

California Energy Commission

DOCKETED

13-RPS-01

TN # 70358

APR. 17 2013

David Weisenberger
Chairman

April 16, 2013

Steven C. Collup
Vice Chairman

California Energy Commission
Dockets Office, MS-4
Docket No. 13-RPS-01

Bruce McLaughlin
Secretary

RPS Proceeding
1516 Ninth Street

David A. Nixon
Treasurer/Auditor

Sacramento, CA 95814-5512

W. Kent Palmerton
General Manager

Re: PWRPA Comments on Proposed Regulations: Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities

Member Agencies

Banta-Carbona I.D.
Glenn-Colusa I.D.
James I.D.
Lower Tule River I.D.
Princeton-Codora-Glenn I.D.
Provident I.D.
The West Side I.D.
West Stanislaus I.D.

The Power & Water Resources Pooling Authority (“PWRPA”) appreciates the opportunity to provide comments on the California Energy Commission’s (“CEC”) *Proposed Regulations, Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* (“Proposed Regulations”), issued on March 1, 2013. PWRPA fully supports the comments provided by the California Municipal Utilities Association (“CMUA”) and urges the CEC to adopt CMUA’s recommendations.

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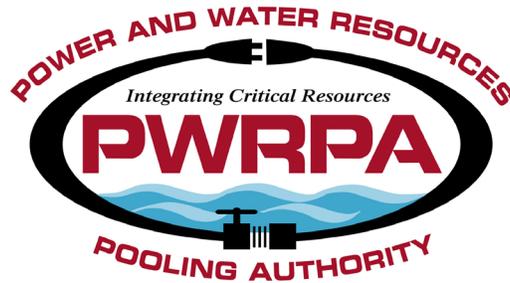
PWRPA is a local publicly owned electric utility as provided in California Public Utilities Code section 224.3, and furnishes retail electric service to thirteen public agency customers. PWRPA was established in 2004 and began providing retail electric service on January 1, 2005. PWRPA’s public agency customers utilize electric power to pump, convey, and treat water.

Billing Address

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PWRPA and its public agency customers are committed to achieving California’s renewable portfolio standard (“RPS”) goals in a way that is economically reasonable and that maintains reliability of the grid. Toward this end, PWRPA took significant early steps to procure RPS-eligible resources soon after it began operations. Because of this early action, PWRPA far exceeded the RPS obligations applicable to the California Public Utilities Commission (“CPUC”) jurisdictional entities under the

pre-SBX1-2 RPS requirements. Therefore, PWRPA was encouraged when the CEC’s second pre-rulemaking draft of RPS Regulations recognized that POUs are entitled to carry forward



the generation that exceeded the statutory requirements for a similarly situated CPUC-jurisdictional entity during the 2004-2010 period.

However, the Proposed Regulations, released on March 1, 2013, include a significant change. Section 3206(a)(5)(E) was added, providing: “Any REC qualifying as historic carryover shall be retired within 36 months of the month in which the REC was generated.” CEC staff has asserted that the only actions that meet this requirement to “retire” are either through the use of the Western Renewable Energy Generation Information System (“WREGIS”) or through the CEC’s Interim Tracking System (“ITS”). This limitation would substantially reduce the amount of historic carryover that PWRPA would be able to count towards its RPS compliance because PWRPA was only registered in WREGIS for a portion of this period and PWRPA did not proactively submit any ITS forms (which only existed for the IOUs). Indeed, this limitation would disqualify the vast majority of PWRPA’s historic carryover.

Such a penalty is particularly unreasonable because, during this time, there was no indication (statutory or otherwise) that POUs wishing to fully comply with the RPS must take this additional “retirement” step. PWRPA should not be penalized for not complying with requirements that were not possible or known at the time. To be clear, PWRPA is not suggesting that it should not be required to provide adequate documentation to verify that the historic carryover that it claims for its RPS was committed to PWRPA and that the associated RECs were not double counted. PWRPA believes it should be able to count generation towards its RPS compliance requirements as long as that generation: (1) would have been eligible under the relevant RPS Eligibility Guidebook; (2) exceeded the procurement requirement applicable to a similarly situated CPUC-jurisdictional entity; and (3) PWRPA can provide adequate documentation for verification.

PWRPA requests that the CEC delete Section 3206(a)(5)(E) and, instead, work with the POUs to ensure that adequate steps are taken to verify their claimed historic carryover.

Respectfully,

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