

February 16, 2010

California Energy Commission
Re: Docket No. 02-REN-1038
and Docket No. 03-RPS-1078
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5504

DOCKET
02-REN-1038

DATE FEB 16 2010

RECD. FEB 16 2010

RE: California Energy Commission Draft 2006 RPS Verification Report; Comments of the Center for Resource Solutions Regarding Renewables Portfolio Standard Procurement

Dear Commissioner,

Thank you for the opportunity to submit these comments on the Renewables Portfolio Standard 2006 Procurement Verification Draft Staff Report (“Draft 2006 RPS Verification Report”).¹ On April 3rd, 2009, the Renewable Energy Marketers Association (“REMA”) of which Renewable Choice Energy is a member, submitted comments relating to the treatment of RECs from Mountain View I and II and Southern California Edison’s (“SCE”) RPS obligations. Renewable Choice supports the treatment of these critical issues put forth in the Draft 2006 RPS Verification Report, wherein generation from Mountain View I & II wind facilities (“Mountain View”) is ineligible for compliance with the California RPS by SCE. Such a determination by the California Energy Commission (“CEC” or the “Commission”) and the California Public Utility Commission (“CPUC”) will ensure the integrity of thousands of contracts and marketing claims and provide stability in the voluntary market, as well as clear guidance for the compliance markets.

Voluntary purchasers, including our clients in California and elsewhere around the United States who purchased RECs from Renewable Choice and other marketers bought and retired the environmental attributes of the Mountain View production for this period. **There is absolutely no condition under which SCE should be allowed to claim its purchase of unbundled energy to count toward its RPS obligations.**

¹ Barkalow, Gina, Theresa Daniels, Lorraine Gonzales. 2010. *Renewables Portfolio Standard 2006 Procurement Verification Draft Staff Report*. California Energy Commission. CEC-300-2009-006-SD

- The SCE contract with the Department of Water Resources (“DWR”) is explicit that the RECs are not included in SCE’s procurement of energy. **The fact that the contract explicitly does not include the environmental attributes is evidence that the energy procurement by SCE is not RPS-eligible.**
- If the CEC were to allow SCE to count the procurement as RPS-eligible, it would be a **sanctioning of double-counting that is prohibited by California law.**² The policies are clear. The CEC should respect the legitimate transfer of RECs that was documented in the contracts and confirmed by Green-e Energy verification rather than waiving its own policies and harming voluntary REC consumers and RPS goals in the process.
- **If SCE is allowed to make RPS-eligibility claims, then all parties involved in the sale or purchase of the associated RECs will be harmed.** In this case, the CEC would be taking what was rightfully purchased by thousands of California consumers. Granting renewable energy claims to one party that did not bargain for them by definition deprives the rightful buyer the benefit of the product and claims for which they have paid.
- **Allowing SCE to make RPS-eligibility claims would set a terrible precedent for state and national renewable energy policy.** Such a ruling would undermine the legitimacy of the voluntary and compliance REC markets and set a bad precedent not only for California but for all U.S. REC markets. While we recognize that there are unique conditions that led to the reporting error, other policymakers might not understand the subtlety of this case and instead walk away with the headline “double counting allowed in California”.

In summary, Renewable Choice respectfully requests that the Commission and the CPUC adopt the provisions of the Draft 2006 RPS Verification Report that will maintain the integrity of the Green-e verified REC transactions between the Mountain View facilities and the buyers with contractual rights to the RECs while upholding SCE’s obligation under the California RPS and ensuring that they are not able to make a claim against renewable attributes which they explicitly did not own.

² SB 107 states: “A renewable energy credit shall be counted only once for compliance with the renewables portfolio standard of this state or any other state, or for verifying retail product claims in this state or any other State”.

http://www.energy.ca.gov/portfolio/documents/sb_107_bill_20060926_chaptered.pdf

Thank you again for the opportunity to submit these comments and for your consideration.

Respectfully Submitted,

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