

Decision **PROPOSED DECISION OF COMMISSIONER PETERMAN**
(Mailed 12/16/2013)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Pursuant to
Assembly Bill 2514 to Consider the Adoption of
Procurement Targets for Viable and
Cost-Effective Energy Storage Systems.

Rulemaking 10-12-007
(Filed December 16, 2010)

**DECISION GRANTING INTERVENOR COMPENSATION TO
CONSUMER FEDERATION OF CALIFORNIA FOR
SUBSTANTIAL CONTRIBUTION TO DECISION 12-08-016**

Claimant: Consumer Federation of California	For contribution to D.12-08-016
Claimed (\$): \$28,227.50¹	Awarded (\$): \$9,681.25
Assigned Commissioner: Carla J. Peterman	Assigned Administrative Law Juge (ALJ): Amy C. Yip- Kikugawa

PART I: PROCEDURAL ISSUES

A. Brief Description of Decision:	The decision adopts the Final Energy Storage Framework Staff Proposal submitted by the Commission staff on March 31, 2012.
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¹ Mathematical error by Claimant. This total should be \$28,583.75.

B. Claimant must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:

	As Stated by Claimant	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference (PHC):	April 21, 2011	Yes
2. Other Specified Date for Notice of Intent (NOI):	N/A	
3. Date NOI Filed:	May 19, 2011	Yes
4. Was the NOI timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on Administrative Law Judge (ALJ) ruling issued in proceeding number:	Rulemaking (R.) 09-08-009	Yes
6. Date of ALJ ruling:	October 27, 2010	November 2, 2010
7. Based on another CPUC determination:	N/A	
8. Has the Claimant demonstrated customer or customer-related status?		Yes
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	R.10-12-007	Yes
10. Date of ALJ ruling:	July 5, 2011	Yes
11. Based on another CPUC determination:		
12. Has the Claimant demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	Decision (D.) 12-08-016	Yes
14. Date of Issuance of Final Decision:	August 6, 2012	August 6, 2012
15. File date of compensation request:	October 1, 2012	Yes
16. Was the request for compensation timely?		Yes

C. Additional Comments on Part I:

#	Claimant	CPUC	Comment
15		X	Amended request was filed on November 13, 2012 due to failure to identify a showing of “significant financial hardship” but the original claim was filed timely.

PART II: SUBSTANTIAL CONTRIBUTION

A. Claimant’s description of its contribution to the final decision (see § 1802(i), § 1803(a) & D.98-04-059):

Contribution	Specific References to Claimant’s Presentations and to Decision (Provided by Claimant)	Showing Accepted by CPUC
<p>1. <u>Application-Based Approach</u></p> <p>From the beginning of this proceeding, CFC advocated (along with SCE and other parties) for an application-specific approach. CFC argued early on that there was not a “one-size-fits” all approach to energy storage and that an application specific approach may be the best option to minimize wasteful spending.</p>	<ol style="list-style-type: none"> 1. CFC Opening Comments to the OIR ((CFC Jan. 21 Comments), filed January 21, 2011, at 2 and 3. 2. CFC Opening Comments to the ALJ’s Ruling Entering Document into Record and Seeking Comments (CFC Aug. 29 Comments), filed August 29 2011, at 5. 3. “Parties’ comments suggest that there is general agreement with SCE’s application-based approach. DRA agrees with SCE that “opportunities and barriers to energy storage should be evaluated using an application-specific approach, and that this methodology should be central and common first step for addressing storage related issues. CFC notes “an application specific approach can be an important step to avoid unnecessary spending” D.12-08-016. 	<p>Partially accepted and partially disallowed. CFC claimed excessive hours for general preparation, research and reading of rulings, OIR and comments. Claimant will be awarded full credit for hours spent attending hearing and PHC, but all other claimed hours are reduced by 75%.</p>
<p>2. <u>Uniform Definition for Energy Storage</u></p> <p>Since the inception of this proceeding, CFC argued that one of the primary issues relating to energy storage is the lack of a uniform definition. CFC argued that a clear definition for energy storage is the first step to developing cost-effective energy storage systems as a clear, standard definition will</p>	<ol style="list-style-type: none"> 1. CFC Opening Comments to the OIR ((CFC Jan. 21 Comments), filed January 21, 2011, at 3. 2. CFC Opening Comments to the ALJ’s Ruling Entering Document into Record and Seeking Comments (CFC Aug. 29 Comments), filed August 29, 2011, at 8. 	<p>See above</p>

<p>minimize confusion.</p>	<p>3. “ While parties had been critical of various aspects of staff’s initial proposal, the Final Proposal now address their main concerns. One of these is including a definition of “energy storage” which will be used as a common starting point for all parties. This definition is the language contained in Pub. Util. Code § 2835 (a) which states.....We agree with Staff that this is the appropriate definition to be used. As with the objective in the proceeding, this definition is technology-neutral and focuses on the attributes of energy storage and potential applications throughout the electric systems. D.12-08-016 at 27 and 28.</p>	
<p>3. <u>Cost-Effectiveness Evaluation Method</u></p> <p>CFC identified the lack of a cost-effectiveness evaluation method as a barrier to energy storage. CFC argued that the high cost of energy storage and uncertain value is one of the greatest impediments to widespread adoption of energy storage and that a valuation method is crucial before integration into the market.</p>	<p>1. CFC Opening Comments to the ALJ’s Ruling Entering Document into Record and Seeking Comments (CFC Aug. 29 Comments), filed August 29, 2011, at 7-10.</p> <p>2. CFC Reply Comments to the ALJ’s Ruling Entering Documents into Record and Seeking Comments (CFC Sept. 16 Comments), filed September 16, 2011 at 1 and 2.</p> <p>3. Opening Comments of the Consumer Federation of California on the ALJ’s Ruling Entering Initial Staff Proposal Into Record And Seeking Comments (CFC Jan. 31, 2012), filed</p>	<p>See Above</p>

	<p>January 31, 2011 at 3.</p> <p>4. Reply Comments of the Consumer Federation of California on the ALJ’s Ruling Entering Initial Staff Proposal Into Record And Seeking Comments (CFC Feb. 21, 2012), filed February 21, 2011 at 3.</p> <p>5. Staff Proposal at 8, footnote #9</p> <p>6. “Many Parties believe that the unique operational aspects of energy storage pose a challenge in recognizing all relevant benefits, as many of these benefits are not part of current calculation. Parties argue that as a result, the total benefit of energy storage is underestimated.” D.12-08-016 at 14.</p>	
<p>4. <u>Cost Recovery Policy</u></p> <p>CFC argued that a lack of cost recovery model is a barrier to energy storage adoption. Particularly, CFC argued that Energy storage technologies have multi-functional characteristics that, though may prove to be beneficial, could complicate issues such as ownership and cost allocation. The Commission should aim for clearly defined ownership structures which could then, in turn, make it easier to allocate costs. CFC also identified the importance of cost responsibility for purposes of accurate accounting and how a cost recovery model should minimize multiple counting of energy storage projects.</p>	<p>1. CFC Opening Comments to the ALJ’s Ruling Entering Document into Record and Seeking Comments (CFC Aug. 29 Comments), filed August 29, 2011, at 9 and 10.</p> <p>2. Opening Comments of the Consumer Federation of California on the ALJ’s Ruling Entering Initial Staff Proposal Into Record And Seeking Comments (CFC Jan. 31, 2012), filed January 31, 2011 at 4 and 5.</p> <p>3. D.12-08-016 at 16.</p> <p>4. Staff Proposal at 9, footnote 16.</p>	<p>See Above</p>

B. Duplication of Effort (§§ 1801.3(f) & 1802.5):

	Claimant	CPUC Verified
a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?²	Yes	Yes
b. Were there other parties to the proceeding with positions similar to the Claimant's?	Yes	Yes
c. Names of other parties (if applicable): SCE and ORA		There were 20 parties that filed comments in this proceeding
d. Description of how Claimant coordinated with ORA and other parties to avoid duplication or of how Claimant's participation supplemented, complemented, or contributed to that of another party: CFC shared similar views with ORA and SCE regarding an application based approach to energy storage, although each party had a particular take on the argument making it an original contribution. CFC offered consumer-based argument that application specific approach might be the most efficient approach and an important step to avoid unnecessary spending, especially since utility customers may be the ones ultimately bearing the cost of energy storage adoption.		Claimant put forth arguments and views that were largely redundant with other parties. As stated above, the Commission approves full credit for hours spent attending the prehearing conference and workshops, but disallows 75% of the other hours claimed.

² The Division of Ratepayer Advocates was renamed the Office of the Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill 96 (Budget Act of 2013), which was approved by the Governor on September 26, 2013.

PART III: REASONABLENESS OF REQUESTED COMPENSATION

A. General Claim of Reasonableness (§§ 1801 & 1806):

<p>a. How the cost of Claimant’s participation bears a reasonable relationship with benefits realized through participation</p>	<p>CPUC Verified</p>
<p>There will be monetary benefits for ratepayers based on CFC’s participation, although it is difficult to estimate a specific amount of monetary benefits. Some of the CFC’s contributions adopted by the final decision will result in a clearer identification of barriers to energy storage adoption as well as a framework that will, in part, focus on addressing valuation methodologies as well as a cost recovery model. Though currently abstract, these issues will be necessary in developing policy that will save utility customers money in the long term.</p> <p>In addition, because of CFC’s contribution, the Commission adopted an official definition of energy storage which will minimize confusion in the future and make it easier to develop uniform standards and policies.</p>	<p>Claimant put forth arguments and views that were largely redundant with other parties. As stated above, the Commission approves full credit for hours spent attending the prehearing conference and workshops, but disallows by 75% the other hours claimed.</p>
<p>b. Reasonableness of Hours Claimed.</p> <p>CFC worked efficiently and recorded hours rounding down to the nearest decimal.</p>	<p>See above.</p>
<p>c. Allocation of Hours by Issue See Attachment</p>	<p>See above.</p>

B. Specific Claim*:

CLAIMED						CPUC AWARD			
ATTORNEY, EXPERT AND ADVOCATE FEES									
Item	Year	Hours	Rate	Basis for Rate	Total	Year	Hours	Rate	Total
Nicole A. Blake	2011	81.1	\$ 175	D.12-02-013	\$14,192.50	2011	30.8	\$175	\$5,390.00
Nicole A. Blake	2012	67.3	\$200	D.12-09-017	\$13,460.00	2012	16.8	\$200	\$3,360.00
Subtotal:					\$27,652.50	Subtotal:			\$8,750.00

INTERVENOR COMPENSATION CLAIM PREPARATION **									
Item	Year	Hours	Rate	Basis for Rate	Total	Year	Hours	Rate	Total
Nicole A. Blake	2011	1.5	\$87.5	½ D.12-02-013	\$175.00 ³	2011	1.5	87.5	\$131.25
Nicole A. Blake	2012	8	\$100	½ D.12-09-017	\$400.00 ⁴	2012	8	100	\$800.00
					Subtotal:			Subtotal:	\$931.25
					TOTAL REQUEST :	\$	TOTAL AWARD :		\$9,681.25
<p>* We remind all intervenors that Commission staff may audit their records related to the award and that intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Claimant’s records should identify specific issues for which it requested compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants, and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>** Reasonable claim preparation time typically compensated at ½ of preparer’s normal hourly rate (the same applies to the travel time).</p>									

C. CPUC Disallowances & Adjustments:

#	Reason
CPUC	As stated above, Claimant put forth arguments that were duplicative of positions put forth by many other parties to the proceeding. The Commission also finds that Claimant spent excessive hours on general preparation, reviewing comments, researching various issues and drafting comments. For example, Claimant submitted 60+ hours on research of various issues related to the proceeding. We find these hours to be excessive in light of the actual contribution claimant has made to the decision. As such, we are granting full credit for the hours spent attending the prehearing conference and workshops, but reduce all other hours by 75% across the board.

PART IV: OPPOSITIONS AND COMMENTS

A. Opposition: Did any party oppose the claim?	No
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B. Comment Period: Was the 30-day comment period waived (see Rule 14.6(c)(6)) (Y/N)?	No
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If not:

Party	Comment	CPUC Disposition
	No comments were received.	

³ Mathematical error by claimant, this total should be \$131.25.

⁴ Mathematical error by claimant, this total should be \$800.00.

⁵ Mathematical error by claimant, this total should be \$931.25.

FINDINGS OF FACT

1. Consumer Federation of California has made a substantial contribution to Decision 12-08-016.
2. The claimed fees and costs, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The total of reasonable compensation is \$9,681.25.

CONCLUSION OF LAW

1. The claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

ORDER

1. Consumer Federation of California is awarded \$9,681.25.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall pay Consumer Federation of California their respective shares of the award, based on their California-jurisdictional electric revenues for the 2011 calendar year, reflecting the year in which the proceeding was primarily litigated. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning January 27, 2013, the 75th day after the filing of Consumer Federation of California's Amended Request for Intervenor Compensation, and continuing until full payment is made.
3. The comment period for today's decision was not waived.

This order is effective today.

Dated _____, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision? No
Contribution Decision(s):	D1208016	
Proceeding(s):	R1012007	
Author:	Commissioner Peterman	
Payer(s):	Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company	

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier	Reason Change/Disallowance
Consumer Federation of California	10/12012 and amended on 11/13/2012	\$28,227.50 ¹	\$9,681.25	No	Reductions for duplications. 75% reduction for excessive hours on general research and preparation.

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Nicole	Blake	Attorney	Consumer Federation of California	\$175	2011	\$175
Nicole	Blake	Attorney	Consumer Federation of California	\$200	2012	\$200

(END OF APPENDIX)

¹ Mathematical error by Claimant. This total should be \$28,583.75.