

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard Program.	Rulemaking 11-05-005 (Filed May 5, 2011)
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DECISION GRANTING COMPENSATION TO SIERRA CLUB CALIFORNIA FOR SUBSTANTIAL CONTRIBUTION TO DECISION 14-11-042

Intervenor: Sierra Club California	For contribution to Decision (D.) 14-11-042
Claimed: \$16,424.50	Awarded: \$ 15,535.00 (reduced 5.4%)
Assigned Commissioner: Carla J. Peterman	Assigned ALJ: Anne E. Simon

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	D.14-11-042 conditionally accepts the draft 2014 Renewables Portfolio Standard (RPS) Procurement Plans, including the related solicitation protocols, filed by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E). This decision also addresses issues related to the Renewable Integration Adder and future use of the Renewable Auction Mechanism.
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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):	June 13, 2011	Verified.
2. Other specified date for NOI:		
3. Date NOI filed:	June 9, 2011	Verified.
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:	A.10-03-014	Verified.
6. Date of ALJ ruling:	November 30, 2010	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:	A.10-03-014	Verified.
10. Date of ALJ ruling:	November 30, 2010	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.14-11-042	Verified.
14. Date of issuance of Final Order or Decision:	November 24, 2014	Verified.
15. File date of compensation request:	January 23, 2015	Verified.
16. Was the request for compensation timely?		Yes.

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. Consideration of long-term renewable procurement beyond 33% RPS. (Primarily contributed to Integration adder, secondarily Resource Adequacy)</p> <p>“In order for California to successfully decarbonize its electricity system and meet its current objective to reduce greenhouse gas pollution to 80 percent below 1990 levels by 2050, the state must</p>	<p>“The integration cost adder should be based on the contract term for the project and an assumed portfolio mix (i.e., 40% RPS) that is greater than 33%” p.56.</p>	<p>Accepted.</p>

<p>significantly and promptly increase its renewable penetration beyond the minimum 33 percent RPS requirement. Indeed, the Commission has recently clarified that the RPS program represents a floor for renewable energy procurement, that retail sellers have the ability to voluntarily procure additional renewables, and that the Commission may require additional procurement under its authority granted by Assembly Bill (“AB”) 327. Accordingly, a thoughtful discussion of strategies to optimize procurement and minimize integration costs is timely and should be conducted in the context of deploying much higher levels of renewables on the grid.”</p> <p>July 30, 2014 Reply Comments at 2-3.</p>		
<p>2. Further consideration of the renewable integration adder pursuant to a public process.</p> <p>“Development of an integration adder is an extremely complicated topic that should not be fast-tracked so that it can be used in the 2014 RPS solicitation. Sierra Club, UCS, and NRDC object to PG&E and SCE’s request that a proxy integration adder be adopted before the Commission has a chance to develop a methodology in a</p>	<p>“The record development for a final methodology is an on-going process and, as of today, is not sufficiently developed to provide a basis for a decision on a final methodology.” P.57</p> <p>“At the same time, we recognize that an interim value may not be as accurate as the results we obtain from a more lengthy and in-depth review. For this reason, the interim approach we adopt today will remain in place only until the Commission adopts a more comprehensive approach, anticipated in 2015.” P.58.</p> <p>“The process to consider a final methodology may include hearings or</p>	<p>Accepted.</p>

<p>public process. The application of an integration adder for use in the LCBF analysis to assess renewable energy contract bids should only be considered following workshops and a robust public process.” July 30, 2014 Reply Comments at 3.</p>	<p>workshops to be scheduled as soon as practicable.” P.64.</p>	
<p>3. Reflecting Lack of Capacity Need in Resource Adequacy, and Rejection of Zero Value for Resource Adequacy.</p> <p>“Sierra Club, UCS, and NRDC agree with the numerous parties including Southern California Edison (“SCE”), the Center for Energy Efficiency and Renewable Technologies (“CEERT”), and Pacific Gas & Electric (“PG&E”) calling for maintaining a positive value for system resource adequacy (“RA”) capacity in the RPS procurement process in 2014. Continuation of a positive resource adequacy value offers benefits to both billpayers and the environment.” July 30, 2014 Reply Comments at 1.</p> <p>“Denying renewables RA value so that inefficient and polluting resources can continue to receive capacity payments is a needless subsidy to the state’s dirtiest generation. A positive RA value for renewables provides IOUs with carbon-free resources to meet system</p>	<p>“Other parties state that resource adequacy is a defined product with market value and that the lack of need for resource adequacy will be reflected in low resource adequacy values.” P.51</p> <p>“We also agree with PG&E, SCE, and UCS that the lack of capacity need should be reflected in low resource adequacy values.” P.52.</p> <p>“Therefore, we do not adopt the March 26, 2014 ACR proposal to adopt a zero value for resource adequacy in the utilities’ 2014 LCBF methodologies.” P.52.</p>	<p>Accepted.</p>

<p>capacity needs and should continue in the 2014 RPS procurement process.” July 30, 2014 Reply Comments at 2.</p>		
<p>4. Renewable Auction Mechanism</p> <p>A. Future of RAM and Strategic Optimization for Local Capacity Need:</p> <p>“California electricity customers and the environment will be best served by an integrated portfolio of resources that includes all cost-effective energy efficiency savings and renewable generation to offset the need for more costly and polluting power plants and other infrastructure.” January 30, 2014 comments at 2 (NRDC and SC Comments).</p> <p>“In order to better support local reliability needs, the Commission should consider reauthorization with the following criteria: targeting auctions to facilitate local reliability needs, ranking projects for their ability to be integrated at low cost, and supporting a diverse resource mix (NRDC/SC Comments at 3, 1/30/14).</p> <p>- We urge the Commission to reauthorize RAM in a way that reflects an assessment of the need, cost, and value of procuring a specific resource”</p>	<p>A. Future of RAM and Strategic Optimization for Local Capacity Need:</p> <p>“Some parties support continuing the RAM auctions in the existing or a similar form. Toward this end, parties suggest that the Commission authorize additional capacity into for RAM program, extend RAM through more auctions, and keep the structure similar to the existing RAM. The Joint Solar Parties, National Resources Defense Council (NRDC), and Clean Coalition support this direction based on the rationale that RAM, in its current format, successfully promoted procurement of smaller renewable generation.” P.88-89.</p> <p>“In today’s decision, we adopt a revised RAM that functions as a procurement tool within the annual RPS procurement plan process. We also require IOUs to hold one additional RAM auction to close by June 30, 2015, a RAM 6 auction. We view RAM 6 as a transitional process, to provide smaller renewable generation a procurement forum between now and the 2015 annual RPS solicitation when IOUs will be permitted to rely on the revised RAM procurement tool.” P.91.</p> <p>“Furthermore, we find that RAM could provide IOUs with a tool to procure other Commission authorized renewable procurement, such as, any capacity authorized under the so-called green</p>	<p>Accepted.</p>

<p>at 3. See full discussion at pages 7-11 (NRDC/SC Comments).</p> <p>“The Commission should continue to support multiple product category distinctions, with the recognition that RAM alone is unlikely to solve all of these concerns. The Commission may also consider needs-based procurement targets that take into account product type to ensure procurement of a balanced portfolio.” See also February 14, 2014 Reply comments at 5-8 (NRDC/SC).</p> <p>B. Retaining Diverse Product Categories:</p> <p>“We note also that solar PV has accounted for over 90% of offers in the first three RAM auctions and almost 80% of executed contracts. Meanwhile, a recent E3 report found that California will likely face renewable integration challenges beyond a 33% RPS, unless California works to procure a more diverse portfolio of renewable</p>	<p>tariffs pending before the Commission pursuant to SB 43 and other system or local needs. We expect IOUs to explain in their annual RPS procurement plan filings how any proposed RAM could satisfy an authorized procurement need, including, for example, system Resource Adequacy needs, local Resource Adequacy needs, RPS needs, reliability needs, LCR needs, GTSR needs, and any need arising from Commission or legislative mandates.” P.92.</p> <p>“We review the parameters of RAM based on the goal of allowing utility flexibility to use RAM to optimize its portfolio based on its procurement needs while providing a streamlined procurement tool.” P.92.</p> <p>B. Product categories</p> <p>“Ormat and NRDC state that the product categories should be retained.</p> <p>We find it reasonable to retain the product categories on the basis that categories ensure a potential market for most products.” Decision, P.95.</p>	
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<p>resources and implements solutions to reduce distribution system impacts from distributed generation, among other methods. The Commission should continue to support multiple product category distinctions, with the recognition that RAM alone is unlikely to solve all of these concerns. The Commission may also consider needs-based procurement targets that take into account product type to ensure procurement of a balanced portfolio.</p> <p>January 30, 2014 Opening Comments at 12-13 (NRDC/SC Comments).</p> <p>C. Addressing Subdivided projects –</p> <p>“Developers carving up large projects located on the bulk transmission grid and submitting them as multiple ‘DG’ projects clearly cuts against the intended purpose of RAM. However, the Commission can minimize this problem by creating clear locational guidelines.” January 30, 2014 Opening Comments at 15 (NRDC/SC Comments);</p> <p>See also February 14, 2014 Reply comments at 4.</p>	<p>C. Addressing Subdivided projects</p> <p>“NRDC states that subdivided solar projects should be precluded, but other resources should be permitted to subdivide. We find that the IOUs should define the terms of any future RAM solicitation to either include or exclude sub-divided projects since this allows IOUs to determine how to meet resources needs.” P.96.</p>	
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B. Duplication of Effort (§ 1801.3(f) and § 1802.5):

	Intervenor's Assertion	CPUC Discussion
a. Was the Office of Ratepayer Advocates¹(ORA) a party to the proceeding?	Yes.	Yes.
b. Were there other parties to the proceeding with positions similar to yours?	Yes.	Yes.
c. If so, provide name of other parties: NRDC, Union of Concerned Scientists		
d. Intervenor's claim of non-duplication: Sierra Club coordinated with NRDC regarding RAM issues, and with Union of Concerned Scientists and NRDC regarding Capacity Valuation and Renewable Integration Adder issues. We participated in joint conference calls, and prepared and filed comments jointly to ensure there was no duplication of effort. The vast majority of our work was engaged in writing comments that substantially contributed to the Commission's Decision.		SC also jointly filed comments with the Nature Conservancy, Defenders of Wildlife, and NRDC.

C. Additional Comments on Part II:

#	Intervenor's Comment	CPUC Discussion
1.	All Comments cited in Part II.A. refer to Joint Comments or Reply Comments filed by Sierra Club and NRDC, and not to other filings on this date.	Verified.

PART III: REASONABLENESS OF REQUESTED COMPENSATION**A. General Claim of Reasonableness (§ 1801 and § 1806):**

a. Intervenor's claim of cost reasonableness:	CPUC Discussion
While it is difficult to quantify the benefits of renewable procurement reform, Sierra Club's substantial contributions will assist the Commission in procuring renewable resources that are cost-effective and strategically planned to optimally fit an integrated portfolio of diverse resources, and to streamline procurement costs for RAM.	Accepted.
b. Reasonableness of hours claimed: Sierra Club worked extensively with NRDC and UCS to limit hours to those necessary and reasonable to substantially contribute to the Commission's	Accepted.

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), which was approved by the Governor on September 26, 2013.

consideration of these issues. The vast majority of our time was spent writing comments, which were prepared jointly with other parties with similar positions. We focused narrowly on issues where we could make the greatest contribution to the Commission's deliberation in response to the Assigned Commissioner's Rulings.	
c. Allocation of hours by issue: 55% - Renewable Auction Mechanism 20% - Integration Adder 25% - Resource Adequacy	Accepted.

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Andy Katz	2014	30.7	\$300	D.13-11-021; Resolution ALJ-303; see note #2	\$9,210.00	30.7	\$300	\$9,210.00
Matt Vespa	2014	7.5	\$345	D.15-01-046	\$2,587.50	7.5	\$330	\$2,475.00
Sarah Friedman	2014	11.1	\$320	Resolution ALJ-303; see note #3	\$3,552.00	11.1	\$250	\$2,775.00
Robert Freehling	2014	2.5	\$190	D.1310068; Resolution ALJ-303; see note #4	\$475.00	2.5	\$190	\$475.00
<i>Subtotal: \$15,854.50</i>						<i>Subtotal: \$14,935.00</i>		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Andy Katz	2015	4	\$150	½ Attorney Rate	\$600.00	4	\$150	\$600.00
<i>Subtotal: \$600.00</i>						<i>Subtotal: \$600.00</i>		
TOTAL REQUEST: \$16,424.50						TOTAL AWARD: \$15,535.00		
<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. Intervenors' 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								

Attorney	Date Admitted to CA BAR ²	Member Number	Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation
Andy Katz	12/1/09	264941	No
Matt Vespa	12/6/02	222265	No
Sarah Friedman	10/25/07	250760	No

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

Attachment or Comment #	Description/Comment
1	Certificate of Service
2.	Mr. Katz initially received a rate in D.12-03-032, and most recently in D.13-11-021, and is seeking a new rate at the bottom end of the 5 - 7 year experience range set forth in Resolution ALJ-303, per the process set forth for representatives moving to a higher experience level in D.08-04-010 (see page 8). Mr. Katz is a graduate of Santa Clara University School of Law, and UC Berkeley for both a Master of City Planning and Bachelor of Arts. He had practiced energy law representing Sierra Club California before the Commission for five years as of 2014 in proceedings involving RPS, residential rate design, electric vehicles and greenhouse gas allowances.
3.	Ms. Friedman has not yet received an intervenor compensation rate and is seeking compensation pursuant to the range set forth in Resolution ALJ-303 that is commensurate with Ms. Friedman's experience practicing law and energy policy. Ms. Friedman is a graduate of the University of Pennsylvania School of Law and a practicing energy attorney for the past 7 years. Prior to working for the Sierra Club, Ms. Friedman practiced law for four years, focusing on project development and finance, with a particular emphasis on the development, financing, construction and operation of solar power, wind power and geothermal energy projects. Her experience extended to multiple elements of renewable energy development and finance, including merger and acquisition transactions, equity and debt financing and site control and permitting. Ms. Friedman has worked for Sierra Club for the past three years and brings her knowledge and experience in environmental and energy siting policy to filings before the Commission. In addition to work on incorporating conservation values in energy and transmission planning, Ms. Friedman engages on issues related to wildlife and renewable energy at the federal level. Within California, Ms. Friedman not only engages on achieving conservation outcomes for individual renewable energy projects, but is engaged on landscape-level renewable energy and conservation planning processes throughout the West, including California's Desert Renewable Energy Conservation Plan and local county renewable energy planning efforts.
4.	Mr. Vespa received an intervenor compensation rate in D.15-01-046. Mr. Vespa is a 2002 graduate of the UC Berkeley, Boalt Hall School of Law and a practicing environmental lawyer for the past 12 years. Mr. Vespa has practiced before the PUC for the past three years and brings his knowledge and experience in environmental and climate law and policy to filings

² This information may be obtained through the State Bar of California's website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch>.

	before the Commission.
5.	Mr. Freehling has previously been approved at an expert rate of \$165 pursuant to D.13-10-068. Sierra Club California requests a rate of \$190 to take into account the second step increase for his experience range, and cost of living adjustments since his rate was determined in 2011. We calculate annual rates as follows: 2012 - \$170; 2013 - \$175; 2014 - \$190 (applying 2 nd step increase in 2014).

D. CPUC Disallowances and Adjustments:

Item	Reason
1. Adoption of Katz's 2014 hourly rate.	Katz seeks a new rate of \$300 for 2014, a rate increase request due to a move to a higher experience level of 5-7 years, as allowed in D.08-04-010. We grant the rate requested, which is at the bottom of the rate range for the experience level.
2. Adoption of Vespa's 2014 hourly rate.	Vespa received a rate of \$330 in D.15-01-046, and is awarded that same rate in this proceeding.
3. Adoption of Friedman's 2014 hourly rate.	Friedman has worked with the Sierra Club for three years. We base her rate on the 2014 rate set for experts with three to four years of experience in Resolution ALJ-303.
4. Adoption of Freehling's 2014 hourly rate.	Freehling received a rate of \$165 for 2011 in D.13-10-068. Over the intervening years, the Commission has increased his rate by the corresponding COLA (Cost-of-Living-Adjustment). For 2014, the Commission additionally authorizes a step increase of 5.0% to recognize his increased experience. As such, the rate of \$190 is adopted for Freehling for his work in 2014. 2012 Hourly rate: \$170 (\$165 + 2.2% COLA, per Resolution ALJ-281) 2013 Hourly rate: \$175 (\$170 + 2.0% COLA, per Resolution ALJ-287) 2014 Hourly rate: \$190 (\$175 + 2.58% COLA, per Resolution ALJ-303 and 5% Step Increase)

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))?	Yes.
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FINDINGS OF FACT

1. Sierra Club California has made a substantial contribution to Decision 14-11-042.
2. The requested hourly rates for Sierra Club California'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 \$15,535.00.

CONCLUSION OF LAW

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

ORDER

1. Sierra Club California shall be awarded \$15,535.00.
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 Sierra Club California their respective shares of their award, based on their California-jurisdictional electric and gas revenues for the 2014 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 in prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning April 8, 2015, the 75th day after the filing of Sierra Club California's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.
4. This decision is effective today.

Dated _____, at San Francisco, California.

Appendix

Compensation Decision Summary Information

Compensation Decision:		Modifies Decision?	No
Contribution Decision(s):	D1411042		
Proceeding(s):	R1105005		
Author:	ALJ Simon		
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
Sierra Club California	1/23/15	\$16,424.50	\$15,535.00	N/A	Reduced in hourly rates requested.

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Andy	Katz	Attorney	Sierra Club California	\$300	2014	\$300
Matt	Vespa	Attorney	Sierra Club California	\$345	2014	\$330
Sarah	Friedman	Attorney	Sierra Club California	\$320	2014	\$250
Robert	Freehling	Expert	Sierra Club California	\$190	2014	\$190

(END OF APPENDIX)