

DOCKETED

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LADWP's Comments on Third 15-Day Language

Additional submitted attachment is included below.

**BEFORE THE ENERGY COMMISSION
OF THE STATE OF CALIFORNIA**

In the matter of:

Amendments to Regulations Specifying
Enforcement Procedures for the
Renewables Portfolio Standard for
Local Publicly Owned Electric Utilities

Docket No. 16-RPS-03

RE: Comments on Third 15-Day
Language for RPS Enforcement
Procedures

**COMMENTS FROM THE LOS ANGELES DEPARTMENT OF WATER AND POWER TO THE
CALIFORNIA ENERGY COMMISSION ON THIRD 15-DAY LANGUAGE MODIFICATION OF
REGULATIONS SPECIFYING ENFORCEMENT PROCEDURES FOR THE RENEWABLES PORTFOLIO
STANDARD FOR LOCAL PUBLICLY OWNED ELECTRIC UTILITIES**

Dated: December 16, 2020

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INTRODUCTION

Los Angeles Department of Water and Power (LADWP) appreciates the opportunity to provide comments to the California Energy Commission (Commission) regarding the Third 15-Day Language Modification of Regulations Specifying Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities.

The City of Los Angeles is a municipal corporation and charter city organized under the provisions set forth in the California Constitution. LADWP is a department of the City of Los Angeles, pursuant to the Los Angeles City Charter, whose governing structure includes a mayor, a fifteen-member City Council, and a five-member Board of Water and Power Commissioners (Board). LADWP is the third largest electric utility in the state, one of five California Balancing Authorities, and the nation's largest municipal utility, serving a population of over four million people within a 465 square mile service territory that covers the City of Los Angeles and portions of the Owens Valley. LADWP's mission is to provide its customers and the communities it serves safe, reliable, and cost-effective water and power in a customer-focused and environmentally responsible manner.

SPECIFIC COMMENTS

As a Publicly Owned Utility (POU), LADWP is committed to advancing and expanding its clean energy portfolio to meet the goals of the RPS program, while remaining sensitive to customer impacts. LADWP appreciates the changes that Commission staff made in the Third 15-Day Language in response to comments from stakeholders. LADWP is supportive of many of the changes proposed by Commission staff in the Third 15-Day Language and requests additional clarification of certain provisions in the Final Statement of Reasons (FSOR).

I. Section 3204 – RPS PROCUREMENT REQUIREMENTS

a. Implementation of the “Reasonably Consistent Procurement Quantities” Requirement for Long-Term Contracts [Section 3204 (d)(2)(C)(1)]

LADWP supports the implementation of the “reasonably consistent procurement quantities” requirement as proposed in Section 3204 (d)(2)(C)(1). The revised language in Section 3204 (d)(2)(C)(1)(iv) stating that “This demonstration shall be satisfied if a POU shows that the contract for procurement quantities are associated with one of the following” removes the ambiguity that was present in the language proposed in the Key Topics Guide. Furthermore, the conditions specified in Section 3204 (d)(2)(C)(1)(iv) are necessary to account for actual

contract scenarios that may lead to deviations in procurement quantities and provide regulatory certainty with respect to long-term contracts that exceed the 33 percent deviation threshold for one of the specified conditions. LADWP also supports Section 3204 (d)(2)(C)(1)(v), which clarifies that contracts that specify a contracted-for quantity of zero during any year of the initial 10-year term may still qualify as long term if the contract meets one of the specified conditions and has at least 10 total years with nonzero contracted-for procurement quantities.

b. Excess Energy [Section 3204 (d)(2)(G)]

LADWP supports the treatment of excess energy as proposed in Section 3204 (d)(2)(G). LADWP appreciates the addition of language that classifies excess electricity products as long-term procurement as long as the excess quantity comes from the same facility and the ability to procure the excess is specified in the contract. The addition of language excluding excess energy from the annual average for the purposes of the “reasonably consistent procurement quantities” requirement is reasonable.

c. Replacement Energy [Section 3204 (d)(2)(L)(3)(iii)]

LADWP supports the treatment of replacement energy as proposed in Section 3204 (d)(2)(L)(3)(iii) and appreciates the change made in response to LADWP’s comments. This change is necessary to account for actual contract provisions which provide remedy in the event an RPS-certified facility did not perform as the original long-term contract requires.

II. SECTION 3207 – COMPLIANCE REPORTING FOR POU

a. Submittal of Documentation Supporting Long-Term Contract Claims [Section 3207 (c)(2)(F)(2)]

LADWP supports the proposed language in Section 3207 (c)(2)(F)(2), which allows POU to have the option of having a third party submit contract documentation without such documentation being binding to the POU. LADWP also supports the ability for POU to alternatively submit an attestation with the understanding that such documentation would be made available to Commission staff upon request

b. Voluntary Early Review [Section 3207(c)(5)(A)]

LADWP seeks clarification on the criteria that contracts must meet to qualify for voluntary early review. Specifically, it is unclear what is meant by the phrase

“...which on their face require additional information or justification to establish that the contracts meet the requirements of section 3204(d)(2)(C)” as written in Section 3207(c)(5)(A)(1)(i). LADWP requests that this clarification be included within the FSOR in order to provide POUs with a better understanding of what review requests a POU can submit.

Additionally, LADWP supports the shortened timeframe for voluntary early review from 180 days to 90 days in Section 3207(c)(5)(A)(4). Commission staff’s recognition of the need for expedited review is appreciated. A shorter review timeframe is necessary to provide POUs with regulatory certainty in their negotiation efforts and subsequent approval by their governing bodies. LADWP suggests that Commission staff continue to explore options to further expedite their review to shorten the 90-day period and include these options within the FSOR. LADWP supports the addition of Section 3207(c)(5)(A)(3), which suggests that Commission staff may establish a voluntary review request form to facilitate the voluntary early review process.

c. Annual Review of Long-Term Contract Classification for Reporting Years After December 31, 2020 [Section 3207 (c)(5)(B)(2)]

LADWP appreciates that Commission staff have specified a timeframe for its annual review of new and modified contracts. However, the possibility that a POU may be a year or more past the execution date of the contract before being notified of its classification is concerning and introduces significant regulatory uncertainty. To address this issue, LADWP encourages Commission staff to consider publishing guidance documents that include a long-term contract language checklist and long-term contract reporting template to provide POUs with clarity on the long-term procurement requirements and reduce the chance of having a project that is deemed short-term after an extensive approval process and a multi-year financial commitment.

CONCLUSION

LADWP appreciates the opportunity to submit comments on the Third 15-Day Language Modification to the RPS Enforcement Procedures for local POUs. LADWP looks forward to continued collaboration with Commission staff to help shape effective regulations that will benefit the health, safety, and security of all California residents. If you have any questions, please contact myself, Simon Zewdu, at (213) 367-2525, or Mr. Scott Hirashima at (213) 367-0852.

Dated: December 16, 2020

Respectfully Submitted,

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