

**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 18-07-003  
(Filed July 12, 2018)

**COMMENTS OF THE  
CALIFORNIA WIND ENERGY ASSOCIATION AND  
LARGE-SCALE SOLAR ASSOCIATION  
ON PROPOSED DECISION ACCEPTING  
DRAFT 2018 RENEWABLES PORTFOLIO STANDARD PROCUREMENT PLANS**

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*On behalf of the Large-scale Solar Association*

*On behalf of the California Wind Energy Association*

February 11, 2019

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**I. INTRODUCTION AND SUMMARY**

In accordance with the Proposed Decision of Administrative Law Judges Mason and Atamturk Accepting Draft 2018 Renewables Portfolio Standard Procurement Plans issued January 22, 2019 (“Proposed Decision” or “PD”) and Rule 14.3 of the Commission’s Rules of Practice and Procedure, the California Wind Energy Association (“CalWEA”) and Large-scale Solar Association (“LSA”) submit these comments.<sup>1</sup>

The Renewables Portfolio Standard (“RPS”) proceeding is a cornerstone of California’s statewide plan to reduce greenhouse gas (GHG) emissions statewide. Since 2002, the California Legislature and Governors have steadfastly promoted renewable energy, increasing RPS requirements through several legislative acts from 20% to 33% to 50% and culminating in last year’s adoption of SB 100, which required California electric generation to come from 100% clean energy resources by 2045.

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<sup>1</sup> Pursuant to Rule 1.8(d) of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure, Tim Mason of LSA has authorized CalWEA to file these comments on behalf of both parties.

Throughout this period, the Commission has been a strong partner in ensuring achievement of RPS goals. Through its regulatory oversight of load-serving entities (“LSEs”) serving most of the load in the state, it has required these entities to demonstrate steady progress toward and ensure continued achievement of the RPS goals. CalWEA and LSA are concerned, however, that the Proposed Decision is relaxing its oversight at a critical time, which could potentially result in California failing to achieve its near-term RPS targets.

After citing the Commission’s authority over LSEs, detailing the standard of review for all LSE Procurement Plans, and enumerating the ways in which the plans of community choice aggregators (“CCAs”) and energy service providers (“ESPs”) are not sufficient to meet state requirements for compliance, the Proposed Decision nevertheless accepts these plans and deems them final. This despite the fact that CCAs are expected to account for over 90% of renewable energy procurement through 2030 – procurement that will be critical in meeting the state’s climate and renewable energy goals. The Proposed Decision would thus put the state on a path to potentially fall well short of 2030 greenhouse gas reduction goals and should be rejected.

The Commission must uphold its role in ensuring compliance with the RPS by modifying the Proposed Decision to require CCAs and ESPs to remedy the deficiencies identified in the PD. In addition, the final decision must make clear that all LSEs are responsible for meeting state RPS requirements and are subject to non-compliance penalties to the degree they fall short.

## **II. COMMENTS**

### **A. The Proposed Decision Should Be Revised to Direct CCAs and ESPs to Revise their Plans to Correct Noted Deficiencies**

While the PD discusses the RPS plans of the three major investor-owned utilities (“IOUs”) over a span of 82 pages, and issues a directive to remedy a relatively minor shortcoming,<sup>2</sup> barely two pages are devoted to the plans submitted by CCAs and ESPs. This despite the fact that, according to the CPUC’s Integrated Resource Planning process as depicted in the graphic below, ESPs and primarily CCAs are expected to account for over 90

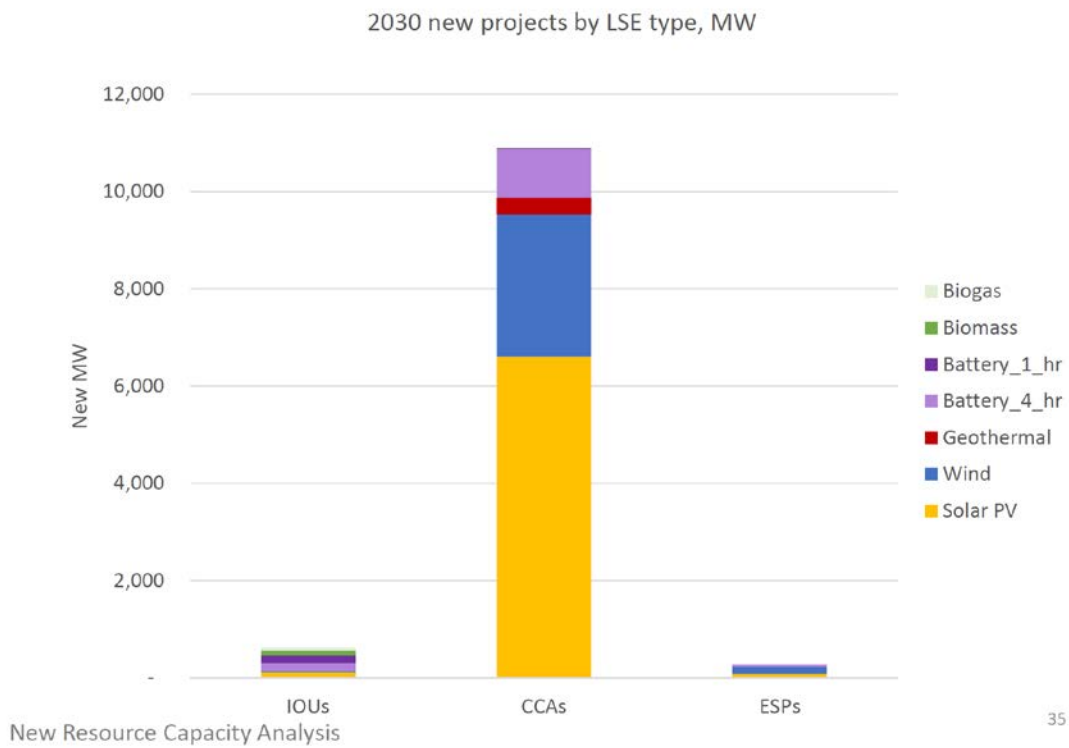
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<sup>2</sup> PD at Ordering Paragraph 11.

percent of renewable energy procurement through 2030. Alarming, the discussion included no consideration of the magnitude of necessary RPS procurement and related challenges (notably lack of creditworthiness) that must be overcome for these 34 LSEs to timely achieve state RPS requirements.

Despite agreeing with several parties that CCA and ESP plans “were scant on information” and briefly listing numerous flaws in the RPS plans,<sup>3</sup> the PD nevertheless goes

### CCAs are proposing the bulk of new resource buildout



**Source:** R.16-02-007, Administrative Law Judge’s Ruling Seeking Comment on Proposed Preferred System Portfolio and Transmission Planning Process Recommendations, Attachment A slide 35 (January 11, 2019).

<sup>3</sup> PD at pp. 101-103. The identified shortcomings in the RPS plans were as follows. In the renewable net short (“RNS”) Calculations, these LSEs “should address whether they will hold a solicitation this year, how many MWs they intend to procure this year, how many MWs they intend to procure long term, the resources they intend to procure in particular portfolio content categories, their Net RPS Procurement Need . . . , the steps planned to reach it, what appropriate minimum margin of procurement and information on upcoming participation in solicitations or other forms of procurement that are needed.”

on to accept the CCAs' and ESPs' plans as final in their flawed forms.<sup>4</sup> Rather than directing these LSEs to remedy the identified problems and resubmit their 2018 RPS Procurement Plans, the PD merely directs them to "include more granular information" in the next cycle.<sup>5</sup>

Further, the Proposed Decision fails to take note of the fact that at least a majority of CCAs and ESPs have not contracted for resources to meet their near-term or long-term RPS requirements, which can be seen upon even a cursory review of the submitted RPS plans. Nor does the PD note that the current lack of creditworthiness of all but one CCA could impede the financing and construction of new or repowered renewable energy facilities that will be required to meet 2021 RPS long-term contracting requirements. Given the lead-time required for these activities, the lack of demonstrated progress less than two years before these requirements take effect is cause for concern that should be brought to public attention.

Most of the CCA plans assert that they will comply with RPS requirements, but in their filings no quantitative information to support these assertions was included, nor did they provide documentation of their procurement activities. In its comments on LSEs' draft plans, LSA compiled and analyzed the procurement information included in the CCA plans.<sup>6</sup> LSA's analysis shows a disconcerting lack of renewable procurement that should raise alarm bells regarding California's ability to meet upcoming RPS procurement requirements.

Findings of the analysis include:

- 14 of the 19 operational CCAs in California have conducted no long-term RPS procurement and are relying on short-term contracts and RECs for RPS compliance;
- In aggregate, CCAs have procured less than one-third of the RPS energy they need for RPS compliance in 2021, and less than 20% of the energy required for RPS compliance in 2025.

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<sup>4</sup> PD at Ordering Paragraphs 3 and 4.

<sup>5</sup> PD at Ordering Paragraph 17. This paragraph states:

For 2019, community choice aggregators and electric service providers shall include more granular information regarding planning in the next annual procurement plan cycle in 2019, beyond a general statement that they will comply with the Renewables Portfolio Standard requirements and upcoming long-term procurement requirements.

<sup>6</sup> LSA Comments on 2018 Renewables Portfolio Standard Procurement Plans Submitted by Load-Serving Entities (September 21, 2018).

- Meeting the RPS's 65% long-term contracting requirement<sup>7</sup> will require CCA procurement of over 3,600 MW which must become operational by 2021 and 5,100 MW for 2025. Table 1 below shows current CCA progress toward total RPS procurement requirements in 2025.

CCA Renewable Energy Demand and Procurement - Year 2025 Estimate									
Community Choice Aggregators	Peak Load (MW) 2017	Peak Load (MW)	Total Demand (MWh)	RPS Target % - 2025 (base)	RPS Demand (MWh)	RE MW Required (@ 35% CF)	Procured (MW)	Unmet Demand	LT Demand (65%)
<b>Operating</b>									
MCE	507	502	6,193,000	100%	6,193,000	2,020	626	1,394	906
Sonoma Clean Power	537	464	2,544,000	50%	1,272,000	415	223	192	125
Lancaster Choice Energy	132	132	619,000	44%	272,360	89	-	89	58
Clean Power SF	93	93	3,250,000	44%	1,430,000	466	437	29	19
Peninsula Clean Energy	669	753	3,847,000	100%	3,847,000	1,255	340	915	595
Silicon Valley Clean Energy	604	687	4,105,000	50%	2,052,500	669	-	669	435
Apple Valley Choice Energy	83	83	272,000	44%	119,680	39	-	39	25
Redwood Coast Energy Authority	138	139	742,000	44%	326,480	106	-	106	69
Rancho Mirage			319,000	44%	140,360	46	-	46	30
Pico Rivera	56	56	222,000	50%	111,000	36	-	36	24
Solana			75,000	44%	33,000	11	-	11	7
King City			23,000	44%	10,120	3	-	3	2
East Bay Community Energy		831	6,136,000	44%	2,699,840	881	-	881	572
Desert Community Energy			1,465,000	44%	644,600	210	-	210	137
Monterey Bay Community Power		620	3,379,000	44%	1,486,760	485	90	395	257
Pioneer Community Energy		249	1,100,000	44%	484,000	158	-	158	103
Los Angeles CCE		1100	11,785,000	50%	5,892,500	1,922	-	1,922	1,249
San Jacinto	58	58	183,000	44%	80,520	26	-	26	17
San Jose		957	4,298,993	44%	1,891,557	617	-	617	401
Valley Clean Energy		265	773,000	44%	340,120	111	-	111	72
<b>Total</b>		<b>1,222</b>	<b>51,330,993</b>		<b>29,327,397</b>	<b>9,565</b>	<b>1,716</b>	<b>7,849</b>	<b>5,102</b>

An analysis of ESP resource plans shows a similarly concerning deficiency in RPS procurement. The submitted ESP RPS plans indicate that, in aggregate, they have procured less than 3% of their RPS requirements. Currently, ESPs sell approximately 108,000 GWh of energy annually to California customers, mostly through short-term contracts. Assuming they have a similar amount of energy sales going forward, the ESPs will need over 37,000 GWh to meet RPS requirements in 2021, and increasing in later years. Yet the submitted

<sup>7</sup> See Public Utilities Code Section 399.13(b).

ESP RPS plans indicate that, in aggregate, they have procured approximately 888 GWh in long-term resources, less than 3% of the RPS energy needed.

**III. The Commission Should Revise Conclusion of Law 1 to Make Clear that All LSEs Are Responsible for Meeting RPS Requirements**

Conclusion of Law 1 in the PD states that “[e]ach utility remains responsible for meeting its RPS Program procurement requirements implemented in D.16-12-040.” (Emphasis added.) This should be restated as “Each load serving entity remains responsible ...” Moreover, given the cause for concern raised by the information contained in their RPS Procurement Plans (or lack thereof), the Commission should take the opportunity to advise all CCAs and ESPs that they appear to be at risk of failing to comply with their RPS targets, and remind them that they are subject to RPS penalties for both falling short of the RPS targets and for failing to comply with the RPS long-term contracting requirements.<sup>8</sup>

Respectfully submitted,

/s/ Nancy Rader

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***On behalf of the California Wind Energy  
Association and Large-scale Solar  
Association***

February 11, 2019

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<sup>8</sup> See D. 18-05-026 at p. 9 (“Long-term procurement is at the core of RPS program and a central legislative mandate, and the current enforcement scheme is carefully designed to promote long-term procurement. Lower (differential) penalties for not meeting the long-term procurement goals would undermine the core mandate of the RPS program.”).

## 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 “Comments of the California Wind Energy Association and Large-scale Solar Association on Proposed Decision Accepting Draft 2018 Renewables Portfolio Standard 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 February 11, 2019, at Berkeley, California.

/s/ Nancy Rader  
Nancy Rader  
Executive Director  
California Wind Energy Association