

April 27, 2017

Commissioner Clifford Rechtschaffen  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

RE: Request for Action on ReMAT Program

Commissioner Rechtschaffen:

We are writing to express urgent concern regarding the status of the Renewable Market Adjusting Tariff (ReMAT) program and the impending risk that the streamlined ReMAT procurement program may be discontinued despite widespread utility failure to procure authorized renewable energy capacity. We request that the Commission take immediate action to maintain access to the ReMAT program while considering active Petitions for Modification (PFMs) and other rule changes to facilitate a more efficient program and ensure fulfillment of the program's procurement targets, given its importance as a mechanism to support and foster demand for distributed renewable generation within California.

The Commission adopted ReMAT to implement Public Utilities Code Section 399.20, which requires electrical corporations to make their renewable energy feed-in tariffs available to projects of not more than three megawatts on a "first-come-first-served basis, until an electrical corporation meets its proportionate share of a statewide cap of 750 megawatts cumulative rated generation capacity." ReMAT is the only remaining program for general procurement of wholesale distributed generation resources by the investor-owned utilities (IOUs). However, the program is now facing extinction with over 200 MW of initial capacity left to be awarded<sup>1</sup>, despite the program's clear potential for contributing to California's established ratepayer, energy and environmental goals. The Commission should take immediate action to ensure that ReMAT continues to be available to the market so that the original targets can be met. This planned procurement is already accounted for in IOU RPS procurement plans, and is the foundation for maintaining market continuity in these sectors.

Commission Decision 13-05-034, which implemented ReMAT, contained a late addition that allows a utility to shut down its ReMAT program before satisfying its full allotment of capacity. The ReMAT program's capacity target is divided between three product categories, but a utility is permitted to shut down its entire ReMAT program once all (or all but a de minimis amount) of the capacity is awarded for any single product category. SDG&E has already filed an Advice Letter ending its ReMAT program even though sixty-five percent (65%) of SDG&E's 49 MW capacity was not yet awarded. The other IOUs are poised to do the same.

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<sup>1</sup> As of 3/1/2017: SDG&E had 31.8 MW remaining, with at least 7 MW in each category, when it closed its program 24 months after initially fully subscribing one category in June 2014. SCE currently has 10.5 MW remaining in one category, but 82.8 MW at risk in other categories. PG&E has 120 MW remaining in total, with too few applicants in any category for market price adjustment to occur (see appended table for details).

The massive disparities in the level of participation across the various categories are a symptom of limitations embedded in the program design. Numerous parties have filed PFMs and responses to address shortcomings in the initial design and implementation of the ReMAT program, and some of these PFMs request narrow revisions to the ReMAT program that can be implemented with low effort and immediate effects. The need to revisit and potentially revise the ReMAT program was expressly acknowledged in Rulemaking 15-02-020, where the Commission has published a scoping memo that described intent to revisit ReMAT program rules in the second quarter of 2016, but no action has yet been taken. We encourage your office to take the actions necessary to preserve the existing ReMAT program capacity allocation while considering the pending PFMs and any other appropriate modifications to ensure, at a minimum, that the original 750 megawatt target capacity is fulfilled, including the full 493.6 megawatts allocated to the three large IOUs.

Sincerely,

Craig Lewis  
Executive Director  
**Clean Coalition**  
16 Palm Ct  
Menlo Park, CA 94025  
craig@clean-coalition.org



Brandon Smithwood  
Director of California State Affairs  
**Solar Energy Industries Association**  
600 14th Street, N.W., Suite  
400 Washington, D.C. 20005  
bsmithwood@seia.org



cc: President Michael Picker  
Commissioner Carla J. Peterman  
Commissioner Liane M. Randolph  
Commissioner Martha Guzman Aceves  
Tim Sullivan, Executive Director  
Edward Randolph - Director, Energy Division  
Cheryl Lee - Supervisor, Renewable Procurement and Resource Planning

Nancy Rader  
Executive Director  
**California Wind Energy Association**  
1700 Shattuck Avenue, #17  
Berkeley CA 94709  
nrader@calwea.org



Chris Doyle  
Managing Director  
**Coalition for the Efficient Use of  
Transmission Infrastructure**  
chris@1099energy.com

### ReMAT Program Capacity Data (MW)

Utility	Category	Baseload	As Available Peaking	As Available Non-Peaking	Total
<b>PG&amp;E</b>	Total Assigned	73	73	73	219
	AB 1969 credit	22	22	22	66
	Net Assigned	51	51	51	153
	Net Awarded	1	15	16	32
	Remaining	50	36	35	<b>121</b>
<b>SCE</b>	Total Assigned	75	75	75	226
	AB 1969 credit	23	23	23	68
	Net Assigned	53	53	53	158
	Net Awarded	2	51	12	65
	Remaining	45	11	38	<b>93</b>
<b>SDG&amp;E</b>	Total Assigned	16	16	16	49
	AB 1969 credit	3	3	3	9
	Net Assigned	13	13	13	39
	Net Awarded	2	5	0	8
	Remaining	11	8	13	<b>32</b>
<b>Aggregate</b>	Total Assigned	164	164	164	<b>494</b>
	AB 1969 credit	48	48	48	143
	Net Assigned	117	117	117	<b>350</b>
	Net Awarded	5	72	28	105
	Remaining	<b>106</b>	<b>54</b>	<b>86</b>	<b>246</b>

AB 1969 procurement credited toward ReMAT after accounting for cancelled contracts as of 3/1/2016

SDG&E initially awarded all 'As Available Peaking' capacity, remaining MW account for subsequent cancellations.