

**THE STATE OF CALIFORNIA
BEFORE THE
CALIFORNIA ENERGY COMMISSION**

DOCKET

08-IEP-1

DATE OCT 10 2008

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In the Matter of:)	
)	
Preparation of the)	Docket No. 08-IEP-1
2008 Integrated Energy Policy Report)	
Update and the 2009 Integrated)	
Energy Policy Report)	
)	
and)	
)	
Implementation of Renewables)	Docket No. 03-RPS-1078
Portfolio Standard Legislation)	RPS Proceeding

**POST WORKSHOP COMMENTS
OF THE
LOS ANGELES DEPARTMENT OF WATER AND POWER**

Pursuant to the Notice of the Staff Workshop on Renewable Energy “Feed-In” Tariffs, the Los Angeles Department of Water and Power (LADWP) respectfully submits these post-workshop comments on “Feed-In” Tariffs (No. 08-IEP-1 and No. 03-RPS-1078, 2009 IEPR). LADWP greatly appreciates the opportunity to participate in CEC workshops and comment accordingly. Workshops such as these provide a receptive forum to discuss ideas and share information as LADWP, other utilities, and the State of California work towards meeting their respective renewable energy goals.

LADWP is committed to reaching its goals of twenty percent (20%) renewable energy by 2010 and thirty-five percent (35%) by 2020. With a combination of new clean energy generation coming online shortly and bilateral contracts for renewable energy going into effect within the next few years, LADWP is planning to meet these goals.

LADWP is aware of the compelling fact that the State of California will not likely meet its own renewable energy goals. This fact has resulted in the serious consideration

of “Feed-In” Tariffs as a means to address this shortcoming. According to CEC staff, “Feed-In” Tariffs have achieved a degree of success in Germany and Spain that they believe could bode well for California if they were to be applied here in a similar manner.

While the information presented by CEC staff on the German and Spanish programs was insightful and informative, LADWP believes that significant energy regulatory and legislative initiatives already approved and being implemented by the State of California to expand renewable development and increase energy efficiency provides a robust course of action. These current initiatives should be given an opportunity to succeed before layering another course of action.

More study and analysis of “Feed-In” Tariffs, especially of their formulation, implementation, and operation, should be performed before any steps towards the creation of a “Feed-In” Tariff for California takes place. There are significant differences between the State of California, the Federal Republic of Germany, and the Kingdom of Spain in terms of infrastructure, regulation, environmental controls, rate structures, climate, and topography that must be considered. Additionally, the NERC reliability standards, by which all utilities in the United States must comply, would play a role that is not reflected in the German and Spanish programs.

In the staff presentation, there were few specifics with regard to the topic of cost. More detail from a California perspective must be examined to reveal what the true impacts will be upon ratepayers. Given that the United States and possibly the entire world are entering a severe recession, cost to ratepayers of a “Feed-In” Tariff must be given even greater scrutiny.

LADWP has already invested considerable financial resources to comply with SB 1, which requires that the state's utilities create a solar rebate program.. Additionally, LADWP is aggressively building and purchasing new renewable generation and expanding energy efficiency programs. These projects are rapidly advancing and should be given the opportunity to be fully realized before investing more ratepayer money and utility resources in a "Feed-In" Tariff program that hasn't received adequate analysis. . Additionally, a "Feed-In" Tariff could prove to be disruptive with these and other programs that are already in place.

Regarding the questions posed in Attachment A of the Workshop Notice, LADWP provides the following comments:

Of the representative policy paths described in the draft report, which are the most appealing? Least appealing? Why? For the reasons stated above, LADWP does not favor a statewide standard "Feed-In" Tariff. Notwithstanding LADWP's opposition, Path 4 represents the most "appealing" approach to LADWP. Path 4 would be a pilot program utilizing one resource, solar, with which LADWP is very familiar. A pilot program at one utility, with one renewable resource (solar), would allow for testing of all aspects of a "Feed-In" Tariff, including integration, such as, implementation of a firming resource to provide energy when solar is not available.

The least "appealing" Path would be Policy Path 2. Any implementation of a "Feed-In" Tariff for projects over 20 MW at a statewide level, instead of a pilot program with much smaller projects, would be imprudent and potentially disastrous. There are too many possible problems, known and unknown, that could arise in such a large undertaking. Additionally, utility-scale projects (>20MW) could become unwieldy. As

reported during the workshop, a solar firm doing business in Germany noted that German officials are moving away from utility-scale solar PV as it has caused some unintended market consequences.

Which policy paths are the most appropriate for implementing in the near-term, mid-term and long term? LADWP would recommend Policy Path 4 for a near-term program implementation. A pilot program demonstration would not only provide valuable near-term information, it would also highlight potential program pitfalls and strengths, thus allowing utilities to determine the best approaches for the mid-term and long-term program applications.

In summary, LADWP believes that a “Feed-In” Tariff of the type prescribed by the CEC has not been sufficiently evaluated for application as a statewide program. Moreover, since LADWP is advancing to meet its goals, a statewide standard “Feed-In” Tariff for Los Angeles is largely unnecessary.

LADWP appreciates the opportunity to comment on this workshop. LADWP will continue to participate in this issue with the CEC and other stakeholders and will offer input on approaches being considered to further our efforts to increase renewable energy in California.

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Respectfully submitted,

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