

Decision 16-10-015 October 13, 2016

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Integrate and Refine Procurement Policies and Consider Long-Term Procurement Plans.

Rulemaking 13-12-010
(Filed December 19, 2013)

DECISIONS AWARDING INTERVENOR COMPENSATION TO THE GREEN POWER INSTITUTE FOR SUBSTANTIAL CONTRIBUTION TO DECISIONS (D.) 12-12-010, D.14-02-040, AND D.16-06-042

Intervenor: The Green Power Institute	For contribution to Decisions: D.12-12-010, D.14-02-040, and D.16-06-042
Claimed: \$81,987.00	Awarded: \$81,986.25
Assigned Commissioner: Michael Picker	Assigned ALJ: Julie A. Fitch

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	<p>Decision D.12-12-010 adopted long-term procurement plans (LTTP) and track 2 assumptions and scenarios.</p> <p>Decision D.14-02-040 modified the LTTP rules.</p> <p>Decision D.16-06-042 closed the proceeding and transferred remaining modeling issues to R.16-02-007.</p>
--	--

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):	February 25, 2014	Verified.
2. Other specified date for NOI:		
3. Date NOI filed:	March 27, 2014	Verified.
4. Was the NOI timely filed?		Yes, The Green Power Institute (GPI), timely filed the notice of intent to

		claim intervenor compensation.
Showing of customer or customer-related status (§ 1802(b)):		
5. Based on ALJ ruling issued in proceeding number:	R.13-12-010	Verified.
6. Date of ALJ ruling:	September 4, 2014	Verified.
7. Based on another CPUC determination (specify):		
8. Has the Intervenor demonstrated customer or customer-related status?		Yes, GPI demonstrated appropriate status.
Showing of “significant financial hardship” (§ 1802(g)):		
9. Based on ALJ ruling issued in proceeding number:	R.13-12-010	Verified.
10. Date of ALJ ruling:	September 4, 2014	Verified.
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?		Yes, GPI demonstrated significant financial hardship.
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.16-06-042	Verified.
14. Date of issuance of Final Order or Decision:	June 24, 2016	Verified.
15. File date of compensation request:	August 1, 2016	Verified.
16. Was the request for compensation timely?		Yes, GPI timely filed the claim for intervenor compensation.

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
D.12-12-010 in R.12-03-014 adopted long-term procurement plans and track 2 assumptions and scenarios.	(Please note that Attachment 2 includes a list of issue areas, and of GPI Pleadings relevant to this Claim.)	Verified. GPI is eligible to seek compensation for issues addressed in R.12-03-014. <i>See</i> Order Instituting Rulemaking,

		R.13-12-010 (12/30/2013) at 21.
<p>Planning Assumptions and Scenarios for the 2012 LTPP: D.12-12-010 includes the approval of Attachment A, Final Assumptions and Scenarios for Use in R.12-03-014. Attachment A was the culmination of approximately nine months of effort, including participating in workshops, detailed analytical analysis of data and models, and the filing by the GPI of seven pleadings on the topics of planning assumptions and scenarios.</p> <p>The GPI advocated for several improvements in the planning assumptions and scenarios, many of which were incorporated in D.12-12-010 Appendix A, and some of which were not adopted. Our most important issues included: need to produce a more diverse set of renewables portfolios, including a baseload renewables scenario, an enhanced economic growth scenario, and a 40% stretch scenario, need to consider new technologies for renewables integration, retirement of existing renewables generators, determination of the RPS “discounted core,” and need to improve the renewable-net-short (RNS) methodology.</p> <p>While the Commission did not adopt all of the GPI’s positions, our arguments did enhance the record of the proceeding upon which the Decision is based, and thus we made a Substantial Contribution to the Decision.</p>	<p>Decision D.12-12-010 adopts Appendix A, the final assumptions and scenarios for use in the 2012 LTPPs. The GPI’s advocacy contributed to the adoption of Guiding Principles E & F, which encourage the development of RPS scenarios that produce policy-useful information, and provide a diversity of future possible buildouts of the state’s renewable-generating infrastructure (see Appendix A, pg. 8).</p> <p>On the basis of these principles, GPI argued for the inclusion of a baseload renewables scenario, an enhanced economic growth scenario, and a 40% stretch scenario, and we argued that the proposed environmental scenario was too similar to the base-case scenario to add value to the analysis (see GPI filings in R.12-03-014 dated 4/6/12, 5/31/12, 6/11/12, 9/7/12, 10/5/12, 10/19/12). Appendix A adopts the baseload and 40% stretch scenarios, and rejects the environmental scenario.</p> <p>GPI provided a considerable amount of analysis and information about the renewable resource assumptions to be used in the 2012 planning assumptions. We participated in deliberations about the calculation of the RNS, supplying evidence that the utilities were underestimating their RNSs, and underestimating the rate of retirements of renewable generators when their PPAs expire (see GPI filings in R.12-03-014 dated 5/31/12, 6/11/12, 9/7/12, 10/5/12). Appendix A presents the adopted renewable-resource assumptions to which we contributed on pgs. 30-33.</p> <p>GPI encouraged extending the LTPP planning horizon from the current 10 years to 20 or 40 years, but strongly encouraged simplifying the analysis for the post ten-year period (see GPI filing in R.12-03-014 dated 5/31/12). The section on the second planning period on pg. 35 of Appendix A begins: “The second planning period (2023-2034) will use simplified planning assumptions.”</p>	Verified.

<p>Decision D.14-02-040 in R.12-03-014 modified the long-term procurement planning rules.</p>		<p>Verified.</p>
<p>Procurement Planning Rules 2014: D.14-02-040 modifies the long-term procurement planning rules for future LTTPs. GPI participated mainly in the long-term contract solicitation rules portion of this track of the proceeding.</p> <p>The GPI advocated for equal treatment for new, repower, and upgraded facilities in all-source solicitations; for competition based on the product delivered, not the type of equipment used to produce it; for procurement that conforms with the loading order; and against placing unnecessary restrictions on the procurement of GHG compliance instruments by the IOUs.</p> <p>Decision D.14-02-040 accepts GPI recommendations to allow new, repowers, and upgrades to compete on an equal basis, and to allow new, repowers, and upgrades to bid contract lengths without restrictions.</p> <p>The Decision adopts most of GPI’s positions on contract solicitation rules, thus we made a Substantial Contribution to the Decision.</p>	<p>Decision D.14-02-040 modifies the long-term procurement planning rules for future LTTPs. The Decision acknowledges our positions explicitly on pgs. 27-28, and pg. 35, and adopts our positions on pgs. 28 and 35.</p> <p>The GPI argued that solicitations should define the products they need, not specify the kind of equipment needed to produce the products. We pointed out that the distinctions that PG&E was making between upgrades and repowers was artificial and unnecessary. [see GPI filings in R.12-03-014, dated 10/5/12, 4/26/13, and 5/10/13.]</p> <p>The GPI argued that because these kinds of solicitations were for capacity needed after all preferred-category resources were tapped, the primary determinant should be the acquisition of low-cost energy (see GPI filings in R.12-03-014, dated 10/5/12, 4/26/13, 5/10/13, and 10/1/13).</p> <p>GPI also recommended against imposing additional restrictions on the procurement of GHG-compliance instruments before the market even goes into effect (see GPI filings in R.12-03-014, dated 11/2/12, and 11/30/12). The Decision did not impose any restrictions.</p>	<p>Verified.</p>
<p>Decision D.16-06-042 in R.13-12-010 closed the 2014 LTTP proceeding and transferred remaining modeling issues to R.16-02-007.</p>		<p>Verified.</p>
<p>Planning Assumptions and Scenarios for the 2016 LTTP: In closing R.13-12-010, Decision D.16-06-042 affirms the May 17, 2016, Ruling adopting the planning assumptions and scenarios for the 2016-2017 LTTP</p>	<p>Decision D.16-06-042 affirms the May 17, 2016, Ruling adopting the planning assumptions and scenarios for the 2016-2017 LTTP and TPP planning processes. The planning assumptions and scenarios include several new RPS scenarios, including a scenario with a higher</p>	<p>Verified.</p>

<p>and TPP planning processes.</p> <p>The 2016 planning assumptions and scenarios do not make major changes to the sections on renewables from previous cycles of the LTPP. They do add new and expanded renewables scenarios, long urged by the GPI. GPI made a Substantial Contribution to the Decision by making the case for adding new RPS study scenarios, and by urging the resistance of prejudicial treatment for biomass emissions.</p>	<p>underlying energy demand curve, a TOU scenario, and a renewables operational flexibility scenario.</p> <p>The GPI encouraged broadening the set of scenarios incorporated in the 2016 planning assumptions and scenarios document, and we urged the dismissal of a suggestion from CBD to incorporate prejudicial treatment for biomass into the document (see GPI filings in R.13-12-010, dated 1/25/15, and 2/29/16). The Decision did not act on CBD’s anti-biomass proposal.</p>	
<p>Renewable Integration Cost Adder (RICA): In closing R.13-12-010, Decision D.16-06-042 and associated Rulings determines that the efforts to determine RICAs in R.13-12-010 met a dead end, and were being suspended. Either a new effort will be undertaken in R.16-02-007, or it will be rolled into the IRP process.</p> <p>The GPI was long skeptical of the approach that the Commission was pursuing to determine RICAs, much of which was done in the RPS proceeding (R.15-02-020) before shifting over to the LTPP, and repeatedly warned that the results being produced were suspect. When SCE recommended that efforts be suspended, the GPI endorsed the recommendation. We made a Substantial Contribution by helping to identify the weaknesses in the RICA analysis that was being performed, and recommending that it end when it became clear that the problems were insolvable.</p>	<p>Decision D.16-06-042 transfers the consideration of the modeling methodologies to support various types of planning to the 2016 LTPP (R.16-02-007), and declares that no further work remains from efforts underway in R.13-12-010, ending, among other things, the RICA effort pursued in R.13-12-010, which was based on the RPS Calculator.</p> <p>The GPI warned about the shortcomings of the RICA efforts that were being conducted: “The GPI is concerned about the methodology being employed to calculate the total integration cost of a given scenario (GPI Comments in R.13-12-010, 6/26/15, pg. 2).” The Commission suspended the effort as it closed the proceeding.</p>	<p>Verified.</p>

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: TURN, ORA, Sierra Club, Solar City, CEJA, CAISO, CalWEA, Large Scale Solar, IEP.		Agreed.
d. Intervenor’s claim of non-duplication: This proceeding covers a wide variety of topics related to the matters under consideration in the LTPP proceeding (R.13-12-010 and its predecessor, R.12-03-014). The Green Power Institute coordinated its efforts in this proceeding with other parties, and frequently consulted with other parties on contentious issues. We believe that these measures ensured that we avoided duplication of effort, and added significantly to the outcome of the Commission’s deliberations. Some amount of duplication has occurred in this proceeding on all sides of contentious issues, but Green Power provided our own unique perspective on issues, avoided duplication to the extent possible, and tried to minimize it where it was unavoidable.		Agreed, GPI did not engage in excessive duplication with other parties.

PART III: REASONABLENESS OF REQUESTED COMPENSATION

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

a. Intervenor’s claim of cost reasonableness:	CPUC Discussion
<p>The GPI is providing, in Attachment 2, a listing of all of the pleadings we provided in the LTPP Proceeding, R.13-12-010 and its predecessor, R.12-03-014, that are relevant to matters covered by this Claim, and a detailed breakdown of GPI staff time spent for work performed that was directly related to our substantial contributions to Decisions D.12-12-010, D.14-02-040 and D.16-06-042.</p> <p>The hours claimed herein in support of Decisions D.12-12-010, D.14-02-040 and D.16-06-042 are reasonable given the scope of the Proceeding, and the strong participation by the GPI. The first two of the three Decision covered by this Claim were rendered in R.12-03-014, the predecessor proceeding to R.13-12-010. The OIR for R.13-12-010 states: “Contributions made during the pendency of R.12-03-014 to issues within the scope of this proceeding may be considered for compensation in this proceeding, if not already compensated (pg. 21).”</p> <p>GPI staff maintained detailed contemporaneous time records indicating the number of hours devoted to the matters settled by the Decisions in this and the predecessor case. In preparing Attachment 2, Dr. Morris reviewed all of the recorded hours devoted to this proceeding, and included only those that were reasonable and contributory to the underlying tasks. As a result, the GPI submits that all of the hours included in the attachment are reasonable, and should be compensated in full. The majority of effort expended by GPI in R.13-12-010 was devoted to the system-modeling efforts, which have been carried over into the</p>	<p>Verified.</p>

<p>2016 LTPP proceeding, R.16-02-007. These hours are not included in this Request for Compensation, but will be included in a future Request that follows a Decision on modeling, assuming there is such a Decision in the future.</p> <p>Dr. Morris is a renewable energy analyst and consultant with more than thirty years of diversified experience and accomplishments in the energy and environmental fields. He is a nationally recognized expert on biomass and renewable energy, climate change and greenhouse-gas emissions analysis, integrated resources planning, and analysis of the environmental impacts of electric power generation. Dr. Morris holds a BA in Natural Science from the University of Pennsylvania, an MSc in Biochemistry from the University of Toronto, and a PhD in Energy and Resources from the University of California, Berkeley.</p> <p>Dr. Morris has been actively involved in electric utility restructuring in California throughout the past two decades. He served as editor and facilitator for the Renewables Working Group to the California Public Utilities Commission in 1996 during the original restructuring effort, consultant to the CEC Renewables Program Committee, consultant to the Governor’s Office of Planning and Research on renewable energy policy during the energy crisis years, and has provided expert testimony in a variety of regulatory and legislative proceedings, as well as in civil litigation.</p> <p>Decision D.98-04-059 states, on pgs. 33-34, “Participation must be productive in the sense that the costs of participation should bear a reasonable relationship to the benefits realized through such participation. ... At a minimum, when the benefits are intangible, the customer should present information sufficient to justify a Commission finding that the overall benefits of a customer’s participation will exceed a customer’s costs.” The Decisions that are covered by this claim make major contributions to the procurement practices of the IOUs, ensuring California consumers clean energy at just and reasonable costs. The value to the ratepayers of improved procurement planning practices in California overwhelms the cost of our participation in this proceeding.</p>					
<p>b. Reasonableness of hours claimed:</p> <p>The GPI made Significant Contributions to Decisions D.12-12-010, D.14-02-040 and D.16-06-042 by providing Commission filings on the various topics that were under consideration in the Proceeding, and are covered by this Claim. Attachment 2 provides a detailed breakdown of the hours that were expended in making our Contributions. The hourly rates and costs claimed are reasonable and consistent with awards to other intervenors with comparable experience and expertise. The Commission should grant the GPI’s claim in its entirety.</p>	<p>Verified.</p>				
<p>c. Allocation of hours by issue:</p> <p>D.12-12-010</p> <table border="0" data-bbox="232 1732 966 1774"> <tr> <td>1. Planning Assumptions and Scenarios 2012</td> <td>50 %</td> </tr> </table> <p>D.14-02-040</p> <table border="0" data-bbox="232 1827 966 1869"> <tr> <td>2. Procurement Planning Rules</td> <td>33 %</td> </tr> </table>	1. Planning Assumptions and Scenarios 2012	50 %	2. Procurement Planning Rules	33 %	<p>Verified.</p>
1. Planning Assumptions and Scenarios 2012	50 %				
2. Procurement Planning Rules	33 %				

D.16-06-042	
3. Planning Assumptions and Scenarios 2016	5 %
4. Renewable Integration Cost Adder	12 %

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
G. Morris	2012	192.0	245	D.15-08-025	47,040	192.00	245.00	47,040.00
G. Morris	2013	69.5	250	D.15-08-025	17,375	69.50	250.00	17,375.00
G. Morris	2015	44.5	270	D.15-09-021	12,015	44.50	270.00	12,015.00
G. Morris	2016	12.0	275	D.16-06-049	3,300	12.00	275.00	3,300.00
<i>Subtotal: \$ 79,730</i>						<i>Subtotal: \$ 79,730.00</i>		
INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
G. Morris	2016	16.0	137.5	½ rate for 2015	2,200	16.00	137.50	2,200.00
<i>Subtotal: \$ 2,200</i>						<i>Subtotal: \$2,200.00</i>		
COSTS								
#	Item	Detail			Amount	Amount		
	Mailing	See Attachment 2			57	56.25 See Attachment 2 to submitted claim.		
<i>Subtotal: \$ 57</i>					<i>Subtotal: \$56.25</i>			
TOTAL REQUEST: \$ 81,987						TOTAL AWARD: \$81,986.25		
<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. 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>								

C. 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.
B. Comment Period: Was the 30-day comment period waived (see Rule 14.6(c)(6))?	Yes.

FINDINGS OF FACT

1. The GPI has made a substantial contribution to D.12-12-010, D.14-02-040, and D.16-06-042.
2. The requested hourly rates for The GPI's representatives 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 are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$81,986.25.

CONCLUSION OF LAW

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

ORDER

1. The Green Power Institute shall be awarded \$81,986.25.
2. Within 30 days of the effective date of this decision Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company shall pay The Green Power Institute their respective shares of the award, based on their California-jurisdictional electric revenues for the 2015 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 15, 2016, the 75th day after the filing of The Green Power Institute'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 October 13, 2016, at Long Beach, California.

MICHAEL PICKER

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

LIANE M. RANDOLPH

Commissioners

Commissioner Carla J. Peterman, being
necessarily absent, did not participate.

APPENDIX
Compensation Decision Summary Information

Compensation Decision:	D1610015	Modifies Decision?	No
Contribution Decision(s):	D1212010, D1402040, and D1606042		
Proceeding(s):	R1312010		
Author:	ALJ Fitch		
Payer(s):	Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
The Green Power Institute (GPI)	08/01/2016	\$81,987.00	\$81,986.25	N/A	<i>Rounding error.</i>

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Gregory	Morris	Expert	GPI	\$245.00	2012	\$245.00
Gregory	Morris	Expert	GPI	\$250.00	2013	\$250.00
Gregory	Morris	Expert	GPI	\$270.00	2015	\$270.00
Gregory	Morris	Expert	GPI	\$275.00	2016	\$275.00

(END OF APPENDIX)