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Via E-Mail
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CALIFORNIA ENERGY COMMISSION
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5504

Re: Docket No's. CEC-02-REN-1038 and CEC-03-RPS-1078
Draft 2006 RPS Verification Report

To Whom It May Concern:

Pacific Gas and Electric Company ("PG&E") hereby submits its comments on the California Energy Commission's ("Energy Commission") *Renewables Portfolio Standard* ("RPS") *Draft 2006 Procurement Verification Staff Report*¹ ("Draft Report") which was circulated via a *Notice of Availability and Request for Comments* on January 28, 2010. According to the Notice, after the Staff considers any comments received, Staff will propose a final 2006 Verification Report for the Energy Commission's adoption and subsequent transmittal to the California Public Utilities Commission ("CPUC"). The CPUC is expected to use the Energy Commission's verified procurement results to determine RPS compliance by PG&E and the ten other load serving entities ("LSE's") covered by the report, including PG&E.

The final 2006 Verification Report will be a landmark in California's development of the RPS process because, among other things, it will establish the methodology by which RPS procurement will be monitored for compliance. In addition, the 2006 Verification Report will adopt procurement results for the years 2001 and 2003-2006.

PG&E appreciates the Energy Commission Staff's diligent research of numerous data sources to create a comprehensive and accurate report. PG&E believes that the methodology and objectives of the Verification Report are sound; however, PG&E recommends adjustments to the verified amount for one year, 2003, based upon further research performed at the suggestion of Energy Commission Staff and a true-up of PG&E's final 2004 and 2006 retail sales as reported to the CPUC.

¹ CEC-300-2009-006-SD



SUMMARY OF COMMENTS

As noted in the Draft Report, PG&E worked closely with the CEC Staff to provide information to the degree of specificity required for this report. The Draft Report summarizes each major LSE's renewables procurement per year based primarily upon the "CEC-RPS - Track" filings of each LSE. When PG&E reviewed the Report's findings (summarized in "Table 2: PG&E Summary of RPS Procurement (kWh) by Year" ("Table 2")), it found that generation described in the footnotes to its 2003 Track Form document had not been included in Table 2 for the year 2003. The Energy Commission Staff had assumed that PG&E reported the information in footnotes because it was not attributable to generation by a specific RPS-eligible facility. PG&E has located the invoices containing the transactions that gave rise to these amounts and proposes that the generator-specific procurement be included in PG&E's Total PRS Procurement claim for 2003. PG&E also proposed several minor corrections to the Draft Report for internal consistency, to provide access to data that has not been properly stored in WREGIS, and to maintain consistency with information reported to the CPUC.

PG&E suggests that the following modifications be incorporated in the final Verification Report adopted by the Energy Commission:

- **WREGIS' Initial Operating Date.**

The date of initial operation should be corrected to June 25, 2007.²

- **Exclusive Use of WREGIS for 2009 Verification.**

Starting in 2009, Staff expects to use only WREGIS for verifying RPS procurement and deliveries. PG&E again recommends that access to the Interim Tracking System be preserved after the switch to WREGIS for use when data needed to document a transaction is unavailable through WREGIS.³

- **Three Corrections to Table 2, PG&E Summary of RPS Procurement (kWh) by Year.**

1. The Total RPS Procurement Claimed should have included generation noted in Footnotes 13a and 13b to PG&E's 2003 RPS Track Form. PG&E has confirmed that the amount of 7,953,639,355 kWh in Table 2 should be increased by a total of 732,293,319 kWh, which is the amount of verified generation

² Draft Report, p. 15, fourth paragraph under the heading, "Long-Term Verification".

³ PG&E has recommended that continued access to the Interim Tracking System should be available as needed in its February 9, 2010 Comments on the "Draft Instructions for Using WREGIS to Submit RPS Compliance Reports".



represented in Footnotes 13a and 13b. The final Procurement Claimed for 2003 should be 8,685,932,674 kWh.

2. 2004 Retail Sales should be revised to conform with information PG&E provided in its August 3, 2009 RPS Compliance Report; 2004 Retail Sales should be 73,704,440,776 kWh, not 73,616,302,000 kWh.
3. 2006 Retail Sales should be revised to conform with information PG&E provided in its August 3, 2009 RPS Compliance Report; 2006 Retail Sales should be 76,690,236,134 kWh, not 76,692,369,847 kWh.

- **Correct Table Reference.**

The reference to Table 20 on page 46 should be to Table 19.

DETAILED EXPLANATION OF RECOMMENDED CHANGES

- **WREGIS' Initial Operating Date.**

The Draft Report states, "WREGIS began operation January 25, 2007". In fact, WREGIS began operating on June 25, 2007. The date should be corrected.⁴

- **Exclusive Use of WREGIS for 2009 Verification.**

The Draft Report indicates that WREGIS will be used to verify 2008 procurement and information from the Interim Tracking System will be used to supplement WREGIS results only where necessary.⁵ Starting in 2009, Staff expects to use only WREGIS for verifying RPS procurement and deliveries. PG&E has been an avid supporter of WREGIS development and expects that WREGIS will generally bring about more convenient and accurate monitoring of renewable resource deliveries. However, there may be situations where renewable generation is not properly recorded, catalogued, or associated and manual data may provide the explanation for properly attributing actual renewable generation to its purchaser. PG&E recommends that information in the Interim Tracking System should be

⁴ Draft Report, p.15, fourth paragraph under the heading, "Long-Term Verification".

⁵ Draft Report, p. 16, "Outlook for Future Reports".



available after full conversion to WREGIS for use whenever data needed to document a transaction is unavailable through WREGIS.⁶

- **Corrections to PG&E Summary of RPS Procurement (kWh) by Year (Table 2).**

Table 2 should be corrected in the following three respects:

1. Table 2 understates the amount of renewable generation actually procured in 2003 because it does not include generation that PG&E referred to in two footnotes, 13a and 13b, in PG&E's 2003 Track Form report. The CEC Staff assumed that because the generation was in a footnote, it could not be assigned to a renewable generating facility, and was not eligible under the CEC's verification standards.⁷ PG&E has retrieved the original generator invoices and quantified the purchases of generation referenced in the footnotes from RPS-eligible facilities. On February 9, 2010, PG&E provided CEC Staff a revised 2003 RPS Track Form with the corrected generation amounts. PG&E has verified that the amount of 7,953,639,355 kWh in Table 2 should be increased by a total of 732,293,319 kWh. The corrected Procurement Claimed for 2003 should be 8,685,932,674 kWh.

→ The first adjustment reflects volumes reported in PG&E Track Form footnote 13a as an adjustment to FERC Form 1. PG&E's FERC Form 1 data was used to populate PG&E's 2003 Track Form tables. The 2003 FERC Form 1 did not include the "settled data", i.e., invoice-specific generation, for procurement from all of the renewable resources that delivered power to PG&E in 2003. PG&E's review of the settled data, i.e., actual invoices of the transactions referred to in footnote 13a, requires adjustments to the generation from 55 projects, resulting in the claim of an additional 48,126,985 kWh during 2003.

→ The second adjustment is related specifically to the Calpine Geysers 13, Calpine Geysers 20, and Wheelabrator Projects which were under-reported in the 2003 FERC Form 1. PG&E's invoice-specific review of deliveries from these facilities indicates that

⁶ PG&E recommends access to the Interim Tracking System whenever documentation of renewable energy deliveries is not accessible through WREGIS.

⁷ Draft Report, p. 17, Section 3. "Procurement Verification Findings".



684,166,335 kwh of generation from these facilities should be added to PG&E's 2003 Procurement Claimed.

2. 2004 Retail Sales should be 73,704,440,776 kWh, not 73,616,302,000 kWh. This corrected figure was published in PG&E's August 3, 2009 RPS Compliance Report and should also be used in the CEC's 2006 Verification Report.
3. 2006 Retail Sales should be 76,690,236,134 kWh, not 76,692,369,847 kWh. This corrected figure was published in PG&E's August 3, 2009 RPS Compliance Report and should also be used in the CEC's 2006 Verification Report.

- **Reference to Table 20 should be Corrected.**

Under the heading, "RPS Procurement by Resource Type", the reference to Table 20 in the last paragraph on page 46 should refer to Table 19 instead of Table 20.⁸

CONCLUSION

PG&E recommends that these changes be included in the final version of the Verification Report so that the final 2006 Verification Report will serve its purpose of fully documenting all of the generation delivered to PG&E by RPS-eligible generating facilities during the review period. PG&E is available to explain its recommendations to the Staff and provide transaction-specific information as needed.

Again, PG&E would like to thank the Staff of the Energy Commission for its dedication to the RPS verification process.

Very truly yours,

Evelyn C. Lee

ECL:bd

cc: Ms. Theresa Daniels, CEC - RPS Group, *via E-Mail* tdaniels@energy.state.ca.us
Ms. Kate Zocchetti, CEC - RPS Unit Manager, *via E-Mail* kzocchet@energy.state.ca.us

⁸ Draft Report, p.46.