

## DOCKETED

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*Comment Received From: Southern California Edison*

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**On Draft 2011-2013 Renewables Portfolio Standard Verification Results**

*Additional submitted attachment is included below.*



February 16, 2015

California Energy Commission  
Docket No. 11-RPS-01  
[docket@energy.ca.gov](mailto:docket@energy.ca.gov)  
[RPSTrack@energy.ca.gov](mailto:RPSTrack@energy.ca.gov)

**Re: Docket No. 11-RPS-01, Southern California Edison Company's Comments on Draft 2011-2013 Renewables Portfolio Standard Verification Results**

On February 2, 2016, California Energy Commission (“Energy Commission”) Staff released their draft Renewables Portfolio Standard (“RPS”) verification results for the 2011-2013 compliance period for public comment. The draft verification results for Southern California Edison Company (“SCE”) include 1,061,560 MWh that Energy Commission Staff preliminarily determined is ineligible because the facilities were not RPS certified when the renewable energy credits (“RECs”) were created and 26,509 MWh that Energy Commission Staff preliminarily determined is ineligible because the generation was not reported through the Western Renewable Energy Generation Information System (“WREGIS”). This constitutes a total of 1,088,069 MWh that that Energy Commission Staff preliminarily determined is ineligible.

As discussed below, the 1,088,069 MWh that Energy Commission Staff preliminarily determined are ineligible to count towards SCE’s RPS goals constitute generation from RPS-eligible generating facilities that were procured on behalf of SCE’s customers under long-term power purchase agreements (“PPAs”). The majority of the ineligible generation is from three geothermal facilities located in the Salton Sea area that are delivering to SCE’s customers under 30-year qualifying facility PPAs. These facilities have been RPS certified since 2005 and the preliminary determination that their generation is ineligible resulted from an error in the facilities’ RPS eligibility dates. For the reasons explained below, the original 2005 RPS eligibility dates for these facilities should be reinstated and the 2011-2012 generation from these facilities should be RPS eligible.

Approximately 26,000 MWh of the generation Energy Commission Staff preliminarily determined are ineligible are from an RPS-eligible wind facility under a 20-year RPS PPA with SCE. This generation meets all RPS eligibility requirements but could not be reported through WREGIS because of a change in Qualifying Reporting Entities. Just as the Energy Commission has allowed generation that could not be tracked in WREGIS to be reported through the Interim Tracking System in other circumstances, generation that could not be tracked in WREGIS due to a change in Qualifying Reporting Entities should be allowed to be reported through the Interim Tracking System. Accordingly, this generation should be RPS eligible.

A small amount of the generation Energy Commission Staff preliminary determined is ineligible is from the United States Department of Agriculture (“USDA”) – Forest Service, San

Dimas Technology and Development Center, which has a California Renewable Energy Small Tariff Agreement with SCE. The facility has requested an extension of time to submit an RPS certification application with an effective date of July 23, 2012 from the Energy Commission's Executive Director. That request should be granted and the facility's 2012 generation should be RPS eligible.

Finally, the draft RPS verification results indicate that 40,669 MWh of SCE's claims are pending due to lack of sufficient supporting documentation. SCE will work with Energy Commission Staff to resolve these issues and provide any needed documentation.

**A. Salton Sea Power Generation Co #1, #3, and #4 – CEC RPS ID 60323, 60317, and 60324**

Energy Commission Staff preliminarily determined that 1,061,434 MWh of 2011 and 2012 generation from Salton Sea Power Generation Co #1, #3, and #4 (the "Salton Sea facilities") are ineligible because the facilities were not RPS certified when the RECs were created. In fact, the Salton Sea facilities were RPS certified and the ineligibility of the 2011 and 2012 generation resulted from an error in the RPS eligibility dates for the facilities. This error should be corrected and all of the 2011 and 2012 generation from the Salton Sea facilities should be RPS eligible.

The Salton Sea facilities are RPS-eligible geothermal facilities located in the Salton Sea area that are operating under 30-year qualifying facility PPAs with SCE that started on July 1, 1987, January 3, 1989, and May 9, 1996, respectively. All three Salton Sea facilities were RPS certified with an eligibility date of April 5, 2005.

In 2011, it came to SCE's attention that the RPS certifications for the Salton Sea facilities were disapproved as of October 2008. After communications with Energy Commission Staff in 2012, SCE learned that the RPS certifications for the Salton Sea facilities were disapproved because the Energy Commission had mistakenly classified the facilities' PPAs as terminated as of October 2008. The Salton Sea facilities' PPAs were not terminated. Indeed, the Salton Sea facilities are still delivering pursuant to the same PPAs with SCE as they were when the facilities were utility-certified effective April 5, 2005.

In 2012, SCE worked with Energy Commission Staff to resolve the mistaken disapproval of the Salton Sea facilities' RPS certifications. At the request of Energy Commission Staff, SCE resubmitted RPS certification applications for the three Salton Sea facilities in May 2012. Given that the Salton Sea facilities' PPAs had not terminated, SCE did not believe this would change the RPS eligibility dates for the facilities. The Salton Sea facilities' RPS certifications were eventually reinstated. However, the facilities' RPS eligibility dates were reset to May 7, 2012, the application processing date for the resubmitted applications, rather than the original April 5, 2005 RPS eligibility date.

This change in the RPS eligibility dates for the Salton Sea facilities to May 7, 2012 resulted in the facilities' generation for 2011 and January through April 2012 being deemed

ineligible. On February 10, 2016, SCE submitted an extension and waiver request to the Energy Commission's Executive Director requesting that the Salton Sea facilities' RPS eligibility dates be reinstated to April 5, 2005.<sup>1</sup> This request should be granted and the Energy Commission should find all of the Salton Sea facilities' 2011 and 2012 generation RPS eligible.

An April 5, 2005 RPS eligibility date for the Salton Sea facilities is fully consistent with the rules set forth in the Energy Commission's RPS Eligibility Guidebooks. The Salton Sea facilities' RPS certifications were approved by the Energy Commission effective as of April 5, 2005 and the 2008 disapproval of those certifications was in error. The Salton Sea facilities have continued to operate under the same long-term PPAs with SCE since they were utility-certified as RPS eligible. Moreover, the Salton Sea facilities are geothermal facilities located in the Salton Sea region that meet all requirements for RPS eligibility.

**B. Shepherds Flat North – CEC RPS ID 60606**

Energy Commission Staff also preliminarily determined that 26,509 MWh of January and February 2012 generation from the Shepherds Flat North facility is ineligible because the generation was not reported in WREGIS. The Shepherds Flat North facility is delivering pursuant to a 20-year RPS PPA with SCE that started on September 23, 2011. The facility is fully RPS certified, with an RPS eligibility date of July 10, 2007.

Bonneville Power Administration ("BPA") was the WREGIS Qualified Reporting Entity ("QRE") for the Shepherds Flat North facility for the vintage periods January and February 2012, when the generation at issue occurred. SCE took over the QRE responsibility starting in the March 2012 vintage period. It was later discovered that incorrect generation totals were uploaded by BPA for vintage periods January 2012 and February 2012, resulting in 26,509 RECs not being created in WREGIS. By that time, BPA was not able to make adjustments in WREGIS because the QRE responsibility was already transferred to SCE. Similarly, SCE was not able to make adjustments in WREGIS for those two vintage periods because the earliest vintage period that SCE is eligible to adjust is March 2012. Since SCE had no other way to create those RECs, the additional 26,509 MWh was reported to the Energy Commission using the Interim Tracking System.

The Energy Commission has allowed the use of the Interim Tracking System to report RPS-eligible generation when RECs could not be created in WREGIS. For example, the Seventh Edition of the RPS Eligibility Guidebook allowed the use of the Interim Tracking System for reporting test energy until July 31, 2012 because all test energy could not be reported in WREGIS until that time.<sup>2</sup> Additionally, publicly-owned utilities were allowed to use the Interim Tracking System to report procurement not tracked through WREGIS until 2013 under certain circumstances.<sup>3</sup> The Energy Commission should also permit load-serving entities to use the

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<sup>1</sup> This letter (without attachments) is attached to these comments.

<sup>2</sup> RPS Eligibility Guidebook, Seventh Edition, CEC-300-2013-005-ED7-CMF-REV, at 88 (April 2013).

<sup>3</sup> RPS Eligibility Guidebook, Eighth Edition, CEC-300-2015-001-ED8-CMF, at 28-29 (June 2015).

Interim Tracking System to report other RPS-eligible generation that cannot be reported in WREGIS.

The generation at issue from the Shepherds Flat North facility meets all RPS eligibility requirements and was procured on behalf of SCE's customers under a long-term RPS PPA. Due to circumstances beyond SCE's control, the generation could not be reported in WREGIS. The Energy Commission should not leave SCE's customers with no avenue to obtain RPS verification of this generation. The Energy Commission should allow the 26,509 MWh of January and February 2012 generation from the Shepherds Flat North facility to be reported in the Interim Tracking System and determine that such generation is RPS eligible.

C. **USDA - Forest Service, San Dimas Technology and Development Center – CEC RPS ID 61993**

Lastly, Energy Commission Staff preliminarily determined that 126 MWh of July through December 2012 generation from the USDA - Forest Service, San Dimas Technology and Development Center is ineligible because the facility was not RPS certified when the RECs were created.

The USDA - Forest Service, San Dimas Technology and Development Center is delivering to SCE pursuant to a California Renewable Energy Small Tariff Agreement. The facility was RPS pre-certified with an eligibility date of March 19, 2012. After the facility achieved commercial operation, the application for full certification was submitted by USDA within 90 days. However, due to incompleteness of the application and lack of timely response by USDA, the Energy Commission removed the original eligibility date. USDA continued working with the Energy Commission, and the complete application was received by the Energy Commission on January 17, 2013, which was designated as the new RPS eligibility date for the facility. The final full certification with the new eligibility date was approved on May 7, 2013.

When SCE became aware of this issue in July 2013, USDA was notified to seek a remedy with the Energy Commission. Unfortunately, USDA's attempt to resolve this issue was not fruitful. SCE began working with USDA and the Energy Commission again to resolve this issue after Energy Commission Staff identified certain ineligible RPS claims during the RPS verification process in 2015. On January 5, 2016, USDA submitted a request for an extension of the RPS certification application deadline with an effective date of July 23, 2012. USDA is currently drafting answers to the follow-up questions from Energy Commission Staff regarding the request. USDA's request should be granted and the facility's 2012 generation should be RPS eligible.

SCE appreciates the Energy Commission's consideration of SCE's comments. Please do not hesitate to contact me at (916) 441-3979 regarding any questions or concerns you may have.

Yours truly,

*/s/ Catherine Hackney*

Catherine Hackney

**Attachment**



February 10, 2016

Robert Oglesby  
Executive Director  
California Energy Commission  
1516 9<sup>th</sup> Street, MS-39  
Sacramento, CA 95814-5512

Dear Mr. Oglesby:

Southern California Edison Company (SCE) is requesting an extension and waiver of Renewables Portfolio Standard (RPS) certification application deadlines to reinstate the original RPS eligibility date of April 5, 2005 for three Salton Sea geothermal facilities: 60317A – Salton Sea Power Generation Co #3, 60323A – Salton Sea Power Generation Co #1, and 60324A – Salton Sea Power Generation Co #4 (the Salton Sea facilities).

As shown in the attached RPS eligibility certifications, the three Salton Sea facilities were certified by the California Energy Commission (Energy Commission) as RPS eligible effective April 5, 2005. The Salton Sea facilities are all delivering energy to SCE under 30-year qualifying facility power purchase agreements (PPAs) that have been in effect since before 2005. The three PPAs are attached to this letter. None of these PPAs have been terminated. All three Salton Sea facilities have been in SCE's portfolio since before 2005 and are still delivering under their original PPAs.

In 2011, it came to SCE's attention that the RPS certifications for the Salton Sea facilities were disapproved as of October 2008. After communications with Energy Commission Staff in 2012, as shown in the attached emails, SCE learned that the RPS certifications for the Salton Sea facilities were disapproved because the Energy Commission had mistakenly classified the facilities' PPAs as terminated as of October 2008. In fact, the Salton Sea facilities' PPAs were not terminated. The Salton Sea facilities are still delivering pursuant to the same PPAs with SCE as they were when the facilities were utility-certified effective April 5, 2005. It is not clear to SCE why the Energy Commission classified the Salton Sea facilities' PPAs as terminated. SCE believes the classification may have been an administrative error because the RPS certifications for the Salton Sea facilities were changed to disapproved effective October 2008, one day after the September 30, 2008 issuance of the RPS eligibility certifications stating the facilities were RPS eligible beginning on April 5, 2005.

In 2012, SCE worked with Energy Commission Staff to resolve the mistaken disapproval of the Salton Sea facilities' RPS certifications. At the request of Energy Commission Staff, SCE resubmitted RPS certification applications for the three Salton Sea facilities in May 2012. Given that the Salton Sea facilities' PPAs had not terminated, SCE did not believe this would change the RPS eligibility dates for the facilities. The Salton Sea facilities' RPS certifications were eventually reinstated. Unfortunately, this further complicated the situation by resetting the RPS eligibility dates for the facilities to May 7, 2012, the application processing date for the resubmitted applications, rather than the original April 5, 2005 RPS eligibility date. SCE recently became aware of this problem during the verification process for 2011-2013 generation when Energy Commission Staff preliminarily determined that SCE's generation from the Salton Sea facilities from 2011 through April 2012 (which amounts to approximately 1,000,000 MWh) is ineligible because of the facilities' May 7, 2012 RPS eligibility date.

SCE is requesting that the Energy Commission grant an extension and waiver and reinstate the April 5, 2005 RPS eligibility date for the Salton Sea facilities. An April 5, 2005 RPS eligibility date for the Salton Sea facilities is fully consistent with the rules set forth in the Energy Commission's RPS Eligibility Guidebooks. The Salton Sea facilities' RPS certifications were approved by the Energy Commission effective as of April 5, 2005 and the 2008 disapproval of those certifications was in error. The Salton Sea facilities have continued to operate under the same long-term PPAs with SCE since they were utility-certified as RPS eligible. Moreover, the Salton Sea facilities are geothermal facilities located in the Salton Sea region that meet all requirements for RPS eligibility. SCE's customers have also paid hundreds of millions of dollars for generation from the Salton Sea facilities and should receive RPS credit for the generation they paid for. For all these reasons, Salton Sea facilities' RPS eligibility date should be reinstated.

SCE would like to work with Energy Commission Staff to remedy these issues. Please see the following information required by the Eighth Edition of the RPS Eligibility Guidebook.

1. The name and address of the applicant and the name, location, and other identifying information of the electrical generation facility for which the applicant has or will seek RPS certification, including any certification or precertification ID numbers issued by the Energy Commission and any WREGIS registration numbers.

Southern California Edison is the applicant for all three applications (filed by Barry Gilman), with address 2244 Walnut Grove Avenue, Rosemead, CA 91770. Other identifying information unique to each facility are listed separately below.

- a. RPS ID # 60317A – Salton Sea Power Generation Co #3; 6922 Crummer Roads, Calipatria, CA 92233; WREGIS ID # W455

- b. RPS ID # 60323A – Salton Sea Power Generation Co #1; 6920 Lack Road, Calipatria, CA 92233; WREGIS ID # W461
- c. RPS ID # 60324A – Salton Sea Power Generation Co #4; 6922 Crummer Road, Calipatria, CA 92233; WREGIS ID # W462

2. The amount of additional time being requested for the applicant to submit a complete application for RPS certification or an amended application for RPS certification, as applicable, unless the request for an extension of time includes a completed application for certification or amended certification.

SCE is not requesting additional time to submit an application. SCE is requesting that the RPS eligibility dates for all three Salton Sea facilities be reinstated to April 5, 2005 without any ineligibility period through the present, as indicated on the initial certifications attached.

3. An explanation of the circumstances why the applicant is or was unable to submit a timely application for certification and/or supporting documentation by the deadline specified in the RPS Guidebook, and whether these circumstances were beyond the applicant's control.

As discussed above, SCE successfully submitted and received approval of the RPS certifications for all three Salton Sea facilities under the criteria established in the Third Edition of the RPS Eligibility Guidebook effective as of April 5, 2005. The RPS certifications for the Salton Sea facilities were disapproved as of October 2008 because the Energy Commission mistakenly classified the facilities' PPAs as terminated. This termination was in error. The Salton Sea facilities' PPAs were not terminated. The Salton Sea facilities are still delivering pursuant to the same PPAs with SCE as they were when the facilities were utility-certified effective April 5, 2005.

To rectify this issue, SCE resubmitted RPS certification applications for each of the three Salton Sea facilities in 2012 as instructed by Energy Commission Staff. The RPS certifications for the facilities were reinstated; however, the RPS eligibility date was changed to May 7, 2012 – the application processing date of the resubmitted applications – rather than reinstated to the April 5, 2005 eligibility date.

SCE recently became aware of this problem during the verification process for 2011-2013 generation when Energy Commission Staff preliminary determined that SCE's generation from the Salton Sea facilities from 2011 through April 2012 (which amounts to approximately 1,000,000 MWh) is ineligible because of the facilities' May 7, 2012 RPS eligibility date.

4. An explanation of the financial consequences or other consequences to the applicant and/or facility owner or operator if an extension of time is not granted.

If the April 5, 2005 RPS eligibility date is not reinstated, SCE will lose RPS credit for 1,061,434 MWh for the January 2011 through April 2012 time period. SCE's customers paid a total of \$98,096,092.47 for that period under the Salton Sea facilities' PPAs. Additionally, for the period of October 2008 through December 2010, SCE claimed 1,907,935 MWh, which was a paid total of \$177,206,379.81.

5. An explanation of any other good cause that exists for granting the request for an extension of time.

See above.

6. Documentation, if available, to support the information provided in items (1) through (5).

- a. Email1 - CEC Certification - Salton Sea Power Generation.pdf
- b. Email2 - CEC Certification - Salton Sea Power Generation.pdf
- c. Email3 - Salton Sea Power Generation - RPS Verification Email between CEC and SCE.pdf
- d. 3039 - 60323E.pdf
- e. 3025 - 60317E.pdf
- f. 3050 - 60324E.pdf
- g. 60317E - Power Purchase Contract.pdf
- h. 60323E - Power Purchase Contract.pdf
- i. 60324E - Power Purchase Contract.pdf

Please contact me with any questions you may have about this request. SCE looks forward to your response and to resolving this issue.

Sincerely,



Eric Lopez  
Manager  
Contract Compliance & Technical Services  
Energy Procurement & Management  
Southern California Edison