

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

ADVICE 4100-E

Rulemaking 08-08-009
(Filed August 21, 2008)

CLEAN COALITION'S PROTEST TO PG&E'S
ADVICE 4100-E
REQUEST FOR MODIFICATION TO DECISION 10-12-048

Rob Longnecker
Kenneth Sahn White
Clean Coalition
2 Palo Alto Square
Palo Alto, CA 94306
(805) 705-1352

September 5th, 2012

The Clean Coalition respectfully submits this protest to PG&E's request for modification of Decision 10-12-048. The Clean Coalition is a California-based group that advocates for cost effective and rapidly deployable clean local energy, largely through vigorous expansion of the Wholesale Distributed Generation (WDG) market segment, which is comprised of renewable energy generation that connects to the distribution grid and serves local load. Since penetrations of WDG above about 20% require local balancing of supply and demand of energy, the Clean Coalition not only drives policy innovation that removes the top barriers to WDG (procurement and interconnection), but also drives policy innovations that will allow private capital to deploy Intelligent Grid (IG) solutions like demand response and energy storage. The Clean Coalition is active in proceedings at the California Public Utilities Commission, the Federal Energy Regulatory Commission, and related federal and state agencies throughout the United States. The Clean Coalition also designs and implements WDG and IG programs for local utilities and governments around the country.

We offer the following comments on proposals C, D and G:

C. Obligations of Energy Only Sellers

PG&E is recommending that energy-only Sellers be required to pursue deliverability via the annual process, while capping the Seller's cost responsibility at \$50,000. We believe that the current approach of requiring the Seller to apply for deliverability and only pursue it if there is no incremental cost is reasonable, and that PG&E has not provided justification for altering the current approach. In addition, we note that the RAM offers superior Time of Day adjustments for Sellers that have deliverability, thereby already offering an economic incentive for Sellers to bear costs that make economic sense.

In addition, we note that a flat cap of \$50,000 would disproportionately disadvantage smaller projects. While we do not support Proposal C at all, at a minimum the approach needs to be modified to be proportional to project size.

D. Commercial Operation Deadline (COD)

PG&E proposes to extend the RAM 3 PPA COD by a full additional year to 36 months, not including 6 months allowable for delays in permit approval. The Clean Coalition opposes this unconditional extension, but we do support allowing a day-for-day extension for administrative cause for up to 18 months when the seller has taken all commercially reasonable actions and met all of its requirements and deadlines in seeking to obtain permit approval and interconnection agreements.

As we have commented previously in RAM proceedings, extended COD allowances encourage highly speculative long-term projections of material commodity prices in an unpredictable market. The actual construction of most facilities bidding in to RAM is typically accomplished in less than 12 months. Allowing an additional 24 months will encourage sellers to gamble on lower panel prices that are not only not currently available, but that are not anticipated within the next two years, and are highly uncertain in that time frame. These bids will win the auction, displacing any that could be built sooner, and delaying actual development for years. Only as the three year COD approaches will the Commission know whether such procurements under the RAM process will have actually resulted in investment and production of renewable energy; new procurement to replace undelivered bids would be subject to a further three year delay under PG&E's 36 month COD proposal. As a possible example of this issue, we note that 10 of the 11 winning contracts in the November 2011 RAM auctions held by SCE and PG&E had a COD in the last quarter of 2013 – this illustrates both that there is ample commercial interest within the existing timeframe, and that projects will typically take the latest COD made available. Our proposal addresses the fully legitimate concerns regarding permitting and interconnection study delays without engendering the additional risks and delays inherent in a 36 month COD.

The design and rules for participation in the RAM procurement are explicitly intended to target smaller projects (20 MW or less) that can be studied, permitted, built and interconnected without lengthy delay in order to maintain RPS trajectory procurement on schedule, building the installed capacity and market experience in California. Experience in actual competitive deployments drives efficiencies that consistently result in lower future costs, and lower costs available three years in the future can be captured with procurement at that time.

At the same time, we are aware of numerous projects ready to build that are held back by delays in final interconnection cost determination or permitting approval despite the best effort of the sellers. The current PPA acknowledges potential permitting delays and allows a six month extension if needed for circumstances beyond the control of the seller. A viable project in possession of a PPA and ready to build should not be terminated due to delays on the part of regulatory bodies or the host utility if these parties require additional time. Such termination harms the seller while further delaying actual procurement when the terminated capacity pushes the procurement process back to square one. We recommend the twelve month extension of COD proposed by SCE for Sec 1.04 of the PPA be applied instead solely to Sec 1.04(c) and amended to include delays in interconnection cost determination and Generation Interconnection Agreement.

G. Buyer curtailment hours

P&E's proposal to increase the required buyer curtailment hours from 100 to 250 hours is unclear with regard to the impact on the developer. We ask for confirmation that during these Buyer Curtailment Periods, the Seller will be paid the contract price for the incremental 150 hours of curtailed energy.

Respectfully submitted,

-/s/-
Rob Longnecker

-/s/-
Kenneth Sahn White

Clean Coalition
2 Palo Alto Square
Palo Alto, CA 94306
(805) 705-1352

VERIFICATION

I am authorized to make this verification on its behalf of Clean Coalition. I am informed and believe that the matters stated in the foregoing pleading are true.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 5th day of September, 2012, at Santa Cruz, California.

Kenneth Sahm White



Clean Coalition