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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Southern California Edison Company (U
338-E) for Authority to Implement and Recover in Rates
the Cost of its Proposed Solar Photovoltaic (PV)
Program.

Application No. 08-03-015
(Filed March 27, 2008)

**COMMENTS OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION
ON PROPOSED DECISION GRANTING PETITION FOR
MODIFICATION AND TO TERMINATE THE SOLAR
PHOTOVOLTAIC PROGRAM**

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June 9, 2016

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Pursuant to Rule 14.3 of the Rules and Practice and Procedure of the California Public Utilities Commission (Commission), the Solar Energy Industries Association (SEIA)¹ comments on the Proposed Decision Granting Petition for Modification and to Terminate the Solar Photovoltaic Program issued in the above captioned proceeding on May, 20, 2016 (Proposed Decision).

I. INTRODUCTION

In granting Southern California Edison Company's (SCE) request to terminate its Solar Photovoltaic Program (SPVP), the Proposed Decision errs in its failure to consider one of the program's primary objectives -- locating projects near load. The importance of this objective has become more pronounced with the current moratorium on the operation of Southern California Gas Company's Aliso Canyon storage facility. If minimal to no gas can be withdrawn from Aliso Canyon during the coming summer months, there is a significant risk of natural gas curtailments, including curtailments to the natural gas power plants served by Aliso Canyon,

¹ The comments contained in this filing represent the position of SEIA as an organization, but not necessarily the views of any particular member with respect to any issue.

occurring on up to 16 days.² These gas curtailments could be high enough to cause electricity service interruptions to millions of utility customers.³ Reliability concerns are anticipated to last well into the winter season and next year. In light of the immediate need for electric generation in the Los Angeles Basin which is served by the Aliso Canyon Storage facility it is error for the Proposed Decision to eliminate the SPVP which could provide a ready source for such electric generation.

II. THE PROPOSED DECISION ERRS BY FAILING TO CONSIDER SCE'S LOCAL CAPACITY REQUIREMENTS WHICH CAN BE SERVED BY THE SPVP

As stressed by SEIA in its Response to SCE's Petition, continuation of the SPVP is critical given the program design element of locating projects near load.⁴ By failing to factor this key consideration into the determination of whether to terminate the SPVP, the Proposed Decision errs.

In approving the SPVP program, the Commission recognized the importance of the SPVP design feature which advances projects being built near load:

Given the magnitude of the state's renewable objectives, we find that the SPVP is a reasonable step to encourage development of more distributed renewable resources in the one to two MW range. *The SPVP projects can be located near load, thus avoiding the need to build new transmission facilities and help reduce local congestion.*⁵

² *Aliso Canyon Risk Assessment Technical Report*, prepared by the Staff of the California Public Utilities Commission, California Energy Commission, the California Independent System Operator, and the Los Angeles Department of Water and Power (April 5, 2016), p. 4.

³ Generating resources served by the Aliso Canyon gas storage facility represent almost 70 percent of the local capacity resources identified in California ISO's 2016 Local Capacity requirements for the Los Angeles Basin and nearly 75 percent of the local capacity available to the LADWP Balancing Authority. *Id.*, p.12

⁴ Response of the Solar Energy Industries Association to Southern California Edison Company's Petition of Modification of Decision 14-06-048, A. 08-03-015 (February 16. 2016), pp. 2-3.

⁵ Decision 09-06-049, at p. 11 (emphasis added).

Similarly, in reducing SCE's obligation under the SPVP to purchase 250 MW of utility owned generation (UOG), the Commission further acknowledged the element of the program which supports building projects near load:

We continue the SPVP but reduce the UOG portion to 125 MW because we are motivated to secure savings. *We identified several factors for adopting SPVP initially, and those factors continue to apply.* For example, SPVP continues to be a reasonable way to encourage development of distributed renewable resources in the one to two MW range. *SPVP projects can be located near load (thus avoiding the need to build new transmission and helping reduce local congestion), and rapid deployment of SPVP facilities can advance California's broad goal of developing renewable energy (particularly specific development of distributed rooftop solar PV projects).*⁶

Finally, in 2014 the Commission continued to recognize this critical aspect of the SPVP -- *i.e.*, there is still very much a need for such a procurement mechanism to target the needs of local areas in SCE's service territory:

In addition, another significant event has occurred in the SCE service territory since the SPVP program was launched. Namely, the San Onofre Nuclear Generating Station (SONGS) has been permanently closed. Therefore, SCE's need for local generation has only increased since the original SPVP program authorization, and there is an accelerated need for as much of the replacement capacity as possible to come from preferred resources in the affected local areas.⁷

The Proposed Decision fails to address the need for local generation in SCE's service territory, as raised by SEIA in its response to SCE's Petition. Such failure is inconsistent with repeated Commission acknowledgement of the nexus between the SPVP and the fulfillment of local generation needs. This need has only been exacerbated by current moratorium on the operation of the Aliso Canyon storage facility. The risk of natural gas curtailment leading to electric service interruptions for both commercial and residential customers is real. Increased

⁶ Decision. 12-02-035, p. 15 (emphasis added).

⁷ Decision 14-06-048, p. 10. SEIA notes that SCE has not addressed the reliability challenge raised in D14-06-048 regarding the retirement of San Onofre Generating Station. In the SPVP 4 solicitation, SCE only procured 1 project connected to either the affected Santiago and Johanna substations.

solar deployment will mitigate the reliability challenges facing the LA Basin in the next couple of years.

There is approximately 35 MW of authorized procurement remaining in the SPVP. Rather than relieve SCE of its obligation to procure such MW, the Commission, consistent with the objectives of the SPVP, and in recognition of the critical need for electric resources that can be rapidly deployed in the Los Angeles Basin, should deny SCE's Petition, and direct it to immediately conduct a program solicitation.⁸ In this regard, given the immediacy of the need for generation in the Los Angeles Basin, the Commission should require that SCE not make any changes to its RFO documents or its standardized power purchase agreements in order to expedite project solicitation.⁹

III. CONCLUSION

The Proposed Decision errs in its failure to take into account the SPVP's ability to target procurement near load. When such design element is taken into account, given the documented need for electric generation in the Los Angeles Basin, it is evident that the Proposed Decision errs in its ultimate determination to grant SCE's Petition to eliminate the SPVP. The Commission should reject the Proposed Decision.

⁸ Like it did in D. 14-06-048 when addressing the closure of the San Onofre Nuclear Generating Station, the Commission could allow SCE to given preference to projects located in the areas most impacted by the cessation of operations of the Aliso Canyon storage facility.

⁹ When requesting changes to the SPVP contract or program, SCE must file a Tier 2 advice letter, which would go into effect 30 days from filing unless staff suspends the advice letter." *See* Resolution E-4453, p. 7.

Respectfully submitted this June 9, 2016, at San Francisco, California.

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