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February 18, 2014

**RE: San Francisco Public Utilities Commission (SFPUC) Comments on the Workshop to Scope a Future Edition of the *Renewables Portfolio Standard Eligibility Guidebook***

The San Francisco Public Utilities Commission (SFPUC) appreciates the efforts of California Energy Commission (CEC) staff to update and consider improvements to the RPS Eligibility Guidebook (Guidebook).

The SFPUC supports the comments of the California Municipal Utilities Association (CMUA) that comprehensively address the CEC's staff proposed changes. The SFPUC also offers the following limited comments on three issues addressed during the January 28<sup>th</sup> workshop.

- 1. The CEC should either allow for the continued use of the RPS Interim Tracking System (ITS) or modify the WREGIS Reporting System to ensure utilities receive full credit for their RPS-eligible supplies.**

As noted at the January 28<sup>th</sup> workshop, current WREGIS functionality does not allow for utilities to retroactively record RECs in WREGIS more than 60 days after they are generated. As both SMUD and PG&E noted, this makes it difficult, if not impossible for utilities to record RECs for units that are retroactively eligible under RPS rules. This includes RPS facilities such as AB920 distributed generation and SBX1-2 water conveyance facilities.<sup>1</sup> For some facilities still awaiting RPS-certification, such as eligible water conveyance facilities, this may be the only means that the utility can receive RPS-credit before the RECs associated with these facilities reach their 36-month limit.

The SFPUC supports the comments of SMUD and PG&E at the workshop, as well as CMUA in its written comments,, that utilities should be able to continue to use their ITS systems to track these resources until the resources can be transitioned to WREGIS on a going-forward basis.

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<sup>1</sup> These units are RPS-eligible back to January 1, 2011, to correspond to the start of the first 3-year compliance period (2011-2013).



**2. Utilities with hydroelectric generation that is not subject to FERC licensing should be allowed to continue to use the CEC’s existing methodology for calculating “incremental hydro”.**

Under the topic of additional issues for consideration in the next version of the Guidebook, PG&E raised the issue of modifying the calculation method used to determine the amount of “incremental hydroelectric” generation that is RPS-eligible. PG&E is proposing to use a methodology developed by FERC for another purpose. As the SFPUC suggested at the workshop, irrespective of the CEC’s decision on whether to adopt PG&E’s proposal, the existing method for calculating incremental hydroelectric generation should remain available for those electric utilities that have hydroelectric facilities that pre-date or are not subject to FERC licensing.

**3. Changing Metering Requirements to Include Distributed and Behind-the-Meter Renewable Generation as RPS-eligible**

The SFPUC supported the CEC’s decision to define both distributed and behind-the-meter renewable generation as RPS-eligible in the 7<sup>th</sup> Edition of the RPS Eligibility Guidebook. The SFPUC has made significant investments to develop behind-the-meter renewable resources in San Francisco.

However, the continuing requirement that these renewable resources must have a revenue quality meter (+/-2% accuracy) creates a cost barrier that effectively precludes them from being RPS-eligible.

The requirement that distributed generation (DG) must use revenue-quality meters excludes substantial amounts of solar PV financed through the CSI program, most of which used non-revenue quality meters. One low-cost option to address this issue would be to allow these units to qualify without revenue quality meters, but to discount the value of the energy generated (e.g. to 90% of total recorded output), for purposes of issuing RECs, to compensate for the potential inaccuracy of the meters. Current WREGIS functionality could accommodate this proposal by registering these facilities in WREGIS under the multi-fuel resource type, with 90% of monthly generation RPS-eligible. Another option would be to let these units qualify based on engineering estimates of their expected generation.

The SFPUC encourages the CEC to include this issue among the topics to be examined in the current cycle of revisions to the Guidebook.

**Conclusion**

The SFPUC looks forward to continuing to work with CEC staff to develop the next version of the RPS Eligibility Guidebook.

Sincerely,

/s/ Michael Hyams

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/s/ James Hendry

James Hendry  
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Cc: Barbara Hale, Assistant General Manager, Power Enterprise