

Comments of the Center for Energy Efficiency and Renewable Technologies to the California Energy Commission on the 33% Renewables Portfolio Standard Pre-Rulemaking Draft Regulations

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The Center for Energy Efficiency and Renewable Technologies (CEERT) appreciates this additional opportunity to offer comments on the California Energy Commission (CEC) Draft Regulations for Publicly-Owned Electric Utilities (POUs) as part of its implementation of the 33% Renewables Portfolio Standard (RPS) under SB X1-2.

In general, CEERT offers support of the changes CEC staff has made to the regulations, as we feel that the draft regulations present improvements in clarity and consistency with the California Public Utilities Commission (CPUC) Decision Setting Procurement Quantity Requirements for RPS Compliance (D. 11-12-020) and CPUC Decision Implementing Portfolio Content Categories for the RPS Program (D. 11-12-052). In comments to the first draft of the regulations, CEERT encouraged the CEC to “strive to adopt a near-identical version of the CPUC regulations, creating differences only when absolutely necessary.” We specifically highlighted the need for consistency in the portfolio content category definitions and the RPS procurement requirements already defined and established for retail sellers by the CPUC, and feel that key differences have been amended.

However, while many of our specific technical suggestions were addressed in the most recent CEC draft, we also note deletions of a number of sections we suggested adding additional substance to. We understand the CEC's desire to balance stakeholder interests and provide some flexibility where flexibility is due, but also believe that reporting and accountability are paramount to compliance, and that the CEC should do everything within its power to ensure that POUs are making the right decisions toward procurement of 33% renewables.

Portfolio Content Categories

The method for tracking and verification of portfolio content category 1 remains unclear, so CEERT continues to recommend that CEC work in close coordination with the CPUC and CARB to ensure that monitoring and verification can be useful for all regulated entities and used both for compliance with the 33% RPS program and the Cap-and-Trade program.

The portfolio content categories appear to be more in line with the CPUC definitions. Specifically, in our March 30, 2012 comments, CEERT highlighted the CEC's failure to prevent selling Category 2 energy back to the generator. CEERT therefore appreciates the addition of language in Section 3203 (b)(2)(E), "The electricity from the RPS-certified facility may not be sold back to that facility." This was a crucial distinction, and CEERT appreciates the clarification.

Section 3204: RPS Procurement Categories

CEERT is concerned about the deletion of Section 3204(d), which established a requirement for reasonable progress. CEERT believes the CEC should have required procurement of renewable resources in a linear fashion in the intervening years in order to ensure steady progress toward each compliance period and ultimately 33% renewable energy. Adopting a linear trend would also bring the regulations for POUs in line with those in place for retail sellers. Rather than strengthening this section, the CEC has deleted it altogether. We therefore urge your reconsideration of the reasonable progress requirement for at least the

largest utilities that should be most capable of progressing toward 33% in a linear fashion.

Section 3205: Annual Revisions to Procurement Plans

CEERT objects to the deletion of Section 3205(a)(2), which required annual revisions to the renewable energy resources procurement plan. In our comments on the first draft, CEERT emphasized the need for these plans in order to help the POUs look critically at project viability and to inform subsequent procurement plans. Given the deletion of this annual procurement plan revision, CEERT suggests that the CEC require POUs to include information on project viability in annual compliance reports, and to reconsider the requirement that POUs report on the resource mix used to serve customers by energy source, including the quantity of each resource (previously Section 3205(b)(2)(H)). Requiring utilities to report on the resource mix used to serve customers will not only help the individual POUs evaluate their progress toward various policy goals, but it will also allow the CEC to compile the data to evaluate the diversity of the RPS program, and to work with sister agencies to gauge whether additional policies are necessary to encourage a balanced and diverse system.

Conclusion

CEERT appreciates the CEC's efforts to balance a variety of stakeholder issues and concerns, and is truly grateful for the second opportunity to comment on the draft regulations. We encourage continued participation with stakeholders and sister energy agencies in working toward a build-out of 33 percent renewables.