

INDEPENDENT  
ENERGY  
PRODUCERS

<b>DOCKET</b> 08-IEP-1	
<b>DATE</b>	JUN 16 2008
<b>RECD.</b>	JUN 17 2008

June 16, 2008

California Energy Commission  
Attn: Docket Office  
1516 Ninth Street, MS-4  
Sacramento, CA 95814-5504

RE: Independent Energy Producers Association Comments  
RE 2008 Integrated Energy Policy Report Update and 2009  
Integrated Energy Policy Report Scope  
*Docket Number 08-IEP-1*

Dear IEPR Committee:

The Independent Energy Producers appreciates the opportunity to comment on the proposed 2008 IEPR update and the 2009 IEPR scope. IEP's comments pertain primarily to two issues:

- The Least Cost Best Fit (LCBF) methodology and its influence on the execution of renewable projects.
- The possibility of conducting an audit on the implementation of the California RPS.

**1. Evaluation of the LCBF:**

The Least Cost Best Fit (LCBF) mechanism is defined by law as a standard for evaluating which projects, encompassing both the least cost *and* best fit, should be utilized. IEP is concerned with the current implementation of the Least Cost Best Fit mechanism and would like to inquire into the following:

- How does the LCBF work? Is it working? Is it working according to the way that it was meant to work?
- Are both elements, "least cost" and "best fit", being applied simultaneously in decision-making?
- Should the LCBF assessment be improved? Can it be improved? How can it be improved?
- What does it mean to be the "best fit"?
- How are the "best fit" guidelines determined?

- Is the LCBF mechanism consistent across all utilities?
- What were the intentions of the LCBF mechanism at the time that it was instituted? Are these intentions being actualized?

***2. Review of the Implementation of the California RPS:***

IEP would like to recommend that the CEC conduct an thorough review of the implementation of the California RPS in order to address how well the California RPS is working, particularly in terms of increasing the amount of renewable energy serving retail load; what changes in implementation would enhance achievement of program goals; and, identification of what, if any, eligible renewable projects are achievement in the next 10 years (a) without new transmission and (b) with new transmission.

Respectfully submitted,

A handwritten signature in black ink that reads "Steven Kelly". The signature is written in a cursive, flowing style with a large, stylized "K" and a long, sweeping underline.

Steven Kelly  
Policy Director

June 16, 2008