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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  
2017 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLANS AND  
INVITING COMMENTS ON RENEWABLE AUCTION MECHANISM  
PROPOSAL**

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### Attachment A - Procedural Schedule 2017 Renewables Portfolio Standard Procurement Plans

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**1. Summary**

Pursuant to the authority provided in Public (Pub.) Utilities (Util.) Code § 399.13(a)(1),<sup>1</sup> today’s Ruling identifies 2017 Renewables Portfolio Standard (RPS) Procurement Plan filing requirements for all retail sellers of electricity and sets a schedule for the Commission’s review of the 2017 RPS Procurement Plans. The definition of “retail seller” in Pub. Util. Code § 399.12(j) includes the electrical corporations, as defined in Pub. Util. Code § 218, community choice aggregators (CCAs), and electric service providers (ESPs).

The electrical corporations subject to this Ruling are Pacific Gas and Electric Company (PG&E), Southern California Electric Company (SCE), San Diego Gas & Electric Company (SDG&E), PacifiCorp, Bear Valley Electric Service (BVES) and Liberty Utilities, LLC. All current CCAs and any CCAs that intend to procure for 2017 and 2018 are subject to this Ruling. The ESPs subject to this Ruling are identified in Attachment B.

This Ruling follows the format of past Rulings initiating the annual RPS procurement process, with some refinements to account for current market and regulatory conditions. Consistent with Pub. Util. Code §§ 399.13(a) and 399.13(c)

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<sup>1</sup> 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.

and the requirements in Senate Bill (SB) 350, which extend, increase, and modify RPS procurement rules,<sup>2</sup> the Commission will issue a decision on the proposed RPS Procurement Plans by the end of the year.<sup>3</sup> For CCAs and ESPs, the Commission decision will determine if the Plans comply with this Ruling and the requirements of Pub. Util. Code § 399.13. The procedural schedule for the 2017 RPS Procurement Plan process is included as Attachment A.

This Ruling also includes a new proposal to use the Renewable Auction Mechanism (RAM) procurement process to enhance the IOUs' electric resource portfolio and advance the state goal of reducing greenhouse gas (GHG) emissions.

## **2. General Requirements for 2017 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.

In Decision (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). More recently, SB 350 increased the RPS procurement requirement and modified the RPS procurement rules. The Commission adopted post-2020 multi-year compliance periods and the higher RPS procurement quantity requirements established in statute in D.16-12-040.

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<sup>2</sup> SB 350 (De Leon, Stats. 2015, ch.547).

<sup>3</sup> Pub. Util. Code § 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 corporation. The commission shall assess adherence to the approved renewable energy resource procurement plans in determining compliance with the obligations of this article."

Consistent with statutory requirements and the Commission's decisions,<sup>4</sup> the IOUs must comply with all of the requirements set forth below. Small and multi-jurisdictional utilities, ESPs, and CCAs are subject to a subset of the requirements set forth below.

Attachment A is the procedural schedule for the Commission's review of the 2017 RPS Procurement Plans. Updates to the filed 2017 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 successors<sup>5</sup> allow these utilities to meet their RPS procurement obligations without regard to the portfolio content category limitations in Pub. Util. Code § 399.16.<sup>6</sup> PacifiCorp is permitted to use an Integrated Resource Plan (IRP)

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<sup>4</sup> See D.11-12-020, *Decision Setting Procurement Quantity Requirements for Retail Sellers for the Renewables Portfolio Standard Program* (Dec. 1, 2011); D.11-12-052, *Decision Implementing Portfolio Content Categories for the Renewables Portfolio Standard Program* (Dec. 15, 2011); D.12-05-035, *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) (denied rehearing in D.13-01-041, *Order Modifying Decision (D.) 12-05-035, and Denying Rehearing of Decision, as Modified* (Jan. 24, 2013)); D.12-06-038, *Decision Setting Compliance Rules for the Renewable Portfolio Standard Program* (June 21, 2012); D.13-05-034, *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); D.14-12-023, *Decision Setting Enforcement Rules for the Renewables Portfolio Standard Program, Implementing Assembly Bill 2187, and Denying Petitions for Modification of Decision 12-06-038* (Dec. 4, 2014); D.16-12-040, *Decision Implementing Compliance Periods and Procurement Quantity Requirements for Compliance with the Revised Requirements of the California Renewables Portfolio Standard Mandated by Senate Bill 350* (Dec. 15, 2016); D.16-12-044, *Decision Accepting Draft 2016 Renewables Portfolio Standard Procurement Plans* (Dec. 15, 2016).

<sup>5</sup> 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.

<sup>6</sup> § 399.17(b).

prepared for regulatory agencies in other states to satisfy its annual California 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 with the Commission 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 2017 IRP on April 4, 2017, and its “on-year” supplement to its 2017 IRP on May 4, 2017. Pursuant to D.11-04-030, PacifiCorp will not file a comprehensive supplement this year because it filed its IRP this year.<sup>7</sup>

Liberty Utilities LLC, on the other hand, does not prepare an IRP because 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 outlined below.

#### **4. Utilities Subject to Pub. Util. Code § 399.18**

Section 399.18(b) addresses small IOUs with less than 30,000 customers and allows compliance with the RPS procurement obligations without regard to the portfolio content category limitations in § 399.16.

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<sup>7</sup> 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).

A small utility must file an RPS Procurement Plan pursuant to § 399.13(a)(5), but it can be tailored to account for the relatively small RPS procurement requirement and the limited resources of a small utility.

Accordingly, Bear Valley Electric Service (BVES), as well as Liberty Utilities LLC, shall prepare an RPS Procurement Plan providing the information required in Sections 6.1-6.8 and 6.11-6.14 of this Ruling.<sup>8</sup>

## **5. Electric Service Providers and Community Choice Aggregators**

SB 350 modified the RPS Procurement Plan filing requirements for ESPs and CCAs.<sup>9</sup> 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, 6.12-6.14 of this Ruling.

The Commission previously determined that it was reasonable to not require the CCAs and ESPs to file solicitation documentation and cost quantification tables in their RPS Procurement Plans.<sup>10</sup> However, additional information regarding CCA procurement activities would be useful to the Commission. The CCAs play an increasingly important role in meeting state GHG reduction goals, and collecting additional information will assist the Commission in meeting its system planning and Integrated Resource Planning obligations. Accordingly, this Ruling directs the CCAs and ESPs to include RPS

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<sup>8</sup> Mountain Utilities, described in § 399.18(a)(2), 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.

<sup>9</sup> See Pub. Util. Code § 399.13(a).

<sup>10</sup> D.16-12-044, *Decision Accepting Draft 2016 Renewables Portfolio Standard Procurement Plans* (Dec. 15, 2016).

information in their 2017 RPS Procurement Plans, pursuant to Pub. Util. Code § 399.13(a)(5). This Ruling also requests that the CCAs and ESPs include additional cost information in their Plans, similar to that included by the IOUs, as described in Section 6.11. Reporting this information will provide the Commission, the Legislature, and the public a more complete picture of the state's RPS program.

## **6. Specific Requirements for 2017 RPS Procurement Plans**

As discussed in this section, the 2017 RPS Procurement Plans must include all information required by statute, including quantitative analysis supporting the retail seller's assessment of its portfolio and future procurement decisions.

Responses to all sections, except Sections 6.5, 6.10, 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 RPS 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 2017 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 customers. 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.<sup>11</sup>
3. The plans should be complete in describing and addressing procurement and sales of RPS eligible resources. For the IOUs, the Commission may accept or reject proposed contracts based on consistency with the approved plan, including any calculation of RPS procurement net short position.<sup>12</sup>
  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 of this Ruling. A summary of the Sections each retail seller must comply with is included in Table 1, below.

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<sup>11</sup> As of the date of this Ruling, the methodology can be found in the May 21, 2014 Ruling, *Administrative Law Judge's Ruling on Renewable Net Short*.

<sup>12</sup> Pub. Util. Code § 399.13(d).

**Table 1**  
**Summary of Requirements for 2017 RPS Procurement Plans**

	Large IOUs	Utilities subject to §§ 399.17 and 399.18	ESPs and CCAs
6.1 Assessment of RPS Portfolio Supplies and Demand	X	X	X
6.2 Project Development Status Update	X	X	X
6.3 Potential Compliance Delays	X	X	X
6.4 Risk Assessment	X	X	X
6.5 Quantitative Information	X	X	X
6.6 "Minimum Margin" of Procurement	X	X	
6.7 Bid Solicitation Protocol, Including Least Cost Best Fit Methodologies	X	X	X
6.8 Consideration of Price Adjustment Mechanisms	X	X	X
6.9 Curtailment frequency, costs, and forecasting	X		
6.10 Expiring Contracts	X		
6.11 Cost Quantification	X	X	Requested
6.12 Important Changes to Plans Noted	X	X	X
6.13 Redlined Copy of Plans Required	X	X	X
6.14 Safety Considerations	X	X	X

**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.

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 customers. 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 retail sellers intend to increase the diversity in its portfolio overall, to address issues of renewable integration, under-utilization of RPS-eligible generation, and maximizing 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 2017 RPS Procurement 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.<sup>13</sup> 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 retail sellers' RPS Procurement Portfolios. Risks may include, but are not limited to, project development, regulatory, and market risks. The quantitative response

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<sup>13</sup> 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.

must be provided in an Excel spreadsheet based on the most recently directed renewable net short methodology.<sup>14</sup>

**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 2017 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.

PG&E, SCE and SDG&E’s proposed 2017 RPS Procurement Plans 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

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<sup>14</sup> 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.

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), 2017 RPS Procurement Plans must include a bid solicitation protocol setting forth the need for eligible renewable energy resources. Solicitations shall be consistent with portfolio assessment provided in Sections 6.1 through 6.5 and the 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.

If selling eligible renewable energy products is part of a 2017 RPS Procurement Plan, then a solicitation protocol setting forth this process should also be included. Each IOU should include a framework for determining the quantity of excess RPS volumes to sell in a given solicitation, the target price, and the price floor. PG&E should also include a section on lessons learned from its sale of excess RPS volumes authorized under its 2016 RPS Procurement Plan.

The bid solicitation protocols for procuring and/or selling should include an overview of the solicitation process, a solicitation schedule, and pro forma agreement(s). The IOUs should include a detailed description of their least-cost best-fit (LCBF) methodologies. CCAs and ESPs should include an overview of their bid evaluation methodologies and "best fit" attributes considered pursuant to Pub. Util. Code § 399.13(a)(8). If the 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 must be consistent with relevant Commission decisions.<sup>15</sup> It should clearly describe the evaluation 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 February 5, 2016 *Amended Scoping Memo and Ruling of the Assigned Commissioner*, the Commission is revising and updating LCBF. Parties submitted comments on the staff paper on LCBF reform,<sup>16</sup> and further Commission action will follow. Thus, parties should limit comments on this Ruling to the particulars of the 2017 RPS Procurement Plans' proposed LCBF methodologies in relation to the current rules.

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<sup>15</sup> See D.04-07-029, *Opinion Adopting Criteria for the Selection Least-Cost and Best-Fit Renewable Resources* (July 8, 2004); D.11-04-030, *Decision Conditionally Accepting 2011 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan Supplements* (Apr. 14, 2011); D.12-11-016, *Decision Conditionally Accepting 2012 Renewables Portfolio Standard Procurement Plans and Integrated Resource Plan Off-Year Supplement* (Nov. 8, 2012); D.14-11-042, *Decision Conditionally Accepting 2014 Renewables Portfolio Standard Procurement Plans and an Off-Year Supplement to 2013 Integrated Resource Plan* (Nov. 20, 2014); D.16-12-044, *Decision Accepting Draft 2016 Renewables Portfolio Standard Procurement Plans* (Dec. 15, 2016).

<sup>16</sup> *Administrative Law Judge's Ruling Accepting into the Record Energy Division Staff Paper on Least-Cost Best-Fit Reform for Renewable Portfolio Standard Procurement and Requesting Comment* (June 22, 2016).



### **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.

### **6.9. Curtailment frequency, costs, and forecasting**

In Decision (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, as stated in D.14-11-042, the IOUs should continue to report their experience and issues related to economic curtailment as well as any actions and analysis.

### **6.10. Expiring Contracts**

PG&E, SCE, and SDG&E are directed to include in their 2017 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 (in 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).

### **6.11. Cost Quantification**

Pursuant to SB 836 (Padilla, Stat. 2011, ch. 600, § 1)<sup>17</sup> and SB 2 (1X), the Commission provides annual reports to the California Legislature that include aggregated cost data on all procurement contracts for eligible renewable energy resources approved by the Commission.<sup>18</sup>

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 2, below, in their proposed 2017 RPS Procurement Plans. As described in Section 5 above, the Commission invites the CCAs and ESPs to also include cost quantification tables with the information described in Table 2, below, in their 2017 RPS Procurement Plans.

The IOUs shall provide responses using a standardized methodology and format that the Commission approved in their prior RPS Procurement Plans.<sup>19</sup> Responses should be non-confidential to the greatest extent possible.

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<sup>17</sup> Adding § 911 to the Pub. Util. Code.

<sup>18</sup> *The Padilla Report: Costs and Savings for the Renewable Portfolio Standard in 2016* (Pursuant to Public Utilities Code Section 913.3) (May 1, 2017). This report can be found at [http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About\\_Us/Organization/Divisions/Office\\_of\\_Governmental\\_Affairs/Legislation/2017/Final%20-%20Padilla%20Report%20-%20RPS%20Costs%202017.pdf](http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Divisions/Office_of_Governmental_Affairs/Legislation/2017/Final%20-%20Padilla%20Report%20-%20RPS%20Costs%202017.pdf).

<sup>19</sup> See, e.g., D.16-12-044, *Decision Accepting Draft 2016 Renewables Portfolio Standard Procurement Plans* (Dec. 15, 2016).

**Table 2**  
**RPS Procurement and Sales Information Related to Cost Quantification**

<b>Row</b>	<b>Item</b>	<b>Description</b>
1.	Actual Direct Expenditures and Revenue - per year	Total dollars expended and received for all REC <sup>20</sup> transactions for every year from 2003 to present year.  Figures 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, including any REC sales.  Amounts shall be reported by resource and technology type and reported for each year.
3.	Forecast Direct Expenditures and Revenue - per year	Total forecasted dollars expended and received for all REC transactions to date (and approved to date for the utilities). <sup>21</sup>  Forecasts Direct Expenditures shall be reported by resource and technology type and reported for each year from 2017-2030.
4.	Forecast REC Procurement (MWh) - per year	Total forecasted REC procurement to date (and approved to date for the utilities), including any planned REC sales.  Forecasts shall be reported by resource and technology type and reported for each year.
5.	Incremental Utility Rate Impact - per year	Total actual and forecasted annual utility rate impacts from RPS procurement from 2003-2030.

<sup>20</sup> For all information provided in response to Table 2, REC-only contracts should be listed separately.

<sup>21</sup> "To date" means the date this Ruling is issued.

### **6.12. Important Changes to Plans Noted**

A statement identifying and summarizing the important changes between the 2016 and 2017 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 should also include an explanation and justification of the reasonableness for each important change from 2016 to 2017.

### **6.13. Redlined Copy of Plans Required**

A version of the 2017 RPS Procurement Plan that is “redlined” to identify the changes from the 2016 plan must be included with the 2017 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.13-11-024, all entities filing RPS Procurement Plans must incorporate a section on safety considerations regarding the procurement of electricity. The Commission directive was made pursuant to its authority under § 451, which provides, in pertinent part, as follows:

Every public utility shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities,..., as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.

Safety considerations are an ongoing requirement to be addressed in all future RPS Procurement Plans.

## **7. Coordination with Integrated Resource Planning Proceeding**

The Integrated Resource Planning (IRP) proceeding ((Rulemaking (R.) 16-02-007)) is the primary venue for implementation of the SB 350 requirements related to resource planning for the electric sector.<sup>22</sup> In R.16-02-007, the Commission is implementing a process to ensure LSE procurement activities are consistent with achieving California's 2030 GHG reduction goals. The IRP process and reporting requirements will likely substantially overlap with the LSEs' existing RPS obligations (e.g., renewable resource valuation, procurement authorization, and target setting).

The Commission and staff in the RPS and IRP proceedings (and others) are coordinating to ensure the fair and efficient administration of the proceedings. On May 16, 2017, the Commission filed the *Proposal for Implementing Integrated Resource Planning at the CPUC: An Energy Division Staff Proposal*, which was also served on the service list for this proceeding. RPS parties are encouraged to become parties to R.16-02-007. Comments on this ruling should be limited to the particulars of the RPS Procurement Plans and the RAM proposal below.

## **8. RAM Background and Status**

On December 18, 2010, the Commission approved the RAM program in D.10-12-048 and directed the IOUs to hold four auctions over a two year period. A total of 1,000 MW was mandated for the three IOUs. The Commission further refined and expanded the RAM program through numerous resolutions and decisions resulting in the authorization of 1,405 MW to be procured through six RAM auctions.

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<sup>22</sup> Pub. Util. Code §§ 454.51, 454.52.

To date, the Commission approved contracts totaling 1,209.8 MW of capacity. SCE procured the mandated capacity at the end of RAM 6. PG&E and SDG&E are in the process of procuring the remaining capacity.

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 intend RAM to be continued as a procurement option.<sup>23</sup>

## **9. RAM Proposal**

This Ruling seeks comment from parties on a proposal that would direct procurement for incremental resources at geographic locations identified by an IOU that provide the most value to the utility based on existing or future expected conditions on the electric grid. The Commission recognizes that the IOUs have sufficient RPS resources under contract to meet immediate RPS requirements<sup>24</sup> and have either experienced and/or forecasted potential significant loss of bundled customer load resulting from the growth of CCAs and an increase in customer-sited distributed generation.

However, the state's overarching mandate to reduce 2030 GHG emissions by 40% below 1990 levels and increase the RPS to 50%<sup>25</sup> necessitates continued

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<sup>23</sup> We note the following: On January 22, 2016, PG&E filed a Petition for Modification of D.14-11-042 regarding 2016 and 2017 Solicitations in order to eliminate its RAM procurement requirement, but the requirement remains in effect, since the Commission has not granted the Petition. Similarly, on October 27, 2016, SDG&E filed a Petition for Modification of D.10-12-048, D.12-02-002 and D.14-11-042 to terminate its RAM requirement, but SDG&E's requirements remain in effect, since the Commission has not granted the Petition.

<sup>24</sup> See Renewables Portfolio Standard Quarterly Report at 5 (Q4 2016), available at [http://www.cpuc.ca.gov/uploadedFiles/CPUC\\_Website/Content/Utilities\\_and\\_Industries/Energy/Reports\\_and\\_White\\_Papers/Q4\\_2016\\_RPS\\_Report\\_to\\_the\\_Legislature\\_FINAL.pdf](http://www.cpuc.ca.gov/uploadedFiles/CPUC_Website/Content/Utilities_and_Industries/Energy/Reports_and_White_Papers/Q4_2016_RPS_Report_to_the_Legislature_FINAL.pdf).

<sup>25</sup> SB 350 (De Leon, Stats. 2015, ch.547).

effort to decarbonize the state's electricity supply while maximizing the value of existing and potential renewable resources. Some of the challenges associated in meeting these goals result from under-utilization of RPS-eligible generation, renewable curtailment, and frequency regulation. The IOUs are in a position to identify opportunities that will maximize the value of their existing portfolio of resources and/or increase their portfolio of renewable resources to meet the State's goals.

From this perspective, the proposal below sets out a RAM framework that is informed by proceedings underway and is consistent with Commission efforts to meet system and local reliability requirements with the lowest emissions impact and at least cost.

The main concepts are the following:

- Each IOU will identify at least two (in total) specific locations or geographic boundaries where renewable resources, with or without energy storage, can be interconnected to ameliorate a sub-optimal grid condition, such as underutilization of RPS-eligible generation, prevent renewable curtailment, or provide frequency regulation;
- Each IOU will solicit at least 20 MW of one or more resource types;
- Each IOU will use a RAM process, with solicitation protocols and contract terms and conditions necessary to support the objectives herein.

Comments on this proposal are required by PG&E, SCE and SDG&E; all other parties are invited to comment. Comments must include responses to the following questions:

1. Would there be benefits from this proposal? If no, please explain why or why not. If yes, please explain the benefits.

2. Should there be a minimum and/or maximum project size? Why or why not? If yes, what should the size limits be?
3. Should there be a single or multiple solicitations? If multiple, how many? Explain reasoning for response.
4. What should the timeframe of the solicitation(s) be? Explain and provide justification for response?
5. Does the RAM process need to be modified to accommodate the proposal? If yes, how should it be modified and why?

**10. Schedule**

Parties may file comments, reply comments, and other pleadings in response to this Ruling and the RPS Procurement Plans. 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).

**11. Ex Parte Communications**

*Ex parte* communications are permitted as described in Pub. Util. Code §§ 1701.1 and 1701.3. Parties and interested persons are advised that, to the extent that the requirements of Rule 8.1 *et seq.* deviate from Pub. Util. Code §§ 1701.1 and 1701.3, as amended by Senate Bill 215, effective 1/1/2017, the statutory provisions govern.

In a ratesetting proceeding involving hearings, *ex parte* communications are permitted only if consistent with certain restrictions, and are subject to reporting requirements. (See Pub. Util. Code § 1701.3(c) and Rules 8.2, 8.3, and 8.5) Parties must electronically serve the assigned Commissioner and



Administrative Law Judge all three-day notices required by Rule 8.2(c)(2) for all *ex parte* meetings with decision makers.

**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 2017 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, Bear Valley Electric Service and Liberty Utilities LLC shall file a proposed 2017 Renewables Portfolio Standard Procurement Plans that addresses the elements stated herein.
3. As required by Section 399.13(a)(5) of the Public Utilities Code, each Electric Service Provider shall file a proposed 2017 Renewables Portfolio Standard Procurement Plans to address the elements stated herein.
4. As required by Section 399.13(a)(5) of the Public Utilities Code each Community Choice Aggregator shall file a proposed 2017 Renewables Portfolio Standard Procurement Plans to address the elements stated herein.
5. The procedural schedule for the Commission's consideration of the 2017 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.

6. Comments on the issues and questions set forth herein in Section 9 may be submitted consistent with the schedule set forth in Attachment A.

Dated May 26, 2017, at San Francisco, California

/s/ CLIFFORD RECHTSCHAFFEN

Clifford Rechtschaffen  
Assigned Commissioner

/s/ ROBERT M. MASON III

Robert M. Mason III  
Administrative Law Judge

# **ATTACHMENT A**

**Attachment A**  
**Procedural Schedule**  
**2017 Renewables Portfolio Standard Procurement Plans**

Row #	ITEM	DATE
1	Assigned Commissioner's Ruling setting scope and schedule for annual RPS Procurement Plans	5/26/17
2	Comments on RAM Proposal filed	6/19/17
3	Reply comments on RAM Proposal filed	6/30/17
4	IOUs, Small Utilities, ESPs and CCAs file proposed annual RPS Procurement Plans	6/30/17
5	Comments on RPS Procurement Plans filed	7/28/17
6	Motions requesting evidentiary hearing (note: If a motion is filed and granted, the ALJ may need to issue a revised schedule.)	8/11/17
7	Reply comments on RPS Procurement Plans filed	8/11/17
8	Motion to update RPS Procurement Plans [note 1 below]	9/1/17
9	Projected date for issuance of Proposed Decision	4th Quarter 2017
10	Projected date for Commission vote on Proposed Decision	4th Quarter 2017
11	IOUs issue Request For Offers for Solicitations or otherwise pursue approved RPS Procurement Plan	4th Quarter 2017

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)**

# **ATTACHMENT B**

**Attachment B**  
**List of Active ESPs Required to File 2017 RPS Procurement Plans as of the**  
**Date of This Ruling**

3 Phases Renewables, Inc.  
Agera Energy, LLC  
American PowerNet Management, LP  
CalPine Energy Solutions, LLC  
Calpine PowerAmerica-CA, LLC  
Commercial Energy of Montana, Inc. (dba Commercial Energy of California)  
Constellation NewEnergy, Inc.  
Direct Energy Business  
Direct Energy Services, LLC  
EDF Industrial Power Services (CA), LLC  
EnerCal USA, LLC (dba Yep Energy, Y.E.P.)  
Gexa Energy California, LLC  
Just Energy Solutions, Inc.  
Liberty Power Delaware, LLC\*  
Liberty Power Holdings, LLC  
Mansfield Power and Gas, LLC  
Palmco Power CA, LLC  
Pilot Power Group, Inc.  
Praxair Plainfield, Inc.\*  
Shell Energy North America (US), LP  
Tenaska California Energy Marketing, LLC  
Tenaska Power Services Co.  
The Regents of the University of California  
Tiger Natural Gas, Inc.

\* The Commission determined in D.13-11-024 that Liberty Power Delaware, LLC and Praxair Plainfield, Inc. do not need to file RPS Procurement Plans if they continue not serving any retail customers. If either ESP begins to serve retail customers in the future, it must immediately file an RPS Procurement Plan.

**(END OF ATTACHMENT B)**