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STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

Implementation of Renewables Portfolio Standard Legislation (Public Utilities Code Sections 381, 383.5, 399.11 through 399.15, and 445; [SB 1038], [SB 1078])	))))	**Docket No. 03-RPS-1078**

and

Implementation of Renewables Investment Plan Legislation (Public Utilities Code sections 381, 383.5, and 445 [SB 1038])	))))	**Docket No. 02-REN-1038**

COMMENTS OF THE CALIFORNIA WIND ENERGY ASSOCIATION ON THE DRAFT RENEWABLES PORTFOLIO STANDARD ELIGIBILITY GUIDEBOOK, NEW RENEWABLE FACILITIES GUIDEBOOK AND PROCUREMENT VERIFICATION REPORT

The California Wind Energy Association ("CalWEA") offers the following brief comments on the November 2005 draft reports, the Renewables Portfolio Standard (RPS) Eligibility Guidebook, the New Renewable Facilities Guidebook and the RPS Procurement Verification Report.

1. The New Renewable Facilities Guidebook Must Ensure that SEPs Cover the Entire Above-MPR Cost

The New Renewable Facilities Guidebook does not structure SEP awards to cover the full above-MPR cost of contracts whose durations exceed 10 years, which is essential if the associated projects are going to be built. The SEP payment methodology should provide the seller with the net present value of the difference between the MPR and the bid price over the entire term of the contract, paid out over the first 10 years. This methodology will provide the full price necessary to make the project viable and is consistent with statutory requirements.

2. The RPS Eligibility Guidebook Should Enable Retail Sellers to Complete Delivery Requirements; Delivery Guidelines Should Be Spelled Out

The draft RPS Eligibility Guidebook would require an out-of-state facility to itself deliver energy into the state. The Guidebook should provide for an alternate arrangement which also ensures in-state delivery: allowing the purchasing retail seller to take delivery at an out-of-state market hub and bring the energy into the CAISO control area using its own transmission rights. This arrangement should be acknowledged and enabled in the final Guidebook.

On page 22, the draft states that, in lieu of meeting the stated delivery requirements, a facility could "meet applicable CPUC rules for location of delivery." The draft does not indicate what these "applicable rules" might be. The Energy Commission is charged under the RPS statutes with implementing eligibility rules, and should make those rules clear within its own guidelines.

3. Small Clarification in the Procurement Verification Report

The draft RPS Procurement Verification Report at p. 10 states that "WREGIS data will be checked with NERC tag data to verify delivery into California from out-of-state renewable generators." The passive tense leaves unclear who will be checking the NERC tag data, the CEC or WREGIS. Consistent with pp. 23 and 39 of the draft RPS Eligibility Guidebook, this sentence should be clarified to indicate that the CEC will be checking the NERC tag data submitted by the facility or by the retail seller on the facility's behalf. (As we have previously advocated, however, we believe that this function should be performed automatically by WREGIS.)

Thank you for considering our views.

Respectfully submitted,

_____/s/_____

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