| **DOCKETED** |
|-----------------|------------------|------------------|
| **Docket Number:** | 16-RPS-03 |
| **Project Title:** | Amendments to Regulations Specifying Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities |
| **TN #:** | 212975 |
| **Document Title:** | Transcript of 08/18/16 Staff Workshop |
| **Description:** | Transcript of the STAFF WORKSHOP RE: Enforcement Procedures for the Renewables Portfolio Standard for Publicly Owned Electric Utilities |
| **Filer:** | Cody Goldthrite |
| **Organization:** | California Energy Commission |
| **Submitter Role:** | Commission Staff |
| **Submission Date:** | 8/26/2016 12:01:25 PM |
| **Docketed Date:** | 8/26/2016 |
BEFORE THE
CALIFORNIA ENERGY COMMISSION

In the Matter of: ) Docket No. 16-RPS-03
Amendments to Regulations ) STAFF WORKSHOP
Specifying Enforcement Procedures ) RE: Enforcement
for the Renewables Portfolio ) Procedures for the
Standard for Local Publicly Owned ) Renewables Portfolio
Electric Utilities ) Standard for Publicly
___________________________________ ) Owned Electric
) Utilities

CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
FIRST FLOOR, ARTHUR ROSENFELD HEARING ROOM
SACRAMENTO, CALIFORNIA

THURSDAY, AUGUST 18, 2016
1:30 P.M.

Reported by:
Rebecca Hudson
APPARENCES

CALIFORNIA ENERGY COMMISSION
Mona Badie, Staff Counsel, Chief Counsel’s Office
Bill Blackburn, Office Manager, Renewable Energy Division
Emily Chisholm, Compliance Lead, Renewables Portfolio Standard, Renewable Energy Division
Theresa Daniels, Energy Analyst
Gabe Herrera, Staff Counsel, Chief Counsel’s Office

PUBLIC COMMENT
Susie Berlin
Northern California Power Agency

Pjoy Chua
City of Los Angeles Department of Water and Power

Tony Goncalves
Sacramento Municipal Utility District

Scott Lesch
City of Riverside

Sarah Taheri
Southern California Public Power Authority

Timothy Tutt
Sacramento Municipal Utility District

William Westerfield
Sacramento Municipal Utility District

Valerie Winn
Pacific Gas and Electric Company

Justin Wynne
California Municipal Utilities Association
# INDEX

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction and Presentation</td>
<td>1</td>
</tr>
<tr>
<td>Comments and Discussion</td>
<td>14</td>
</tr>
<tr>
<td>1. Long-term contracting requirement</td>
<td>14</td>
</tr>
<tr>
<td>Public Comment</td>
<td></td>
</tr>
<tr>
<td>Justin Wynne</td>
<td>14</td>
</tr>
<tr>
<td>2. Excess procurement</td>
<td>15</td>
</tr>
<tr>
<td>Public Comment</td>
<td></td>
</tr>
<tr>
<td>Justin Wynne</td>
<td>15</td>
</tr>
<tr>
<td>Timothy Tutt</td>
<td>21</td>
</tr>
<tr>
<td>3. Green pricing program retail sales reduction</td>
<td>25</td>
</tr>
<tr>
<td>Public Comment</td>
<td></td>
</tr>
<tr>
<td>Justin Wynne</td>
<td>25</td>
</tr>
<tr>
<td>Timothy Tutt</td>
<td>27, 34</td>
</tr>
<tr>
<td>Tony Goncalves</td>
<td>29</td>
</tr>
<tr>
<td>William Westerfield</td>
<td>30</td>
</tr>
<tr>
<td>Scott Lesch</td>
<td>32</td>
</tr>
<tr>
<td>4. Large hydro exemption</td>
<td>35</td>
</tr>
<tr>
<td>No Public Comment</td>
<td>-</td>
</tr>
<tr>
<td>5. Unavoidable long-term procurement for coal</td>
<td>35</td>
</tr>
<tr>
<td>Public Comment</td>
<td></td>
</tr>
<tr>
<td>Sarah Taheri</td>
<td>35</td>
</tr>
<tr>
<td>6. All other comments</td>
<td>39</td>
</tr>
<tr>
<td>Public Comment</td>
<td></td>
</tr>
<tr>
<td>Justin Wynne</td>
<td>39</td>
</tr>
<tr>
<td>Timothy Tutt</td>
<td>44</td>
</tr>
<tr>
<td>Valerie Winn</td>
<td>45</td>
</tr>
<tr>
<td>Sarah Taheri</td>
<td>46</td>
</tr>
<tr>
<td>William Westerfield</td>
<td>47</td>
</tr>
<tr>
<td>Pjoy Chua</td>
<td>50</td>
</tr>
<tr>
<td>Susie Berlin</td>
<td>52</td>
</tr>
<tr>
<td>Closing Statements</td>
<td>52</td>
</tr>
<tr>
<td>Adjournment</td>
<td>52</td>
</tr>
<tr>
<td>Certificate of Reporter</td>
<td>53</td>
</tr>
</tbody>
</table>
SACRAMENTO, CALIFORNIA, THURSDAY, AUGUST 18, 2016

MS. CHISHOLM: Hello, everyone. Good afternoon and welcome to our workshop. I’m Emily Chisholm and I’m in the Renewable Energy Division here at the California Energy Commission and I am the Compliance Lead for the Renewables Portfolio Standard, or RPS.

I’m joined here by Bill Blackburn, Office Manager for the Renewable Energy Division; Gabe Herrera, Staff Counsel with our Chief Counsel’s Office; and Mona Badie, also Staff Counsel with our Chief Counsel’s Office. And over here we have Theresa Daniels running our WebEx.

Here is the agenda for today’s workshop:

First, we will cover some basic housekeeping, then a little background for the RPS Regulations. After that, I will cover the proposed modifications to the regulations, section by section, followed by next steps for the rulemaking process, and we will finish the workshop with discussion and comments, organized by topic.

Handouts are on the desk when you first come into the hearing room and include copies of the presentation, the workshop notice, and the proposed amendments to the regulations. We also have a sign-in sheet located on the same table as the handouts, so please sign in if you haven’t
already.

The restrooms are located on the first floor to the left as you exit the Hearing Room. We have a snack bar on the second floor across from the top of the stairs, if you need any sustenance.

For emergency evaluation procedures, follow Energy Commission staff out the front doors and across the street to Roosevelt Park.

We are running this meeting through WebEx. This meeting is being recorded via WebEx and we’re also being transcribed by a Court Reporter. This presentation will be available on the Energy Commission’s website after today.

For comments after the presentation, those of you in the room will be able to either come up to the table or to the podium.

Those of you who are commenting via WebEx, just use the “raised hand” feature and we’ll unmute you when it’s your turn. We will be sure to check WebEx for commenters during every topic.

At the end of the comments in the room and on WebEx, we’ll open up the phone lines. Please make sure to mute yourself so that we can hear anyone with a comment.

For written comments, please submit them according to the directions in the Workshop Notice that is available on our website. And comments should be submitted using our
e-filing system.

First, some background. The original RPS was signed into law in 2002 for retail sellers, slowly ramping from 20 percent by 2017 to 20 percent by 2010. During that time, publicly-owned utilities, or POUs, set their own RPS goals and programs.

In 2011, SB X1-2 set a new target of 33 percent by 2020 for all utilities.

The Energy Commission adopted RPS Regulations for the POUs in June of 2013, and they were effective October of 2013. Since then, we have modified the regulations to incorporate a new hydro exemption from SB 591, and to make other clarifying changes. The modifications were effective in April of 2016.

Senate Bill 350 codifies Governor Brown’s landmark renewable policy goal originally laid out in last year’s inaugural address -- or was it the year before? (Laughter.) Inaugural address, which called for a 50 percent RPS by the end of 2030.

The Energy Commission adopted an Order Instituting Rulemaking in January of 2016 for all aspects of SB 350 that will be implemented by the Energy Commission, but this specific segment of SB 350 being discussed today is the increase of the RPS to 50 percent and how the Energy Commission will be implementing SB 350’s changes to the RPS
program for POUs.

We will now cover our proposed amendments to the regulations by section.

In section 3201, we have added three new definitions:

The first is “Contract Execution Date.” This definition was added to clarify how we determine whether a contract is executed before or after June 1, 2010, for purposes of section 3202.

We also added a definition for “Ownership Agreement Execution Date” that addresses how the execution date is determined for ownership agreements, depending on whether there is an actual signed ownership agreement and whether the facility is a renewable resource when ownership begins.

The third new definition is “Contract Start Date.” This definition was added due to the use of contract start date in the calculation of contract length for the new long-term contracting requirement. This definition is limited to contracts because the calculation of contract length is not needed for ownership agreements.

We have also updated three definitions: "Ownership agreement" was clarified to move the discussion of its execution date into a new separate definition.
"RPS procurement requirements" was updated to add long-term contracting as a procurement requirement. Now, every time that we use "RPS procurement requirements" in the regulations, it applies to the target, the portfolio balance requirements, and, starting in 2021, the long-term contracting requirement.

Third, we updated "RPS procurement target" to reflect that the target may differ for POUs qualifying for the exemptions in Public Utilities Code sections 399.30 (j) through (m).

Previously, there was only one exemption listed here, and so we want to expand that to include all of them.

Section 3202, Qualifying Electricity Products.
Our proposal only contains small, non-substantive changes. The only changes are to update the section references for re-numbered exemptions in section 3204.

And section 3203 – this is my favorite. There are no proposed changes to this section.

Section 3204, RPS Procurement Requirements.
SB 350 sets new post-2020 procurement targets for POUs to procure 40 percent renewables by the end of 2024, 45 percent by the end of 2027, and 50 percent by the end of 2030.

The three new compliance periods were added to section 3204, with linear soft targets in the intervening years.
We also proposed standard three-year compliance periods after 2030, with a 50 percent average procurement target.

In subsection (c), the portfolio balance requirements for the new compliance periods remain the same as those for 2017 through 2020, with a minimum of 75 percent from Portfolio Content Category 1, and a maximum of 10 percent from Portfolio Content Category 3.

We have proposed some reorganization within section 3204 to accommodate the new compliance periods. We created a new subsection (b) to hold all of the special exemptions for the procurement requirements, and renumbered all of the existing exemptions to be part of the new subsection (b).

In order to make room for this new subsection (b), we had to renumber the existing (b) as subsection (e). So, the affected language, shown here on the slide, is in both strikethrough and underlined in the draft, but the only thing that is actually changing to this language is the section number.

The proposed amendments contain two new exemptions within section 3204. The first is an exemption for large hydro.

As background, there are two POUs that already have special procurement requirements due to their owned
large hydroelectric facilities: San Francisco and Merced Irrigation District.

SB 350 adds a third hydro exemption that may apply to several POUs. The exemption applies to POUs that procure more than 50 percent of their retail sales from certain qualifying large hydro facilities in any given year. The exemption prevents the combination of the large hydro generation and renewable procurement from exceeding the POU's retail sales during years when hydro is high.

The proposed language establishes how a POU may qualify for this exemption, and also implements the exemption with an annual comparison of retail sales unsatisfied by hydro and the soft target for that year.

The second exemption is a potential reduction in retail sales used to calculate the procurement target, and it is available for POUs with a qualifying green pricing program or shared renewable generation program.

In order to qualify, procurement must meet the requirements for Portfolio Content Category 1 and be located close to load. This exemption is retroactive back to 2014, and once we have rules in place, qualifying POUs will be able to report for all three years of the second compliance period.

SB 350 introduces a new requirement for POUs to procure more renewables through long-term contracts so that,
beginning in 2021, at least 65 percent of retirements in each compliance period must be from contracts of ten years or longer or from ownership agreements. This requirement is now located in section 3204 (d), and within that subsection we specify how contract length will be calculated.

In section 3205, we added a reference to the new Integrated Resource Plan requirement, or IRP, established in Public Utilities Code section 9621. This requirement is only for POUs with an annual demand exceeding 700 gigawatt-hours, and will be implemented in a separate rulemaking. The proposed language in these regulations is only to address any overlapping noticing requirements for the procurement plan.

Section 3206, optional compliance measures. Starting in 2021, POUs can now bank Portfolio Content Category 1 RECs procured under contracts of any length that are in excess of their RPS target. However, Portfolio Content Category 2 can no longer qualify as excess procurement; it can only be applied toward the target.

I want to quickly note that this change does not affect any procurement that qualifies as excess procurement prior to 2021, no matter when it is used. So, for example, a bucket two REC that qualified as excess procurement in the first compliance period can be used after 2021. This -- the new rules are only kind of going forward.
The proposed regulations add a new calculation for excess procurement starting in 2021, and also allows a POU that meets the long-term contracting requirements starting in 2017, to use the new excess procurement calculation in the 2017 to 2020 compliance period.

SB 350 updated two optional compliance measures that can be used to excuse a shortfall in meeting the RPS procurement requirements.

One of the options is cost limitations, which limits what a utility will pay for renewable generation in order to avoid excessive rate impacts from the RPS. SB 350 revises the requirements so that expenditures used to determine the cost limitation are no longer required to rely on a utility's most recent procurement plan, and it is no longer specified that procurement expenditures must exclude indirect expenses. The proposed regulations update the cost limitation requirements in parallel with the updates in SB 350.

Another optional compliance measure is delay of timely compliance, which has a set list of existing conditions to excuse non-compliance. SB 350 revises the conditions for delay of timely compliance by adding unanticipated increases in retail sales due to transportation electrification to the existing list, and specifies that, in the case of unanticipated curtailment of
renewables, a waiver must not result in an increase in greenhouse gas emissions. The proposed regulations incorporate these two changes to the existing language for delay of timely compliance.

A completely new compliance measure in SB 350 is for POUs with unavoidable long-term contracts or ownership agreements with coal facilities located out of state. To show that the agreement is unavoidable, the POU must demonstrate that any cancellation or divestment of the agreement would result in significant economic harm to the POU's retail customers that can't be mitigated.

If the conditions specified in the statute are satisfied, a POU can adjust its RPS procurement target, only for the 2021 through 2024 compliance period, so that the combination of renewable procurement and coal procurement doesn't exceed the POU's retail sales for that compliance period. However, a qualifying POU cannot reduce its target to lower than 33 percent of its retail sales.

Similar to the other optional compliance measures, a qualifying POU may submit its request to the Executive Director using the same process established in section 3206(d).

Section 3027, Compliance Reporting for POUs. Section 3207 sets out both the annual and compliance period reporting requirements for POUs. The proposed regulations
eliminate a few unnecessary requirements in an attempt to reduce the amount of reporting required. For example, we removed an annual requirement to report the year the POU was established. It doesn’t really change year to year. It doesn’t seem necessary.

We did add one new annual reporting requirement — we are now asking for forecasted REC retirements, to match the forecasted retail sales that we already require.

The proposed regulations also make minor clarifications to the energy consumption reporting requirement that was added earlier this year in the last rulemaking.

The proposed regulations also add new reporting requirements for any POUs qualifying for either the large hydro or green pricing program exemptions in section 3204, and there are new reporting requirements for POUs with unavoidable long-term procurement, as specified in section 3206. These new requirements only apply to those POUs that qualify for the applicable exemption or optional compliance measure.

In section 3208, the proposed regulations add the long-term contracting requirement as a separate potential complaint during our enforcement process, starting in 2021.

And last section -- section 1240. We updated the referral process in the enforcement section so that the
Energy Commission will forward a copy of the notice of violation and record of proceedings to both the Air Resources Board and the applicable POU.

Next, we have next steps.

Comments on the pre-rulemaking draft are due by 5:00 p.m. on September 2. Written comments should be filed through our e-filing system, and detailed instructions for the submittal process are included in our Workshop Notice. The docket number for this proceeding is 16-RPS-03.

We have included a tentative schedule for the formal rulemaking process to give everyone an idea of what comes next.

Once we've received everyone's comments on the pre-rulemaking draft and evaluate them, we will begin drafting the 45-day language, as well as the rest of the initial rulemaking package. We will also be available for meetings or conference calls to discuss any of the topics in greater detail, as needed, prior to the beginning of the formal rulemaking process.

As you can see here, the formal rulemaking process will likely kick off in the fourth quarter of 2016, and we are aiming for a workshop before the end of the year. Adoption of the amended regulations is scheduled to occur in the first quarter of 2017, but the exact timing will depend on whether we are doing 15-day language.
With that, we will start to take comments from those in the room and on WebEx. We have organized the discussion into these six topics, and people can either come up to the table or to the podium with comments and questions and we’ll just do it one topic at a time. For those on the WebEx, please “raise your hand” if you have a comment.

Also, since we are transcribing this workshop, please provide the court reporter with a business card, if you have one, and be sure to introduce yourself every time you talk so that we can track who’s talking when.

And the first topic will be long term contracting. Who would like to go first?

(No audible response.)

MS. CHISHOLM: Nobody?

MR. WYNNE: This is Justin Wynne on behalf of the California Municipal Utilities Association. I don’t think we have a lot of points on this topic. There’s some overlap with the next topic that I have some questions on.

But I would just thank you for some of the clarifications you’ve provided, but I think -- when we’re looking at the language as it is, I think there’s still a lack of flexibility for -- particularly for small POUss. And I think we talked about the difficulty that a small POU has in quickly responding.

I understand, if you’re a very large utility and
you have one or two contracts fail, it would be probably simpler to get a few more contracts in place and be able to meet your targets, but if you have three, four, five contracts and one failed, it may take two years to negotiate a new long-term contract and get it to start delivering. It may be impossible to operate within this -- the -- as it’s been laid out in the regulations. So, I think that’s something that we’ll provide some more comments on.

MS. CHISHOLM: Thank you.

Anyone else?

(No audible response.)

MS. CHISHOLM: Questions are also okay.

(No audible response.)

MS. CHISHOLM: Okay. Everyone wants to talk about excess procurement. Is that right?

MR. BLACKBURN: (Speaking off mic.)

MS. CHISHOLM: Oh. I have to -- sorry. Yes.

Thank you for reminding me.

Anything on WebEx yet?

MS. DANIELS: No.

MS. CHISHOLM: No? Okay.

All right. Let’s just jump into excess procurement then.

MR. WYNNE: This is Justin Wynne for CMUA. Just as a clarification so I can understand the interplay between
the 65 percent long-term procurement requirement and then
the excess procurement rules, as far as the ordering, it’s
my understanding that you would fully run the excess
procurement calculation.

You would remove the RECs that are associated that
you want to be banked, and then what remains – and you are
truly counting for that compliance period – you would then
apply the 65 percent requirement to that. As opposed to the
reverse, where you would look at everything that you’ve
retired and counted, apply the 65 percent, remove any that
violate that, and then run the excess procurement.

So it -- and it wasn’t clear to me, looking at the
rules, what the ordering is on that.

MS. CHISHOLM: Right. This is Emily Chisholm.

When -- is this to determine which calculation you
are using or just in determining the requirements?

MR. WYNNE: So, I guess, as an example, say a POU
retired and counted towards compliance in a compliance
period a mix that was only 55 percent long-term procurement, 
but because there is excess there after they’ve pulled out
maybe a number of short-term RECs and put those into their
bank, the -- what is left over is 65 percent long-term
because they’ve basically banked a number of short-term
RECs.

My reading of the statute is that we’d still be
compliant with the long-term procurement requirements, even though the original retired amount -- and then, when those RECs are pulled out of the bank and put into the future compliance period, they would have to meet a 65 percent requirement for that period.

So, it’s basically -- you’re only using the RECs that you are absolutely -- that you’re actually counting, not the RECs that you’re pulling into excess procurement for meeting the 65 percent requirement.

MS. CHISHOLM: Right. A -- the length of a contract for RECs is only used in the calculations once. So, it’s either being used for that original compliance period to meet the 65 percent, or it’s excess and it will only be used in the calculation whenever it’s actually applied. It won’t be part of the calculation.

And it’s the same with the portfolio balance requirements. It won’t be part of that calculation if it’s excess. So, that’s kind of taken out separately before those calculations.

MR. HERRERA: Yeah. Why don’t you, in your comments -- sorry about that.

Justin, in your comments, it would be helpful if you included an equation that actually showed that so that we can run it through to make sure it’s consistent with our understanding of what we had in mind when we drafted this
language.

MS. CHISHOLM: And I’d also like to point out, I did add some language -- we -- sorry. We added some language to section 3206. It’s in (a)(1)(I) and it says that:

“Electricity products that qualify as excess procurement and are applied to a future compliance period shall be included in the calculation of the RPS procurement requirements of the future compliance period to which they are applied.”

MS. CHISHOLM: And I think that’s kind of related to what you’re asking about and maybe we need to take it a little bit farther to talk about it’s not being applied to the calculations for when it’s retired.

MR. WYNNE: I think that would be helpful.

MS. CHISHOLM: Okay.

MR. WYNNE: I had another question. So, for the provision where you can get early access to the new excess procurement rules, if you can comply with the long-term procurement requirement -- so I think the -- it was -- is fairly simple language that you would just make the selection.

And so, I guess my question is what are the mechanics of that? Would you need to adopt that as part of a procurement plan? Would that have to happen before the
end of the compliance period?

So, I think those are the two ones. How do you demonstrate that election? Is that in the -- is that in a procurement plan? And what’s the timing of when you would need to make that either adopted or make that declaration?

And I guess the follow-up is just that it would be -- what are the consequences if you make that declaration but then you don’t actually meet the 65 percent requirement?

MR. HERRERA: So, I mean, it’s based upon when the reporting is due, Justin. So, you would need to have that information to us so that we could take that into consideration in making the calculation, right? So, I imagine the reporting for that compliance period would come in July following the end of that compliance period. We would need to know in advance of that date to make sure that the requirements were satisfied.

So, what happens if you make an election in advance of that date and then it doesn’t pan out? I think that’s sorted out, again, for the report for the compliance period, at the end of the compliance period.

Is that what you were thinking, Emily?

MS. CHISHOLM: Yes. I think we don’t specify some of that because we’re not requiring that in this draft. It would just be part of the normal compliance period reporting. You know, we are retiring this number of RECs.
We think we qualify for excess procurement and we also think we qualify for the early long-term contracting and therefore -- and, as we would then verify do you meet that requirement? If yes, then you get to use the new calculation. But I think there’s a lot of room for clarification in the reporting and I’d be really interested if you have any suggestions on how to clarify that. Or if you’d like a more clear procedure.

MR. WYNNE: And so -- and maybe just on -- would it be possible that it’s just in the compliance period reporting format that the election would just be made by selecting something in the actual report and that would be the first time you’re making that election?

MS. CHISHOLM: That is absolutely possible.

MR. HERRERA: Yeah. It’s possible. I mean, let me ask you something. Would the POU -- excuse me, POUs need to get some sort of advance approval from their boards, the governing bodies, to do this? Would that be done, say, in advance of a POU you thought that they might qualify for the earlier rules because they met the 65 percent requirement sooner, right? Would that be specified in some sort of a procurement plan or an update to the procurement plan?

MR. WYNNE: I think it would be hard to answer that because the -- I think there’s such a variety of how POUs approach the procurement plans and how often they
update them and what they put into them. And so, I also think there’s a hesitancy to adopt in a procurement plan something you present to your city council and it’s adopted and if you’re uncertain about what the consequences would be and then you might have to readopt something.

MR. HERRERA: I -- yeah.

MR. WYNNE: The timing of that is so -- like, you need months of lead-up to doing something like that. So, I think they would be hesitant to do something like that. But I think I’d need more input from others.

MR. TUTT: This is Tim Tutt from SMUD, and I guess one thought I have on this issue is the concept of going early for this excess procurement is that you will actually consider short-term contracts during the 2017 to 2020 compliance period because you’ll be allowed to count them without harm on your excess procurement.

If there is some risk that aren’t -- don’t qualify for that or if there’s no certainty that you qualify for that until the reporting happens in 2020 or 2021, I find it -- I can see my traders and my business planning people saying, why should we take advantage of this if we don’t know it’s going to work for us?

So, it would be nice to have some degree of certainty up front if -- and I think the law says that a POU can certify that they have -- that they will do long-term --
more than 65 percent. Is there some certification step up
front that you would consider that -- and you probably would
have a good idea from just the contracts that you have
information on at the beginning of the compliance period,
for example, whether or not that 65 percent limit is really
going to be met or there is some question about it?

In cases where it’s clearly going to be met, can’t
you just certify -- or allow that to be certified up front?

MS. CHISHOLM: That doesn’t sound -- sorry.

(Laughter.) Until we know which RECs are being retired, as
much as we appreciate your certification that they will be
long-term, I think there is a desire for us to verify that
fact, which is why I think we wanted to have all the
reporting at the same time so we’d have complete -- once you
have everything retired, you’ll have a better idea of
whether you’ve met the requirement and we’ll have a better
idea if you’ve met the requirement.

But, if there is some kind of upfront discussion
that you would like to have before the end of the compliance
period, we can definitely consider that.

MR. HERRERA: So, Tim, what would you do, for
example, if the -- you know, the POU thought, based upon the
contracts they had at the beginning of the compliance
period, that they were good to meet the 65 percent, and then
something went, you know, sideways and the PPA fell out, the
contract -- the facility that was being developed is being
delayed and so now you’re potentially short on the
65 percent. I mean, what value would the certification up
front have in that case?

MR. TUTT: I suppose the value would be a
commitment by the POU that they’re interested in taking
advantage of this -- or considering this excess procurement
flexibility, so they’re certifying that they will meet that
requirement and, if something goes sideways so that they’re
in danger of not, they’ll take some action to sign up a new
long-term contract to make it work.

MS. CHISHOLM: Any other comments on excess
procurement?

(No audible response.)

MS. CHISHOLM: Everyone’s feeling very quiet
today.

MR. TUTT: Can I just ask, outside of the early
action portion of this, when you get to 2020 and beyond, is
it the same structure you’re envisioning? You have to meet
a 65 percent requirement and the only way that you know that
you’ve met that requirement is through the reporting at the
end of the compliance period?

MS. CHISHOLM: Is this combined with excess
procurement or a separate question from excess procurement?

MR. TUTT: Combined with excess procurement.
Yeah.

MS. CHISHOLM: That makes it more complicated.

MR. TUTT: So, I guess I’m just thinking, even after 2020, there might be some consideration of risk on the contractor -- on my contract folks if they -- you know, if they are -- were close to 65 percent in the compliance period and we’re not absolutely sure we’re going to make it, will they say, I can’t sign up these short-term contracts because I won’t get any certainty until the end of the compliance period whether this is going to happen?

MS. CHISHOLM: Well, is that similar or different from a portfolio balance requirement where you’re not sure if you’re going to meet that? I mean, that’s another thing where you -- that might make a difference in whether you have excess procurement or not -- whether you end up meeting that. Is it a similar requirement or are they somehow different?

MR. TUTT: I think it’s a similar risk. Yeah, I mean, if an entity is running close to what they perceive as their minimum PCC 1 procurement, for example, or their maximum PCC 3 procurement, and they don’t have any certainty about actually where they are until after the certification happens by you guys after the reporting. Yeah, there’s going to be some impact on contract decisions that say, you know, we can’t take the risk.
So, we’ve always advocated if we could to have some degree of greater certainty up front, even when we certify a contract -- or a resource, as you know, is this PCC 1? Okay, it’s located in Solano County, right in the middle of California - can’t we say this is a PCC 1 resource? And I think the answer has consistently been we won’t tell you that until after we’ve verified it in reporting. But there should be some leeway there, in my mind.

MS. CHISHOLM: Thank you.

Any other comments in the room on excess procurement or questions?

(No audible response.)

MS. CHISHOLM: Anything on WebEx?

(No audible response.)

MS. CHISHOLM: All right. The green pricing program retail sales reduction.

Justin, would you like to start us off?

MR. WYNNE: This is Justin Wynne for CMUA. So, I think this is a really complicated area and so I certainly don’t have all of our thoughts together. I think we still need to get together and talk about it. But I just have one question.

As I understand, the statutory language allows this to apply for the second compliance period because it
starts in 2014.

   MS. CHISHOLM: Correct.

   MR. WYNNE: And so, looking at the schedule that you have laid out and when we would have to file our compliance period reports, I don’t know if there’s any -- I mean, it just strikes me that we may be filing our compliance period reports potentially before we would have these regulations in place.

   MS. CHISHOLM: In my best case scenario, we will have these in place before the July 1st reporting deadline and well before the July 1st reporting deadline, but I realize that might not happen, in which case we may need to put together some kind of extension for that particular part of the compliance period reporting.

   And we may also allow people to report early, even if the rules aren’t in place if we have something, you know, to OAL kind of as a voluntary reporting with the ability to update it once they become effective.

   MR. WYNNE: I guess -- I think I’d need to talk on our side more, but it may impact how you are retiring RECs and what RECs you’re retiring into what accounts based off of whether or not you qualify for this program. And so, I could see it being important for the actual retirement decision of utilities.

   MR. HERRERA: And delaying the reporting wouldn’t
help because you’d want to get kind of advance certainty or advance direction on --

MR. WYNNE: Yeah, and I’m not sure what the --

MR. HERRERA: -- how the rules are going to come to pass?

MR. WYNNE: I’m not sure what the solution would be.

MR. HERRERA: Okay.

MR. WYNNE: So.

MR. TUTT: So, this is Tim Tutt.

And clearly SMUD has some interest in this provision with our Greenergy program and our expanding SolarShares program. And I guess I have two comments right now and then we’ll continue to talk about the issue amongst the POUs.

And the first is it seems to me that you should include a change in the retail sales definition to reflect this possibility of reducing the retail sales for purposes of the RPS calculation based on subtracting these green pricing resources.

I don’t know if there’s some other part of the regulations where that’s taken into account. I just didn’t see it in the retail sales definition. That’s where I thought it would show up.

And the second is the provision about excluding
these electricity products suggests that the resources --
the eligible resources would have to be located within the
POU service territory. And this is a question where with a
great variety of POUs, and particularly the size of POUs,
some very, very small, others larger like LADWP and SMUD,
that can be very constraining for an individual POU.

And there may be absolutely no renewable resources
available easily within a very small service territory.
Even with SMUD, it could be constraining because, I mean,
our service territory is -- it’s significant, but it’s the
county of Sacramento, basically, and there there’s a lot of
rural -- or urban area in that county, not necessarily a lot
of -- you know, there’s no geothermal that I know of, for
example, et cetera.

So, some degree of expansion of that constraint
seems reasonable to me to handle the variety of different-
sized POUs, and we’re certainly open to talking about what
that expansion might be, throwing around ideas. We’ll try
to toss out some in our written comments.

MR. HERRERA: All right. So, Tim, to your second
point, I mean, the language in the draft regulations right
now says “to the extent possible.” I mean, this is
starting-point language, right? Obviously, if there’s not a
renewable resource that meets your needs that can be tapped
for purposes of your green pricing program, right, within
your service territory, then you need to look outside your service territory.

I mean, if that’s the case, I mean, what should the Energy Commission look for, you know, to show that the POU tried but didn’t find resources within their service territory to satisfy this need? So, it would be helpful, I mean, in providing comments for you to think about that and maybe speak to it.

MR. TUTT: Sure. You know, one thought off the top of my head is that if you would consider expanding the definition, then that burden of proof wouldn’t actually be necessary in many cases. I mean, asking, I don’t know, the city of Biggs to first provide some proof that there’s no resources within their service territory before they can access a resource right outside their service territory - do you really need to do that?

MR. HERRERA: Yeah.

MR. TUTT: Maybe not go through that step, that administrative work, and just think about expanding the definition from the get-go.

MR. HERRERA: Okay. And so, when you’re saying expanding the definition, you’re not talking about expanding the definition on retail sales. I mean, that was the first point you made. But I guess I’m still thinking about why that’s necessary, if the calculation that goes into
determining, you know, what portion of the retail sales are subtracted due to the green pricing program, for example. And shouldn’t retail sales be the same whether, you know, the energy being provided to your customer is based on renewable resources or nonrenewable resources?

MS. CHISHOLM: Yeah. I think our interpretation right now is not that retail sales were changing. You will still report your retail sales and then, as a separate item, report this adjustment.

MR. TUTT: As long as that’s in there somewhere.

MR. HERRERA: Yeah.

MR. TUTT: I think that’s good.

MS. CHISHOLM: Okay.

MR. TUTT: That’s fine.

MS. CHISHOLM: Anyone else for green pricing programs?

Oh, good.

MR. GONCALVES: Yeah. And --

MS. CHISHOLM: Another -- two more SMUD commenters. Come on up.

(Laughter.)

MR. GONCALVES: Hello. Tony Goncalves with SMUD.

MS. CHISHOLM: It’s not on.

MR. GONCALVES: Okay. Tony Goncalves with SMUD and I just had a question on your slide. It looks like it
indicates that RECs need to be PCC 1 -- or am I reading that they have to be classified as PCC 1, or can they be PCC 0s that, if not a zero based -- because of the date of the contract, they would have met the requirements of the PCC 1?

MR. CHISHOLM: The second.

MR. GONCALVES: The second?

MS. CHISHOLM: Yes. They have to meet the criteria in section 3203 for Portfolio Content Category 1, but they do not actually need to be qualified as Portfolio Content Category 1.

MR. GONCALVES: All right. Thank you.

MS. CHISHOLM: So, for example, grandfathered in state might qualify for grandfathered from (indiscernible) to put in.

MR. GONCALVES: Okay.

MR. WESTERFIELD: Good afternoon. Bill Westerfield with SMUD.

I wanted to follow up on the discussion that Tim was having and we were talking about the green pricing program and the possible geographic constraint that exists on -- so that any resource might have to be in a POU’s territory to the extent possible.

I mean, the obvious sort of problem you might have is when you have a very small POU that has a very small territory. It might be obvious to anyone that they would
not have a renewable resource at that site in a city that makes any real difference to their portfolio. So, if you were to ask them, for example, to go through an RFP to demonstrate something that is so obviously futile and pointless, that’s not something that I think is administratively wise.

But I think the Energy Commission has at its disposal quite a lot of information about where our renewable resources are around the state, and certainly where cost-effective renewable resources are in the locations of certain POUs.

So, perhaps they can draw upon that — those studies, draw upon that expertise and, say, look at a POU and say, well, within a certain geographic zone around certain POUs, it makes sense to say that the — that renewable resources are available to the extent possible because we know that within ten miles or fifty miles of something, of some area, the resource is essentially the same. And then, you might be able to put some geographic bounds on that definition that would make it easier for the small POUs.

MR. HERRERA: One quick comment, Bill. So, this language is not unlike the language the CPC adopted for the IOUs, right, in their Green Shared Tariff program, right, as kind of a starting point?
I believe the CPC in their decision required that that power be located within the service territory of an IOU. I mean, if it makes sense for the Energy Commission to treat POUs differently because, in fact, IOUs are different than POUs, then perhaps you can explain that in your comments and explain why it doesn’t make sense in this case to try to treat POUs similar to IOUs.

MR. WESTERFIELD: Yeah, we can do that. We’d be happy to do that.

MR. HERRERA: Thanks.

MS. CHISHOLM: Thank you.

We do have a commenter on WebEx.

Jeff Leach, we will unmute you.

MR. LESCH: Hi. Yes, this is the City of Riverside. This is actually Scott Lesch --

MS. CHISHOLM: Oh, wow.

MR. LESCH: -- on the call right now. Jeff logged in for me.

MS. CHISHOLM: Okay. Thank you.

MR. LESCH: We would like to back up and second what SMUD is saying here and -- on the issue of where the renewable energy needs to be to satisfy a green pricing program. And, just very briefly, I’d like to give you a practical example of why this is problematic for us.

We have been approached by the University of
California, Riverside, to help them achieve a GHG-free portfolio by the year 2025. And they have an annual load of 110,000 megawatt-hours a year, which they expect to get up to 150,000 megawatt-hours a year by 2025.

We would like to be able to help them reach that goal by giving them renewable energy from our renewable energy portfolio, but it will require us to use our entire portfolio that we have -- assets from our entire portfolio.

They’re all located within the state of California; they are all bucket one products. That’s a practical example where this regulation right here would probably preclude us or potentially preclude us from meeting that objective. And we’d just like the CEC to consider that. We’ll put that in written comments, but that’s an example -- one example where the POUs might be in a somewhat different situation.

MS. CHISHOLM: All right. Thank you.

MR. HERRERA: Tim, can I ask you a question -- or anyone from SMUD, actually?

(No audible response.)

MR. HERRERA: So, the statute refers both to a voluntary green pricing program or to a shared renewable generation program. We don’t -- in the regulations right now, haven’t attempted to distinguish between those two. Do you see a difference between those two types of programs? A
difference that would require, perhaps, changes to the draft regulations?

MR. TUTT: I’ll think about that and talk about it -- or weigh in on it in written comments, I guess. I mean, I do think they are slightly different programs. Just conceptually, it seems like a shared renewable -- a shared solar program, for example, is conceptually thought to be closer to the customers generally in past experience. So, there may be some difference there that we could elucidate on in written comments.

MR. HERRERA: Thanks.

MS. CHISHOLM: Expand on that just a little bit. We did kind of struggle with making sure it’s -- you know, there are things that the actual program itself needs to do to qualify and things that the RECs that are part of the adjustment have to do to qualify and those are kind of sometimes mixed together. But helping us make sure that we’re keeping those lines separate, that would help us, too. You know, where do we need to define the programs and how to define the programs -- that helps us.

MR. TUTT: Okay.

MS. CHISHOLM: Thank you.

MR. TUTT: And I think -- just one point of clarification. I’m not an expert by any means on the CPC’s decision on these issues for the IOUs, but I do seem to
remember that, for the smallest IOU, San Diego Gas and
Electric, they did allow some procurement under this
provision from outside of SDG&E service territory.


MR. HERRERA: Thanks, Tim. That’s good to know.

(Laughter.)

MS. CHISHOLM: All right. Anything else on the
green pricing program or anything related to that?

(No audible response.)

MS. CHISHOLM: WebEx?

(No audible response.)

MS. CHISHOLM: All right. I have large hydro
exemption next, but I notice NCPA is not here yet. So,
unless there’s anyone here who wants to talk about that
right now, we might push that back a little bit.

(No audible response.)

MS. CHISHOLM: Okay. Moving on to unavoidable
long-term procurement for coal. SCPPA, would you like to
start?

MS. TAHERI: Sure. Sarah Taheri with SCPPA
here. So, I don’t have a whole lot to offer on this but,
just from a preliminary review, we are still looking at the
regulation. We think that the proposed language wouldn’t
allow us to implement in a way that aligns with what the
intent of the discussion that was happening at the end of
So, we would like to continue talking with staff about that. We have had some discussions with a few of the other stakeholders that were involved in those chats: TURN (phonetic), Mark Joseph from labor - those are very preliminary discussions so far this year. But we are hoping to continue reviewing and then possibly loop back with you guys to see if we can get some clarifications there on how that can be implemented in a way that both meets the intent that we thought we were going for as well as meets the letter of the law, so to speak.

So, that’s really all I had on that, but I would be curious to hear, you know, a little more about how you guys were thinking of this when you put it in the actual language in the regs.

MS. CHISHOLM: Sure.

MS. TAHERI: And --

MS. CHISHOLM: (Laughter.) The calculation that we included, which is a lesser-of comparison -- sorry. Lesser-of comparison, I think, was taken in our best reading of the statute, but we do recognize that it is perhaps not matching the intent of the statute.

So, we are definitively interested in other ways of putting in a calculation that both, you know, has the intent but also matches the wording of the statute. Some
balance there, we’re definitely interested in that.

The rest of the language is fairly basic about --
just from the statute about “unavoidable” - definitions like
that. So, I don’t know if you have any concerns about that
or if it’s mostly just the calculation.

MS. TAHERI: Yeah, I think it’s just -- yeah, the
way that it would practically be implemented in terms of the
calculations, but we are looking through. We’ll try to put
together some thoughts here on, you know, how we could work
with that and we do plan on submitting written comments, so
this will surely be one that we touch on.

Hopefully, again, we can follow up with you on
that.

MS. CHISHOLM: And if we do have, you know, other
conversations about this, we’re interested in how this
affects members. I know I’ve already gotten some
information from you, but understanding how maybe your
different members have different situations and how it might
affect them differently - that’s helpful if you have any
information to share.

MS. TAHERI: Okay. We can flag that as a follow-
up and get back to you on that.

MS. CHISHOLM: Thank you.

MR. HERRERA: Sarah, I have a question.

MS. TAHERI: Sure.
MR. HERRERA: So, this language is drafted very generically, but are there specific coal-fired power plants that were contemplated with the legislation and, if so -- I mean, some of these requirements, for example, on the amount of coal being used annually, does that make sense? Or is it really not necessarily because the coal plants that are contemplated here use 95 percent or 100 percent coal, you know, for the most part?

MS. TAHERI: So, in terms of your question one - is there a specific plant that was considered? I believe that the plant was IPP, but I would defer to those that were around for those discussions.

And then, on the second part of your question, I’m not sure I --

MR. HERRERA: Well, for example, if there were, you know, just a couple of power plants, or one and that one power plant is dedicated to use 95 percent coal, then a requirement by the Energy Commission in the regulations that the plant use 75 percent on an annual basis of coal seems like it might be unnecessary or it might be low.

MS. TAHERI: I would have to get back to you on that one, Gabe. Yeah.

MS. CHISHOLM: All right. Anything else on the unavoidable long-term procurement?

(No audible response.)
MS. CHISHOLM: WebEx?

(No audible response.

MS. CHISHOLM: All right. Moving on to all other comments. So, this is where you get to bring whatever is on your mind.

Justin?

MR. WYNNE: (Laughter.) This is Justin Wynne for CMUA. So, the first question I have is on the reference that a POU that has to file an IRP shall incorporate its procurement plan into their IRP. And I understand the -- that the statute said you had to do this so I’m sympathetic, but I would just -- when I read that, it doesn’t make a lot of sense to me because your procurement plan and when you adopt it would likely not align with when you are required to adopt IRPs.

One, the timings are different. The compliance periods don’t line up with IRP reporting periods. You may have very specific reasons why you want to adopt a procurement plan because of certain things that have to be demonstrated in it. A lot of the details of a procurement plan don’t -- aren’t really necessary for the IRP analysis, and so I would just like to know what this means to you.

MS. CHISHOLM: I’ll let Gabe go on that one.

MR. HERRERA: So, we were thinking at some point, you know, the select POUs that would be subject to the IRP
requirement would adopt a, you know, broader document that would have, as part of it, perhaps elements dealing with renewable procurement for the RPS.

And, if that’s the case, if the POU is adopting this broader document, right, then do they need to continue providing the RPS verification -- procurement -- excuse me, the procurement plans, enforcement programs that they’ve adopted for the RPS? And, if not, is there still an obligation for them to disclose that portion of the IRP dealing with the RPS to the public consistent with those POUs that aren’t subject to the IRP requirements? That’s what we were thinking.

MR. WYNNE: Yeah. So, I think as long as it’s clear that a POU would still be able to adopt a procurement plan independent of its IRP requirements moving forward, and I assume that’s still -- that you wouldn’t believe that an IRP would need to be run every time they want to adopt a procurement plan - that they would be able to update the procurement plan independent of an IRP filing?

MR. HERRERA: I would think so, yeah. And they may even, in fact, indicate in their IRP, right, that they could update different components separate from the broader document. For example, the RPS procurement plans.

MR. WYNNE: And I think it might be helpful to talk to SCPPA and NCPA and others and -- because I imagine
one of the main goals would be just to avoid any unnecessary reporting or any duplication reporting.

MR. HERRERA: Right.

MR. WYNNE: So, maybe -- I don’t know if it needs to be put into here or not. Maybe it could be part of the IRP guidelines, but --

MR. HERRERA: Right. Those guidelines are moving forward and they’re obviously not going to be adopted before the POU regs are adopted - at least, I don’t think. And so, I think we were primarily interested in dealing with the public noticing requirements for the RPS procurement plans and enforcement programs.

There are provisions in the regulations now that say certain elements need to be publicly disclosed to members of the public and when and, if a POU is no longer obligated to prepare a procurement plan for the RPS because that is now subsumed in an IRP, is there still an obligation to make at least elements of that IRP dealing with the procurement plans of the RPS public? That’s what we were thinking.

MR. WYNNE: Okay. That makes sense.

I had other topics. I don’t know if I should -- so, the two parts of the changes to the delay of timely compliance starting with unanticipated curtailment - again, I am sympathetic because it’s in the statute, but I think
this is -- it’s a confusing concept.

So, one, it would just be helpful if -- to understand how you’re thinking about what this would mean, how you would show that the waiver doesn’t result in an increase in GHG emissions.

And then, I would also just ask -- the reference to balancing authorities was deleted from the statute, but it’s still in your regulatory language.

MS. CHISHOLM: That was a test to make sure you were (indiscernible).

(Laughter.)

MR. WYNNE: So, one, if that was intentional, and just -- because, when I talk to people about this, I think it’s confusing what this actually means. And so, it would be helpful if you just have any thoughts on what does it actually mean.

MR. HERRERA: So, I don’t -- so, I think here, you know, like, for example, with the cost limitations, what we were trying to do was just capture the language from SB 350 without giving it any additional thought at this point. That’s what is shown here. I mean, there’s a little bit more text with respect to “unanticipated increase in retail sales due to transportation electrification,” but we’re certainly looking for your input on this, on how it’s best to apply.
MR. WYNNE: And then, just my last question.

Just -- so, on the transportation electrification, is it clear -- because there’s a reference and I think both in the statute and in here that the filing said CEC, ARB, or other agencies.

I think it would be helpful to have a little bit better understanding of exactly what the filings would be, because I think there’s probably a lot of different potential options, and maybe -- I mean, I think it’s something that we need a little bit more discussion on our side.

But I don’t know if there were specific forecasts or filings because I know it’s part of, like, IEPR, and I know there’s things that are reported to ARB, and so it wasn’t clear to me exactly what the basis would be, and would that be the POU would be able to put together what -- how they’re interpreting or would be one filing that would be applied to everyone?

MR. HERRERA: Yeah, I don’t know the answer to that. I mean, it could be that it’s, you know, filing specific to a POU. I don’t know. Again, if you have ideas on how this would be done, how best it should be done, let us know.

We were trying to come up with -- provide a little bit more meat in the regulation than what was provided, for
example, in the cost limitations and the delay of timely compliance when we originally adopted the regulations just to make it easier to apply.

And so, we tried to provide a little bit more detail here on how we might assess whether a POU has demonstrated that transportation electrification was unanticipated at the level that was experienced by the POU.

MR. WYNNE: And just on the curtailment -- so, was it -- are you interpreting that the reference that balancing authorities should stay in? Or is that -- I wasn’t clear on -- so --

MR. HERRERA: No, I think that was just an oversight.

MR. WYNNE: Okay.

MS. CHISHOLM: All right. Anyone who is not Justin? (Laughter.) Sorry.

MR. TUTT: I just wanted to - this is Tim Tutt from SMUD - to follow up on the concept of the procurement plan being included in the integrated resource plan a little bit. I guess it’s been my understanding with the regulations to date that, you know, we had to all file an initial procurement plan and that, after that filing, it was sort of optional for each POU to file additional procurement plans as they wished, as they thought necessary. There was no real requirement to do so.
It sounds like with this language you’re potentially establishing a requirement for POUs that are covered by the IRP regulation to file a procurement plan at least every four years. I just want to understand if that’s your intent or if I’m missing that.

MS. CHISHOLM: It’s not our intent to add a new requirement that does not otherwise exist. I think the purpose of that language is really to reduce overlapping noticing requirements, if they exist. So, we’ll have to go back and -- definitely, based on your input, to understanding the -- how these are actually adopted, see if language is necessary there or how the language can change to be better.

MR. TUTT: Okay.


And I guess I just had two items to offer for your consideration. One is, of course, there is cleanup language that’s currently in play for SB 350, so that could certainly affect some of the things that you’ve drafted so far for this regulation. So, later this month, perhaps there will be a little bit more certainty and you can reflect anything that might happen in the draft regulation when it’s issued again.

And then, we also do appreciate the work that
you’ve been doing to monitor the CPUC proceedings and how they are implementing SB 350 for the investor-owned utilities. And we certainly support that the rules be, you know, the same for everyone and that we work to be consistent across the state so that everyone is implementing the same renewables portfolio standard program.

Thank you.

MS. CHISHOLM: Thank you.

Sarah?

MS. TAHERI: I can barely reach and you’ve got me already. (Laughter.)

Sarah Taheri with SCPPA.

Just a quick procedural question kind of piggybacking on Valerie’s note. Is it possible to get an extension on the comment deadline for this? I know at least a few in the room have committed to submitting, you know, written comments and working through some issues with staff. To the extent we could get an extension, I think that would be helpful.

MS. CHISHOLM: I see a thumbs up in the back of the room.

Yes, we are certainly open to that and I’ll talk to my management about it and we’ll put something together on -- and you’ll get it via LISTSERV, if we do extend.

MS. TAHERI: Thank you. Appreciate it.
MR. WESTERFIELD: Bill Westerfield with SMUD. I wanted to return to this IRP language that Tim was talking about and so forth, and maybe I came in a little bit late - this might have been covered in the original presentation, but when I look at the noticing requirements in the -- paragraph 4 and when it talks about them being satisfied for an IRP “intended” to replace a POU’s procurement plan, as I look -- as I think back on the existing language, I recall that there is a noticing requirement whenever a procurement plan is updated.

And I think the intention -- kind of mindset in this -- implied in this is whether we really intended for some aspect of being updated or not and that may not be exactly the same kind of trigger that triggers noticing in current regulation for any changes to the procurement plan.

So, I think that word “intended” might sort of add an unnecessary element to satisfy if we’re going to say, indeed, the noticing requirements have been met. So, I might bring that to your attention.

MS. HERRERA: So, Bill, how would we satisfy? If there’s a requirement now for a POU, when they update their procurement plan, to notify the Energy Commission and provide certain information on its website, and now the POU is no longer under an obligation to adopt a separate procurement plan because they are under an obligation to
adopt now an IRP, which would include this RPS procurement plan, how is that noticing requirements satisfied that exists right now - or is it? Would you say that the POU is no longer under an obligation to provide that information to the Energy Commission or -- excuse me, make it available to the public?

MR. WESTERFIELD: Well, my comment is not to change any of the noticing requirements that may exist now. I’m just trying to get at maybe what you all are trying to do, which was to reduce sort of duplicative
noticing requirements.

MR. HERRERA: Right.

MR. WESTERFIELD: And I just wanted to -- I was suggesting that right now the obligation is there is a notice whenever there is an update to the plan, and the use of the word “intended” here kind of adds another element to the noticing requirement that could be confusing. Do we really have to notice because we intended it to be a change or not?

MR. HERRERA: Okay.

MR. WESTERFIELD: So, I’m just going to point that out.

It does seem to me -- I have another question, as well. It seems to me that when you -- if we already incorporate our procurement plan into the IRP, when those
IRPs are filed, I think the most -- the path of least resistance (laughter), I think, for most POUs will be simply to take the existing procurement plan and stick it into the IRP and say, here, it’s done.

Is the intention of this regulation to provide for a rewriting of the procurement plans that might separately exist and that we have to make it as a way to really replace that obligation in the regulations? I’m not quite sure how you envision the incorporation of the procurement plan into the IRP.

MR. HERRERA: So, I don’t think we’ve thought about it much at this point other than to note that the statute now provides this obligation to the larger POUs to do this, right?

MR. WESTERFIELD: Mm-hmm.

MR. HERRERA: And then, it raises the question: is there still a noticing requirement on the part of that POU with respect to that element of the IRP dealing with the RPS procurement plan? We’re not sure what the answer is. If you think the answer is no, those larger POUs are now excused from the noticing requirement for the RPS procurement plan because that has now been incorporated as part of the IRP, you know, let us know.

It just seems like the other side might say, well, wait a minute. At one point the POU did have to provide us
that information and now they’re not. So, it still makes sense for them to continue to do that, at least with respect to the RPS portion of their IRP.

MR. WESTERFIELD: And I think we’ll think about that. But I think your general inclination or instinct on this to promote efficiency in terms certainly of noticing, but maybe I’ll take it a step further in terms of streamlining these plans - that’s a good instinct because we had a procurement plan obligation that existed years ago and now we have a new broader type of plan that I think tries to get at the same thing.

So, to the extent that we could begin to collapse those obligations into something that does the same thing without bringing in artifacts or legacies that now don’t really make that much sense to the extent to which you all can interpret the law to bring that kind of, you know, sensibility into it, I think, would be a good thing.

MS. CHISHOLM: All right. Thank you.

Any other comments in the room?

MS. CHUA: Pjoy Chua, Los Angeles Department of Water and Power. We’d like to thank you for the work that you’ve done on this pre-rulemaking draft, especially the clarifications. One in particular is the update that you had done in section 1240 and I would like to echo Sarah’s request, if we could have an extension on the commenting
period.

MS. CHISHOLM: All right. Thank you and -- thank you.

Susie, do you need another moment? (Laughter.)

(No audible response.)

MS. CHISHOLM: Do you have any comments? We’re on the open comment period and we kind of skipped the large hydro exemption.

Oh, but Gabe has something first. Sorry.

MR. HERRERA: Just a follow-up for Pjoy.

Pjoy, so how much additional time? Several weeks? I don’t know if -- but Sarah, did you speak to that point?

MS. TAHERI: In terms of the extension?

MR. HERRERA: Yeah, the extension on the comments.

MS. TAHERI: Yeah, I think a couple of weeks would be great.

MS. CHUA: Two weeks.

MS. CHISHOLM: All right. Any other comments on anything -- what’s happening?

MS. DANIELS: WebEx.

MS. CHISHOLM: Oh, WebEx. Anyone on WebEx?

(No audible response.)

MS. CHISHOLM: Anyone on NCPA? This is your last chance.
MS. BERLIN: I think we’re covered.

MS. CHISHOLM: Okay.

MS. BERLIN: Thank you.

MS. CHISHOLM: They say we covered everything, so that’s good.

All right. Last chance. Oh, we’re going to open the phones lines for a little bit of fun.

Please mute your phone if you’re on the phone and you don’t have a comment. Any comments or questions?

(No audible response.)

MS. CHISHOLM: Hearing none, let’s go ahead and mute.

All right. Sorry. Last slide.

Here is my contact info. Please feel free to call or email me if you have any questions or would like to meet with staff about the proposed regulations. I'm always happy to help in any way I can. I will leave this up in case anyone needs to memorize it quickly.

With that, we will close the workshop for today. Thank you so much for joining us and for providing such a good comprehensive conversation. Thanks.

(Whereupon, the California Energy Commission Staff Workshop adjourned at 2:43 p.m.)

--oOo--
CERTIFICATE OF REPORTER

I, REBECCA HUDSON, an Electronic Reporter and Transcriber, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Staff Workshop on Proposed Pre-Rulemaking Amendments; and that I thereafter transcribed the audio recording.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, or in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of August, 2016.

REBECCA HUDSON