

**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: Roseville Electric Utility  
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**on the Lead Commissioner Workshop on November 5, 2020**

*Additional submitted attachment is included below.*



**Roseville Electric**  
 2090 Hilltop Circle  
 Roseville, California 95747-9704  
*Reliable Energy. Dependable Service.*

**BEFORE THE CALIFORNIA ENERGY COMMISSION**

**In the matter of,**

**RPS Enforcement Regulations for Publicly Owned Utilities**

**Docket No. 16-RPS-03**

**COMMENTS OF ROSEVILLE ELECTRIC UTILITY ON THE LEAD COMMISSIONER WORKSHOP ON NOVEMBER 5, 2020 TO DISCUSS THE KEY TOPICS GUIDE - PROPOSED IMPLEMENTATION OF RPS LONG-TERM PROCUREMENT REQUIREMENT FOR RPS POU REGULATIONS**

Roseville Electric Utility (Roseville) appreciates the opportunity to provide comments to the California Energy Commission (CEC or Commission) on the *Key Topics Guide - Proposed Implementation of RPS Long-Term Procurement Requirement for RPS POU Regulations* (Key Topics Guide). Roseville supports many of the changes proposed in the Key Topics Guide, in particular the following:

- Applying limited additional long-term requirements (LTR) to contracts executed before July 1, 2020.<sup>1</sup> This preserves customer value and certainty for contracts executed consistent with the regulations that were in place at the time;
- Including “compliance period” in the definition of “continuous.”<sup>2</sup> This preserves the flexibility of publicly owned utilities (POUs) to obtain contracts which may result in savings to their customers;
- Including a section acknowledging the unique characteristics of contracts with the Western Area Power Administration (WAPA)<sup>3</sup>. This provision is reasonable in its acknowledgment and treatment of the unique WAPA renewable resources within Roseville's portfolio.

Roseville supports the comments submitted by the Joint POUs and NCPA. Roseville also supports Pasadena’s comments on clarifying the inclusion of index pricing in Section 3204(d)(2)(C)(3). Additionally, Roseville seeks clarification and/or changes in the proposed regulatory language as described below.

**The Final Statement of Reasons (FSOR) should clarify the difference between substitute and replacement energy**

<sup>1</sup> 3204(d)(2)(C) of Key Topics Guide  
<sup>2</sup> 3204(d)(2)(E) of Key Topics Guide  
<sup>3</sup> 3204(d)(2)(B)(4) of Key Topics Guide

In Section 3204(d)(2)(L)(3), both substitute and replacement energy are discussed. Neither “substitute energy” nor “replacement energy” are explicitly defined, and may otherwise be confused with one another. Based on its discussion with CEC staff, Roseville understands substitute energy to mean an eligible renewable energy resource specified in the contract which must also meet LTR, as applicable; and replacement energy means an otherwise non-LTR resource which becomes LTR eligible as it is necessary in certain circumstances to maintain the integrity of the contract. Defining these terms in the FSOR would be helpful in clarifying the intent of this particular section.

**Clarify that POU contracts with multiple portfolio content categories which change to fewer portfolio content categories are eligible as long-term contracts**

Section 3204(d)(2)(B)(3) discusses POU contracts which may change from “one bundled portfolio content category to a different bundled portfolio content category or from one bundled portfolio content category to multiple bundled portfolio content categories.” However, this language does not include contracts with multiple portfolio content categories which may change to fewer portfolio content categories. Such an addition is necessary to preserve the flexibility of a POU to meet its particular portfolio needs and limit unnecessary costs to customers. For example, a POU may have met later energy product needs through separate contracts, and may wish to enter into a contract which has multiple energy products earlier and fewer energy products later to meet its remaining obligations.

Roseville proposes the following changes to Section 3204(d)(2)(B)(3), highlighted in red: *A POU’s contract or resale agreement with a third-party supplier where, over the contract term, the electricity products provided can change from one **or multiple** bundled portfolio content category/**categories** to a different bundled portfolio content category **or categories** ~~or from one bundled portfolio content category to multiple bundled portfolio content categories~~, as long as the contract satisfies all other applicable requirements of this section.*

**The Final Statement of Reasons (FSOR) should clarify that a change in resource ownership or contract ownership does not affect the LTR status of the resource.**

According to the current proposed language in Section 3204(d)(2)(F), at the time of execution, a contract may be deemed LTR eligible if a contracted resource is owned by the counterparty. However, it does not appear that the Commission’s current proposed regulatory language contemplated a scenario in which the contractual counterparty and owner of a contracted resource sells either the resource or contract after the contract has started delivering product. Without clarification, such a change would put into question the resource or contract’s LTR eligibility after being reported in the annual RPS compliance report.

It may not be feasible for a POU’s counterparty to maintain LTR eligibility through a partial ownership agreement or long-term contract which will maintain LTR eligibility without violating the “reasonably consistent” condition described in Section 3204(d)(2)(C). In particular, it is unclear what contractual recourse a POU would have towards a counterparty for any resulting portfolio deficit in LTR compliance, particular for contracts executed prior to July 1, 2020.

Therefore, Roseville proposes adding the following language in red to Section 3204(d)(2)(L):

*6. Assignments of long-term contracts whereby a third party supplier assigns a contract to a second third party supplier, shall be treated as a long-term contract, provided the second third party maintains the contractual commitment to deliver the same type and quantity electricity products from the RPS-certified facility for the remainder of the term of the long-term contract.*

*7. Assignments of owned contracted resources, whereby ownership of a contracted resource is assigned to a second third party supplier, shall continue to be treated as a long-term contract, provided the assignment maintains the commitment to procure the same type and quantity electricity products from*

*the RPS-certified facility and the duration of the assignment, in combination with the prior duration of ownership, totals at least 10 years.*

Sincerely,

A handwritten signature in black ink that reads "David Siao". The signature is written in a cursive, flowing style.

David Siao

Electric Resources Planner