

**Item 6 - Errata**  
**California Energy Commission Business Meeting**  
**June 11, 2003**

Page 26 of the *Renewable Portfolio Standard: Decision on Phase I Implementation Issues* should be replaced with the attached (changes underlined):

about allowing the Energy Commission to include out-of-state resources for SEPs. The Committee believes that it would be illogical for the Legislature to encourage out-of-state renewable power generally in this fashion, while discouraging the same resources by rendering them ineligible for the RPS.

Therefore, the Committee has concluded that, on balance, the better construction of the two statutes would be to include out-of-state power in the suite of resources that may be counted in a retailer's RPS. The Committee believes that to interpret the statutes otherwise would frustrate the will of the Legislature to promote competition and create an inconsistency in two statutes that are clearly meant to be administered together.

Several parties questioned whether out-of-state renewable power procured under SB 1078 will actually displace energy generated by fossil fuel-fired power plants in California, and argued that the Energy Commission should require the power to be delivered into the state. The Utility Reform Network and the Natural Resources Defense Council recommended that generators located out-of-state be required to provide proof of their ability to deliver power to the California border. The California Wind Energy Association further recommended that the Energy Commission should require generators to demonstrate that their power is actually delivered — that is, scheduled and transmitted — into the California Independent System Operator control area.

Based on the comments received from these and other parties at the May 5, 2003 Committee hearing, the Committee recommends that out-of-state generators be subject to the same deliverability requirement as in-state generators. All generators must be able to deliver their power to the in-state market hub or substation in the WECC transmission system designated by the contracting utility under the power purchase agreement. The Committee does not believe it is necessary for out-of-state generators to schedule and transmit their power to a designated location unless required to do so by the contracting utility under the power purchase agreement.