INDEPENDENT ENERGY -**PRODUCERS** ASSOCIATION

May 6, 2013

California Energy Commission Dockets Office, MS-4 Re: Docket No: 13-RPS-01 1516 Ninth Street

California Energy Commission

DOCKETED 13-RPS-01

TN # 70645

MAY 06 2013

Sacramento, CA 95814

Re: 15-Day Language for POU RPS Regulations

The Independent Energy Producers Association (IEP) is writing to indicate our concern with the recent modifications made to the Proposed Regulations Establishing Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities ("15-Day Language"), posted April 19, 2013. In particular, IEP is concerned with the elimination of language that would prohibit Publicly Owned Utilities (POUs) from banking "electricity products procured under contracts of less than 10 years in duration."

Public Utilities Code Sections 399.13(a)(4)(B) prohibits the banking of short-term contracts. In addition, Public Utilities Code Section 399.30(d)(1) specifies that the governing board of a local publicly owned electric utility may adopt "rules permitting the utility to apply excess procurement in one compliance period to subsequent compliance periods in the same manner as allowed for retail sellers pursuant to Section 399.13" (emphasis added). The California Energy Commission's (CEC) 15-Day changes eliminate language prohibiting banking of short-term contracts, thereby, failing to adhere to the call for consistency in the way the rules are applied between the CEC and the California Public Utilities Commission (CPUC).

In an effort to abide by the direction provided in the Renewable Portfolio Standard (RPS) bill (SBX1-2, Simitian) and to maintain consistency in implementation of the RPS between the CEC and the CPUC, IEP recommends that the CEC re-insert the language contained in the initial 45-day Proposed Regulations (released March 1, 2013), which indicates that POUs cannot bank electricity products procured under short-term contracts. Re-inclusion of this language will eliminate IEP's concerns with the Proposed 15-Day Language.

Thank you for your consideration.

Respectfully Submitted,

Steven Kelly **Policy Director**

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