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03-RPS-1078/02-REN-1038

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California Energy Commission
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5504

Re: Renewable Portfolio Standard Eligibility Guidebook – Second Edition – March 2007
Docket No. 03-RPS-1078 and Docket No. 02-REN-1038

To: The California Energy Commission:

It is a pleasure to write in support of the March 2007 version of the Renewable Portfolio Standard Eligibility Guidebook – Second Edition (CEC-300-2007-006-CTD). Most specifically, PPM Energy (PPM) applauds the effort and direction taken by the Commission in the revisions to the Delivery Requirements for out-of-state renewable energy. The added flexibility drafted into the guidebook will result in a more robust RPS-eligible energy market and facilitate retail sellers' efforts to achieve their RPS goals, all while containing costs for the California ratepayers.

That being said, with the intention of avoiding future issues regarding the verification of RPS-eligibility of out-of-state deliveries, PPM proposes that the Commission consider some minor language changes and potential issues as detailed below.

1. Slight change in proposed language to clarify that it is WECC energy that is required to be delivered into California and not specifically the RPS-certified facility's generation (consistent with language in the second full paragraph on page 35):

- II.E.1 (page 35): "The retail seller, procurement entity, or facility representative must either (a) arrange for an interchange transaction with the California ISO to deliver *energy* to *a* point of delivery in California, or (b) arrange for an interchange transaction with another balancing authority to deliver *energy* to *a* point of delivery in California."

2. Added language to clarify that the seller *or* retail seller *or* procurement entity may request and receive acceptance of the NERC tag (consistent with language in the second full paragraph on page 35):

- II.E.5 (page 36): "The seller, *retail seller, or procurement entity* must request for and receive acceptance of a NERC tag between a balancing authority in California and a balancing authority in WECC."

3. Potential confusion in II.E.4 (page 36):

- The Commission may want to consider clarifying that the NERC identification (Source point name) referenced in II.E.4 may not be the same as the Source identified on the NERC tag pursuant to II.E.2. Specifically, the latter may be from any WECC control area, and the former is to be used solely for Commission's information and tracking purposes.

4. Potential issue to consider in II.E.3 (page 36):

- PPM understands the Commission's desire and need to have the RPS Certification number in the Comment section of the NERC tag. However, especially for entities that routinely transact with many counterparties in the WECC (each day and each hour), it is not hard to imagine such entries being missed from time to time due to administrative error. It would ultimately benefit no one if such errors were to invalidate otherwise valid RPS-eligible deliveries. PPM is not sure of the solution here but simply suggests some leniency and rational oversight during the annual verification process.

Notwithstanding the comments above, PPM is extremely supportive of the direction the Commission has taken with respect to the delivery requirements for out-of-state RPS-eligible energy. We believe the Commission's proposed changes will benefit California retail sellers' RPS procurement efforts, California customers, and the State of California as whole. PPM strongly encourages the Commission to move quickly to adopt the Eligibility Guidebook Revisions proposed by Commission staff with the minor modifications recommended above.

Congratulations on your excellent work.

Sincerely,

Anders Glader
Director, Renewable Origination