be used more directly to inform RPS procurement? If these RPS Calculator-associated elements should not be used more directly, why not?

Planning activities and analytic developments associated with the RPS Calculator should be used more directly to inform RPS procurement. Currently, each investor-owned utility (IOU) contracts for renewables to meet its own RPS target. However, each IOU's renewable resources operate within the larger CAISO area. The RPS Calculator considers a CAISO-wide renewable net short and produces CAISO-wide renewable resource portfolios. In doing so, the RPS Calculator considers the interaction between different IOU's renewable resources. Thus, the RPS Calculator may produce renewable resource portfolios that more accurately reflect the contribution of each renewable resource to the CAISO's renewable needs, and more accurately identify the remaining resources needed to meet the RPS target.

14. If you think these elements should be used more directly, how should they be used? (For example, use concepts developed for the RPS Calculator in the least cost best fit (LCBF) process; use actual value from the RPS Calculator in the LCBF process, etc.) Why? What value would your proposed uses add to the current RPS procurement process?

The portfolios produced by the RPS Calculator could form a benchmark against which the Commission would evaluate each IOU's requested renewable procurement authorization or its proposed shortlist. This would allow the Commission to evaluate how each IOU's proposed procurement fits within the larger context of ensuring reliability and minimizing overgeneration events within the CAISO. The Commission could also promote better alignment between transmission and procurement planning by directing the IOUs to target procurement in those areas known to have existing transmission capacity, or those areas for which the CAISO has planned upgrades.

IV. CONCLUSION

ORA respectfully requests the Commission consider the recommendations described above.

Respectfully submitted,

/s/ LISA-MARIE SALVACION

Lisa-Marie Salvacion
Staff Counsel

Attorney for the Office of Ratepayer Advocates
California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
Tel. (415) 703-2069
Email: lisa-marie.salvacion@cpuc.ca.gov

April 27, 2015

VERIFICATION

I, Lisa-Marie Salvacion, am counsel of record for the Office of Ratepayer Advocates in proceeding R.15-02-020, and am authorized to make this verification on the organization's behalf. I have read the **COMMENTS OF THE OFFICE OF RATEPAYER ADVOCATES ON THE ADMINISTRATIVE LAW JUDGE'S RULING SEEKING POST-WORKSHOP COMMENTS** filed on April 27, 2015. I am informed and believe, and on that ground allege, that the matters stated in this document are true. I declare under penalty of perjury that the foregoing are true and correct.

Executed on April 27, 2015 at San Francisco, California.

/s/ LISA-MARIE SALVACION

LISA-MARIE SALVACION
Staff Counsel