

DOCKETED

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Redding Comments on 15-Day Language for the Modification of Regulations Specifying Enforcement Procedures for the RPS for POU's

Additional submitted attachment is included below.



August 5, 2020 | Submitted Electronically

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

RE: Redding Electric Utility Comments on 15-Day Language for the Modification of Regulations Specifying Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities (POUs) [CEC Docket #16-RPS-03]

Dear Commissioner Douglas and Commission Staff,

Redding Electric Utility (Redding) respectfully submits these comments to the California Energy Commission (Commission) on the proposed *15-Day Language Modification of Regulations Specifying Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* (15-Day Language), issued on July 21, 2020. Redding previously provided input with Roseville Electric Utility (Roseville) through a joint pre-rulemaking comment letter dated February 20, 2020, through oral comment during the June 8, 2020 workshop and through written comment dated June 22, 2020¹.

Redding submits these comments, to again, urge the Commission to modify the provisions of Section 3204(b)(11) to be consistent with the intent of SB 1110 (2018). We stress that the proper implementation of SB 1110 to our community is increasingly more urgent during this extremely economically challenging time. Redding supports the comments submitted by the Joint Publicly Owned Utilities, the Northern California Power Agency and Roseville.

I. Introduction

Redding is a publicly owned utility (POU) located in a low-income Northern California community and is governed by the Redding City Council. The utility serves over 44,000 customers with an annual electricity load of over 700 GWh. As reported in 2018 U.S. Census data, Redding's service territory has a population of approximately 92,000 with 19% of its citizens over the age of 65. The community's median household income in 2017 dollars was just over \$46,000 with 18.9% of the population in poverty. The increasingly severe COVID-19 crisis is creating significant additional economic challenges to our citizens, making it even more essential to protect ratepayers from rising utility rates.

As detailed in Redding's June 22, 2020 written comments, the value of SB 1110 when applied to Redding as intended by law is significant with current estimates ranging from \$450,000 to \$750,000 annually. SB 1110 does not impede Redding from achieving all renewable energy procurement targets as legislated. SB 1110 was signed into law without opposition to protect taxpayers from debt accrued by POUs like Redding and Roseville who invested in their power plants in response to the California energy crisis of the early 2000s. Implementing SB 1110 as intended will help protect power plant jobs and guard against ratepayer impact.

¹ [June 22, 2020 Redding Electric Utility Comments – on Proposed Modifications to RPS Enforcement Regulations for POUs](#)



II. Section 3204(b)(11); Second 15-day Language Should be Issued to Correct the Imposition of Extra-statutory Requirements on Eligible POUs

SB 1110 was narrowly and specifically crafted to avoid stranding power plants of POUs such as Redding and Roseville and leaving our communities with no way to pay off its bond debt. As currently proposed, Section 3204(b)(11) does not provide the vital relief which the law intended. The provisions of Section 3204(b)(11) should be revised to remove extra-statutory requirements that limit the ability of eligible POUs to utilize the provision.

Redding urges the Commission to revise the language and issue a second set of 15-day changes as set forth below:

3204 (b) (11) (B) The qualifying gas-fired power plant must be operating at or below a 20 percent capacity factor on an annual average basis during any year of a compliance period in order to reduce the RPS procurement target for the compliance period.²

III. Conclusion

Redding appreciates the opportunity to provide input and urges the Commission to ensure the regulations implement SB 1110 in such a way as to provide vital financial relief during the RPS procurement transition as the law intends.

Respectfully,

Nick Zettel
Assistant Director - Resources
Redding Electric Utility

² Consistent with this correction, sections 3204(b)(11)(B)(1) and 3204(11)(F) would also need to be revised accordingly.