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**CALIFORNIA
ENERGY COMMISSION**



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California Energy Commission

STAFF DRAFT REPORT

Renewables Portfolio Standard Verification Results

**Los Angeles Department of Water and Power
Compliance Period 3 (2017-2020)**

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California Energy Commission

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DISCLAIMER

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RPS Verification Results: Compliance Period 3

Los Angeles Department of Water and Power

Background

The California Energy Commission (CEC) administers the state's landmark Renewables Portfolio Standard (RPS), ensures the state's utilities disclose electricity sources to consumers, supports renewable energy development, and tracks the state's progress toward its renewable energy goals. Enacted by Senate Bill 1078 (Sher, Chapter 516, Statutes of 2002) and accelerated and expanded by subsequent legislation, California's RPS establishes increasing renewable energy procurement targets spanning multiyear compliance periods for the state's electric load-serving entities (LSE). Originally applicable to retail sellers, the statewide mandatory RPS was expanded by Senate Bill X1-2 (Simitian, Chapter 1, Statutes of 2011, First Extraordinary Session) to include local publicly owned electric utilities (POU). As a result of Senate Bill 100 (DeLeón, Chapter 312, Statutes of 2018), LSEs are required to increase their procurement of eligible renewable energy resources to 60 percent of retail sales by 2030.

As part of its responsibilities, the CEC verifies the eligibility of renewable energy procured by LSEs, which include retail sellers and POUs that are obligated to participate in California's RPS. The CEC is also responsible for certifying RPS-eligible renewable energy resources, designing and implementing an accounting system to track and report renewable energy procurement for all program participants, and overseeing compliance and enforcement of POUs. The CEC participated in the development of the Western Renewable Energy Generation Information System (WREGIS), an independently administered renewable energy tracking system to verify renewable energy procurement for all program participants. The California Public Utilities Commission is responsible for compliance and enforcement for retail sellers.

Report Overview

This report covers the RPS verification results for POU procurement claims for Compliance Period 3, which covers years 2017 through 2020. The verification report provides an overview of the identified POU's results and tables, including:¹

- The POU's procurement target and portfolio balance requirements and limitations.
- The amount of eligible renewable energy credits (REC) retired, and the amount applied to meet the compliance period requirements, both shown by Portfolio Content Category classification and Long-Term Procurement Requirement classification, as applicable.
- Any deficits in meeting RPS procurement requirements for the compliance period.
- Any optional compliance measures being applied by the POU for the compliance period.

¹ The contents of verification results reports will vary for POUs 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.

- A calculation of excess procurement accumulated in this compliance period.
- A summary of the POU's excess procurement and historic carryover, if any, including any prior balance, the amount accumulated and used in the current compliance period, and remaining balance.

In adopting this report, the CEC finds the procurement claim amounts listed are consistent with RPS certification and procurement requirements specified in the *Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition (Revised)* and the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* and are eligible for the RPS as indicated. Therefore, the procurement claim amounts count toward meeting the identified POU's RPS procurement requirements.

Verification Process

The methods used by the CEC to verify load-serving entity procurement claims are detailed in the *Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition (Revised)*² and further explained in the *Renewables Portfolio Standard Verification Methodology Report, Third Edition*, both of which can be found at <https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard/renewables-portfolio-standard>.

The verification results presented in this report are not a compliance determination. After the POU's verification results are adopted by the CEC, staff will use the verification results to determine if the POU complied with the RPS requirements for Compliance Period 3 in accordance with the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*.³ The CEC Executive Director will make a compliance determination informed by the verification results presented in each POU's verification results report and, if applicable, the application of optional compliance measures by the POU. The Executive Director will issue a letter to each POU documenting the RPS compliance determination.

Verification Results

For RPS Compliance Period 3 (2017–2020), Los Angeles Department of Water and Power retired and reported 30,166,760 RECs, and 30,081,357 RECs were verified by the CEC as RPS-eligible.⁴ Each [POU's Summary Claims Report](#), which includes claim eligibility details, is available at https://www.energy.ca.gov/portfolio/documents/rps_verification_pous.html.

² Refer to Chapter 7 of the [Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition \(Revised\)](#).

³ The Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities, with the most recent update having taken effect July 12, 2021, are set forth in 20 CCR §§ 1240 and 3200–3208 and establish the rules and procedures by which the California Energy Commission will assess a POU's procurement actions and determine whether those actions meet the RPS requirements.

⁴ The number of REC verified by the CEC is fewer than the number of RECs retired and reported because claims were determined to be ineligible due to facility exceeding fossil fuel usage limit or using ineligible fuel, facility not being RPS-certified when RECs were created, and claim(s) exceeding the allowable generation. Please refer to the POU's Summary Claims Report for more detail.

Los Angeles Department of Water and Power had a procurement target of 25,972,967 RECs, which represents 29.93 percent of its retail sales over the years 2017-2020. However, Los Angeles Department of Water and Power received a reduction in total retail sales to account for sales associated with a green pricing program for calculating the procurement requirements.⁵ As a result, the green pricing program claims had the effect of reducing Los Angeles Department of Water and Power's 2020 soft target from 6,877,701 RECs to 6,875,970 RECs, for a total reduction of its Compliance Period (CP) 3 procurement target from 25,974,698 RECs to 25,972,967 RECs.

Los Angeles Department of Water and Power applied 25,972,967 RECs from CP 3 RPS-eligible RECs and excess procurement toward its procurement requirements, equaling the number of RECs needed to meet its procurement target.

⁵ Public Utilities Code 399.30(c)(4) allows a local publicly owned electric utility when calculating its RPS procurement requirements to exclude from its total retail sales the kilowatt-hours generated by an eligible renewable energy resource that is credited to a participating customer pursuant to a voluntary green pricing or shared renewable generation program, beginning January 1, 2014, provided specified conditions are satisfied.



Procurement Target Calculation (MWh) ¹	Calendar Year	Annual Retail Sales	Green Pricing Program	Soft Target Percentage	Soft Targets
	2017	22,578,018	0	27	6,096,064
	2018	21,954,097	0	29	6,366,688
	2019	21,400,792	0	31	6,634,245
	2020	20,841,520	5,245	33	6,875,970
Procurement Target					25,972,967

Verification Results	
Target	25,972,967
Applied	25,972,967
Deficit	0
Renewable Percentage	29.93%

RECs Available ²	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Available	Total RECs Available
Category 0 (PCC 0)	0	8,070,799	15,661	8,086,460
Pre June 2010 PCC 1	0	2,064,771	2,639	2,067,410
Pre June 2010 PCC 2	0	0	0	0
Pre June 2010 PCC 3	0	0		0
Category 1 (PCC 1)	0	19,032,289	223,828	19,256,117
Category 2 (PCC 2)	0	176,461	13,873	190,334
Category 3 (PCC 3)	0	737,037		737,037
Historic Carryover			0	0
Total				30,337,358

RECs Applied	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Applied	Total RECs Applied
Category 0 (PCC 0)	0	8,070,799	15,661	8,086,460
Pre June 2010 PCC 1	0	2,064,771	2,639	2,067,410
Pre June 2010 PCC 2	0	0	0	0
Pre June 2010 PCC 3	0	0		0
Category 1 (PCC 1)	0	14,891,726	0	14,891,726
Category 2 (PCC 2)	0	176,461	13,873	190,334
Category 3 (PCC 3)	0	737,037		737,037
Historic Carryover			0	0
Total				25,972,967

RPS Portfolio Balance Requirements (MWh) ³	
Category 1 Balance Requirement	11,864,322
Category 1 Requirement Deficit	0
Category 3 Balance Limitation	1,581,909
Category 3 Disallowed	0

Optional Compliance Measures Applied	
Cost Limitation	No
Delay of Timely Compliance	No
Portfolio Balance Reduction	No

CP3 Excess Procurement Calculation (MWh) ⁴	Eligible RECs Retired	RECs Applied	Deductions	Accumulated in CP3
Category 0 (PCC 0)	8,070,799	8,070,799		0
Pre June 2010 PCC 1	2,064,771	2,064,771	0	0
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	19,032,289	14,891,726	2,084,662	4,140,563
Category 2 (PCC 2)	176,461	176,461	16,375	0

Balance of Excess Procurement and Historic Carryover (MWh)	Beginning Balance	Applied in CP3	Accumulated in CP3	Ending Balance
Category 0 (PCC 0)	15,661	15,661	0	0
Pre June 2010 PCC 1	2,639	2,639	0	0
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	223,828	0	4,140,563	4,364,391
Category 2 (PCC 2)	13,873	13,873	0	0
Historic Carryover	0	0		0

1. "Soft Target" is defined in section 3204(a)(3) of the RPS POU Regulations.
 2. Total RECs Verified as Available during CP 3, does not include Disallowed PCC 3 RECs.
 3. Calculated as specified in Section 3204(c) of the RPS POU Regulations.
 4. Calculated as described in the RPS Verification Methodology Report, Second Edition and in section 3206(a)(1) of the RPS POU Regulations.