BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

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

CLEAN COALITION COMMENTS ON SOUTHERN CALIFORNIA EDISON PETITION FOR MODIFICATION OF DECISION 09-06-049

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November 7, 2011

CLEAN COALITION COMMENTS

The Clean Coalition respectfully submits these comments on SCE's petition for modification of Decision 09-06-049.

The Clean Coalition is a California-based advocacy group, part of Natural Capitalism Solutions, a non-profit entity based in Colorado. The Clean Coalition advocates primarily for policies and programs that enable the "wholesale distributed generation" market segment, which is generation that connects to the distribution grid for local use. The Clean Coalition is active in proceedings in many regulatory venues, including the Commission, Air Resources Board, and the Energy Commission in California; the Federal Energy Regulatory Commission; and in other state and local jurisdictions across the country.

Our main points are as follows:

- SCE's proposal is effectively a cancelation of the SPVP program
- SCE's proposal to designate the "IPP revised" portion of the Solar PV program for projects up to 20MW without any limitation on ground-mounted installations will eliminate the procurement of rooftop solar and the opportunity to develop the market for commercial rooftop renewable electricity production beyond the limited capacity serving onsite load.
- SCE's "cost savings" calculations do not take into account any of the locational benefits of rooftop solar. Locational benefits reflect the fact that smaller projects that can be sited close to load generally do not require substantial grid upgrades or suffer from line losses.
- SCE's analysis does not take into account the likelihood that smaller, rooftop projects may be able to interconnect rapidly via Fast Track or the Independent

Study Process, as opposed to the 2+ year study timeline that can be expected for a 20MW ground-mounted solar project.

- In order for solar markets to develop, programs need to be transparent and dependable. SCE's proposal to materially modify this program when it is less than 10% filled is troubling and unfairly penalizes market participants who developed business plans around SCE's original SPVP proposal.

I. Specific comments

a. SCE Cost Savings Calculations

Although details of the calculations are redacted, SCE's cost savings calculations appear simplistic and do not take locational benefits into consideration. This is particularly relevant since, as SCE states, the projected new rate is based on winning bids in the RSC program, which are "primarily larger scale ground-mount, rather than rooftop installations". These larger, ground-mount projects are often far from load and require additional investments in the distribution and transmission systems. In addition, these projects will suffer from line losses as they are transmitted over large distances to load. Any analysis that ignores locational benefits will inevitably (and often falsely) "conclude" that the best procurement options are larger, far from load projects. In fact, we believe that increased clarity around locational benefits is vital and an important element of SCE's stated goal to "share with the State and energy industry key information about improving the efficiency of solar PV installations and about their interaction with the local distribution system." The current SB 32 proceeding addresses price adjustment to account for the substantial avoided cost differences related to location.

We believe that the SCE cost savings calculations need to be more detailed and should provide the following information:

- Does the assumed "new rate" fully account for <u>all</u> incremental costs associated with developing larger projects far from load? (If these costs are NOT accounted for, then SCE's analysis is flawed and can not be considered an "apples to apples" comparison.)

- How much of the total cost savings is due to the reduction in UOG? (Note that UOG is charged at an extremely high 26 cents/kWh and that <u>any</u> reduction in UOG will result in substantial savings.) What would the savings be if all additional UOG were replaced with IPP SPVP projects at recent solicitation prices?
- How have the SPVP solicitations developed over time? (It is our understanding that solicitation prices have been declining as the market matures and becomes more competitive. If this is the case, has SCE factored this into its analysis?)

b. Interconnection and Timing issues

As SCE states, part of the purpose of the SPVP program was to "advance the development of solar generation to help meet the State's ambitious renewable energy goals." Obviously, there is value in having projects come online quickly, which is another benefit of smaller projects that have the opportunity to interconnect rapidly via Fast Track or the Independent Study Process. Generally speaking, the "larger scale ground-mount projects" that are driving SCE's RSC pricing benchmark will not be eligible for accelerated interconnection and will have to go through a 2+ year interconnection process. We believe this key difference should be factored into SCE's analysis.

Further, if the planned SPVP capacity were applied to extend the current RAM procurement process through additional auctions, this capacity would not be available for bidding until at least six months after the planned RAM procurement was completed, delaying the SPVP procurement by years.

For these same reasons, we can see no reason for SCE's proposed startup deadline of 36 months. We recommend a timeline that matches the requirements in the RAM: 18 months from the time of contract execution plus one six month extension.

c. Sufficient Rooftops

Our conversations with solar developers have not revealed difficulties in finding sufficient rooftops for development. Prior Commission supported analysis by E3 had identified large commercial rooftop potential in SCE's territory, as comparable analysis by UCLA did in their 2010 study for the Los Angeles Business Council. However, price reductions in installation are closely related to market experience, and failure to engage the market with the originally planned procurement will delay cost reductions that would support further growth and carry over into CSI program savings.

d. Incorporation into RAM is meaningless and effectively will result in cancelation of further SPVP procurement

We note that the proposed inclusion of the remaining SPVP program capacity within the RAM procurement is effectively a cancelation of the program. As the initial RAM program is envisioned as a pilot, with the express intent of expansion if it proves effective, additional procurement under RAM would likely occur regardless, and the "inclusion" of the SPVP capacity would have no net effect on total RAM procurement if the RAM is continued.

Respectfully submitted,

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Dated: Nov. 7, 2011

VERIFICATION

I am an attorney for the Clean Coalition and am authorized to make this verification on its behalf. 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 2nd day of November, 2011, at Santa Barbara, California.

Kenneth Sahm White

Clean Coalition