

**STATE OF CALIFORNIA  
BEFORE THE CALIFORNIA ENERGY COMMISSION**

<b>In the matter of:</b>	)	Docket No. 13-RPS-01
	)	
Enforcement Procedures For The	)	Comments on The
Renewables Portfolio Standard For	)	Proposed Annual And
Local Publicly Owned Electric Utilities	)	Compliance Period
	)	Reporting Forms
	)	
	)	August 16, 2013

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**Comments of the Sacramento Municipal Utility District  
(SMUD) on the RPS Annual and Compliance Period  
Reporting Forms Pursuant To The July 29<sup>th</sup> Workshop**

Thank you for the opportunity to provide comments on the variety of annual and compliance period reporting forms presented at the July 29<sup>th</sup> RPS implementation workshop. SMUD thanks the CEC staff and Commissioners for their hard work on these forms for implementation of the 33% RPS under Senate Bill X1 2 (“SBX1 2”).

SMUD has organized its comments on the RPS implementation forms into several sections, corresponding to the specific spreadsheet forms expected and expanding to “types” of information required on the separate tabs on the POU\_RPS compliance spreadsheet.

**A. SMUD General Comments On RPS Reporting**

In general, it is not clear to SMUD that the CEC staff have achieved full conformance with the reporting requirements of the POU RPS regulations. To some extent, SMUD recommends additional material or less material in the sections below for this purpose. However, some of the information in the POU RPS regulations does not fit well into such forms. For example, the forms cannot easily include the narrative information required in Section 3207(c)(2), parts (E), (G), and (H), and Section 3207(c)(3), as well as Section 3207(d)(6). SMUD recommends that the CEC explore including links to such narrative submittals in the basic POU\_RPS Compliance spreadsheet.

**B. SMUD Comments On Title Page Tab Of POU\_RPS Compliance**

## **Spreadsheet.**

SMUD has the following comments about the Title Page tab of the POU\_RPS Compliance Spreadsheet:

- SMUD suggests that the publicly owned utility name from the Title Page tab of the POU\_RPS Compliance spreadsheet be flowed to all other tabs of the spreadsheet as title information for the tab. Including the POU name on top of each tab will add clarity when reviewing the information, particularly when or if printed.
- SMUD suggests that a new line be added to the Title Page tab of the POU\_RPS Compliance spreadsheet containing the date the report is submitted, and that this information be flowed to the other tabs of the spreadsheet where a report date is requested. Some tabs ask for date of report, and there is potential for unnecessary differential entries on these tabs. POU's should only have to enter this information once.
- SMUD suggests that the Title Page tab of the of the POU\_RPS Compliance spreadsheet be modified to include all of the information required in Section 3207(c)(1) of the regulations: POU name, contact name, mailing address, phone number, e-mail address, year POU was established, and number of retail customer accounts in California.

## **C. Comments On Static Information Tabs From the POU\_RPS Compliance Spreadsheet**

SMUD has the following comments about the structures of the five “static information” tabs in the POU\_RPS Compliance Spreadsheet:

- SMUD recommends combining the two PCC2 static information tabs into just one, organized by the procured renewable generation, with information about the non-renewable incremental “substitute” energy associated with each contract provided in columns at the end of this single tab. The main reason for this in SMUD’s mind is that the incremental “substitute” energy is not stand-alone as is implied by the second PCC2 static information tab, but rather must be associated with the specific renewable procurement in the first PCC2 static tab. With two separate tabs, SMUD does not see how the CEC will understand the requirements for substitute power for each renewable contract without additional “connections” between the two tabs, or supplemental requests. It is simpler overall to simply have one tab, in SMUD’s mind ( and SMUD notes that this appears to be how the CPUC is requesting similar data from IOUs). In addition, SMUD supports reducing the number of tabs in the spreadsheet where possible.

- SMUD suggests moving the RPS ID, WREGIS ID, and EIA ID columns forward in the tabs to just after the “facility name” column. These are basic identifying columns that are similar to the facility name information.
- The CEC should modify the primary and secondary fuel drop down lists as follows, for completeness and ease of categorization and entry:
  - a. Use the general term “hydro”, with subcategories such as with biomethane, to be inclusive regarding non-eligible and eligible hydro (regular small hydro currently missing). This will also keep all hydro entries together in the alphabetized list. SMUD suggests:
    - i. Hydro – less than or equal to 30 MW
    - ii. Hydro - larger than 30 MW conduit
    - iii. Hydro – larger than 30 MW incremental
    - iv. Hydro – not eligible renewable
  - b. Include additional and modify options under general “biomethane” heading, to allow easy distinction between on-site and off-site uses as well as type of biomethane. SMUD suggests:
    - i. Biomethane – biogas, on-site, dedicated
    - ii. Biomethane – landfill gas, on-site, dedicated
    - iii. Biomethane – digester gas, on-site, dedicated
    - iv. Biomethane – biogas, common carrier pipeline
    - v. Biomethane – landfill gas, common carrier pipeline
    - vi. Biomethane – digester gas, common carrier pipeline
  - c. Include the word “solar” in front of “photovoltaic” to keep solar technologies together in the alphabetized drop-down list.
  - d. Include the word “ocean” in front of “tidal current” to keep ocean technologies together in the alphabetized drop-down list.
- SMUD suggests including a few more options in the “facility status” drop down list, for completeness and coverage of all situations. In addition to the current status choices, SMUD suggests adding:
  - a. Repowered on-line,
  - b. Existing, on-line
  - c. Existing, off-line
  - d. Restart, under construction,
  - e. Restart, on-line.
- While it may be useful to include, in order to keep columns relatively constant on all the static tabs, it is pretty clear that column 9, which asks for information about RECs included in pre-2005 contracts, is not necessary on the PCC1-3 static tabs (while likely useful on the historic carryover/PCC0 tab. Column 9 could be deleted for simplicity on the

latter tabs – otherwise, one would expect that “NA” would be the constant answer for this column on the PCC1-3 static tabs.

- SMUD notes that on the PCC1 static information tab, the column in which the initial PCC1 determination is entered asks parties to choose among the four types of PCC1 criteria in SBX1 2: 1) interconnected to a California Balancing Authority (CBA); 2) interconnected to a distribution system in a CBA; 3) scheduled into a CBA (without substitute energy); and 4) dynamically transferred to a CBA. SMUD appreciates this conformity to the law, and notes that we have argued many times that distributed generation (and central station generation within a CBA) should be included in PCC1, even if considered as an “unbundled” REC purchase – as this is how the law reads in SMUD’s mind. However, since the RPS regulations do not follow this clear distinction, SMUD does not understand how the “bundled” requirement in the regulations is documented in the PCC1 static tab.
- With respect to the PCC2 static contract info incremental tab (which SMUD has recommended consolidating above), SMUD notes that the information in this tab may actually change frequently, rather than being reliably “static”. It is SMUD’s contention that the substitute energy associated with a long term PCC2 contract may come from a variety of changing sources, some short term or spot purchases, even, as long as the energy is incremental to the POU as defined in the RPS regulations.

#### **D. Comments On Annual Report Accounting And 2011, 2012, and 2013 Summary Tabs From the POU\_RPS Compliance Spreadsheet**

SMUD believes that the “Annual Report Accounting” tab can be deleted, with the data entry expected in that tab moved to the “Compliance Report Accounting” tab. The information in the Annual Report Accounting Tab is mainly duplicative of the starting information in the Compliance Report Accounting tab. There is no requirement in the POU RPS regulations for the annual reports to provide information about compliance period procurement, nor any forecast data, but both concepts are included in the Annual Report Accounting tabs. SMUD is concerned that there may be some confusion among the public about whether the Annual Report Accounting tab establishes some compliance period impact. SMUD is also concerned that the forecast information included in the tab may be misinterpreted. In SMUD’s view, this forecast information should be in the POU procurement plans, not in the annual and compliance reports tabs. SMUD is also concerned that information tagged as ‘forecast’ data on the Annual Report

Accounting Tab is flowed to the Compliance Report Accounting tab as 'actual' data for 2013. Again, this could cause confusion.

However, should the Annual Report Accounting tab be retained at present, and note that SMUD recommends below that the Compliance Accounting tab be labeled "Draft" due to questions about the calculations and format in that tab, SMUD recommends the following:

- SMUD contends that this tab and the annual summary tabs should not have the word "compliance" in their headings, as the law requires that there be no annual compliance target, prior to 2021. It is a relatively simple matter, and more accurate, to simply state "Annual RPS Report: Accounting" rather than "Annual RPS Compliance Report: Accounting. Alternatively, the CEC could use the term "Required Annual RPS Report: Accounting". While an annual report is required by the RPS regulations it is potentially confusing to call these reports "compliance" reports, as someone looking at the reports could think that there is an actual RPS procurement compliance obligation on an annual basis, when no such requirement exists, and publicly make a claim of non-compliance if an annual report shows less than the soft targets in the forms.
- SMUD also suggests deleting the "Summary 2013" tab at this time. This information is not required in the first upcoming reporting period, which covers 2011 and 2012 data. While the information may be required in the 2014 report due next July 1, there is no need to include it at this time. Rather than modifying the reporting structure on a regular basis to include additional "Summary 20xx" tabs such as the 2013 tab, SMUD recommends that the CEC either include only one Summary tab going forward (after the 2011/2012 "catch up" report this year), with that tab reflecting the current annual report requirement, or provide instructions for copying a previous annual summary tab to create a tab for the current year, and either deleting the historical tabs or keeping them in the spreadsheet as a historical reference, if desired.
- SMUD also suggests that the Annual Summary tabs be modified to remove the word "target" in the tabs. For example, the words "Total RECs Retired to meet Target in 2011" on the "Summary 2011" tab should simply read "Total RECs Retired in 2011". As annual targets are not allowed by the RPS law, the CEC should avoid suggesting that they have meaning, and need to be "met".
- SMUD suggests that the "Annual Summary" and "Compliance Summary" tabs be modified to reflect all of the renewable fuel types and subtypes eventually established in the static contract tabs. For example,

biomethane is not listed, nor are incremental hydro resources. It may be difficult or too complicated to list all of the variety of fuel subtypes on these summary tabs, so some collapsing into larger categories such as “hydro” may be appropriate, but SMUD believes that it is important to include biomethane delivered through a common carrier pipeline (biomethane for short) in the tabs.

- SMUD contends that fuel cells that are powered by landfill gas, digester gas, or biomethane should be included in the biopower subtotal in the tabs. Perhaps the category fuel cells should be separated into biopowered fuel cells and fuel cells deriving their hydrogen or energy source from other renewable means.

#### **E. Comments On The Compliance Report Accounting And Summary Tabs From the POU\_RPS Compliance Spreadsheet**

SMUD recommends that the CEC label the Compliance Period Accounting tab and Compliance Period Summary tabs as “Draft” at this time, since there is only an initial annual report requirement for 2011 and 2012 reporting that is due this year. While SMUD understands that there will need to be a Compliance Period Accounting tab and perhaps a summary tab for next year’s July 1<sup>st</sup> compliance period report, SMUD does not believe that the current tabs are sufficiently vetted to be included in POU\_RPS Compliance Spreadsheet without a “Draft” label. The CEC should use the experience with filling out the “Draft” tabs to modify the tabs for next year’s compliance period report. SMUD has looked at the tab in some detail, but still believes that further experience is necessary prior to having these tabs part of an official reporting requirement.

Specific items in the Compliance Period Accounting tab that SMUD currently believes require further attention include:

- There should be some clarification of what is meant by Pre-June 1 Category 1, 2, and 3 RECs. It is unclear whether this refers to resources with contracts signed prior to June 1 that are covered by Section 3202(a)(3), which are not included in the PBR requirements, or to resources that were signed prior to June 1, 2010 but whose contracts have been subsequently modified to the extent that they are now categorized in categories 1-3. The calculations seem to imply the former, but the instructions or the labels in the spreadsheet should clarify. If the former, SMUD contends that the spreadsheet could be simplified by

lumping these resources in with Category 0 line, as the calculations treat them identical to this category.

- The entire portion of the spreadsheet below line 34 seems unnecessarily complicated and confusing, with the following specific issues:
  - a. It would seem that there should be a PCC1 surplus/deficit line right after line 48, letting POUs know in connection with the requirement whether they may be in deficit or not when filling out the form. Instead, it appears down on line 67 in a separate section of the form.
  - b. The “disallowed category 3 RECs” cell on line 50 should be modified to either show a positive number when these RECs exceed the maximum or zero when they are within the limit. It is confusing when this number shows up as a negative amount, and could lead to erroneous calculations elsewhere.
  - c. The Excess Procurement Calculation portion of the tab to the right does not appear to subtract any disallowed PCC3 RECs, if those are present, as claimed in the Excess RECs Eligible cell comment. This could lead to an erroneous calculation of compliance or non-compliance.
  - d. It is unclear to SMUD why the Excess Procurement Calculation portion of the tab allows entry of the amounts of excess category 0, 1, and 2 RECs, etc. rather than taking these amounts from column E. One can enter any number one wishes here (not recommended) with no connection to the Excess calculations in Column E or the total Excess RECs eligible found in row 45 in that portion of the spreadsheet.
  - e. While SMUD appreciates the flag when one enters information about “Target” RECs retired for each procurement content category in column D, and the total of these entries exceeds one’s compliance period requirement, SMUD believes that the flag is insufficient. The CEC should not allow an entity to ignore the flag and enter too many RECs here, as this leads to cell C47 becoming negative, making calculations that depend on this cell potentially nonsensical. It is also unclear what is meant by the heading “Target” here – a better heading for the apparent purpose might be “Allocated To This Compliance Period” or similar language.
  - f. If the CEC desires to have a separate RPS Procurement Enforcement section near the bottom of the spreadsheet, which SMUD does not find necessary, then this portion should also include the fact that there is a PBR 3 maximum requirement, and

that it has been “enforced” or not, through disallowance of any excess PBR 3 RECs retired.

- g. The Optional Compliance Measures Applied portion at the very bottom of the spreadsheet should, in SMUD’s mind, clarify that two of the optional compliance measures in the POU Regulations are already included in the compliance calculations above, by inserting the word “Other” at the beginning of the first cell heading. In addition, there should be a provision here to insert links to the required narratives for these remaining three compliance period options.
- SMUD wonders if the Compliance Report Summary tab is necessary and or sufficiently developed if it is determined that it is. SMUD would posit that a single Compliance Report tab may be sufficient, and that a Compliance Period Accounting tab could be all that is necessary. If a separate summary tab is desired, SMUD wonders whether:
  - a. There should also be PBR summaries on the tab, to indicate not just basic compliance with the overall procurement percentage requirements, but also compliance with the PBR 1 requirement in the RPS.
  - b. General carryover procurement from the previous compliance period should be included in the “summary” tab. This may not be necessary in the first compliance period, but will be in subsequent periods.
  - c. It is useful to include the detailed RPS eligible procurement information on the tab, which is separate from compliance using retired RECs. On the annual summary tab, this information is useful for providing an indication of actual annual procurement in comparison to the product content label information required elsewhere. However, it is unclear whether having such information for an RPS compliance period is useful when the use of carryover from a previous and to a subsequent compliance period implies that the information has no real relation to compliance in the period.

## **F. Comments On CEC-RPS-Hourly Spreadsheet.**

SMUD does not anticipate using the CEC-RPS-Hourly spreadsheet initially, because other than PCC0 resources, SMUD does not currently anticipate procuring any scheduled PCC1 resources. SMUD continues to believe that the hourly comparison in the spreadsheet is not required by SBX1 2. Nevertheless,

SMUD suggests that:

- The relevant tabs of the CEC-RPS-Hourly spreadsheet be modified to cut off the rows after 8760 hours and to include a total row at the bottom.
- The attestation tab of the CEC-RPS-Hourly spreadsheet be modified to state “to be completed by POU’s” rather than the current “To be completed by generators”.

Thank you again for the opportunity to comment.

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