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Implementation of Renewables) Docket No. 02-REN-1038
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Post-Workshop Comments of Pacific Gas and Electric Company on
[Renewables Portfolio Standard 2005 Procurement Verification - Staff Draft Report](#)
 Publication # CEC-300-2007-001-SD, posted 3/6/07. (PDF file, 129 pgs, 433 kb).

PG&E appreciates the opportunity to support its remarks at the March 15, Renewables Committee workshop on the 2005 Verification Report with these written comments. Preparation of the Report has been a significant effort requiring attention to detail and a thorough review of numerous data sources, and the resultant report is unprecedented in its scope. Overall, PG&E concurs with the findings in the report with the exception of the following comments related to RPS deliveries reported by PG&E from two different renewable QF facilities.

7 kW QF Solar Generation Facility

4 MWh of generation from a QF solar project has been categorized as distributed generation in 2004 and 2005 instead of RPS-eligible. The CEC should count this generation as RPS eligible because:

- The generating facility is not distributed generation. It is a QF that has sold power to PG&E continuously under a Standard Offer 3 Power Purchase Agreement signed in 1993 and should be included in PG&E’s RPS baseline, pursuant to P.U. Code 399.15.
- This 7 kW solar facility is the only generating facility connected to this meter.
- The facility is metered and read manually each month. The total exported generation has been essentially constant over the life of the PPA.
- PG&E pays for generation from this facility quarterly pursuant to the SO3 based on these meter reads and has available the power purchase statements for this facility to the CEC for the years 2004 and 2005, verifying these deliveries.

20 MW QF Biomass Facility (Sierra Pacific Burney)

The staff has excluded 14,540 MWh of generation that PG&E purchased from the Sierra Pacific Burney Facility from PG&E's 2004 eligible procurement. The reason for this is that the sum of generation paid for by PG&E and generation reported by another retail provider exceeded the generation reported by the facility by more than 5%, apparently because the other retail provider (3 Phases) has reported purchasing unbundled renewable energy credits (RECs) associated with Sierra Pacific's "behind the meter" use and sales of non-PG&E purchased power. The CEC should give PG&E full credit for the 70,452 MWh it purchased from the Sierra Pacific Burney facility for the following reasons.

- PG&E has procured renewable energy from Sierra Pacific Burney under its QF Standard Offer 4 Power Purchase Agreement continuously since 1986 and continues to do so today.
- Similar to the QF solar project discussed above, deliveries under a QF SO 4 PPA are included in PG&E's baseline of eligible renewable resource procurement, pursuant to P.U. Code 399.15.
- Changes to the RPS statute made effective on January 1 this year by Senate Bill 107 (Stats.2006, Ch. 464) confirm that deliveries under those contracts continue to be included in the baseline quantity of eligible renewable energy resources of the purchasing retail seller pursuant to Pub. Util. Code sec. 399.15 and also specify that no REC is created by generation pursuant to any electricity purchase contract executed before January 1, 2005, unless the contract specifically provides for RECs.
- The CEC staff has not questioned PG&E's purchase and receipt of power pursuant to the contracts in 2004.
- PG&E's right to count those deliveries toward RPS procurement should supersede any potentially competing claim by a third party to claim RECs based on generation from the same facility. PG&E should get credit for all deliveries from the Sierra Pacific Burney contract reported in its RPS track form regardless of any

renewable energy certificates reported as being purchased by another entity from this Sierra Pacific Burney Facility during 2004.

These concerns involve only a couple of issues among the many complicated rules interpreted by the CEC in compiling its first RPS Verification Report. Although the MWh in question are few compared to the size of PG&E's overall renewables procurement portfolio, PG&E appreciates the CEC's attention to each issue and the staff guidance for this and future verification reports.