

DOCKETED

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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 #:	229213
Document Title:	Redding Electric Utility Original Letter Regarding Notification of Intent to Act
Description:	Notification of Intent to Act Pursuant to Authorization Granted by California Public Utilities Code Section 399.33.
Filer:	Chris Metzker
Organization:	Redding Electric Utility
Submitter Role:	Public
Submission Date:	8/5/2019 1:18:29 PM
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03/12/2019

Mr. Drew Bohan
Executive Director
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

SUBJECT: Notification of Intent to Act Pursuant to Authorization Granted by California Public Utilities Code Section 399.33

Dear Mr. Bohan:

As you are aware, Senate Bill 100 (Statutes of 2018) increased the State's Renewables Portfolio Standard (RPS), setting a goal of 60% of a utility's power generation coming from RPS-eligible resources by 2030.

The State's increasing RPS requirements are shifting utilities to a lower carbon resource mix. Redding Electric Utility is supportive of this change, but also places a high value on maintaining affordable energy costs for our customers. It is with this lens, and pursuant to Senate Bill 1110 (Statutes of 2018) as codified in Section 399.33 of the California Public Utilities Code (PUC §399.33), that I write to notify you in advance of the April 1, 2019, statutory deadline, that Redding Electric Utility intends to act pursuant to the authorization granted by the aforementioned section.

Redding Electric Utility owns and operates the Redding Power Station, a 183.1 MW power plant located in Redding, California. In response to the energy crisis, this power plant was expanded after January 1, 2000, by adding two gas turbines operating in combined cycle with the city's existing natural gas fired steam turbine. The capacity of the combined cycle plant is 109 MW. The utility originally secured public bond financing for phase 1 of this project in 2002 and secured financing to complete the project in 2008. As the State's RPS requirements increase and given the remaining bond debt on this power plant, it is plausible that the utility may find itself in a scenario where these combined cycle units are operating at a capacity factor below 20% on an annual average in a given year. This could affect the utility's ability to cover its bonded indebtedness for the plant, and may ultimately result in the loss of employment of a power plant employee(s) who receive a prevailing wage.

The Redding Power Station is in compliance with the Commission's Emissions Performance Standard and is not located within a disadvantaged community as that term is defined in PUC §399.33(a)(4). The plant has been integral to reliably serving Redding Electric Utility's baseload and has not been repowered.



REDDING ELECTRIC UTILITY

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Acknowledging the current construct of the RPS Program, we are in the process of updating our RPS Procurement Plan to incorporate provisions that would facilitate use of the RPS procurement target adjustment described in PUC §399.33(b), among other updates needed to accommodate recent legislative changes. As required by statute, we will provide Commission staff with our updated Procurement Plan once it has been adopted by our governing board.

Should Redding Electric Utility need to implement the adjustments described in PUC §399.33(b) in future compliance periods, we will provide the requisite notifications to the Commission in our annual compliance reports submitted to the Renewable Energy Office by July 1 of each year. If such action is needed, we look forward to working with Commission staff to ensure that we have provided sufficient supporting documentation to demonstrate that our utility is implementing this provision in a transparent manner.

Please confirm your receipt of this letter by sending an email to Nathan Aronson at naronson@reupower.com. If you have any questions or would like additional information, Nathan Aronson can be reached at the email noted above or by phone at 530.339.7236

Sincerely,

Dan Beans, P.E.
Electric Utility Director

Attachments: Senate Bill 1110 (Chapter 605, Statutes of 2018)

Cc: Barry Steinhart, Assistant Executive Director, Office of Government Affairs, California Energy Commission
Natalie Lee, Deputy Director, Renewable Energy Division, California Energy Commission
Michael Sokol, Office Manager, Renewable Energy Office, California Energy Commission