

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Continue
Implementation and Administration, and
Consider Further Development, of
California Renewables Portfolio Standard
Program.

Rulemaking 15-02-020

(Filed February 26, 2015)

CLEAN COALITION PREHEARING CONFERENCE STATEMENT

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April 15, 2015

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I. INTRODUCTION

Through Rulemaking 15-02-020, the California Public Utilities Commission (“Commission”) will address implementation, administration, and development of the state’s Renewable Portfolio Standard (“RPS”). The Clean Coalition files this prehearing conference statement in response to Administrative Law Judge Mason’s email ruling on April 1, 2015. Below we respond to the question: “What are the five issues that you think should have the highest priority in this proceeding?”

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. PREHEARING CONFERENCE STATEMENT

The Clean Coalition identified our priority issues for this proceeding in our comments on the Order Instituting Rulemaking. We have not changed our position but appreciate the opportunity to reemphasize our priorities.

- RPS Target: First, we respectfully urge the Commission to exercise its authority under AB 327 to increase the RPS and to establish a predictable and reliable deployment trajectory for doing so.¹ We further urge the Commission to adopt Governor Brown’s goal to increase the RPS to 50% of total procurement by 2030.²
- DER Contribution to RPS Targets and Cost Effectiveness: Second, the Commission should focus on planning for and procuring DER to facilitate a higher RPS, including addressing current barriers to eligibility and resource accounting. Local renewable energy, connected to the distribution grid, continues to present a very large opportunity to cost effectively meet increases in the RPS, offering a variety of additional operational services to improve efficiency and reliability while reducing integration costs, the need for new transmission capacity, and the environmental footprint associated with large generation facilities located far from the served loads.
- Procurement Mechanisms: Third, the Commission should explore methods to improve the ReMAT procurement tool. In order to enable small renewable projects to play a role in achieving a higher RPS, the Commission must ensure that there is a robust procurement tool—like the ReMAT—that supports a viable market. Small distributed projects cannot solely rely on the RAM mechanism, with no certainty as to when auctions will be held, what pricing will succeed, or their position in queue to be offered a power purchase agreement.
- LCBF & Locational Value: Fourth, the Commission should include locational benefits in the valuation of RPS projects. This proceeding will consider revisions of the process for determining least-cost best-fit (“LCBF”) valuation of renewable

¹ See PUB. UTIL. CODE § 399.15(b)(3).

² Governor Edmund G. Brown Jr., Inaugural Address (Jan. 5, 2015), *available at* <http://gov.ca.gov/news.php?id=18828>.

- energy resources.³ The Commission should ensure proper valuation of projects—especially small distributed generation—by accounting for locational value such as differences in the actual Renewable Integration Cost, avoided transmission access charges (“TACs”), pro-rata contributions to TAC rates, and avoided congestion charges and line losses.
- **Transmission Costs:** Fifth and more specifically, the Commission should note the current misapplication of TACs on distributed generation serving local loads—20-year levelized TAC rates approach 3¢/kwh, driven by the cost of infrastructure required to transmit energy to serve loads from remote points of generation. The current CAISO application of TACs to LSEs based on “gross load” fails to differentiate between energy delivery that contributes to TAC costs and local generation that does not when the LSE is also a Participating Transmission Operator (“PTO”), and this “cost of delivery” is not currently considered in LCBF. Proper valuation of distributed renewable generation requires a correction of this process, and the Commission should coordinate with CAISO in this proceeding to ensure the correction occurs.

IV. CONCLUSION

The Clean Coalition appreciates this opportunity to highlight our priority issue areas and looks forward to engaging in this proceeding.

Respectfully submitted,

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April 15, 2015

³ See Cal. Pub. Util. Comm’n, Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard at 5, Rulemaking 15-02-020 (Mar. 6, 2015).