



**DOCKET**  
**02-REN-1038**

DATE MAR 19 2007  
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March 19, 2007

California Energy Commission  
Docket Unit, MS-4  
1516 Ninth Street  
Sacramento, CA 95814-5512

Re: Southern California Edison Company's Comments on the Proposed Renewables Portfolio Standard 2005 Procurement Verification;  
Docket No. 02-REN-1038

Dear Commission:

Southern California Edison Company (SCE) provides the following comments concerning the proposed changes to the Draft Renewables Portfolio Standard 2005 Procurement Verification Report (Draft Report).

The Draft Report in a number of areas continues to include the Incremental Procurement Target as a compliance item, which must be reported. SB 107 effectively eliminated any requirement of separate reporting of an incremental procurement target, as confirmed by CPUC Decision No. D.06-10-050 and, more recently, in ALJ Mattson's ruling approving the Energy Division's RPS compliance reporting template. Furthermore, SB 107 eliminated the distinction between existing geothermal resources and other eligible renewable resources. Therefore, separate calculations with respect to the output of such resources are not required and should be eliminated from the final Report. SCE has included specific modifications that should be made to the Draft Report as an attachment.

If you have any questions regarding these comments, please call me at (916) 441-2369.

Sincerely,

Manuel Alvarez

enc.

cc: Chairperson Jackalyne Pfannenstiel  
Commissioner John L. Geesman  
Commissioner James Boyd  
Commissioner Arthur H. Rosenfeld  
Commissioner Jeffrey Byron  
Ms. Heather Raitt (CEC)  
Mr. Jason Orta (CEC)

# Attachment

## Specific Changes SCE recommends be Made to the Staff Draft 2005 RPS Verification Report

### **Purpose and Scope of the Report**

Page 2: “Apply statutory requirements and the CPUC’s rules to identify incremental procurement and annual procurement.”

Page 2: “Quantify the amount of incremental geothermal energy.”

Page 3: “Although SB 107 eliminates the Energy Commission’s responsibility to certify and measure incremental geothermal production, this report quantifies incremental geothermal procurement for 2005, because the change in statute did not go into effect until January 1, 2007.”

### **Renewable Portfolio Standard Procurement Targets**

Page 4: “The CPUC’s Accounting Rules Decision outlines the rules for calculating the APT and the incremental procurement target (IPT), which represents the amount of RPS eligible procurement that the IOU must purchase in a given year, over and above the total amount the IOU was required to procure in the prior year.”

Page 5: “This report reflects an APT-based reporting methodology. Unlike the *2004 Verification Report*, in this report any RPS-eligible procurement may be used to satisfy any portion of the IPTAPT. The IPT is strictly a numerical target and there is no need to separately track baseline, annual, and incremental procurement.”

### **Section 3: Incremental Geothermal**

This section is completely dedicated to determining the incremental procurement to PG&E and SCE from the Calpine Geysers project. This section should be deleted in its entirety. It bears no relevance to the current RPS program of today as outlined in CPUC Decision D.06-10-050.

## Section 4: Procurement Verification Findings

Table 5: IOU Progress in Meeting the RPS for 2005: Includes IPT as a target and calculates estimated Incremental procurement and a delta between the IPT and their definition of incremental procurement for all three IOUs. SCE sees the last three columns in this table as unnecessary.

**Table 5: IOU Progress in Meeting the RPS for 2005 (MWh)**

Utility	2005 Annual Procurement Target (APT)	Procurement Eligible Towards Meeting the APT	Total Procured in Excess of 2005 APT <sub>1</sub>	<del>2005 Incremental Procurement Target (IPT)</del>	<del>Estimated Incremental Procurement<sub>2</sub></del>	<del>Total Incremental Procured in Excess of 2005 IPT<sub>3</sub></del>
PG&E	8,919,837	8,650,358	-269,479	<del>736,163</del>	<del>466,684</del>	<del>-269,479</del>
SCE	13,239,972	12,924,395	-315,577	<del>729,634</del>	<del>414,057</del>	<del>-315,577</del>
SDG&E	604,303	825,366	221,063	<del>158,116</del>	<del>379,179</del>	<del>221,063</del>

Table 17: SCE RPS Procurement: Documents incremental procurement as amount of procurement greater than the APT of the prior year, even though there is no CPUC defined incremental procurement and does not seem to serve any sort of compliance need.

**Table 17: SCE RPS Procurement**

	RPS Procurement for SCE (MWh) <sub>1</sub>				Percent of Retail Sales			
	2001	2003	2004	2005	2001	2003	2004	2005
APT	Na	na	12,510,338	13,239,972	na	na	17.15%	17.58%
<del>IPT</del>	<del>na</del>	<del>na</del>	<del>706,170</del>	<del>729,634</del>	<del>na</del>	<del>na</del>	<del>0.97%</del>	<del>0.97%</del>
<del>Incremental Procurement<sub>2,4</sub></del>	<del>Na</del>	<del>na</del>	<del>1,443,306</del>	<del>414,057</del>	<del>na</del>	<del>na</del>	<del>1.98%</del>	<del>0.55%</del>
Total procurement <sub>3,4</sub>	11,056,099	12,496,238	13,247,500	12,929,722	14.78%	17.70%	18.16%	17.17%
Procurement from Facilities Without RPS-Certifications <sub>5</sub>	Na	na	8	5,320	na	na	0.00%	0.01%
Procurement from Facilities in Which Procurement Exceeds Generation by 5 percent or greater <sub>6</sub>	Na	na	0	0	na	na	0.00%	0.00%
Procurement from Distributed Generation Facilities <sub>7</sub>	Na	na	18	7	na	na	0.00%	0.00%
Procurement Eligible Towards the APT <sub>8</sub>	Na	na	13,247,474	12,924,395	na	na	18.16%	17.16%
Retail sales <sub>9</sub>	74,806,895	70,617,000	72,963,394	75,301,524	na	na	na	na

Table 18: SCE Procurement Targets: Includes IPT as a target and calculates a delta between the IPT and their definition of incremental procurement.

**Table 18:  
SCE RPS Procurement Targets**

<b>Target</b>	<b>2004 Target MWh</b>	<b>2005 Target MWh</b>	<b>2004 Percent of 2003 Retail Sales</b>	<b>2005 Percent of 2004 Retail Sales</b>
<b>IPT</b>	706,170	729,634	1.00%	1.00%
<b>APT</b>	12,510,338	13,239,972	17.44%	17.88%

<sup>1</sup> The 2003 through 2005 targets are based on the methodology adopted in decision 06-10-050, R.06-05-027 on October 19, 2006.

**Procurement from New and Repowered Generation**

Finally, on page 31, this entire section including Tables 29 and 30, should be eliminated.