

San Diego Gas & Electric Company (SDG&E) appreciates this opportunity to provide to the California Energy Commission (Commission) its comments on the Commission's Staff Workshop on Proposed Changes to the Renewables Portfolio Standard (RPS) Eligibility Guidebook. The workshop presented an overview of the changes made to the Commission's guidebook to incorporate parameters from RPS legislation, and the Commission's proposed process to be used in determining compliance for Publicly Owned Utilities (POUs). As discussed in more detail below, SDG&E has several process revision recommendations.

*A. Publicly Owned Utilities ("POUs") and Retail Sellers should receive confirmation of product content categorization at the same time.*

The Commission states that it "intends to verify procurement claims for each retail seller and POU on an annual basis for each year during the compliance periods established by SB x1 2."<sup>1</sup> It also intends to workshop the results of this verification process with retail sellers and POUs on an annual basis.<sup>2</sup> SDG&E believes that this process will be helpful for all Load Serving Entities (LSEs) to be able to verify reported procurement claims on an annual basis. However, SDG&E is concerned that through this process, the Commission may provide more beneficial information for POUs than it will for retail sellers.

The Commission verifies both procurement claims and product content categorization for POUs, while it verifies only procurement claims for retail sellers.<sup>3</sup> The California Public Utilities Commission ("CPUC") verifies product content categorization for retail sellers. Because the Commission handles both aspects of verification for POUs, it seems likely that it will share both aspects with POUs during annual verification workshops. For retail sellers, however, it can only discuss verification of procurement claims during such workshops. Furthermore, the Commission has indicated that it will provide this data to the CPUC only once at the end of each compliance period<sup>4</sup>, instead of on an annual basis, making it difficult for the CPUC to perform product content category verification on an annual basis. If there is a chance that POUs will receive confirmation of product content categorization annually while retail sellers receive such confirmation only after each compliance period, this creates an unequal playing field. POUs would have an advantage in being able to more quickly and efficiently adjust their procurement to comply with portfolio balance requirements. In order to promote equality between POUs and retail sellers, both parties should receive confirmation of product content categorization at the same time. SDG&E recommends that the Commission adjust its procedure for retail sellers so that it submits its RPS Verification Report for Retail Sellers to the CPUC on an annual basis.

*B. The requirements for AB 920 facilities should be refined to allow for greater customer participation*

The current draft of the guidebook proposes that "to count RECs procured under an AB 920 program, the retail seller or POU must retire the RECs in WREGIS."<sup>5</sup> SDG&E is concerned that the option of facilities registering themselves in WREGIS would be difficult and/or uneconomic for the bulk of net energy metering (NEM) customers with net surplus generation due to both the complexity of the WREGIS registration process, and the annual fee of \$200. In order to encourage customer participation

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<sup>1</sup> Renewables Portfolio Standard Eligibility, Seventh Edition Staff Draft Guidebook, March 2013, p. 94

<sup>2</sup> Renewables Portfolio Standard Eligibility, Seventh Edition Staff Draft Guidebook, March 2013, p. 96

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<sup>4</sup> Renewables Portfolio Standard Eligibility, Seventh Edition Staff Draft Guidebook, March 2013, p. 96

<sup>5</sup> Renewables Portfolio Standard Eligibility, Seventh Edition Staff Draft Guidebook, March 2013, p. 71

and the creation of RECs, SDG&E recommends that the Commission revisit this requirement and work with parties to determine a streamlined solution for the certification and tracking of RECs created by NEM net surplus generators. One potential remedy is to waive the WREGIS registration requirement in favor of a tracking system similar to the Interim Tracking System that minimizes registration requirements on individual NEM customers, minimizes administrative complexity for both the CEC and the IOUs, and also addresses the split ownership of RECs and other issues acknowledged by the CPUC in D.11-06-016. The tracking and reporting of the net surplus generation would use the utility's billing system that is used to pay the AB 920 facilities. It should be noted that the CPUC supports a streamlined RPS certification process for NEM customers.<sup>6</sup> Should it be determined that WREGIS is still the optimal tracking system, SDG&E would support moving the eligibility cut-off date from October 1, 2012 to a later date, at least 6 months after the guidebook is adopted, in order to allow customers additional time to register in WREGIS, without losing the opportunity to be compensated for the renewable attributes of their historical net surplus generation.

For the reasons set forth herein, SDG&E respectfully requests that the Commission work with the CPUC to ensure that both POUs and retail sellers receive product content category confirmation within the same timeframe to assist in maintaining an equal playing field for POUs and other retail sellers, and reconsider its proposal to require NEM net surplus generators to be registered in WREGIS so that time and cost barriers to customer participation can be minimized.

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<sup>6</sup> Decision Adopting Net Surplus Compensation Rate Pursuant to Assembly Bill 920 and the Public Utility Regulatory Policies Act of 1978 (D.11-06-016), p. 42