

DOCKETED

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PG&E Comments on the Staff Draft 2011-2013 RPS Retail Sellers Verification Report

Additional submitted attachment is included below.

June 1, 2016

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 2011-RPS-01
1516 Ninth Street
Sacramento, California 95814

Re: Pacific Gas and Electric Company Comments on the Renewables Portfolio Standard 2011-2013 Retail Sellers Procurement Verification Staff Draft Report

Pacific Gas and Electric Company (PG&E) welcomes this opportunity to provide input on the California Energy Commission's (CEC or Energy Commission) Renewables Portfolio Standard (RPS) 2011-2013 Retail Sellers Procurement Verification Staff Draft Report (Verification Report).¹

PG&E commends the CEC's exhaustive efforts to compile, analyze, and prepare the draft Verification Report. The Verification Report applies only to retail sellers (including investor owned utilities, electric service providers and community choice aggregators) reporting RPS procurement for 2011 through 2013. The report verifies the RPS eligibility and the amount of RPS procurement claimed by each of a total of 21 retail sellers, including PG&E. PG&E agrees with the report's verification results in Chapter 3 pertaining to PG&E's RPS claims.

In addition to expressing appreciation for the CEC's work on the Verification Report, PG&E would like to highlight two elements of the report for staff consideration, which are discussed in detail below.

I. The CPUC RPS Compliance Report Template Should Be Modified to Incorporate Procurement Reported Using the CEC-RPS-Track Form

PG&E wishes to highlight potential downstream implementation challenges that could arise when a small portion of the data contained in the Verification Report is used by the California Public Utilities Commission (CPUC) to determine retail sellers' RPS compliance.

This specific concern relates to claims that PG&E reported on the CEC-RPS-Track form to account for adjustments made in the Western Renewable Energy Generation Information System (WREGIS) to correct errors during the 2008-2010 period. The correction of these prior period errors resulted in WREGIS withholding creation of an equal number of renewable energy credits (RECs) for each facility's 2011 or 2012 REC amounts. As described in footnote 20 on page 16 of the Staff Draft Report, and summarized in Table 3 on page 17, Energy Commission staff determined that PG&E could correct (i.e.,

¹ California Energy Commission. *Renewables Portfolio Standard 2011-2013 Procurement Verification Commission Staff Draft Report*. May 2016. <http://www.energy.ca.gov/2016publications/CEC-300-2016-004/CEC-300-2016-004-SD.pdf>

offset) the reduced 2011 and 2012 REC amounts by applying the 'withdrawn' claim amounts to the 2011-2013 Verification Report. Since actual RECs associated with these 2011 and 2012 procurement amounts were not available, the only vehicle to report this procurement was via the CEC-RPS-Track form.²

PG&E agrees with the adjustments in Table 3, but wishes to highlight that the current RPS Compliance Report template administered by the CPUC does not have the capability to incorporate these "outside of WREGIS" adjustments into the Accounting tab of the RPS Compliance Report, because the Accounting Tab is driven exclusively by retired RECs. While this is not directly a matter for the CEC, PG&E is highlighting this for both the CEC and CPUC as an inconsistency in reporting implementation. This implementation issue relates only to RPS procurement reported via the CEC-RPS-Track form, since there is no current capability in the Accounting Tab of the CPUC's RPS Compliance Report template to reflect procurement reported through the CEC-RPS-Track form. This inconsistency can be corrected by adding to the CPUC's RPS Compliance Report template the capability to count RPS procurement reported in the CEC-RPS-Track form, rather than only from RECs retired in WREGIS.

II. Revisiting Finalized Verification Reports Should Only Be Done As a Last Resort

PG&E has one other specific concern regarding the "Renewable Energy Credits Claims Relative to the Vintage of Credits" section on page 10 of Chapter 2.³ The last sentence of the section states the "Energy Commission will update the verification results presented in this report if future issues are found with 2011-2013 claims reported as RPS-eligible."

Because the Energy Commission is only verifying RECs that have been retired (i.e., reported), it appears Energy Commission staff intends to continue recalculating the overclaim analysis in the future as additional RECs are reported. While PG&E understands the CEC's concerns, this implies that a retail seller may have to revisit its first compliance period RPS compliance report after this verification report is finalized. This prevents being able to actually close the books on the first compliance period. Leaving the final compliance determination open in this manner indefinitely and unreasonably extends RPS compliance uncertainty for all retail sellers. While there may be limited circumstances when this is necessary (e.g., cases involving multiple buyers from the same facility), PG&E suggests that revisiting a prior period report for such purposes should only be done as a last resort. Therefore, once this Verification Report becomes final, PG&E suggests that the CEC strive to limit any such adjustments to the next verification report, i.e., the report for the 2014-2016 RPS compliance period.

III. Conclusion

PG&E thanks the CEC for the opportunity to submit these comments on the staff draft Verification Report. PG&E looks forward to continuing to work with the CEC to ensure the successful completion of the Verification Report.

Sincerely,

/s/

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Pacific Gas and Electric Company

² Ibid.

³ Ibid.