

BEFORE THE CALIFORNIA ENERGY COMMISSION

**In the matter of:
Developing Regulations and Guidelines for
the 33 Percent Renewables Portfolio
Standard**

Docket No. 11-RPS-01

California Energy Commission DOCKETED 11-RPS-01
TN# 73805

**NORTHERN CALIFORNIA POWER AGENCY COMMENTS ON THE
PROPOSED PROCESS TO ALLOW CREATION OF RETROACTIVE RECS
AND EXTEND THE DEADLINE FOR PUBLICLY OWNED UTILITIES TO USE
THE INTERIM TRACKING SYSTEM**

The Northern California Power Agency (NCPA)¹ urges the Commission to adopt the proposed process for requesting retroactive creation of renewable energy certificates (RECs) in WREGIS and extend the use of the Interim Tracking System (ITS) to December 31, 2013. On October 7, the Commission “will consider adopting Staff’s recommendation to establish a process that would (1) allow the Executive Director to request the retroactive creation of renewable energy credits in the Western Renewable Energy Generation Information System (WREGIS) and (2) extend the deadline for local publicly owned electric utilities (POUs) to use the Energy Commission’s Interim Tracking System to report procurement of generation not tracked in WREGIS to December 31, 2013.”² The Commission should adopt the proposed changes, as they would allow eligible renewable energy to be counted towards the renewable portfolio standards (RPS) compliance obligations of retail sellers, without imposing undue administrative burdens on the state. Further, the changes are in the best interest of the State in that they support the accurate counting and tracking of all eligible renewable energy.

NCPA, along with other stakeholders, have sought revisions to the RPS Eligibility Guidebook to address instances not originally contemplated in the Guidebook relevant to the tracking of eligible renewable energy and the associated RECs. These requested revisions

¹ NCPA is a not-for-profit Joint Powers Agency, whose members include the cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, and Ukiah, as well as the Bay Area Rapid Transit District, Port of Oakland, and the Truckee Donner Public Utility District, and whose Associate Member is the Plumas-Sierra Rural Electric Cooperative.

² *Notice of Proposed Process to Allow Creation of Retroactive Renewable Energy Certificates and Extend the Deadline for the Interim Tracking System for the Renewables Portfolio Standard*, dated September 26, 2014 (Notice).

specifically sought the continued use of the ITS beyond October 2012, and procedures to request retroactive creation of RECs through WREGIS.³ The proposal presented by Staff is responsive to these comments, and would address a gap in the current RPS Guidebook that would otherwise preclude a significant number of RECs associated with eligible renewable generation from being included within the State's RPS program. NCPA, like the Southern California Public Power Authority, M-S-R Public Power Agency, and California Municipal Utilities Association, urge the Commission to adopt Staff's proposal.

Use of the Interim Tracking System through December 31, 2013

The Commission should adopt Staff's proposal to "extend the deadline for POU's to use the ITS from October 2012 to report procurement of generation occurring through December 31, 2013."⁴ As stated in the Notice, if a generating facility is not properly and timely registered in WREGIS (in this case by October 2012 for use of the ITS⁵), a POU is unable to claim RPS procurement from the otherwise RPS-eligible facility.⁶ Unfortunately, some POU's encountered difficulties and delays with the WREGIS registration due to the extent to which third parties, counterparties, and balancing authority approvals and signatures were required as part of the WREGIS process. As a result, during the pendency of the registrations, RECs were not technically "created" by WREGIS for generation during this period. Extending the deadline for reporting and tracking this generation through the ITS allows the POU's to count the generation towards their RPS obligation and avoid significant financial losses that would result should they be precluded from using this premium resource to meet their RPS compliance obligation. Furthermore, adopting Staff's proposal does not create an additional burden for the Commission since the ITS is an established tracking mechanisms, it would not require new or additional tracking forms, and involves facilities already RPS certified by the Commission.

NCPA appreciates Staff's responsiveness to the concerns raised by stakeholders, and urges the Commission to adopt the proposal to extend the deadline for POU's to use the ITS from October 2012 to report procurement of generation occurring through December 31, 2013, and include the revisions in the RPS Guidebook.

³ See, NCPA Comments regarding the scope of revisions to the RPS Guidebook, February 18, 2014.

⁴ Draft Resolution No: 14-1007-10, p. 5.

⁵ RPS Guidebook, 7th Edition, p. 88.

⁶ Notice, p. 3.

Requests for Creation of Retroactive RECs

The Commission should adopt the process by which facility representatives can request the creation of retroactive RECs through WREGIS. As noted above, there are instances where RECs associated with eligible renewable generation are not created for various reasons. Oftentimes, those reasons are outside the control of the entity that has contracted for the renewable energy. WREGIS recognized that there may be a need for retroactive creation of RECs, and included a process for doing so in their Operating Rules. Until this year, however, the process did not address a means by which the WREGIS costs could be paid by other than the state program. With the change to the WREGIS Operating Rules, the CEC can request – on behalf of a generating facility that will pay the WREGIS costs – the retroactive creation of a REC. The process for petitioning the CEC to make such a request to WREGIS set forth in proposed Resolution No: 14-1007-10 should be adopted by the Commission, with the minor clarifications addressed below.

Proposed Resolution No: 14-1007-10 contemplates that the request may be approved or denied by the CEC's Executive Director, however, the criteria and process set forth therein do not specify the grounds upon which such a request can be denied.⁷ In order to ensure that the authorized representative of the electrical generating facility making the request is aware of all the factors involved in the CEC's evaluation of the request, the process should be revised to note the evaluation criteria that will be used, and the reasons why a request may not be approved. The process adopted by the Commission should ensure that verifiable RECs can be created without excessive costs and administrative burdens being placed on the requesting entity. Accordingly, NCPA recommends that the audit provisions be refined to exclude the multiple verifications required in the audit report, and rather verify only that WREGIS has not already issued or retired a REC for the generation at issue. Minor modifications to the proposed process that address the criteria upon which a request can be denied, streamline the required audit, and include stated review timelines and deadlines for submission of additional information, if necessary, will enhance the efficacy of Staff's proposal for both stakeholders and the Commission.

NCPA concurs with Staff's assessment that extending the deadline for use of the ITS will likely reduce the number of requests for creation of retroactive RECs in WREGIS. However,

⁷ Draft Resolution No: 14-1007-10, pp. 3-4.

there may be other instances where a process is needed to capture eligible renewable generation, and to address those situations, the Commission should adopt the proposed process “that would allow the Energy Commission’s Executive Director or his designee to request that WREGIS create retroactive RECs in accordance with the WREGIS Operating Rules and subject to any specified conditions.”⁸

Conclusion

NCPA appreciates Commission Staff’s responsiveness to the concerns raised by stakeholders and the proposed modifications to the RPS program that would address those concerns. The proposed changes are in the best interest of the State, would allow optimization of the number of RECs to be applied towards the State’s RPS program, and would avoid undue financial losses for retail sellers. Accordingly, NCPA urges the Commission to adopt the proposal set forth in Draft Resolution No. 14-1007-10 with the minor modifications discussed herein. Please do not hesitate to contact the undersigned or Scott Tomashefsky at 916-781-4291 or scott.tomashefsky@ncpa.com with any questions.

Dated this 3rd day of October, 2014.

Respectfully submitted,



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⁸ Draft Resolution No: 14-1007-10, p. 2.