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| Docket Number: | 18-RPS-01 |
| Project Title: | Complaint Against the Stockton Port District re: RPS Program Compliance |
| TN #: | 222161-2 |
| Document Title: | Exhibit A - Stockton Port District Complaint |
| Description: | Renewables Portfolio Standard Verification Results: Port of Stockton, Compliance Period 1 Report and Corresponding California Energy Commission Resolution |
| Filer: | Muoi-Lynn Tran |
| Organization: | California Energy Commission |
| Submitter Role: | Commission Staff |
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EXHIBIT A

RENEWABLES PORTFOLIO STANDARD VERIFICATION RESULTS: PORT OF STOCKTON,
COMPLIANCE PERIOD 1 REPORT
and
CORRESPONDING CALIFORNIA ENERGY COMMISSION RESOLUTION

DOCKETED

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| Docket Number: | 11-RPS-01 |
| Project Title: | Renewables Portfolio Standard |
| TN #: | 215659 |
| Document Title: | Port of Stockton Final RPS Verification Results Report for Compliance Period 1 |
| Description: | N/A |
| Filer: | Judi Carter |
| Organization: | California Energy Commission |
| Submitter Role: | Commission Staff |
| Submission Date: | 1/30/2017 9:18:24 AM |
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California Energy Commission
COMMISSION FINAL REPORT

Renewables Portfolio Standard Verification Results

Port of Stockton
Compliance Period 1

California Energy Commission

Edmund G. Brown Jr., Governor

January 2017 | CEC-300-2017-038-CMF



California Energy Commission

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Verification Results: Compliance Period 1 Port of Stockton

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

For Compliance Period 1, the Port of Stockton procured eligible renewable energy equal to approximately 0 percent of its retail sales for the period and had a procurement target deficit of 7,205 RECs. The Port of Stockton had a Category 1 portfolio balance requirement deficit of 304 RECs. The Port of Stockton applied the cost limitations and delay of timely compliance measures to excuse its REC deficits, which will be evaluated by Energy Commission staff after the approval of Port of Stockton's Compliance Period 1 (2011-2013) verification results.

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).



STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION
 Renewables Portfolio Standard

Port of Stockton
 Compliance Period 1 (CP 1)

| Procurement Target Calculation (MWh) | Calendar Year | Annual Retail Sales | Soft Target Percentage | Soft Targets |
|--------------------------------------|---------------|---------------------|------------------------|--------------|
| | 2011 | 9,725 | 20% | 1,945 |
| | 2012 | 12,581 | 20% | 2,516 |
| | 2013 | 14,484 | 20% | 2,896 |
| Procurement Target | | | | 7,357 |

| RECs Retired and Applied ¹ | Category 3 (PCC 3) | Total ² |
|---------------------------------------|--------------------|--------------------|
| Eligible RECs Retired | 607 | 607 |
| Eligible RECs Applied | 607 | 152 |

| RPS Portfolio Balance Requirements (MWh) | CP 1 |
|---|------|
| Category 1 Balance Requirement ³ | 304 |
| Category 3 Balance Limitation ⁴ | 152 |
| Disallowed Category 3 RECs | 455 |

| RPS Requirement Deficits (MWh) | CP 1 |
|--|-------|
| Procurement Target Deficit | 7,205 |
| Category 1 Balance Requirement Deficit | 304 |
| Percent Renewable for CP1 | 0% |

| Optional Compliance Measures Applied | CP 1 |
|--------------------------------------|------|
| Cost Limitations | Yes |
| Delay of Timely Compliance | Yes |
| 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 (MWh) | Starting Balance | Accumulated in CP 1 | Applied to CP 1 | Remaining 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

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION ADOPTING
RENEWABLES PORTFOLIO STANDARD VERIFICATION RESULTS REPORTS FOR
42 LOCAL PUBLICLY OWNED ELECTRIC UTILITIES
FOR COMPLIANCE PERIOD 1

WHEREAS, Public Utilities Code Section 399.25 (b) requires the California Energy Commission to design and implement an accounting system to verify compliance with the renewables portfolio standard by retail sellers and local publicly owned electric utilities, to ensure that electricity generated by an eligible renewable energy resource is counted only once for the purpose of meeting the renewables portfolio standard of this state or any other state, and for verifying retail product claims in this state or any other state; and

WHEREAS, the California Energy Commission, in collaboration with the California Public Utilities Commission (CPUC), has adopted regulations and guidelines addressing its responsibilities under Public Utilities Code Section 399.25 (b) as well as other provisions of California's Renewables Portfolio Standard (RPS) law; and

WHEREAS, in furtherance of Public Utilities Code Section 399.25 (b) the California Energy Commission prepares a Renewables Portfolio Standard Verification Results Report to reports its findings on the amount of eligible renewable energy procured each compliance period by POUs subject to California's RPS pursuant to Public Utilities Code Section 399.11, et seq; and

WHEREAS, the Renewables Portfolio Standard Verification Results Reports apply the statutory requirements as specified in the Energy Commission's Enforcement Procedures for Renewables Portfolio Standard Local Publicly Owned Electric Utilities regulations and the California Energy Commission's guidelines as detailed in the *Renewables Portfolio Standard Eligibility Guidebook* and further explained in the *Renewables Portfolio Standard Verification Methodology Report*, in determining the amount of renewable energy procurement that qualifies toward each POU's RPS procurement requirements; and

WHEREAS, the California Energy Commission's Renewables Lead Commissioner has directed the preparation of a Compliance Period 1 (2011-2013) verification report for

each of the 42 POU's entitled the *California Energy Commission Lead Commissioner Report Renewables Portfolio Standard Verification Results*; and

WHEREAS, the scope of each of the *California Energy Commission Lead Commissioner Report Renewables Portfolio Standard Verification Results* includes RPS procurement verification findings for each applicable POU; and

WHEREAS, the *California Energy Commission Lead Commissioner Report Renewables Portfolio Standard Verification Results* for each POU address the following items with respect to each of the 42 POU's:

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

WHEREAS, the California Energy Commission has considered the 42 *California Energy Commission Lead Commissioner Report Renewables Portfolio Standard Verification Results* for each POU, and accepts and approves the 42 *California Energy Commission Lead Commissioner Report Renewables Portfolio Standard Verification Results* for each POU at the Business Meeting; and

THEREFORE BE IT RESOLVED, the California Energy Commission hereby adopts the 42 *California Energy Commission Lead Commissioner Report Renewables Portfolio Standard Verification Results* for each POU.

CERTIFICATION


The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted at a meeting of the California Energy Commission held on January 25, 2017.

AYE: Weisenmiller, Douglas, McAllister, Hochschild, Scott

NAY: None

ABSENT: None

ABSTAIN: None


Cody Goldthrite
Secretariat