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CALIFORNIA ENERGY COMMISSION

Implementation of Renewables) Docket No. 03-RPS-1078
Portfolio Standard Legislation) RPS Proceeding
(Public Utilities Code Sections 381,)
383.5, 399.11 through 399.15, and 445;)
[SB 1038], [SB 1078]))
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and)
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Implementation of Renewables) Docket No. 02-REN-1038
Investment Plan Legislation) Renewable Energy Program
(Public Utilities Code Sections 381,)
383.5, and 445; [SB 1038]))
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COMMENTS OF POWEREX CORP.
ON
PROPOSED CHANGES TO RPS ELIGIBILITY GUIDEBOOK

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I. Introduction

The California Energy Commission (Energy Commission) developed guidelines to implement and administer its Renewable Energy Program and its responsibilities under California's Renewables Portfolio Standard (RPS) pursuant to SB 1038 and Senate Bill 1078. These guidelines are set out in several Guidebooks and are now being revised to address regulatory and market developments. The Energy Commission's Renewables Committee held a workshop on September 26, 2007 to discuss the proposed changes to the Guidebooks and has invited members of the public to provide written or verbal comments on the revised Guidebooks.

Powerex is submitting its comments on proposed revisions to the RPS Eligibility Guidebook for consideration by the Committee. Powerex is the marketing subsidiary of British Columbia Hydro and Power Authority (BC Hydro). Powerex sells power at wholesale in the United States pursuant to market-based rate authority granted by the Federal Energy Regulatory

Commission, including supply from competitively-priced renewable (small hydro, biomass and landfill gas) generation facilities. Powerex wishes to support and participate in California's Renewables Portfolio Standard Program (RPS Program), and appreciates the opportunity to comment on the proposed changes to the RPS Eligibility Guidebook, particularly with respect to issues affecting the eligibility of out-of-state supplies under California's RPS Program.

II. Comments on the Proposed Changes to the RPS Eligibility Guidebook

As a marketer of out-of-state supplies to California, Powerex has closely monitored the CEC's development of the RPS Eligibility Guidebook and has previously commented on proposed revisions to the Eligibility Guidebook, particularly with respect to the deliverability requirements that must be met by out-of-state facilities for purposes of RPS eligibility. In that regard, Powerex wishes to express its support, in general, for the Commission's continuing efforts to further refine the rules governing participation by out-of-state facilities in the RPS Program and, in particular, for the proposed changes that would (i) clarify that RPS-eligible deliveries from out-of-state facilities can be from any location in the WECC as long as a quantity of energy is delivered into California that matches the amount originally procured from the out of state RPS Eligible facility, and (ii) reflect industry standard terminology by incorporating the term "NERC-E tags."

While Powerex believes that further clarification may be appropriate with regard to other elements of the Guidebook as it pertains to eligibility for out-of-state facilities (and also recognizes that such clarification is not the proper subject of these comments), Powerex does appreciate and support the Commission's efforts to consider and adopt proposed revisions to the Eligibility Guidebook that further simplify the deliverability requirements for out-of-state facilities.

Respectfully submitted this 12th day of October, 2007 at San Francisco, California.

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