

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the California Solar Initiative, the Self-Generation Incentive Program and Other Distributed Generation Issues.

Rulemaking 12-11-005
(Filed November 8, 2012)

DECISION GRANTING INTERVENOR COMPENSATION CLAIM OF THE UTILITY REFORM NETWORK FOR CONTRIBUTION TO DECISIONS D.14-03-041 AND D.14-05-033

Intervenor: The Utility Reform Network (TURN)	For contribution to Decisions (D.) D.14-03-041 and D.14-05-033
Claimed: \$22,348.83	Awarded: \$21,836.33 (reduced 2.3%)
Assigned Commissioner: Michael Picker	Assigned ALJs: Regina M. DeAngelis, Karen Hieta

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	<p>D.14-03-041 adopted a transition period of 20 years for all existing net energy metering customers prior to transfer to any future revised net energy metering tariff.</p> <p>D.14-05-033 exempted any storage paired with NEM self-generation from the same interconnection fees and upgrade costs as the NEM generator, and adopted metering, size and reporting requirements to ensure NEM integrity and provide for a review of the impacts of the exemptions.</p>
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B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:

	Intervenor	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference (PHC):		
2. Other specified date for NOI:	Eligibility from Prior Proceedings	Verified
3. Date NOI filed:	n/a	April 21, 2006

4. Was the NOI timely filed?		Yes
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	R.06-03-004	Verified
6. Date of ALJ ruling:	May 16, 2006	Verified
7. Based on another CPUC determination (specify):		
8. Has the Intervenor demonstrated customer or customer-related status?		Yes
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	R.06-03-004	Verified
10. Date of ALJ ruling:	May 16, 2006	Verified
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:		D.14-05-033
14. Date of issuance of Final Order or Decision:	May 23, 2014	Verified
15. File date of compensation request:	July 22, 2014	Verified
16. Was the request for compensation timely?		Yes

C. Additional Comments on Part I (use line reference # as appropriate):

#	Intervenor’s Comment(s)	CPUC Discussion
2	See OIR 12-11-005, p. 13; OIR 10-05-004, Sec. 7. Eligibility ultimately based on Rulings issued in R.06-03-004	TURN bases its NOI on a string of continuations of its submitted NOI from R.06-03-004. The OIRs were issued: R.12-11-005 OIR: November 15, 2012. R.10-05-004 OIR: May 12, 2010. R.08-03-008 OIR: March 17, 2008. Although approved in these prior proceedings, we note that from this point forward TURN and other intervenors should file new NOIs in every proceeding, even if it is a continuation of a related predecessor proceeding.
3	TURN filed an “addendum to the NOI” on April 12, 2013 in this proceeding.	

PART II: SUBSTANTIAL CONTRIBUTION

A. Did the Intervenor substantially contribute to the final decision (see § 1802(i), § 1803(a), and D.98-04-059).

Intervenor’s Claimed Contribution(s)	Specific References to Intervenor’s Claimed Contribution(s)	CPUC Discussion
<p>1. D.14-03-041: Basis for Transition Period</p> <p>TURN argued that based on both statutory interpretation, as well as principles of fairness, the transition period should be based primarily on the calculation of payback times.</p> <p>In contrast, several solar parties argued that the transition period should be 30 years, based on the full expected useful life of a solar system.</p> <p>The Commission adopted a transition period that was based both on “a conservative estimate of the equipment’s expected life” (p. 20) and “constitutes a reasonable payback period as contemplated in AB 327” (p. 22).</p>	<p>TURN Comments, December 13, 2013, p. 3-7.</p> <p>TURN Reply Comments, December 23, 2013, p. 1-7.</p> <p>D.14-03-041, p. 20-22; Finding of Fact 5, p. 35; Conclusion of Law 1, p. 37.</p>	<p>Yes, but duplicative of other parties.</p>
<p>2. D.14-03-041: Length of Payback Period</p> <p>TURN argued that payback periods for residential customers ranged from an about 16 years in 2006 to about 10 years in 2012, and payback periods are expected to decline in the future. TURN showed that the maximum possible residential payback period was about 24 years.</p> <p>TURN first argued for a single ending date of 2020 for the transition period based on declining payback periods and public policy considerations. TURN subsequently modified its position to allow for a transition period until 2025 for certain commercial and agricultural customers.</p> <p>The Commission agreed that a 20-year period represented an appropriate</p>	<p>TURN Comments, Dec. 13, 2013, p. 7-10.</p> <p>TURN Comments, p. 9.</p> <p>TURN Comments, p. 10-12. D.14-03-041, p. 11.</p> <p>TURN Reply Comments, December 23, 2013, p. 10-11.</p> <p>D.14-03-041, p. 22; Findings of Fact 5-6.</p>	<p>Yes.</p>

<p>compromise reflecting both “a reasonable payback period” and a “conservative estimate of expected life” of the system.</p>		
<p>3. D. 14-03-041: NEM for Expansions</p> <p>TURN argued that only non-material expansions should qualify as part of the existing NEM system.</p> <p>The Commission agreed that “allowing material additions to a system to be eligible on the same terms as the original system would circumvent the legislatively mandated NEM transition trigger level,” and adopted a cap on increases of 10% or 1 kW, whichever is greater.</p>	<p>TURN Reply Comments, December 23, 2013, p. 11-12.</p> <p>D.14-03-041, p. 27; Finding of Fact 8, p. 36.</p>	<p>Yes, but TURN’s comments can be found on page 13-14.</p>
<p>4. D.14-05-033: Eligibility of paired storage under 2827(b)(1)</p> <p>TURN argued that as a matter of law §2827(b)(1) did not require adopting the CEC Guidebook definition of “renewable generating facility,” since the key requirements was the use of a “renewable source.” TURN recommended the language should make clear this is a discretionary policy decision.</p> <p>The final decision modified the language in the Proposed Decision to correspond to TURN’s argument, making clear that the §2827(b)(1) deferred the definition of a “renewable source” to the Public Resources Code, and holding that the Commission’s policy choice was supported by the fact that the CEC Guidebook “allows” connected storage to be treated as an addition or enhancement.</p>	<p>TURN Comments on ACR, Nov. 1, 2013, p. 3-4.</p> <p>TURN Comments on PD, May 5, 2014, p. 1-3.</p> <p>D.14-05-033, p. 10-11.</p> <p>Compare the language of the PD and final decision at p. 10 (first paragraph of Sec. 4.2).</p> <p>Compare Conclusions of Law #2 in the PD and final decision.</p>	<p>Yes.</p>
<p>5. D.14-05-033: Metering to Ensure NEM Integrity</p> <p>TURN supported the use of a potential estimation method to calculate the potential output of a paired storage device in the absence of net output metering, and recommended the need for additional data.</p>	<p>TURN Comments on ACR, Nov. 1, 2013, p. 4-6.</p> <p>D.14-05-033, p. 17.</p>	<p>Yes.</p>

<p>The original PD adopted Sunverge’s proposed measurement methodology, but the final decision ordered the use of an estimation method that will be released later for additional comment.</p>	<p>D.14-05-033, p.20. Conclusions of Law 12-13, p.36. Ordering Paragraph 6, p.39.</p>	
<p>6. D.14-05-033: Reporting Requirements</p> <p>TURN supported the reporting requirements but recommended more frequent reporting, a cap on the program based on potential revenue shifts, and further definition of avoided costs.</p> <p>The Commission ordered the filing of one initial report on 9/19/14 and a final report by 6/30/15, declined to amend the 12/31/15 deadline for reviewing the adopted exemptions for paired storage, and required a future advice letter to define cost categories.</p>	<p>TURN Comments on PD, May 5, 2014, p. 3-4.</p> <p>D.14-05-033, p. 24. Ordering Paragraph 15 and 16, p.41-42.</p>	<p>Yes.</p>

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

	Intervenor’s Assertion	CPUC Discussion
<p>a. Was the Office of Ratepayer Advocates (ORA) a party to the proceeding?¹</p>	<p>Yes</p>	<p>Verified</p>
<p>b. Were there other parties to the proceeding with positions similar to yours?</p>	<p>Yes</p>	<p>Verified</p>
<p>c. If so, provide name of other parties:</p> <p>The parties with similar positions in this proceeding were the three electric IOUs and ORA. However, their recommendations for both the transition period and the treatment of paired storage were not exactly the same as the positions and recommendations made by TURN. Nevertheless, TURN’s hours in this proceeding were more limited due to the fact that TURN was generally aligned with the IOUs on major issues.</p> <p>Numerous parties represented the solar industry and solar net energy metering customers in this proceeding, including: CalSEIA, SEIA, Vote Solar, CESA, CCSE, AECA, TASC, CALCAN, IREC, and Recolte.</p>	<p>Verified</p>	

¹ The Division of Ratepayer Advocates was renamed the Office of Ratepayer Advocates effective September 26, 2013, pursuant to Senate Bill No. 96 (Budget Act of 2013: public resources), which was approved by the Governor on September 26, 2013.

<p>Those parties generally advocated for a longer transition period based on equipment expected useful life.</p>	
<p>d. Intervenor’s claim of non-duplication:</p> <p>TURN's compensation in this proceeding should not be reduced for duplication of the showings of other parties. In a proceeding involving multiple participants, it is virtually impossible for TURN to completely avoid some duplication of the work of other parties. In this case, TURN took reasonable steps to keep such duplication to a minimum, and to ensure that when it did happen, our work served to complement and assist the showings of the other parties.</p> <p>In addition to informal communications, TURN held at least two telephonic meetings with the IOUs (on 12/5/13 and 12/19/13) to coordinate positions and minimize duplication.</p> <p>Any duplication that may have occurred here was more than offset by TURN’s unique contribution to the proceeding. For example, TURN was the only party that raised legal issues concerning the reliance of PUC 2827(b)(1) on definitions in the Public Resources Code in comments on the original ACR. Under these circumstances, no reduction to our compensation due to duplication is warranted given the standard adopted by the Commission in D.03-03-031.</p>	<p>Verified, but some duplication occurred.</p>

C. Additional Comments on Part II:

#	Intervenor’s Comment	CPUC Discussion
<p>1, 2, 6</p> <p>Partial Contribution</p>	<p>The Commission has interpreted the Section 1802 definition, in conjunction with Section 1801.3, so as to effectuate the legislature’s intent to encourage effective and efficient intervenor participation. The statutory provision of “in whole or in part,” as interpreted by multiple Commission decisions on intervenor compensation requests, has established as a general proposition that when a party makes a substantial contribution in a multi-issue proceeding, it is entitled to compensation for time and expenses even if it does not prevail on some of the issues. See, for example, D.98-04-028 (awarding TURN full compensation in CTC proceeding, even though TURN did not prevail on all issues).</p> <p>The standard for an award of intervenor compensation is whether TURN made a substantial contribution to the Commission’s decision, not</p>	<p>Verified.</p>

	<p>whether TURN prevailed on a particular issue. For example, the Commission recognized that it “may benefit from an intervenor’s participation even where the Commission did not adopt any of the intervenor’s positions or recommendations.” D.08-04-004 (in the review of SCE’s contract with Long Beach Generation, A.06-11-007), pp. 5-6. See, also, D.09-04-027, p. 4 (awarding intervenor compensation for TURN’s efforts in the SCE AMI proceeding, A.07-07-026); D.10-06-046, p. 5.</p> <p>The Commission should compensate TURN for all work in this proceeding, despite the fact that the Commission adopted a compromise position concerning the primary issue of the length of the transition period.</p>	
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PART III: REASONABLENESS OF REQUESTED COMPENSATION

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

<p>a. Intervenor’s claim of cost reasonableness: The costs requested by TURN for compensation in this proceeding are reasonable given the policy significance and cost implications of the issues concerning the transition period and paired storage.</p> <p>The phase of this proceeding addressing the NEM transition period involved significant legal issues concerning the implementation of AB 327 and policy issues concerning equitable treatment between participants and non-participants under the existing Net Energy Metering tariff. While it is difficult to quantify an exact economic benefit of TURN’s participation, the Commission’s Net Energy Metering cost effectiveness report (E3 Report, Oct. 2013) shows that the range of cost shifting (due to payments for solar exports exceeding the avoided cost due to solar generation) from participants to non-participants due to the existing NEM tariff ranges from about \$79 million under 2012 participation to over \$370 million under full NEM subscription. Even using the low number as a conservative figure, each year of the “transition period” thus represents a potential cost of \$79 million to NEM non-participants. TURN’s participation contributed to the selection of a 20-year transition period, as opposed to the 30-year period recommended by multiple intervenors representing the solar industry.</p> <p>The phase of this proceeding addressing cost exemptions for paired storage involved policy and factual issues related to equitable treatment of storage systems paired with NEM generation. It is difficult to quantify the financial impacts of D.14-05-033, but TURN contributed to a policy outcome that</p>	<p style="text-align: center;">CPUC Discussion</p> <hr/> <p style="text-align: center;">Verified.</p>
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<p>promotes fair treatment of storage systems and provides a process for quantifying those impacts and modifying the subsidy for storage systems if necessary in the future.</p>	
<p>b. Reasonableness of hours claimed: TURN seeks compensation for approximately 52 hours of attorney time. This amount is reasonable given the significant legal, policy and factual issues leading up to the two decisions in this proceeding.</p> <p>Most of TURN’s work in this phase related to transition period issues addressed in D.14-03-041. The issue of a proper transition period required legal analysis concerning AB 327, factual analyses concerning payback periods for solar installations and policy analysis regarding equitable treatment of participants and non-participants. TURN’s attorney Hawiger performed both the legal legislative analysis as well as the factual analyses concerning payback periods, thus minimizing outside costs.</p> <p>TURN’s participation concerning the issue of paired storage was limited.</p> <p>TURN suggests that the amount of time devoted to this case was actually very modest given the scope of the issues and the number of pleadings submitted by intervenors arguing for a different outcome. In a proceeding involving such a large number of intervenors advocating for a different outcome, there is a fixed number of hours required just to read the positions of the various parties.</p>	<p>Verified.</p>
<p>c. Allocation of hours by issue:</p> <p>Each of the two decisions involved a single primary issue. TURN did not attempt to allocate time spent on transition period issues between legal (statutory requirement for using payback) versus factual (calculation of payback periods). Based on evaluation of the time sheets, TURN provides the following allocation of attorney time:</p> <p>Transition Period – 69% (35.75 hours) Cost Effectiveness – 13% (6.5 hours) Paired Storage – 9% (4.75 hours) Unallocable General Work – 9% (4.75 hours)</p> <p>“Cost effectiveness” refers to a partial review of the E3 cost effectiveness report, which provided a factual basis for legislative action and policy positions on the transition period. TURN has not requested compensation for approximately 15 hours of work in 2012 and 2013 related to the cost effectiveness methodology issue and to statutory review of AB 327.</p>	<p>Verified.</p>

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Marcel Hawiger	2013	35	400	D.14-05-015, p. 28	14,000	33.2	\$400.00 ²	13,280.00
Marcel Hawiger	2014	16.75	400	2013 Rate w/o COLA	6,700	16.75	\$410.00 ³	6,867.50
Subtotal: \$ 20,700						Subtotal: \$20,147.50		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Marcel Hawiger	2014	8	200	½ of 2013 Rate	1,600	8	\$205.00	\$1,640.00
Subtotal: \$1,600						Subtotal: \$1,640.00		
COSTS								
#	Item	Detail			Amount	Amount		
	Xeroxing				21.30	\$21.30		
	Postage				27.53	\$27.53		
		Subtotal			48.83	\$48.83		
TOTAL REQUEST: \$ 22,348.83						TOTAL AWARD: \$21,836.33		
<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. Intervenor’s records should identify specific issues for which it seeks 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>**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer’s normal hourly rate</p>								
ATTORNEY INFORMATION								

² Approved in D.14-11-019.

³ Application of 2.58% Cost of Living Adjustment approved in Res. ALJ-303.

Attorney	Date Admitted to CA BAR⁴	Member Number	Actions Affecting Eligibility (Yes/No?) If “Yes”, attach explanation
Marcel Hawiger	01/23/1998	194244	N

C. Attachments Documenting Specific Claim and Comments on Part III:

Attachment or Comment #	Description/Comment
1	Certificate of Service
2 Attorney Hours	Contemporaneous Time Sheets for Attorney and Expert Witness. A daily listing of the specific tasks performed by Attorney Hawiger in connection with this proceeding is set forth in Attachment 2. TURN’s attorneys maintained detailed contemporaneous time records indicating the number of hours devoted to work on this case. In preparing this appendix, Mr. Hawiger reviewed all of the recorded hours devoted to this proceeding and included only those related to the issues covered in the relevant decisions and that were reasonable for the underlying task.
3 Expenses	A detailed itemization of expenses in included as Attachment 3.
Hourly Rate for Hawiger for 2014	TURN uses the authorized 2013 rate for Hawiger for 2014. TURN requests that the 2014 rate be adjusted once the Commission issues a Resolution adopting a COLA for 2014.

D. CPUC Disallowances and Adjustments:

Item	Reason
[A]	Deduction for duplication with regards to Transition Period Issue. Deduction of 5% to Transition Period Hours, or 1.8 hours, to 2013 hours.

PART IV: OPPOSITIONS AND COMMENTS
**Within 30 days after service of this Claim, Commission Staff
or any other party may file a response to the Claim (see § 1804(c))**

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))?	Yes
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⁴ This information may be obtained through the State Bar of California’s website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch> .

FINDINGS OF FACT

1. TURN has made a substantial contribution to Decisions D.14-03-041 and D.14-05-033.
2. The requested hourly rates for TURN's representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$21,836.33.

CONCLUSION OF LAW

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

ORDER

1. The Utility Reform Network shall be awarded \$21,836.33.
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas & Electric Company, and Southern California Edison Company shall pay The Utility Reform Network their respective shares of the award, based on their California-jurisdictional electric revenues for the 2013 calendar year, to reflect 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 October 05, 2014, the 75th day after the filing of Intervenor's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.

This decision is effective today.

Dated _____ 2015, at San Francisco, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision?	
Contribution Decision(s):	D1403041; D1405033		
Proceeding(s):	R1211005		
Authors:	ALJ DeAngelis and ALJ Hieta		
Payer(s):	Pacific Gas and Electric Company, Southern California Gas Company, San Diego Gas and Electric Company, Southern California Edison Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Utility Reform Network	07/22/14	\$22,348.83	\$21,836.33	N/A	Duplication

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Marcel	Hawiger	Attorney	The Utility Reform Network	\$400	2013	\$400
Marcel	Hawiger	Attorney	The Utility Reform Network	\$400	2014	\$410

(END OF APPENDIX)