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California Energy Commission **LEAD COMMISSIONER REPORT** 

# Renewables Portfolio Standard Verification Results

Imperial Irrigation District Compliance Period 1

California Energy Commission

Edmund G. Brown Jr., Governor

ENERGY COMMISSION

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## Verification Results: Compliance Period 1 Imperial Irrigation District

### **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 <sup>1</sup>									
Compliance Period 1				Compliance Period 2		Compliance Period 3			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*<sup>2</sup> 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.

<sup>1</sup> 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.

<sup>2</sup> 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.<sup>3</sup> 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*<sup>4</sup> 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 Imperial Irrigation District's RPS procurement for Compliance Period 1 (2011-2013). The verification results are shown in renewable energy credits (RECs).<sup>5</sup> and include the following:

- The amount of eligible renewable energy procured by the Imperial Irrigation District.
- The Portfolio Content Category classification of eligible renewable energy.
- Imperial Irrigation District's procurement target and portfolio balance requirements.
- Any optional compliance measures being applied by the Imperial Irrigation District.
- Imperial Irrigation District'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 Imperial Irrigation District's RPS procurement requirements.

For Compliance Period 1, the Imperial Irrigation District procured eligible renewable energy equal to 20 percent of its retail sales for the period and met its procurement target. The Imperial Irrigation District also met its Category 1 portfolio balance requirement.

The table below summarizes REC eligibility determinations for the Imperial Irrigation District, and provides a breakdown of the total procurement claim amount, the amounts identified as

<sup>3</sup> Pub. Util. Code § 399.30, subd. (o) and (p).

<sup>4</sup> 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.

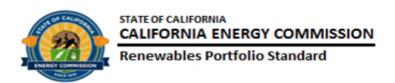
<sup>5</sup> Refer to 20 CCR § 3201(v). RECs are measured in megawatt hours (MWh).

ineligible, the amounts withdrawn by the Load Serving Entity (LSE), and the procurement claim amount determined to be eligible for the RPS.

The Imperial Irrigation District claimed 4,959 RECs from Pilot Knob Unit 1 facility that are ineligible for the RPS due to the RECs being retired for the RPS more than 36 months after the electricity associated with the RECs was generated. The *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* require RECs to be retired within 36 months from the initial month of the generation of the associated electricity.<sup>6</sup>

Overview of RPS Claims (MWh):		
Total RPS Claims Reported	2,045,418	
Ineligible Claims:		
Amount ineligible because facility is not RPS-Certified when RECs were created		
Amount ineligible because the claim was retired more than 36 months after the vintage of the RECs	4,959	
Amount ineligible due to double claiming of RECs		
Amount ineligible because facility exceeded fossil fuel usage limit or used ineligible fuel		
Amount ineligible because generation not reported through WREGIS		
Claims with a pre-2011 vintage are only eligible for historic carryover		
Withdrawn Claims		
Amount withdrawn by LSE		
Claims Eligible Toward the RPS	2,040,459	

<sup>6</sup> Refer to 20 CCR § 3202(c) and Pub. Util. Code § 399.21, subd. (a)(6).



Procurement Target	Calendar Year	Annual Retail Sales	Soft Target Percentage	Soft Targets
Calculation (MWh)	2011	3,285,211	20%	657,042
	2012	3,386,703	20%	677,340
	2013	3,351,823	20%	670,364
	Pr	2,004,746		

Eligible RECs Retired and Applied <sup>1</sup>	Category 0 (PCC 0)	Category 1 (PCC 1)	pre-June 2010 PCC3	Total <sup>2</sup>
Eligible RECs Retired	757,296	1,233,562	49,601	2,040,459
Eligible RECs Applied	757,296	1,233,562	49,601	2,040,459

RPS Portfolio Balance Requirements (MWh)	CP 1
Catagory 1 Balance Requirement <sup>3</sup>	598,925
Category 3 Balance Limitation <sup>4</sup>	299,462
Disallowed Category 3 RECs	0

RPS Requirement Deficits (MWh)	CP 1
Procurement Target Deficit	0
Category 1 Balance Requirement Deficit	0
Percent Renewable for CP1	20%

Optional Compliance Measures Applied	CP 1
Cost Limitations	No
Delay of Timely Compliance	No
Portfolio Balance Reduction	No

Excess Procurement Calculation (MWh)	CP 1
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	Starting	Accumulated	Applied to	Remaining
(MWh)	Balance	in CP 1	CP 1	Balance
Historic Carryover	0	0	0	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