BEFORE THE PUBLIC UTILITIES COMMISSION OF THE

STATE OF CALIFORNIA

In the matter of the Application of PacifiCorp (U901E) for approval to implement a Net Surplus Compensation Rate	Application 10-03-001 (Filed March 1, 2010)
And Related Matters.	Application 10-03-010 Application 10-03-012 Application 10-03-013 Application 10-03-017

COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) ON ALTERNATE DECISION OF PRESIDENT PEEVEY ADOPTING NET SURPLUS COMPENSATION RATE PURSUANT TO ASSEMBLY BILL 920

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Dated: **April 25, 2011**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE

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In the matter of the Application of PacifiCorp (U901E) for approval to implement a Net Surplus Compensation Rate	Application 10-03-001 (Filed March 1, 2010)
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I.

INTRODUCTION

Pursuant to Article 14 of the California Public Utilities Commission's ("Commission's") Rules of Practice and Procedure, Southern California Edison Company ("SCE") hereby submits these opening comments on the Alternate Decision of President Peevey Adopting a Net Surplus Compensation Rate Pursuant to Assembly Bill 920 ("AD").

The AD proposes to require the utilities to pay the Market Price Referent ("MPR") for any excess generation remaining at the end of a Net Energy Metering ("NEM") customer's relevant period. This new proposal sets a price more than double that provided by the original Proposed Decision, and would compensate net surplus generators for attributes their generation does not provide.[1] At a time when California's electricity customers are facing some of the highest

[1] The AD adopts a price for surplus electricity sold to SCE of nearly eleven cents per kWh, whereas the original Proposed Decision adopts a price for surplus electricity of five cents per kWh.

electricity rates in the nation, the AD would provide yet another subsidy to customers who generate solar or wind electricity for their own use. Many of these customers already receive subsidies under the California Solar Initiative or Self Generation Incentive Programs. Further, the NEM program itself provides a subsidy to participating customers insofar as they receive a full retail rate credit for the generation they export and later utilize on site, thus shifting the costs for their transmission and distribution service to customers who do not participate in the NEM program. Now, the AD proposes to add a payment of nearly eleven cents a kWh for energy-only surplus generation, more than twice the average price of electricity in the MRTU market. Further, the AD sets forth a wholly unworkable and unlawful scheme concerning renewable energy credits ("RECs") from these facilities, unlawfully creates RECs for purchases pursuant to the federal Public Utility Regulatory Policies Act of 1978 ("PURPA"), and inappropriately requires the utilities, rather than the California Energy Commission ("CEC"), to investigate and police the ownership of renewable attributes.

SCE urges the Commission to reject the AD for the following reasons:

- The AD does not establish an avoided cost rate in accordance with PURPA and FERC regulations.
- The MPR does not reflect, and has never reflected, the costs a utility avoids through the purchase of surplus, as-available, power.
- The MPR exceeds the costs avoided by the purchase of net surplus generation because (1) net surplus energy is fundamentally different from the product the MPR reflects, which includes value for attributes other than energy; (2) net surplus energy only replaces short-term energy purchases; and (3) the AD ignores the levelized nature of the MPR and inflates net surplus payments.
- Applying a Time of Delivery multiplier that is not related to the likely delivery pattern of excess generation is inappropriate and results in an inflated payment.
- The AD creates RECs for PURPA purchase contracts, which is unlawful pursuant to California's Renewables Portfolio Standard ("RPS") law.

- The AD's proposed implementation for REC counting is complicated, unworkable, and will likely result in double counting.

Instead of approving the AD, the Commission should adopt ALJ Duda's Proposed Decision, which establishes a price that appropriately reflects the attributes of the product purchased and the costs avoided through the purchase of net surplus generation.[2]

II.

COMMENTS

A. The AD Has Not Established an Avoided Cost Rate In Accordance With PURPA and FERC Regulations

Unlike the original Proposed Decision, the AD seeks to implement the AB 920 program under the auspices of PURPA.[3] As such, the key issue is whether the AD properly calculates the "costs the electric utility is avoiding" through the purchase of net surplus generation. The AD claims that the net surplus compensation rate adopted in the AD is appropriate simply because FERC allows "multi-tiered avoided costs."[4] The AD is correct that FERC issued an advisory opinion which interprets PURPA as allowing a state to limit the sources considered in setting an avoided cost price pursuant to PURPA to the resources with characteristics that meet a state procurement mandate, provided the price established is based on resources with similar characteristics.[5] However, the AD did *not* develop an avoided cost based on the cost of

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2 Notwithstanding SCE's support for the Proposed Decision, SCE believes no separate RECs may be created for PURPA purchases as is contemplated in the Proposed Decision.

3 When it was originally issued, the Proposed Decision declined to implement the AB 920 program under the auspices of PURPA. The Proposed Decision has since been modified to implement the AB 920 program pursuant to PURPA; however, the net surplus compensation rate in the Proposed Decision has not changed.

4 AD at 10.

5 133 FERC ¶ 61,059 at P 27. SCE, joined by Pacific Gas and Electric Company and San Diego Gas & Electric Company, sought rehearing of this issue, and continue to maintain that the advisory principle enunciated by FERC in this Order is inconsistent with PURPA. SCE reserves its right to challenge FERC's interpretation of PURPA in an enforcement proceeding. *See Niagara Mohawk Power Corp. v. FERC*, 117 F.3d 1485 (D.C. Cir. 1997) ("An order that does no more than announce the [FERC's] interpretation of the PURPA or one of the

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purchasing surplus energy from a non-dispatchable generator with the characteristics of an AB 920 net surplus generator. Rather, the AD assumes that, but for the purchase of net surplus generation from a generator sized one MW or less, the investor-owned utilities ("IOUs") would purchase from a new, firm, fully dispatchable, 500 MW combined cycle gas turbine ("CCGT").

The AD provides only two rationales for why the MPR is appropriate for the net surplus compensation rate ("NSCR"). First, the AD states that the Commission utilized the MPR in its feed-in tariff for small renewable energy facilities. While true, this does not support the use of the MPR as an avoided cost metric. The Commission's feed-in tariff for small renewable energy facilities (in SCE's service territory, the "CREST" program) is not a PURPA program, and the price for power (*i.e.*, the MPR) was never determined to be the purchasing utility's avoided cost. In fact, this program was developed before FERC's recent orders addressing the limits of the Commission's jurisdiction to set wholesale power prices. The CREST program is arguably an unlawful feed-in tariff because it is not limited to participation from qualifying facilities ("QFs"), and the price is not the purchasing utility's avoided cost. As such, the CREST program and the price paid therein do not support the MPR as an avoided cost price.

Second, the AD points to DRA's and the Joint Solar Parties' claims that the average price paid for RPS-eligible energy over the past few years has exceeded the MPR. Even if the average price paid for a different product were somehow relevant, this information is both incorrect and misleading. First, DRA's analysis only captures the *number* of contracts above MPR, which does not address the relative size of contracts above or below the MPR, nor by how much individual contracts are above or below the MPR.[6] In other words, the percentage of IOU contracts above

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agency's implementing regulations is of no legal moment unless and until a district court adopts that interpretation when called upon to enforce PURPA.").

6 "Green Rush," Division of Ratepayer Advocates, February 2011 at 8.

MPR cannot be the basis for such a claim. Generally, SCE maintains specific contractual pricing confidential, as allowed by the CPUC to protect market-sensitive information. In any case, the DRA and Joint Solar Parties' claim, as regards to SCE, rests on incorrect information since SCE has more contracts that are *below* MPR than above (59% versus 41%). For SCE, setting the rate for net surplus generation at MPR would mean that as-available net surplus generators who have no performance obligations would receive higher payments than the average contracted renewables generator.[7]

Additionally, as explained in more detail below, the MPR is not, and has never been a measure of the costs a utility avoids in the purchase of renewable power, let alone net surplus generation. Further, the MPR overvalues the product the utility receives from net surplus generators, because MPR reflects the costs of a firm, fully dispatchable, resource. In contrast, net surplus generation avoids short-term energy purchases, and is fundamentally different from the product the MPR represents. If the Commission desires to develop a "multi-tiered" resource-specific avoided cost, the Commission would need to analyze the characteristics of the power provided by net surplus generators to determine what costs are being avoided by the purchasing utility. That analysis would support the conclusion reached in the original Proposed Decision; namely, that the actual avoided cost more closely reflects the cost to purchase real-time or day-ahead power in California's electricity market.

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[7] As explained in more detail below, this is particularly problematic because SCE customers receive more value from projects resulting from RPS solicitations than they do from net surplus generation. *See* Section C.1.

B. **The MPR Does Not Reflect, And Has Never Reflected, the Costs A Utility Avoids Through the Purchase of Surplus, As-Available, Power**

The MPR does not reflect, and has never reflected the purchasing utility's avoided cost pursuant to PURPA. Public Utilities Code Section 399.15 requires the Commission to establish a benchmark, otherwise known as the MPR, as a part of a cost limitation mechanism for the procurement of renewable power pursuant to the RPS. The Commission uses the MPR to determine a *per se* reasonableness benchmark for RPS contract approval. The Commission decisions developing the MPR and MPR methodology have never addressed, nor purported that the MPR is an avoided cost pursuant to PURPA. Instead, the Commission based the MPR on the costs to build, operate and maintain a new 500 MW natural gas fired CCGT.[8] The MPR has no relation to the cost of purchasing renewable power, or for that matter, surplus as-available renewable power. Indeed, the Commission based the MPR on a CCGT, which is a firm, fully dispatchable resource. Furthermore, in developing the MPR, the Commission has never provided any factual record to support a finding that the MPR is an avoided cost. Instead, the Commission has found that the MPR is simply a benchmark by which the Commission judges the reasonableness of RPS contract prices and the extent to which the IOUs are obligated to continue purchasing renewable power priced above the MPR to meet the state's RPS goals.[9]

C. **The MPR Exceeds The Costs Avoided By The Purchase of Net Surplus Generation**

In order to preserve customer indifference as required by Assembly Bill ("AB") 920, and comply with the avoided cost limitations of PURPA, the NSCR must only include the market value of the products that customers indisputably receive from surplus generation. As ALJ Duda explained in the Proposed Decision, payment pursuant to NSCR should reflect the wholesale market price for electricity and/or the value of renewable attributes, or in other words, "…the

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[8] *See generally* D.05-12-042; D.08-10-026.

[9] It is worth noting that the new RPS legislation removes the statutory basis for the MPR.

incremental cost the utility avoids by receiving surplus generation from NEM customers."[10] The Proposed Decision reached the correct conclusion concerning the costs avoided by the purchase of net surplus generation. In contrast, utilizing the MPR as the price to be paid under AB 920, as suggested by the AD, would violate the avoided cost limitation in PURPA and the directives of AB 920 because (1) net surplus is fundamentally different from the product the MPR reflects, which includes value for attributes other than energy (2) net surplus energy only replaces short-term energy purchases; and (3) the AD ignores the levelized nature of the MPR and inflates net surplus payments.

1. Net Surplus Is Fundamentally Different From the Product the MPR Reflects, Which Includes Value for Attributes Other Than Energy

Pursuant to FERC's Clarification Order, if the Commission seeks to develop a "multi-tiered" avoided cost, the avoided cost should reflect the value of a like product.[11] The AD violates this principle, because the MPR does not represent the cost of purchases avoided by procuring net surplus energy. Rather, the MPR is based on the embedded cost to own and operate a baseload CCGT over various times, and does not reflect the actual market price of electricity. This constitutes a very different resource than the net surplus resources in question here, and a very different product from the market electricity actually avoided. Ownership of a CCGT provides a different set of benefits, including but not limited to resource adequacy, dispatchability, inertia, and the ability to provide ancillary services.

Indeed, in a recent decision on the IOUs' respective applications for rehearing in the context of AB 1613, the Commission defended its use of the MPR for AB 1613 power, because AB 1613 generators would operate as "firm" resources and the utilities would receive resource adequacy credit for that generation.[12] No such justification exists here. As noted in SCE's

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[10] ALJ Duda's Proposed Decision (PD), Revision 1, at 28.

[11] 133 FERC ¶ 61,059 (Oct. 21, 2010).

[12] *See, e.g.*, D.11-04-033 at 10 ("In summary, paying AB 1613 generators an 'all-in' price for as-available energy that is calculated based on the long term costs of constructing and operating a proxy baseload resource is appropriate and does not exceed the utilities' avoided cost because AB 1613 CHP operate as firm resources and

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previous comments, net surplus generation is not "firm" and does not provide any capacity benefits to non-participating customers. As explained in more detail below, net surplus energy is fundamentally different from, and less valuable than, the product the MPR reflects, and as such, setting the energy price equal to the MPR would violate the avoided cost limitation in PURPA and the principle of customer indifference.

Not only do intermittent, as-available, solar and wind resources differ from thermal dispatchable resources, but "net surplus" generation is also different – and less valuable – than "full output" contracts. The AD claims that the MPR is reasonable because the average price paid for RPS-eligible energy over the past few years has exceeded the MPR. This rationale is incorrect and misleading, as explained above, but even if it were true it would not indicate that the MPR is the avoided cost for net surplus generation. Unlike the full output purchased under an RPS solicitation, net surplus generation cannot provide capacity value. There is no certainty as to when the surplus will be delivered to a local utility, if at all, because the net surplus depends not only on the production profile, but also on the customer's load profile. Lastly, in contrast to full output generators, customer-generators are not contractually required to provide output or meet performance obligations. Because net surplus generators are not bound by contract provisions, there is no certainty that a generator will continue to operate for a prolonged period of time. As such, the 20-year MPR (the second longest term for MPR prices) is an inappropriate value for net surplus output from generators without contractual obligations.

For these reasons and consistent with the lengthy explanation in the Proposed Decision, it is inappropriate to value surplus generation as a firm, dedicated long-term resource.[13] Rather, as determined in the Proposed Decision, the correct measure of the costs avoided by the purchase of surplus generation is the short-term market price of energy.

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avoid capacity procurement for the utilities."); *id.* at 11 ("Significantly, when a utility contracts with an AB 1613 CHP it avoids a resource adequacy procurement obligation equivalent to the *full capacity* of the AB 1613 CHP . . ."); *id* at 12 ("As AB 1613 CHPs must, pursuant to statute, provide this degree of reliability and allow the utility to avoid local resource adequacy procurement, they provide both energy and capacity and are properly compensated for both.")

[13] ALJ Duda's PD, Revision 1, at 35-36.

2. Net Surplus Generation Avoids Short Term Energy Purchases

Consistent with ALJ Duda's Proposed Decision, the purchase of net surplus generation avoids short-term market purchases because "surplus generation cannot be forecast and only reduces real time market purchases."[14] Because customer-generators do not have any performance obligations and are not contractually obligated to produce power at any time or for any period of time, these energy transactions cannot be classified as long-term purchases. Rather, the actual avoided cost more closely reflects the cost to purchase real-time or day-ahead power in California's electricity market.

3. The AD Ignores that the MPR Is a Levelized Calculation and Thus Inflates Net Surplus Payments

The MPR is a levelized calculation. A levelized price is a single value that does not change over time. Rather, the single, $/MWh levelized price applies to each MWh sold under a specified contract term, regardless of which year the MWh is produced, and is intended to fairly compensate a generator for the value of its output. In order to provide fair value, levelized prices provide higher payments upfront, offset by lower payments farther in the future (as compared to a variable price).[15] The Commission proposes to use the most recent MPR, *and* to update customer-generators' payment price each time a new MPR is published. This would mean that customers receive the latest MPR value, which is always inflated due to the embedded levelization in the MPR (*i.e.*, higher upfront payments). Rather than using a floating spot price or a fixed, levelized MPR reflecting a very short term, the AD proposes to use a moving, levelized price reflecting a 20-year term.

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[14] *Id*. at 35.

[15] For example, the cost of gasoline has increased steadily, as is expected to continue increasing. Instead of paying more for gas as its price increases over time (variable pricing), suppose one could pay the average price of all gas purchases that would be made over a fixed term of 20 years. This levelized gas price would be higher than the non-levelized price during the first year of the 20-year term.

By setting the price for energy at the most recent 20-year MPR, the Commission's AD violates the AB 920 statute because nonparticipating customers are not indifferent to the purchase of net surplus generation.

D. <u>The Application of TOD Factors Is Inappropriate and Results In An Inflated Payment</u>

The AD seeks to apply a TOD multiplier to the MPR based on the production profile of a fixed-axis solar panel. This proposal has numerous flaws and, contrary to the AD, is not a reasonable proxy for a *time-of-surplus* adjustment for net surplus compensation. First, simply weighting the price by a solar production profile improperly values surplus generation. The net surplus actually occurs when a customer's generation exceeds its load, and thus the determining factor is not only energy production, but also customer load. Not only will such surplus vary throughout the day, but it will vary seasonally as well. The largest customer surplus is likely to occur in the springtime when home electrical loads are lower and weather is cooler – not during the peak summer and fall months. Further, the net surplus payment will occur after the fact at the end of the customer's relevant period. Thus, for many customers, it is not clear when the surplus energy left over at the end of the relevant period was actually delivered to the utility. As such, a production profile does not provide a good indication of the net surplus generation profile.

Second, it is inappropriate to apply a TOD multiplier to the cost of any renewable attribute.[16] The AD's proposed payment for energy and renewable attributes equals the MPR multiplied by the TOD multiplier. This means that not only the energy is adjusted by the TOD multiplier, but also that the value purportedly provided for the renewable attribute is adjusted by a TOD multiplier. There is no precedent for valuing RECs differently depending on when the energy is delivered. Moreover, markets do not value RECs on a time-differentiated basis. The

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[16] As SCE explains in more detail below, no RECs are created for PURPA purchase contracts. Thus, there can be no RECs for AB 920 purchases if the Commission elects to implement this program pursuant to PURPA. SCE nevertheless addresses the problems associated with the AD's proposed application of TOD factors to the RECs associated with AB 920 purchases.

adjustment to the whole MPR – including the portion the AD designates as the value for the REC – not only inflates the total cents/kWh price paid for net surplus generation, but also is wholly inappropriate because IOUs do not receive more value for a renewable attribute delivered during a certain time period.[17]

Third, the implied TOD multiplier for SCE was 1.32 based on a PV module at a 30-degree tilt,[18] however it is unclear which solar output profile was used to determine the multiplier adopted in the AD. Further, it should be noted that not all customers have a 30 degree tilted system.

Notwithstanding that the MPR is an inappropriate net surplus compensation rate, the Commission should not adjust the payment for energy by the gross solar output, and should not adjust the REC component by any multiplier. Should the Commission seek to implement time-weighted energy pricing, there are better options than proposed in the AD. One alternative is that the Commission can develop a TOD multiplier, representing *net surplus* generation, and only apply the multiplier to the energy portion of the payment. An appropriate TOD multiplier would reflect adopted TOD factors applied to a characteristic *net* generation profile. The net generation profile can be determined by overlaying an average solar PV production profile with an average consumption profile.

E. The AD Unlawfully Creates RECs for PURPA Purchase Contracts In Violation of Public Utilities Code Section 399.16

The AD proposes a pricing mechanism for RECs and directs the utilities to determine a process to validate "REC ownership." The entire discussion concerning RECs in the AD is

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17 The MPR is adjusted upward by the TOD factors, and the AD's proposal asserts that this is the cost of energy and the renewable attribute. The proposal then subtracts out the cost of a non-TOD weighted renewable attribute. This formula leaves the purchasing entity paying a TOD-weighted energy price plus the difference between the TOD-adjusted value of a renewable attribute (supposedly inherent in the MPR) and a non-TOD-adjusted value of a renewable attribute.

18 Joint Solar Parties Comments at 3 (June 21, 2010).

misguided, because no RECs exist for PURPA purchases. Senate Bill 107, codified at Public Utilities Code Section 399.16 explicitly prohibits the creation of RECs for PURPA sales:

> No renewable energy credits shall be created for electricity generated under any electricity purchase contract executed after January 1, 2005 pursuant to the Public Utility Regulatory Policies Act of 1978 (16 U.S.C. Sec 2601 et seq.). Deliveries under the electricity purchase contracts will be tracked through the accounting system described in subdivision (b) of Section 399.12 and count toward the renewables portfolio standard obligations of the purchasing retail seller.[19]

In essence, this statute means that (1) there are no RECs that can be separated from the energy purchased by the utility; (2) the renewable deliveries must be tracked through the CEC's accounting system; and (3) the renewable deliveries must count toward the purchasing utility's RPS goals. Thus, to the extent the Commission's authority to set a price for power under AB 920 flows from PURPA as acknowledged in the AD, the Commission simply cannot require utility customers to purchase RECs separately from the PURPA sale because no RECs can be created.

Furthermore, it is inappropriate for avoided cost to include the value of renewable attributes as the AD proposes.[20] Rather, avoided cost pricing compensates generators for energy, and if capacity value is provided, capacity.[21] The value of renewable attributes is not included in the calculation of avoided cost. In *American Ref-Fuel Company*, FERC clarified this rule, stating that the power purchase price that the utility pays under a QF contract compensates a QF only for the energy and capacity produced by that facility and not for any environmental attributes associated with the facility.[22] FERC further clarified that while a state may decide that a sale of

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[19] P.U. Code § 399.16(a)(6). This language remains in Senate Bill 2, the recently chaptered new RPS legislation, but is renumbered as Section 399.21.

[20] *See* AD at 38 ("The MPR-based NSC rate is a bundled rate that includes the value of the renewable attributes associated with the net surplus generation.")

[21] "Avoided costs" is defined as "the incremental costs to an electric utility of electric energy or capacity or both which, but for the purchase from the qualifying facility or qualifying facilities, such utility would generate itself or purchase from another source." 18 C.F.R. § 292.101(b)(6).

[22] 105 FERC ¶ 61,004 at P 22 (Oct. 1, 2003)

power at wholesale automatically transfers ownership of the state-created RECs, that requirement must find its authority in state law, not PURPA.[23]

California has enunciated just such a law in enacting SB 107. The state legislature determined that the utilities shall be entitled to count any renewable deliveries from PURPA contracts towards the RPS, and pursuant to federal law, no additional compensation through avoided cost pricing may be made. Proponents of the approach advocated in the AD may argue that there is a conflict between AB 920, SB 107, and federal law. There is no conflict here. AB 920 does not require payment for "RECs," nor does it require that AB 920 be implemented pursuant to PURPA. Further, federal law allows a state to decide that a sale of power under a PURPA contract automatically transfers ownership of renewable attributes to the purchasing utility, as SB 107 does. As the AD proposes to implement AB 920, state law precludes the creation of RECs for these purchases, and the utilities may simply count the renewable deliveries toward their RPS goals.

F. The Proposed Implementation for REC Counting Is Complicated, Unworkable, And Will Likely Result In Double Counting

Assuming RECs could be created for PURPA purchases, which as explained above violates California law, the AD's proposed REC framework is complicated, unworkable, and likely to result in double-counting of renewable attributes. First, the AD jeopardizes the integrity of the RPS accounting system by improperly allocating the authority and responsibility to verify RPS eligibility to the IOUs. It is the responsibility and authority of the CEC to certify renewable generators and track renewable generation, thereby ensuring that double counting does not occur. *See* Cal. Pub. Util. Code § 399.13. However, the AD dictates that the IOUs will, in an expedited manner, determine a process to validate REC ownership. The AD requires the IOUs to convene with various parties and to propose a process by which to verify REC ownership within 120

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[23] *Id*. at P 24.

days.[24] This approach is problematic in that, if there are no tracking requirements and an imperfect determination of REC ownership, there is a high likelihood of double counting the renewable attributes. The Commission itself admits that double counting is likely in that the IOUs should propose an approach to verify ownership "that is as complete as possible while taking into account the possible trade-off between completeness and administrative simplicity."[25]

Second, determining a process to validate ownership of RECs within 120 days is overly burdensome and complex. There are a host of issues that may not easily be resolved, and which the IOUs do not have the expertise to untangle. For example, some customers may have never owned renewable attributes, unknowingly sold their attributes, willingly sold only a portion of the attributes, or intend to sell their consumed-on-site renewable attributes to a third party. Further, voluntary tracking systems may not appropriately track the source of a customer's RECs, and/or may already be double counting RECs within their systems. Indeed, a single REC may ultimately be tracked in both a voluntary REC system and WREGIS. In that case, a utility may pay for a product for which it received no value. Moreover, the process of determining REC ownership will need to be performed on an ongoing basis to ensure that new customers also own their RECs and that existing customers have not entered into REC sales outside of this program after initially confirming ownership.

Rather than forcing the utilities to hold meetings and file an advice letter with some proposed process of verifying ownership of renewable attributes, the Commission should hold workshops to discuss a more appropriate approach to resolving the issues of renewable attribute ownership and double counting, while maintaining the integrity of the current RPS eligibility and tracking systems and rules. The Commission must reconcile the language in AB 920 with the RPS statute to ensure that the utilities and their customers will get RPS credit for any renewable purchases pursuant to AB 920. This series of workshops should involve stakeholders from the CPUC, CEC, WREGIS, voluntary tracking system companies, and IOUs.

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[24] AD, OP 8, at 63.
[25] AD at 32.

III.

CONCLUSION

For the foregoing reasons, SCE asks the Commission to reject the AD and adopt the PD.

Respectfully submitted,

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April 25, 2011

<u>CERTIFICATE OF SERVICE</u>

I hereby certify that, pursuant to the Commissioner's Rules of Practice and Procedure, I have this day served a true copy of **COMMENTS OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) ON ALTERNATE DECISION OF PRESIDENT PEEVEY ADOPTING NET SURPLUS COMPENSATION RATE PURSUANT TO ASSEMBLY BILL 920** on all parties identified in the attached service list(s).

Transmitting the copies via e-mail to all parties who have provided an e-mail address. First class mail will be used if electronic service cannot be effectuated.

Executed this **25th day of April, 2011**, at Rosemead, California.

/s/ JANICE VELARDE
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California Public Utilities Commission

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