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11-RPS-01

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

<b>In the matter of:</b>	)	Docket No. 11-RPS-01
	)	
	)	Comments on Proposed Process to
	)	Allow Creation of Retroactive
	)	Renewable Energy Certificates and
<b>Developing Regulations and Guidelines for the 33 Percent Renewables Portfolio Standard</b>	)	Extend the Deadline for the Interim
	)	Tracking System for the Renewables
	)	Portfolio Standard
	)	
	)	October 3, 2014

**Sacramento Municipal Utility District's Comments on the  
Proposed Process to Allow Creation of Retroactive  
Renewable Energy Certificates and Extend the Deadline for  
the Interim Tracking System for the Renewables Portfolio  
Standard**

The Sacramento Municipal Utility District (SMUD) would like to thank the California Energy Commission (CEC) for the opportunity to provide comments on the proposed process to allow creation of retroactive Renewable Energy Certificates (RECs) and to extend the deadline for the Interim Tracking System (ITS). SMUD strongly supports adoption of Resolution 14-1007-10 containing these proposed changes, with slight modifications as described below. The proposed changes in Resolution 14-1007-10 add needed flexibility to the new Renewable Portfolio Standard (RPS) structure established by the CEC pursuant to SBX1-2. This flexibility will allow additional, fully eligible, renewable generation to count for the RPS. The changes recognize that stakeholders would suffer financial consequences if the RPS structure acts to prevent eligible renewable generation procured in good-faith from counting for the RPS.

SMUD is committed to procuring renewable energy for our customer-owners and to compliance with the RPS structure. SMUD endeavors to procure resources and comply through the standard RPS procedures by using standard RPS forms and tracking as much generation as possible in WREGIS. However, there are instances where the use of the ITS and/or retroactive creation of certificates in WREGIS may be necessary, particularly during the initial period of CEC oversight of the RPS for publicly owned utilities. The flexibility to accommodate these instances is sound policy, mirroring the flexibility about certification timing added by Resolution 14-0422-11 in April 2014.

SMUD supports the proposed process for creating retroactive RECs in WREGIS, but believes that the proposed audit requirement should be slightly modified. Under the proposed requirement, an independent auditor must obtain either:

- a) A letter from the administrator of each state regulatory or voluntary program documenting that the renewable energy credits in question were not used to satisfy that program; or
- b) A letter from the administrator of each state regulatory or voluntary program documenting that the renewable energy credits in question were tracked for purposes of that program, but have been retired without having been claimed to satisfy the requirements of that program.

SMUD contends since the proposal is to allow certificates to be created in WREGIS, a letter is not necessary from any programs that also require use of WREGIS during the time period of the generation in question – there should be no chance of double counting in these instances. The audit requirement should be modified so that letters are only required from state or voluntary programs that themselves do not require use of WREGIS. This will vastly simplify the process of auditing the proposed retroactive certificate creation without increasing risk of double counting.

SMUD also strongly supports the recommendation to extend the ITS through December of 2013, with a slight modification. SMUD has previously commented that such extensions proved necessary for IOUs as they and their providers began participating in WREGIS, and has requested consideration of an extension of the ITS for POUs as they and their generators begin participating. However, SMUD recommends that the CEC change the current proposed ITS extension. Clause 5 in the ITS extension portion of Resolution 14-1007-10 states:

5. The ITS shall not be used to report generation or procurement data from aggregated generating facilities. Generation and procurement data for aggregated generating facilities shall be reported using WREGIS.

SMUD believes this clause should be removed prior to adoption. SMUD cannot see any policy rationale for excluding this type of eligible renewable generation. It seems discriminatory against small distributed generation to disallow ITS use, when it is allowed for all other RPS-eligible generation that is not tracked in WREGIS. The ***RPS Eligibility Guidebook, Seventh Edition***, explicitly suggests that the ITS can be used for aggregated systems.<sup>1</sup> Metering data is available for these systems to verify

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<sup>1</sup> The *RPS Eligibility Guidebook, Seventh Edition* contains provisions for including surplus generation from distributed generation (pursuant to AB 920) in an aggregated facility or unit. It is unlikely that these facilities would be able to participate in the RPS without aggregation. Page 78 contains the sentence: “The generation produced and procured pursuant to an AB 920 net surplus compensation program prior to the facility applying for certification or October 1, 2012, whichever is earlier, may be reported to the Energy Commission **using the ITS** if the facility is registered in WREGIS when applying for RPS certification.” (Emphasis added.)

information submitted through the ITS. Finally, excluding aggregated systems is inconsistent with the CEC's stated rationale for extending the ITS – that an ITS extension will cut down on the more costly and cumbersome use of the retroactive certificate request process.

SMUD has several aggregated solar units certified with the CEC and registered in WREGIS. While the generation from these systems is now tracked in WREGIS, generation from the beginning of 2011 to the date when WREGIS tracking started was submitted using the ITS in SMUD's 2011 and 2012 annual reports filed in October 2013. This submittal followed the general structure set up by the CEC to deal with the transition for POUs into the official RPS – registration in WREGIS was required by a date certain, and POUs were allowed to use the ITS back to the beginning of 2011 (in order to include generation procured in good-faith from the beginning of the compliance period). SMUD is now concerned that the proposed policy in Resolution 14-1007-10 will negatively and retroactively affect that structure and SMUD's nearly year-old 2011 and 2012 report filing.

SMUD again thanks the CEC staff for the development of these proposals and recommends CEC adoption, with the slight modification to the audit requirement for retroactive certificate creation and the modification to the ITS extension to allow the ITS to be used for aggregated systems, similar to all other eligible renewable generation.

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WILLIAM W. WESTERFIELD, III  
Senior Attorney  
Sacramento Municipal Utility District  
P.O. Box 15830, M.S. B406, Sacramento, CA 95852-0830

/s/

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TIMOTHY TUTT  
Program Manager, State Regulatory Affairs  
Sacramento Municipal Utility District  
P.O. Box 15830, M.S. B404, Sacramento, CA 95852-0830

cc: Corporate Files  
{LEG 2014-0910}