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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)

**THIRD AMENDED SCOPING MEMO AND RULING
OF ASSIGNED COMMISSIONER**

1. Summary

This third amended scoping ruling identifies additional issues for possible consideration in the balance of this proceeding resulting from recently-enacted legislation and from recent work of Commission staff, and adopts a procedural schedule. The previously designated presiding officers, categorization and need for hearing remain unchanged. The deadline for the conclusion of this proceeding is extended by three weeks, to January 31, 2015.

2. Procedural Background

The Order Instituting Rulemaking (OIR) for this proceeding was adopted by the Commission on May 5, 2011. A prehearing conference was held on June 13, 2011. The Scoping Memo and Ruling of Assigned Commissioner was issued on July 8, 2011. The Amended Scoping Memo and Ruling of Assigned Commissioner was issued on September 12, 2012. The Second Amended Scoping Memo and Ruling of Assigned Commissioner (Second Amended Scoping Memo) was issued on January 9, 2013.

3. This Proceeding

This OIR is the vehicle for the Commission's continuing administration and oversight of the renewables portfolio standard (RPS) program, whose history is summarized in the OIR at 2-7.¹ Through this proceeding the Commission is, in addition to providing for ongoing administration of the RPS program, implementing major changes in the program resulting from the enactment of Senate Bill (SB) 2 (1X) (Simitian), Stats. 2011, ch. 1, and other new legislative mandates, such as the statutory enactment prompting this third amended scoping memo.

4. Scope of Issues

The issues identified in the Second Amended Scoping Memo continue to be the issues to be addressed in this proceeding. I now add to the scope of this proceeding implementation of a new statute, Assembly Bill (AB) 327 (Perea), (Stats. 2013, ch. 611). AB 327 became effective January 1, 2014.

This statutory enactment largely addresses issues that are not directly relevant to this proceeding, and will be addressed in other proceedings. Only the amendments made to Pub. Util. Code § 399.15(b) by AB 327 are relevant to this proceeding.² I therefore add to the scope of this proceeding:

¹ The RPS statute is codified at Public Utilities Code Sections 399.11-399.30. All further references to sections are to the Public Utilities Code, unless otherwise noted.

² These changes, shown in underline (addition) and ~~strikeout~~ (deletion) format, are:

(2) (A) No later than January 1, 2012, the commission shall establish the quantity of electricity products from eligible renewable energy resources to be procured by the retail seller for each compliance period. These quantities shall be established in the same manner for all retail sellers and result in the same percentages used to establish compliance period quantities for all retail sellers.

Footnote continued on next page

- Consideration of how the Commission's authority under new Section 399.15(b)(3) may affect the remaining tasks in this proceeding;
- Analysis of market, regulatory, and operational conditions with respect to RPS-eligible procurement in the context of the Commission's authority under new Section 399.15(b)(3).

As part of the Commission's ongoing exercise of its responsibilities for the RPS program, Energy Division staff are collaborating across proceedings and with staff in other agencies to develop tools for improving the alignment of RPS procurement with the system planning function in the Commission's long

(B) In establishing quantities for the compliance period from January 1, 2011, to December 31, 2013, inclusive, the commission shall require procurement for each retail seller equal to an average of 20 percent of retail sales. For the following compliance periods, the quantities shall reflect reasonable progress in each of the intervening years sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 25 percent of retail sales by December 31, 2016, and 33 percent of retail sales by December 31, 2020. The commission shall require retail sellers to procure not less than 33 percent of retail sales of electricity products from eligible renewable energy resources in all subsequent years.

(C) Retail sellers shall be obligated to procure no less than the quantities associated with all intervening years by the end of each compliance period. Retail sellers shall not be required to demonstrate a specific quantity of procurement for any individual intervening year.

(3) The commission ~~shall not~~ may require the procurement of eligible renewable energy resources in excess of the quantities identified in paragraph (2).

~~A retail seller may voluntarily increase its procurement of eligible renewable energy resources beyond the renewables portfolio standard procurement requirements.~~

term procurement proceeding (LTPP).³ One such tool, dubbed the RPS Calculator, is currently being used to provide RPS portfolios to the California Independent System Operator to assist in transmission planning, and to the LTPP for forecasting long-term system capacity needs. Because the renewable energy market in California has matured considerably over the past five years, revisions to the RPS Calculator may be necessary to improve its current functionality. It is appropriate to vet in this proceeding any modifications to the RPS Calculator proposed by staff and parties. I therefore also add to the scope of this proceeding:

- Revision to the various components of the RPS Calculator developed by Commission staff.

5. Categorization, Designation of Presiding Officers, Need for Hearings

The determinations on these matters made in the Second Amended Scoping Memo are continued: this proceeding is categorized as ratesetting and hearings are needed.

Commissioner Mark J. Ferron is the Assigned Commissioner for this proceeding. Administrative Law Judges (ALJ) Regina DeAngelis and Anne E. Simon are the Presiding Officers for this proceeding.

6. Documents

6.1. Format and Service

All paper documents filed with the Commission or served in this proceeding must be printed on both sides, unless doing so is infeasible or will confuse the reader of the document. All documents must be served on the

³ The current LTPP proceeding is Rulemaking 13-12-010.

assigned ALJs and the office of the Assigned Commissioner by electronic mail in accordance with Rule 1.10 of the Commission's Rules of Practice and Procedure.

Paper copies of documents should not be provided to the office of the assigned Commissioner. Paper copies of documents (printed on both sides of the paper) must be provided to the assigned ALJs unless an ALJ expressly requests that no paper copies be provided.

6.2. Verification

Consistent with requirements in previous RPS proceedings, all compliance reports, other reports, comments, briefs, motions, or other substantive documents filed in this proceeding must be verified.(See Rule 1.11.) In the case of a corporation, verification for the purposes of Rule 1.11 may be in the form of a declaration under penalty of perjury and adopted by an employee or agent at the manager level or above. The employee or agent shall be knowledgeable of the involved matters, such as the employee or agent who would adopt the contents of the filing as testimony in the event of an evidentiary hearing. The declaration may be in a form substantially as provided by Commission Rule 18.1.

7. Schedule

The schedule below reflects the addition of the implementation of the relevant issues related to AB 327, as well as work on revisions to the RPS Calculator, to the schedule previously set in the Second Amended Scoping Memo. Items listed in the Second Amended Scoping Memo that have been completed are not included in the schedule below. The new schedule includes some adjustments to the prior schedule to take account of the progress on the work involved in this proceeding. With respect to each issue or group of issues, ALJ rulings or Assigned Commissioner's Rulings (ACR) may be issued

requesting comments on particular topics. Workshops may be held by Energy Division staff as part of the consideration of these issues.

Pursuant to the authorization conferred by Pub. Util. Code § 1701.5(b), I determine that this proceeding should be concluded slightly later than the deadline set in the Second Amended Scoping Memo, from January 9, 2015 to January 31, 2015. This will allow this proceeding to be open through the end of 2014, and for a new OIR for RPS implementation and administration to be prepared and voted on by the Commission during January 2015, if necessary, before the expiration of the current proceeding.

The following schedule reasonably identifies the work ongoing in this proceeding, including the tasks related to AB 327 and the RPS Calculator, and is adopted. The schedule below may be adjusted by the presiding officers as necessary to promote the fair and efficient adjudication of this proceeding, so long as the proceeding is concluded within the January 31, 2015 time frame set in this third amended scoping memo.

Issue	Estimated timing
ALJ ruling and revised staff proposal on procurement expenditure limitations	First quarter 2014
ALJ ruling and staff proposal on revisions to renewable net short methodology	First quarter 2014
ALJ ruling and revised staff proposal on RPS procurement process improvements	First quarter 2014
ALJ ruling and questions on the Renewable Auction Mechanism (RAM)	First quarter 2014
ALJ ruling and questions on reform of least cost best fit methodology	First quarter 2014
ACR requesting submission of 2014 RPS procurement	First quarter 2014

plans	
Proposed Decision (PD) on RPS compliance and enforcement rules	First quarter 2014
Workshops, if needed, on revisions to methodology for RPS Calculator	To be set by Energy Division staff in first quarter 2014
PD on Senate Bill 1122 and any related bioenergy issues	Second quarter 2014
Workshops, if needed, on reform of least cost best fit methodology	To be set by Energy Division staff in second quarter 2014
ALJ ruling seeking comment on new compliance spreadsheet	Second quarter 2014
Workshops, if needed, on 2014 RPS procurement plans	To be set by Energy Division staff in second quarter 2014
PD on procurement expenditure limitations	Second quarter 2014
PD on RPS procurement process improvements	Second quarter 2014
PD on RAM	Second quarter 2014
Ruling on revisions to RPS Calculator	Third quarter 2014
PD on reform of least cost best fit methodology	Third quarter 2014
PD on 2014 RPS procurement plans	Third quarter 2014
PD on RPS confidentiality rules refinement	Fourth quarter 2014
Development of information and analysis for Commission consideration of its new authority under AB 327, as needed	As determined by ALJs and/or assigned Commissioner
Additional work as needed	As determined by ALJs

IT IS RULED that:

1. The scope of issues and the schedule set forth above are hereby adopted for the balance of this proceeding, with the understanding that additional issues may need to be addressed and additional scheduling may be necessary to conclude this proceeding.

2. The duration of this proceeding is until January 31, 2015.

3. Rulemaking 11-05-005 is categorized as ratesetting.

4. Hearing is determined to be needed.

5. Commissioner Mark J. Ferron is the Assigned Commissioner.

Administrative Law Judges (ALJ) Regina DeAngelis and Anne E. Simon are the Presiding Officers for this proceeding.

Dated January 13, 2014, at San Francisco, California.

/s/ MARK J. FERRON

Mark J. Ferron
Assigned Commissioner