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| Filer: | Gregory Chin |
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**CALIFORNIA
ENERGY COMMISSION**



**CALIFORNIA
NATURAL
RESOURCES
AGENCY**

California Energy Commission

COMMISSION FINAL REPORT

Renewables Portfolio Standard Verification Results

Azusa Light and Water

Compliance Period 3 (2017-2020)

Gavin Newsom, Governor

January 2024 | CEC-300-2023-011-CMF

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Kevin Chou

Sophia Bird

Rong (Grace) Jiang

Primary Author(s)

Yoseph Saeed

Supervisor

Sean Simon

Branch Manager (Acting)

RENEWABLES PORTFOLIO STANDARD BRANCH

Sean Simon

Deputy Director

RENEWABLES AND ELECTRICITY PLANNING

Elizabeth Huber

Director

**SITING, TRANSMISSION, AND ENVIRONMENTAL PROTECTION
DIVISION**

Drew Bohan

Executive Director

DISCLAIMER

The Renewables Portfolio Standard Verification Results Reports were prepared by the California Energy Commission (CEC) staff as part of the Renewables Portfolio Standard Compliance Period 3 (2017 – 2020) Program Docket #21-RPS-01. After considering public comments, this Final Compliance Report was adopted at the December 13, 2023, business meeting. The information contained in this report is intended to be final.

RPS Verification Results: Compliance Period 3

Azusa Light and Water

Background

The California Energy Commission (CEC) administers the state's landmark Renewables Portfolio Standard (RPS), ensures the state's utilities disclose electricity sources to consumers, supports renewable energy development, and tracks the state's progress toward its renewable energy goals. Enacted by Senate Bill 1078 (Sher, Chapter 516, Statutes of 2002) and accelerated and expanded by subsequent legislation, California's RPS establishes increasing renewable energy procurement targets spanning multiyear compliance periods for the state's electric load-serving entities (LSE). Originally applicable to retail sellers, the statewide mandatory RPS was expanded by Senate Bill X1-2 (Simitian, Chapter 1, Statutes of 2011, First Extraordinary Session) to include local publicly owned electric utilities (POU). As a result of Senate Bill 100 (DeLeón, Chapter 312, Statutes of 2018), LSEs are required to increase their procurement of eligible renewable energy resources to 60 percent of retail sales by 2030.

As part of its responsibilities, the CEC verifies the eligibility of renewable energy procured by LSEs, which include retail sellers and POUs that are obligated to participate in California's RPS. The CEC is also responsible for certifying RPS-eligible renewable energy resources, designing and implementing an accounting system to track and report renewable energy procurement for all program participants, and overseeing compliance and enforcement of POUs. The CEC participated in the development of the Western Renewable Energy Generation Information System (WREGIS), an independently administered renewable energy tracking system to verify renewable energy procurement for all program participants. The California Public Utilities Commission is responsible for compliance and enforcement for retail sellers.

Report Overview

This report covers the RPS verification results for POU procurement claims for Compliance Period 3, which covers years 2017 through 2020. The verification report provides an overview of the identified POU's results and tables, including:¹

- The POU's procurement target and portfolio balance requirements and limitations.
- The amount of eligible renewable energy credits (REC) retired, and the amount applied to meet the compliance period requirements, both shown by Portfolio Content Category classification and Long-Term Procurement Requirement classification, as applicable.
- Any deficits in meeting RPS procurement requirements for the compliance period.

¹ The contents of verification results reports will vary for POUs with specific exclusions, exceptions, or different procurement requirements under the RPS statutes and as described in the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* based on the requirements specific to that POU.

- Any optional compliance measures being applied by the POU for the compliance period.
- A calculation of excess procurement accumulated in this compliance period.
- A summary of the POU's excess procurement and historic carryover, if any, including any prior balance, the amount accumulated and used in the current compliance period, and remaining balance.

In adopting this report, the CEC finds the procurement claim amounts listed are consistent with RPS certification and procurement requirements specified in the *Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition (Revised)* and the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* and are eligible for the RPS as indicated. Therefore, the procurement claim amounts count toward meeting the identified POU's RPS procurement requirements.

Verification Process

The methods used by the CEC to verify load-serving entity procurement claims are detailed in the *Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition (Revised)*² and further explained in the *Renewables Portfolio Standard Verification Methodology Report, Third Edition*, both of which can be found at <https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard/renewables-portfolio-standard>.

The verification results presented in this report are not a compliance determination. After the POU's verification results are adopted by the CEC, staff will use the verification results to determine if the POU complied with the RPS requirements for Compliance Period 3 in accordance with the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*.³ The CEC Executive Director will make a compliance determination informed by the verification results presented in each POU's verification results report and, if applicable, the application of optional compliance measures by the POU. The Executive Director will issue a letter to each POU documenting the RPS compliance determination.

Verification Results

For RPS Compliance Period 3 (2017–2020), Azusa Light and Water retired and reported 325,698 RECs, and 325,698 RECs were verified by the CEC as RPS-eligible. Each [POU's Summary Claims Report](#), which includes claim eligibility details, is available at https://www.energy.ca.gov/portfolio/documents/rps_verification_pous.html.

For Compliance Period 3, Azusa Light and Water had a procurement target of 287,693 RECs, which represents 29.95 percent of its retail sales over the years 2017-2020. Azusa Light and

² Refer to Chapter 7 of the *Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition (Revised)*.

³ The Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities, with the most recent update having taken effect July 12, 2021, are set forth in 20 CCR §§ 1240 and 3200–3208 and establish the rules and procedures by which the California Energy Commission will assess a POU's procurement actions and determine whether those actions meet the RPS requirements.

Water applied 287,696 RECs from CP 3 RPS-eligible RECs and Surplus RECs toward its procurement requirements, exceeding the number of RECs needed to meet its procurement target.

| Procurement Target Calculation (MWh) ¹ | Calendar Year | Annual Retail Sales | Soft Target Percentage | Soft Targets | Verification Results | |
|---|---------------|---------------------|------------------------|--------------|----------------------|---------|
| | 2017 | 249,412 | 27 | 67,341 | Target | 287,693 |
| | 2018 | 240,948 | 29 | 69,874 | Applied | 287,696 |
| | 2019 | 233,605 | 31 | 72,417 | Deficit | 0 |
| | 2020 | 236,551 | 33 | 78,061 | Renewable Percentage | 29.95% |
| Procurement Target | | | | | 287,693 | |

| RECs Available ² | Surplus RECs | Eligible RECs Retired in CP3 | Prior Balances Available | Total RECs Available |
|-----------------------------|--------------|------------------------------|--------------------------|----------------------|
| Category 0 (PCC 0) | 0 | 127,234 | 0 | 127,234 |
| Pre June 2010 PCC 1 | 0 | 0 | 0 | 0 |
| Pre June 2010 PCC 2 | 0 | 0 | 0 | 0 |
| Pre June 2010 PCC 3 | 0 | 0 | | 0 |
| Category 1 (PCC 1) | 0 | 186,664 | 0 | 186,664 |
| Category 2 (PCC 2) | 0 | 0 | 0 | 0 |
| Category 3 (PCC 3) | 1,900 | 11,800 | | 13,700 |
| Historic Carryover | | | 10,455 | 10,455 |
| Total | | | | 338,053 |

| RECs Applied | Surplus RECs | Eligible RECs Retired in CP3 | Prior Balances Applied | Total RECs Applied |
|---------------------|--------------|------------------------------|------------------------|--------------------|
| Category 0 (PCC 0) | 0 | 127,234 | 0 | 127,234 |
| Pre June 2010 PCC 1 | 0 | 0 | 0 | 0 |
| Pre June 2010 PCC 2 | 0 | 0 | 0 | 0 |
| Pre June 2010 PCC 3 | 0 | 0 | | 0 |
| Category 1 (PCC 1) | 0 | 146,762 | 0 | 146,762 |
| Category 2 (PCC 2) | 0 | 0 | 0 | 0 |
| Category 3 (PCC 3) | 1,900 | 11,800 | | 13,700 |
| Historic Carryover | | | 0 | 0 |
| Total | | | | 287,696 |

| RPS Portfolio Balance Requirements (MWh) ³ | |
|---|---------|
| Category 1 Balance Requirement | 120,344 |
| Category 1 Requirement Deficit | 0 |
| Category 3 Balance Limitation | 16,045 |
| Category 3 Disallowed | 0 |

| Optional Compliance Measures Applied | |
|--------------------------------------|----|
| Cost Limitation | No |
| Delay of Timely Compliance | No |
| Portfolio Balance Reduction | No |

| CP3 Excess Procurement Calculation (MWh) ⁴ | Eligible RECs Retired | RECs Applied | Deductions | Accumulated in CP3 |
|---|-----------------------|--------------|------------|--------------------|
| Category 0 (PCC 0) | 127,234 | 127,234 | | 0 |
| Pre June 2010 PCC 1 | 0 | 0 | 0 | 0 |
| Pre June 2010 PCC 2 | 0 | 0 | 0 | 0 |
| Category 1 (PCC 1) | 186,664 | 146,762 | 6,087 | 39,902 |
| Category 2 (PCC 2) | 0 | 0 | 0 | 0 |

| Balance of Excess Procurement and Historic Carryover (MWh) | Beginning Balance | Applied in CP3 | Accumulated in CP3 | Ending Balance |
|--|-------------------|----------------|--------------------|----------------|
| Category 0 (PCC 0) | 0 | 0 | 0 | 0 |
| Pre June 2010 PCC 1 | 0 | 0 | 0 | 0 |
| Pre June 2010 PCC 2 | 0 | 0 | 0 | 0 |
| Category 1 (PCC 1) | 0 | 0 | 39,902 | 39,902 |
| Category 2 (PCC 2) | 0 | 0 | 0 | 0 |
| Historic Carryover | 10,455 | 0 | | 10,455 |

1. "Soft Target" is defined in section 3204(a)(3) of the RPS POU Regulations.

2. Total RECs Verified as Available during CP 3, does not include Disallowed PCC 3 RECs.

3. Calculated as specified in Section 3204(c) of the RPS POU Regulations.

4. Calculated as described in the RPS Verification Methodology Report, Third Edition and in section 3206(a)(1) of the RPS POU Regulations.