

DOCKETED

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 #:	232930-5
Document Title:	Appendix A - Economic and Fiscal Impact Assessment
Description:	N/A
Filer:	Gregory Chin
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	5/7/2020 11:56:00 AM
Docketed Date:	5/7/2020

Appendix A:
Economic and Fiscal Impact
Assessment of Modifications to
Regulations Specifying Enforcement of
the Renewables Portfolio Standard for
Local Publicly Owned Electric Utilities

March 12, 2020

Summary of Proposed Modifications to Regulations

The California Energy Commission (CEC) is proposing modifications to the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* (RPS POU Regulations) to implement changes in law under Senate Bill (SB) 350 (Stats. 2015, ch. 547), SB 1393 (Stats. 2016, ch. 677), SB 1110 (Stats. 2018, ch. 605), and SB 100 (Stats. 2018, ch. 312), and to make clarifications to existing regulatory provisions. The RPS POU Regulations are codified in the California Code of Regulations, Title 20, Division 2, Chapter 13, sections 3200 - 3208, and Chapter 2, Article 5, section 1240.

The proposed modifications to the regulations are in the following sections:

1. Section 3201 – Definitions
2. Section 3202 – Qualifying Electricity Products
3. Section 3204 – RPS Procurement Requirements
4. Section 3205 – Procurement Plans and Enforcement Programs
5. Section 3206 – Optional Compliance Measures
6. Section 3207 – Compliance Reporting for POUs
7. Section 3208 – Enforcement
8. Section 1240 – Renewables Portfolio Standard Enforcement

The economic and fiscal analysis will discuss the potential economic and fiscal impacts from the proposed regulatory amendments to each of these sections. The scope of the analysis is based on the costs and benefits (savings) resulting from the proposed regulatory amendments, as opposed to any costs or benefits that result from express requirements in the statute. For example, Public Utilities Code section 399.30 (b) and (c) require local publicly owned electric utilities (POU) to procure increasing amounts of RPS-eligible electricity products culminating in 60 percent of retail sales by 2030, and to maintain an average of 60 percent for each multiyear compliance period thereafter. The costs associated with a POU’s increased procurement of RPS-eligible electricity products to meet the 60 percent procurement requirements are based on the statute, not the CEC’s proposed regulatory amendments. Similarly, Public Utilities Code section 399.30 (k) establishes a partial exemption for POU procurement from qualifying large hydroelectric generation. POUs that qualify for this partial exemption may be able to lower their RPS procurement costs when compared to costs in absence of such an exemption. These potential savings, however, result from express requirements in the statute, which created the exemption, and not from the CEC’s proposed regulatory amendments.

Summary of Cost Impacts and Benefits

The following table summarizes the costs and benefits across the proposed RPS POU Regulations for three fiscal years of full implementation beginning July 1, 2024, and ending June 31, 2027.

Table 1. Summary of Costs and Benefits for Proposed Regulations

Proposed Regulatory Sections	Fiscal Year		
	2024/25	2025/26	2026/27
Section 3201 – Definitions	\$0	\$0	\$0

Private Obligated Entity Costs	\$0	\$0	\$0
Public Obligated Entity Costs	\$0	\$0	\$0
State Costs	\$0	\$0	\$0
Section 3202 – Qualifying Electricity Products	\$0	\$0	\$0
Private Obligated Entity Costs	\$0	\$0	\$0
Public Obligated Entity Costs	\$0	\$0	\$0
State Costs	\$0	\$0	\$0
Section 3204 – RPS Procurement Requirements	\$0	\$14,372	\$1,691,281
Private Obligated Entity Costs	\$0	\$0	\$0
Public Obligated Entity Costs	\$0	\$14,372	\$1,691,281
State Costs	\$0	\$0	\$0
Obligated Entity Benefits	\$1,760,596	\$182,071	\$304,577
Section 3205 – Procurement Plans and Enforcement Programs	\$0	\$0	\$0
Private Obligated Entity Costs	\$0	\$0	\$0
Public Obligated Entity Costs	\$0	\$0	\$0
State Costs	\$0	\$0	\$0
Obligated Entity Benefits	\$0	\$0	\$0
Section 3206 – Optional Compliance Measures	\$0	\$0	\$0
Private Obligated Entity Costs	\$0	\$0	\$0
Public Obligated Entity Costs	\$0	\$0	\$0
State Costs	\$0	\$0	\$0
Obligated Entity Benefits	\$0	\$0	\$0
Section 3207 – Compliance Reporting for POUs	\$157,071	\$149,413	\$104,004
Private Obligated Entity Costs	\$0	\$0	\$0
Public Obligated Entity Costs	\$20,364	\$20,829	\$9,195
State Costs	\$136,707	\$128,584	\$94,809
Obligated Entity Benefits	\$0	\$0	\$0
Section 3208 – Enforcement	\$0	\$0	\$0
Private Obligated Entity Costs	\$0	\$0	\$0
Public Obligated Entity Costs	\$0	\$0	\$0
State Costs	\$0	\$0	\$0
Obligated Entity Benefits	\$0	\$0	\$0
Section 1240 – Renewables Portfolio Standard Enforcement	\$0	\$0	\$0
Private Obligated Entity Costs	\$0	\$0	\$0
Public Obligated Entity Costs	\$0	\$0	\$0
State Costs	\$0	\$0	\$0
Obligated Entity Benefits	\$0	\$0	\$0
Total Costs	\$157,071	\$163,785	\$1,795,285
Total Benefits	\$1,760,596	\$182,071	\$304,577

Economic and Fiscal Analysis Assumptions

The CEC is proposing the following assumptions.

Implementation Date of Regulations

Economic and fiscal analyses need to be performed over a 12-month period following full implementation of the evaluated regulations. The supporting rulemaking activities are expected to be completed in 2020 with a planned implementation date in December 2020. The first full fiscal year after implementation of the new regulations would be for fiscal year 2021/22.

However, there are certain impacts that would not be observed during that timeframe: impacts regarding a large hydroelectric exemption, the soft targets for the 2025 and 2026 calendar years, and the application of certain previously-accrued excess procurement. Therefore, the CEC is proposing to evaluate the costs and benefits across the three-year period covering fiscal year 2024/25, fiscal year 2025/26, and fiscal year 2026/27.

Local and state entity costs and benefits were estimated by calendar year then converted to fiscal years assuming that any costs or benefits were constant through the calendar year.

Estimated Reporting Cost Calculations

The estimated reporting costs calculations performed for this analysis use the following basic calculation to estimate the reporting costs:

$$\text{Costs} = \text{hours} * \text{salary} * \text{number of entities}$$

Where:

Costs is defined as an estimated cost of reporting, verifying, or managing data

Hours are the estimated hours necessary to implement reporting tasks

Salary is the annual fully loaded hourly rate of person performing work

Number of entities would be the number of entities reporting or performing work associated with the evaluated proposed regulatory section.

Estimated costs represent the added tasks for specific data requirements, producing and providing documentation of identified actions and circumstances, and providing specific data to the CEC. For all the reporting requirements, time necessary for one time and ongoing tasks are estimated. Hours were estimated using work breakdown structures for requirements, estimating the marginal amount of time staff would need to complete the reporting task or to review the reporting to determine compliance, and an estimation of the staff's associated fully loaded annual salary based on current and anticipated assignment of workloads.

Obligated Entities

Local publicly owned electric utilities (POUs) are the only entities subject to the RPS POU Regulations. These regulations exclusively focus on the RPS obligations of California POUs. The CEC oversees RPS compliance for 43 POUs that will be affected by the proposed modifications

to the RPS POU Regulations.¹ CEC will use these 43 POUs as the basis of those entities which may be affected by the proposed regulations. Appendix A provides a list of these POUs.

The impact of any given proposed modification on a POU will depend on the specific circumstances involving the POUs. This is particularly true for special exemptions or adjustments to RPS procurement requirements that are tailored to narrow circumstances, not applicable to all POUs. In these instances, the costs have been scaled to reflect only those POUs that have either met certain qualifying conditions, have existing or future circumstances that may make the proposed modifications applicable, or are projected to continue being affected by certain modifications.

Renewable Energy Credit Prices

CEC staff evaluated representative incremental prices for RPS-eligible electricity products in each of the three RPS portfolio content categories (PCC) – PCC 1, PCC 2 and PCC 3. The prices are tied to the Renewable Energy Credits (REC), in megawatt-hours (MWh), for these electricity products. For this analysis the CEC is using the Mid Price REC for all California RPS-eligible electricity products as reported from S&P Global Platts Megawatts Daily publication estimates for the week of January 16, 2020. **Table 2** shows REC prices per MWh used in the analysis for the three PCC categories of electricity products.

Table 2. S&P Global Platts REC Prices (January 16, 2020)

REC Price	Mid Price	2025	2026	2027
PCC1	\$15.75	\$15.75	\$15.78	\$20.19
PCC2	\$8.00	\$8.00	\$8.80	\$9.94
PCC3	\$1.80	\$1.80	\$1.43	\$1.72

The CEC also evaluated contracted renewable resources from POU reported data to estimate prices based on contracts reported to the CEC with prices. The contracted prices were close to the Platts values, approximately \$14 per MWh for PCC 1, \$6 per MWh for PCC 2, and \$1.50 per MWh for PCC 3.

Over the evaluated three-year period, REC prices are projected to change due to demand for RECs changing through a compliance period. Using historical trends in REC prices from Platts Daily Watts data, staff evaluated the change in price over past three-year compliance periods and used the variation to estimate the changes observed for the evaluated three-year period.

In any given year obligated entities might procure differing amounts of electricity products in these REC categories. For the purposes of using the REC prices to estimate costs or savings, staff assumed that the portfolio balance requirements are met at the lowest cost which matches with the requirements that 75 percent of the RECs are PCC 1 and no more than 10 percent are PCC 3. The remaining 15 percent are assumed to be PCC 2.

¹ While Trinity Public Utility District is a POU and is thus subject to the CEC’s RPS enforcement authority, it qualifies for a special exemption under Public Utilities Code section 399.30 (g) and is automatically deemed in compliance with the RPS requirements.

Salaries

In performing the evaluation of administrative costs, the CEC is proposing to use fully loaded rates based on average salaries for staff position classifications, staff benefits, and staff operating costs. The pay scales will be increased by estimated annual percentages based on the negotiated annual increase by the applicable staff Bargaining Unit to reflect potential salary increases. **Table 3** provides a list of the staff classifications used, associated salaries, and estimated annual salary increases. The classifications used will be based on current CEC staff organization charts and resource expectations.²

Table 3. Summary of Staff Fully Loaded Annual Salaries in Analyses

Classification	2020 Fully Loaded Annual Rates	Estimated Post 2020 Annual Salary Increase
Energy Commission Specialist I	\$145,854	5%
Energy Commission Specialist II	\$157,941	5%
Energy Commission Specialist III	\$171,314	5%
Electric Generation System Specialist I	\$178,376	4.5%
Energy Resource Specialist III (Supervisory)	\$190,716	5%
Energy Resources Specialist III (Management)	\$206,479	5%
Attorney IV	\$239,155	4.7%

Table 4 provides the classification fully loaded hourly rates for the evaluated calendar years, 2024, 2025, 2026, and 2027.

Table 4. Fully Loaded Hourly Rates by Classification

Classification	2024	2025	2026	2027
Energy Commission Specialist I	\$110	\$116	\$121	\$127
Energy Commission Specialist II	\$119	\$125	\$131	\$138
Energy Commission Specialist III	\$129	\$136	\$143	\$150
Electric Generation System Specialist I	\$127	\$132	\$137	\$143
Energy Resource Specialist III (Supervisory)	\$144	\$151	\$159	\$167
Energy Resources Specialist III (Management)	\$156	\$164	\$172	\$180
Attorney IV	\$177	\$185	\$194	\$203

POU staff responsible for reporting data through the RPS are often associated with regulatory affairs or have some specialization in the procurement of renewables. Additionally, POU staff

² Energy Commission staff updated classification specific salary information on February 24, 2020 from CalHR website: <https://jobs.ca.gov/CalHRPublic/Tools/ClassSalarySearch.aspx>.

gathering the data may be broadly responsible for reporting of data from a data system and may not be part of the regulatory affairs or procurement responsibilities. The average annual pay scale of POU staff used for this analysis are assumed to be consistent with the pay scale of an Energy Commission Specialist II.

Staff Hours

The estimated hours used in the administrative cost evaluation will be marginal compared to the current process and will include costs for one-time and ongoing costs for modification, maintenance, verification, and communication regarding the new regulations and reporting processes. In some instances, staff has developed work breakdown structures to define anticipated tasks. In other instances, existing processes are considered to estimate the amount of work needed to perform the new required work due to the proposed regulations.

Additionally, this analysis only captures the incremental amount of work to perform those actions and tasks, including procurement actions, that are not explicitly required the statute. For example, Public Utilities Code section 399.30 (b) and (c) require POUs to procure increasing amounts of RPS-eligible electricity products culminating in 60 percent of retail sales by 2030, and to maintain an average of 60 percent for each multiyear compliance period thereafter. Only additional procurement actions relative to the minimum statutory requirements are considered in this assessment. .

In addition, existing processes require POUs to perform certain work to meet these statutory requirements. In many instances, a POU's existing RPS reporting will be adequate, so no additional reporting obligation will be captured in this fiscal analysis. However, if, as part of the proposed modification to the regulations, POUs are required to report new data or information to the CEC, the time needed to report the new data or information will be captured as a cost in this evaluation, as will the amount of time for the CEC to review and verify the information.

Discussion of Proposed Modifications

The proposed modifications to the regulations affect most of the sections within Chapter 13, Division 2 of Title 20. Specific amendments are proposed to Sections 3201, 3202, and 3204 through 3208. The proposed modifications also affect Section 1240 of Chapter 2, Article 5.

Modifications to Section 3201 – Definitions

Section 3201 contains proposed modifications associated with the definitions of terms used throughout Chapter 13. These proposed modifications do not result in any costs or benefits but merely clarify new and existing terms described in the proposed regulations.

Costs to Obligated Entities

There are no cost impacts to any obligated parties due to the proposed modifications in Section 3201. The proposed amendments in Section 3201 will not result in any changes to reporting processes or in any new obligation to POUs.

Costs to the State

There are no cost impacts to the state due to the proposed modifications in Section 3201. The proposed modifications will not result in any changes to reporting requirements or obligations for the state.

Potential Impacts of Proposed Modifications

The proposed new and modified definitions within Section 3201 will not result in the creation or elimination of any jobs within California. No new businesses will be created and neither will any existing business be eliminated by the proposed modifications. The proposed modifications will not expand any existing businesses doing business in California and there will be no direct benefits from the proposed modifications to the health and welfare of California residents, to worker safety, or to the state's environment. However, the proposed regulations will promote lower carbon emitting resources, potentially influencing some local communities in positive ways depending on the operation of the electrical system. Broadly, the objectives of the RPS include reducing climate impacts of the electricity sources serving California.

Modifications to Section 3202 – Qualifying Electricity Products.

Section 3202 contains modifications associated with the implementation of the new long-term procurement requirement as well as clarification of existing regulatory provisions. These modifications do not result in any costs or benefits but merely clarify the existing regulations or reflect the implementation of the long-term procurement requirement in section 3204 (d) of the proposed regulations.

Costs to Obligated Entities

There are no cost impacts to any obligated parties due to the proposed modifications in Section 3202 clarifying the references to existing excess procurement requirements and implementing the long-term procurement requirement. The proposed modifications in Section 3202 make conforming changes related to the long-term procurement requirement implemented in section 3204 (d) of the proposed regulations and to existing requirements associated with excess procurement in section 3206 (a)(1), but do not create new obligations.

Costs to the State

There are no cost impacts to the state due to the proposed modifications to Section 3202. The proposed modifications in Section 3202 will not result in any additional reporting requirements or obligations for the state.

Potential Impacts of Proposed Regulations

The proposed modifications in Section 3202 will not result in the creation or elimination of any jobs within California. No new businesses will be created and neither will any existing business be eliminated by the proposed modifications. The proposed modifications will not expand any existing businesses doing business in California and there will be no direct benefits from the proposed modifications to the health and welfare of California residents, to worker safety, or to the state's environment. However, the proposed regulations will promote the procurement of lower carbon emitting resources, potentially influencing some local communities in positive ways depending on the operation of the electrical system. Broadly, the objectives of the RPS include reducing climate impacts of the electricity sources serving California.

Modifications to Section 3204 – RPS Procurement Requirements

Section 3204 contains numerous proposed modifications associated with the implementation of statutory changes, in particular amendments to procurement targets, the long-term procurement requirement, and special exemptions to RPS procurement requirements. The proposed modifications also include clarifications of certain existing regulatory provisions. These

proposed modifications do not result in any costs but merely implement the statutorily prescribed requirements in the proposed regulations or clarify certain existing provisions. There are benefits to entities that will be able to use the large hydroelectric generation exemption which is quantified below in Section 3204 (b)(8). Entities that serve more than 40 percent of their retail sales with large hydroelectric generation will be eligible to use this exemption as described below. These benefits result from the exemption specified in the statute, and not as a result of the proposed regulations.

Costs to Obligated Entities

There are no cost impacts to any obligated parties due to the proposed modifications in Section 3204. The proposed modifications in Section 3204 implement the statutory requirements for the long-term procurement requirements and exemptions for qualifying large hydroelectric generation, natural gas-fired generation, and coal-fired generation. The proposed modifications also include clarifications to procurement target and portfolio balance requirements, but do not create new obligations.

Costs to the State

There are no cost impacts to the state due to the proposed modifications to Section 3204. The proposed modifications to Section 3204 will not result in any additional reporting requirements or obligations for the state.

Potential Impacts of Proposed Regulations

The proposed amendments in section 3204 will not result in the creation or elimination of any jobs within California. No new businesses will be created and neither will any existing business be eliminated by the proposed modifications to the regulations. The proposed modifications will not expand any existing businesses doing business in California and there will be no direct benefits from the proposed amendments to the health and welfare of California residents, to worker safety, or to the state's environment. However, the proposed modifications will promote the procurement of lower carbon emitting resources, potentially influencing some local communities in positive ways depending on the operation of the electrical system. Broadly, the objectives of the RPS include reducing climate impacts of the electricity sources serving California.

Modifications to Section 3204 – RPS Procurement Requirements

Section 3204 (a)(5)

Section 3204 (a)(5) defines RPS soft targets associated with 2025, 2026, and 2027. The proposed regulatory language specifies the soft targets as 46 percent for 2025, 50 percent for 2026, and 52 for 2027. Soft targets for the intervening years of other compliance periods have been based on a linear progression between the statutorily prescribed procurement targets. Applying a linear progression approach to the 2025-2027 compliance period would yield soft targets of 46.67 percent for 2025, 49.34 percent for 2026, and 52 percent for 2027. However, a soft target of 49.34 percent for 2026 would not be consistent with Public Utilities Code section 399.11 (a), which declares a legislative intent of 50 percent by 2026. Therefore, the CEC's proposed regulatory language specifies a soft target of 50 percent for 2026, but reduces the soft target for 2025 to 46 percent, so that the cumulative RPS procurement requirement for the compliance period remains essentially the same as if a linear progress approach was used to set

the soft targets. Setting the soft targets in this manner will result in a savings for POU's compared to soft target that are set using a modified linear progression, where the soft target for 2025 is 46.67 percent, for 2026 is 50 percent, and for 2027 is 52 percent. The deviation from a linear progression trend may result in changes in electricity procurements that result in savings of \$1,676,909 in fiscal year 2024/25 and costs of \$14,372 in fiscal year 2025/26 and \$1,691,281 in fiscal year 2026/27.

Costs to Obligated Entities

The CEC estimated the costs associated with deviating from a linear trend of compliance for 2025 and 2026 by determine the obligation in those years given the soft targets in the proposed regulations. In 2026, the quantity was estimated as an increase in procurement of 254,316 RECs for the 43 obligated POU's. These quantities were then multiplied by the REC prices identified in Table 2 for 2025 and 2026 assuming the portfolio balancing requirement was met at the lowest cost. The annual costs were then distributed across the fiscal years evenly to obtain the estimated costs of \$14,372 in fiscal year 2025/26 and \$1,691,281 in fiscal year 2026/27.

Costs to the State

There are no cost impacts to the state due to the proposed modifications to Section 3204 (a)(5). The proposed modifications to section 3204 (a)(5) will not result in any additional reporting requirements or obligations for the state.

Benefits to Obligated Entities

As described above, the deviation from the linear compliance trend in 2025 in the proposed soft targets results in a lower soft target requirement in 2025. This quantity was estimated as a procurement reduction of 254,222 RECs. Multiplying the quantity of RECs by the REC prices assuming the distribution of REC categories to meet the portfolio balance requirements discussed previously resulted in a savings of \$1,676,909 in fiscal year 2024/25.

Potential Impacts of Proposed Regulations

The proposed modifications in section 3204 (a)(5) will not result in the creation or elimination of any jobs within California. POU's will perform all the work necessary to meet the new obligations under the proposed modifications to section 3204 (a)(5). No new businesses will be created and neither will any existing business be eliminated by the proposed modifications to the regulations. The proposed modifications will not expand any existing businesses doing business in California and there will be no direct benefits from the proposed modifications to the health and welfare of California residents, to worker safety, or to the state's environment. However, the proposed regulations will promote the procurement of lower carbon emitting resources, potentially influencing some local communities in positive ways depending on the operation of the electrical system. Broadly, the objectives of the RPS include reducing climate impacts of the electricity sources serving California.

Modifications to Section 3204 – RPS Procurement Requirements

Section 3204 (b)(8)

Section 3204 (b)(8) defines an exemption for POU's that receive at least 40 percent of their retail sales from qualifying large hydroelectric generation. Section 3204 (b)(8)(A)2.i.-ii. specifies requirements for new or amended contracts between a POU and the Western Area Power

Administration as part of the federal Central Valley Project to qualify as a renewal or extension of the original agreement, provided that the new or amended contract was contemplated as a renewal or extension as part of the administration of the agreement. The CEC's proposal allows procurement from such contracts or amendments to contribute to qualifying large hydroelectric generation, which may result in a reduced RPS procurement target for eligible POUs with qualifying generation. Only agreements in effect as of January 1, 2018, or renewals or extensions of agreements in effect as of January 1, 2015, between POUs and the Western Area Power Administration, may contribute to qualifying large hydroelectric generation.

Costs to Obligated Entities

Since the POUs affected by the proposed modifications will be reducing their RPS obligation, there are no associated direct costs. Reporting is required to demonstrate eligibility for and the amount of the special exemption, but the estimated associated reporting costs are captured in Section 3207.

Costs to the State

There are no cost impacts to the state due to the proposed modifications to Section 3204 (b)(8). The proposed modifications in Section 3204 (b)(8) will not result in any additional direct obligations for the state.

Benefits to Obligated Entities

The proposed modifications are estimated to affect only a few POUs during the evaluated fiscal years. Benefits would begin in 2025 as existing large hydroelectric contracts with the Western Area Power Administration as part of the Central Valley Project end and new contracts are signed. If a POU meets the criteria established in Section 3204 (b)(8), the POU's soft target, and by effect its RPS procurement target, could be reduced. CEC staff used historical contracted hydroelectric generation, projections of average hydroelectric generation, and POU demand forecasts to estimate the quantity of savings for specific POUs for the three evaluated fiscal years. Based on this information, two entities are estimated to have reduced RPS obligations in 2025 and 2026 with an additional two entities potentially realizing savings in 2027. The savings estimate uses the project REC prices provided in Table 2. The savings is estimated to be \$83,688 in fiscal year 2024/25, \$196,767 in fiscal year 2025/26, and \$304,577 in fiscal year 2026/27. Savings would only be realized if the POUs chose to utilize the exemption so actual savings may be lower. Additionally, there is a significant amount of variation in annual large hydroelectric generation which could significantly impact the estimated savings calculations.

Potential Impacts of Proposed Regulations

The proposed modifications in Section 3204 (b)(8) will not result in the creation or elimination of any jobs within California. POUs and CEC staff will perform all the work necessary to meet the new obligations under the proposed modifications to Section 3204 (b)(8). No new businesses will be created and neither will any existing business be eliminated by the proposed amendments to the regulations. The proposed modifications will not expand any existing businesses doing business in California and there will be no direct benefits from the proposed amendments to the health and welfare of California residents, to worker safety, or to the state's environment. However, the proposed regulations will promote the procurement of lower carbon emitting resources, potentially influencing some local communities in positive ways depending

on the operation of the electrical system. Broadly, the objectives of the RPS include reducing climate impacts of the electricity sources serving California.

Modifications to Section 3205 – RPS Procurement Requirements

Proposed modifications in Section 3205 remove reporting and noticing requirements related to POU procurement plans, since the underlying statutory requirements have been repealed. These proposed modifications do not result in any costs or benefits since the modifications merely remove requirements repealed by statute.

Costs to Obligated Entities

There are no cost impacts to any obligated parties due to the proposed modifications in Section 3205. The proposed modifications in Section 3205 remove reporting and noticing requirements repealed by statute and do not create a new obligation.

Costs to the State

There are no cost impacts to the state due to the proposed modifications to Section 3205. The proposed modifications in Section 3205 will not result in any additional reporting requirements or obligations for the state.

Potential Impacts of Proposed Regulations

The proposed modifications in Section 3205 will not result in the creation or elimination of any jobs within California. No new businesses will be created and neither will any existing business be eliminated by the proposed modifications to Section 3205. The proposed modifications will not expand any existing businesses doing business in California and there will be no direct benefits from the proposed modifications to the health and welfare of California residents, to worker safety, or to the state's environment.

Modifications to Section 3206 – Optional Compliance Measures

Section 3206 contains numerous proposed modifications to implement statutory changes to optional compliance measures, including modifications to requirements for excess procurement, delay of timely compliance, and cost limitations. Modifications also include clarifications of existing provisions. These proposed modifications do not result in any costs or benefits but merely implement the statutorily prescribed obligations described in the proposed regulations or clarify existing regulatory provisions.

Costs to Obligated Entities

There are no cost impacts to any obligated parties due to the proposed amendments in Section 3206 implementing statutory requirements and clarifying existing regulatory language. The proposed modifications in Section 3206 revise the excess procurement requirements, delay of timely compliance requirements, and cost limitations, and clarify existing provisions for these three measures as well as the portfolio balance requirement reduction. The modifications do not create new obligations.

Costs to the State

There are no cost impacts to the state due to the proposed modifications to Section 3206. The proposed modifications to Section 3206 will not result in any additional reporting requirements or obligations for the state.

Potential Impacts of Proposed Regulations

The proposed modifications to Section 3206 will not result in the creation or elimination of any jobs within California. POU's will perform all the work necessary to meet the new obligations under the proposed modifications to Section 3206. No new businesses will be created and neither will any existing business be eliminated by the proposed modifications to the regulations. The proposed modifications will not expand any existing businesses doing business in California and there will be no direct benefits from the proposed amendments to the health and welfare of California residents, to worker safety, or to the state's environment. However, the proposed regulations will promote the procurement of lower carbon emitting resources, potentially influencing some local communities in positive ways depending on the operation of the electrical system. Broadly, the objectives of the RPS include reducing climate impacts of the electricity sources serving California.

Modifications to Section 3207 – POU Compliance Reporting

Section 3207 contains numerous modifications associated with the implementation of statutory changes, including the long-term procurement requirement, the voluntary early compliance process with the long-term procurement requirement, and the special exemptions for qualifying large hydroelectric generation, gas-fired generation, and coal-fired generation. In addition, the modifications include clarifications to streamline the existing reporting requirements and process and to ensure the ability of CEC staff to verify submitted information and conduct the robust analysis required to verify RPS procurement and determine compliance. Costs associated with the proposed modifications to Section 3207 affect verification activities and are discussed in detail. Proposed modifications that not discussed in detail are not estimated to have either a cost or a benefit to obligated entities or the state.

Costs to Obligated Entities

There are no cost impacts to any obligated parties due to the proposed modifications to Section 3207 with the exception of those discussed in detail below. In general, most POU's will not incur costs but those that either choose to claim special exemptions or that will be using optional compliance measures will incur small costs associated with additional reporting requirements. In some instances, the specified data is similar to data already provided or data provided in the processes such as RPS certification or power source disclosure filings. In these instances, the information will be easily referenced for purposes of meeting the identified requirements in Section 3207.

Costs to the State

There are no cost impacts to the state due to the proposed modifications to Section 3207 with the exception of those discussed in detail below. The proposed modifications to Section 3207 not discussed in detail below, will not result in any additional reporting requirements or obligations for the state.

Potential Impacts of Proposed Regulations

The cost impacts from the additional reporting requirements will be small and will not result in the creation or elimination of any jobs within California. POU's and CEC staff will perform all the work necessary to meet the new reporting obligations under the proposed modifications to Section 3207. No new businesses will be created and neither will any existing business be

eliminated by the proposed modifications to Section 3207. The proposed modifications will not expand any existing businesses doing business in California and there will be no direct benefits from the proposed modifications to the health and welfare of California residents, to worker safety, or to the state’s environment. However, the proposed regulations will promote the procurement of lower carbon emitting resources, potentially influencing some local communities in positive ways depending on the operation of the electrical system. Broadly, the objectives of the RPS include reducing climate impacts of the electricity sources serving California.

Modifications to Section 3207 – POU Compliance Reporting

Section 3204 (d)(3) and (d)(4)

Section 3207 (d)(3) and (d)(4) implement reporting to identify long-term and short-term contracts to provide data to verify the statutory long-term procurement requirements and excess procurement claims. Costs associated with the proposed modifications to Section 3207(d)(3) and (4) affect verification activities. Total estimated state and local costs are \$27,387 for fiscal year 2024/25, \$28,020 for fiscal year 2025/26, and \$28,684 for fiscal year 2026/27. These fiscal year totals are based on the sum of estimated costs for the obligated entities and the state as discussed below and shown in Table 5 and Table 6.

Costs to Obligated Entities

Obligated entities are estimated to have a total cost of \$3,401 in fiscal year 2025/26, \$3,480 in fiscal year 2026/27, and \$3,562 in fiscal year 2027/28. In the 2014-2016 RPS compliance period, the number of POUs with either excess procurement or historic carryover was 22. Of those, 17 had either excess procurement only or a combination excess procurement and historic carryover. These 17 entities are assumed to continue applying and accruing excess procurement and applying historic carryover as applicable and be required to report the quantity, product content category, and the classification as long-term or short-term. The five POUs who only have historic carryover are assumed to slowly apply their historic carryover for compliance resulting in the decrease of an obligated entity every two years. **Table 5** provides an estimate of the hours and associated costs by classification for each fiscal year evaluated for all impacted entities identified.

Table 5. Summary of Obligated Entity Hours and Costs by Equivalent Classification and Fiscal Year

Classification	Hours				Fiscal Year Costs		
	2024	2025	2026	2027	24/25	25/26	26/27
Energy Commission Specialist I Equivalent	10	10	9.5	9.5	\$1,074	\$1,099	\$1,125
Energy Commission Specialist II Equivalent	20	20	19	19	\$2,327	\$2,381	\$2,437

Costs to the State

In order to both handle the new data, perform evaluations of the submitted information, and to support the acquisition of the new data, the CEC will incur a small cost. The costs are estimated to total \$23,986 in fiscal year 2024/25, \$24,540 in fiscal year 2025/26, and \$25,122 in fiscal year 2026/27. These costs would be in addition to the extensive data analysis work already

performed by the CEC to verify excess procurement and historic carryover quantities and categorization.

Table 6. Summary of State Hours and Costs by Classification and Fiscal Year

Classification	Hours				Fiscal Year Costs		
	2024	2025	2026	2027	24/25	25/26	26/27
Energy Commission Specialist I	2.5	2.5	2.5	2.5	\$5,372	\$5,496	\$5,626
Energy Commission Specialist II	8	8	8	8	\$18,614	\$19,044	\$19,496

Potential Impacts of Proposed Regulations

The cost impacts from the additional reporting requirements will be small and will not result in the creation or elimination of any jobs within California. POU and CEC staff will perform all the work necessary to meet the new reporting obligations under the proposed modifications to Section 3207 (d)(3) and (4). No new businesses will be created and neither will any existing business be eliminated by the proposed modifications to Section 3207 (d)(3) and (d)(4). If existing consulting businesses provide services to POU for compliance reporting, such businesses may have additional work associated with increased POU reporting requirements as a result of the proposed regulations. Because the proposed regulations impose only minimal new reporting requirements, the CEC does not anticipate existing consulting businesses will need to hire new staff. There will be no direct benefits from the proposed regulations to the health and welfare of California residents, to worker safety, or to the state’s environment. However, the proposed regulations will promote the procurement of lower carbon emitting resources, potentially influencing some local communities in positive ways depending on the operation of the electrical system. Broadly, the objectives of the RPS include reducing climate impacts of the electricity sources serving California.

Modifications to Section 3207 – POU Compliance Reporting

Section 3207 (d)(5)(A)

Section 3207 (d)(5)(A) implements reporting requirements to verify the application of cost limitation optional compliance measures submitted to the CEC. Proposed modifications to Section 3207 (d)(5)(A) affect verification activities and result in increased reporting. Total estimated state and local costs to report specified information in Section 3207 (d)(5)(A) are \$21,096 for fiscal year 2024/25, \$21,096 for fiscal year 2025/26, and \$0 for fiscal year 2026/27. These fiscal year totals are based on the sum of estimated costs for the obligated entities and the state as discussed below and shown in Table 7 and Table 8.

Costs to Obligated Entities

Obligated entities are estimated to have a total cost of \$4,344 in fiscal year 2024/25, \$4,344 in fiscal year 2025/26, and \$0 in fiscal year 2026/27. The number of entities estimated to use the cost limitation optional compliance measure in 2024 is six and is consistent with recent filings. As a conservative estimate, staff assumes that an additional three entities may use the cost limitation optional compliance measures in 2025, 2026, and 2027 as compliance requirements increase. The true number of entities may be lower as POU increase procurements of eligible

renewables. **Table 7** provides an estimate of the hours and associated costs by classification for each fiscal year evaluated for all impacted entities identified.

Table 7. Summary of Obligated Entity Hours and Costs by Equivalent Classification and Fiscal Year

Classification	Hours				Fiscal Year Costs		
	2024	2025	2026	2027	24/25	25/26	26/27
Energy Commission Specialist II Equivalent	0	72.9	0	0	\$4,344	\$4,344	\$0

Costs to the State

In order to both handle the new data, perform evaluations of the submitted information, and to support the acquisition of the new data, the CEC will incur a small cost. The costs are estimated to total \$16,752 in fiscal year 2024/25, \$16,752 in fiscal year 2025/26, and \$0 in fiscal year 2026/27. These costs would be in addition to the existing verification work already performed by the CEC to verify optional compliance submissions. **Table 8** provides the details of state work and fiscal costs associated with the management and evaluation of submitted optional compliance information.

Table 8. Summary of State Hours and Costs by Classification and Fiscal Year

Classification	Hours				Fiscal Year Costs		
	2024	2025	2026	2027	24/25	25/26	26/27
Energy Commission Specialist I	0	16.5	0	0	\$8,172	\$8,172	\$0
Energy Commission Specialist II	0	16	0	0	\$8,581	\$8,581	\$0

Potential Impacts of Proposed Regulations

The cost impacts from the additional reporting requirements will be small and will not result in the creation or elimination of any jobs within California. POU and CEC staff will perform all the work necessary to meet the new reporting obligations under the proposed modifications to Section 3207 (d)(5)(A). No new businesses will be created and neither will any existing business be eliminated by the proposed amendments to Section 3207 (d)(5)(A). If existing consulting businesses provide services to POUs for compliance reporting, such businesses may have additional work associated with increased POU reporting requirements as a result of the proposed regulations. Because the proposed regulations impose only minimal new reporting requirements, the CEC does not anticipate existing consulting businesses will need to hire new staff. There will be no direct benefits from the proposed regulations to the health and welfare of California residents, to worker safety, or to the state’s environment. However, the proposed regulations will promote the procurement of lower carbon emitting resources, potentially influencing some local communities in positive ways depending on the operation of the electrical system. Broadly, the objectives of the RPS include reducing climate impacts of the electricity sources serving California.

Modifications to Section 3207 – POU Compliance Reporting

Section 3207 (d)(5)(B)

Section 3207 (d)(5)(B) implements reporting requirements to verify the application of delay of timely compliance optional compliance measures submitted to the CEC. Proposed modifications to Section 3207 (d)(5)(B) affect verification activities and result in increased reporting. Total estimated state and local costs to report specified information in Section 3207 (d)(5)(B) are \$22,827 for fiscal year 2024/25, \$22,827 for fiscal year 2025/26, and \$0 for fiscal year 2026/27. These fiscal year totals are based on the sum of estimated costs for the obligated entities and the state as discussed below and shown in Table 9 and Table 10.

Costs to Obligated Entities

Obligated entities are estimated to have a total cost of \$7,985 in fiscal year 2024/25, \$7,985 in fiscal year 2025/26, and \$0 in fiscal year 2026/27. Only two entities are assumed to use the delay of timely compliance optional compliance measure during the evaluated fiscal years. The true number of entities may be lower as POU's increase procurement of eligible renewables.

Table 9 provides an estimate of the hours and associated costs by classification for each fiscal year evaluated for all impacted entities identified.

Table 9. Summary of Obligated Entity Hours and Costs by Equivalent Classification and Fiscal Year

Classification	Hours				Fiscal Year Costs		
	2024	2025	2026	2027	24/25	25/26	26/27
Energy Commission Specialist II Equivalent	0	134	0	0	\$7,985	\$7,985	\$0

Costs to the State

In order to both handle the new data, perform evaluations of the submitted information, and to support the acquisition of the new data, the CEC will incur a small cost. The costs are estimated to total \$14,842 in fiscal year 2024/25, \$14,842 in fiscal year 2025/26, and \$0 in fiscal year 2026/27. These costs would be in addition to the existing verification work already performed by the CEC to verify optional compliance submissions. **Table 10** provides the details of state work and fiscal costs associated with the management and evaluation of submitted optional compliance information.

Table 10. Summary of State Hours and Costs by Classification and Fiscal Year

Classification	Hours				Fiscal Year Costs		
	2024	2025	2026	2027	24/25	25/26	26/27
Energy Commission Specialist I	0	17	0	0	\$1,871	\$1,871	\$0
Energy Commission Specialist II	0	15	0	0	\$1,788	\$1,788	\$0
Electric Generation System Specialist I	0	88	0	0	\$11,183	\$11,183	\$0

Potential Impacts of Proposed Regulations

The cost impacts from the additional reporting requirements will be small and will not result in the creation or elimination of any jobs within California. POU and CEC staff will perform all the work necessary to meet the new reporting obligations under the proposed modifications to Section 3207 (d)(5)(B). No new businesses will be created and neither will any existing business be eliminated by the proposed modifications to Section 3207 (d)(5)(B). If existing consulting businesses provide services to POU for compliance reporting, such businesses may have additional work associated with increased POU reporting requirements as a result of the proposed regulations. Because the proposed regulations impose only minimal new reporting requirements, the CEC does not anticipate existing consulting businesses will need to hire new staff. There will be no direct benefits from the proposed regulations to the health and welfare of California residents, to worker safety, or to the state’s environment. However, the proposed regulations will promote the procurement of lower carbon emitting resources, potentially influencing some local communities in positive ways depending on the operation of the electrical system. Broadly, the objectives of the RPS include reducing climate impacts of the electricity sources serving California.

POU Compliance Reporting

Section 3207 (j)

Section 3207 (j) implements reporting requirements to verify large hydroelectric generation data to determine meeting criteria of Section 3204 (b)(8). Proposed modifications to Section 3207 (j) affect verification activities and result in increased reporting. Total estimated state and local costs to report specified information in Section 3207 (j) are \$4,905 for fiscal year 2024/25, \$4,478 for fiscal year 2025/26, and \$8,177 for fiscal year 2026/27. These fiscal year totals are based on the sum of estimated costs for the obligated entities and the state as discussed below and shown in Table 11 and Table 12.

Costs to Obligated Entities

Obligated entities are estimated to have a total cost of \$640 in fiscal year 2024/25, \$672 in fiscal year 2025/26, and \$1,067 in fiscal year 2026/27. Only two entities are estimated to be eligible to meet the criteria set forth in Section 3204 (b)(8) in 2024, 2025, and 2026. An additional two entities are estimated to meet the eligibility criteria in 2027. The true number of entities may differ based on the amount of large hydroelectric electricity procured and available given significant generation variability. **Table 11** provides an estimate of the hours and associated costs by classification for each fiscal year evaluated for all impacted entities identified.

Table 11. Summary of Obligated Entity Hours and Costs by Equivalent Classification and Fiscal Year

Classification	Hours				Fiscal Year Costs		
	2024	2025	2026	2027	24/25	25/26	26/27
Energy Commission Specialist II Equivalent	5.5	5.5	5.5	11	\$640	\$672	\$1,067

Costs to the State

In order to both handle the new data, perform evaluations of the submitted information, determine meeting Section 3204 (b)(8) criteria, and to support the acquisition of the new data, the CEC will incur a small cost. The costs are estimated to total \$4,265 in fiscal year 2024/25, \$4,478 in fiscal year 2025/26, and \$7,110 in fiscal year 2026/27. **Table 12** provides the details of state work and fiscal costs associated with the management and evaluation of submitted optional compliance information.

Table 12. Summary of State Hours and Costs by Classification and Fiscal Year

Classification	Hours				Fiscal Year Costs		
	2024	2025	2026	2027	24/25	25/26	26/27
Energy Commission Specialist I	5.5	5.5	5.5	5.5	\$1,182	\$1,241	\$1,970
Energy Commission Specialist II	13.25	13.25	13.25	13.25	\$3,083	\$3,237	\$5,140

Potential Impacts of Proposed Regulations

The cost impacts from the additional reporting requirements will be small and will not result in the creation or elimination of any jobs within California. POU and CEC staff will perform all the work necessary to meet the new reporting obligations under the proposed amendments to Section 3207 (j). No new businesses will be created and neither will any existing business be eliminated by the proposed amendments to Section 3207 (j). If existing consulting businesses provide services to POUs for compliance reporting, such businesses may have additional work associated with increased POU reporting requirements as a result of the proposed regulations. Because the proposed regulations impose only minimal new reporting requirements, the CEC does not anticipate existing consulting businesses will need to hire new staff. There will be no direct benefits from the proposed regulations to the health and welfare of California residents, to worker safety, or to the state's environment. However, the proposed regulations will promote the procurement of lower carbon emitting resources, potentially influencing some local communities in positive ways depending on the operation of the electrical system. Broadly, the objectives of the RPS include reducing climate impacts of the electricity sources serving California.

POU Compliance Reporting, Section 3207 (k)

Section 3207 (k) implements reporting requirements to verify green pricing program data to determine the quantity of electricity that can be excluded from retail sales in accordance with Section 3204 (b)(9). Proposed amendments to Section 3207 (k) affect verification activities and result in increased reporting. Total estimated state and local costs to report specified information in Section 3207 (k) are \$48,177 for fiscal year 2024/25, \$50,586 for fiscal year 2025/26, and \$53,116 for fiscal year 2026/27. These fiscal year totals are based on the sum of estimated costs for the obligated entities and the state as discussed below and shown in Table 13 and Table 14.

Costs to Obligated Entities

Obligated entities are estimated to have a total cost of \$3,839 in fiscal year 2024/25, \$4,031 in fiscal year 2025/26, and \$4,233 in fiscal year 2026/27. According to the 2018 power source

disclosure filings there were 12 green pricing programs being implemented by POUs. Although not all green pricing programs may be used to reduce retail sales, staff has made the conservative assumption that all existing programs will be leveraged to reduce retail sales for the POU over the evaluated fiscal years. **Table 13** provides an estimate of the hours and associated costs by classification for each fiscal year evaluated for all impacted entities identified.

Table 13. Summary of Obligated Entity Hours and Costs by Equivalent Classification and Fiscal Year

Classification	Hours				Fiscal Year Costs		
	2024	2025	2026	2027	24/25	25/26	26/27
Energy Commission Specialist II Equivalent	27	27	27	27	\$3,839	\$4,031	\$4,233

Costs to the State

In order to both handle the new data, perform evaluations of the submitted information, determine whether excluded electricity products meet the criteria of Section 3204 (b)(9), and to support the acquisition of the new data, the CEC will incur a small cost. The costs are estimated to total \$4,265 in fiscal year 2024/25, \$4,478 in fiscal year 2025/26, and \$7,110 in fiscal year 2026/27. **Table 14** provides the details of state work and fiscal costs associated with the management and evaluation of submitted optional compliance information.

Table 14. Summary of State Hours and Costs by Classification and Fiscal Year

Classification	Hours				Fiscal Year Costs		
	2024	2025	2026	2027	24/25	25/26	26/27
Associate Energy Specialist	0.5	0.5	0.5	0.5	\$596	\$626	\$657
Energy Commission Specialist I	24	24	24	24	\$30,941	\$32,488	\$34,113
Energy Commission Specialist II	7	7	7	7	\$9,772	\$10,261	\$10,774
Energy Commission Specialist III	2	2	2	2	\$3,029	\$3,180	\$3,339

Potential Impacts of Proposed Regulations

The cost impacts from the additional reporting requirements will be small and will not result in the creation or elimination of any jobs within California. POUs and CEC staff will perform all the work necessary to meet the new reporting obligations under the proposed modifications to Section 3207 (k). No new businesses will be created and neither will any existing business be eliminated by the proposed modifications to Section 3207 (k). If existing consulting businesses provide services to POUs for compliance reporting, such businesses may have additional work associated with increased POU reporting requirements as a result of the proposed regulations. Because the proposed regulations impose only minimal new reporting requirements, the CEC does not anticipate existing consulting businesses will need to hire new staff. There will be no direct benefits from the proposed regulations to the health and welfare of California residents,

to worker safety, or to the state’s environment. However, the proposed regulations will promote the procurement of lower carbon emitting resources, potentially influencing some local communities in positive ways depending on the operation of the electrical system. Broadly, the objectives of the RPS include reducing climate impacts of the electricity sources serving California.

POU Compliance Reporting, Section 3207 (m)

Section 3207 (m) implements reporting requirements to verify gas-fired power plant data to determine a POU’s eligibility for the special exemption in Section 3204 (b)(11) and the quantity of generation that can reduce a POU’s procurement target. Proposed modifications to Section 3207 (m) impact verification activities and result in increased reporting. Total estimated state and local costs to report specified information in Section 3207(m) are \$32,679 for fiscal year 2024/25, \$21,734 for fiscal year 2025/26, and \$14,027 for fiscal year 2026/27. These fiscal year totals are based on the sum of estimated costs for the obligated entities and the state as discussed below and shown in Table 15 and Table 16.

Costs to Obligated Entities

Obligated entities are estimated to have a total cost of \$155 in fiscal year 2024/25, \$318 in fiscal year 2025/26, and \$333 in fiscal year 2026/27. An evaluation of historical power plant generation data indicates that two entities may meet the criteria set forth in Section 3204(b)(11). Although historical data indicates the possibility these two POU’s might meet the criteria, annual POU loads and procured generation would play a role in how much generation would occur at these facilities. **Table 15** provides an estimate of the hours and associated costs by classification for each fiscal year evaluated for all impacted entities identified.

Table 15. Summary of Obligated Entity Hours and Costs by Equivalent Classification and Fiscal Year

Classification	Hours				Fiscal Year Costs		
	2024	2025	2026	2027	24/25	25/26	26/27
Energy Commission Specialist II Equivalent	0	2.6	2.6	2.6	\$155	\$318	\$333

Costs to the State

In order to both handle the new data, perform evaluations of the submitted information, determine meeting Section 3204 (b)(11) criteria, and to support the acquisition of the new data, the CEC will incur a small cost. The costs are estimated to total \$32,524 in fiscal year 2024/25, \$21,416 in fiscal year 2025/26, and \$13,694 in fiscal year 2026/27. **Table 16** provides the details of state work and fiscal costs associated with the management and evaluation of submitted optional compliance information.

Table 16. Summary of State Hours and Costs by Classification and Fiscal Year

Classification	Hours				Fiscal Year Costs		
	2024	2025	2026	2027	24/25	25/26	26/27
Energy Commission	77	43	4.5	4.5	\$6,649	\$3,134	\$1,066

Specialist I							
Energy Commission Specialist II	214.25	128	24	24	\$21,216	\$12,061	\$6,157
Electric Generation System Specialist I	0	24	24	24	\$3,050	\$6,222	\$6,471
Energy Resources Specialist III (Management)	8	0	0	0	\$594	\$0	\$0
Attorney IV	12	0	0	0	\$1,015	\$0	\$0

Potential Impacts of Proposed Regulations

The cost impacts from the additional reporting requirements will be small and will not result in the creation or elimination of any jobs within California. POU and CEC staff will perform all the work necessary to meet the new reporting obligations under the proposed modifications to Section 3207 (m). No new businesses will be created and neither will any existing business be eliminated by the proposed modifications to Section 3207 (m). If existing consulting businesses provide services to POU for compliance reporting, such businesses may have additional work associated with increased POU reporting requirements as a result of the proposed regulations. Because the proposed regulations impose only minimal new reporting requirements, the CEC does not anticipate existing consulting businesses will need to hire new staff. There will be no direct benefits from the proposed regulations to the health and welfare of California residents, to worker safety, or to the state’s environment. However, the proposed regulations will promote the procurement of lower carbon emitting resources, potentially influencing some local communities in positive ways depending on the operation of the electrical system. Broadly, the objectives of the RPS include reducing climate impacts of the electricity sources serving California.

Section 3208 – Enforcement

Proposed modifications to Section 3208 implement the enforcement process for the statutory long-term procurement requirement, clarify existing regulatory language, and renumber provisions to account for the new additions. These proposed modifications do not result in any costs or benefits since the amendments implement a statutory requirement and clarify existing provisions.

Costs to Obligated Entities

There are no cost impacts to any obligated parties due to the proposed amendments in Section 3208. The proposed modifications to Section 3208 implement the enforcement process for the statutory long-term procurement requirement, clarify existing regulatory provisions, and renumber provisions to account for the new additions, but do not create any new obligations.

Costs to the State

There are no cost impacts to the state due to the proposed modifications to Section 3208. The proposed modifications in Section 3208 will not result in any additional reporting requirements or obligations for the state.

Potential Impacts of Proposed Regulations

The proposed modifications to Section 3208 will not result in the creation or elimination of any jobs within California. CEC staff will perform all the work necessary to meet the new obligations under the proposed amendments to Section 3208. No new businesses will be created and neither will any existing business be eliminated by the proposed modifications to Section 3208. The proposed modifications will not expand any existing businesses doing business in California and there will be no direct benefits from the proposed amendments to the health and welfare of California residents, to worker safety, or to the state's environment. As noted above, however, the proposed regulations will provide indirect environmental benefits for the state.

Section 1240 – Renewables Portfolio Standard Enforcement

Proposed modifications to Section 1240 make minor clarifications and updates to statutory references and to the parties that will receive a forwarded notice of violation from the CEC. These proposed modifications do not result in any costs or benefits.

Costs to Obligated Entities

There are no cost impacts to any obligated parties due to the proposed modifications in Section 1240. The proposed amendments in Section 1240 make minor clarifications and updates, but do not create any new obligations.

Costs to the State

There are no cost impacts to the state due to the proposed modifications to Section 1240. The proposed modifications in Section 1240 will not result in any additional reporting requirements or obligations for the state.

Potential Impacts of Proposed Regulations

The proposed modifications in Section 1240 will not result in the creation or elimination of any jobs within California. CEC staff will perform all the work necessary to meet the new obligations under the proposed modifications to Section 1240. No new businesses will be created and neither will any existing business be eliminated by the proposed modifications to Section 1240. The proposed modifications will not expand any existing businesses doing business in California and there will be no direct benefits from the proposed modifications to the health and welfare of California residents, to worker safety, or to the state's environment. As noted above, however, the proposed regulations will provide indirect environmental benefits for the state.

Appendix A. List of California Local Publicly Owned Electric Utilities

Alameda Municipal Power
Anaheim, City of
Azusa Light and Water
Banning, City of
Biggs Municipal Utilities
Burbank Water and Power
Cerritos, City of
City of Industry
Colton Public Utilities
Corona, City of
Eastside Power Authority (ESPA)
Glendale Water and Power
Gridley Electric Utility
Healdsburg, City of, Electric Department
Imperial Irrigation District
Kirkwood Meadows Public Utility District
Lassen Municipal Utility District
Lodi Electric Utility
Lompoc, City of, Electric Division
Los Angeles Department of Water and Power (LADWP)
Merced Irrigation District
Modesto Irrigation District
Moreno Valley Utility
Needles, City of (Public Utility Authority)
Palo Alto, City of, Utility Department
Pasadena Water and Power
Pittsburg, City of
Port of Oakland
Port of Stockton
Power and Water Resources Pooling Authority (PWRPA)
Power Enterprise of the San Francisco Public Utility Commission (CCSF)
Rancho Cucamonga Municipal Utility
Redding Electric Utility
Riverside, City of
Roseville Electric
Sacramento Municipal Utility District
Shasta Lake, City of
Silicon Valley Power
Trinity Public Utility District*
Truckee Donner Public Utility District
Turlock Irrigation District
Ukiah, City of, Electric Utility Division
Vernon, City of
Victorville Municipal Utilities Services