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California Energy Commission  
Docket Office, MS-4  
1516 Ninth Street  
Sacramento, CA 95814-5512

<b>DOCKET</b>
<b>03-RPS-1078</b>
DATE <u>July 08 2011</u>
RECD. <u>July 08 2011</u>

**Re: 33 Percent Renewables Portfolio Standard Regulations  
for Publicly Owned Electric Utilities (Docket No. 03-  
RPS-1078)**

Pursuant to the California Energy Commission's ("CEC") Staff Workshop on 33 Percent Renewables Portfolio Standard ("RPS") Regulations for Publicly Owned Electric Utilities ("POUs"), Southern California Edison Company ("SCE") respectfully submits these comments identifying high-priority items which should be addressed by the CEC, and addressing questions raised by CEC Staff during the Staff Workshop.

First, as the CEC is aware, Senate Bill ("SB") X1 2 contains several elements which require implementation in order to give meaning to the new legislation. Despite this volume of issues, one thing is clear, the CEC and the California Public Utilities Commission ("CPUC") must work collaboratively to ensure that California's new RPS is implemented in a manner that provides stability and certainty to renewables markets. In order to prevent conflicting direction from two agencies on RPS issues, it is critically important that the CEC and the CPUC work together to focus on orderly development of policies regarding high-priority RPS items. Coordinated focus and timing on decisions regarding major RPS issues, and consistent treatment of POU and non-POU providers, will allow for a stable transition to the new RPS program.

Second, SCE has already identified high-priority RPS issues for the CPUC and urged an early focus on expeditious resolution of issues related to targets and products. Immediate focus on establishing the new RPS target quantities and developing product content categories will give buyers and sellers clarity about the need for renewable resources under the new RPS and what products will count toward the new goals. Because of the importance of defining targets and products for the continued procurement of renewables within California, it is crucial that the CEC recognize the timing of the CPUC's assessment of these issues and not prematurely render decisions on these issues for POUs, before the CPUC has had a chance to do so for retail sellers. Although other issues, such as evaluation methodologies and development of a cost-containment mechanism are also significant parts of SB X1 2, these issues need not be resolved in the near-term. Such issues do not need to be resolved so that procurement in support of the State's new RPS goals can continue. Moreover, the multi-year nature of the RPS goals under SB X1 2 allow these issues to be addressed in subsequent years.

Third, in addition to requesting prioritization of issues, CEC Staff requested comments on whether product definitions should be the same for POUs and retail sellers. The CEC should ensure that the product definitions adopted by the CPUC are also applied to POUs. It is essential that fundamental issues regarding the overall RPS program framework be the same for POUs and retail sellers because the consistency of product definitions will promote and maintain the integrity of the RPS program and avoid confusion in the market. Accordingly, SCE urges the CEC to adopt product definitions for POUs that are in accordance with those adopted by the CPUC for retail sellers.

Finally, the CEC requested comments on how RPS compliance should be evaluated. SCE recommends the CEC delay resolving this issue until after compliance period targets and product definitions have been clearly defined. An immediate focus on the mechanical process of how compliance waivers may be obtained will detract from resolution of more time-critical issues, and is not necessary in the near-term.

SCE thanks the CEC for the opportunity to provide these comments and looks forward to working with both the CEC and the CPUC on implementation of SB X1 2 and other RPS issues.

Sincerely,

/s/ Manuel Alvarez

Manuel Alvarez