

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

Application of San Diego Gas & Electric
Company (U902E) for Authority to
Implement Optional Pilot Program to
Increase Customer Access to Solar
Generated Electricity.

Application 12-01-008
(Filed January 17, 2012)

And Related Matters.

Application 12-04-020
Application 14-01-007

**CLEAN COALITION REPLY COMMENTS ON THE GREEN TARIFF SHARED
RENEWABLES PROGRAM PHASE IV TRACK A ISSUES**

Brian Korpics
Staff Attorney

Kenneth Sahm White
Economics & Policy Analysis Director

Clean Coalition
16 Palm Ct
Menlo Park, CA 94025
(708) 704-4598
brian@clean-coalition.org

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Application of San Diego Gas & Electric Company (U902E) for Authority to Implement Optional Pilot Program to Increase Customer Access to Solar Generated Electricity.

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RENEWABLES PROGRAM PHASE IV TRACK A ISSUES**

I. INTRODUCTION

On April 15, 2015, the California Public Utilities Commission (“Commission”) issued the Assigned Commissioner and Administrative Law Judge’s Scoping Ruling for Phase IV of Consolidated Proceeding in the Green Tariff Shared Renewables (“GTSR”) proceeding. Parties filed opening comments on Track A issues on August 7, 2015. The Clean Coalition appreciates this opportunity to reply to parties’ opening comments. The comments below specifically focus on making the program more affordable for participants and the appropriate procurement tool for the enhanced community renewables (“ECR”) component of the program.

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. REPLY COMMENTS

a. Options to make the GTSR Program affordable to more customers

The Commission has the opportunity to make the GTSR Program more affordable by monetizing the locational value of projects. Relatedly, the Clean Coalition strongly supports SEIA's position that SB 43's "customer indifference" principle requires a more full consideration of the value of solar.¹ SEIA argues that "[w]hile the GTSR proceedings to date have sought to ensure that non-participants do not subsidize ECR costs, customer indifference equally requires that ECR participants do not subsidize ECR benefits conferred on non-participating ratepayers or other California beneficiaries."² GTSR projects located where energy serves local loads—regardless of proximity to program participants—may result in significant avoided local capacity costs, transmission congestion, and line losses for all utility ratepayers. This in turn reduces the need for future transmission investment and results in savings for all ratepayers that are attributable to the GTSR program.³ These benefits can also include avoided fuel price volatility, reactive power supply and consumption, voltage regulation, and frequency response. Subscribers to the GTSR program should be credited for the avoided costs and locational benefits of GTSR projects that accrue to non-participants.

Decision 15-01-051 established that methods to determine locational value of projects would be decided in other Commission proceedings. In the Distribution Resources Plans ("DRPs") proceeding, Rulemaking 14-08-013, the Commission will likely approve the utilities' initial DRPs by the end of the year. In the DRPs, the utilities each proposed methodologies for

¹ Opening Comments of the Solar Energy Industries Association on Track A Issues at 25 (Aug. 7, 2015).

² *Id.*

³ See Clean Coalition Rebuttal Testimony Regarding Pacific Gas and Electric Company's and San Diego Gas and Electric Company's Applications to Establish Green Tariff Shared Renewables Programs, Applications 12-01-008 & A.12-04-020 (Jan. 10, 2014); Opening Brief of the Clean Coalition Regarding Southern California Edison's Application to Establish Green Rate and Community Renewables Programs (May 2, 2014). The current treatment of Transmission Access Charges ("TACs") is also important to note. While TACs will be lower than they would otherwise be as a result of increased reliance upon local resources, the TAC charge is still applied to energy serving local loads. Existing CAISO policy concerning TACs requires that all electricity delivered to customers of the investor-owned utilities be fully charged for TACs, regardless of whether the electricity travelled over transmission lines or not. Handling TACs in this manner is unjust and creates additional hurdles to DER deployment. Electricity that does not utilize transmission lines should not be charged TACs. The Clean Coalition is seeking to adjust this policy, at which point the benefit of avoided TACs should be recognized in a Commission proceeding and be properly evaluated for the GTSR tariff.

calculating net ratepayer benefits. Additionally, in the Demand Response proceeding, Rulemaking 13-09-011, the Load Modifying Demand Response Valuation Working Group submitted a Compliance Report recommending methods for valuing the benefits of DER.⁴ Under Decision 15-01-051, the utilities must propose a methodology for calculating locational grid benefits within 60 days of a decision in the DRP proceeding.⁵ The utilities should address this issue as early as possible—recognizing that there may be multiple decisions regarding locational value in the DRP proceeding. The more time that passes without valuing and monetizing these benefits, the longer GTSR participants will continue to subsidize non-participating ratepayers. Such cross subsidies are both contrary to SB 43’s mandate regarding customer indifference and will result in higher costs to subscribers—inhibiting participation and program success.

b. Use of Renewables Auction Mechanism (“RAM”) to procure ECR projects

The Clean Coalition supports CEJA and SELC’s call to utilize ReMAT for ECR procurement.⁶ ReMAT is better suited to smaller projects that are cited closer to load because it was specifically designed for this market segment. ReMAT is limited to projects no greater than 3 MWs in size and those that are interconnected to the distribution grid.⁷ These requirements help to ensure that the ECR component fulfills the statutory requirement “to facilitate development of eligible renewable energy resource projects located close to the source of demand.”⁸ Further, the Commission can better tailor ReMAT to ECR projects by including

⁴ Load Modifying Resource Demand Response Valuation Working Group Compliance Report (May 1, 2015) (filed in Rulemaking 13-09-011: Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State’s Resource Planning Needs and Operational Requirements), *available at* <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M152/K289/152289927.PDF>.

⁵ *See Decision Approving Green Tariff Shared Renewables Program for San Diego Gas & Electric Company, Pacific Gas and Electric Company, and Southern California Edison Company Pursuant to Senate Bill 43*, D.15-01-051 at 126 (Jan. 29, 2015)

⁶ Opening Comments of the Sustainable Economies Law Center on the Green Tariff Shared Renewables Program Phase IV Track A Issues at 13 (Aug. 7, 2015); Phase IV Track A Opening Comments of the California Environmental Justice Alliance at 6–7 (Aug. 7, 2015).

⁷ CAL. PUB. UTIL. CODE § 399.20(b)(1); *Decision Revising Feed-In Tariff Program, Implementing Amendments to Public Utilities Code Section 399.20 Enacted by Senate Bill 380, Senate Bill 32, Senate Bill 2 1X and Denying Petition for Modification of Decision 07-07-027 by Sustainable Conservation and Solutions for Utilities, Inc.*, D.12-05-035 at 58 (May 24, 2012) (interpreting CAL. PUB. UTIL. CODE § 399.20(b)(3)).

⁸ CAL. PUB. UTIL. CODE § 2833(o).

certain utility project eligibility criteria. For example, PG&E has proposed Community Project procurement that requires a project to be located within the boundary of a city in their service territory with a population of at least 50,000. Projects located within urban boundaries match the focus of ReMAT.

SEIA argues the requirement that projects be cited on the distribution grid is not ideal and does not necessarily mean projects will be sited close to load.⁹ However, this constraint can serve as an imperfect proxy for the statutory requirement at least in this initial phase of procurement. The Clean Coalition also notes that SB 43 requires—for the entire GTSR program—that “[t]o the extent possible, a participating utility shall seek to procure eligible renewable energy resources that are located in reasonable proximity to enrolled participants.”¹⁰ Decision 15-01-051 reviewed utility and intervenor proposals regarding this requirement and correctly noted that this requirement was not sufficiently considered in previous phases and that further refinement is needed.

If RAM is under consideration for ECR procurement in the future, the Clean Coalition agrees with SCE that the ECR component should not be modified until 2017.¹¹ This would allow at least a year for the utilities to learn how to best modify RAM for ECR. MCE and ORA additionally argue that utilizing the RAM for ECR procurement could create hurdles to complying with the statute’s community interest, locational, and subscription requirements.¹² The Clean Coalition also respectfully urges the Commission to maintain the 3 MW cap on projects for the ECR component—partly because these projects are more likely to be cited near communities of interest, and partly, as SCE argues, because ratepayers outside of the GTSR program will be responsible for the costs of the unsubscribed capacity.¹³

⁹ Opening Comments of the Solar Energy Industries Association on Track A Issues at 8 (Aug. 7, 2015).

¹⁰ CAL. PUB. UTIL. CODE § 2833(e).

¹¹ Southern California Edison Company’s (U 338-E) Phase IV Track A Opening Comments at 9–11 (Aug. 7, 2015).

¹² Opening Comments of Marin Clean Energy Regarding Track A of the Phase 4 Scoping Ruling at 3 (Aug. 7, 2015); Opening Comments of the Office of Ratepayer Advocates on Green Tariff Shared Renewables Program Track A Issues at 3–4 (Aug. 7, 2015).

¹³ Southern California Edison Company’s (U 338-E) Phase IV Track A Opening Comments at 9–11 (Aug. 7, 2015).

c. Implementation of CalEnviroScreen

The Clean Coalition supports the comments of the other members of the CalEnviroScreen (“CES”) Working Group. The CES should be implemented as recommended in the Joint Statement SDG&E filed on behalf of the working group on June 15, 2015.¹⁴

III. CONCLUSION

The Clean Coalition appreciates the opportunity to reply to comments on Phase IV Track A issues in this proceeding.

Respectfully submitted,

/s/ Brian Korpics

Brian Korpics

Staff Attorney

Clean Coalition

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¹⁴ Joint Statement of Indicated Parties on Use of the CalEnviroScreen 2.0 (CES 2.0) Tool for the Green Tariff Shared Renewables Program (June 15, 2015) submitted on behalf of California Environmental Justice Alliance, Clean Coalition, The Greenlining Institute, Sustainable Economies Law Center, Pacific Gas & Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company.