Department of Water and Power the City of Los Angeles

ANTONIO R. VILLARAIGOSA
Mayor

RONALD F. DEATON, *General Manager*

DOCKET
04-IEP-1K
DATE OCT 17 2005
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October 17, 2005

California Energy Commission Dockets Unit
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512
Attn: Docket No. 04 IEP 1K

To Whom It May Concern:

Re: Docket No. 04 IEP1K Committee Draft Document Hearings

Enclosed herewith are comments submitted in response to the Draft 2005 Integrated Energy Policy Report (released September 2005). These comments were also submitted electronically at docket@energy.state.ca.us on October 17, 2005.

If any additional attention is required concerning this matter, please contact Mr. Alvin Chan at (213) 367-4208 or Mr. Roberto Sarmiento at (213) 367-2421.

Sincerely,

Randy S. Howard
Executive Assistant to Chief Operating Officer--Power System

AC:dw
Enclosure
c/enc: Mr. Alvin Chan
Mr. Roberto Sarmiento

bc/enc:
Enrique Martinez
Randy S. Howard
Oscar Alvarez

My documents/Regulatory Group/Draft CEC 2005 IEPR.doc

STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:	)	
	)	
Preparation of the	)	
2005 Integrated Energy Policy	)	Docket No. 04-IEP-1K
Report	)	
	)	
	)	

Comments of the
Los Angeles Department of Water and Power
on the Draft 2005 Integrated Energy Policy Report

The Los Angeles Department of Water and Power (LADWP) respectfully submits its comments on the Draft 2005 Integrated Energy Policy Report (IEPR).

The LADWP fully recognizes the role of renewable energy resources in the energy future of the State of California. However, the Draft 2005 IEPR reports inaccurate information concerning LADWP. LADWP would like to take this opportunity to make necessary corrections and comments.

On Page 95, second paragraph from the bottom, the report states: "...in 2003 the state's largest POUs, Los Angeles Department of Water and Power and the Sacramento Municipal Utility District, reported only 1.5 percent and 7 percent renewables, respectively." LADWP questions the reasoning for the 2005 IEPR to reference 2003 data. Furthermore, LADWP has reported 3 percent renewables in its Power Content Label for 2003. On numerous occasions this year, LADWP has reported to the CEC its current level of 5 percent renewables and its commitment to at least 1 percent increase in renewables per year, yet this information does not appear in the report.

The current law fully recognizes that the publicly owned utilities (POUs) can be differentiated from the investor owned utilities (IOUs) by excluding them from any prescriptive Renewable Portfolio Standard (RPS) requirements. By doing so, the legislature has recognized that vertically integrated electric utilities are resourced differently than the State's IOUs, as they did not divest their generation resources as a result of AB 1890, and also have a fiduciary duty to its customers to make prudent business decisions. Any individual POU RPS program is a reflection of these decisions and responsibilities.

Inasmuch as LADWP is already fully resourced with approximately 20 percent reserve margin and has committed to procuring at least an additional 1 percent of delivered energy from new renewables through 2017 with its Council-approved RPS program, any accelerated RPS may have the potential of producing unnecessary excess surplus. Therefore, LADWP respectively submits that it would be inappropriate for LADWP to be legislated to produce an accelerated RPS, and that state legislative body should continue to defer to local government for such decisions.

Respectfully Submitted,

Randy S. Howard
Executive Assistant to the
Chief Operating Officer - Power System
Los Angeles Department of Water and Power