

**STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION**

In the Matter of:

Adoption of Regulations Establishing Enforcement
Procedures for the Renewables Portfolio Standard for
Local Publicly Owned Utilities

Docket No. 13-RPS-01

California Energy Commission

**DOCKETED
13-RPS-01**

TN # 70313

APR. 15 2013

**PATHFINDER RENEWABLE WIND ENERGY AND
ZEPHYR POWER TRANSMISSION, LLC
INITIAL COMMENTS ON PROPOSED REGULATIONS**

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April 15, 2013

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Energy and Zephyr Power Transmission, LLC

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Pathfinder Renewable Wind Energy (“Pathfinder”) and Zephyr Power Transmission, LLC (“Zephyr”) respectfully submit these comments on the California Energy Commission’s (“Commission”) Proposed Regulations on Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities (“Proposed Regulations”). Pathfinder and Zephyr support the Commission’s goals and policies set forth in the Proposed Regulations. Pathfinder and Zephyr wish to ensure that when renewable generation that would otherwise qualify as a Portfolio Content Category 1 (“PCC1”)¹ product is augmented by non-renewable generation the renewable portion of the scheduled product still qualifies as PCC1 electricity.

Zephyr is a Delaware limited liability company established for the purpose of developing and financing the Zephyr transmission project, a proposed 975 mile, 3,000 MW high voltage, direct current merchant transmission line project that will originate near Chugwater, Wyoming and terminate south of Las Vegas, Nevada in the Eldorado Valley (“Zephyr Project”) with an interconnection to the California Independent System Operator controlled grid. Pathfinder is in the development stages of a 3,000 MW wind generation project and associated mitigation land

¹ Proposed Regulations, section 3203(a).
{00131882;4}

proposal in Wyoming and has contracted with the Zephyr Project for delivery to California. The Zephyr Project is being developed to enable extremely high quality wind generation resources to be delivered to the California markets.

Pathfinder and Zephyr plan to seek long term, firm capacity contract(s) with a California buyer to purchase the wind product that will be delivered via the Zephyr transmission line. This wind product will qualify as PCC1 electricity. Because wind generation is an intermittent resource, to provide a firm capacity product Pathfinder and Zephyr will augment the wind generation with non-renewable generation to meet the firm capacity contract requirement. We emphasize that the non-renewable portion would neither count as PCC1 electricity nor be a substitute for the wind generation, but will be in addition to the wind generation to achieve the contractual firm capacity commitment. This product would be distinct from a PCC2 product which either comes from a source not connected to a California Balancing Authority or is a firmed and shaped product where the renewable electricity may be unconnected in time and space to the firming and shaping electricity. Accordingly, Pathfinder and Zephyr wish to ensure that any renewable portion of the electricity product coming to California on the Zephyr line be recognized as PCC1 electricity.

Pathfinder and Zephyr appreciate and support the Commission Staff's intent to draft the Proposed Regulations consistent with the California Public Utilities Commission's ("CPUC") rules for applying the RPS requirements to CPUC-jurisdictional retail load serving entities. We also understand that the Commission Staff is in agreement in concept that any renewable portion of a scheduled product that is augmented by non-renewable generation will be eligible to count towards a publicly owned electric utility's ("POU's") PCC1 RPS procurement requirement.

Accordingly, Pathfinder and Zephyr support the Proposed Regulations as written and do not at this time recommend any modifications.

Respectfully submitted,



Dated: April 15, 2013

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