

**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
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**COMMENTS OF THE LARGE-SCALE SOLAR ASSOCIATION ON THE ORDER  
INSTITUTING RULEMAKING AND PRIORITY ISSUES FOR THIS  
PROCEEDING**

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May 31, 2011

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Pursuant to the California Public Utilities Commission’s (“Commission”) Order Instituting Rulemaking 11-05-005 (the “OIR”) Ordering Paragraph 8, the Administrative Law Judge’s May 23, 2011 Ruling Setting Prehearing Conference (“Ruling”), the Large-scale Solar Association (“LSA”) files these comments with its views on the highest priority issues for the Commission to address in the proceeding. LSA has filed joint comments with other parties,<sup>1</sup> which include parties’ priority rankings and identifies key areas of consensus on high priority issues. However, LSA files these comments separately to call out a critical priority issue – establishing a cost containment mechanism for utility Renewable Portfolio Standard (“RPS”) procurement.

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<sup>1</sup> In addition to providing the comments herein, LSA signed on to two sets of joint comments: Joint Parties Comments on the Order Instituting Rulemaking 11-05-005 (submitted by Pacific Gas and Electric Company on behalf of the Joint Parties) and Joint Comments of the California Wind Energy Association, Large-scale Solar Association, and Independent Energy Producers Association on High-Priority Issues.

Providing certainty for the renewables market and pricing is a critical theme that drives LSA's prioritization of issues<sup>2</sup> in this RPS proceeding. As demonstrated by the joint comments to which LSA is a signatory, there is broad agreement that clarifying compliance rules and procurement obligations is a high priority. Accordingly, LSA requests that the Commission expedite consideration of the compliance rules, definitions, and targets under the 33% RPS with the goal of reaching a decision on these issues by Fall 2011. However, resolving these issues is essential, but not sufficient. Understanding the size and scope of the market demand for renewables only provides renewables developers with part of the information that they need to target their efforts to projects that will meet the state's key policy goals in a cost-effective and timely manner. In particular, cost containment is a key factor in the Commission's review and approval of RPS contracts. Providing additional transparency around the Commission's review of PPA pricing will help guide renewables development and direct resources toward the projects that will meet the Commission's criteria.

Uncertainty around the Commission's evaluation process contributes to instability in the renewables market and could inhibit investment in renewables and lead, in turn, to higher renewables costs. Developers need assurances that their projects will be evaluated on a level playing field in order to attract the investment needed to participate in California's renewable market. Renewable projects face long development timelines and are often in the planning stages for several years

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<sup>2</sup> LSA's priorities identified fully in the Joint Parties Issue Matrix, attached to the Joint Parties' Comments on the Order Instituting Rulemaking 11-05-005. In that matrix, LSA identifies developing a cost containment mechanism as a Tier 1 issue.

before entering a RPS solicitation, negotiating a contract, and, through the utility, seeking Commission approval of that contract. Renewable developers must make significant investment in projects prior to reaching the stage where their contract is up for approval by the Commission. In order to foster growth in the California renewables industry and attract investment in renewables, predictable, impartial criteria to evaluate the pricing of renewables projects is needed.

Therefore, LSA urges the Commission to take up cost containment as a priority issue in this proceeding and provide the needed certainty to drive continued investment in California's renewable industry and progress towards the state's renewable goals.

Respectfully submitted,

By: /s/ Kristin Burford  
Kristin Burford  
Policy Director, Large-scale Solar Association

May 31, 2011

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing **COMMENTS OF THE LARGE-SCALE SOLAR ASSOCIATION ON THE ORDER INSTITUTING RULEMAKING AND PRIORITY ISSUES FOR THIS PROCEEDING** on all parties of record in R.11-05-005 by transmitting an email message with the document attached to their email addresses of record and, for those parties without a functioning email address of record, by mailing a properly addressed copy by first-class mail with postage prepaid to each party on the Commission's official service list for this proceeding.

This Certificate of Service is executed on May 31, 2011 at San Rafael, California.

/s/ Kristin Burford  
Kristin Burford