

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Create a Consistent Regulatory Framework for the Guidance, Planning, and Evaluation of Integrated Distributed Energy Resources.

Rulemaking 14-10-003
(Filed October 2, 2014)

DECISION GRANTING COMPENSATION TO NATURAL RESOURCES DEFENSE COUNCIL FOR CONTRIBUTION TO DECISION 16-06-007

Intervenor: Natural Resources Defense Council	For contribution to Decision (D.) 16-06-007
Claimed: \$10,478.75	Awarded: \$10,351.25 10,478.75
Assigned Commissioner: Michel Peter Florio	Assigned ALJ: Kelly A. Hymes

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	This decision updates portions of the Commission’s cost effectiveness framework. Changes adopted affect the following areas: cost calculator version control, avoided cost calculator data updates, avoided cost estimation, defining the resource balance year, and defining costs and benefits. While some of the changes are administrative and non-controversial, the decision makes a significant change in the use of the resource balance year. The Commission adopts the practice of estimating avoided generation capacity costs by using long-term costs only (of building generation) rather than both short term costs (based on resource adequacy prices) and long-term costs.
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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):	December 5, 2014	Verified
2. Other specified date for NOI:	n/a	
3. Date NOI filed:	January 5, 2014	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:	R.14-07-002	Verified
6. Date of ALJ ruling:	December 18, 2014	Verified
7. Based on another CPUC determination (specify):	n/a	
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.14-07-002	Verified
10. Date of ALJ ruling:	December 18, 2014	Verified
11. Based on another CPUC determination (specify):	n/a	
12. Has the Intervenor demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.16-06-007	Verified
14. Date of issuance of Final Order or Decision:	June 15, 2016	Verified
15. File date of compensation request:	August 12, 2016	Verified
16. Was the request for compensation timely?		Yes

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>(B) Resource Balance Year</p> <p>(C) Other Technical Issues (Cost/Benefits, Tests, Non Energy Benefits, Avoided Costs)</p>	<ul style="list-style-type: none"> • NRDC was a strong advocate for changing the resource balance year, precisely as it was adopted in the decision (D.16-06-007). We also commented substantially on several other technical issues (cost/benefits, tests, avoided costs). ○ We provided verbal comments on the resource balance year and other technical issues at the Cost-Effectiveness Working 	Verified

	<p>Group (CEWG) meetings, which led to the development of the CEWG report.</p> <ul style="list-style-type: none"> ○ We provided formal comments (see March 14, 2016 comments, page 6 on resources balance year and pages 3-5 on other technical issues) and replies (see March 21, 2016 reply, pages 1-2 on resources balance year and page 5 on other technical issues) with the Sierra Club on the CEWG report regarding the resource balance year and other technical issues. ○ We also provided reply comments on the resource balance year (see May 31, 2016 reply, pages 1-4) with eight other parties on the proposed decision, which NRDC coordinated on behalf of the stakeholders. These reply comments defended the proposed decision, and the proposed decision was adopted as we suggested. ○ Our comments were cited in the decision (D.16-06-007) at pages 15, 17, and 18. Most notably, the decision largely uses the arguments in our comments (cited at 15 and 17) as the basis for the change in the use of the resource balance year. ○ We also provided written comments to ED staff on several elements of the decision, including a response to the avoided cost questions posed by staff (response provided May 23, 2016) 	
<p><i>(A) Participation in IDER cost effectiveness working group (CEWG)</i></p>	<ul style="list-style-type: none"> ● NRDC was an active participant in the CEWG, attending the meetings and providing substantive feedback both in the meetings and via email comments as requested. This participation contributed directly to the report of the CEWG, which informed the decision (D.16-06-007). ○ See tracking of meeting hours attended and review of documents described in timesheet. While the CEWG was off the record and therefore no direct citations were included in the decision beyond citing the report CEWG itself, the discussion and substantive comments provided by NRDC contributed to a 	<p>Verified</p>

	robust dialogue that informed the final CEWG report.	
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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 Advocates (ORA) a party to the proceeding?	Yes	Verified
b. Were there other parties to the proceeding with positions similar to yours?	Yes	Verified
c. If so, provide name of other parties: Sierra Club, Clean Coalition, Karey Christ-Janer, Robert Bosch LLC, Vote Solar, Comverge, Inc., EnerNOC, Inc., and CPower		Verified
d. Intervenor’s claim of non-duplication: NRDC’s advocacy was not duplicative as we worked closely with other parties to collaborate and submit joint comments where possible. All calls with other parties were focused on resolving any key issues ahead of time and were kept as brief as possible. In our joint comments with Sierra Club we divided up responsibilities for writing comments so that we did not duplicate work. In the comments and replies we drafted separate sections to reduce total writing and editing time required. We also shared summaries of some of our review of comments, reducing the time needed for review. No time was claimed for administrative functions related to joint comments. We also wrote joint reply comments on the proposed decision with Sierra Club and seven other parties. In this case, NRDC coordinated the group, and Sierra Club and NRDC shared drafting responsibilities for the reply comments and incorporated feedback from the other parties. In addition, NRDC took steps to ensure no duplication of work within our organization by assigning specific issues, tasks, and workshops/meetings to one team member.		Verified

C. Additional Comments on Part II:

#	Intervenor’s Comment	CPUC Discussion
	The “C” (Other Technical Issues) items were largely consensus items provided by the CEWG and adopted in the decision. NRDC’s substantive oral and written contributions shaped the CEWG report, much of which was	

	adopted in the decision (see D.16-06-007 page 3-4).	
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PART III: REASONABLENESS OF REQUESTED COMPENSATION

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

a. Intervenor’s claim of cost reasonableness:	CPUC Discussion
<p>NRDC consistently advocates for policies to maximize cost-effective procurement and use of clean energy resources, ensure that the benefits of clean energy resources are properly accounted for, and that policies and goals align to enable the utilities to use clean energy as their first energy resource choice (as required by California law). NRDC’s continued focus in this and other proceedings is on policies that ensure a reliable, affordable, and environmentally sustainable energy resource portfolio that should have lasting benefits to customers.</p> <p>NRDC contributed substantially toward this final decision, which makes both minor and major changes to the Commission’s cost effectiveness framework. The most significant change made, to significantly alter the use of the resource balance year, was one where NRDC was extensively cited in the decision. Adopting the practice of estimating avoided generation capacity costs by using long-term costs only (of building generation) rather than both short term costs (based on resource adequacy prices) and long-term costs will more fairly value and reward Distributed Energy Resources (IDER) for the benefits they provide – enabling California to integrate a wide range of clean energy resources into our system and better meet our climate goals and ensure the most cost effective energy resources will be properly valued thereby reducing overall costs of energy to customers.</p>	<hr/> <p>Verified</p>
<p>b. Reasonableness of hours claimed:</p> <p>The substantial contributions to Commission policy described above would not have been possible without the individual contributions of the following staff: 1) Lara Ettenson, who has over ten years of experience, nine of which has been working at the Commission focusing on updating policies, such as cost-effectiveness, provided substantive input and shared responsibilities regarding the CEWG; 2) Merrian Borgeson, who has worked on energy regulatory issues for ten years both as an advocate on behalf of NRDC for the last two years, and as an adviser to Commissions across the U.S. as a scientist at Lawrence Berkeley National Laboratory, provided insights into the need to update the cost effectiveness framework and in particular to change the existing resource balance year policy.</p> <p>The amounts claimed are further conservative for the following reasons: (1) No time is claimed for internal coordination, only for substantive policy development; (2) we do not claim time for substantive review by NRDC</p>	<p>Verified</p>

<p>staff other than the active staff noted above, even though their expertise was critical to ensuring productive recommendations; and (3) we claim no time for travel.</p> <p>In addition, the rates requested by NRDC are purposefully conservative and low on the ranges approved by the Commission, even though the levels of expertise of would justify higher rates. NRDC maintained detailed time records indicating the number of hours that were devoted to proceeding activities. All hours represent substantive work related to this proceeding.</p> <p>In sum, NRDC made numerous and significant contributions on behalf of environmental and customer interests, required research and analysis. We took every effort to coordinate with other stakeholders to reduce duplication and increase the overall efficiency of the proceeding. Since our work was efficient, hours extremely conservative, and billing rates low, NRDC's request for compensation should be granted in full.</p>	
<p>c. Allocation of hours by issue: A (Participation in IDER cost effectiveness working group) = 23% B (Resource Balance Year) = 44% C (Other Technical) = 26% D (General policy and process work) = 7%</p>	Verified

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
M. Borgeson Expert	2015	5	\$180	D.16-01-043	\$900.00	5.0	\$180.00	\$900.00
M. Borgeson Expert	2016	36.25	\$190	D.16-01-043 and ALJ Res 392	\$6887.50	36.25	\$190.00	\$6,887.50
L. Ettenson Expert	2015	7	\$185	D.15-10-041	\$1295.00	7.0	\$175.00 ⁺ <u>\$185.00</u> ¹	\$1,225.00 ^{1,2} <u>\$1,295.00</u>
L. Ettenson Expert	2016	5.5	\$185	D.15-10-041	\$1017.50	5.5	\$175.00 ¹ <u>\$185.00</u>	\$962.50 ^{1,01} <u>\$1,017.50</u>
Subtotal: \$10,100.00						Subtotal: \$9,975.00 <u>\$10,100.00</u>		
INTERVENOR COMPENSATION CLAIM PREPARATION**								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$

⁺ ~~D.15-10-041 awarded a rate of \$175.00 per hour to Ettenson for work in 2014.~~

¹ D. 16-02-023 awarded a rate of \$185.00 per hour to Ettenson for work in 2015.

M. Borgeson Expert	2016	3.5	\$95.00	D.16-01-043	\$332.50	3.5	\$95.00	\$332.50
L. Ettenson Expert	2016	0.5	\$92.5	D.15-10-041	\$46.25	0.5	\$87.50 <u>92.50</u>	\$43.75
Subtotal: \$ 378.75						Subtotal: \$376.25<u>378.75</u>		
TOTAL REQUEST: \$10,478.75						TOTAL AWARD: \$10,351.25<u>10,478.75</u>		

*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.

**Travel and Reasonable Claim preparation time typically compensated at ½ of preparer’s normal hourly rate.

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

Attachment or Comment #	Description/Comment
Comment #1	<p><u>Merrian Borgeson Rate Rationale:</u> Merrian Borgeson is a Senior Scientist at NRDC focusing on renewable energy, energy efficiency, and climate policies. She has worked on energy and environmental policy for ten years, and prior to joining NRDC was a researcher and team lead in the Electricity Markets and Policy group at Lawrence Berkeley National Laboratory. Merrian holds a M.A. in Energy and Resources and an MBA from the Haas School of Business at the University of California, Berkeley.</p> <p>We request a rate of \$180 for 2015 per D.16-01-043 and \$190 for 2016 work, which accounts for a 1.28% COLA per ALJ Res 329 and 5% to account for the first of two allowable adjustments within any given range (D.08-04-010, p.8)</p> <p><u>Lara Ettenson Rate Rationale:</u> Ms. Ettenson was awarded \$185 in D1510041.</p>

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. NRDC has made a substantial contribution to D.16-06-007.
2. The requested hourly rates for NRDC’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 ~~\$10,351.25~~ [10,478.75](#).

CONCLUSION OF LAW

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

ORDER

1. Natural Resources Defense Council shall be awarded ~~\$10,351.25~~ [10,478.75](#).
2. Within 30 days of the effective date of this decision, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall pay Natural Resources Defense Council their respective shares of the award, based on their California-jurisdictional electric and gas revenues for the 2016 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 26, 2016, the 75th day after the filing of Natural Resource’s Defense Council’s request, and continuing until full payment is made.
3. The comment period for today’s decision is waived.
4. Rulemaking ~~R~~.14-10-003 remains open.

This decision is effective today.

Dated _____, at Long Beach, California.

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:		Modifies Decision?	
Contribution Decision(s):	D1606007		
Proceeding(s):	R 1401003 1410003		
Author:	ALJ Hymes		
Payer(s):	Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
Natural Resources Defense Council	August 12, 2016	\$10,478.75	\$10,351.25 10,478.75	N/A	Reduced Intervenor Rates N/A

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Merrian	Borgeson	Expert	NRDC	\$180.00	2015	\$180.00
Merrian	Borgeson	Expert	NRDC	\$190.00	2016	\$190.00
Lara	Ettenson	Expert	NRDC	\$185.00	2015	\$175.00 185.00
Lara	Ettenson	Expert	NRDC	\$185.00	2016	\$175.00 185.00

(END OF APPENDIX)

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Moved cell	
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Padding cell	

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