

**DOCKETED**

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<b>Project Title:</b>	Amendments to Regulations Specifying Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities
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*Comment Received From: Modesto Irrigation District  
Submitted On: 1/17/2020  
Docket Number: 16-RPS-03*

**MID Comments Regarding Amendments to the Enforcement Procedures  
for the RPS for POU's**

*Additional submitted attachment is included below.*

January 17, 2020

California Energy Commission  
Docket Unit, MS-4  
Re: Docket No, 16-RPS-03  
Sacramento, CA +5814-5512

Dear Commissioner Douglas and Commission Staff,

The Modesto Irrigation District (MID) appreciates the opportunity to provide comments to the December 2019 Pre-Rulemaking Amendments to Enforcement Procedures for the Renewable Portfolio Standard (RPS) for Local Publicly Owned Utilities (POUs)- (Proposed Regulations) discussed during the Lead Commissioner RPS Workshop (January 10<sup>th</sup> Workshop). MID appreciates Commissioner Douglas and the Commission staff's desire learn more about the potential implementation ramifications of the amendments in the Proposed Regulations from the various POUs' perspectives. As stated during the January 10<sup>th</sup> Workshop, MID also supports the positions presented by the California Municipal Utilities Association, discussed and filed jointly with the Southern California Public Power Authority and the Northern California Power Agency, dated January 8, as well as the positions discussed and filed by the M-S-R Public Power Agency and in the subsequent Joint POU comments submitted on January 17. MID has two main areas that it would like to submit comments on for your consideration.

### ***Amendments and Assignments***

As MID commented at the January 10<sup>th</sup> Workshop, MID appreciates staff's affirmation that the qualifying criteria for electricity products in Section 3202-*"Qualifying Electricity Products,"* as it pertains to the determination of the Portfolio Content Category 0 (PCC0) products, is proposed for the classification of long-term and short-term procurement requirements outlined in the amended Section 3204- *"RPS Procurement Requirements."* A big distinction between the two sections is that assignment provisions are explicitly addressed within the "Long-term procurement requirement" section within Section 3204 (d)(2)(F) of the Proposed Regulations. MID believes that the assignment provisions are consistent with the original intention of the criteria for the categorization of electricity products as PCC0 products; as such, MID recommends that the Proposed Regulations also clarify that these types of amendments likewise do not alter the PCC0 categorization of the electricity products. By applying the same assignment provision to Section 3202 (a)(2)(B) and the new renumbered Section 3202 (a)(3)(E) there would be consistency and clarity between the two areas of the Proposed Regulations. To accomplish this, a small addition within the Proposed Regulations could be made as follows:

Section 3202 (a)(2)(B), page 5:

"(B) If contract amendments, **assignments**, or modifications after June 1, 2010, increase nameplate capacity or expected quantities of annual generation, increase the term of the contract except as provided in 3202 (a)(2)(C), or substitute a different eligible renewable energy resource, only the MWhs or resources procured prior to June 1, 2010, shall count in full toward the RPS procurement targets." (***emphasis added***).

Similarly, the same additional language to the renumbered Section 3202 (a)(3)(E) would accomplish the same:

Section 3202 (a)(3)(E), page 6:

“(C)(E) If contract amendments, assignments, or modifications after June 1, 2010, increase nameplate capacity or expected quantities of annual generation, increase the term of the contract, or substitute a different eligible renewable energy resource, only the MWhs or resources procured prior to June 1, 2010, shall be considered to meet the criteria of this Section 3202 (a)(3) for the term of the contract executed prior to June 1, 2010.” (*emphasis added*).

Including this distinction is critical in that it provides utilities the ability to assess transactions that would otherwise be beneficial to our ratepayers with absolute clarity while the State advances its clean energy policy. As MID noted during the January 10<sup>th</sup> Workshop, this level of certainty is required so that utilities are able to make decisions on potential opportunities that could provide significant cost savings to ratepayers. If MID does not have this level of certainty, for example, we could potentially forego a contract amendment that would result in a \$20 million benefit to our ratepayers over a 5-year period. This amendment would not only have resulted in a significant cost savings to MID ratepayers, but would do so without otherwise altering the essential terms of the original RPS contract. For this reason, MID strongly urges the Energy Commission to include this clarification as set forth above.

#### ***Independent Option***

MID supports staff’s proposal to implement the long-term procurement requirement as an independent requirement. This option does not understate or downplay the importance of the long-term procurement requirement to the entire RPS program, and as applied in the Proposed Regulation still allows the Energy Commission to fully adjudicate noncompliance with the long-term procurement requirement. Furthermore, staff’s proposal is less administratively burdensome compared to the dependent option. In addition, the independent option works in tandem within the RPS construct while presenting less of a potential for conflict with local governing boards’ existing integrated resource planning, including long-term and short-term procurement policies. The flexibility afforded by this option will lead to a more balanced approach in the electric utilities’ procurement processes of additional renewable resources without the erosion of the flexible compliance tools that are available for use by the POUs in meeting the RPS procurement targets. MID appreciates staffs support for this option.

#### ***Conclusion***

MID appreciates the opportunities staff has provided to stakeholders for dialogue and submittal of written comments during the pre-rulemaking period. We also appreciate the Energy Commission’s consideration of the comments provided by the various POUs throughout this process. If you should have any questions regarding MID’s comments in this process, please feel free to contact me at (209) 526-7490.

Sincerely,  
Modesto Irrigation District



Martin Caballero  
Manager, Resource Planning and Development

Cc: James McFall, Assistant General Manager, MID Electric Resources  
Dave Olivares, MID Electric Resources Engineer