

**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)

**CLEAN COALITION REPLY COMMENTS ON PROPOSED DECISION RE RAM
SOLICITATIONS**

Kenneth Sahn White
Director, Policy and Economic Analysis
Clean Coalition
16 Palm Ct
Menlo Park, CA 94025
(831) 295 3734

August 21, 2017

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I. INTRODUCTION

The Clean Coalition respectfully submits these reply comments on the proposed decision (“PD”) per the instructions in the PD submitted on July 24, 2017.

The Clean Coalition’s reply comments are summarized as follows:

- The PD raised issues not directly related to the purpose of the Renewable Auction Mechanism (“RAM”) program, and parties opening comments largely focus on these issues.
- As noted in our opening comments, issues relating to the Renewable Portfolio Standard (“RPS”), Integrated Resources Plan (“IRP”), Community Choice Aggregation (“CCA”) growth and the Power Charge Indifference Adjustment (“PCIA”) are not central to the purpose of the RAM program and the Pacific Gas & Electric Company’s (“PG&E”) obligations under prior Decisions.
- While we agree that the California Public Utilities Commission (“Commission”) should always consider changes in fact, policy, and record that have arisen since a prior Decision, these changes should be considered primarily in relation to the goals and factors established in prior Decisions on the RAM program. In this context, the cost of meeting obligations under RAM is lower than anticipated and accounted for in prior Decisions ordering this procurement. Indeed, this was a major reason for transferring capacity from PG&E’s photovoltaic (“PV”) program

to the RAM program.

- While the purposes for which the RAM program was implemented have been partially fulfilled as a result of the utilities' prior compliance with Commission orders, the intent of the program is not partial completion. Failing to fully complete the program will substantially undo the intended market sector development.
- Responses to specific arguments made by parties in opening comments are addressed below.

II. DESCRIPTION OF THE PARTY

The Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. The Clean Coalition drives policy innovation to remove barriers to procurement and interconnection of distributed energy resources (“DER”) – such as local renewables, advanced inverters, demand response, and energy storage – and we establish market mechanisms that realize the full potential of integrating these solutions. The Clean Coalition also collaborates with utilities and municipalities to create near-term deployment opportunities that prove the technical and financial viability of local renewables and other DER.

III. COMMENTS

After having reviewed opening comments opposing the PD, the Clean Coalition continues to support the PD's denial of PG&E's Petition for Modification of D.14-11-042 (“Petition”), and our prior recommendations to modify the PD to both reflect additional supporting arguments and address objections raised by Parties.

The Proposed Decision (PD) raised issues not directly related to the purpose of the RAM program, and Parties opening comments largely focus on these issues, as such we believe that these factors may more appropriately relate to the rationale contained in the PD than to the conclusions. As noted in our opening comments, issues relating to RPS, IRP, CCA growth and the Power Charge Indifference Adjustment (PCIA) are not

central to the purpose of the RAM program and PG&E's obligations under prior Decisions. While we agree that the Commission should always consider changes in fact, policy, and record that have arisen since a prior Decision, these should be considered primarily in relation to the goals and factors established in prior Decisions on the RAM program.

In this context, the cost of meeting obligations under RAM is actually lower than anticipated and accounted for in prior Decisions ordering this procurement – indeed, this was a major reason for transferring capacity from PG&E's PV program to the RAM program. While the purposes for which the RAM program was implemented have been partially fulfilled as a result of prior compliance with the Commission's orders, partially meeting the goals was not the intent, and failing to complete the program will substantially undo the market sector development that was intended.

In response to specific arguments made by parties in opening comments:

1. The Office of Ratepayer Advocates ("ORA") notes that RAM is not needed to meet RPS goals, but that is not the point of the RAM program. RAM is a mechanism for cost effective procurement of targeted classes of resources. Furthermore, the Commission has already determined that this class of resources merits targeted market development through RAM. ORA argues that "To the extent PG&E finds that these other procurement options garner more cost-effective results, the Commission should grant PG&E's request to eliminate the requirement that it conduct RAM solicitations in 2016 and 2017 for the remaining capacity from solar photovoltaic (PV) resources associated with PG&E's closed PV Program." While we strongly support evaluation of cost effectiveness in meeting goals and mandates, ORA ignores the goals and purpose of the RAM program.

In opening comments the Clean Coalition argued that there are multiple reasons for denying the Petition to cancel the mandated procurement and that the PD erred not in its conclusion but in its failure to cite these as the appropriate basis for denial. On this basis, ORAs argument is moot, because RPS contribution is not the appropriate basis for

denial to the Petition. Never the less, ORAs arguments in relation to RPS are still flawed.

2. ORA (at 2) argue and others argue in opening comments that a decision on this PFM is not the appropriate place to increase RPS procurement targets. *This argument is not relevant because the PD is not attempting to increase RPS procurement targets.* The PD notes correctly only that the RAM procurement will contribute toward meeting those targets, thereby reducing the need for separate additional procurement. The PD does not argue that RPS requires RAM procurement -- only that RAM is complimentary to RPS. The contribution of RAM procurement should be recognized when evaluating the merits of the RAM and the Petition to prematurely conclude the program.

3. PG&E (at 2-4, and 10) and ORA (at 3) and others argue that denying the Petition circumvents the Commission's comprehensive IRP planning process. This is factually incorrect. The IRP seeks to coordinate existing resources and procurement commitments established in various proceedings. The IRP proceeding does not seek to overrule, second-guess or re-argue those prior decisions. RAM procurement should be and is already appropriately incorporated in IRP planning and forecasts, and the IRP process should determine what additional procurement, if any, is needed to meet the *integrated* resource planning requirements, including forecast needs and resource development, including those driven by economic, reliability and policy factors.

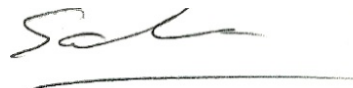
4. In related comments DACC argues (at 2) that additional procurement may unduly burden direct access customers through the PCIA. We note that Commission policy including the PCIA or its successor are specifically intended to ensure that costs are appropriately distributed across all customer categories, and do not unfairly burden existing direct access, bundled, new, or departing customers. While periodic review of cost allocation is appropriate, it is not germane to this PD as there is nothing unique in this respect about the impact or apportionment of RAM procurement in comparison to all other procurement. Further, we note both that prices for distributed renewable resources in ReMAT and RAM programs have not been higher than average RPS procurement costs for the same contract year, and RAM does include cost caps to avoid requiring procurement deemed uneconomic relative to other resources.

5. Finally, ORA errs in its assertion (at 4) that RAM procurement will not contribute to greenhouse gas (“GHG”) reduction related to capacity needs. ORA states “Procuring GHG-free resources to meet capacity targets absent a reduction in procurement of GHG emitting resources that are used to meet capacity need does not effectively result in a reduction of GHG emissions.” While this is true in of itself, it ignores the fact that RAM does provide capacity value, particularly since a wide range of renewables are eligible, and therefore RAM procurement will reduce the need to procure other resources for capacity. Additionally, even where fossil fuel resources are meeting capacity needs, RAM resources will reduce the operation of the GHG emitting resources.

IV. CONCLUSION

For the reasons discussed above, the Clean Coalition supports the PD, with modification to address the issues raised and respectfully urges the Commission to reject PG&E’s petition.

Sincerely,



Kenneth Sahm White
Director, Policy and Economic Analysis
Clean Coalition

VERIFICATION

I, Katherine A. Ramsey, am the representative for the Clean Coalition for this proceeding. I am authorized to make this verification on the organization's behalf. The statements in the foregoing document are true of my own knowledge, except for those matters that are stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 21, 2017, at Redwood City, California.

A handwritten signature in black ink, reading "K Ramsey", is centered on a light gray rectangular background.

Katherine A. Ramsey
Staff Attorney
Clean Coalition
16 Palm Ct.
Menlo Park, CA 94025
202-709-8063
katie@clean-coalition.org