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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)

**ASSIGNED COMMISSIONER AND ASSIGNED ADMINISTRATIVE LAW
JUDGE'S RULING IDENTIFYING ISSUES AND SCHEDULE OF REVIEW FOR
2016 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLANS**

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Attachment A - Procedural Schedule 2016 Renewables Portfolio Standard Procurement Plans

**ASSIGNED COMMISSIONER AND ASSIGNED ADMINISTRATIVE LAW
JUDGE’S RULING IDENTIFYING ISSUES AND SCHEDULE OF REVIEW FOR
2016 RENEWABLES PORTFOLIO
STANDARD PROCUREMENT PLANS**

1. Summary

Pursuant to the authority provided in Pub. Util. Code § 399.13(a)(1),¹ today’s ruling identifies issues and sets a schedule for the Commission’s review of the 2016 Renewables Portfolio Standard (RPS) Procurement Plans and of related documents for electric corporations, electric service providers (ESPs), and community choice aggregators (CCAs).

The Commission has adopted a framework for consideration of RPS Procurement Plans for electric corporations in prior decisions. The most recent decision is D.15-12-025.² Consistent with the general process referred to in D.15-12-025, other prior Commission decisions, and the requirements in SB 350,³ this ruling requires the filing of proposed RPS Procurement Plans for 2016 and sets forth the information required therein. After the Commission considers these proposed procurement plans, the Commission will issue a decision on these plans, consistent with the direction set forth in § 399.13(c).⁴

¹ Pub. Util. Code § 399.13(a)(1) orders the Commission to “direct each electric corporation to annually prepare a renewable energy procurement plan...to satisfy its obligations under the renewables portfolio standard.” As well as “require other retail sellers to prepare and submit renewable energy procurement plans...” All subsequent code section references are to the Public Utilities Code unless otherwise indicated.

² *Decision Accepting 2015 Renewables Portfolio Standard Procurement Plans* (December 17, 2015). In D.15-12-025, the Commission adopted RPS Procurement Plans for the year 2015.

³ SB 350 (De Leon, Stats. 2015, ch.547).

⁴ § 399.13(c) states that “the commission shall review and accept, modify, or reject each electrical corporation’s renewable energy resource procurement plan prior to the commencement of renewable energy procurement pursuant to this article by an electrical

Footnote continued on next page

Additional background on the RPS procurement process, such as the solicitation timeline, is set forth below together with the issues to be considered and the procedural schedule at Attachment A.

For the period covered by the 2015 RPS Procurement Plans, only SCE conducted an annual RPS solicitation. All three large IOUs continued to procure through their feed-in tariff (renewable market adjusting tariff (ReMAT)) program and renewable auction mechanism (RAM) programs. The most recent RAM auction was the last and final authorized RAM auction.⁵ A total of 1,405 MW was authorized to be procured through six RAM auctions, which resulted in a total of 1,209.8 MW of approved contracts.⁶ Given the overall success of the program and the authorization provided in D.14-11-042 for the use of RAM as a procurement tool or process, we anticipate RAM to be continued to be used as a procurement option. Additionally, if the need arises, the Commission could authorize additional auctions, for instance if there is additional RAM contract termination.

2. General Requirements for 2016 RPS Procurement Plans

The Order Instituting Rulemaking (OIR) initiating this proceeding was adopted by the Commission on February 26, 2015. An initial prehearing conference was held on April 16, 2015.

corporation. The commission shall assess adherence to the approved renewable energy resource procurement plans in determining compliance with the obligations of this article.”

⁵ Pursuant to D.14-11-042, PG&E is still required to conduct two more RAM auctions for solar PV resources.

⁶ The differential in authorized versus the amount procured was due to SDG&E procuring approximately 40 percent of its target.

In D.12-11-016, the Commission refined the RPS procurement process as part of its implementation of SB 2 (1X) (Simitian, Stats. 2011, ch.1). The Commission has now implemented SB 2 (1X)⁷ in several Commission decisions, including D.11-12-020,⁸ D.11-12-052,⁹ D.12-05-035,¹⁰ D.12-06-038,¹¹ D.13-05-034,¹² and D.14-12-023.¹³ These Commission decisions contain directives that require modifications to the RPS procurement process. Compliance with those directives when developing all future RPS procurement plans is required. The details of these decisions are not repeated here.

More recently, SB 350 modified the RPS program, including changes to RPS procurement rules (*e.g.*, increase in the RPS procurement requirement, additional compliance periods, and modification of RPS procurement rules). While the Commission is in the early stages of implementation,¹⁴ some of the RPS aspects of SB 350 could apply to procurement covered by the 2016 RPS

⁷ SB 2 (1X) (Simitian, Stats. 2011, ch.1).

⁸ *Decision Setting Procurement Quantity Requirements for Retail Sellers for the Renewables Portfolio Standard Program*, December 1, 2011.

⁹ *Decision Implementing Portfolio Content Categories for the Renewables Portfolio Standard Program*, December 15, 2011.

¹⁰ *Decision Revising Feed-In Tariff Program, Implementing Amendments to § 399.20 Enacted by SB 380, SB 32, and SB 2 (1X), and Denying Petition for Modification of D.07-07-027*, May 24, 2012. D.13-01-041 denied rehearing of D.12-05-035 as modified, *Order Modifying Decision (D.) 12-05-025, and Denying Rehearing of Decision, as Modified*, January 24, 2013.

¹¹ *Decision Setting Compliance Rules for the Renewable Portfolio Standard Program*, June 21, 2012.

¹² *Decision Adopting Joint Standard Contract for Section 399.20 Feed-In Tariff Program and Granting, in Part, Petitions for Modification of Decision 12-05-035*, May 23, 2013.

¹³ *Decision Setting Enforcement Rules for the Renewables Portfolio Standard Program, Implementing Assembly Bill 2187, and Denying Petitions for Modification of Decision 12-06-038*, December 4, 2014.

¹⁴ *Administrative Law Judge's Ruling Requesting Comment on Implementation of Elements of Senate Bill 350 Relating to Procurement under the California Renewables Portfolio Standard*, April 14, 2016.

Procurement Plans. Thus, the 2016 RPS Procurement Plans should reasonably reflect the recent statutory changes. For example, if the retail seller intends to procure more short-term contracts and comply with Pub. Util. Code § 399.13(b) beginning January 1, 2017, then its 2016 RPS Procurement Plan should clearly reflect that intended procurement and intended compliance.

Consistent with the Commission's decisions and applicable legislative changes, compliance with all of the requirements set forth below is required by Pacific Gas and Electric Company (PG&E), Southern California Electric Company (SCE), San Diego Gas & Electric Company (SDG&E) (collectively investor-owned utilities or IOUs). Small and multi-jurisdictional utilities are subject to a subset of the requirements set forth below. ESPs and CCAs are also subject to a subset of these requirements, as described below.

Attachment A is the procedural schedule for the Commission's review of the 2016 RPS Procurement Plans. Updates to the filed 2016 RPS Procurement Plans may be provided consistent with the schedule at Attachment A.

3. Utilities Subject to Pub. Util. Code § 399.17

RPS procurement requirements for multi-jurisdictional utilities and their successors¹⁵ allow these utilities to meet their RPS procurement obligations without regard to the portfolio content category limitations in Pub. Util. Code § 399.16.¹⁶ Multi-jurisdictional utilities, *i.e.*, PacifiCorp, also have the ability to use an Integrated Resource Plan (IRP) prepared for regulatory agencies in other

¹⁵ PacifiCorp is a multi-jurisdictional utility for RPS purposes. Liberty Utilities LLC is a successor entity under § 399.17 and not a multi-jurisdictional utility because it has customers only in California.

¹⁶ § 399.17(b).

states to satisfy the annual RPS Procurement Plan requirement so long as the IRP complies with the requirements specified in Pub. Util. Code § 399.17(d).

PacifiCorp prepares its IRP on a biennial schedule, filing its plan in odd numbered years. It files a supplement to this plan in even numbered years.

As required by D.08-05-029, PacifiCorp must file and serve its IRP in Rulemaking (R.) 06-05-027 or its successor proceeding at the same time it files with the jurisdictions requiring the IRP, and an IRP Supplement within 30 days of filing its IRP. PacifiCorp filed its 2015 IRP on March 31, 2015, and its “on year” supplement to its 2015 IRP on April 30, 2015. Pursuant to D.11-04-030, PacifiCorp will file a comprehensive supplement this year since it did not file its IRP this year.¹⁷

Liberty Utilities LLC, on the other hand, does not prepare an IRP since it is not subject to the jurisdiction of another state. It should, therefore, prepare an RPS Procurement Plan subject to the same requirements as a small utility under § 399.18.

4. Utilities Subject to § 399.18

Section 399.18(b)¹⁸ allows a small utility to meet the RPS procurement obligations without regard to the portfolio content category limitations in § 399.16.

¹⁷ In years that PacifiCorp does not file an IRP, a supplement is filed by July 15. This supplement is to include an analysis of how the IRP and supplement comply with the requirements in § 399.17(d).

¹⁸ § 399.18(a)(1) describes Bear Valley Electric Service; § 399.18(a)(2) describes the former Mountain Utilities. Mountain Utilities was purchased by Kirkwood Public Utility per D.11-06-032. Mountain Utilities is no longer considered a retail seller subject to the Commission's RPS jurisdiction.

A small utility must file a procurement plan pursuant to § 399.13(a)(5), but it should be tailored to the limited customer base and the limited resources of a small utility.

Accordingly, Bear Valley Electric Service (BVES), as well as Liberty Utilities LLC, should prepare an RPS Procurement Plan providing the information required in Sections 6.1-6.8 and 6.12-6.14 of this ruling.

5. Electric Service Providers and Community Choice Aggregators

SB 350 revised the Commission's requirements regarding what entities it shall direct to file RPS Procurement plans. ESPs and CCAs must now file RPS Procurement Plans consistent with the requirements of § 399.13(a)(5). Therefore, each ESP and CCA must file a proposed RPS Procurement Plan that complies with the requirements of sections 6.1-6.5, 6.7, 6.8, and 6.12-6.14 below.

6. Specific Requirements for 2016 RPS Procurement Plans

As discussed in this section, the 2016 Procurement Plans must include all information required by statute as well as quantitative analysis supporting the retail seller's assessment of its portfolio and future procurement decisions.

Responses to all sections, except Sections 6.5 and 6.11, shall be provided qualitatively in writing. Responses to Section 6.5 shall be provided in a numerical/quantitative format to support the written responses to Sections 6.1-6.4, and 6.6. The information in the Procurement Plans should be non-confidential, to the greatest extent possible, and all sources of information must be identified with citations, if any. All assumptions underlying these responses must be clearly stated.

When filed with the Commission, all of the proposed 2016 RPS Procurement Plans must achieve the following:

1. Describe the overall plan for procuring RPS resources for the purposes of satisfying the RPS program requirements while minimizing cost and maximizing value to ratepayers. This includes, but is not limited to, any plans for building utility-owned resources, investing in renewable resources, and engaging in the sales of RPS eligible resources.
2. The various aspects of the plans themselves must be consistent. For instance, the bid solicitation protocol should be consistent with any statements and calculations regarding a utility's renewable net short position.¹⁹
3. The plans should be complete in describing and addressing procurement (and sales) of RPS eligible resources such that the Commission may accept or reject proposed contracts based on consistency with the approved plan, including any calculation of RPS procurement net short position.²⁰
4. IOUs should work collaboratively to make the format of the plans as uniform as possible to enable parties, bidders, and the Commission to easily access, review and compare the plans.
5. All plan elements should comply with the requirements set out in Section 2.

6.1. Assessment of RPS Portfolio Supplies and Demand - § 399.13(a)(5)(A)

Provide a written description assessing annual and multi-year portfolio supplies and demand in relation to RPS requirements, the RPS program, and the RPS program's overall goals to determine the retail seller's optimal mix of eligible renewable energy resources.

¹⁹ As of the date of this ruling, the methodology can be found at the May 21, 2014 ruling, *Administrative Law Judge's Ruling on Renewable Net Short*.

²⁰ Section 399.13(d)

The assessment should consider, at a minimum, a 20-year time frame with a detailed 10-year planning horizon that takes into account both portfolio supplies and demand. This written description must include the retail seller's need for RPS resources with specific deliverability characteristics, such as, peaking, dispatchable, baseload, firm, and as-available capacity as well as any additional factors, such as ability and/or willingness to be curtailed, operational flexibility, etc. It must also explain how the quantitative analysis provided in response to section 6.5 supports the assessment.

This written description must also explain how the proposed renewable energy portfolio will align with expected load curves and durations, as well as how it optimizes cost, value, and risk for the ratepayer. Where applicable, the assessment should also identify and incorporate impacts of overall energy portfolio and system requirements (not just RPS portfolio requirements), recent legislation, other Commission proceedings, other agencies' requirements, and other policies or issues that would impact RPS demand and procurement.

The written description should also explicitly and specifically address, both qualitatively and quantitatively, to the extent possible, how the buyer intends to increase the diversity in its portfolio overall, to address issues of grid integration, potential for overgeneration, and ratepayer value.

Additionally, the assessment should describe and incorporate RPS lessons learned over the past year, including RPS trends and potential future trends. Lastly, it should describe how procurement (or sales) planned for the period covered by the 2016 RPS plans is consistent with the assessment of supplies and demand.

**6.2. Project Development Status Update -
§ 399.13(a)(5)(D)**

Provide a written status update on the development schedule of all eligible renewable energy resources currently under contract or retail seller-owned but not yet delivering generation. This written status update should differentiate status updates based on whether projects are pre-construction, in construction, or post-construction. The status updates provided in the written description must be reflected in the quantitative analysis provided in response to Section 6.5, below. Given this analysis, discuss how the status updates will impact the retail seller's net short and its procurement decisions for the next two years and on a ten-year planning horizon.

**6.3. Potential Compliance Delays -
§ 399.13(a)(5)(B)**

Describe in writing any potential issues that could delay RPS compliance, including, but not limited to, inadequate transmission capacity, permitting delays, insufficient eligible renewable energy resources supply, unanticipated curtailment, unanticipated increase in retail sales, and the relationship, if any, to project development delays, reduced generation, and compliance delays. Describe the steps taken to account for and minimize these potential compliance delays. The potential compliance delays included in the written description must be reflected in the quantitative analysis provided in response to Section 6.5. Given this analysis, discuss how the potential compliance delays will impact the retail seller's RPS net short and its procurement decisions.

6.4. Risk Assessment - § 399.13(a)(5)(F)

Provide a written assessment of the risk in the RPS portfolio in relation to RPS compliance requirements. Risk assessment should describe risk factors such as those described above regarding compliance delays, as well as, but not limited

to, the following: lower than expected generation, variable generation, resource availability (e.g., biofuel supply, water, etc.), and impacts to eligible renewable energy resource projects currently under contract. The risk assessment provided in the written description must be reflected in the quantitative analysis provided in response to Section 6.5. Given this analysis, discuss how the risk assessment will impact the retail seller's net short and its procurement decisions.

6.5. Quantitative Information - §§ 399.13(a)(5)(A), (B), (D) and (F)

In addition to the written descriptive responses to Sections 6.1 through 6.4, provide quantitative data, methodologies, and calculations relied upon to assess the retail seller's RPS portfolio needs and RPS procurement net short. This quantitative analysis must take into account, where appropriate, the quantitative discussion requirement by Sections 6.1-6.4, above. Any RPS-eligible procurement that has or will occur outside of the RPS program should also be included.²¹ As stated above, the portfolio assessment should be for a minimum of 20 years in the future. The responses must be clear regarding the quantitative progress made towards RPS requirements and the specific risks to the electrical corporation's RPS Procurement Portfolio. Risks may include, but are not limited to, project development, regulatory, and market risks. The quantitative response must be provided in an Excel spreadsheet based on the most recently directed renewable net short methodology.²²

²¹ For example, RPS-eligible procurement to replace generation from the retired San Onofre Nuclear Generation Station that will be applied towards RPS requirements should be included.

²² As of the date of this ruling, the methodology directed in the Administrative Law Judge's May 21, 2014 ruling, *Administrative Law Judge's Ruling on Renewable Net Short* is the most recent renewable net short methodology.

**6.6. “Minimum Margin” of Procurement -
§ 399.13(a)(4)(D)**

Section 399.13(a)(4)(D) provides, in part, that the Commission shall adopt, by rulemaking, “[a]n appropriate minimum margin of procurement above the minimum procurement level necessary to comply with the renewables portfolio standard to mitigate the risk that renewable projects planned or under contract are delayed or canceled.”

This ruling directs PG&E, SCE, and SDG&E to identify in their proposed 2016 RPS Procurement Plans the assumed minimum margin of procurement above the minimum procurement level necessary to comply with the RPS program to mitigate the risk that renewable projects under contract are delayed or terminated.

Each proposed 2016 RPS Procurement Plan shall include a methodology and inputs regarding the utility’s proposed minimum margin of over-procurement metric. The methodology should be representative of and consistent with the utility’s inputs and assumptions in Section 6.5. Also, the metric should be used to calculate the utility’s procurement needs pursuant to Section 6.5. Additionally, use of any sensitivities or scenarios should be described. If the utility’s assumed minimum margin of over-procurement is not used to calculate a utility’s net short provided in response to Section 6.5, then the utility should clearly describe the reasons and any assumptions or other additional methodologies used to calculate the utility’s proposed over-procurement. Reasons and assumptions should be supported with quantitative information to the extent possible.

6.7. Bid Solicitation Protocol, Including Least-Cost Best-Fit Methodologies - § 399.13(a)(5)(C) and D.04-07-029

Pursuant to § 399.13(a)(5)(C), 2016 RPS Procurement Plans must include a bid solicitation protocol setting forth the need for eligible renewable energy resources. If selling eligible renewable energy is part of a 2016 RPS Procurement Plan, then a solicitation protocol setting forth the available eligible renewable energy should also be included. Solicitations shall be consistent with portfolio assessment provided in Sections 6.1 through 6.5 and the retail seller's renewable net short position. Additionally, solicitations should be specific regarding what quantity of products are being requested (or offered) and the required deliverability characteristics, online dates, term lengths, and locational preferences.

The bid solicitation protocols should include, an overview of the solicitation process, a solicitation schedule, pro forma agreement(s), and a detailed description of the utility's least-cost best-fit (LCBF) methodology. If the renewable auction mechanism (RAM) procurement process is planned to be used, then a pro forma agreement for that process should be included. Additionally, if any sales, or other types of procurement is planned and needs a specific pro forma agreement (e.g. short-term procurement), then it should also be included. The LCBF methodology should be consistent with D.04-07-029, D.11-04-030, D.12-11-016, and D.14-11-042. Also, it should clearly describe criteria (e.g., energy value, congestion cost, locational preference, term length, ability to be curtailed, operational flexibility, etc.) and how bids will be valued and evaluated based on the LCBF methodology. Any qualitative measures that will be used in LCBF methodology should also be described, both in terms of the criteria and how they will be used in the methodology.

As noted in the Amended Scoping Memo and Ruling of the Assigned Commissioner (February 5, 2016), the Commission will be revising and updating LCBF. The issues that will be addressed in examining LCBF include, but are not limited to: capacity value, energy-only, and time-of-delivery factors. As such, parties will have an opportunity in the near future to provide detailed comments regarding LCBF issues in response to a ruling and staff paper. Thus, parties are encouraged to comment on the particulars of the IOUs' currently proposed LCBF methodologies in their comments on this ruling, and to provide more in-depth comments on LCBF issues in response to subsequent rulings focused on LCBF reform.

**6.7.1. Workforce Development
– § 393.13(a)(4)(A)(iv)**

SB 2 (1X) added the requirement that the criteria for ranking and selecting of least-cost, best-fit renewable energy resources shall include “the employment growth associated with the construction and operation of eligible renewable energy resources.”²³ Accordingly, the 2016 RPS Procurement Plans shall include a description of a proposed approach for assessing and differentiating the ability of different bids to contribute to employment growth. Pursuant to statute, the approach should address both the construction and operational phases of the project.

²³ 399.13(a)(4)(iv): Workforce recruitment, training, and retention efforts, including the employment growth associated with the construction and operation of eligible renewable energy resources and goals for recruitment and training of women, minorities, and disabled veterans.

**6.7.2. Disadvantaged Communities
– § 393.13(a)(7)**

SB 2 (1X) additionally added the requirement that preference shall be given “to renewable energy projects that provide environmental and economic benefits to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases.”²⁴ Consequently, the 2016 RPS Procurement Plans shall include a description of their methodology for preferring projects that provide the benefits described in 399.13(a)(7). The description should clearly articulate how a project’s benefits to communities are determined or obtained and how that information influences offer selection.

**6.8. Consideration of Price Adjustment
Mechanisms - § 399.13(a)(5)(E)**

Pursuant to § 399.13(a)(5)(E), describe how price adjustments (e.g., index to key components, index to Consumer Price Index, price adjustments based on exceeding transmission or other cost caps, etc.) will be considered and potentially incorporated into contracts for RPS-eligible projects with online dates occurring more than 24 months after the contract execution date. Discuss how the price adjustments will maximize value for ratepayers and minimize potential risks to ratepayers.

²⁴ 399.13(a)(7): In soliciting and procuring eligible renewable energy resources for California-based projects, each electrical corporation shall give preference to renewable energy projects that provide environmental and economic benefits to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases.

6.9. Curtailment frequency, costs, and forecasting

In D.14-11-042, the Commission approved curtailment terms and conditions in PG&E's, SCE's, and SDG&E's pro forma contracts; required multiple bid variants related to economic curtailment; and directed reporting on curtailment frequency, forecasting, and costs. In addition, D.14-11-042 stated that the utilities should continue to report on observations and issues related to economic curtailment as well as any actions and analysis.

6.10. California Tree Mortality Emergency Proclamation

Severe drought conditions and an epidemic infestation of bark beetles have caused tree mortality in several regions of California. On October 30, 2015, Governor Brown issued an Emergency Proclamation (Proclamation) to protect public safety and property from falling dead trees and wildfire. The Proclamation included ordering paragraphs that directed the Commission to take various measures to expedite contracts with bioenergy facilities that receive feedstock from high hazard zones. On March 17, 2016, the Commission issued Resolution E-4770 ordering the IOUs to hold a solicitation using the Renewable Auction Mechanism procurement process for facilities that can use biofuel from the high hazard zones, as designated pursuant to the Proclamation. The Resolution also stated that as information on the availability and timing of high hazard fuel becomes clearer over time, and as the results of this RAM solicitation are known, the Commission may consider authorizing additional procurement.

For the Commission to make more informed decisions regarding additional procurement, the IOUs should provide the following information regarding biomass contracts:

- Provide a table listing existing RPS-eligible biomass contracts. The table should include the contracts' expiration date, contract capacity, facility name, location, and contract price.
- Describe the benefits that biomass contracts provide to your renewable portfolio.
- When considering authorization of additional Proclamation-related procurement, what alternatives (e.g. contract extensions) to additional RAM auctions should be considered? Describe the advantages and disadvantages for each alternative in relation to addressing the Proclamation.

6.11. Expiring Contracts

PG&E, SCE, and SDG&E are directed to include in their 2016 RPS Procurement Plans information on contracts expected to expire in the next ten years. This information should be provided in a list form, such as an Excel document or similar format that includes, at a minimum, the following data: name of the facility, MW, expected annual generation (GWh), contract expiration year, technology, contract type, and location. Assumptions related to expiring contracts and effects on RPS portfolios and planned procurement should also be noted, where relevant, in response to several of the above sections (e.g., Sections 6.1 and 6.5).

6.8. Cost Quantification

Pursuant to SB 836 (Padilla, Stat. 2011, ch. 600, § 1)²⁵ and SB 2 (1X), the Commission provided reports to the California Legislature on May 1, 2016. The Commission's May 2016 Padilla Report included cost data on all procurement

²⁵ Adding § 911 to the Pub. Util. Code.

contracts for eligible renewable energy resources approved by the Commission.²⁶ The information in the report was provided to the Commission by PG&E, SCE, and SDG&E and is grouped into the following broad categories: the utility, the type of technology, and the year (for each year from 2003 through 2013). The Commission's Section 913.3 Report provided data on PG&E's, SCE's, and SDG&E's 2015 direct and indirect costs associated with the RPS program and distributed generation programs, as well as other information related to the three large utilities' procurement and administrative activities.²⁷

To support the Commission's reporting to the Legislature pursuant to §§ 913.3 and 913.4, PG&E, SCE, SDG&E, Bear Valley, Liberty Utilities LLC, and PacifiCorp are required to include the information described in Table 1, below, in their proposed 2016 RPS Procurement Plans.

The electrical corporations shall coordinate to provide responses using a standardized methodology and format. Responses should be non-confidential to the greatest extent possible.

²⁶ *The Padilla Report to the Legislature, The Costs of Renewables in Compliance with Senate Bill 836 (Padilla, 2011)*. This report can be found at <http://www.cpuc.ca.gov/PUC/energy/Renewables/index.htm>.

²⁷ Commission's Report to the Legislature in Compliance with Pub. Util. Code § 913.3. This report can be found <http://www.cpuc.ca.gov/PUC/energy/Renewables/index.htm>.

Table 1
RPS Procurement Information Related to Cost Quantification

Row	Item	Description
1.	Actual Direct Expenditures - per year	Total dollars expended on all RECs ²⁸ for every year from 2003 to present year. Direct Expenditures shall be reported by resource and technology type and reported for each year.
2.	Actual REC Procurement (MWh) - per year	Total REC procurement for every year from 2003 to present year. Amounts shall be reported by resource and technology type and reported for each year.
3.	Forecast Direct Expenditures - per year	Total forecasted dollar expenditures for all RPS-eligible procurement approved to date. ²⁹ Forecasts Direct Expenditures shall be reported by resource and technology type and reported for each year from 2016-2030.
4.	Forecast REC Procurement (MWh) - per year	Total forecasted REC procurement approved to date. Forecasts shall be reported by resource and technology type and reported for each year.
5.	Incremental Rate Impact - per year	Total actual and forecasted annual rate impacts from RPS procurement from 2003-2030.

6.12. Important Changes to Plans Noted

A statement identifying and summarizing the important changes between the 2015 and 2016 RPS Procurement Plans must be included. This summary should not be a reprint of the two plans with strike-out and underlined inserts. In addition to identifying and summarizing the important changes, the plan

²⁸ For all information provided in response to Table 1, REC-only contracts should be listed separately.

²⁹ “to date” means the date this ruling is issued.

should also include an explanation and justification of the reasonableness for each important change from 2015 to 2016.

6.13. Redlined Copy of Plans Required

A version of the 2016 RPS Procurement Plan that is “redlined” to identify the changes from the 2015 plan must be included with the 2016 RPS Procurement Plans. The IOUs must provide a redlined copy for the Commission’s Energy Division Staff, the ALJ, and any party who requests a copy. (This is separate from the Important Changes item above.)

6.14. Safety Considerations

As stated in D.11-11-042, all entities filing RPS Procurement Plans must incorporate a section on safety considerations.

7. Issue for Comment – Project Viability – § 399.13(a)(4)(A)(iii)

SB 2 (1X) modified the criteria that the process for ranking and selecting least-cost, best-fit renewable energy resources should include. Specifically, it added a criterion to address project viability and included the following three sub-criteria:

1. developer’s experience;
2. feasibility of the technology used to generate electricity;
and
3. risk that the facility will not be built, or that construction
will be delayed.

The Commission has addressed the issue of RPS project viability on several different occasions. In D.09-06-018, the Commission required each utility to submit a project viability methodology with its amended 2009 Procurement

Plan and solicitation protocols.³⁰ In the same decision, the Commission directed the use of the Energy Division's project viability calculator (referred to as PVC) as part of a standardized project viability evaluation methodology within the RPS procurement process.³¹ Specifically, the PVC uses standardized categories and criteria to quantify a project's strengths and weaknesses in key areas of renewable project development. The PVC is a tool for standardized comparison of the relative viability of projects bid into RPS solicitations rather than a forecasting tool to predict whether a project will ultimately be successfully developed. In D.11-04-040 and D.12-11-016, the Commission declined to make changes that were proposed by parties to the PVC. The most recent version of the Energy Division's PVC was released by staff on June 2, 2011 (PVC 2.0).

Additionally, in D.13-11-024 the Commission adopted a requirement that projects bidding into an RPS solicitation must have completed a Phase II transmission interconnection study.³² More recently, in D.14-11-042, the Commission adopted a requirement that projects bidding into an RPS solicitation must have achieved the "application deemed complete" (or equivalent) status under the land use entitlement process by the agency designated by the California Environmental Quality Act or National Environmental Policy Act as the lead agency.³³

³⁰ D.09-06-018, *Decision Conditionally Accepting 2009 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan Supplements* at 21.

³¹ *Decision Conditionally Accepting 2009 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan Supplements* at 21, COL 9 (June 8, 2009, R.08-08-09)

³² D.13-11-024, *Decision Conditionally Accepting 2013 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan and On-Year Supplement* at 29.

³³ D.14-11-042, *Decision Conditionally Accepting 2014 Renewables Portfolio Standard Procurement Plans and an Off-Year Supplement to 2013 Integrated Resource Plan* at 29.

Given that the two requirements adopted in D.13-11-024 and D.14-11-042 effectively function to screen out projects that are early in the development process, and thus may lack viability, the bid requirements may be sufficient to meet the statutory requirement to include project viability in the process for selecting RPS resources.

Parties should provide comments consistent with the schedule in Attachment A on whether or not the Phase II interconnection requirement and the “application deemed complete” requirement together sufficiently address the project viability requirement of Section 399.13(a)(4)(A)(iii). If these two requirements address all three elements of the project viability criteria required by statute, please specify whether the IOUs should continue to be required to include Energy Division’s PVC in their LCBF methodologies.

8. Schedule

Parties may file comments, reply comments and other pleadings in response to the RPS Procurement Plans and the Supplement. The schedule is set forth at Attachment A. After review of the record in the proceeding, the Commission will accept, modify, or reject each plan or Supplement as required by §§ 399.13(a)(1) and (c).

IT IS RULED that:

1. As required by Section 399.13(a)(5) of the Public Utilities Code, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall each file a proposed 2016 Renewables Portfolio Standard Procurement Plan that addresses the elements stated herein.

2. As required by Section 399.13(a)(5) of the Public Utilities Code and Decision 08-05-029, PacifiCorp shall file its proposed Supplement that address the elements stated herein.

3. As required by Section 399.13(a)(5) of the Public Utilities Code, Bear Valley Electric Service and Liberty Utilities LLC shall file a proposed 2016 Renewables Portfolio Standard Procurement Plans that addresses the elements stated herein.

4. As required by Section 399.13(a)(5) of the Public Utilities Code, each Electric Service Provider shall file a proposed 2016 Renewables Portfolio Standard Procurement Plans to address the elements stated herein.

5. As required by Section 399.13(a)(5) of the Public Utilities Code each Community Choice Aggregator shall file a proposed 2016 Renewables Portfolio Standard Procurement Plans to address the elements stated herein.

6. The procedural schedule for the Commission's consideration of the 2016 Renewables Portfolio Standard Procurement Plans and Supplement is set forth at Attachment A. This schedule may be adjusted as needed by the assigned Commissioner or Administrative Law Judge.

7. Comments on the issues and questions set forth herein in Section 7 may be submitted consistent with the schedule set forth at Attachment A.

Dated May 17, 2016, at San Francisco, California.

/s/ CARLA J. PETERMAN

Carla J. Peterman
Assigned Commissioner

/s/ ROBERT M. MASON III

Robert M. Mason III
Administrative Law Judge

ATTACHMENT A

Attachment A
Procedural Schedule
2016 Renewables Portfolio Standard Procurement Plans

Row #	ITEM	DATE
1	Assigned Commissioner's Ruling setting scope and schedule for annual RPS Procurement Plans	5/17/16
2	Comments filed on Issues in this Ruling (Section 7)	6/3/16
3	IOUs, Small Utilities, ESPs and CCAs file proposed annual RPS Procurement Plans	7/1
4	PacifiCorp files supplement to 2015 IRP.	7/15
5		
6	Comments filed on RPS Plans and Supplement	7/29
7	Motions requesting evidentiary hearing (note: If a motion is filed and granted, the ALJ may need to issue a revised schedule.)	8/12
8	Reply comments on RPS Plans, IRP and Ruling Issues/Questions	8/12
9	Motion to update RPS Plans [note 1 below]	9/1
10	Projected date for issuance of Proposed Decision	4th Quarter 2016
11	Projected date for Commission vote on Proposed Decision	4th Quarter 2016
12	IOUs issue Request For Offers for Solicitations or otherwise pursue approved RPS Procurement Plan	4th Quarter 2016

Note 1: Updates are not intended to alter the form and format of the Plan but may be appropriate for limited elements based on changed circumstances or recent information (e.g., new legislation, recent Commission decision, new regulation of the California Independent System Operator, harmonization of definitions within contract for specific terms).

(END OF ATTACHMENT A)