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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

**ASSIGNED COMMISSIONER'S CORRECTED RULING OF THE ASSIGNED COMMISSIONER AND ASSIGNED ADMINISTRATIVE LAW JUDGE'S RULING IDENTIFYING ISSUES AND SCHEDULE OF REVIEW FOR 2018 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLANS DATED JUNE 21, 2018**

**Summary**

This Ruling corrects the *Assigned Commissioner and Assigned Administrative Law Judge's Ruling Identifying Issues and Schedule of Review for 2018 Renewables Portfolio Standard Plans* dated June 21, 2018. The corrections, which consist of changing section numbers and modifying a sentence, are underlined for ease of reference.

Pursuant to the authority provided in Public Utilities (Pub. Util.) Code § 399.13(a)(1),<sup>1</sup> today's Ruling identifies 2018 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 2018 RPS Procurement Plans.

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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.

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 2018 and 2019 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) 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 2018 RPS Procurement Plan process is included as Attachment A.

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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.”

## 1. General Requirements for 2018 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. That OIR will expire on August 4, 2018. A new OIR is currently under consideration by the Commission. When authorized, the new OIR will be served on the parties, and all pending matters in R.15-02-020, including 2018 RPS Procurement Plans, will be transferred to the new rulemaking.

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.

Consistent with statutory requirements and the Commission's decisions,<sup>4</sup> the Investor-owned Utilities must comply with all of the requirements set forth

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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);

*Footnote continued on next page*

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 2018 RPS Procurement Plans. Updates to the filed 2018 RPS Procurement Plans may be provided consistent with the schedule at Attachment A.

## **2. 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) 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. PacifiCorp filed its 2017 IRP on April 4, 2017, and its "on-year" supplement to its 2017 IRP on

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*D.17-12-007, Decision Accepting Draft 2017 Renewables Portfolio Standard Procurement Plans (Dec. 14, 2017).*

<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).

May 4, 2017. Pursuant to D.11-04-030, PacifiCorp will file a comprehensive supplement in 2018 because it filed its IRP in 2017.<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.

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

Section 399.18(b) addresses small Investor-owned Utilities (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.

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 5.1-5.8 and 5.10-5.13 of this Ruling.<sup>8</sup>

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

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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).

<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.

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 5.1-5.5, 5.8, 5.11-5.13 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, optimizing transparency through 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 information in their 2018 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 5.10. Reporting this information will provide the Commission, the Legislature, and the public with a more complete picture of the state's RPS program.

## **5. Specific Requirements for 2018 RPS Procurement Plans**

As discussed in this section, the 2018 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.

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<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).

Responses should be concise but complete, and if quantitative figures would shorten the response without sacrificing clarity, they should be used. Responses to Section 5.5 shall be provided in a numerical/quantitative format to support the written responses to Sections 5.1-5.4, and 5.6. 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 2018 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 retail seller'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,

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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).

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.

**Table 1**  
**Summary of Requirements for 2018 RPS Procurement Plans**

|   | Large IOUs | Utilities subject to §§ 399.17 and 399.18 | ESPs and CCAs |
|---|------------|---|---------------|
| <u>5.1</u> Assessment of RPS Portfolio Supplies and Demand                        | X          | X   | X             |
| <u>5.2</u> Project Development Status Update                                      | X          | X   | X             |
| <u>5.3</u> Potential Compliance Delays  | X          | X   | X             |
| <u>5.4</u> Risk Assessment  | X          | X   | X             |
| <u>5.5</u> Quantitative Information   | X          | X   | X             |
| <u>5.6</u> “Minimum Margin” of Procurement  | X          | X   | X             |
| <u>5.7</u> Bid Solicitation Protocol, Including Least Cost Best Fit Methodologies | X          | X   |               |
| <u>5.8</u> Consideration of Price Adjustment Mechanisms                           | X          | X   | X             |
| <u>5.9</u> Curtailment frequency, costs, and forecasting                          | X          |   |               |
| <u>5.10</u> Cost Quantification   | X          | X   | Requested     |
| <u>5.11</u> Important Changes to Plans Noted                                      | X          | X   | X             |
| <u>5.12</u> Redlined Copy of Plans Required                                       | X          | X   | X             |
| <u>5.13</u> Safety Considerations   | X          | X   | X             |

**5.1. 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 5.5 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, forecasted transportation electrification, and maximizing ratepayer value. For CCAs specifically, the description should include information on how planned RPS procurement is consistent with its previously submitted implementation plans, and if applicable, expansion plans. For expanding CCAs, the section should include a combination of quantitative data on how increased customer demand

and load served will affect its RPS procurement and load forecasts and an explanation of how the CCA plans on serving that load with existing or future procurement.

Additionally, for all retail sellers, the supply and demand 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 2018 RPS Procurement Plans is consistent with the assessment of supplies and demand.

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

Provide a narrative of status updates on the development schedule of all eligible renewable energy resources currently under contract or retail seller-owned but not yet delivering generation. This status update should differentiate projects based on whether they are in pre-construction, construction, or post-construction development phase. The status update must include at a minimum: 1) names of new facilities contracted with, 2) capacity procured, 3) length of contract, 4) facility location, and 5) commercial online date. The status updates provided must also be reflected in the quantitative analysis provided in response to Section 5.5. Given this analysis, discuss how the project development 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.

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

Describe in narrative form 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 5.5. Given this analysis, discuss how the potential compliance delays will impact the retail seller's RPS net short and its procurement decisions. If the retail seller does not anticipate any potential compliance delays, provide a justification for why using the information reported in Sections 5.1, 5.2, 5.5 and 5.6.

**5.4. 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 5.5. Given this analysis, discuss how the risk assessment will impact the retail seller's net short and its procurement decisions. If the retail seller does not anticipate any potential compliance risks, provide a justification for why using the information reported in Sections 5.1-5.3.

**5.5. Quantitative Information - §§ 399.113(a)(5)(A), (D), and (F)**

In addition to the written descriptive responses to Sections 5.1 through 5.4, 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 5.1-5.4, 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 must be provided in an Excel spreadsheet based on the most recently directed renewable net short methodology.<sup>14</sup>

**5.6. "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, SDG&E, ESPs and CCAs to identify in their proposed 2018 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.

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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.

<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:

<http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M091/K331/91331194.PDF>

Proposed 2018 Procurement Plans for PG&E, SCE, SDG&E, ESPs and CCAs shall include a methodology and inputs regarding the LSE's proposed minimum margin of over-procurement metric. The methodology should be representative of and consistent with the LSE's inputs and assumptions in Section 5.5. Also, the metric should be used to calculate the LSE's procurement needs pursuant to Section 5.5. Additionally, use of any sensitivities or scenarios should be described. If the LSE's assumed minimum margin of over-procurement is not used to calculate an LSE's net short provided in response to Section 5.5, then the LSE should clearly describe the reasons and any assumptions or other additional methodologies used to calculate the LSE's proposed over-procurement. Reasons and assumptions should be supported with quantitative information to the extent possible.

**5.7. 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), 2018 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 5.1 through 5.5 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 2018 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), for bids that will provide the most value to their portfolio. 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 a description of the bid protocol should also be included. The LCBF methodology used 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.

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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).

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 2018 RPS Procurement Plans' proposed LCBF methodologies in relation to the current rules.

**5.8. 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.

**5.9. Curtailment Frequency, Cost,  
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, 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.

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<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).

### **5.10. Cost Qualification**

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 2018 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 2018 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 2018 (Pursuant to Public Utilities Code Section 913.3) (May 1, 2018)*. This report can be found at: [http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About\\_Us/Organization/Divisions/Office\\_of\\_Governmental\\_Affairs/Legislation/2018/MASTER%202018%20PADILLA%20REPORT\\_FINAL.pdf](http://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Divisions/Office_of_Governmental_Affairs/Legislation/2018/MASTER%202018%20PADILLA%20REPORT_FINAL.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 2018-2030. |
| 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.   |

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<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.

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

A statement identifying and summarizing the important changes between the 2017 and 2018 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 2017 to 2018. For CCAs specifically, if an RPS Plan was not submitted in 2017, include any changes from the Implementation Plan that was previously submitted and certified by the Commission.

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

A version of the 2018 RPS Procurement Plan that is “redlined” to identify the changes from the 2017 plan must be included with the 2018 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.)

### **5.13. 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.

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

The Integrated Resource Planning (IRP) proceeding (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 February 13, 2018, the Commission adopted D.18-02-018 Setting Requirements for Load Serving Entities Filing Integrated Resource Plans. RPS parties are encouraged to become parties to R.16-02-007 (or subsequent proceeding) as some RPS /IRP coordination and alignment could be initiated in that proceeding. Comments on this ruling should be limited to the particulars of the RPS Procurement Plans and the questions below.

## **7. RPS Paired with Storage**

An increasing number of renewable and non-renewable projects are including energy storage. The cost of such projects is decreasing and may be competitive with projects without energy storage. Given that RPS-eligible projects that include storage may become more common it is reasonable to consider what modifications to RPS tariffs and power purchase agreements should be made to accommodate projects with RPS-eligible technologies plus

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

energy storage.<sup>23</sup> Stand-alone energy storage projects are not part of the scope of this Ruling.

This Ruling seeks comment from parties on questions related to the consideration of energy storage in RPS tariffs and power purchase.

Questions:

1. Do projects with RPS-eligible technologies paired with storage face any challenges or barriers in obtaining an RPS contract? Please explain.
2. Does the current least cost best-fit (LCBF) methodology reasonably enable evaluation of RPS-eligible technologies paired with storage? Explain why or why not. If not, how should the methodology be revised?
3. Should the RPS tariffs and contracts be modified to incorporate RPS-eligible technologies paired with storage? Please explain. If the RPS tariffs and contracts should be modified: (i) what changes should be made generally and (ii) what changes should be made specifically in the following cases:
  - a. Solicitations
  - b. RAM
  - c. ReMAT<sup>24</sup>
  - d. BioMAT

Is there anything else to consider while considering the procurement from RPS-eligible technologies paired with storage? Please explain.

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<sup>23</sup> Eligible projects are defined in the California Energy Commission RPS Eligibility Guidebook.

<sup>24</sup> We note that a court order in *Winding Creek Solar, LLC v. Michael Peevey, et al.* (N.D. CA Case No. 13cv04934-JD) issued December 6, 2017, bars new ReMAT contracts. This order is on appeal to the U.S. Court of Appeals.

## **8. 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).

## **9. 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 SB 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 2018 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 2018 Renewables Portfolio Standard Procurement Plans that addresses the elements stated herein.

3. As required by Section 399.17(d) of the Public Utilities Code, PacifiCorp may use its Integrated Resource Plan (IRP) supplement to satisfy the requirement to prepare a renewable energy procurement plan. PacifiCorp shall file its 2018 IRP supplement in Rulemaking 15-02-020 or its successor proceeding.

4. As required by Section 399.13(a)(5) of the Public Utilities Code, each Electric Service Provider shall file a proposed 2018 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 2018 Renewables Portfolio Standard Procurement Plans to address the elements stated herein.

6. The procedural schedule for the Commission's consideration of the 2018 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 9 may be submitted consistent with the schedule set forth in Attachment A.

Dated July 10, 2018, at San Francisco, California.

/s/ CLIFFORD R. RECHTSCHAFFEN  
Clifford R. Rechtschaffen  
Assigned Commissioner

# **ATTACHMENT A**

**Attachment A**  
**Procedural Schedule**  
**2018 Renewables Portfolio Standard Procurement Plans**

| <b>Row #</b> | <b>ITEM</b>  | <b>DATE</b>      |
|--------------|--|------------------|
| 1            | Assigned Commissioner's Ruling setting scope and schedule for annual RPS Procurement Plans                                     | 6/21/18          |
| 2            | IOUs, Small Utilities, ESPs and CCAs file proposed annual RPS Procurement Plans  | 7/20/18          |
| 3            | Comments on RPS Procurement Plans and questions filed  | 8/17/18          |
| 4            | Motions requesting evidentiary hearing (note: If a motion is filed and granted, the ALJ may need to issue a revised schedule.) | 8/31/18          |
| 5            | Reply comments on RPS Procurement Plans filed  | 8/31/18          |
| 6            | Motion to update RPS Procurement Plans [note 1 below]  | 9/14/18          |
| 7            | Projected date for issuance of Proposed Decision   | 4th Quarter 2018 |
| 8            | Projected date for Commission vote on Proposed Decision  | 4th Quarter 2018 |
| 9            | IOUs issue Request For Offers for Solicitations or otherwise pursue approved RPS Procurement Plan                              | 4th Quarter 2018 |

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 2018 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  
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  
Palmco Power CA, LLC  
Pilot Power Group, Inc.  
Praxair Plainfield, Inc.\*  
Shell Energy North America (US), LP  
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)**

# **ATTACHMENT C**

**Attachment C**

**List of Active CCAs Required to File 2018 Procurement Plans as of the Date of  
this Ruling**

Marin Clean Energy  
Peninsula Clean Energy  
Sonoma Clean Power Authority  
CleanPowerSF  
Lancaster Choice  
Redwood Coast Energy Authority  
Apple Valley Choice Energy  
Pico Rivera Innovative Municipal Energy  
Silicon Valley Clean Energy  
Valley Clean Energy  
Monterey Bay Community Power  
San Jacinto Power  
Rancho Mirage Energy Authority  
Los Angeles Community Choice Energy  
East Bay Community Energy  
Pioneer Community Energy  
Solana Energy Alliance  
San Jose Community Energy  
Desert Community Energy  
King City

\* The Commission determined in D.17-12-007 that new CCAs must file their RPS plans upon registering with the Commission or 90 days prior to delivering load, whichever event occurs first.

**(END OF ATTACHMENT C)**