

September 9, 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	
03-RPS-1078	
DATE	<u>SEP 09 2010</u>
RECD.	<u>SEP 09 2010</u>

RE: RPS Proceeding: Draft Renewables Portfolio Standard Guidebook

3Degrees Group, Inc. (3Degrees) appreciates the opportunity to submit comments on the California Energy Commission's (CEC) draft Renewables Portfolio Standard (RPS) Guidebook. 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.

On the matter of retroactive RECs in the Western Renewable Energy Generation Information System (WREGIS), 3Degrees fully supports the CEC working with WREGIS staff to modify WREGIS rules to allow (a) test energy to create RECs and (b) the uploading of generation older than 75 days. We believe that this will help ensure that there is no double counting of RECs and create an equal playing field for all RPS participants.

In implementing California's RPS, 3Degrees supports an approach that creates a level playing field for all market participants. In this regard, 3Degrees is pleased to see that the California Public Utilities Commission (CPUC) allowed the inclusion of WREGIS registered distributed generation (DG) in its currently-stayed decision on tradable RECs (TRECs).¹ Though the stay on the TREC decision prevents the CEC from certifying DG facilities at this time, every effort should be made to ensure that these facilities receive the same privileges as any other type of generation in preparation for their eventual inclusion in the TREC market.

As such, 3Degrees supports allowing retroactive generation on WREGIS from January 1, 2008 forward, the date from which the CPUC allows the creation of TRECs.² This would better align RPS policy between the CEC and the CPUC and ensure that DG facilities are able to participate in the California RPS to the same extent as other generators.

3Degrees supports the CEC's goal to verify that RPS procurement exclusively serves California's RPS and does not support another renewable energy market claim. We encourage the CEC to put strong safeguards in place to ensure that any retroactive RECs allowed onto WREGIS have not been double counted in any other voluntary or compliance market.

¹ CPUC [Decision 10-03-21](#).

² Ibid

3Degrees appreciates this chance to comment and looks forward to working with CEC staff on the RPS Guidebook in the coming months.

Sincerely,

A handwritten signature in black ink, appearing to read "Ian McGowan". The signature is fluid and cursive, with the first name "Ian" being more prominent than the last name "McGowan".

Ian McGowan
Manager, Regulatory Affairs
3Degrees
(415) 370-6489