

DOCKET

03-RPS-1078

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January 28, 2011

California Energy Commission
Re: Docket No. 02-REN-1038
and Docket No. 03-RPS-1078
Docket Unit, MS-45
1516 Ninth Street
Sacramento, CA 95814-5504

RE: California Energy Commission Staff Workshop on 2007 Renewables Portfolio Standard Procurement Verification Data Review; Comments of the Center for Resource Solutions Regarding Renewables Portfolio Standard Procurement; Attachment A
“Background Information Regarding Outstanding 2007 Renewables Portfolio Standard Procurement Claims”

Dear Commissioners:

Center for Resource Solutions (“CRS”) appreciates the opportunity to provide comments for this workshop. CRS supports the California Energy Commission’s (“CEC”) decision to not allow Southern California Edison (“SCE”) to claim procurement from the Mountain View facilities I and II (“Mountain View”) associated with the California Department of Water Resources (“DWR”) contract as eligible for the Renewable Portfolio Standard (“RPS”). Allowing SCE to claim generation from Mountain View facilities towards its RPS obligations would impact the integrity of thousands of contracts and marketing claims, and destabilize the voluntary renewable energy market.

The voluntary renewable energy market enables California consumers and businesses that support renewable energy to increase their use of renewable energy beyond that provided by their electricity supplier. This provides a significant revenue stream for California generators. CRS provides consumer protection in the voluntary renewable energy market through the Green-e® Energy renewable energy certification program. Green-e Energy certifies and verifies nearly two-thirds of overall retail renewable electricity and REC sales in the voluntary renewable energy market in the United States, as well as a considerable amount in Canada. CRS’s role in this market is to protect the voluntary consumer against double counting and false claims, and ensure the purchaser of renewable energy that they are receiving the sole claim to the environmental attributes that they were promised.

CRS participated in the 2009 public workshop on the CEC’s *2006 Verification Report* and provided data from the annual reporting records of Green-e Energy to the CEC. CRS provided data regarding the retail and wholesale voluntary market sales of Mountain View renewable attributes generated from 2004 through 2007. This table can be found in the attached CRS Tables A and B. It should be noted that as CRS does not certify all Renewable Energy Certificate

("REC") sales in the voluntary market, it is likely there were even more transactions and customers affected.

In 2007 specifically, 155,000,000 kWh from Mountain View were reported to Green-e Energy as eligible supply purchased from the facilities, and 110,000,000 kWh of those were sold in Green-e Energy Certified sales. Of these kWh sold, 32,144,000 kWh of renewable attributes were sold in retail transactions to at least 1,554 retail customers. While none of the 2007 generation we have on file was ultimately sold in Certified sales through CA utilities, since 2004 56,472 CA utility customers have purchased the renewable attributes from Mountain View through their utilities. Wholesale sales of 2007 generation involved at least 9 unique parties, with total contracts for 280,095,000 kWh of transaction between parties.

CRS does not believe that SCE should be allowed to count the procurement of electricity from Mountain View in 2007 as RPS-eligible since it did not purchase any of the renewable attributes associated with the Mountain View generation. SCE's contract with Mountain View's owner provided *only* unbundled electricity without any of the environmental attributes. Other parties have purchased and claimed these renewable attributes in the form of RECs. As SCE has no title to the renewable attributes of the Mountain View electricity, it should be required to purchase eligible renewables to meet its RPS mandate.

CRS supports the CEC's decision to hold SCE to its obligation under the RPS and not allow SCE to claim any generation from the Mountain View facilities towards its RPS obligations in 2007, in line with the CEC and California Public Utilities Commission's treatment of SCE's 2006 claims. Both the voluntary and compliance REC markets would suffer severe damage if SCE were given RPS credit for procuring unbundled electricity without the associated environmental attributes.

Thank you for accepting and considering our comments.

Sincerely,

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ATTACHMENTS

Table CRS A: Green-e Energy Certified Sales of Mountain View I and II RECs

Table CRS B: Green-e Energy Certified Wholesale Sales of Mountain View I and II RECs

Table CRS A: Green-e® Energy Certified Sales of Mountain View I and II RECs - Number of Customers and kWh by Generation Year

Year of Generation*	Total Unique kWh Sold in Voluntary Market	Min. Number of Retail Customers that May Have Received	Min. Number of Retail Customers of CA Municipal Utilities that May Have Received	Min. Number of Wholesale Customers that Did Receive	Total Customers that May Have Received (R+W)	kWh Sold in Retail Transactions	kWh of All Wholesale Transactions (kWh of Contracts Potentially Affected)****
2004	79,116,135	134	1 **	7	141	69,975,018	88,257,252
2005	195,289,230	17	0	12	29	103,372,407	297,084,052
2006	220,080,170	69,742	56,471 **	11	69,753	96,211,541	396,448,799
2007	110,000,000	1,554	0	9	1,563	32,144,000	280,095,000
Total	604,485,535	71,447	56,472	24 ***	71,471	301,702,966	1,061,885,103

* RECs generated in a particular year may have been sold during that year, the preceding year or the following year.

** Because certain load-serving entities ("LSEs") that purchased Mountain View RECs did not sell a Green-e Energy certified product at the time, Green-e Energy does not have specific documentation of the number of the LSEs' customers that received Mountain View RECs. The number of customers was assumed to be at least one and was counted as only one in order to provide a conservative estimate of retail sales. It is presumed that the RECs were sold to more than one retail customer, and so the number of affected customers is likely much higher than reported here.

*** Unique purchasers. Some purchasers purchased Mountain View RECs in multiple years.

**** kWh in last column may include multiple instances of the same kWh as it is sold in multiple wholesale transactions between multiple parties. Therefore, retail sales plus wholesale sales of RECs from a particular year will add up to be more than the total unique kWh sold in the voluntary market. This was done to give a sense of the total kWh involved in wholesale contracts across the voluntary market.

Originally prepared by the Center for Resource Solutions in response to questions posed in Attachment B - Questions Regarding Outstanding Renewables Portfolio Standard Procurement Claims. 4/3/2009

Table CRS B: Green-e® Energy Certified Wholesale Sales of Mountain View I and II RECs - kWh by Generation Year and Purchaser

Year of Generation	First Purchasers		Second Purchasers		Third Purchasers	
	First Purchaser	kWh Purchased from Generator *	Number of First Purchasers' Wholesale Customers	kWh Purchased by Wholesale Customers	Number of Wholesale Customers' Wholesale Customers	kWh Purchased by Wholesale Customers
2004	3Degrees	76,366,135	5	9,141,117	-	-
	Other	2,750,000	0	0	-	-
	Subtotal	79,116,135	5	9,141,117	-	-
2005	3Degrees	195,289,230	10	91,916,822	1	9,878,000
2006	3Degrees	220,080,170	7	123,868,629	3	52,500,000
2007	3Degrees	45,000,000	0	0	0	0
	Other	110,000,000	6	77,856,000	1	47,239,000
	Subtotal	155,000,000	6	77,856,000	1	47,239,000
Total 2004-2007		649,485,535		302,782,568		109,617,000
Total Wholesale Transactions			1,061,885,103			
Total Unique Parties Involved in Wholesale Transactions			24			

* These numbers may be larger than the Total Unique kWh Sold in the Voluntary Market, as Table A shows actual sales, while Table B shows reported supply. Not all supply is necessary sold in Green-e Energy Certified sales.
Originally prepared by the Center for Resource Solutions in response to questions posed in Attachment B - Questions Regarding Outstanding Renewables Portfolio Standard Procurement Claims. 4/3/2009