

BEFORE THE CALIFORNIA ENERGY COMMISSION



**In the matter of:
Implementation of Renewables
Portfolio Standard Legislation
and**

Docket No. 11-RPS-01

**Implementation of Renewables
Investment Plan Legislation**

Docket No. 02-REN-1038

**M-S-R PUBLIC POWER AGENCY COMMENTS REGARDING
THE DRAFT RENEWABLES PORTFOLIO STANDARD
ELIGIBILITY GUIDEBOOK, SEVENTH EDITION**

The M-S-R Public Power Agency¹ (M-S-R) offers these comments on the March 2013 *Draft Staff Guidebook – Renewable Portfolio Standard (RPS) Eligibility, Seventh Edition* (Draft Guidebook). M-S-R appreciates the opportunity to address the California Energy Commission (CEC or Commission) on this very important issue, as the RPS Guidebooks play an integral part in the state’s renewable portfolio standard (RPS) implementation and provide crucial guidance on issues related to eligibility of resources and compliance.

I. INTRODUCTION

The passage of Senate Bill (SB) X1-2 (2011) and Assembly Bill (AB) 2196 (2012) created a sea-change in the state’s RPS programs. This change did not necessarily result from the higher state mandate for overall renewable procurement, as many entities, including members of M-S-R, already had renewable energy procurement plans that reflected the state’s desire to encourage low greenhouse gas emitting resources. However, SBX1-2 created portfolio content categories (PCCs) that distinguish between types of eligible renewable energy resources, and overall requirement that a certain percentage of those resources be applied to each PCC in order

¹ Created in 1980, the M-S-R Public Power Agency is a public agency formed by the Modesto Irrigation District, the City of Santa Clara, and the City of Redding. M-S-R is authorized to acquire, construct, maintain, and operate facilities for the generation and transmission of electric power and to enter into contractual agreements for the benefit of any of its members. As such M-S-R does not serve retail load within California but supplies wholesale power under long-term contracts to its retail load-serving members.

to meet the overall quantitative RPS obligation for each compliance period. AB 2196 imposed new rules regarding the treatment of biomethane fuels for RPS compliance purposes, resulting in the suspension of Commission approval of many pending contracts that utilized this fuel source.

SBX1-2 also called on the California Public Utilities Commission to implement the RPS for retail sellers, the local governing boards of POU's to implement the RPS for POU's, and for this Commission to enforce the RPS for POU's. Implementing the latter of these roles is before this Commission in Rulemaking 13-OIR-01. Because the Draft Guidebook contains many references to the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* (Proposed Regulation), M-S-R urges the Commission to delay approval of the RPS Guidebook until such time as the Commission and stakeholders have had an opportunity to complete the Rulemaking process in 13-RPS-01, and thoroughly scrutinize the Proposed Regulation. By waiting until after the rulemaking process has been completed, the Commission can avoid the appearance of presupposing the outcome of that proceeding, or, in the alternative, the need to revise – yet again – the Guidebook upon adoption of the regulation should any of the provisions in the initial draft of the regulation be revised prior to adoption by the Commission.

For purposes of implementing the provisions of AB 2196, M-S-R urges the Commission to lift the stay on approval of biomethane contracts and bifurcate the many details regarding biomethane matters into a separate document that can “stand alone” on this issue. Doing so will allow the Commission to move forward with review and approval of biomethane contracts for current and pending projects, without constraining the Guidebook by including the myriad AB 2196 details and requirements therein.

II. M-S-R SUPPORTS THE COMMENTS FILED BY CMUA, NCPA, AND REDDING

M-S-R's members are members of the California Municipal Utilities Association (CMUA), and the cities of Redding and Santa Clara are also members of the Northern California Power Agency (NCPA). M-S-R's members support the positions and arguments contained in the comments submitted to the Commission by those entities of which they are also members, as well as the comments of the Redding Electric Utility.

III. CONCLUSION

M-S-R believes that adoption of the Draft Guidebook at this time will impede the ability of the Commission to complete Rulemaking 13-RPS-01 without prejudice, and could also interfere with timely implementation of the provisions of AB 2196 and lifting the stay on the use of biomethane fuels for RPS purposes. M-S-R supports the Commission's decision to phase out the Overall Program Guidebook in favor of a single, consolidated guidebook. M-S-R's members also support the comments submitted by NCPA, CMUA, and Redding Electric Utility, and incorporates them herein.

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Respectfully submitted,



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