

DOCKETED

Docket Number:	16-RPS-03
Project Title:	Amendments to Regulations Specifying Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities
TN #:	213604
Document Title:	Southern California Public Power Authority Comments: on POU RPS Enforcement Procedures
Description:	N/A
Filer:	System
Organization:	Southern California Public Power Authority
Submitter Role:	Public
Submission Date:	9/9/2016 4:30:10 PM
Docketed Date:	9/9/2016

Comment Received From: Southern California Public Power Authority

Submitted On: 9/9/2016

Docket Number: 16-RPS-03

SCPPA Comments on POU RPS Enforcement Procedures

Please see attached comments.

Additional submitted attachment is included below.



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
1160 NICOLE COURT
GLENORA, CA 91740
(626) 793-9364 – FAX: (626) 793-9461
www.scppa.org

ANAHEIM • AZUSA • BANNING • BURBANK • CERRITOS
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RIVERSIDE • VERNON • IMPERIAL IRRIGATION DISTRICT

September 9, 2016 | Submitted Electronically

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 16-RPS-03
1516 Ninth Street
Sacramento, California 95814-5512

RE: SCPPA Comments on the Pre-Rulemaking Amendments to the Renewables Portfolio Standard Enforcement Procedures for Publicly Owned-Utilities (Docket No. 16-RPS-03)

The Southern California Public Power Authority (SCPPA) appreciates the opportunity to provide comments on the proposed amendments to the Renewables Portfolio Standard (RPS) Enforcement Procedures for Publicly-Owned Utilities (POUs). SCPPA is a joint powers authority whose members include the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District. Each Member owns and operates a publicly-owned electric utility governed by a board of local officials. Our Members collectively serve nearly five million people, and more than 1 million commercial accounts in Southern California.

We note that a number of additional proposed modifications that would impact the RPS program were raised in late August during legislative discussions with stakeholders. Other proposed modifications to the regulations will need to be coordinated with future policy discussions falling under the Commission's Integrated Resource Plan (IRP) proceeding for POUs. The Commission should carefully consider initiating rulemaking processes that may quickly be replaced with or subsumed by new requirements pending legislative direction or other regulatory proceedings. Constant shifts in the regulatory framework only challenge our Members' abilities to comply. We look forward to continuing to work with Commission staff and other stakeholders in the myriad of inter-related dialogues.

Below, we offer feedback and proposed modifications on a number of issues addressed in the draft regulations. SCPPA also supports the comments submitted by the California Municipal Utilities Association on this matter and reiterates many of the same positions.

Unavoidable Long-term Coal Contracts. Having participated in last year's end-of-session discussions on the SB 350 language regarding unavoidable long-term coal contracts, SCPPA respectfully disagrees that the Pre-Rulemaking Draft provisions reflect the legislative intent of the statute. We appreciate Commission staff's willingness to collaborate and look forward to working with staff and other stakeholders on developing mutually agreeable amendments. Further, we emphasize the importance of maintaining a POU's ability to use cost limitation provisions regardless of a decision to request this optional compliance mechanism.

Long-Term Contracting. As customer loads change and generation from certain renewable resources varies in response to changing weather patterns, POUs will need flexibility to adjust their procurement. Some of this flexibility is lost with the implementation of the requirement to procure 65% of RPS resources with (minimally) 10-year contracts. This provision could result in greater cost impacts linked to the over-procurement of renewable resources that would be

necessary to comply. These challenges are particularly pronounced for small and medium sized POU's, for whom RPS procurement targets may be met with a minimal number of resources given the amount of load they must serve. Therefore, SCPPA recommends adding more flexibility to the proposed provisions to address potential implementation issues and supports the amendments proposed by CMUA.

Inclusion of Renewable Resource Procurement Plan in Integrated Resource Plans. SCPPA Members include eight of the 16 POU's required to submit IRPs to the Commission. As such, SCPPA appreciates CEC staff's intent to streamline reporting requirements. We suggest that the Commission hold on making any revisions to this section until IRP regulations have been adopted. This will help limit future reporting confusion and will ensure adoption of consistent policies.

Delay of Timely Compliance. The proposed revisions include provisions required under SB 350 related to unanticipated increases in retail sales due to transportation electrification and curtailment of renewable resources. SCPPA supports staff's inclusion of these concepts. Commission staff's proposed language on transportation electrification refines the implementation details beyond what is included in statute. We agree that further refinement will be necessary; however, SCPPA encourages further discussion with stakeholders to inform how the provision could be implemented in a practical way. This process could leverage information shared within a number of ongoing regulatory proceedings at various agencies related to the quantification and forecasting of transportation electrification efforts (including the Commission's own POU IRP proceeding).

Enforcement Record Provided to POU. SCPPA appreciates staff's inclusion of a process to provide POU's with copies of any RPS enforcement documents sent to the Air Resources Board (ARB) for determination of penalties. We believe this addition addresses concerns previously raised during the ARB staff workshop on regulations for RPS Enforcement Penalties for POU's and will facilitate POU's ability to respond to any ARB requests in a timely manner.

Voluntary Green Pricing and Shared Renewable Generation Programs. SCPPA supports the new language allowing POU's to exclude retail sales for energy sold to customers participating in voluntary green pricing or shared renewable generation programs. SCPPA Members are continually evaluating the feasibility of implementing such programs at their respective utilities and look forward to working with Commission staff to implement the new provisions if and when programs are adopted.

The new provisions in §3204(b)(8)(C) and §3207(j)(5) require POU's, *to the extent possible*, to procure eligible resources for voluntary programs from within the POU's service territory or in reasonable proximity to the territory. SCPPA suggests that the Commission allow some flexibility in implementing this provision. In some instances, POU's may have constraints (e.g. land use or economic) leading them to procure resources outside of their immediate proximity. SCPPA believes that a POU's local governing body should have the discretion to affirm the POU's efforts to comply with this provision. A description of such efforts could be reflected in a POU's RPS Procurement Plan.

Thank you for your consideration of these comments. We look forward to continuing discussions with Commission staff to identify solutions that ensure the RPS program and our Members' efforts work toward our mutual goals.

Respectfully submitted,



Tanya DeRivi
Director of Government Affairs



Sarah Taheri
Energy Analyst, Government Affairs