

**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)

(NOT CONSOLIDATED)

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

Rulemaking 08-08-009
(Filed August 21, 2008)

(NOT CONSOLIDATED)

Application of San Diego Gas & Electric
Company (U902M) for Approval of the SDG&E
Solar Energy Project.

Application 08-07-017
(Filed July 11, 2008)

**REPLY OF THE INDEPENDENT ENERGY PRODUCERS
ASSOCIATION TO COMMENTS ON THE REVISED PROPOSED
DECISION**

**INDEPENDENT ENERGY PRODUCERS
ASSOCIATION**

Steven Kelly
Policy Director
1215 K Street, Suite 900
Sacramento, CA 95814
Telephone: (916) 448-9499
Facsimile: (916) 448-0182
Email: steven@iepa.com

**GOODIN, MACBRIDE,
SQUERI & DAY, LLP**
Brian T. Cragg
505 Sansome Street, Suite 900
San Francisco, CA 94111
Telephone: (415) 392-7900
Facsimile: (415) 398-4321
Email: bcragg@goodinmacbride.com

Attorneys for the Independent Energy Producers
Association

Date: September 18, 2017

**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)
---	---

(NOT CONSOLIDATED)

Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard Program.	Rulemaking 08-08-009 (Filed August 21, 2008)
---	---

(NOT CONSOLIDATED)

Application of San Diego Gas & Electric Company (U902M) for Approval of the SDG&E Solar Energy Project.	Application 08-07-017 (Filed July 11, 2008)
---	--

**REPLY OF THE INDEPENDENT ENERGY PRODUCERS
ASSOCIATION TO COMMENTS ON THE REVISED PROPOSED
DECISION**

The Revised Proposed Decision (RPD) of Administrative Law Judge Robert Mason, issued on August 22, 2017, denies the petition of San Diego Gas & Electric Company (SDG&E) to modify Decision (D.) 10-12-048, D.12-02-002, and D.14-11-042. In its petition, SDG&E sought permission to terminate its Renewable Auction Mechanism (RAM) procurement requirements. In its comments on the RPD, SDG&E acknowledges its failure to meet its RAM procurement requirement. As the RPD states, SDG&E's RAM procurement to date is 164.7

MW short of the requirement the Commission established.¹ This is equivalent to a 62% shortfall.² Despite SDG&E's failure to meet its RAM requirements, SDG&E again urges the Commission to excuse it from any remaining RAM procurement requirement. SDG&E bases this request on the assertion that it "has met and will continue to meet all Commission RPS [Renewables Portfolio Standard] requirements," among other grounds.³ The Independent Energy Producers Association (IEP) respectfully replies to this element of SDG&E's comments.

The RPD recognizes that the reason the Legislature and this Commission have required SDG&E and other load-serving entities to procure renewable energy resources is not solely to meet the numerical targets established in the RPS statutes as minimum procurement obligations. The RPS goals are means to policy ends, including promoting fuel diversity, advancing the development of various types, technologies, and sizes of renewable energy resources, complementing the development of green tariffs, and reducing greenhouse gas (GHG) emissions. Procurement of renewable energy continues to further achievement of these and other policies even after the RPS goals are met.⁴ The RPD recognizes that retention of SDG&E's existing RAM procurement requirements "will help California achieve its mandate to reduce 2030 greenhouse gas emissions by 40% below 1990 levels and increase the RPS to 50%."⁵

SDG&E's assurance that it has met and will continue to meet all RPS requirements is undermined by its admission that it has fallen well short of the Commission's requirements for RAM procurement that contributes to achieving RPS goals. It is particularly critical for SDG&E to pursue its authorized RAM procurement at this time. If construction is

¹ RPD, p. 9.

² RPD, p. 16 (Finding of Fact No. 9).

³ SDG&E's Comments, p. 3.

⁴ See Res. E-4783, pp. 6-7.

⁵ RPD, p. 2.

started soon enough, renewable energy projects selected through the RAM might qualify for several federal tax incentives that can considerably reduce the cost to consumers of procuring RPS-eligible, zero-GHG energy.⁶ If SDG&E moves quickly to conduct a RAM solicitation, as the Commission has ordered, RAM project sponsors can incorporate the benefits of the federal tax incentives in their bids and significantly lower the cost of achieving the Commission's RAM mandate. On the other hand, if SDG&E continues to stall RAM procurement until the benefit of the federal tax incentives is no longer available at the maximum level, then SDG&E's asserted concern that RAM procurement could cost too much would become a self-fulfilling prophecy.

For these reasons and the other reasons set forth in the RPD, IEP respectfully urges the Commission to affirm the principle articulated in the RPD that SDG&E and other load-serving entities should continue to procure renewable energy beyond the minimum procurement levels specified in the RPS statutes. Procurement of renewable energy beyond the minimum levels of the RPS is needed to meet California's GHG emission-reduction goals, to complement the development of green tariffs, to advance the development of various types, technologies, and sizes of renewable energy resources, and to promote fuel diversity. SDG&E should be ordered to conduct a RAM solicitation before the end of this year, so that eligible projects can take advantage of federal tax incentives, for the benefit of electricity customers.

⁶ See *Comments of the Independent Energy Producers Association on the Renewables Portfolio Standard Procurement Plans Submitted by the Load-serving Entities*, pp. 11-12, Attachment A, filed in Rulemaking 15-02-020 on August 18, 2017.

Respectfully submitted this 18th day of September, 2017 at San Francisco,
California.

GOODIN, MACBRIDE,
SQUERI & DAY, LLP
Brian T. Cragg
505 Sansome Street, Suite 900
San Francisco, California 94111
Telephone: (415) 392-7900
Facsimile: (415) 398-4321

By /s/ Brian T. Cragg

Brian T. Cragg

Attorneys for the Independent Energy
Producers Association

VERIFICATION

I am the attorney for the Independent Energy Producers Association in this matter. IEP is absent from the City and County of San Francisco, where my office is located, and under Rule 1.11(d) of the Commission's Rules of Practice and Procedure, I am submitting this verification on behalf of IEP for that reason. I have read the attached "Reply of the Independent Energy Producers Association to Comments on the Revised Proposed Decision," dated September 18, 2017. I am informed and believe, and on that ground allege, that the matters stated in this document are true.

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

Executed on this 18th day of September, 2017, at San Francisco, California.

/s/ Brian T. Cragg

Brian T. Cragg

GOODIN, MACBRIDE,
SQUERI & DAY, LLP
505 Sansome Street, Suite 900
San Francisco, California 94111
Telephone:(415) 392-7900
Facsimile: (415) 398-4321
Email: bcragg@goodinmacbride.com

Attorneys for the Independent Energy
Producers Association