

DOCKETED

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Committed to Preserving and Expanding Consumer Choice in California's Electricity Marketplace



May 6, 2024

VIA ELECTRONIC MAIL

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Liane Randolph, Chair
California Air Resources Board
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RE: Request for Postponement of Compliance Deadlines Due to WREGIS REC Delays

Dear:

Mr. David Hochschild, Chair, California Energy Commission, and Commissioners;
Ms. Alice Busching Reynolds, President, California Public Utilities Commission, and
Commissioners;
Ms. Liane Randolph, Chair, California Air Resources Board, and Board Members,

California Community Choice Association (CalCCA) and Alliance for Retail Energy Markets (AReM) writes to request your agencies postpone various regulatory compliance deadlines, as listed below, impacted by an industry-wide delay in the issuance of Renewable Energy Certificates (RECs) by the Western Renewable Energy Generation Information System

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(WREGIS).¹ According to WREGIS staff, the approximately seven-month delay in issuing RECs for certain renewable transactions is caused by an unresolved WREGIS software issue resulting in extreme inaccuracies in the number of RECs to be issued. The delays may cause many load-serving entities (LSEs) to be at risk of non-compliance with regulatory deadlines at your agencies, despite their contractual entitlement to the RECs. In addition, community choice aggregators (CCAs) are concerned about providing any reporting without the RECs included, potentially demonstrating an inaccurate view of California's progress toward meeting environmental goals. CalCCA therefore requests a postponement of upcoming compliance deadlines, including those beginning June 1, 2024, on a day for day basis until WREGIS resolves the software issues.

WREGIS REC Delays for VAMO and Other Renewable Transactions

Beginning in 2022, WREGIS implemented a new version of software resulting in extreme inaccuracies, and thus delays, with REC issuances. WREGIS staff communicated to CalCCA that as of early April, 2024, many of the WREGIS software issues have been solved except for RECs associated with certain complex transactions. RPS transactions originating from the investor-owned utilities (IOUs) to the CCAs and electric service providers (ESPs) under the CPUC-approved Voluntary Allocation and Market Offer (VAMO) process,² as well as other renewable transactions, are impacted. The VAMO transactions are particularly complex in that each contract allows LSEs to receive a "slice" of the IOUs' portfolios of renewable resources. Therefore, RECs associated with each renewable resource must be issued for the "slice" of each resource within the portfolio. Out of the 21 CCA members of CalCCA that participated in VAMO, all are significantly impacted by the WREGIS delays.

Compliance Deadlines at Risk

The impact of the REC delays on the CCAs' ability to balance their renewables portfolio standard (RPS) portfolios, ensure compliance with deadlines at multiple agencies, and demonstrate their commitment to California's clean energy goals through accurate reporting, cannot be overstated. PG&E alone reports that it has been unable to transfer 1.5 million RECs at a value of approximately \$50 million to CCAs related to VAMO allocation and sales from the WREGIS REC delays. The inability of CCAs to receive the RECs has a cascading impact on many near-term compliance deadlines that require proof that the CCA has possession of the RECs. CCAs, like other California LSEs, have an interest in ensuring accurate information is submitted to demonstrate their commitment to and compliance with California's clean energy goals. Given the WREGIS software issue, accuracy of the information is unfortunately not possible at this time.

¹ WREGIS, a division of the Western Electricity Coordinating Council (WECC), provides a web-based tracking system for RECs for the Western Interconnection. WREGIS issues RECs to demonstrate the renewable and environmental attributes associated with renewable energy. California regulatory agencies require market participants to demonstrate their ownership of RECs for compliance with regulatory requirements.

² The VAMO process was established through Decision (D.) 21-05-030 in the CPUC's Power Charge Indifference Adjustment (PCIA) rulemaking. The VAMO allows PCIA-eligible load-serving entities (such as CCAs) to receive a Voluntary Allocation from the IOUs' PCIA-eligible RPS energy portfolios based upon LSE load share. Declined allocations were later offered for sale by the IOUs through a Market Offer process.

Deadlines impacted by the WREGIS REC delays include:

<i>2024 Deadline</i>	<i>Agency</i>	<i>Compliance Requirement</i>
June 1	CEC	Power Source Disclosure (PSD) Annual Report (year ending Dec. 31, 2023) ³
	CARB	Mandatory Reporting Requirement ⁴
July 1	CEC	RPS Procurement Claims ⁵
	CPUC	Joint Rate Mailer ⁶
August 1	CPUC	RPS Annual Compliance Report ⁷
October 1	CEC	Load-serving entity Power Content Label Issuance to the public based on PSD information

Request for Compliance Deadline Postponement

CalCCA requests that each of the regulatory agencies involved, including CARB, the CEC, and the CPUC, postpone the compliance deadlines listed above for all entities subject to the deadlines on a day for day basis until the WREGIS issues are resolved. To CalCCA's knowledge, many but not all entities subject to the above deadlines are experiencing difficulties from the REC delays. However, the impact of the release of generation power content, RPS transactional data, or rate comparisons by one entity but not another may place those impacted by the REC delays at a competitive disadvantage with customers that rely on such information in assessing and/or choosing their electricity provider. If an overall postponement is not possible, at a minimum the agencies should delay the June and July compliance deadlines as WREGIS continues to attempt to resolve the REC delay issues. If the June and July compliance deadlines are postponed, depending on the timing of the resolution of the WREGIS issues, the agencies can revisit the subsequent deadlines in the coming months.

³ California Public Utilities Code §§ 398.1-398.5; Electricity Generation Source Disclosure, 20 CCR §§ 1390-1394.2.

⁴ Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR), 17 CCR §§ 95100-95158.

⁵ California Energy Commission Guidebook; Renewables Portfolio Standard Eligibility, Ninth Edition (Jan. 2017), at 60-71.

⁶ D.12-12-036, *Decision Adopting a Code of Conduct and Enforcement Mechanisms Related to Utility Interactions with Community Choice Aggregators, Pursuant to Senate Bill 790*, Rulemaking12-02-009 (Dec. 20, 2012), at Appendix A, Code of Conduct, Section 3 (requiring each IOU and any CCA within its service territory to distribute jointly to customers an accurate written comparison of rates and generation portfolio contents).

⁷ Public Utilities Code § 399.13(a)(3)

Sincerely,



Beth Vaughan
Chief Executive Office
California Community Choice Association



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California Public Utilities Commission Service Lists

R.12-02-009, R.17-06-026 and R.18-07-003

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