

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

Order Instituting Rulemaking to Implement Public Utilities Code Section 451.2 Regarding Criteria and Methodology for Wildfire Cost Recovery Pursuant to Senate Bill 901 (2018).

Rulemaking 19-01-006
(Filed January 10, 2019)

**OPENING COMMENTS OF THE INDEPENDENT ENERGY
PRODUCERS ASSOCIATION ON THE ORDER INSTITUTING
RULEMAKING TO IMPLEMENT PUBLIC UTILITIES CODE SECTION
451.2 REGARDING CRITERIA AND METHODOLOGY FOR WILDFIRE
COST RECOVERY PURSUANT TO SENATE BILL 901 (2018)**

INDEPENDENT ENERGY PRODUCERS
ASSOCIATION

Steven Kelly, Policy Director
P.O. Box 1287
Sloughhouse, CA 95683
Telephone: (916) 448-9499
Facsimile: (916) 448-0182
Email: steven@iepa.com

Dated: February 11, 2019

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

Order Instituting Rulemaking to Implement Public Utilities Code Section 451.2 Regarding Criteria and Methodology for Wildfire Cost Recovery Pursuant to Senate Bill 901 (2018).

Rulemaking 19-01-006
(Filed January 10, 2019)

**OPENING COMMENTS OF THE INDEPENDENT ENERGY
PRODUCERS ASSOCIATION ON THE ORDER INSTITUTING
RULEMAKING TO IMPLEMENT PUBLIC UTILITIES CODE SECTION
451.2 REGARDING CRITERIA AND METHODOLOGY FOR WILDFIRE
COST RECOVERY PURSUANT TO SENATE BILL 901 (2018)**

The Independent Energy Producers Association (IEP) provides these opening comments on the Order Instituting Rulemaking (OIR) to implement Public Utilities Code Section 451.2 regarding the criteria and methodology for wildfire cost recovery pursuant to Senate Bill (SB) 901 (2018). IEP was an active participant in the legislative discussions related to SB 901, and we look forward to working with the Commission on its implementation.

IEP's interest in this proceeding is broad, but it focuses on the potential impact the Commission's decision in this proceeding may have on existing contracts and future procurement of resources needed to ensure grid reliability and achieve multiple state mandates (e.g., the Renewables Portfolio Standard or RPS), various state policy goals such as greenhouse gas emissions reduction (SB 350), and the Commission's BioMAT program (SB 1122), which is critical for reducing wildfire risks in the future and addressing waste diversion from wildfires that have occurred to ensure public safety.

In response to the OIR's first question, IEP notes that the factors and financial metrics employed by the Commission to determine an electrical corporation's financial status could impact the viability of existing contracts executed by the utilities as, among other things, these factors will affect credit ratings, borrowing ability, ability to raise equity, etc. These factors directly impact utility procurement practices, past and future. Moreover, as factors such as these affect the utility's ability to finance its operations, these factors will impact energy market institutions (e.g., the role of a central procurement entity) and market functions (e.g., creditworthiness in CAISO markets).

IEP on behalf of itself and its members, has a direct interest in this proposed OIR related to implementing Section 451.2. We look forward to working with the Commission and other stakeholders on this important matter.

Respectfully submitted February 11, 2019 at San Francisco, California.

A handwritten signature in black ink that reads "Steven Kelly". The signature is written in a cursive style with a large, sweeping "K" and a long, horizontal tail.

INDEPENDENT ENERGY PRODUCERS
ASSOCIATION
Steven Kelly, Policy Director
P.O. Box 1287
Sloughhouse, CA 95683
Telephone: (916) 448-9499
Facsimile: (916) 448-0182
Email: steven@iepa.com