

Memorandum



To: Rob Oglesby

Date : November 16, 2015

Telephone: CALNET (XXX)
(XXX)

From : **California Energy Commission - Suzanne Korosec**
 1516 Ninth Street
 Sacramento CA 95814-5512
 Deputy Director, Renewable Energy Division

Subject: SG2 IMPERIAL VALLEY LLC'S REQUEST FOR A DEADLINE EXTENSION FOR THE AUDIT REPORT REQUIRED FOR THE CREATION OF RETROACTIVE RECS IN WREGIS FOR RPS CERTIFICATION

This memo is in regard to SG2 Imperial Valley LLC's request for a deadline extension to submit the audit report required for the creation of retroactive renewable energy credit (REC) in the Western Renewable Energy Generation Information System (WREGIS) for Renewables Portfolio Standard (RPS) certification for the following facilities.

- Sonora, RPS ID No. 61645A, WREGIS GU ID W4481
- Alhambra, RPS ID No. 61646A, WREGIS GU ID W4479
- Arkansas, RPS ID No. 61844A, WREGIS GU ID W4480

RPS staff recommends that the Executive Director grant the request based on the documentation SG2 Imperial Valley LLC submitted in support of its request, as described below.

Initial Audit Report for the SG2 Imperial Valley LLC Facilities

SG2 Imperial Valley LLC submitted the audit report for the creation of retroactive RECs in WREGIS for the Sonora, Alhambra, and Arkansas facilities on November 3, 2015. The audit report included a letter from SG2 Imperial Valley LLC attesting to the requirements in the *RPS Eligibility Guidebook, Eighth Edition* and a letter from Deloitte & Touche LLP, the auditor, attesting that the audit was performed to the specifications in the guidebook. The audit report was incomplete as the required letters from the state regulatory or voluntary program administrators attesting that RECs were not used in those programs were not included.

Staff reached out to SG2 Imperial Valley for more information and the required letters from state and voluntary program administrators on November 9, 2015. SG2 Imperial Valley LLC submitted the email correspondence between WREGIS and Deloitte &

Touche LLP requesting a letter to attest the RECs were not created or used in the program. Staff requested the remaining letters from the state and voluntary programs however SG2 Imperial Valley LLC did not request those letters.

SG2 Imperial Valley LLC's Request for a Deadline Extension for the Audit Report

In the *RPS Eligibility Guidebook, Eighth Edition*, the Executive Director may, if good cause exists, extend a due date for the submission of a report required.

On November 13, 2015, SG2 Imperial Valley LLC submitted a formal request for the deadline extension of the audit report. The request included an explanation of why the auditor did not obtain the required letters from state and voluntary programs and a 60 day deadline request.

According to SG2 Imperial Valley LLC, it was unclear in the *RPS Eligibility Guidebook, Eighth Edition* that the auditor must obtain letters from all state and voluntary programs to ensure that the RECs in question were not used for another program. Due to this, the auditor only collected a letter from WREGIS and will not be able to obtain the remaining required letters before the due date of November 17, 2015.

Staff's Determination and Recommendation

Based on the information provided by SG2 Imperial Valley LLC to support its request for the deadline extension for the audit report required for the creation of retroactive RECs in WREGIS, staff determined the requirements for granting the deadline extension of 60 days are satisfied. Therefore, staff recommends that the Executive Director grant the deadline extension for the audit report for the creation of retroactive RECs in WREGIS for the Sonora, 61645A, Alhambra, 61646A, and Arkansas, 61844A facilities to January 16, 2016.

If SG2 Imperial Valley LLC's request for a deadline extension for the audit report is granted by the Executive Director, staff will inform SG2 Imperial Valley, LLC of the extended deadline of January 16, 2016.

If you have any questions, please do not hesitate to contact me.

SUZANNE KOROSEC
Deputy Director, Renewable Energy Division

cc: Christina Crume
Lynette Green
Gabe Herrera