

Decision 11-01-016 January 13, 2011

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 06-05-027
(Filed May 25, 2006)

DECISION MODIFYING D.06-10-050 REGARDING AUTHORIZATION FOR REIMBURSEMENT OF CONSULTANT COSTS**1. Summary**

In Decision 06-10-050, the Commission authorized its Executive Director to hire and manage one or more contractors to perform certain tasks regarding the renewables portfolio standard program. The costs were limited to \$400,000 per year through 2010, to be paid by the ratepayers of the three largest electric utilities. The utilities were authorized to record the costs when paid through December 31, 2010. Unavoidable delays, however, have occurred in completing the contracted work. This decision authorizes the utilities to record the costs when paid through December 31, 2011, but does not increase the total reimbursable costs. We do this by modifying Decision 06-10-050, with the revised language shown in Appendix A. This proceeding is closed.

2. Background

In 2006, the Commission authorized its Executive Director to hire and manage one or more contractors to provide technical and other support to assist Commission staff address certain renewables portfolio standard (RPS) tasks. (Decision (D.) 06-10-050.) We did this to ensure that the Commission could be

responsive to the needs of load serving entities (LSEs), in order for the LSEs to accomplish RPS program goals by 2010 and advance the public interest.

We provided that approved invoices would be sent to Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company for payment of consultant costs on a proportional basis. We authorized each of the three investor owned utilities (IOUs) to establish a Renewables Portfolio Standard Costs Memorandum Account (RPSCMA) to record these costs upon payment through December 31, 2010. We limited the total billable amount to \$400,000 annually, or a total of about \$1.6 million, to be recovered from ratepayers via rates.¹

The contracted work requires input from the California Independent System Operator (CAISO). The CAISO is actively engaged in developing that information.

3. Discussion

We are informed by Energy Division that the CAISO's work is taking longer than first anticipated, and the contracted work is necessarily delayed due to these unavoidable workflow issues faced by the CAISO. We are advised by Energy Division and Legal Division to modify D.06-10-050 so that consultant work billed in 2011 to complete the contracted work may be paid.

We do this by adopting the revised language shown in Appendix A. The revised language does not authorize an increase in the amount of funds allowed

¹ The decision authorizing these additional resources was issued on October 23, 2006. Assuming the consultants were first hired in 2007, and costs were paid through 2010, the project was limited to \$400,000 per year for 4 years, or a total of \$1.6 million.

for this work. The total billable amount remains limited to \$400,000 annually, for a total of approximately \$1.6 million.

The Commission may modify its decisions after notice to parties, with opportunity to comment. (Pub. Util. Code Section 1708.) Parties were notified of the potential modification to D.06-10-050 by the filing and service of a proposed decision. Parties were provided the opportunity to comment on the proposed decision.

This proceeding was reopened for the limited purpose of considering necessary modifications to D.06-10-050. Having done that here, this proceeding is closed.

4. Comments on Proposed Decision

On December 14, 2010, the proposed decision of Administrative Law Judge (ALJ) Mattson in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code, and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. On January 3, 2011, comments were filed by SCE. On January 10, 2011, reply comments were filed by PG&E. We make clarifying changes in Appendix A based on comments and reply comments.

5. Assignment of Proceeding

Michael R. Peevey is the assigned Commissioner, and Burton W. Mattson and Anne E. Simon are the assigned ALJs for this proceeding.

Findings of Fact

1. The Executive Director, consistent with Commission authorization, has hired one or more contractors to perform certain RPS Program tasks, with approved invoices sent to the three largest IOUs for payment.

2. Each IOU is authorized to record these costs when paid through December 31, 2010 in an RPSCMA.

3. Unavoidable delays have occurred in completing the contracted work.

Conclusions of Law

1. D.06-10-050 should be modified to permit IOU payments made in 2011 for the currently contracted work to be recorded into the RPSCMA.

2. This order should be effective today to provide the least disruption in accounting, payment and cost recovery from ratepayers.

3. This proceeding should be closed.

O R D E R

IT IS ORDERED that:

1. Decision 06-10-050 is modified as provided in Appendix A.

2. This proceeding is closed.

This order is effective today.

Dated January 13, 2011, at San Francisco, California.

MICHAEL R. PEEVEY

President

TIMOTHY ALAN SIMON

NANCY E. RYAN

Commissioners