



April 17, 2014

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 11-RPS-01
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket No. 11-RPS-01, Comments on CEC Notice to Consider Process to Extend and Waive Deadlines for RPS Certification

On April 8 2014, the California Energy Commission (“Energy Commission”) distributed a notice to consider a process to extend and waive deadlines for Renewables Portfolio Standard (“RPS”) certification. The Energy Commission will consider the adoption of this proposed process at their April 22, 2014 Business Meeting. Southern California Edison Company (“SCE”) generally supports the proposal and appreciates the opportunity to contribute to the Energy Commission’s collaborative process for refining the proposed process through these written comments.

SCE addresses the following topics below:

- SCE supports the Energy Commission’s proposed process to extend and waive deadlines for RPS certification.
- SCE recommends that in granting an extension or waiver for RPS certification deadlines, the Energy Commission limit the certification of historical deliveries to those no further than 36 months into the past.

A. SCE Supports the Proposed Process to Extend and Waive Deadlines for RPS Certification

Currently, the RPS Guidebook does not allow for the Energy Commission staff to issue extensions or waivers to any RPS certification application deadlines, regardless of the circumstances. Accordingly, if a deadline is missed by an applicant, their facility can only be certified with an eligibility date starting in the month the application is submitted, which can result in significant financial consequences to the developer or in extreme situations, contract termination.

Energy Commission staff’s proposal would bring greater flexibility to the RPS certification process, ultimately allowing for more eligible RECs to count towards the State’s RPS targets, and fewer financial penalties incurred by facility operators. The items required of applicants requesting an extension or waiver will effectively highlight whether or not “good

cause” is available to grant such an extension or waiver. Pending SCE’s recommendation in Section B of this letter, these required items also effectively accomplish their intended purpose without placing unreasonable administrative burden on facility operators, regulators, or utilities. For these reasons, SCE supports the proposed process to extend and waive deadlines for RPS certification.

B. The Energy Commission Should Limit Certification to Deliveries No Further than 36 Months into the Past

The Energy Commission’s proposed process does not place a historical date limitation on deliveries that can be certified as RPS eligible. SCE recommends that in granting an extension or waiver for RPS certification deadlines, the Energy Commission should limit the certification of historical deliveries to those no earlier than 36 months into the past. The RPS Eligibility Guidebook¹ specifies that a retail seller has up to 36 months from the initial month of generation for RECs to be retired and used for RPS compliance. This 36-month period includes the month the energy is generated (vintage month). Therefore RECs are no longer eligible for RPS compliance if they are retired beyond 35 months of their vintage month and year.²

For example, if a potential REC was created for vintage in January 2012, and the Energy Commission were to grant an extension to certify that REC on January 2015, the REC would have been certified 36 months after its vintage month, and would therefore be ineligible for retirement (37 total months). However, if the extension were granted one month earlier (December 2014), the REC could be retired within 35 months of the vintage month and be compliant with the RPS REC retirement rules (36 total months). Therefore, SCE recommends that in granting extensions or waivers for RPS certification, the Energy Commission limit these extensions to apply to deliveries no further than 36 months into the past (including the vintage month).

SCE recommends placing a 36-month historical limit on certifying deliveries because without this limit, stakeholders would expend efforts certifying deliveries that would ultimately be non-compliant with RPS REC retirement rules. Additionally, item number eight of the Energy Commission’s proposed process declares that an extension shall not be granted under any circumstance that would “excuse any of the eligibility dates specified in the RPS Guidebook.”³ Granting an extension to deliveries that date back beyond 36 months of their delivery month would violate item number eight in the Energy Commission’s proposed process.

In conclusion, SCE appreciates the Energy Commission’s consideration of SCE’s comments and looks forward to continuing to engage in this collaborative process with the Energy Commission. Please do not hesitate to contact me at (916) 441-2369 regarding any questions or concerns you may have.

Yours truly,

¹ Seventh Edition

² (Vintage month + 35 additional months = 36 total months)

³ CEC proposed process at 5; item number eight

/s/ Manuel Alvarez

Manuel Alvarez