

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

Order Instituting Rulemaking to Continue
Implementation and Administration of
California Renewables Portfolio Standard
Program.

Rulemaking 11-05-005

(Filed May 5, 2011)

**PETITION OF THE CALIFORNIA WIND
ENERGY ASSOCIATION FOR MODIFICATION
OF DECISION 13-05-034**

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I. INTRODUCTION

Pursuant to Rule 16.4 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, the California Wind Energy Association (“CalWEA”) respectfully submits this Petition of the California Wind Energy Association for Modification of Decision 13-05-034 (“Petition to Modify”). In Decision 12-05-035 (the “ReMAT Program Decision”), the Commission established a revised California Public Utilities Code Section 399.20 feed-in tariff (“FiT”) program, which also became known as the Renewable Market Adjusting Tariff or “ReMAT” program. In Decision 13-05-034 (the “ReMAT Contract Decision”), the Commission adopted a joint standard contract (“ReMAT Contract”) for use in the ReMAT program. The ReMAT Contract includes provisions that arguably preclude the seller from utilizing a shared transformer and low-side metering or other shared facilities (including shared interconnection agreements).¹

Based on events that have occurred since the Commission adopted the ReMAT Contract Decision, the Commission should re-evaluate the terms of the ReMAT Contract as they relate to

¹ See e.g., Southern California Edison Company ReMAT Contract § 2.4 (“The Project’s interconnection queue position may only be used for the sole benefit of the Project.”), §5.3.12 (“No other person or entity, including any other generating facility has any rights in connection with Seller’s interconnection agreement or Seller’s Interconnection Facilities and no other persons or entities shall have any such rights

projects that utilize shared transformers and low-side metering or other shared facilities (including shared interconnection agreements). First, in the context of the IOUs' general renewables portfolio standard ("RPS") procurement, the Commission recently considered the issue of projects that utilize shared transformers and low-side metering² or other shared facilities and determined in Decision 15-12-025 that the IOUs should allow these arrangements.³ While Decision 15-12-025 did not separately list shared interconnection agreements within its discussion of shared facilities, the Commission's review of the issue was prompted by language in Southern California Edison Company's ("SCE") Renewable Auction Mechanism ("RAM") 6 power purchase agreement,⁴ which expressly included shared interconnection agreements within its definition of shared facilities.⁵ Thus, the scope of shared facilities included shared interconnection agreements.⁶ Second, CalWEA has been informed recently that at least one of the investor-owned utilities ("IOUs") has denied a wind-powered generating facility developer's request to enter into a ReMAT Contract based on the project's expected use of a shared

during the Term;"), and §5.3.13 ("During the Term, Seller shall not allow any other person or entity, including any other generating facility, to use Seller's Interconnection Facilities.").

² When two or more projects share a transformer, low-side metering is typically required to separately meter the output of the projects sharing the transformer. As a result, for purposes of this Petition to Modify, references to the use of shared transformers are intended to include the use of low-side metering as well. The Commission has already determined that low-side metering should be permitted where allowed by the CAISO, notwithstanding arguments relating to low-side metering accuracy. D. 15-12-025 at 105 ("SCE's argument regarding meter accuracy is not persuasive. . . . Arguments around loss factors belong to the CAISO stakeholder process for "Metering and Telemetry." Currently, the CAISO allows low side metering with the application of transformer correction factor.").

³ D. 15-12-025 at 104.

⁴ See e.g., Comments of the California Wind Energy Association on Draft 2015 RPS Procurement Plans and Related Questions in Assigned Commissioner's Ruling, R.15-02-020 (August 31, 2015), at p. 3.

⁵ SCE Advice Letter 3195-E, Appendix B, Exhibit A §239 (" "Shared Facilities" means the gen-tie lines, substations, or other equipment, permits, contract rights, and other assets and property (real or personal), in each case, as necessary to enable delivery of energy from Seller's electric generation facilities (which are excluded from Shared Facilities) to the Point of Interconnection (as defined in the interconnection agreement), including the interconnection agreement itself. Notwithstanding anything to the contrary, Shared Facilities may not include shared transformers.") (emphasis added).

⁶ Similarly, for purposes of this Petition to Modify, references to shared facilities are intended to include shared interconnection agreements.

transformer in its interconnection arrangements. Pursuant to Commission Rule of Practice and Procedure 16.4(d), CalWEA submits that this Petition to Modify could not be filed within one year of the effective date of the ReMAT Contract Decision because the events described above did not occur until after that date. However, this Petition to Modify is being filed within one year of the effective date of Decision 15-12-025, which provided the Commission's policy determination on the issue of RPS procurement from projects that utilize shared transformers or other shared facilities.

This Petition to Modify seeks an order modifying the ReMAT Contract Decision to conform to the Commission's policy determination in Decision 15-12-025 that the IOUs should allow projects that utilize shared transformers or other shared facilities. Specifically, the Commission should (1) direct the IOUs to accept ReMAT program participant requests for projects that utilize shared transformers or other shared facilities, and (2) direct the IOUs to modify the ReMAT Contract to allow projects to utilize shared transformers or other shared facilities. The Commission should direct the IOUs to allow projects with shared transformers or other shared facilities to participate in the ReMAT program because:

(A) the Commission has already concluded that the IOUs should allow shared transformers and other shared facilities in their general RPS procurement; and

(B) including projects with shared transformers or other shared facilities in the ReMAT program will further the Commission's policy goals for the ReMAT program.

Each of these conclusions is discussed in further detail below.

II. DISCUSSION

A. **The Commission Should Direct The IOUs To Allow Projects Using Shared Transformers Or Other Shared Facilities To Participate In ReMAT Because The Commission Has Already Concluded That The IOUs Should Allow These Projects To Participate In General RPS Procurement**

The Commission should direct the IOUs to modify the ReMAT Contract to allow projects to utilize shared transformers or other shared facilities because the Commission has already considered the issues raised by these interconnection arrangements and made the policy determination that the IOUs should permit them.⁷ In connection with its review of the IOUs' 2015 RPS Procurement Plans, the Commission reviewed comments on the issue of shared transformers and other shared facilities that were submitted by many parties representing a broad spectrum of interests, including CalWEA, SCE, Pacific Gas and Electric Company ("PG&E"), San Diego Gas & Electric Company ("SDG&E"), Defenders of Wildlife, and the Sierra Club.⁸ After reviewing these comments, including the various concerns raised by the IOUs, the Commission concluded:

Utilities should allow shared transformers. The use of shared facilities can reduce costs by allowing two small projects to share portions of the required interconnection infrastructure, thereby reducing costs. Shared facilities can also reduce environmental impacts by avoiding the need to route new gen-ties or expand existing substations to accommodate the interconnection of additional lines.⁹

Now that the Commission has considered the issues that are raised when a project utilizes a shared transformer or other shared facilities and made a policy determination that the IOUs should allow these arrangements, the Commission should clarify that this policy applies to the

⁷ D. 15-12-025 at 104.

⁸ *See e.g.*, D. 15-12-025 at 104-105, 114, 117; Reply Comments of Defenders of Wildlife and Sierra Club on Draft 2015 RPS Procurement Plans, R.15-02-020 (September 15, 2015).

⁹ D. 15-12-025 at 104-105.

ReMAT program as well. While the ReMAT Contract Decision does not address directly the issue of shared transformers or other shared facilities,¹⁰ the ReMAT Contract, which was approved by the ReMAT Contract Decision, does include provisions that would arguably preclude such arrangements.¹¹ Thus, the Commission should conform the ReMAT program to its recent determination on shared facilities in Decision 15-12-025 by directing the IOUs to both (a) allow projects utilizing these arrangements to participate in the ReMAT program, and (b) revise the ReMAT Contract to expressly allow the use of shared transformers or other shared facilities.

B. The Commission Should Direct The IOUs To Allow Projects Using Shared Transformers Or Other Shared Facilities To Participate In ReMAT Because Including These Projects In ReMAT Will Further The Commission's Policy Goals For The ReMAT Program

The Commission should direct the IOUs to allow projects with shared transformers or other shared facilities to participate in the ReMAT program because including these projects in the ReMAT program will further the Commission's policy goals for the ReMAT program.

In the ReMAT Program Decision, the Commission identified five core policy guidelines:

1. Establish a feed-in tariff price based on quantifiable ratepayer avoided costs that will stimulate market demand;
2. Contain costs and ensure maximum value to the ratepayer and the utility;
3. Ensure administrative ease and lower transaction costs for the buyer, seller, and regulator;
4. Use existing transmission and distribution infrastructure efficiently; and

¹⁰ While the ReMAT Contract Decision does include a discussion of Sections 5.3.12 and 5.3.13 of the ReMAT Contract (which relate to the seller's interconnection arrangements), this discussion is limited to noting that the Clean Coalition provided comments stating that the provisions should be removed, but without any rationale to support its request, and that the IOUs did not address the issue in their comments; there is no discussion of shared transformers or other shared facilities. ReMAT Contract Decision at 51.

¹¹ See footnote 1.

5. Establish project viability criteria to increase probability of successful projects within the program.¹²

Allowing projects with shared transformers or other shared facilities to participate in the ReMAT program will maintain or enhance the ReMAT program's compliance with each of these policy guidelines, thereby furthering the ReMAT program's goals:

- Guideline #1 – Allowing projects that utilize shared transformers or other shared facilities to participate in the ReMAT program will not require any change to the ReMAT program's current pricing mechanism. However, allowing these projects to participate in the ReMAT program is likely to stimulate market demand. Wind-powered electric generating facilities are classified in the ReMAT program's as-available non-peaking product type. This category has seen extremely limited market demand at the current pricing under the ReMAT program. For example, through Program Period 19, SCE reports that it has awarded 9.05 MW of as-available non-peaking ReMAT Contracts, with 40.617 MW remaining.¹³ Allowing projects that utilize shared transformers or other shared facilities to participate in the ReMAT program will expand the pool of eligible facilities, thereby stimulating additional market demand.
- Guideline #2 – The cost containment elements of the ReMAT program are tied to the program's pricing mechanism, which reduces the price if there is sufficient market interest at the prior price.¹⁴ Because that pricing mechanism will not require any change to allow participation by projects that utilize shared

¹² D. 12-05-035 at 19.

¹³ See Re-MAT Capacity Calculations Program Period 19.pdf, available at <https://sceremat.accionpower.com/ReMAT/documents.asp?Col=DateDown>.

¹⁴ D. 12-05-035 at 48.

transformers or other shared facilities, there will be no adverse impact on the cost containment elements of the ReMAT program. In fact, by expanding the pool of eligible facilities, allowing projects with shared transformers or other shared facilities to participate could lead to a price reduction in the as-available non-peaking category, thereby reducing costs and adding ratepayer value.

- Guideline #3 – As this Petition to Modify highlights, allowing projects that utilize shared transformers or other shared facilities to participate in the ReMAT program will likely require revisions to the ReMAT Contract. However, the Commission has already determined that the primary benefit of the ReMAT Contract from the administrative ease perspective is that it is a single joint standard contract.¹⁵ The Commission found this to be the case even though the ReMAT Contract is lengthier than the FiT contracts that it replaced.¹⁶ Thus, the need to revise the ReMAT Contract to address the use of shared transformers or other shared facilities does not detract from the ReMAT program’s goal of administrative ease and lower transaction costs because it maintains the use of a single joint standard contract. Indeed, SCE has already demonstrated through its 2016 RPS Procurement Plan that the use of shared transformers or other shared facilities can be addressed in a standard contract.¹⁷
- Guideline #4 – Allowing projects that utilize shared transformers or other shared facilities to participate in the ReMAT program will enhance the efficient use of existing transmission and distribution infrastructure. As the Commission noted in

¹⁵ ReMAT Contract Decision at 32.

¹⁶ *Id.*

Decision 15-12-025, “[t]he use of shared facilities can reduce costs by allowing two small projects to share portions of the required interconnection infrastructure,” and “can also reduce environmental impacts by avoiding the need to route new gen-ties or expand existing substations to accommodate the interconnection of additional lines.”¹⁸ Thus, allowing projects that utilize shared transformers or other shared facilities to participate in the ReMAT program will enhance the ReMAT program’s compliance with this guideline.

- Guideline #5 – Allowing projects that utilize shared transformers or other shared facilities to participate in the ReMAT program will not require any change in the project viability criteria under the current ReMAT program because none of those criteria are based on the use of shared facilities. In addition, allowing these projects to participate in the ReMAT program may increase the probability of successful projects within the program because the use of existing transformers or other facilities can reduce permitting requirements and construction risk.

Thus, the Commission should direct the IOUs to allow projects with shared transformers or other shared facilities to participate in the ReMAT program because including these projects will further the Commission’s policy goals for the ReMAT program.

III. CONCLUSION

For the foregoing reasons, CalWEA requests that the Commission modify Decision 13-05-034 to (1) direct PG&E, SCE, and SDG&E to accept ReMAT program participant requests for projects that utilize shared transformers or other shared facilities, and (2) direct PG&E, SCE,

¹⁷ See e.g., Southern California Edison Company’s 2016 Renewables Portfolio Standard Procurement Plan, R. 15-02-020 (August 8, 2016).

and SDG&E to modify the ReMAT Contract to allow projects to utilize shared transformers or other shared facilities. Specifically, PG&E, SCE, and SDG&E should each be required to (a) begin accepting ReMAT program participant requests from otherwise-eligible projects utilizing shared transformers and low-side metering or other shared facilities (including shared interconnection agreements) immediately upon the effective date of a decision granting this Petition to Modify, and (b) submit, within thirty (30) days after the effective date of a decision granting this Petition to Modify, a Tier 2 Advice Letter for approval of a revised ReMAT Contract that expressly allows projects to utilize shared transformers and low-side metering or other shared facilities (including shared interconnection agreements).

Dated: December 15, 2016

Respectfully submitted,

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¹⁸ D. 15-12-025 at 104-105.

VERIFICATION

I, Nancy Rader, am the Executive Director of the California Wind Energy Association. I am authorized to make this Verification on its behalf. I declare under penalty of perjury that the statements in the foregoing copy of *Petition of the California Wind Energy Association for Modification of Decision 13-05-034* are true of my own knowledge, except as to the matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on December 15, 2016, at Berkeley, California.

/s/ Nancy Rader

Nancy Rader
Executive Director, California Wind Energy Association