

<b>DOCKETED</b>	
<b>Docket Number:</b>	11-RPS-01
<b>Project Title:</b>	Renewables Portfolio Standard
<b>TN #:</b>	232568
<b>Document Title:</b>	Los Angeles Department of Water and Power - Staff Draft RPS Verification Results Report for Compliance Period 1
<b>Description:</b>	*** This document supersedes TN 232443***
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<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Commission Staff
<b>Submission Date:</b>	3/27/2020 1:39:56 PM
<b>Docketed Date:</b>	3/27/2020



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## **STAFF DRAFT REPORT**

# **Renewables Portfolio Standard Verification Results**

**Los Angeles Department of Water and Power  
Compliance Period 1 (2011-2013)**

**Gavin Newsom, Governor  
March 2020 | CEC-300-2020-004**

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# RPS Verification Results: Compliance Period 1

## Los Angeles Department of Water and Power

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### Background

Established in 2002, California's Renewables Portfolio Standard (RPS) is one of the most ambitious renewable energy policies in the nation. Enacted by Senate Bill 1078 (Sher, Chapter 516, Statutes of 2002) and accelerated and expanded by subsequent legislation, California's RPS establishes increasingly progressive renewable energy procurement targets for the state's load-serving entities. Originally, California's statewide RPS was restricted to retail sellers;<sup>1</sup> Senate Bill X1-2 (Simitian, Chapter 1, Statutes of 2011, First Extraordinary Session) expanded the statewide mandatory RPS procurement requirements to apply to local publicly owned electric utilities (POU)s starting in 2011.

The California Energy Commission (CEC) verifies the eligibility of renewable energy procured by load-serving entities, which include retail sellers, POU's, and all other entities serving retail sales of electricity in California that are obligated to participate in California's RPS. The CEC is also responsible for certifying RPS-eligible renewable energy resources, developing a tracking system to verify renewable energy procurement for all program participants, and overseeing compliance and enforcement for the POU's. The California Public Utilities Commission is responsible for compliance and enforcement for retail sellers.

### Report Overview

This report provides the verification results for the Los Angeles Department of Water and Power's RPS procurement for Compliance Period 1, (2011-2013).<sup>2</sup> The verification results provide an overview of the Los Angeles Department of Water and Power's results and tables, including:<sup>3</sup>

- The POU's procurement target and portfolio balance requirements.
- The amount of eligible renewable energy retired and the amount applied to meet the compliance period requirements, both shown by Portfolio Content Category (PCC) and other classifications.
- Any deficits in meeting RPS procurement requirements for the compliance period.
- Any optional compliance measures being applied by the POU for the compliance period.
- A calculation of excess procurement accumulated in this compliance period.

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1 Public Utilities Code section 399.12 (j) defines retail seller as an entity engaged in the retail sale of electricity to end-use customers located within the state including electrical corporations, community choice aggregators, and electric service providers, but not POU's.

2 LADWP's Verification Results Report for Compliance Period 1 varies slightly from the Verification Results Reports issued for other POU's in CP 1 due to the timing of the release of this report.

3 The contents of verification results reports will vary for POU's with specific exclusions, exceptions, or different procurement requirements under the RPS statutes and as described in the Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities based on the requirements specific to that POU.

- The POU's additional procurement above requirements; which, may be applied to a future compliance period.

In adopting this report, the CEC finds the procurement claim amounts listed in this report are consistent with RPS certification and procurement requirements specified in the Renewables Portfolio Standard Eligibility Guidebook, Eighth Edition, and the Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities<sup>4</sup> (RPS POU Regulations) and are eligible for the RPS as indicated. Therefore, the procurement claim amounts can count toward meeting the Los Angeles Department of Water and Power's RPS procurement requirements.

## **Verification Process**

The methods used by the CEC to verify Los Angeles Department of Water and Power's Compliance Period 1 procurement claims are detailed in the [Renewables Portfolio Standard Eligibility Guidebook, Eighth Edition](https://www.energy.ca.gov/2015publications/CEC-300-2015-001/CEC-300-2015-001-ED8-CMF.pdf), found at <https://www.energy.ca.gov/2015publications/CEC-300-2015-001/CEC-300-2015-001-ED8-CMF.pdf> and [the Renewables Portfolio Standard Verification Methodology Report](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=11-RPS-01), found under TN#215534 <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=11-RPS-01>.

The verification results presented in this report are not a compliance determination. After the CEC adopts a POU's verification results, it will determine if the POU is in compliance with the RPS requirements for Compliance Period 1 in accordance with the RPS POU Regulations.

## **Los Angeles Department of Water and Power Verification Results**

For RPS Compliance Period 1 (2011-2013), Los Angeles Department of Water and Power retired and reported 13,971,391 renewable energy credits (RECs), and 13,437,496 RECs were verified by the CEC as RPS-eligible. [Los Angeles Department of Water and Power's summary claims details](https://ww2.energy.ca.gov/portfolio/documents/verification_results/cp01_2011-2013/pous_drafts/) available at [https://ww2.energy.ca.gov/portfolio/documents/verification\\_results/cp01\\_2011-2013/pous\\_drafts/](https://ww2.energy.ca.gov/portfolio/documents/verification_results/cp01_2011-2013/pous_drafts/).

For Compliance Period 1, Los Angeles Department of Water and Power had a procurement target of 13,967,428 RECs. Los Angeles Department of Water and Power applied 13,427,493 RPS-eligible RECs toward its procurement requirements, equal to 19.23 percent of its retail sales for the compliance period, and had a procurement target deficit of 539,935 RECs.

Los Angeles Department of Water and Power applied the cost limitation and delay of timely compliance optional compliance measures to meet its procurement requirements. CEC staff will evaluate optional compliance measures following adoption of Los Angeles Department of Water and Power's Compliance Period 1 (2011-2013) verification results.

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<sup>4</sup> The Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities are set forth in 20 CCR §§ 1240 and 3200–3208 and establish the rules and procedures by which the Energy Commission will assess a POU's procurement actions and determine whether those actions meet the RPS requirements.



Procurement Target Calculation (MWh)	Calendar Year	Annual Retail Sales	Soft Target Percentage	Soft Targets
	2011	23,078,045	20%	4,615,609
	2012	23,532,054	20%	4,706,410
	2013	23,227,047	20%	4,645,409
<b>Procurement Target</b>				<b>13,967,428</b>

RECs Retired and Applied <sup>1</sup>	Category 0 (PCC 0)	Category 1 (PCC 1)	Pre-June 2010 PCC 1	Category 2 (PCC 2)	Category 3 (PCC 3)	Total <sup>2</sup>
Eligible RECs Retired	8,856,782	1,722,839	1,151,063	839,397	867,415	<b>13,437,496</b>
Eligible RECs Applied	8,856,782	1,722,839	1,151,063	839,397	857,412	<b>13,427,493</b>

RPS Portfolio Balance Requirements (MWh)	CP 1
Category 1 Balance Requirement <sup>3</sup>	1,714,825
Category 3 Balance Limitation <sup>4</sup>	857,412
Disallowed Category 3 RECs	10,003

RPS Requirement Deficits (MWh)	CP 1
Procurement Target Deficit	<b>539,935</b>
Category 1 Balance Requirement Deficit	<b>0</b>
Percent Renewable for CP1	<b>19%</b>

Optional Compliance Measures Applied <sup>5</sup>	CP 1
Cost Limitations	Yes
Delay of Timely Compliance	Yes
Portfolio Balance Reduction	No

Excess Procurement Calculation (MWh)	CP 1
Total RECs Retired	0
RECs Applied to Target	0
Category 3 RECs Not Applied	0
Short Term RECs	0
Eligible Excess Procurement	<b>0</b>

Balance of Additional Procurement (MWh)	Starting Balance	Accumulated in CP 1	Applied to CP 1	Remaining Balance
Historic Carryover	0	0	0	0
Excess Procurement	0	0	0	0

1. Only includes REC categories that are claimed by the POU listed above  
 2. Total RECs Applied does not include Disallowed Category 3 RECs  
 3. Calculated as lesser of RECs retired or procurement target less Category 0 RECs, pre-June 2010 RECs, and Historic Carryover, multiplied by 0.5  
 4. Calculated as lesser of RECs retired or procurement target less Category 0 RECs, pre-June 2010 RECs, and Historic Carryover, multiplied by 0.25  
 5. Application of optional compliance measures has been approved by the LADWP Board of Commissioners and is subject to review by the Los Angeles City Council until the applicable review period ends