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on Pre-Rulemaking Amendments to RPS Regulations for POUs

Additional submitted attachment is included below.

January 17, 2020 | Submitted Electronically

Ms. Katharine Larson
Renewable Energy Office
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

RE: Comments of the Joint Publicly Owned Utilities on the Pre-Rulemaking Amendments to the Renewables Portfolio Standard (RPS) Regulations for Publicly Owned Utilities (POUs) [CEC Docket #16-RPS-03]

Dear Ms. Larson,

The California Municipal Utilities Association (CMUA), Imperial Irrigation District (IID), Modesto Irrigation District (MID), M-S-R Public Power Agency (M-S-R), Northern California Power Agency (NCPA), Sacramento Municipal Utility District (SMUD), Southern California Public Power Authority (SCPPA), and Turlock Irrigation District (TID) (collectively the "Joint POUs") respectfully submit these comments to the California Energy Commission on the *Key Topics for Lead Commissioner Workshop on Proposed Pre-Rulemaking Amendments to Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* ("Key Topics Document"), issued on December 13, 2019, the *Pre-Rulemaking Amendments to Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* ("Proposed Regulations"), issued in full on December 17, 2019, and the *Lead Commissioner Workshop* ("January 10 Workshop"), held on January 10, 2020.

CMUA, NCPA, and SCPPA submitted initial comments on the Proposed Regulations on January 8, 2020 ("Initial Comments"). Those Initial Comments are fully endorsed by the Joint POUs (except where updated positions are noted) and are attached to these comments as Attachment A. These comments supplement our Initial Comments by addressing additional topics as well as adding to our prior discussion.

I. INTRODUCTION

The Joint POUs greatly appreciate Commission staff's and Lead Commissioner Karen Douglas' efforts in developing the Proposed Regulations and for the opportunity to discuss these proposals during the very productive January 10 Workshop. The Joint POUs are encouraged by the Commission's willingness to engage with stakeholders and to consider various proposals and respond to questions. As the Commission develops the regulations to implement recent renewables portfolio standard (RPS) legislation, it must be guided by the overall intent of the RPS and by the rules of statutory construction. As described in the Initial Comments as well as below, the Commission must implement the relevant RPS legislation in a manner that gives a reasonable and commonsense interpretation that is consistent with the Legislature's purpose.[1] This implementation should be practical rather that overly technical and should seek to harmonize individual provisions with the overall statutory structure.[2] Further, the Joint POUs also seek to ensure that the Commission's regulations do not harm their customers or the communities that they serve. To protect these communities, the Joint POUs seek to maintain the full flexibility authorized by the relevant legislation and to maintain the authority of their locally elected governing boards.

In order to meet our mission of providing safe, reliable, environmentally sustainable, and economic service to our communities, the RPS regulations must be implemented in a manner that is both reasonable and that can feasibly be complied with, while at the same time achieving our shared interest of maximizing the environmental, public health, and job-growth benefits for all Californians. An essential element of this reasonable implementation is ensuring that the most vulnerable POU customers are adequately protected from any undue or harmful financial impacts associated with achieving these goals. Rate affordability is a key consideration for the Joint POUs and their locally elected governing boards. Many POUs have high percentages of customers that require rate assistance and/or live in economically depressed areas, including but not limited to the disadvantaged communities identified pursuant to Senate Bill (SB) 535 (stats. 2012) in the California Communities Environmental Health Screening Tool 3.0.[3] The Commission's RPS Regulations should ensure that POUs serving areas with high levels of poverty and unemployment have the flexibility and tools to protect these most vulnerable customers. Additionally, other unanticipated circumstances unique to each POU such as widespread electrification, changes to service boundary contracts, departing load, or other issue that would cause undue hardship, should be afforded the same flexibility. This flexibility includes ensuring that POU governing boards have the full discretion to set a cost limitation level that effectively avoids disproportionate rate impacts, as well as flexibility in other areas, such as the long term contracting

[1] Hubbard v. California Coastal Com. (2019) 38 Cal.App.5th 119, 135–136 [250 Cal.Rptr.3d 397, 409] (emphasis added), citing *Pasadena Metro Blue Line Construction Authority v. Pacific Bell Telephone Co.* (2006) 140 Cal.App.4th 658, 663–664, 44 Cal.Rptr.3d 556 (*Pasadena Metro Blue Line*) and *20th Century Ins. Co. v. Superior Court* (2001) 90 Cal.App.4th 1247, 1275, 109 Cal.Rptr.2d 611.

[2] *Id.*

[3] *See* Office of Environmental Health Hazard Assessment, Update to the California Communities Environmental Health Screening Tool, CalEnviroScreen 3.0, January 2017, *available at*: https://oehha.ca.gov/media/downloads/calenviroscreen/report/ces3report.pdf.

requirements and excess procurement rules. The Commission should avoid any implementation that strands a POU with unnecessary costs or devalues the reasonable prior investments of a POU.

II. LONG-TERM PROCUREMENT REQUIREMENT

A. Independent Implementation

As stated in our Initial Comments and during the January 10 Workshop, the Joint POUs support an independent implementation of the long-term procurement requirement. The independent option provides a simpler implementation and a clear direction to the POUs on their compliance obligations, without lessening or devaluing the impact or prominence of the long-term procurement requirement as part of the overall RPS program objectives. Regardless of an independent versus dependent implementation, any POU that fails to comply with the 65 percent long-term procurement requirement faces noncompliance and potential penalties unless the shortfall is excused by an optional compliance mechanism. The Joint POUs urge the Commission to maintain an independent implementation of the long-term procurement requirement.

B. Definition of a Long Term Contract

The Joint POUs continue to support the Proposed Regulations definition of a long-term contract as an adequate starting point, but also encourage further discussion on this topic. The RPS Regulations must define long-term contracts in a way that does not unduly limit contracting options or structures, undermine regulatory certainty in long-term procurement planning, nor inadvertently penalize a POU for meeting state policies.

As the Joint POUs described during the January 10 Workshop, the RPS Regulations must clearly express that the long-term nature of a contract is not impacted by the subsequent failure of a project. Smaller POUs are particularly vulnerable, for RPS compliance purposes, should a contract unexpectedly fail. For example, a 25-year-long contract for 15 MW of a renewable resource now under development could constitute approximately half of a smaller POU's future RPS procurement requirement. However, if the project unexpectedly fails (through no fault of the POU), the POU should be allowed to procure and count eligible short-term contracts to make up the shortfall until the gap left by the project failure can be met.

Furthermore, the Commission should not define a long-term contract in a manner that could undermine or penalize a POU for other efforts to meet the state's energy and climate change requirements. A strict interpretation of the SB 350 post-2020 "10 years or more in duration" provision could do just that, and there are several "real world" examples that help illustrate the concern with, and complexity regarding, contracts and ownership of intermittent renewable resources and additive policy objectives. For example, a POU cannot guarantee delivery of renewable energy output under the following conditions:

- For RPS-eligible hydropower resources, in the event of drought;

- If there are operational, maintenance, or repair needs – such as in the event of a catastrophic wildfire that significantly damages a transmission line necessary to deliver renewable energy output from a geothermal plant, requiring several months to repair;
- For an eligible biomass facility, when fuel deliveries are weather-dependent and/or there is limited availability of transportation;
- For an eligible landfill gas facility that degrades faster than expected; and
- For a large-scale solar facility, when the panel capacity or efficiency diminishes faster than expected over the life of the contract.

Similarly, the Energy Commission must not fail to properly credit a POU that is mandated to procure certain eligible renewable resources for short-term periods – thereby becoming "10 or more" years in duration – necessary to meet California's policy goals.

We encourage the Commission to be cognizant of these practical considerations, as well as commensurate efforts by the state itself to mandate energy procurement of resources that are procured at significantly above-market prices but that strive to address other policy priorities (like reducing California's exposure to catastrophic wildfires). Such considerations warrant the maximum flexibility the Joint POUs are seeking.

C. Purpose of the Long Term Procurement Requirement

The Key Topics Document states that "the primary purpose of the [long term procurement requirement] is to provide long-term planning stability for the development of new or repowered projects."[4] It is important to clarify that there is a dual purpose for the long term procurement requirement, both supporting long term planning from a statewide perspective and providing a sufficient commitment to help developers to secure the necessary financing for constructing a new project. The California Public Utilities Commission's (CPUC) discussion of this topic in Decision (D.) 17-06-026 provides some useful background that supports this interpretation:

> In the RPS program, long-term contracts advance specific program purposes. In D.06-10-019 and D.07-05-028, the [CPUC] adopted the parties' consensus that long-term contracts are necessary in order for developers to finance new and repowered RPS-eligible generation.
>
> Another value of long-term contracts is implicit in their duration: the ability of retail sellers, as well as RPS-eligible generators, to plan for a number of years into the future. In addition to the regular RPS compliance planning process incorporated into retail sellers' annual RPS plans (see, most recently, D.16-12-044), SB 350 gives the [CPUC] responsibility for directing integrated resource planning for IOUs, electric service providers (ESPs), and community choice aggregators. Long-term contracts thus provide a valuable resource planning function, in addition to their role in facilitating the financing of new eligible renewable energy generation resources. Both these functions advance the

[4] Key Topics Document at 6.

> policy of the state to increase the use of eligible renewable energy resources and reduce the emission of greenhouse gases.[5]

It is within this dual purpose that the feedback on the specific provisions and implications of the long term procurement requirement are provided. POUs must be able to continue to negotiate contracts that meet the needs of their customers concurrently with the objective of the legislation, and without extra-statutory restrictions or provisions.

D. Applicability of Delay of Timely Compliance to the Long Term Procurement Requirement

As stated in the Initial Comments, the delay of timely compliance optional compliance mechanism must apply to the long term procurement requirement. In addition to the legal and policy support raised in the Key Topics Document and in the Joint POUs' Initial Comments, the Joint POUs offer the following examples of real-world occurrences that underscore the importance of ensuring that the provisions in Section 3206(a)(2) are applied to the long-term procurement requirement. The recent wildfires and public safety power shut-offs resulted in renewable resources and essential transmission lines being taken out of service. For example, NCPA's Geothermal Plant #1, which was taken out of service during the Kincaid Fire. Due to ongoing issues with transmission lines serving the plant, the resources from this facility are not deliverable to customers, and may be out for several more months. This is significant because a five-month outage could reduce the level of statewide renewable generation by more than 200,000 MWh, all coming from a long-term renewable energy contract. In another instance, due to a prolonged outage of PG&E transmission lines, the City of Santa Clara's Silicon Valley Power has been unable to receive power from a hydroelectric facility since November 2018; in 2017, that same facility produced approximately 95 GWh of renewable energy.

E. Treatment of Pre-June 2010 Procurement

The proposed Enforcement Regulation suggests classifying pre-June 2010 procurement based on the length of the original contract, while portfolio content category (PCC) 0 and historic carryover will be considered long-term regardless of contract length. These contracts are essentially the equivalent of a PCC 0 resource, with the exception that rules were not in place prior to June 2010, allowing pre-June 2010 procurement to be certified as an eligible RPS resource. While these resources are technically classified as a PCC 1, 2, or 3, they are treated in the same fashion as a PCC 0 (count-in-full) in the RPS calculations. For example, a pre-June 2010, PCC 3 renewable energy credit (REC) does not count toward the PCC 3 maximum allowance in the portfolio balance requirement (PBR). The resources that fall into the pre-June 2010 category are limited, and a piecemeal approach to classifying this procurement will introduce inconsistency and an unnecessary level of complexity into the long-term procurement requirement program. This approach is further supported by the fact that any remaining pre-June 2010 contracts will already be 10-plus years in length by the time revised regulations are likely adopted.

[5] D.17-06-026 at 15-16

The Joint POUs believe that consistency is vital as the RPS program evolves and matures. To that end, pre-June 2010 procurement should also be considered as long-term, similar to the treatment of PCC 0 and historic carryover.

F. Treatment of Contract Amendments

The updated regulations should not discourage or disallow the assignment of renewable attributes from joint ownership projects of jointly-entered power purchase agreements (PPAs) amongst POUs. There are numerous examples already in practice where renewable projects may be "swapped" or re-assigned amongst POUs for a variety of reasons – such as for scheduling purposes, the ability to exercise potential future ownership contract options, to add additional project attributes in the future (*e.g.,* to add storage to a portion of a large-scale solar facility), and/or to exercise assignment options where it makes economic sense. The ability to administer these long-term contracts in a way that maximizes the benefits to electricity customers is important as a means of keeping electricity rates as affordable as possible for POU customers. These transactions also meet the statutory objectives behind the long-term procurement requirement. The long-term procurement requirement mandate very specifically applies to the length of the underlying contract, and contract amendments or modifications that do not impact the duration of the contract – even while altering other provisions – should not be unduly restrictive.

III. RETAIL SALES REDUCTION FOR VOLUNTARY GREEN PRICING/SHARED RENEWABLE GENERATION PROGRAM

A. Green Pricing Program Exemptions and Adjustments

The proposed Enforcement Regulations provide for an exemption from retail sales for eligible renewable energy resources that are credited to a participating customer pursuant to voluntary green pricing and shared renewable programs (collectively referenced as "voluntary renewable programs" for these comments) for the purpose of determining a POU's RPS obligation.

Section 3204(b)(9)(c) of the proposed Enforcement Regulation inappropriately substitutes the terms "subtract, subtracted, subtraction, subtracting" (collectively referenced as "subtract" throughout remainder of these comments) in place of the terms "exclude, excluded, exclusion" (collectively referenced as "exclude" throughout remainder of these comments) which are used in public utilities code (PUC) section 399.30(c)(4). In this context, the term "subtract" can be misleading and problematic for POUs who strongly support the goals of SB 100 and participate in multiple programs that promote renewable energy resources, including the California Air Resources Board's Voluntary Renewable Electricity Program (VREP). While seemingly minor, this change can result in undesired interpretations of how RECs retired for voluntary renewable programs (and only for this purpose) are being used, and specifically whether RECs are used for multiple programs. Many of these voluntary programs prohibit using RECs for multiple programs, and providing documentation or WREGIS reports to various agencies to help substantiate voluntary program claims should not be interpreted as having retired these RECs for those programs (i.e. RPS, VREP, etc.).

The terms "exclude" and "subtract" have slightly different meanings. While we agree that the mechanism/calculation by which the appropriate retails sales are mathematically determined is accomplished by subtracting the "qualifying" voluntary renewable program loads from total retail sales, the "exclude" term that is used multiple times in PUC section 399.30(c)(4) should be retained in the Enforcement Regulation to ensure that the proper interpretation of this language is not lost.

Voluntary renewable programs can play an important role in meeting the state's SB 100 goals by promoting renewable energy. For example, in 2018, SMUD's voluntary renewable programs served more the one million MWh of load. Promotion and expansion of voluntary renewable programs result in greater procurement of renewable resources than would otherwise be procured to simply meet RPS obligations.

The Joint POUs respectfully requests that references to "subtract" in Section 3204(b)(9)(c) be amended to read "exclude," except in any cases that reference the mechanics (formulas) to implement the exclusion.

B. Green Pricing Program Geographic Requirements for POUs Not Located in a California Balancing Authority (BA) Area

The Joint POUs request that the provisions of Section 3204(b)(9)(B)(2) of the Proposed Regulations be revised to address the existing statutory exception under PUC section 399.30(h). Section 3204(b)(4), implementing PUC section 399.30(h), addresses a POU that "provides retail electric service to 15,000 or fewer customer accounts in California, and that . . . is interconnected to a balancing authority primarily located outside California but within the WECC." These POUs are not interconnected to a California balancing authority, and they cannot meet all of the technical requirements of PCC 1 in section 3203(a). As such, they would be unable to participate in voluntary green pricing or shared renewable generation programs under the Proposed Regulations. In order to address this, Section 3204(b)(9)(B)(2) should be revised to acknowledge the California BA exception in PUC section 399.30(h) and Section 3204(b)(4) of the RPS Regulations. The Joint POUs request that the Proposed Amendments be revised to include the following language in Section 3204(b)(9)(B)(2):

> "2. The electricity products satisfy the criteria of Portfolio Content Category 1, as specified in section 3203 (a). Electricity products that meet the criteria of section 3202 (a)(2) may be subtracted if they also satisfy the criteria of Portfolio Content Category 1. <u>For POUs that qualify for the exception in section 3204(b)(4), resources not delivered into a California BA, but that otherwise meet the criteria of 3203(a) may be used.</u>"

IV. RETAIL SALES REDUCTION FOR HYDROELECTRIC FACILITIES

With a minor exception that warrants modification, the Joint POUs support Staff's proposal for implementing the specific provisions related to the procurement of hydroelectric generation as defined in PUC code section 399.30(k)(1). These proposed amendments, reflected in Sections 3204 (b)(7)-(8) and in Sections 3207(i)-(j), should be implemented with the following exception: Sections 3204(b)(8) and 3207(j) should be modified to reflect the applicability of the provision from January 1, 2019 through December 31, 2030, *and to any subsequent compliance periods determined by the Commission*. As

proposed in the Proposed Regulations, the text would have the absurd result of only allowing the utilization of this provision through 2030, when the contracts at issue are for more than 20 years.

As discussed in the Initial Comments, the Commission must apply rules of statutory interpretation that avoid a nonsensical result. While it is important to begin by looking at the plain meaning of the language, the courts require additional assessment when that plain meaning presents a possible contradiction with the purpose of the statute.[6] The courts have consistently held:

> [the] fundamental rule is to ascertain the Legislature's intent in order to give effect to the purpose of the law. [*Citation*] We first examine the words of the statute and try to give effect to the usual, ordinary import of the language while not rendering any language surplusage. These words must be construed in context and in light of the statute's obvious nature and purpose, *and must be given a reasonable and commonsense interpretation that is consistent with the Legislature's apparent purpose and intention*. [Citation] Our interpretation should be practical, not technical, and should also result in wise policy, not mischief or absurdity. [Citation] We do not interpret statutes in isolation. Instead, we read every statute with reference to the entire scheme of law of which it is a part in order to harmonize the whole.[7]

In the instant case, staff has proposed that the exception would not be available after Compliance Period 6; this interpretation is based on the fact that PUC section 399.30(k)(2) references "a year within a compliance period set forth in subdivision (b)." Section 399.30(b) addresses only the enumerated compliance periods beginning January 1, 2011 (Compliance Period 1), through December 31, 2030 (Compliance Period 6). However, the statute was subsequently amended to require that the "Energy Commission shall establish appropriate multiyear compliance periods for all subsequent years that require the local publicly owned electric utility to procure not less than 60 percent of retail sales of electricity products from eligible renewable energy resources." This addition is found in subsection (c), which delineates the tasks of the local governing board ("(c) The governing board of a local publicly owned electric utility shall ensure all of the following:…"). Inclusion of this direction in 399.30(c), rather than 399.30(b), which specifically references compliance periods is not consistent with the similar provisions applicable to retail sellers, and appears to be in error. In Section 399.15, which establishes the RPS compliance periods for retail sellers, subsection (b) sets forth the individual compliance periods for January 1, 2011 (Compliance Period 1), through December 31, 2030 (Compliance Period 6), **but also** includes the subsequently adopted language regarding subsequent compliance periods, using nearly identical language as what is used in section 399.30(c); specifically, 399.15(b)(2)(B) provides "The

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[6] "But the 'plain meaning' rule does not prohibit a court from determining whether the literal meaning of a statute comports with its purpose or whether such a construction of one provision is consistent with other provisions of the statute. The meaning of a statute may not be determined from a single word or sentence; the words must be construed in context, and provisions relating to the same subject matter must be harmonized to the extent possible. [Citation.]
Literal construction should not prevail if it is contrary to the legislative intent apparent in the statute. The intent prevails over the letter, and the letter will, if possible, be so read as to conform to the spirit of the act." (*Ibid.*)" (Levin v. Winston-Levin (Cal. Ct. App., Sept. 13, 2019, No. G056353) 2019 WL 4386025, at *5)

[7] Hubbard v. California Coastal Com. (2019) 38 Cal.App.5th 119, 135–136 [250 Cal.Rptr.3d 397, 409] (emphasis added), citing *Pasadena Metro Blue Line Construction Authority v. Pacific Bell Telephone Co.* (2006) 140 Cal.App.4th 658, 663–664, 44 Cal.Rptr.3d 556 (*Pasadena Metro Blue Line*) and *20th Century Ins. Co. v. Superior Court* (2001) 90 Cal.App.4th 1247, 1275, 109 Cal.Rptr.2d 611.

commission shall establish appropriate three-year compliance periods for all subsequent years that require retail sellers to procure not less than 60 percent of retail sales of electricity products from eligible renewable energy resources." Given that the provisions of section 399.30(k) were drafted to specifically address the long-term implications of the increasing RPS mandate relative to the long-term commitments that the POUs have in these federal large hydroelectric generation projects, and the fact that the compliance periods beyond 2030 are included in the same subsection as the delineated compliance periods for retail sellers, a reading of the statutory provisions that does not render an absurd result is that the provisions of section 399.30(k) should apply to all years beginning on January 1, 2019, through the end of Compliance Period 6 in 2030, **and** to all subsequent compliance periods established by the Commission.

Reviewing the statutory provisions in light of the statute's obvious nature and purpose, and applying a reasonable and commonsense interpretation that is consistent with that intent and purpose, the proposed amendments to Sections 3204(b)(8) and 3207(j) should be modified to reflect the applicability of the provision from January 1, 2019 through December 31, 2030, and to any subsequent compliance periods as determined by the Commission in the regulations.

V. OPTIONAL COMPLIANCE MECHANISMS

A. Excess Procurement - Limitations on the Use of Previously-Banked PCC 2 RECs

Staff has proposed that PCC 2 excess procurement that was accrued in Compliance Periods 1 through 3 (between January 1, 2011 and December 31, 2020) must be applied by no later than Compliance Period 4. While PUC section 399.13(a)(4)(B) precludes the use of PCC 2 RECs for purposes of accruing excess procurement after January 1, 2021, there is no reason to unduly restrict the use of PCC 2 RECs that have already qualified as excess procurement to just Compliance Period 4. Rather, the proposed amendments should make clear that the *prospective* changes to the excess procurement eligibility does not impact those RECs that have already been banked and whose disposition has already been included in the POUs' long-term resource planning. At a minimum, those RECs should be available through the end of Compliance Period 5, as doing otherwise could result in significant costs for POU ratepayers when these resources are essentially disallowed.

While this treatment would differ from the CPUC rules adopted for retail sellers (D.17-06-026, pp. 29-30), this difference is justified based on the implementation of the provision. As the CPUC noted, it is necessary to harmonize the new restriction of prospective accrual of excess procurement and the provisions of Section 3206(a)(1) that allow excess procurement to be applied to future compliance periods. In this case, allowing a minimum of two compliance periods for POUs to adjust their RPS plans and procurement strategies to implement this restriction is appropriate. This is also consistent with the general planning horizon contemplated by the CPUC when that agency adopted the rules applicable to retail sellers in 2017.

B. Delay of Timely Compliance for Unanticipated Increase in Transportation Electrification

The Initial Comments recommended that the POU integrated resource plans (IRPs) may not be the appropriate source for selecting the forecasts for determining if an increase in transportation electrification is unanticipated. An "unanticipated" increase, by definition, is difficult to predict for any number of reasons: dependency upon (uncontrollable) customer uptake; development of charging stations along transportation corridors (particularly when considering the energy needed to serve increasingly-faster "fast chargers," and especially when "banks" of chargers are installed and likely to be used to serve customers from outside of a POU's own service territory); the electrification of large container ships docking at ports; and ongoing state regulatory efforts to mandate the electrification of medium- and heavy-duty private sector and public fleet vehicle trucks. We encourage the Commission not to view the IRP as a limiting or definitive factor in the ability to accurately forecast unanticipated load growth due to transportation electrification. A POU should instead be afforded the opportunity to independently explain how good faith estimates were developed, but that extenuating circumstances warrant practical considerations. The lead time required to plan, develop, build, *and procure energy resources for* significant new electric vehicle charging infrastructure is a complex endeavor that cannot be easily forecasted.

VI. COMPLIANCE REPORTING

A. Deadline for Submitting Compliance Report

In Section 3207 (d) of the Proposed Regulations, the Commission would provide a POU with 60 days after it receives the Commission's draft verification results to submit its Compliance Report for the applicable compliance period. This may provide insufficient time to complete a thorough review and to verify the accuracy of the information provided – particularly if the 60 days falls over time-constrained periods (*e.g.*, time-intensive data reporting demands from regulatory agencies, holidays) – as well as for larger POUs with robust data sets, or for smaller POUs that are staff-constrained. The Initial Comments recommended that the Commission extend the deadline to be 60 *business* days rather than 60 *calendar* days. However, based on discussions during the January 10 Workshop, the Joint POUs have modified their recommendation. The Joint POUs respectfully request that the Commission extend the deadline to be *90 calendar days*, and also provide a mechanism whereby a POU could ask for an additional, reasonable amount of time to submit the Compliance Report for good cause. Under "Special Provisions" contained within the Energy Commission's Renewables Portfolio Standard Eligibility Guidebook (Ninth Edition, revised), the Executive Director may, if good cause exists, extend a due date for the submission of a report required under the RPS Eligibility Guidebook.[8] The Joint POUs recommend that the Energy Commission explicitly reference this existing mechanism in the forthcoming regulatory proposed changes.

[8] California Energy Commission, "Commission Guidebook: Renewables Portfolio Standard Eligibility, Ninth Edition (Revised)" dated January 2017 at page 78: "Special Provisions" 4. Extensions of Reporting Due Dates. Link: https://efiling.energy.ca.gov/getdocument.aspx?tn=217317.

VII. PCC 0 RESOURCES

The Joint POUs urge the Commission to include amendments in the RPS regulations clarifying that contract amendments and *modifications* that do not increase the nameplate capacity or expected quantities of annual generation or substitute a different renewable energy resource, do not alter the PCC 0 or count-in-full status of those contracts. Just as the Proposed Regulations set forth the contract amendments that do not alter the long-term characterization of the contract, the Proposed Regulations should similarly highlight the amendments or modifications that do not alter the PCC 0 status. This clarification is necessary to provide the regulatory certainty required for POUs to modify their existing agreements in ways that benefit their rate payers and provide overall cost savings, yet do not impact or alter the underlying contract provisions that qualify these arrangements as PCC 0.

VIII. CONCLUSION

The Joint POUs appreciate the opportunity to provide these comments to Commission staff and look forward to working with the Commission and staff in this process. Thank you for the time and attention to these comments.