



RENEWABLES PORTFOLIO STANDARD Quarterly Report



3rd Quarter 2013



I. ABOUT THE RPS AND THIS REPORT

California is aggressively bringing renewable generation online to meet its Renewables Portfolio Standard (RPS), one of the most ambitious renewable standards in the country.

California's RPS, codified in Public Utilities Code §§ 399.11 – 399.32¹, requires retail sellers (investor-owned utilities (IOUs), electric service providers (ESPs) and community choice aggregators (CCAs)) regulated by the California Public Utilities Commission (CPUC) to procure 33% of their annual retail sales from eligible renewable sources by 2020. The RPS also requires retail sellers to achieve intermediate RPS targets of 20% from 2011-2013 and of 25% from 2014-2016. The CPUC and the California Energy Commission (CEC) are jointly responsible for implementing California's 33% RPS program.

While the RPS program is the primary vehicle for new utility-scale renewable energy development in California, there are other programs that stimulate development of customer-side renewable generation. The California Solar Initiative (CSI) and Self-Generation Incentive Program (SGIP) provide incentives for customers to install renewable distributed generation technologies that directly serve their on-site load.² The electricity generated from power systems installed through CSI and SGIP may contribute to the RPS provided they meet RPS eligibility requirements established by the CEC.³ In addition, electricity generated by these facilities indirectly contributes to the RPS by reducing demand when serving customer load.

The Commission issues this report on the RPS program every quarter pursuant to the 2006 Budget Act Supplemental Report Item 8660-001-0462. This report focuses on California's three large IOUs: Pacific Gas and Electric (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E). These IOUs currently provide approximately 68% of the state's electric retail sales, and analyzing this data provides significant insight into the state's RPS progress.

¹ California's 20% RPS by 2020 was established in 2002 under Senate Bill 1078 (Sher) and modified in 2006 under Senate Bill 107 (Simitian). Senate Bill 2 of the First Extraordinary Session (SB 2 (1x)) (Simitian) (Stats. 2011, ch.1) expanded the mandate to a 33% RPS by 2020.

² More information on the CSI and SGIP can be found on the CPUC's website: <http://www.cpuc.ca.gov/PUC/energy/DistGen/>.

³ In the case of renewable customer generation, the system-owner owns the renewable energy credits (RECs), but could sell the RECs to retail sellers to contribute to the RPS targets.

II. EXECUTIVE SUMMARY

Status of RPS Procurement

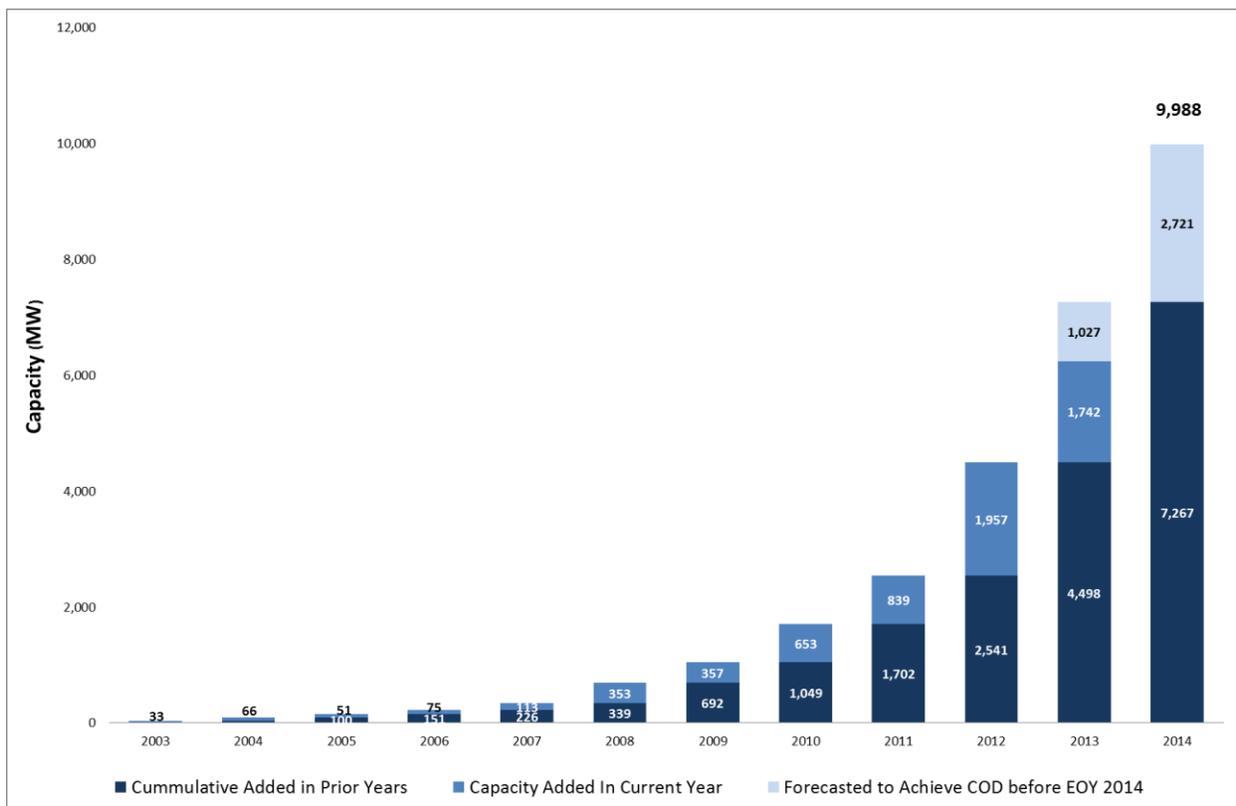
- On August 1, 2013, the large IOUs reported in their Preliminary 2012 Annual RPS Compliance Reports that they served 19.6% of their retail electric load with RPS-eligible generation in 2012. PG&E served 19.04% of its 2012 retail sales with RPS-eligible renewable energy, SCE with 19.9%, and SDG&E with 20.31%. Pursuant to the procurement requirements in SB 2 (1X), the IOUs must average 20% renewable energy during the first RPS compliance period (2011-13).
- Since 2003, 6,240 MW of renewable capacity has achieved commercial operation under the RPS program. More than 1,742 MW of renewable capacity came online in the first three quarters of 2013 and over 1,027 MW is scheduled to come online before the end of the year.
- In the first three quarters of 2013, the CPUC approved 112 contracts, representing 756 MW of renewable capacity.

III. PROGRESS TOWARDS A 33% RPS BY 2020

New Renewable Capacity Added in 2013

Since 2003, 6,240 MW of renewable capacity achieved commercial operation under the RPS program. More than 1,742 MW of renewable capacity came online in the first three quarters of 2013, and another 1,027 MW of capacity was forecasted to reach commercial operation by the end of the year. The 2,769 MW of renewable generation capacity forecasted to come online in 2013 would represent the largest year-to-year increase in capacity since the beginning of the program.

Figure 1: RPS Capacity Installed Since 2003, By Year ^{4 5 6}



Source: California Public Utilities Commission, 3rd Quarter 2013

⁴Additional figures representing IOU progress towards meeting the 33% RPS goal and resource mix of actual and forecasted resources can be found in the Q2 2013 RPS Report to the Legislature. See “Renewables Portfolio Standard Quarterly Report: 2nd Quarter 2013”: <http://www.cpuc.ca.gov/NR/rdonlyres/68D58BFE-E350-4D49-B3D6-DAB43B806A5F/0/2013Q2RPSReportFINAL.PDF>

⁵ Figure 2 only includes new capacity with a contract term of 10 years or greater. It does not reflect capacity that was re-contracted from existing resources.

⁶ Data Source: IOU Project Development Status Reports (August 2013) Energy Division Staff Data Request to IOUs for contracts online/in development.

RPS Contracting Activities in 2013

Since 2002, the CPUC has approved more than 320 contracts for over 19,760 MW of renewable capacity. As Table 1 below shows, the CPUC approved 112 additional contracts in the first three quarters of 2013 for 756 MW⁷ of capacity.

Table 1: IOU RPS-Eligible Contracts Submitted and/or Approved in 2013^{8 9}

		PGE		SCE		SDGE		Total	
		Number of Contracts	MW	Number of Contracts	MW	Number of Contracts	MW	Number of Contracts	MW
Q1	Submitted	2	2	75	106	0	0	77	108
	Pending	13	504	79	181	1	9	93	694
	Approved	3	226	0	0	0	0	3	226
Q2	Submitted	6	115	12	182	8	42	26	339
	Pending	8	430	1	70	6	3	15	503
	Approved	11	189	90	293	3	48	104	530
Q3	Submitted	3	80	0	0	2	0	5	80
	Pending	11	510	1	70	3	3	15	583
	Approved	0	0	0	0	5	0	5	0
Total	Submitted	11	197	87	288	10	42	108	527
	Pending	11	510	1	70	3	3	15	583
	Approved	14	415	90	293	8	48	112	756

Source: California Public Utilities Commission, 3rd Quarter 2013

⁷ The five contracts approved in Q3 are sale agreements. No additional RPS capacity was added to the IOU portfolios in Q3.

⁸ 75 of the contracts submitted by and approved for SCE are Feed-in Tariff contracts that SCE executed under its CREST program. These contracts were jointly submitted for approval to the CPUC via Tier 2 Advice Letter and were subsequently approved by the CPUC in Resolution E-4593, which was adopted on June 27, 2013.

⁹ Data Source: Energy Division Staff Data Request to IOUs for quarterly contracts submitted/approved.

IV. RECENT AND UPCOMING EVENTS

Timing	Deliverable	Notes
July 1, 2013	ALJ Ruling in Rulemaking 11-05-005: Confidentiality	An ALJ Ruling was mailed seeking comments on a preliminary Energy Division Staff proposal to clarify and improve confidentiality rules for the RPS program.
July 23, 2013	ALJ Ruling: RPS Procurement Expenditure Limitation	An ALJ Ruling was mailed seeking further comment on implementing an RPS procurement expenditure limitation for investor-owned utilities, pursuant to 399.15(c)-(g). The Ruling included a staff proposal and it is expected that parties will submit alternate proposals.
September 4, 2013	SCE launched its third Solar PV Program solicitation	SCE sought to procure up to 50 MW of capacity from solar PV projects sized 1-10 MW from the third solicitation.
September 19, 2013	Working Group Meeting: Portfolio Content Category (PCC) Classification reporting requirements	Energy Division Staff held an informal working group meeting to assist in the development of the new annual RPS PCC reporting formats and compliance spreadsheets that meet the requirements set in the Public Utilities Code and Commission Decisions.
September 27, 2013	ALJ Ruling: Comments on RPS Compliance and Enforcement	An ALJ Ruling was mailed requesting comments on compliance and enforcement issues in the RPS program.
October 1, 2013	Applications to join the ReMAT Queue for the FIT Program Accepted	IOUs began accepting program participation request (PPR) forms from projects seeking to join the ReMAT Queue for the launch of the SB 32 FIT Program.
November 1, 2013	First program period for the SB 32 FIT Program (ReMAT) began	IOUs awarded the first PPAs for the SB 32 FIT Program and the ReMAT pricing mechanism was launched to set the payment rate for FIT contracts going forward.
November 20, 2013	Decision 13-11-024 Conditionally Accepting 2013 RPS Procurement Plans	The Commission adopted the Decision accepting the 2013 RPS Procurement Plans.
November/December 2013	RAM IV Contracts Filed for Approval	PG&E, SCE and SDG&E filed Advice Letters requesting Commission approval of contracts resulting from the fourth RAM auction.

Timing	Deliverable	Notes
November 20, 2013	Workshop: Procurement Expenditure Limitation Staff Proposal	Energy Division Staff held a workshop to discuss the staff proposal, alternate proposals and key implementation details raised by stakeholders on November 20, 2013.
December 2013	ALJ Ruling: Requesting Comments on the Future of the RAM Program	An ALJ Ruling was mailed seeking comments on questions prepared by Energy Division staff related to the Commission's consideration of the reauthorization of the RAM Program.
First Quarter 2014	ALJ Ruling: Update to Renewable Net Short (RNS) Methodology	An ALJ Ruling will mail seeking comments on a staff proposal on updates to the RNS methodology and key assumptions such as: bank, voluntary margin of over-procurement, and risk-adjustment of projects in development.
First Quarter 2014	Workshop: Updates to Renewable Net Short (RNS) Methodology and Key Assumptions	Energy Division Staff will hold a workshop to discuss the RNS staff proposal and comments raised by parties.
First Quarter 2014	ALJ Ruling: RPS Procurement Expenditure Limitation	An ALJ Ruling will mail seeking comments on a revised staff proposal on implementing an RPS procurement expenditure limitation for investor-owned utilities, pursuant to 399.15(c)-(g).
First Quarter 2014	Proposed Decision: RPS Compliance and Enforcement	A proposed decision will be issued regarding compliance and enforcement issues in the RPS program.
First Quarter 2014	ALJ Ruling: RPS Procurement Process Improvements	An ALJ Ruling will mail seeking comments on a revised staff proposal on improvements to the RPS procurement process.