

DOCKETED

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Project Title:	Amendments to Regulations Specifying Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities
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Filer:	Adriana Ayuso
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**BEFORE THE ENERGY COMMISSION
OF THE STATE OF CALIFORNIA**

In the matter of:)	Docket No. 16-RPS-03
)	
Amendments to Regulations Specifying)	STAFF WORKSHOP
Enforcement Procedures for the)	RE: Enforcement Procedures for the
Renewables Portfolio Standard for)	Renewables Portfolio Standard for
Local Publicly Owned Electric Utilities)	Publicly Owned Electric Utilities (POUs)

**COMMENTS FROM THE LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) TO THE
CALIFORNIA ENERGY COMMISSION (CEC) STAFF PROPOSED PRE-RULEMAKING AMENDMENTS
TO THE ENFORCEMENT PROCEDURES FOR THE RENEWABLES PORTFOLIO STANDARD FOR
LOCAL PUBLICLY OWNED ELECTRIC UTILITIES**

Louis C. Ting
Director of Power Planning & Development
Los Angeles Department of Water and Power
111 North Hope Street, Suite 921
Los Angeles, CA 90012
Telephone: (213) 367 – 0239
Email: Louis.Ting@ladwp.com

Dated: September 09, 2016

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OF THE STATE OF CALIFORNIA**

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COMMENTS FROM THE LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) TO THE CALIFORNIA ENERGY COMMISSION (CEC) STAFF PROPOSED PRE-RULEMAKING AMENDMENTS TO THE ENFORCEMENT PROCEDURES FOR THE RENEWABLES PORTFOLIO STANDARD FOR LOCAL PUBLICLY OWNED ELECTRIC UTILITIES

INTRODUCTION

The City of Los Angeles (City of LA) is a municipal corporation and charter city organized under the provisions set forth in the California Constitution. LADWP is a proprietary department of the City of LA, pursuant to the Los Angeles City Charter, whose governing structure includes a mayor, a fifteen-member City Council, and a five-member Board of Water and Power Commissioners (Board). LADWP is the third largest electric utility in the state, one of five California Balancing Authorities, and the nation’s largest municipal utility, serving a population of over four million people. LADWP is a vertically integrated utility, both owning and operating the majority of its generation, transmission and distribution systems. LADWP has annual sales exceeding 23 million megawatt-hours (MWhs) and has a service territory that covers 465 square miles in the City of LA and most of the Owens Valley. The transmission system serving the territory totals more than 3,600 miles and transports power from the Pacific Northwest, Utah, Wyoming, Arizona, Nevada, and California to Los Angeles. LADWP appreciates the opportunity to comment on the CEC staff proposed pre-rulemaking

amendments to the Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities (POUs).

GENERAL COMMENTS ON THE CEC STAFF PROPOSED PRE-RULEMAKING AMENDMENTS

LADWP is committed to achieving California's goal of 50% renewable energy by 2030. In order to achieve this goal, CEC must continue to work with legislators and stakeholders to evolve the Enforcement Procedures and incorporate flexibility to ensure that all California utilities have the ability to achieve 50% in a manner that best fits that utility. In addition to expanding RPS resource eligibility, the CEC must consider expanding the enforcement procedures to account for the volatility of renewable resources. If a utility makes a good faith effort to achieve its RPS obligation and a shortfall is discovered during the verification process with CEC, there should be provisions in the enforcement procedures to allow that utility to have options on how to remedy the shortfall post compliance period. LADWP appreciates the existing optional compliance measures in the regulations. However, there is not many options for a utility to compensate for a shortfall in the event that the shortfall was not detected until after the compliance period.

Below are a few specific comments from LADWP on the CEC staff proposed pre-rulemaking amendments. LADWP plans to contact CEC staff directly regarding other comments and suggestions on the Enforcement Procedure regulations.

SPECIFIC COMMENTS ON THE CEC STAFF PROPOSED PRE-RULEMAKING AMENDMENTS

Section 3204(e) – Carrying RPS Deficits into Future Compliance Periods (p.20)

In section 3204, CEC staff proposes to add a subsection (e) that states “RPS procurement requirement deficits incurred by a POU in any compliance period shall not be added to the RPS procurement requirements of the POU in a future compliance period.”

LADWP is very interested in the reasoning for CEC staff to insert this clarification. In fact, LADWP believes that this is the type of flexibility that should be explored instead of

prohibited. As RPS goals continue to increase, the flexibility of California's RPS program must also increase. If a utility is short of its RPS goal by a small percentage for a compliance period, the utility should be able to choose from different options to remedy the shortfall instead of automatically being referred for a penalty. Carrying over an RPS deficit from one compliance period to the next would be challenging for any utility to accommodate. However, for some utilities this may be the most cost-effective solution to remedy the shortfall. LADWP looks forward to working with CEC staff to explore this and other creative methods that utilities can use to remedy RPS shortfalls outside of the existing optional compliance measures.

Section 3205(a)(4) – Integrated Resource Plans (p.21)

In section 3205(a), CEC staff proposes to add a subsection (4) that directs utilities subject to the new IRP legislation to incorporate its renewable energy resource procurement plan into its IRP document. LADWP appreciates the intent of CEC staff to minimize and reduce reporting requirements whenever possible. However, LADWP agrees with SCPPA and CMUA that the topic is too new to be incorporated at this time. LADWP suggests that the addition of any IRP language in the Enforcement Procedures is suspended until after the IRP regulations are fully developed.

Section 1240(h)(1) – Referral to the ARB

LADWP appreciates and supports CEC staff's proposed change to have the notice of violation and record of proceeding sent to the affected POU as well as the ARB. In the existing section 1240(h)(1), it was unclear how the affected POU would receive notification that the CEC issued a notice of violation to the ARB. There was also no established process for the affected POU to receive a copy of the CEC record. This change will ensure that the affected POU is notified of a referral to the ARB in a timely manner and can begin preparing for the penalty phase with the ARB.

CONCLUSION

In closing, LADWP appreciates the opportunity to participate in this pre-rulemaking process regarding the Enforcement Procedures for Local Publicly Owned Electric Utilities. LADWP looks forward to continue working with the California Energy Commission to help shape effective regulations that will benefit the health, safety, and security of all California residents.

Respectfully Submitted,



By: Louis C. Ting
Director of Power Planning & Development
Los Angeles Department of Water and Power
111 North Hope Street, Suite 921
Los Angeles, CA 90012
Telephone: (213) 367 – 0239
Email: Louis.Ting@ladwp.com

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