

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

Application of Southern California
Edison Company (U338E) for
Authority to Implement and Recover
in Rates the Cost of its Proposed Solar
Photovoltaic (PV) Program.

Application 08-03-015
(Filed March 27, 2008)

**RESPONSE OF CLEAN COALITION TO SOUTHERN CALIFORNIA EDISON'S
PETITION FOR MODIFICATION OF DECISION 12-02-035**

Rob Longnecker
Kenneth Sahn White
Clean Coalition
2 Palo Alto Square
3000 El Camino Real, Suite 500
Palo Alto, CA 94306
(831) 425-5866

rob@clean-coalition.org
sahn@clean-coalition.org

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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.

Our main points are as follows:

- The current proposal and previous modifications to the SPVP have resulted in a program that fails to support the original decision adopting the SPVP, including a desire to address the “gap in the development of 1 to 2 MW wholesale distributed solar projects.” While it is possible that SB 32 will help to fill this gap, there can be no evidence that SB 32 will fill the gap until it is successfully implemented. Similarly, given the results of the RAM so far, there is little evidence that 1 to 2 MW rooftop solar will be able to compete successfully in the RAM, in part because the RAM fails to fully recognize the locational benefits of “close to load” generation. In addition, Governor Brown has established a statewide goal of 12 Gigawatts of localized energy by 2020. Localized energy is described by the Governor as “onsite or small energy systems located close to where energy is consumed that can be constructed quickly (without new transmission lines) and typically without any environmental impact.”¹ While SPVP projects would clearly fall in this category, the majority of the initial RAM projects do not.
- Given the ongoing issues at the San Onofre Nuclear Generating Station (SONGS) and the impending closures of plants with once through cooling (OTC), it is more apparent than ever that California needs “close to load” generation that will address the increasingly severe local capacity issues in California. The SPVP program, as originally envisioned, would have helped address this “close to load” need. Conversely, another decision to water down the SPVP program and shift even more MW into RAM projects that will be built far from load will only exacerbate the problems arising from SONGS, OTC and other local capacity issues.

¹ http://www.jerrybrown.org/Clean_Energy

- Despite our multiple requests in public comments for SCE to provide details on its claimed cost savings, none have been provided. From what we know, SCE's analysis is clearly flawed on two key points: 1. It assumes the cost of UOG rooftop solar to be 26 cents/kWh, which is artificially high and far higher than the cost of IPP rooftop solar and 2. It benchmarks the cost of the SPVP program against an RSC program which, as reported by the Independent Evaluator of the RSC, specifically does not fully take into consideration upgrade and transmission costs. Therefore SCE's savings analysis specifically ignores upgrade and transmission costs that the ratepayer will ultimately have to pay for.. As we stated in previous comments, SCE should be required to recalculate the savings using reasonable estimates for transmission and upgrade costs for both the RSC contracts and the rooftop solar projects. This "fully weighted" analysis would allow an accurate and meaningful discussion of actual savings (if any) for the ratepayer at a time when urgent additional local capacity procurement is being pursued.
- While we recognize the benefit of avoiding high cost generation, we note that SCE fails to analyze or discuss the approach of simply shifting the 34 MW from high cost UOG rooftop solar to lower cost IPP rooftop solar. This solution would create substantial savings for California ratepayers, while simultaneously supporting the original goals of the SPVP program. In fact, SCE itself notes in its discussion of the UOG SPVP that its "customers were paying a substantial premium over SPV generation procured in other procurement programs as well as in the IPP portion of the SPVP." At an absolute minimum, we ask that SCE provide a "fully weighted" analysis, as described above, of the potential cost savings from shifting 34 MW of UOG rooftop solar to IPP rooftop solar, instead of to the RAM.
- Competitive rooftop projects are ready and available, including projects in preferred areas that can contribute to local capacity needs much faster than other procurement processes. In its public forum on the 2010 SPVP-IPP RFO results,

SCE stated: “The total number of projects can be found in the public version of the CPUC filings....you can see that SCE received a robust response to the solicitation.” SCE compliance filings do indicate that offered rooftop bids exceeded allocated procurement by roughly 300%. SCE more recently notes that inquires by developers indicate a continuing strong interest in bidding for the 2012 SPVP-IPP RFO.

In a written public statement regarding awarded SPVP-IPP contracts dated July 27, 2010, Marc Ulrich, SCE vice president for Renewable and Alternative Power stated: “These contracts make significant strides toward distributed renewable generation for one of the most innovative solar programs in the country. We’re working to help California meet its Million Solar Roofs goal and supply even more renewable energy to our customers where and when it’s most needed, without the added time and expense to construct major new transmission facilities.”² The value of such preferred siting should not be ignored. Neither SB 32 nor the RAM procurement programs support rooftop projects or otherwise effectively site projects where they offer the most value to the grid, nor can we have any confidence in the timeliness or quantity of procurement for projects of this size under either program, other than assurance that any deployment will be much less and at least a year later.

In the same statement, SCE says it “believes that its solar rooftop project will be a boon for the solar industry and consumers alike, with the resulting cost per unit significantly more cost effective than more common residential photovoltaic installations in California. Eventually, this could help drive down installation costs of photovoltaic generation for everyone. When complete, the solar panels will cover an area totaling 4 square miles on about 250 otherwise unused warehouse roofs. The total power production will rival a utility-scale power plant, enough electricity to serve 325,000 average homes.” This would be much needed emission free peak power largely in the LA basin, and “It is expected that this project will create about

² <http://www.edison.com/pressroom/pr.asp?id=7426>

1,200 jobs for Southern Californians.” SCE recently affirmed this in Advice Letter 2724-E (June 13, 2012) regarding their SPVP program, stating: “The efforts to date have already resulted in driving down installation costs, improving technology and pricing, increasing installation efficiencies, improving installation methods and training a significant number of in-state installers.”³

It is unconscionable to abandon this successful program without good cause. As noted in our comments above, there is a great deal of uncertainty and lack of information surrounding the various assumptions made by SCE and the Commission regarding presumed pricing, transmission and upgrade costs, and purported ratepayer benefits associated with this proposed modification. We continue to maintain that these decisions are being made on the basis of inaccurate and misleading analysis, and without due consideration of either the original intentions of the SPVP program or the particularly relevant benefits of “close to load” generation such as rooftop solar.

Respectfully submitted,

Rob Longnecker

Kenneth Sahn White

/s/ Kenneth Sahn White
Kenneth Sahn White

/s/ Rob Longnecker
Rob Longnecker

³ www.sce.com/NR/sc3/tm2/pdf/2724-E.pdf

Clean Coalition
2 Palo Alto Square
3000 El Camino Real, Suite 500
Palo Alto, CA 94306
831-425-5866
sahm@clean-coalition.org
rob@clean-coalition.org

Dated: August 24th 2012

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 on August 24, 2012, at Santa Cruz, California.

Kenneth Sahm White



Clean Coalition