

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Application of Southern California Edison Company (U 338-E) for Approval of the Results of Its 2015 Preferred Resources Pilot Request for Offers.

Application 15-12-013
(Filed December 15, 2015)

**OFFICE OF RATEPAYER ADVOCATES'
NOTICE OF EX PARTE COMMUNICATION**

Pursuant to Rule 8.4 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the Office of Ratepayer Advocates (ORA) respectfully submits the following notice of ex parte communication in the above-referenced docket.

On July 26, 2016 Administrative Law Judge (ALJ) Fitch issued a [Proposed] Decision Approving the Application of Southern California Edison Company [SCE] for Two Solar Photovoltaic Projects (PD). On August 15, 2016 ORA filed comments on the PD, and on August 22, 2016 SCE filed reply comments on the PD. A revised version of the PD (Revised PD) was issued On September 2, 2016.

On September 14, 2016 at 2:30 P.M., ORA met with Ehren Seybert and John Reynolds, Advisors to Commissioner Peterman in person at the Commission's offices in San Francisco. Karin Hieta, Program and Project Supervisor, Christopher Myers and Christian Knierim, Public Utilities Regulatory Analysts, and Matt Miley, staff attorney, attended on behalf of ORA. The ex parte communication was initiated by ORA and the meeting lasted approximately 30 minutes.

At the meeting, ORA discussed SCE's Application (A.) 15-12-013, Application for approval of the Results of Its 2015 Preferred Resources Pilot Request for Offers

(Application or PRP DG RFO). SCE's Application requests approval of two Power Purchase Agreements (PPAs) with SunEdison for in front of the meter (IFOM) solar photovoltaic (PV) projects totaling 2.167 megawatts (MW). The two executed PPAs are the result of two offers made by SunEdison in SCE's PRP DG RFO. ORA discussed its concerns with the Application and the Revised PD, and recommended that the Commission deny the PPAs because they are not competitively priced, and are not needed.

ORA stated that SCE's PRP program is, pursuant to the Scoping Memo and SCE's own request, outside the scope of this proceeding and that the Revised PD inappropriately relies upon the PRP program as a reasonable justification for approval of the two SunEdison contracts at issue in SCE's Application. ORA noted that the Scoping Memo requires the PPAs to be reviewed under Renewables Portfolio Standard (RPS) criteria and, consistent with the Scoping Memo's clear direction, ORA analyzed the reasonableness of terms and prices of the SunEdison contracts, the RPS need for the contracts, and the reasonableness of SCE's conduct with respect to the PRP DG RFO. ORA emphasized that SCE failed to meet its burden to demonstrate reasonableness on these scoped issues and that the Revised PD errs by (1) ignoring the PPAs' comparison to similar projects procured under RPS, (2) concluding that the prices of the PPAs are reasonable compared to similar projects in the target geographic region, (3) approving the PPAs despite stating that they are not needed for RPS, (4) stating that the PPAs can provide additional "banking," (5) relying on SCE's internal PRP to find the RFO reasonable and approve the PRP, and (6) expanding the scope of the proceeding without proper notice. ORA noted that the PD sets a bad precedent by approving two expensive solar projects intended for a PRP program that has not been examined by the Commission.

ORA noted that the SunEdison PPA prices are more expensive than similar-sized RPS contracts procured through various RPS programs. The SunEdison PPAs are comparable to offers received in SCE's Solar Photovoltaic Program (SPVP), which is located in the same general geographic location and sought procurement of similar

resources. ORA pointed out that the Commission recently granted SCE's request to terminate its SPVP program due to high costs for SPVP projects. ORA noted that the SunEdison PPAs are not needed for SCE to meet its RPS requirements. Finally, ORA noted that SunEdison filed for Chapter 11 bankruptcy and that it is unclear to ORA at this time whether the bankruptcy will have any impact on the SunEdison PPAs at issue in this proceeding.

ORA provided a handout at the meeting, which is attached to this filing. In addition, ORA provided copies of the redlined version of the Revised PD.¹

Respectfully submitted,

/s/ MATT MILEY
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¹ The redlined version of the Revised PD is a publically available document, available at: <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M166/K663/166663935.PDF>