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California Energy Commission
LEAD COMMISSIONER REPORT

Renewables Portfolio Standard Verification Results

Modesto Irrigation District
Compliance Period 1

California Energy Commission

Edmund G. Brown Jr., Governor

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California Energy Commission

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Verification Results: Compliance Period 1 Modesto 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 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 Modesto Irrigation District's RPS procurement for Compliance Period 1 (2011-2013). The verification results are shown in renewable energy credits (RECs)⁵ and include the following:

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

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

The table below summarizes REC eligibility determinations for Modesto Irrigation District, and provides a breakdown of the total procurement claim amount, the amounts identified as ineligible, the amounts withdrawn by the Load Serving Entity (LSE), and the procurement claim amount determined to be eligible for the RPS.

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).

Modesto Irrigation District claimed 13 RECs from the Residential Solar PV Group 1 facility, and 19 RECs from the Residential Solar PV group 2 facility that are ineligible because the electricity associated with the RECs was generated before the facilities were RPS-eligible. According to the *Renewables Portfolio Standard Eligibility Guidebook*, RECs generated before the eligibility date of the facility are not eligible to be claimed for the RPS.⁶

Overview of RPS Claims (MWh):	
Total RPS Claims Reported	1,485,522
Ineligible Claims:	
Amount ineligible because facility is not RPS-Certified when RECs were created	32
Amount ineligible because the claim was retired more than 36 months after the vintage of the RECs	
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	1,485,490

⁶ For additional information regarding the eligibility date, refer to Section IV in the *RPS Eligibility Guidebook, Eighth Edition*.



STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION
 Renewables Portfolio Standard

Modesto Irrigation District
 Compliance Period 1 (CP 1)

Procurement Target Calculation (MWh)	Calendar Year	Annual Retail Sales	Soft Target Percentage	Soft Targets
	2011	2,414,048	20%	482,809
	2012	2,477,667	20%	495,533
	2013	2,463,353	20%	492,670
Procurement Target				1,471,012

RECs Retired and Applied ¹	Category 0 (PCC 0)	Category 1 (PCC 1)	Category 3 (PCC 3)	Pre-June 2010 PCC3	Total ²
Eligible RECs Retired	1,480,863	1,146	2,681	800	1,485,490
Eligible RECs Applied	1,468,684	1,146	382	800	1,471,012

RPS Portfolio Balance Requirements (MWh)	CP 1
Category 1 Balance Requirement ³	764
Category 3 Balance Limitation ⁴	382
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	1,485,490
RECs Applied to Target	1,471,012
Category 3 RECs Not Applied	2,299
Short Term RECs	0
Eligible Excess Procurement	12,179

Balance of Additional Procurement (MWh)	Starting Balance	Accumulated in CP 1	Applied to CP 1	Remaining Balance
Historic Carryover	315,480	0	0	315,480
PCC 0 Excess Procurement	0	12,179	0	12,179

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