

February 16, 2010

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

DOCKET

02-REN-1038

DATE FEB 16 2010

RECD. FEB 17 2010

RE: Renewables Portfolio Standard 2006 Procurement Verification Draft Staff Report

3Degrees Group, Inc. ("3Degrees") appreciates the opportunity to comment on the California Energy Commission's Renewables Portfolio Standard 2006 Procurement Verification Draft Staff Report ("Report"). As a leading trading firm and retailer of renewable energy certificates (RECs) and verified emission reductions, 3Degrees serves hundreds of businesses along with investor and publicly-owned utilities operating in compliance and voluntary markets in California and across the United States.

3Degrees supports the California Energy Commission's ("CEC") goal to verify that renewables portfolio standard ("RPS") procurement exclusively serves California's RPS and does not support another renewable energy market claim. The prevention of double-counting is paramount to maintaining the environmental and contractual integrity of voluntary and RPS markets, and a critical part of increasing the demand for renewable energy. When RECs are contractually unbundled from the underlying electricity and sold separately to an end-consumer, the underlying electricity cannot count toward any voluntary or RPS goals without double-counting.

3Degrees supports the CEC's determination that the electricity from the Mountain View I and II facilities under the 2001 Department of Water Resources contract is ineligible for RPS compliance because that electricity has been unbundled from its RECs (see Report, 14). 3Degrees agrees that counting the unbundled electricity "would essentially allow for double counting because Mountain View RECs have been claimed in both regulatory and voluntary markets" (ibid, 14). 3Degrees urges the CEC to uphold the integrity of California's RPS and contractual law by maintaining its position on Mountain View procurement.

Sincerely,



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