

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

Order Instituting Rulemaking to Continue  
Implementation and Administration, and Consider  
Further Development of, California Renewables  
Portfolio Standard Program.

Rulemaking 15-02-020  
(Filed February 26, 2015)

**REPLY COMMENTS OF THE  
CALIFORNIA WIND ENERGY ASSOCIATION  
ON PROPOSED DECISION ACCEPTING  
2015 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLANS**

December 14, 2015

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Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development of, California Renewables Portfolio Standard Program.

Rulemaking 15-02-020  
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**REPLY COMMENTS OF THE  
CALIFORNIA WIND ENERGY ASSOCIATION  
ON DRAFT 2015 RPS PROCUREMENT PLANS AND  
RELATED QUESTIONS IN ASSIGNED COMMISSIONER’S RULING**

**I. Introduction**

Pursuant to the California Public Utilities Commission’s (“Commission”) Rule of Practice and Procedure 14.3, the California Wind Energy Association (“CalWEA”) respectfully submits these reply comments relating to the November 16, 2015, *Proposed Decision of Administrative Law Judge Mason Accepting Draft 2015 Renewables Portfolio Standard Procurement Plans* (“PD”). In these reply comments, CalWEA responds to the opening comments of San Diego Gas & Electric (“SDG&E”) and Southern California Edison (“SCE”) requesting that the Commission eliminate its directive that the utilities enable the use of shared transformers and low-side metering.

**II. The Commission Should Maintain the PD’s Directive to Permit the Use of Shared Transformers and Low-Side Metering, if Allowed by the CAISO**

SDG&E and SCE raise numerous arguments suggesting that continuing to allow the shared use of transformers – a 30-year-old practice for a limited number of small wind facilities – would be an unusually complex, risky and unprecedented undertaking. As discussed below, these arguments are without merit.

Most of the arguments raised by SCE rehash its prior comments relating to metering accuracy or raise related issues that similarly boil down to the issue of metering accuracy. The issue of metering accuracy was addressed in comments on the draft Procurement Plans and

considered in the PD, which concluded that arguments regarding metering accuracy are not persuasive and belong in the CAISO stakeholder process. The essential fact remains: the CAISO has its own, perhaps greater, interest in metering accuracy, generators must obtain CAISO approval to use low-side metering, and the CAISO will provide its approval “only if the CAISO is satisfied that adequate accuracy and security of Revenue Quality Meter Data obtained can be assured.”<sup>1</sup> Thus, the CAISO can be relied upon to approve of low-side metering arrangements only in appropriate circumstances and with appropriate conditions. SCE has not demonstrated why the CAISO approval process is insufficient to ensure metering accuracy.

For example, SCE claims that the CAISO might approve a static loss factor, which would be inaccurate because it does not account for the dynamic nature of losses when a transformer is shared, and that accurate metering requires a dynamic metering scheme that includes low-side metering on both projects, a meter on the high side of the shared transformer, and communication between all of the meters to dynamically calculate the losses across the transformer that are attributable to each project’s production.<sup>2</sup> SCE also argues that, even with a dynamic metering scheme, the metering data might still be inaccurate because SCE may not be able to require back-up meters or ensure maintenance of the metering scheme.<sup>3</sup> All of these concerns ignore the fundamental point that the generator must comply with the CAISO tariff, and the CAISO tariff provides that low-side metering will be permitted only if “adequate accuracy and security” of the meter data can be assured. Thus, if static loss factors are inappropriate, or a dynamic metering scheme or back-up meters are necessary, then the CAISO could impose the dynamic metering scheme, a requirement for back-up meters, or any other requirements needed to ensure accurate metering as a condition of its approval of low-side metering for the project. To the extent that SCE’s concern is that the CAISO will fail to adequately ensure accurate metering despite the CAISO tariff requirements, then SCE should pursue those concerns through the relevant CAISO stakeholder process as the PD suggests.<sup>4</sup>

If the CAISO is comfortable that a particular shared-transformer metering arrangement can assure “adequate accuracy and security” of the meter data, then the terms of the PPAs should not be used to prevent this approach. Otherwise, substantial additional costs for an additional

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<sup>1</sup> See CAISO Tariff § 10.2.10.3.

<sup>2</sup> SCE Comments at 4-5.

<sup>3</sup> *Id.* at 5.

<sup>4</sup> PD at 106.

step-up transformer will be imposed without any meaningful benefit, which costs can easily render small repower projects uncompetitive.

SCE additionally argues that appropriate provisions would be needed in the *pro forma* PPA to “protect SCE’s customers from these risks and costs” (all of which ultimately relate to the CAISO’s determinations on metering accuracy), but that these provisions cannot be contained in the *pro forma* because it “is designed to address a typical renewable generating facility.” A project with a shared transformer “is not typical” and “will differ based on the specifics of the project,” SCE argues, and therefore modifications would be required in the negotiation process. SCE’s and other utilities’ *pro forma* PPAs, however, are all replete with various alternative provisions that depend on the specific attributes of a project.<sup>5</sup> SCE and the other utilities can certainly introduce an additional set of contractual provisions for projects with shared transformers with certain attributes. The RPS *pro forma* is always subject to revision in negotiations, if further modification is necessary. SCE has not explained why a shared transformer presents any more unique a situation than any of a number of other project-specific circumstances.

SDG&E raises vague concerns over commercial issues, “perhaps financial or operational,” that might arise among the utility and various generators involved with a shared transformer. There is nothing new here. Every project has multiple agreements with third parties that have the potential to affect the project’s ability to perform under the terms of the PPA. Those terms will specify the project’s obligations and acceptable excuses for not performing those obligations. It is up to the project to manage their arrangements with third parties to ensure that they can meet the terms of the PPA. There is every reason to expect that a project will likewise have every incentive to appropriately manage its relationship with the party that shares its transformer.

SDG&E similarly raises unspecified concerns over “issues such as curtailment and others” that “[leave] open broad questions on how to implement the PD’s order ... and must be clarified.” Once again, SDG&E grossly overstates the commercial complications related to shared transformers, as evidenced by the fact that SCE’s RAM 5 and RAM 6 PPAs have addressed shared facilities other than transformers, such as shared gen-tie lines, and have

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<sup>5</sup> For example, the *pro forma* PPA in SCE’s 2015 RPS Procurement Plan includes five alternate versions of Exhibit K.

successfully addressed the type of issues that SDG&E suggests are problematic. Moreover, PG&E's *pro forma* RPS PPA places no restrictions on shared facilities downstream of the transformer at all, presumably because they have concluded that they do not require resolution. SDG&E has not explained why sharing a transformer is any more complicated than sharing other types of facilities, which have already been addressed by the other utilities.

Lastly, SDG&E complains that there is "no indication in CalWEA's proposal what type or types of PPAs (e.g., the RPS PPA, the RAM PPA, or both) are implicated by the proposal." There is no reason to presume that this Commission's order would not, as always, set policy going forward with regard to RPS PPAs. As the RAM PPA is a standard contract option within the RPS program, per D.14-11-042, and as the PD specifically makes note of the RAM program in the context of shared transformers (PD at p. 105), it can be presumed that the PD likewise applies prospectively to the RAM PPA.

### **III. Conclusion**

Given that the use of low-side metering already requires CAISO approval to ensure its accuracy, SCE and SDG&E have not provided sufficient, if any, justification for their proposal to eliminate the express allowance of shared transformers in PPAs. Whatever small justification there may be in requiring separate transformers is far outweighed by the cost of separate transformers (which ratepayers will absorb) and the barrier presented by that cost, which is preventing the repowering of small wind energy projects. No ratepayer or grid benefits accrue from an additional transformer, while repowering existing old projects with modern wind turbines will improve grid reliability. As noted by Defenders of Wildlife and the Sierra Club in this proceeding, repowering on existing sites will help preserve undisturbed lands and shared infrastructure reduces land disturbance.<sup>6</sup> Finally, these projects will generate taxes and jobs for local communities.

Therefore, the Commission should not only approve this provision of the PD, but should, as stated in CalWEA's opening comments, modify it to expressly authorize the IOUs to offer amendments to existing PPAs, including PPAs executed under the RAM program, to allow the projects subject to those PPAs to utilize shared transformers and low-side metering.

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<sup>6</sup> See Reply Comments of Defenders of Wildlife and Sierra Club on Draft 2015 RPS Procurement Plans, R.15-02-020 (September 15, 2015).

Respectfully submitted,

*/s/ Nancy Rader*

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December 14, 2015

## 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 *Reply Comments of the California Wind Energy Association on Proposed Decision Accepting Draft 2015 RPS Procurement Plans* 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 14, 2015, at Berkeley, California.

*/s/ Nancy Rader*

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Nancy Rader  
Executive Director, California Wind Energy Association