



# ADVICE LETTER SUMMARY

## ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Liberty Utilities (CalPeco Electric) LLC (U-933-E)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Daniel W. Marsh

Phone #: 562-299-5104

E-mail: Dan.Marsh@libertyutilities.com

E-mail Disposition Notice to: Dan.Marsh@libertyutilities.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
 PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 108-E

Tier Designation: 1

Subject of AL: Luning Solar Project Performance Report

Keywords (choose from CPUC listing): Solar

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.16-01-021

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: 90-E

Summarize differences between the AL and the prior withdrawn or rejected AL: Additional details in new AL

Confidential treatment requested?  Yes  No

If yes, specification of confidential information: Potential litigation

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information: Dan Marsh (Dan.Marsh@libertyutilities.com)

Resolution required?  Yes  No

Requested effective date: 12/19/18

No. of tariff sheets: 0

Estimated system annual revenue effect (%): n/a

Estimated system average rate effect (%): n/a

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected:

Service affected and changes proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets:

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Daniel W. Marsh  
Title: Manager, Rates and Regulatory Affairs  
Utility Name: Liberty Utilities (CalPeco Electric) LLC  
Address: 9750 Washburn Road  
City: Downey State: California  
Telephone (xxx) xxx-xxxx: 562-299-5104  
Facsimile (xxx) xxx-xxxx:  
Email: Dan.Marsh@libertyutilities.com

Name:  
Title:  
Utility Name:  
Address:  
City: State: Wyoming  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

Clear Form

## ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	



Liberty Utilities (CalPeco Electric) LLC  
933 Eloise Avenue  
South Lake Tahoe, CA 96150  
Tel: 800-782-2506  
Fax: 530-544-4811

**VIA EMAIL AND UPS**

December 19, 2018

**Advice Letter 108-E  
(U 933-E)**

California Public Utilities Commission  
Energy Division, Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor  
San Francisco, CA 94102-3298

**Subject: Luning Solar Project Performance Report**

Liberty Utilities (CalPeco Electric) LLC (“Liberty CalPeco”) hereby submits this **Tier 1** Advice Letter regarding the performance of the Luning Solar Project (“Luning” or “Luning Project”), pursuant to Ordering Paragraph No. 1(e) of Decision (“D.”) 16-01-021. This Advice Letter is intended to supersede and replace Advice Letter 90-E, which was previously submitted by Liberty CalPeco on March 1, 2018 and withdrawn on December 19, 2018.

**Background**

Ordering Paragraph No. 1(e) of D. 16-01-021 requires Liberty CalPeco to provide “a description of the performance of the Luning facility, actual costs of the power purchased by Liberty [CalPeco], actual generation of the Luning facility, and [identify] all costs incurred during 2017 which Luning has, or intends to, recover in rates.”

**Luning Generation**

The Luning Project began commercial operations in February 2017. Over the past 22 months, the Luning Project has not performed as anticipated, though high energy generation occurred during the summer months. For example, between May and August 2017, Luning averaged approximately 13,850 MWh per month, and between May and August 2018, Luning averaged approximately 14,172 MWh per month.

Although the Luning Project is not producing to projected values for the first 22 months of operation, the performance of the Luning Project has enabled Liberty CalPeco customers to save a significant amount on avoided renewable energy purchases that would otherwise have been required to meet California’s renewables portfolio standard. In addition, Liberty CalPeco

customers have received a significant additional benefit by avoiding demand charges that would otherwise be incurred pursuant to Liberty CalPeco’s Services Agreement with NV Energy.<sup>1</sup>

In the table below, Liberty CalPeco provides details on the monthly generation from the Luning Project, the value of the avoided renewable energy purchases, and the value of the avoided demand charges

Month	Luning Generation kWhrs	NV Energy Renewable rate \$/MWhr	Avoided Renewable Energy Purchases	Luning Coincident Generation (kW)	Luning Demand Credit (kW)	Avoided Demand Charges
Feb-17	7,640,394	\$ 61.42	\$ 469,253			
Mar-17	11,320,683	\$ 61.06	\$ 691,248			
Apr-17	12,696,402	\$ 60.88	\$ 772,916	-	-	
May-17	14,160,935	\$ 59.23	\$ 838,768	41,021	19,000	\$ 178,030
Jun-17	14,119,835	\$ 60.90	\$ 859,886	15,154	15,154	\$ 141,989
Jul-17	14,075,585	\$ 60.41	\$ 850,311	40,592	19,000	\$ 178,030
Aug-17	13,047,003	\$ 60.44	\$ 788,541	45,434	19,000	\$ 178,030
Sep-17	10,819,966	\$ 60.88	\$ 658,770	18,824	18,824	\$ 176,379
Oct-17	11,387,211	\$ 61.12	\$ 695,981	22,507	19,000	\$ 178,030
Nov-17	7,689,354	\$ 61.58	\$ 473,487			
Dec-17	6,507,685	\$ 61.77	\$ 401,990			
<b>2017 Total</b>	<b>123,465,053</b>		<b>\$ 7,501,151</b>			<b>\$ 1,030,488</b>
Jan-18	6,236,736	\$ 64.82	\$ 404,246			
Feb-18	7,986,910	\$ 64.52	\$ 515,290			
Mar-18	11,704,564	\$ 62.99	\$ 737,296			
Apr-18	11,958,428	\$ 64.80	\$ 774,889	16,553	16,553	\$ 155,106
May-18	13,367,443	\$ 62.61	\$ 836,902	49,578	19,000	\$ 178,030
Jun-18	16,359,481	\$ 62.90	\$ 1,029,046	38,622	19,000	\$ 178,030
Jul-18	13,410,311	\$ 62.22	\$ 834,336	2,770	2,770	\$ 25,952
Aug-18	13,552,668	\$ 60.60	\$ 821,358	990	990	\$ 9,281
Sep-18	12,628,764	\$ 62.69	\$ 791,726	42,288	19,000	\$ 178,030
Oct-18	9,661,307	\$ 62.69	\$ 605,690	45,269	19,000	\$ 178,030
Nov-18	7,352,088	\$ 62.69	\$ 460,919			
Dec-18						
<b>2018 Total</b>	<b>117,981,964</b>		<b>\$ 7,407,453</b>			<b>\$ 902,459</b>
<b>Total</b>	<b>241,447,018</b>		<b>\$ 14,908,604</b>			<b>\$ 1,932,947</b>

<sup>1</sup> The NV Energy Service Agreement was approved in Decision 15-12-021.

Liberty CalPeco is investigating why the Luning Project is underperforming. Various steps have been taken by Liberty CalPeco in this regard, which are described in further detail in the confidential supplement submitted to the Commission with this Advice Letter. These measures have been, and continue to be undertaken, in order to ensure that Liberty CalPeco is acting diligently as a prudent owner of such a facility and also to protect the interests of Liberty CalPeco's ratepayers in the facility. Liberty CalPeco undertakes to provide the Commission with a further update in regards to these matters on or before July 31, 2019.

### **Luning Costs**

Liberty CalPeco submitted Advice Letter 65-E on October 17, 2016 to increase its 2017 base rate revenues in accordance with the Post-Test Year Adjustment Mechanism ("PTAM") as set forth in Section 9 of the Preliminary Statement in the Liberty CalPeco Tariff and as further authorized by Decision ("D.") 16-01-021 ("Luning Approval Decision").

In the table below, Liberty CalPeco provides costs incurred in 2017 related to the Luning Project. Please note that these costs are unaudited and subject to revision.

<b>Cost Category</b>	<b>2017 Expenses</b>
Land Lease	\$ 56,804.22
Office Expense	\$ 74,332.01
Outside Service/Management Fees	\$ 58,521.74
Maintenance Expense	\$ 549,308.90
Insurance	\$ 176,764.74
Property Taxes	\$ 560,664.17
Total Expenses	\$ 1,476,395.78

### **Effective Date**

Liberty CalPeco requests that this **Tier 1** advice letter be effective as of December 19, 2018.

### **Protests**

Anyone wishing to protest this submission may do so by letter sent via U.S. mail, by facsimile or by email, any of which must be received no later than January 8, 2019, which is 20 days after the date of this submission. The protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. There is no restriction on who may submit a protest.

Protests should be mailed to:

California Public Utilities Commission  
Energy Division, Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> Floor

San Francisco, CA 94102-3298  
Facsimile: (415) 703-2200  
Email: edtariffunit@cpuc.ca.gov

The protest also should be sent via email and U.S. Mail (and by facsimile, if possible) to Liberty Utilities at the addresses show below on the same date it is mailed or delivered to the Commission.

Liberty Utilities (CalPeco Electric) LLC  
Attn.: Advice Letter Protests  
933 Eloise Avenue  
South Lake Tahoe, CA 96150  
Fax: 530-544-4811  
Email: Dan.Marsh@libertyutilities.com

**Notice**

In accordance with Ordering Paragraph 1 of D.16-01-021 and General Order 96-B, Section 4.3, a copy of this Advice Letter is being sent electronically to parties shown on the attached lists.

If additional information is required, please do not hesitate to contact me.

Sincerely,

*/s/ Daniel W. Marsh*

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Daniel W. Marsh  
Manager, Rates and Regulatory Affairs  
Liberty Utilities (CalPeco Electric) LLC

cc: Liberty Utilities General Order 96-B Advice Letter Service List  
CPUC Service List A.15-04-016

Liberty Utilities (CalPeco Electric) LLC  
Advice Letter Filing Service List  
General Order 96-B, Section 4.3

**VIA EMAIL**

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