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*Comment Received From: Pasadena Water and Power
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Letter from General Manager of Pasadena Water and Power urging reconsideration of 2nd 15-Day Modifications to RPS Regulation

Additional submitted attachment is included below.



PASADENA WATER AND POWER

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:

As the General Manager of Pasadena Water and Power, a local, publicly owned utility, I work closely with our City Council to implement policies that reflect our community's clean energy and climate goals. The City of Pasadena shares your interest in supporting renewable energy development in the State. As you know, Pasadena achieved a Renewable Portfolio Standard ("RPS") of 37.5 percent for CY 2019, and is on track to meet 60 percent RPS by 2030. Additionally, Pasadena has already reduced greenhouse gas ("GHG") emissions by more than 50 percent compared to 1990 levels. In last decade or so, Pasadena has entered into long term contracts with only RPS eligible renewable energy resources in compliance with laws, rules and regulations applicable at those times.

Our utility is committed to advancing and expanding its clean energy portfolio while keeping energy costs as stable as possible. Protecting our residents and businesses from increasing energy costs is critical and will continue to be important in the coming years as our community recovers from the national economic downturn linked to COVID-19.

It is with this perspective that I write today, on behalf of Pasadena Water and Power, to express great concern with newly proposed language in the Commission's pending regulations for the RPS program. Last-minute changes made in the recently released 15-day language would require Commission staff to make determinations on the long-term status of our renewable contracts; and, afford the Commission significant discretion in applying vaguely worded requirements. We have submitted a formal stakeholder comment letter to elaborate on our specific concerns that the problematic language may invalidate many of our existing long-term renewable contracts procured pursuant to existing

regulations, and furthermore create substantial uncertainty in the procurement process for new long-term renewable resources.

We understand the statutory provisions related to procurement from long-term renewable 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 Pasadena's resource procurement planning. These changes may detrimentally impact our past, pending and future renewable contracts and make it extremely difficult to contract for additional renewable resources for future compliance requirements.

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 Pasadena's existing and future negotiated contracts would satisfy the Commission staff review. We are further challenged by the absence of any timeline in the proposed regulation for the Commission staff to make its determination on a contract's compliance as it is possible that we will not know if renewable contracts comply with the regulations until many years after the fact. I am concerned that this uncertainty may unnecessarily result in added compliance costs for Pasadena that will 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 Pasadena, and the public power community to address these concerns.

As noted above, Pasadena 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 ("CAISO") balancing authority area. Using our own generating units, Pasadena provided 150 megawatts of electricity for the CAISO grid during peak periods. Pasadena has been a member of the CAISO since 1999.

Our City 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,



Gurcharan S. Bawa
General Manager

cc:

Assemblymember Chris Holden
Senator Anthony Portantino
Mary McDonald, Chief Consultant, Assembly Committee on Utilities and Energy