

DOCKETED

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*Comment Received From: Silicon Valley Power
Submitted On: 9/2/2020
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**Silicon Valley Power Comments - Letter from Silicon Valley Power
Urging Reconsideration of the Current Proposal**

Additional submitted attachment is included below.



Powering The Center of What's Possible

September 2, 2020

Chair David Hochschild
Commissioner Karen Douglas
Commissioner J. Andrew McAllister
Commissioner Janea A. Scott
Commissioner Patty Monahan

California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Dear Commissioners:

The City of Santa Clara, acting through its municipally owned electric utility Silicon Valley Power (SVP) shares the CEC's interest in supporting renewable energy development in the State. As you are aware, in 2019, SVP procured over 35% of its portfolio from resources that are eligible under the Renewables Portfolio Standard (RPS) program. Our utility is committed to advancing and expanding its clean energy portfolio while keeping the cost of energy as stable as possible. Protecting our residents and businesses from increasing energy costs is critical now and will continue to be important in the coming years as our community recovers from the national economic downturn linked to COVID-19.

SVP wishes to express great concern with newly proposed language in the Commission's pending regulations for the RPS program. Changes made in the recently released 15-day language would require Commission staff to make determinations on the long-term status of our utility's contracts. We understand the statutory provisions related to procurement from long-term contracts and ownership agreements and believe the proposed regulatory language does not recognize the responsibility and accountability of our governing board, and would unduly expand the Commission's role beyond that which was envisioned by the Legislature. Of more significant concern is that these changes create regulatory uncertainty and undermine local decision-making that informs SVP's resource procurement planning.

The proposed language unlawfully grants Commission staff an inappropriate amount of discretion in making a determination on the sufficiency of contract provisions relating to resource quantity, term, and delivery. This allows Commission staff to reach beyond what is defined in the Commission's RPS regulations and what is required by law. This proposed process would create regulatory uncertainty as to whether SVP's existing and future negotiated contracts would satisfy the Commission staff's review. We are further challenged by the absence of any timeline in the



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proposed regulation for the Commission staff to make its determination on a contract's compliance. I am concerned that this uncertainty may unnecessarily result in added compliance costs for SVP that will, in turn, increase the cost of electric service for our residents and businesses without actually providing any meaningful power delivery benefit.

For this reason, I respectfully urge you to reconsider this proposal and to work with SVP, the Northern California Power Agency, and the public power community to address these concerns.

As noted above, SVP is fully committed to actively partnering with the state to keep the lights on and maintain affordable energy costs for our community members. Earlier this month, we joined the Commission and the industry in calling for energy conservation in our community to help address the energy supply shortage in the California Independent System Operator balancing authority area. Our governing body takes its utility oversight role seriously, and hopes to continue partnering with the Commission, and the state as a whole, to ensure that the policies we implement work toward renewable energy procurement goals and resource diversity that supports overall electric system reliability.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Pineda".

Manuel Pineda

Assistant City Manager / Chief Electric Utility Officer