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California Energy Commission
LEAD COMMISSIONER REPORT

Renewables Portfolio Standard Verification Results

City and County of San Francisco
Compliance Years 2011-2013

California Energy Commission

Edmund G. Brown Jr., Governor

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California Energy Commission

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Verification Results: Compliance Years 2011-2013 City and County of San Francisco

Background

Established in 2002, California's Renewables Portfolio Standard (RPS) is one of the most ambitious renewable energy policies in the nation. Enacted by Senate Bill 1078 (Sher, Chapter 516, Statutes of 2002) with bipartisan support, and accelerated and expanded by subsequent legislation, California's RPS establishes increasingly progressive renewable energy targets for the state's electric service providers, requiring both retail sellers and local publicly owned electric utilities (POUs) to increase their procurement of eligible renewable energy resources to 33 percent of retail sales by 2020 and 50 percent of retail sales by 2030. Originally restricted to retail sellers, Senate Bill X1-2 (Simitian, Chapter 1, Statutes of 2011, First Extraordinary Session) expanded the statewide RPS to apply to POUs starting in 2011. The POUs have the following RPS compliance period targets through 2020:

RPS Targets for Local Publicly Owned Utilities ¹									
Compliance Period 1			Compliance Period 2			Compliance Period 3			
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
20%	20%	20%	20%	20%	25%	27%	29%	31%	33%

POU Procurement Verification Process

California's RPS is administered by the California Energy Commission (Energy Commission) and the California Public Utilities Commission (CPUC). The Energy Commission is responsible for certifying RPS-eligible renewable energy resources, developing a tracking system to verify renewable energy procurement for all program participants, and overseeing compliance of the POUs. The CPUC is responsible for overseeing compliance and enforcement of the retail sellers.

As part of its administrative responsibility, the Energy Commission verifies the procurement claims of both retail sellers and POUs. The method used by the Energy Commission to verify procurement claims for RPS program participants is detailed in the *Renewables Portfolio Standard Eligibility Guidebook*² and further explained in the *Renewables Portfolio Standard Verification Methodology Report*, which can be found at

http://www.energy.ca.gov/portfolio/documents/rps_verification.html

As POUs were mandated to comply with the statewide RPS program starting in 2011, this is the first issuance of verification results for POUs.

¹ Compliance with the RPS program is determined on a compliance period basis; however, each year within a compliance period contains a soft target that is applied to that year's retail sales in order to determine that year's contribution to the compliance period's total RPS requirement.

² Refer to Section VI of the *Renewables Portfolio Standard Eligibility Guidebook, Eighth Edition*.

These verification results are not a compliance determination. The Energy Commission is responsible for determining POU compliance with the RPS.³ After the Energy Commission adopts a POU's *Verification Results*, it will begin the process of determining if the POU is in compliance with the RPS requirements in accordance with the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*⁴ for Compliance Period 1 (2011-2013). The Energy Commission's Executive Director will make a compliance determination informed by the verification results presented here 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. If the Executive Director determines a POU is not in compliance with the RPS requirements, a complaint will be issued to the POU, and adjudicated by the Energy Commission in accordance with the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*.

Verification Results

This document provides the verification results for the City and County of San Francisco's RPS procurement for Compliance Years 2011, 2012, and 2013. The verification results are shown in renewable energy credits (RECs)⁵ and include the following:

- The amount of eligible renewable energy procured by the City and County of San Francisco.
- The Portfolio Content Category classification of eligible renewable energy.
- The City and County of San Francisco's procurement target and portfolio balance requirements.
- Any optional compliance measures being applied by the City and County of San Francisco.
- The City and County of San Francisco's additional procurement above requirements, which may be applied to a future compliance period.

The Energy Commission finds that the procurement claim amounts listed in this report are eligible for the RPS, consistent with the RPS certification and procurement rules and requirements specified in the *Renewables Portfolio Standard Eligibility Guidebook* and *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*, and should therefore count toward meeting the City and County of San Francisco's RPS procurement requirements.

Public Utilities Code (PUC) section 399.30 (j) establishes alternative procurement requirements for a POU in a city and county that receives greater than 67 percent of its electricity sources from in-state owned hydroelectric facilities. To qualify, a POU must show that it meets the requirements of 20 CCR section 3204 (a)(7) of the *Enforcement Procedures for the Renewables*

3 Pub. Util. Code § 399.30, subd. (o) and (p).

4 The *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* are set forth in 20 CCR §§ 1240 and 3200 - 3208, and establish the rules and procedures by which the Energy Commission will assess a POU's procurement actions and determine whether those actions meet the RPS procurement requirements in the law.

5 Refer to 20 CCR § 3201(v). RECs are measured in megawatt hours (MWh).

Portfolio Standard for Local Publicly Owned Electric Utilities, by submitting documentation showing that it receives at least an average of 67 percent of its electricity demand in the seven years preceding each compliance period from qualifying hydroelectric generation.

If a POU can show that it meets the criteria for the alternative procurement requirements, the POU's procurement target is determined annually, instead of on a compliance period basis, and the POU is exempt from the portfolio balance requirements. If the POU has electricity demand unsatisfied by its qualifying hydroelectric generation in any given year, the POU's procurement target is set at the lesser of the following:

1. The portion of the POU's electricity demand unsatisfied by the POU's qualifying hydroelectric generation;
2. The soft target corresponding to that year.

In order to determine the POU's procurement target for any given year, the POU must report its electricity demand, instead of retail sales, and their qualifying hydroelectric generation.

The City and County of San Francisco provided documentation demonstrating that they qualify for the alternative procurement requirements in 20 CCR section 3204 (a)(7) of the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* during Compliance Period 1. Therefore, the City and County of San Francisco must meet a stand-alone procurement target in 2011, 2012, and 2013, that is determined by the annual amount of electricity demand unsatisfied by the City and County of San Francisco's qualifying hydroelectric generation. Additionally, the City and County of San Francisco does not have a Category 1 portfolio balance requirement or limitation on Category 3 procurement during Compliance Years 2011-2013.

For Compliance Year 2011, City and County of San Francisco's electricity demand unsatisfied by qualifying hydroelectric generation was equal to 1 percent of their total electricity demand, and the City and County of San Francisco procured eligible renewable energy equal to its procurement target.

For Compliance Year 2012, City and County of San Francisco's electricity demand unsatisfied by qualifying hydroelectric generation was equal to 8 percent of their total electricity demand, and the City and County of San Francisco procured eligible renewable energy equal to its procurement target.

For Compliance Year 2013, City and County of San Francisco's electricity demand unsatisfied by qualifying hydroelectric generation was equal to 1 percent of their total electricity demand, and the City and County of San Francisco procured eligible renewable energy equal to its procurement target.



STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION
 Renewables Portfolio Standard

City and County of San Francisco
 Compliance Year 2011

Procurement Target Calculation (MWh)	Calendar Year	Total Electricity Demand	Qualifying Hydroelectric Generation	Soft Target Percentage	Electricity Demand Not Met by Hydroelectric
	2011	985,099	973,568	20%	11,531
Procurement Target					11,531

RECs Retired and Applied ¹	Category 0 (PCC 0)	Total ²
Eligible RECs Retired	11,532	11,532
Eligible RECs Applied	11,532	11,532

RPS Portfolio Balance Requirements (MWh)	2011
Category 1 Balance Requirement ³	N/A
Category 3 Balance Limitation ⁴	N/A
Disallowed Category 3 RECs	N/A

RPS Requirement Deficits (MWh)	2011
Procurement Target Deficit	0
Category 1 Balance Requirement Deficit	N/A
Percent Renewable	1%

Optional Compliance Measures Applied	2011
Cost Limitations	No
Delay of Timely Compliance	No
Portfolio Balance Reduction	No

Excess Procurement Calculation (MWh)	2011
Total RECs Retired	0
RECs Applied to Target	0
Category 3 RECs Not Applied	0
Short Term RECs	0
Eligible Excess Procurement	0

Balance of Additional Procurement (MWh)	Starting Balance	Accumulated in 2011	Applied to 2011	Remaining Balance
Historic Carryover	0	0	0	0
PCC 0 Excess Procurement	0	0	0	0

1. Only includes REC categories that are claimed by the POU listed above
2. Total RECs Applied does not include Disallowed Category 3 RECs
3. Calculated as lesser of RECs retired or procurement target less Category 0 RECs, pre-June 2010 RECs, and Historic Carryover, multiplied by 0.5
4. Calculated as lesser of RECs retired or procurement target less Category 0 RECs, pre-June 2010 RECs, and Historic Carryover, multiplied by 0.25



STATE OF CALIFORNIA
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 Renewables Portfolio Standard

City and County of San Francisco
 Compliance Year 2012

Procurement Target Calculation (MWh)	Calendar Year	Total Electricity Demand	Qualifying Hydroelectric Generation	Soft Target Percentage	Electricity Demand Not Met by Hydroelectric
	2012	985,225	905,041	20%	80,183
Procurement Target					80,183

RECs Retired and Applied ¹	Category 0 (PCC 0)	Category 1 (PCC 1)	Pre June 2010 PCC 1	Category 3 (PCC 3)	Total ²
Eligible RECs Retired	22,095	179	1,844	56,068	80,186
Eligible RECs Applied	22,095	179	1,844	56,068	80,186

RPS Portfolio Balance Requirements (MWh)	2012
Category 1 Balance Requirement ³	N/A
Category 3 Balance Limitation ⁴	N/A
Disallowed Category 3 RECs	N/A

RPS Requirement Deficits (MWh)	2012
Procurement Target Deficit	0
Category 1 Balance Requirement Deficit	N/A
Percent Renewable	8%

Optional Compliance Measures Applied	2012
Cost Limitations	No
Delay of Timely Compliance	No
Portfolio Balance Reduction	No

Excess Procurement Calculation (MWh)	2012
Total RECs Retired	0
RECs Applied to Target	0
Category 3 RECs Not Applied	0
Short Term RECs	0
Eligible Excess Procurement	0

Balance of Additional Procurement (MWh)	Starting Balance	Accumulated in 2012	Applied to 2012	Remaining Balance
Historic Carryover	0	0	0	0
PCC 0 Excess Procurement	0	0	0	0

1. Only includes REC categories that are claimed by the POU listed above
2. Total RECs Applied does not include Disallowed Category 3 RECs
3. Calculated as lesser of RECs retired or procurement target less Category 0 RECs, pre-June 2010 RECs, and Historic Carryover, multiplied by 0.5
4. Calculated as lesser of RECs retired or procurement target less Category 0 RECs, pre-June 2010 RECs, and Historic Carryover, multiplied by 0.25



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City and County of San Francisco
 Compliance Year 2013

Procurement Target Calculation (MWh)	Calendar Year	Total Electricity Demand	Qualifying Hydroelectric Generation	Soft Target Percentage	Electricity Demand Not Met by Hydroelectric
	2013	999,214	989,835	20%	9,379
Procurement Target					9,379

RECs Retired and Applied ¹	Category 0 (PCC 0)	Category 1 (PCC 1)	Pre June 2010 PCC 1	Category 3 (PCC 3)	Total ²
Eligible RECs Retired	3,881	59	440	5,000	9,380
Eligible RECs Applied	3,881	59	440	5,000	9,380

RPS Portfolio Balance Requirements (MWh)	2013
Category 1 Balance Requirement ³	N/A
Category 3 Balance Limitation ⁴	N/A
Disallowed Category 3 RECs	N/A

RPS Requirement Deficits (MWh)	2013
Procurement Target Deficit	0
Category 1 Balance Requirement Deficit	N/A
Percent Renewable	1%

Optional Compliance Measures Applied	2013
Cost Limitations	No
Delay of Timely Compliance	No
Portfolio Balance Reduction	No

Excess Procurement Calculation (MWh)	2013
Total RECs Retired	0
RECs Applied to Target	0
Category 3 RECs Not Applied	0
Short Term RECs	0
Eligible Excess Procurement	0

Balance of Additional Procurement (MWh)	Starting Balance	Accumulated in 2013	Applied to 2013	Remaining Balance
Historic Carryover	0	0	0	0
PCC 0 Excess Procurement	0	0	0	0

1. Only includes REC categories that are claimed by the POU listed above
2. Total RECs Applied does not include Disallowed Category 3 RECs
3. Calculated as lesser of RECs retired or procurement target less Category 0 RECs, pre-June 2010 RECs, and Historic Carryover, multiplied by 0.5
4. Calculated as lesser of RECs retired or procurement target less Category 0 RECs, pre-June 2010 RECs, and Historic Carryover, multiplied by 0.25