

**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 COMMENTS ON
ADMINISTRATIVE LAW JUDGE'S RULING REQUESTING COMMENT
ON IMPLEMENTATION OF POTENTIAL LEGISLATIVE CHANGES RELATED
TO THE BIOENERGY FEED-IN TARIFF**

Kenneth Sahn White
Director, Economic & Policy Analysis

Brian Korpics
Director, Policy

Clean Coalition
16 Palm Ct
Menlo Park, CA 94025
831 425 5866
sahm@clean-coalition.org

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I. INTRODUCTION

Pursuant to the August 17, 2016, *Administrative Law Judge's Ruling Requesting Comment on Implementation of Potential Legislative Changes Related to the Bioenergy Feed-In Tariff Under the California Renewables Portfolio Standard* (Ruling), the Clean Coalition respectfully provides these comments.

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.

II. COMMENTS

The Clean Coalition offers responses to a subset of the questions listed in the Ruling as indicated below. The following recommendations are based upon prior work related to interconnection practices and ReMAT program design.

3. Should the California Public Utilities Commission (Commission) require any additional financial security from projects that have received a Phase 1 study but have left the interconnection queue while bidding into BioMAT, in accordance with the proposed legislation?

The Clean Coalition proposes that:

- A winning bidder must proceed with interconnection per the tariff schedule and without delay. Developers must submit Fast Track (FT) or System Impact Study (SIS) applications, and the utilities must deem them complete within 30-60 calendar days. If transferring from FT to SIS, the application to SIS must be submitted and deemed complete within 30-60 days of receiving final FT results.
- BioMAT development and COD deadlines should remain unchanged, with allowance for interconnection study extension (see detailed response to question 6 below).
- A \$50,000 Development Deposit should be required in lieu of interconnection milestones otherwise required for eligibility in the BioMAT queue and receipt of a Power Purchase Agreement (PPA) offer. \$50,000 is recommended as equivalent to the basic deposit for the SIS and therefore reduces the financial incentive to delay commencement of interconnection studies.

4. Should any required deposit be refundable to the developer? If yes, under what circumstances (e.g., execution of a BioMAT contract with the IOU)? If not, how should the deposit be accounted for and applied?

The Development Deposit should be refundable if the applicant withdraws from the BioMAT queue without executing a PPA. Once a PPA offer is accepted, the deposit would become non-refundable but applicable to final interconnection costs. A separate non-refundable BioMAT Queue Application Fee may be considered separately from the Development Deposit.

5. Should there be a limit on the number of times a developer may have a system impact study done for the same project while remaining in the BioMAT queue before

executing a BioMAT contract for that project? If yes, provide a rationale and a proposed numerical limit. If no, provide a rationale for your choice.

The only limit should be compliance with the PPA contract acceptance and development schedule, which begins after the contract is offered and subsequently executed. SIS is performed by the utility on a fee for service basis, and this provides a clear incentive for the applicant to avoid excessive, repetitive studies.

The Clean Coalition has worked with the Commission and the utilities to make information available to applicants prior to requesting studies, as well as to indicate if the results of a prior study are likely to have changed. This information assists applicants in screening for location-specific interconnection constraints and in submitting project applications designed for interconnection cost viability. This information is provided through: 1) interconnection maps, including the Integration Capacity Analysis results developed through each utility's Distribution Resource Plan; 2) the Pre-Application Reports, including the recently approved Enhanced Pre-Application Report Option; and 3) Distribution Unit Cost Guides currently being developed in accord with D.16-06-052.

6. The proposed legislation provides that, for a project that has dropped out of the interconnection queue and then executes a BioMAT contract, "the time to achieve commercial operation shall begin to run from the date when the new system impact study or other interconnection study is completed rather than from the date of execution of the standard contract." What, if any, would be the effects on the IOUs' administration of the BioMAT program of this extension of time to achieve commercial operation for those projects that have used the process proposed in the legislation?

The contractual timeline is intended to ensure timely development and deployment of the generation facilities for which the Commission designed the BioMAT program. It may be appropriate to allow an extension of COD deadline up to the time required to complete the applicable SIS (or Fast Track) study process; however, priority should be given to those projects that do not require additional time. Those projects seeking an extension must comply with the applicable interconnection tariff schedule and remain active in the interconnection queue.

In order to prioritize projects that will not require a COD extension, the Commission should consider establishing queue priority reflecting interconnection queue status (i.e., study completed, in process, or not yet applied) and ordered by date of BioMAT application *within* each interconnection category. Under this approach, utilities would offer PPAs first to projects that have completed their SIS or equivalent. If procurement allotment capacity remains available at the current price after contracts have been offered to these projects, this allotment would then be offered to projects with active interconnection applications but without completed study results. Finally, any remaining projects that do not yet have an active interconnection queue position would be offered remaining procurement allotment.

This approach would not create separate BioMAT queues or change the timing for extension and review of PPA offers to the queue as a whole. The queue position of any projects meeting current eligibility standards would be maintained, but new entrants would be assigned to the queue prioritization category associated with their interconnection status.

III. CONCLUSION

The Clean Coalition appreciates the opportunity to submit these comments and respectfully request that the Commission incorporate and implement these recommendations to the fullest extent possible for the reasons stated above.

Respectfully submitted,

-/S/-

Kenneth Sahm White
Director of Policy & Economic Analysis
Clean Coalition
16 Palm Ct
Menlo Park, CA 94025
sahm@clean-coalition.org

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