

March 30, 2009

California Energy Commission
Docket Unit, MS-4
Docket No. 02-REN-1038 and Docket No. 03-RPS-1078
1516 Ninth Street
Sacramento, CA 95814-5504

03-RPS-1078

DOCKET

02-REN -1038

DATE MAR 30 2009

RECD. April 01 2009

RE: Staff Workshop on 2006 Renewable Portfolio Standards (RPS) Procurement Verification
Data Review: Docket No. 02-REN-1038 and Docket No. 03-RPS-1078

Dear Chairman Karen Douglas and Commissioner Julia Levin:

On behalf of Safeway Inc., I would like to provide comments addressing the questions posed in Attachment B of the Notice of Staff Workshop on 2006 RPS Procurement Verification Data Review. Our comments are focused on Safeway's purchase of Mountain View Renewable Energy Certificates (RECs) in the Green-e Energy Reporting Years 2005 and 2006. Safeway is a consistent participant in the voluntary REC market and was a recipient of the Green Power Partnership Leadership Award from the Environmental Protection Agency in 2005.

Safeway contracted with 3 Phases Energy Services (the predecessor of 3Degrees) for the purchase of California Wind Renewable Energy Certificates (Mountain View RECs) in Green-e Energy Reporting Years 2005 and 2006. Safeway contracted with 3 Phases for these RECs with the knowledge that only one party may validly hold title to the RECs, and with the understanding that 3 Phases held valid title to the RECs and that Safeway would subsequently hold title to the RECs.

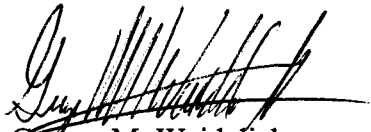
Safeway was delivered the Mountain View RECs on August 25, 2005 and August 22, 2006. Safeway promptly retired the RECs in order to make marketing claims in Reporting Years 2005 and 2006 as a member of EPA's Green Power Partnership Program. Safeway made public our green power purchases, paid for these purchases and generated significant public support for our green power initiatives. Our claims regarding our renewable energy purchases have been unquestioned by any party prior to this workshop. We specifically choose vendors who use the Center for Resource Solutions processes to alleviate any double counting REC issues.

If the CEC allows Southern California Edison ("SCE") to claim the Mountain View I and II RECs for their California RPS compliance, Safeway's purchase and retirement of the RECs from 3 Phases, and all of the public advertising and marketing efforts made by Safeway will be invalid. It is our understanding based on our green-e certified attestations from our vendor who successfully completed their Center for Resource Solutions audits, that Safeway is the rightful owner of the RECs which have subsequently been retired by Safeway to meet federal EPA requirements under the Green Power Partnership Program. The invalidation of our claim and use

of the RECs will damage our GHG Reduction and Sustainability Program, and impact negatively on the credibility of the green-e certified REC markets audited by the Center for Resource Solutions.

Safeway urges the CEC to respect Safeway's bargained-for and paid-for claim of title to the Mountain View RECs, and to prevent SCE from using those same RECs for California RPS compliance.

Sincerely,

A handwritten signature in black ink, appearing to read "George M. Waidefich", with a large, stylized flourish at the end.

George M. Waidefich
Vice President - Energy Operations