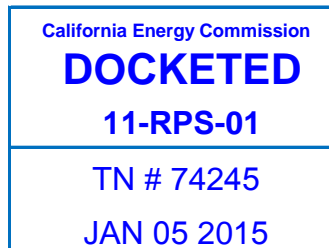




*Giving You the Power
to Change the World*

Steve Hance
Silicon Valley Power
1601 Civic Center Drive
Suite 102
Santa Clara, CA, 95050
June 6, 2014



Executive Director
California Energy Commission
Office of the Executive Director
1516 9th Street, MS-39
Sacramento, CA 95814-5512

Dear Executive Director:

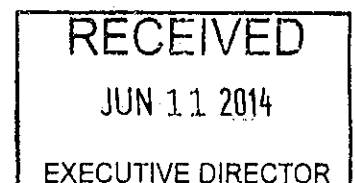
Pursuant to CEC Resolution (14-0422-11) establishing a process to request a waiver or extension surrounding the eligibility of renewable resources in the CEC RPS program, Silicon Valley Power is seeking an extension/waiver of the 12/31/2013 deadline contained in Section IV 3. c. Grace Period Exception for Facilities Serving Local Publicly Owned Electric Utilities of the 7th edition of the RPS Eligibility Guidebook to 1/27/2014 for the following facilities:

- Zond Windsystems, Inc. RPS-ID 60149A, WREGIS ID W3556, located in Alameda County
- High Line Canal RPS-ID 62633A, WREGIS ID W3557, located in Glenn County
- Ameresco Santa Clara RPS-ID 62413A, WREGIS ID W3583, located in the City of Santa Clara

The January 27th date is important as it is the date in which the resources in question received certification, which if the extension is granted will correct a situation that otherwise will have adverse financial impacts on SVP's customers, as well as its renewables program.

Sincerely,

Steve Hance
Power Trader



With the CEC now having adopted a Resolution that would allow the Executive Director to waive or extend application deadlines specified in the RPS Guidebook, SVP has three currently certified projects for which it would like to apply for this extension/waiver.

According to the adopted Resolution the Energy Commission's Executive Director may extend or waive application deadlines specified in the RPS Guidebook based on the following criteria and process.

- 1) Applicants for RPS certification may request from the Energy Commission's Executive Director an extension of time to submit a complete application for RPS certification. The request may be submitted before or after the application deadline specified in the RPS Guidebook.

SVP, (or the owner of the project), has submitted applications for three resources that have now been certified, but two with certification dates post 12/31/2013, and one with a certification date of 7/31/2013 but with similar issues related to the WREGIS operating rules that are currently preventing WREGIS REC creation for meter data reported back to October 1, 2012. The resources in question are CEC-RPS-ID 60149A, Zond Windsystems, Inc, CEC-RPS-ID 62633A High Line Canal, and CEC-RPS-ID 62413A Ameresco Santa Clara. The certification date for two of these resources, (60149A and 62633A), since it's after 12/31/2013 as required by the RPS Guidebook, makes the historical generation from these two resources ineligible for Historic Carryover and the first compliance period. The generation from both projects has previously been reported using the CEC-RPS-GEN forms such that historical generation up to October 2012 is tracked in the CEC ITS, and generation that took place after November 30, 2013 is tracked in WREGIS with certificates being created. For the period between October 1, 2012 and November 30, 2013 meter data has been uploaded to WREGIS as a prior period adjustment, but in accordance with the WREGIS operating rules is not eligible for REC creation. For 62413A even though the certification date is prior to 12/31/2013 this project has a similar issue with WREGIS REC creation. The table below is from the CEC's list of Eligible Renewable Resources.

| Resource ID | Resource Name | Company | Location | State | County | Construction Date | Capacity (MW) | Technology | Commissioning Date | Applicant | Company Name | Phone | Status |
|-------------|---------------|------------------------|-------------|-------|-----------|-------------------|---------------|---------------------|--------------------|-------------|---|--------------|----------|
| 60149A | Certification | Zond Windsystems, Inc. | Tracy | CA | Alameda | 12/30/1985 | 18 | Wind | 1/27/2014 | Saul Lopez | FloDesign Wind Turbine Corp. | 408-615-6692 | Approved |
| 62413A | Certification | Ameresco Santa Clara | Santa Clara | CA | San Mateo | 12/18/2009 | 0.75 | Biomethane | 7/31/2013 | Ben Heulser | Ameresco Santa Clara LLC | 508-661-2200 | Approved |
| 62633A | Certification | High Line Canal | Orland | CA | Glenn | 3/1/1989 | 0.5 | Small Hydroelectric | 1/27/2014 | Saul Lopez | City of Santa Clara, dba Silicon Valley Power | 408-615-6692 | Approved |

Additionally for all three resources the meter data going back to October 1, 2012 has been reported to WREGIS, but in accordance with the interpretation of the WREGIS operating rules this meter data won't result in REC creation. The table below is a downloadable report from WREGIS showing the status for reported meter data for two of the resources in question where the meter data has a status of "test energy pending" for the period from October 2012 through November 2013. The High Line Canal project is not listed because this project was on an extended outage due to mechanical failure of the generator during this period.

Executive Director

June 6, 2014

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| WREGIS GU ID | Generator Plant-Unit Name | Activity Info | GenPeriodStart | GenPeriodEnd | PostedGen | Status |
|-----------------|---------------------------|---|----------------|--------------|------------|-------------------------|
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 10/1/2012 | 10/31/2012 | 1843.74 | Test Energy Pending |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 11/1/2012 | 11/30/2012 | 0 | Test Energy Pending |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 12/1/2012 | 12/31/2012 | 0 | Test Energy Pending |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 1/1/2013 | 1/31/2013 | 0 | Test Energy Pending |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 2/1/2013 | 2/28/2013 | 0 | Test Energy Pending |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 3/1/2013 | 3/31/2013 | 914.26 | Test Energy Pending |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 4/1/2013 | 4/30/2013 | 1808.67 | Test Energy Pending |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 5/1/2013 | 5/31/2013 | 3289.42 | Test Energy Pending |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 6/1/2013 | 6/30/2013 | 3464.8 | Test Energy Pending |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 7/1/2013 | 7/31/2013 | 4366.62 | Test Energy Pending |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 8/1/2013 | 8/31/2013 | 4856.42 | Test Energy Pending |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 9/1/2013 | 9/30/2013 | 3282.91 | Test Energy Pending |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 10/1/2013 | 10/31/2013 | 1019.18 | Test Energy Pending |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 11/1/2013 | 11/30/2013 | 0 | Test Energy Pending |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 12/1/2013 | 12/31/2013 | 0 | WREGIS Accepted |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 12/1/2013 | 12/31/2013 | 0 | WREGIS Accepted |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 1/1/2014 | 1/31/2014 | 0 | WREGIS Accepted |
| W3556 | Zond Windsystems Inc | Fractional Generation Remaining Post- | 2/1/2014 | 2/28/2014 | 0.606352 | Account Holder Accepted |
| W3556 | Zond Windsystems Inc | Reporting Entity(Silicon Valley Power) | 2/1/2014 | 2/28/2014 | 105.606352 | WREGIS Accepted |
| W3556 | Zond Windsystems Inc | Certificates Created for Vintage: 2/2014 | | | 105 | Certificate Created |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 10/1/2012 | 10/31/2012 | 21.638 | Test Energy Pending |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 11/1/2012 | 11/30/2012 | 213.687 | Test Energy Pending |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 12/1/2012 | 12/31/2012 | 240.99 | Test Energy Pending |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 1/1/2013 | 1/31/2013 | 313.311 | Test Energy Pending |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 2/1/2013 | 2/28/2013 | 282.874 | Test Energy Pending |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 3/1/2013 | 3/31/2013 | 270.769 | Test Energy Pending |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 4/1/2013 | 4/30/2013 | 245.064 | Test Energy Pending |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 5/1/2013 | 5/31/2013 | 258.669 | Test Energy Pending |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 6/1/2013 | 6/30/2013 | 228.344 | Test Energy Pending |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 7/1/2013 | 7/31/2013 | 280.271 | Test Energy Pending |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 8/1/2013 | 8/31/2013 | 116.728 | Test Energy Pending |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 9/1/2013 | 9/30/2013 | 211.434 | Test Energy Pending |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 10/1/2013 | 10/31/2013 | 251.228 | Test Energy Pending |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 11/1/2013 | 11/30/2013 | 249.809 | Test Energy Pending |
| W3583 | Ameresco Santa Clara | Fractional Generation Remaining Post- | 12/1/2013 | 12/31/2013 | 0.353 | Account Holder Accepted |
| W3583 | Ameresco Santa Clara | Reporting Entity(Silicon Valley Power) | 12/1/2013 | 12/31/2013 | 273.353 | WREGIS Accepted |
| W3583 | Ameresco Santa Clara | Certificates Created for Vintage: 12/2013 | | | 273 | Certificate Created |

- 2) A request for an extension of time shall be submitted in writing to the Executive Director at the following address:

California Energy Commission
Office of the Executive Director
th
1516 9 Street, MS-39
Sacramento, CA 95814-5512

- 3) A request for an extension of time shall include the following information: a) The name and address of the applicant and the name, location, and other identifying information of the electrical generation facility for which the applicant has or will seek RPS certification, including any certification or precertification ID numbers issued by the Energy Commission and any WREGIS registration numbers. b) The amount of additional time being requested for the applicant to submit a complete application for RPS

certification or an amended application for RPS certification, as applicable, unless the request for an extension of time includes a completed application for certification or amended certification. c) An explanation of the circumstances why the applicant is or was unable to submit a timely application for certification and/or supporting documentation by the deadline specified in the RPS Guidebook, and whether these circumstances were beyond the applicant's control. d) An explanation of the financial consequences or other consequences to the applicant and/or facility owner or operator if an extension of time is not granted. e) An explanation of any other good cause that exists for granting the request for an extension of time. t) Documentation, if available, to support the information provided in items (a) through (e).

- a) Name and address of the applicant: Silicon Valley Power, 1500 Warburton Avenue, Santa Clara, CA, 95050
- b) Facilities for which we are seeking a waiver/extension or other action by the Executive Director:
 - i. Zond Windsystems, Inc. RPS-ID 60149A, WREGIS ID W3556 Located in Alameda County.
 - ii. High Line Canal RPS-ID 62633A, WREGIS ID W3557, Located in Glen County
 - iii. Ameresco Santa Clara RPS-ID 62413A, WREGIS ID W3583, Located in the City of Santa Clara
- c) Silicon Valley Power is seeking an extension/waiver of the 12/31/2013 deadline in the RPS Guidebook to 1/27/2014, the date which the resources in question received certification such that previously reported/ historical generation will count towards Historic Carryover and the first compliance period. The circumstances surrounding the delays in getting these resources certified were varied. In the case of Zond Windsystems, Inc, SVP originally submitted an application in July, 2012 and was eventually notified that the project had been previously certified by PG&E, but its certification had expired. At this point we were told that the Application would need to be resubmitted as an "Amendment to a Certification" which was sent in on December 7, 2012. This application was returned March 5, 2013 stating that there were additional questions and information that needed to be added since the application had been updated and we were using the old version. At this point tracking down the additional information from a project that has been operational since the mid 1980's took longer than was allocated causing the CEC to subsequently reject the application once again. This caused the certification date to change from the date of the previous application submittal to the date on the newly submitted application ultimately leading to a certification date that was post December 31, 2013. In the case of High Line Canal, with the project on an extended forced outage, the certification process simply slipped through the cracks because generation prior to the forced outage was being tracked through the ITS and we were unaware that failing to certify this unit prior to the December 31, 2013 deadline would potentially cause prior generation to not count towards HCO or the first compliance period. Finally in the case of Ameresco Santa Clara this resource was certified in time to meet the December 31, 2013 deadline, but is faced with the issue of having a significant amount of metered generation that is ineligible for certificate creation for the period between October 1, 2012 and November 31, 2013. While the WREGIS operating rules section 12.9 allow for retroactive REC creation this process has to be initiated by the State agency running the RPS program. It was SVPs belief based on the language in the operating rules that this was something that would eventually be done only to find out later that this process had yet to be performed in a single instance to date. For this resource a waiver for the certification effective date is not likely needed, but some action from the Executive Director will be needed to ensure retroactive RECs are created per section 12.9 of the WREGIS operating rules.

- d) Financial Implications: For the Zond Windsystems Inc. resource SVP has used the CEC-RPS-TRACK and CEC-RPS-HCO forms to submit meter data to the CEC for HCO purposes for years 2007-2010 this amounts to 106,724.35 MWh, an additional 24,263.19 MWh in 2011, 24,230.81 MWh in 2012, and 23,002.28 MWh in 2013 equaling 178,221 MWh of RECs. At an estimated value \$15/REC this equates to \$2,673,309 for this resource. High Line Canal meter data was also submitted to the CEC using these same forms in the amounts of 7,575.68 MWh for years 2003-2010, 0 MWh in 2011, 140.48 MWh in 2012, 0 MWh in 2013 equaling 7,716.16 MWh of RECs. At an estimated value of \$15/REC this equates to \$115,742. Ameresco, Santa Clara had 3,184 MWh of generation between October 2012 and November 2013 with an estimated value of \$47,760 also using a \$15 per REC value. This is an estimate of potential financial harm of \$2,836,811 based on approximation of current price of PCC1 RECs which have been highly volatile ranging from the low teens into the upper forties.
- e) SVP is diligently working towards meeting or exceeding the requirements of the RPS as well as adding additional renewable resources to its portfolio. This includes the addition of 2 land fill gas projects in early 2014, a 20 MW solar project in December 2013, 3 small hydro projects in 2014 and 2 more hydro projects in 2015.

4) If a request for an extension of time is incomplete, the Executive Director may either request additional information from the applicant or return the request unprocessed.

5) The Executive Director may grant an extension of time if he or she finds that the applicant has demonstrated good cause exists for granting an extension of time. In determining whether good cause exists, the Executive Director may consider, without limitation, whether the applicant was diligent in submitting a request for an extension of time upon learning that an application deadline was missed, whether the applicant's failure to submit a timely application for certification was caused by circumstances beyond the control of the applicant, and whether the applicant or facility owner or operator will suffer financial consequences or other hardships if an extension of time is not granted.

6) The extension of time granted by the Executive Director shall be limited to that time reasonably necessary for the applicant to submit a complete application for certification.

7) An extension of time shall not exempt the facility from complying with all eligibility requirements of the RPS Guidebook, such as registration in WREGIS and metering requirements.

8) An extension of time shall not be granted under any circumstances that would waive or excuse any of the eligibility dates specified in RPS Guidebook, such as the eligibility dates to qualify under the category for existing biomethane procurement contracts in Section II.C.1 of the RPS Guidebook, or the eligibility dates to qualify under the category for small hydroelectric in Section II.F.1. of the RPS Guidebook.

9) An extension of time shall not be granted under any circumstances that would allow the applicant to use a discontinued certification application form, such as the CEC-RPS-4 form, which is no longer available for use.

