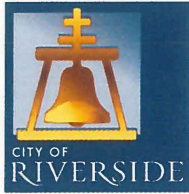


DOCKETED

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 #:	213567
Document Title:	City of Riverside Public Utilities Comments on Proposed Pre-Rulemaking Amendments to RPS Enforcement Procedures for POUs
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City of Arts & Innovation

September 9, 2016

California Energy Commission
Dockets Office, MS-4
Docket No. 16-RPS-03
1516 Ninth Street
Sacramento, CA 95814-5512

RE: The City of Riverside (Riverside Public Utilities) Comments on proposed Pre-Rulemaking Amendments to Regulations for Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities (POU-RPS Regulations).

Riverside Public Utilities appreciates the opportunity to provide further comments on the proposed amendments to the *POU-RPS Regulations*, as discussed at the August 18, 2016 Staff Workshop. Riverside Public Utilities (RPU) was established in 1895, under the provisions of the California Constitution and Article XII of the City Charter. RPU is supervised by the Public Utilities General Manager, and under the management and control of the City Manager, subject to the powers and duties vested in the Board of Public Utilities and the City Council. The Utility is committed to increasing its use of renewable resources and promoting sustainable living practices that help reduce environmental impacts within the City of Riverside and the state of California.

Riverside fully supports the concurrent comments being submitted by the California Municipal Utilities Association (CMUA) and the Southern California Public Power Authority (SCPPA). Additionally, Riverside would like to call attention to the following two specific issues in the proposed amendments that deserve further emphasis.

3206 (a)(1) - Excess Procurement Limitations.

Riverside supports CMUA's comments on clarifying the ordering of the application of the 65% long-term requirement and the Excess Procurement rules. The Commission should interpret the language of SB 350 to mean that the 65 percent long term procurement requirement is only applied to the following: (1) the RECs remaining after any excess RECs are banked; plus (2) any excess procurement from a prior compliance period being applied in the current compliance period. Riverside therefore strongly supports the clarifying language proposed by CMUA pertaining to sections 3204 (d)(1) and 3206(a)(1).

3204 (b)(8)(C) – Locational restrictions on renewable energy offered in Green Power pricing programs.

Riverside respectfully requests that the CEC remove the proposed language in section 3204 (b)(8)(C), since such language significantly discriminates against all POU's with limited service territories. Unlike the IOUs, most POU's serve individual cities (some having defined boundaries of just a few square miles). It is often very

difficult to develop cost effective, utility scale renewable resources within a city's boundary. For example, Riverside has developed only one 7.5 MW solar PV facility within the RPU service territory, but contracted for an additional 88 MW of solar PV facilities outside of the utilities service territory (yet all still within the SCE service territory). Additionally, all of our 44 MW of wind facilities and 86 MW of geothermal facilities also reside outside of our immediate service territory.

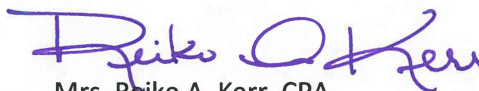
The practical impact of this proposed regulation is two-fold: a POU will be effectively (1) prohibited from blending the costs of all of its PCC-1 renewable resources into any green power pricing program it wishes to offer to its customers, and (2) prohibited from even offering a green pricing program to any institutional customers with large energy consumption levels. This latter point is particularly problematic for Riverside, given that the City and the University of California at Riverside (UCR) have already entered into a contractual arrangement where UCR has the option to call upon RPU to deliver increasing volumes of 100% renewable energy to the campus in order to help UCR achieve carbon neutrality by 2025. It will be impossible for RPU to assist UCR in meeting this goal with renewable resources located specifically and solely within the City's boundary. Hence, this proposed regulation will effectively bar RPU from receiving any adjustment credits for these retail sales, in turn forcing significant additional procurement costs onto UCR, should UCR wish to continue with this procurement structure.

Riverside appreciates and supports the fact that the California Energy Commission has the authority and discretion to provide reasonable and necessary flexibility in the implementation of these amended POU-RPS Regulations. We strongly encourage the Commission to exercise their authority during this Pre-Rulemaking process by adopting regulations that effectively account for the unique and diverse characteristics of California Publicly Owned Utilities, without compromising or impeding the state's ambitious climate goals.

Respectfully submitted,



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