

**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)

**COMMENTS OF THE LARGE-SCALE SOLAR ASSOCIATION AND THE
CALIFORNIA WIND ENERGY ASSOCIATION ON THE PROPOSED
DECISION ACCEPTING THE DRAFT 2016 RENEWABLES PORTFOLIO
STANDARD PROCUREMENT PLANS**

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December 5, 2016

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ACCEPTING THE DRAFT 2016 RENEWABLES PORTFOLIO STANDARD
PROCUREMENT PLANS**

Pursuant the Commission’s Rules of Practice and Procedure, the Large-Scale Solar Association (“LSA”) and the California Wind Energy Association (“CalWEA”) respectfully submit the following comments on the November 15th, 2016 *Proposed Decision Accepting Draft 2016 Renewables Portfolio Standard Procurement Plans* (“PD”).

LSA and CalWEA support the comments of the Independent Energy Producers Association (“IEP”) on the PD, filed on December 1, 2016.¹ IEP’s comments (1) encourage the Commission to establish an RPS “need” that exceeds the minimum RPS levels required by statute, and (2) provide a compelling rationale for near-term RPS-eligible procurement due to declining tax incentives (i.e. the Investment Tax Credit (“ITC”) for solar and the Production Tax Credit (“PTC”) for wind).

1. Continued Ongoing Procurement Opportunities Can Provide Significant Ratepayer Value

The PD excuses the three large investor-owned utilities from conducting RPS

¹ Comments of the Independent Energy Producers Association on the Proposed Decision Accepting Draft 2016 Renewables Portfolio Standard Procurement Plans (Dec 1, 2016).

solicitations in 2016.² While LSA and CalWEA commend the utilities for continuing to meet RPS obligations in a timely manner—and the Commission for ensuring such compliance—now is not the time for a halt in procurement. Solicitations in the 2016 cycle would offer market certainty and transparency, and will signal that the state is pushing forward aggressively with its climate goals at a time when it is incumbent on California to lead. The compliance periods set forth in the RPS statute serve as minimum requirements—floors, not caps—and should therefore not be used as a rationale for delayed procurement. The E3 Pathways Analysis³ and the Air Resources Board’s “Discussion Draft 2030 Target Scoping Plan Update”⁴ both suggest that 60% renewable energy by 2030 will be needed to meet our climate goals; early compliance in preparation for a potential increase in the RPS should be encouraged and commended by the Commission.

By modifying the PD to ensure regular and continued RPS procurement opportunities through annual solicitations, the Commission could help the state accelerate achievement of our climate goals at lowest cost. Near-term (2016 and 2017) solicitations in particular can create opportunities to secure the ratepayer savings associated with the ITC and PTC. The IEP analysis suggests a cost increase of \$54 million per year for solar PV (\$1 billion over 20 years) and \$30 million per year for wind (\$600 million over 20 years) for every 1,000 MW of resources contracted at the 2022 LCOE over the 2019 LCOE (based on the declining ITC rates).⁵ In order for a wind or solar project to secure the benefits of the highest levels of the tax credits, it must

² Proposed Decision Accepting Draft 2016 Renewables Portfolio Standard Procurement Plan, pp. 69-70 (Ordering Paragraphs Nos. 6-8)

³ Slide Presentation, E3, California Pathways GHG Scenario Results (Apr, 6, 2015), Slides 27, *available at*: https://ethree.com/documents/E3_PATHWAYS_GHG_Scenarios_Updated_April2015.pdf

⁴ California Air Resources Board, Discussion Draft 2030 Target Scoping Plan Update (Dec. 2, 2016), Figure III-4, *available at*: https://www.arb.ca.gov/cc/scopingplan/2030target_sp_dd120216.pdf.

⁵ Comments of the Independent Energy Producers Association on the Proposed Decision Accepting Draft 2016 Renewables Portfolio Standard Procurement Plans (Dec 1, 2016), p. 4

commence construction in or before 2016 or 2019, respectively. Solicitations should occur as soon as possible in order to secure the highest possible level of benefits available, ideally in early- to mid-2017.

Conclusion

LSA and CalWEA appreciate the opportunity to comment on the PD and respectfully request that the Commission modify the the PD to direct the utilities to amend their 2016 procurement plans to include continued opportunities for procurement of low-cost RPS-eligible generation within the next several months that will help the state work toward both its near-term and long-term climate goals.

Dated: December 5, 2016

Respectfully Submitted,

/s/ Danielle Osborn Mills

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VERIFICATION

I, Danielle Osborn Mills, am the Senior Policy Advisor of the Large-scale Solar Association. I am authorized to make this Verification on its behalf and on behalf of the California Wind Energy Association. I declare that the statements in the foregoing copy of the *Comments Of The Large-Scale Solar Association and the California Wind Energy Association On the Proposed Decision Accepting Draft 2016 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 December 5, 2016 at Meadow Vista, California.

/s/ Danielle Osborn Mills

Danielle Osborn Mills
Senior Policy Advisor
Large-scale Solar Association