

**Comments of the Union of Concerned Scientists (UCS), the Natural Resources Defense Council (NRDC), The Utility Reform Network (TURN), and the Center for Energy Efficiency and Renewable Technologies (CEERT) on
2006 Renewable Portfolio Standard Procurement Verification Data Review**

Docket No. 02-REN-1038 – Renewable Energy Program
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The Union of Concerned Scientists (UCS), the Natural Resources Defense Council (NRDC), The Utility Reform Network (TURN), and the Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully provide these comments on certain questions posed in Attachment B to the Notice of Staff Workshop on 2006 RPS Procurement Verification Data Review. These comments specifically address questions presented in Attachment B relating to Southern California Edison's (SCE) purchase of "unbundled" energy from the Mountain View wind facilities in 2004-2006.

SCE's procurement of energy from the Mountain View I and II facilities in 2004-2006 should not be counted as RPS-eligible procurement. As CEC staff have clearly indicated, the DWR contract under which SCE purchased the energy from the Mountain View facilities provides that all renewable attributes remain with the facilities' owner. Thus, SCE's claim that procurement of Mountain View energy constitutes RPS-eligible procurement is in clear violation of RPS rules established by the California Public Utilities Commission (CPUC) in Decision 03-06-071: "Utilities that procure renewable energy and associated environmental attributes must procure the attributes necessary to satisfy their requirements under the RPS program."¹ The rules of the RPS program unequivocally require utilities to purchase renewable energy *and* "associated environmental attributes" to comply with their RPS

¹ CPUC Decision 03-06-071, p.13.

procurement obligations. SCE has attempted to circumvent these rules by claiming Mountain View generation towards its RPS compliance obligations, and under no condition should the Mountain View generation count towards SCE's RPS compliance in 2004-2006. Furthermore, the standard terms and conditions applicable to *all RPS eligible* procurement requires the inclusion of all renewable energy credits for transfer to the IOU and this requirement was in place at the time (2004) that SCE first tried to claim this power as RPS-eligible.² That principle has been maintained in all CPUC decisions on standard terms since that time.³

The questions presented by CEC staff also ask whether SCE should be allowed to procure existing RECs from the Mountain View facilities or from other RPS-certified facilities and "rebundle" these RECs with the energy procured from Mountain View in 2004-2006. UCS, NRDC, and TURN do not believe that SCE should be allowed to claim Mountain View procurement as RPS-eligible under any circumstance. CEC staff correctly observe that allowing SCE to re-package RECs from other renewable facilities with historical unbundled energy purchases is prohibited by current RPS rules.⁴ This fact alone should preclude any consideration of allowing SCE to sidestep the procurement requirements of the RPS program.

Furthermore, any double-counting of renewable energy attributes is cause for serious concern. Double counting violates the trust of those customers on whose behalf RECs or other renewable attributes have been purchased. The environmental integrity of both compliance RPS programs and the voluntary renewable market depends upon transparent and accurate disclosure of renewable energy attribute claims. SCE's violation of RPS rules undermines the integrity of the RPS program, and it would be a mistake to allow the rules to be further bent or broken so that SCE can rebundle RECs with unbundled Mountain View procurement that should not count for RPS compliance under any condition.

Thank you for the opportunity to provide comments.

Respectfully Submitted,

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² CPUC D.04-06-014 (June 2004); Appendix A, pp. A-2-A-3. Makes definition of "RECs" and the conveyance of all environmental attributes/RECs by the seller to the buyer (IOU) a "*non-modifiable*" term required of every RPS qualified procurement

³ CPUC D.07-02-011, pp. 41 - 43

⁴ Attachment B to Notice of Staff Workshop on 2006 RPS Procurement Verification Data Review, p.6.