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Edward Randolph, Director
Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4004
San Francisco, CA 94102

RE: Draft Resolution E-5150. Adopts updates to the Avoided Cost Calculator for use in demand-side distributed energy resource cost-effectiveness analyses

Dear Mr. Randolph,

Pursuant to Rule 14.6 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”) and the Comment Letter accompanying Draft Resolution E-5150 (“Draft Resolution”), the Coalition for Community Solar Access (“CCSA”) respectfully submits these comments on the proposed updates to the Avoided Cost Calculator (“ACC”).

I. INTRODUCTION

CCSA is a national, business-led trade organization, composed of over 60 member companies, that works to expand access to clean, local, affordable energy nationwide through the development of robust community solar programs. CCSA’s mission is to empower energy consumers, including renters, homeowners, businesses and households of all socio-economic levels, by increasing their access to reliable clean energy.

The following comments summarize CCSA’s interest in the ACC, and objection, on procedural grounds, to the Draft Resolution and proposed 2021 ACC update.

II. COMMENTS

CCSA is actively engaged in Commission proceedings A. 12-01-008 et al. and R. 20-08-020 regarding the Green Tariff Shared Renewables (“GTSR”) and Net Metering programs, respectively. In pursuit of the establishment of a viable community solar program, CCSA has identified the ACC as an ideal foundational component for the credit rate that could be leveraged to compensate subscribers of a community solar project. With respect to the GTSR programs, CCSA is responding to Resolution E-5028, in which

the Commission indicated a specific willingness to consider a petition for modification of D. 15-01-051 that would adopt the ACC in place of the Power Charge Indifference Adjustment (“PCIA”) within the GTSR rate structure. In the net metering proceeding, CCSA has proposed a net value billing tariff in which the ACC would inform most of the elements and associated values included in the bill credit rate subscribing customers would receive from generation tied to a net value billing (community solar) project.

CCSA objects to the process used by Staff for developing the Draft Resolution and associated proposed 2021 ACC. In Decision 19-05-019, the Commission stated that “minor” changes are to be made in odd years through the Commission’s resolution process. “Minor changes were defined as “data and input updates as indicated in D.16-06-007” [and] “can also include changes to the modeling method that most parties can reasonably agree are minor in scope and impact.”¹ The Draft Resolution states that it is proposing only “minor” changes to the ACC, however CCSA views the level of changes relative to the 2020 ACC as being “major”, both in “scope and impact”. At the very least, the adjustment to “scope” is major because it incorporates a new integrated resource plan (“IRP”) scenario that has not been vetted by parties or approved by the Commission in the IRP proceeding (R. 20-05-003). Further, the “impact” is major because it significantly alters the avoided cost calculation for distributed solar and energy efficiency measures. This impact is further compounded by the central role the ACC plays in determining cost effectiveness of distributed energy resource programs and, in particular, its potential impact on the heavily contested outcomes associated with the current net metering proceeding, R. 20-08-020.

While the Draft Resolution asserts that it followed the necessary process ahead of releasing the draft, such as holding a workshop in December, central to Staff’s proposal is the use of a new IRP scenario from a new run of RESOLVE that was not public prior to the issuance of the Draft Resolution, much less the December workshop. In defining the process for “minor” updates, Decision 19-05-019 states:

The Commission strives for transparency in all processes. A workshop to allow for parties to comment prior to the resolution should provide the requested transparency and allow for agreed-upon minor changes to the modeling methods. A workshop also provides parties a reasonable opportunity to give feedback prior to the resolution being drafted.²

The clear intent from the Commission is that stakeholders would have an opportunity to respond to the proposed 2021 updates ahead of the Draft Resolution being issued, however Staff did not provide adequate indication of their intention to use a future non-Commission approved IRP scenario. In other words, a fundamental aspect of Staff’s proposal was not known by any party or stakeholder prior to the issuance of the Draft

¹ D.19-05-019, at pp. 49-50.

² D.19-05-019, at pg. 53.

Resolution. This departure from process undermines the transparency the process envisioned in D.19-05-019 is striving to accomplish.

Further, the new scenario and model run proposed to be adopted for use in the 2021 ACC has, itself, not been vetted, and therefore no new Reference System Plan (RSP) has been approved by the Commission. Thus, using this scenario and model run is contrary to the decision that went into the 2020 ACC, whereby the Commission noted “that use of the Reference System Portfolio, *as adopted by the Commission*, should allay concerns expressed by parties that the previously released draft Reference System Portfolio should not be the basis for the 2020 Avoided Cost Calculator update.”³(emphasis added) Using a Commission-approved RSP not only ensures it went through due process, but also that the ACC will be aligned with Commission-approved energy resource decisions. Not aligning the ACC with the latest approved RSP risks the ACC being used in a way – such as cost-effectiveness tests – that could drive false and misleading policy decisions with major economic implications for the State.

III. CONCLUSION

The Commission should reject Draft Resolution E-5150. It fails to meet the intent behind what would be deemed a “minor” update and also fails to follow the transparent process envisioned by the Commission. The implications of the Draft Resolution is undermining of due process and the trust that is required for constructive stakeholder engagement on critically important energy decision making under the Commission’s jurisdiction.

/s/ Charlie Coggeshall
Charlie Coggeshall
Western Regional Director
Coalition for Community Solar Access

³ Decision 20-04-010, at p. 32