



Proposed Decision: SCE Application Results of Preferred Resources DG Solicitation

ORA Position: The CPUC should reject the Proposed Decision (PD) approving the results of SCE's Preferred Resources Distributed Generation (DG) RFO because it commits significant legal and factual errors by violating the CPUC's own procedural rules, considers and decides on issues beyond the proceeding's scope, and lacks an evidentiary record sufficient to support its finding.

The Scoping Memo sets forth the following scope of issues:

- ▶ Was the SCE PRP DG RFO conducted in a reasonable and fair manner?
- ▶ Are the PPAs RPS eligible and will they fulfill SCE's RPS Category 1 needs?
- ▶ Are the terms of the PPAs reasonable?
- ▶ Are the prices of the PPAs reasonable, compared to other similar projects procured under the RPS program or other procurement mechanisms?

The PD Commits Significant Legal and Factual Errors:

PD errs by ignoring the PPAs comparison to similar projects procured under RPS

- ▶ PD states it's reasonable to compare the PPAs' prices to a single project – SPVP 4 Santa Ana project – “rather than to prices of similarly sized projects procured through SCE's RPS procurement mechanisms.” [RevPD, p. 19]
- ▶ PD finds the “contract for the Santa Ana project has since terminated.” [RevPD, FoF 5, p. 25]
- ▶ In Jun 2016, CPUC grant SCE's request to terminate SPVP because “[i]n relation to other renewable procurement programs, SPVP projects are significantly more expensive than other potential procurement alternatives” [D.16-06-044, FoF 7, p. 13]

PD errs in concluding the PPAs' prices are reasonable compared to similar projects in the targeted geographic region.

- ▶ PD finds the “prices of the SunEdison PPAs are higher than those of similar sized renewable energy projects procured through other mechanisms.” [RevPD, FoF 5, p. 24]
- ▶ However, PD concludes, “terms and prices of the SunEdison PPAs are reasonable in light of the objectives served and compared to similar projects [in the targeted geographic region.](#)” [RevPD, CoL 2, p. 25]



PD errs by approving the PPAs despite stating they are not needed for RPS

- ▶ PD states “the PPA projects are not necessary for SCE to reach its RPS targets. . .” [RevPD, p. 19]
- ▶ PD also incorrectly states the PPAs do not need to be necessary to RPS endeavors to be reasonable. [RevPD, p. 19]

PD errs by stating the PPAs can provide additional RPS “banking” [RPD, p. 18]

- ▶ SCE never requested approval of the PPAs on the basis that they provide banking value.
- ▶ No record evidence identifying SCE’s current banking needs or why high-priced contracts should be approved for banking purposes.

PD errs by relying on SCE’s internal PRP to find the RFO reasonable and approve the PPAs.

- ▶ PD finds the “PRP is an internal effort to SCE and [review of the overall PRP as a whole](#) is not at issue in the proceeding.” [RevPD, FoF 4, p. 24]
- ▶ However, the PD states, “[there] is sufficient evidence to establish that the PPAs will measurably contribute towards accomplishing the [PRPRFO’s goals-objectives](#) . . .” [RevPD, p. 18]
- ▶ PD also states SCE’s Testimony “is sufficient for us to determine that the PPA contracts are reasonably priced in light of the [PRPRFO’s objectives](#) . . .” [RevPD, p. 18]
- ▶ And, the PD states the PPAs do not need to be necessary for RPS because RPS is separate from the stated goals of the [PRPRFO](#). [RevPD, p. 19]

PD errs by expanding the scope of the proceeding without proper notice

- ▶ PD states “It is neither necessary nor desirable to evaluate the PPA contracts as if the PRP did not exist, as should be evident by our request in this proceeding for SCE to provide context on the PRP and its objectives in supplemental testimony.” [RevPD, pp. 17]
- ▶ The scope of the proceeding was never amended to include the PRP and its objectives as highlighted in RevPD, FoF 4.