

## **Attachment B: Stakeholder Survey on the Cost Impact of the 33 Percent Renewables Portfolio Standard Draft Regulations**

Energy Commission staff seeks stakeholder input on whether and to what extent the new rules for the 33 Percent Renewables Portfolio Standard as proposed in the staff draft regulations will have an economic impact on local publicly owned electric utilities (POUs).

Public Utilities Code Section 399.30 (a) requires POUs to “adopt and implement a renewable energy resources procurement plan that requires the utility to procure a minimum quantity of electricity products from eligible renewable energy resources.” The Energy Commission has defined “eligible renewable energy resources” as being from a facility that the Energy Commission has certified as being eligible for the RPS pursuant to the Energy Commission’s RPS Guidelines. Additionally, Public Utilities Code Section 399.30 (e) requires a POU to adopt a program for the enforcement of the RPS statute on or before January 1, 2012.

Under proposed staff draft regulations, POUs will be required to submit both procurement plans and compliance reporting to the Energy Commission on an annual basis to ensure that reasonable progress is being made in achieving RPS procurement requirements.

The draft regulations will be available on the Energy Commission’s Website at:

[www.energy.ca.gov/portfolio/documents/index.html](http://www.energy.ca.gov/portfolio/documents/index.html)

### **Questions to address as they apply to a given POU’s compliance with the staff draft regulations.**

1. What was the total number of full time employees of the POU in 2011?

**A:** In 2011, there were a total of 372 full time employees at PWP.

2. How many total hours were part-time/seasonal employees employed by the POU in 2011?

**A:** In 2011, there were a total of 1,519 man-hours employed by PWP.

3. Does the POU plan to hire additional staff to assist in compliance with the requirements of the RPS?

**A:** In general, and this applies to questions 3 through 9, due to budget constraints and ongoing rate impact concerns, existing staff are being reassigned and their efforts redirected from other activities as needed to support implementation of the RPS regulations.

4. What was or will be the total cost of adoption of a renewable energy procurement plan for the POU? What was or will be the total cost of adoption of a program or plan for RPS enforcement for the POU? Please include a description of necessary actions and costs for adopting these plans and programs.

**A:** Reliable cost data beyond 2013 is proprietary and not available. Also, please see answer to question 3.

5. What is the estimated annual cost of implementation of the adopted renewable energy procurement plan for the POU?

**A:** Reliable cost data beyond 2013 is proprietary and not available. Also, please see answer to question 3.

6. If the POU applies for the RPS-certification of a facility, what will be the additional cost of applying for and maintaining RPS-certification compared to current operations? Note that the Energy Commission does not impose any fees to apply for or maintain a RPS certification, nor does it require the creation of original documentation for the required supplemental documentation if information created for other purposes is sufficient. Please consider the following facility or location types that require additional reporting requirements:

- a. Renewable facilities using multiple energy resources
- b. Hydroelectric facilities
- c. Municipal solid waste conversion facilities
- d. Repowered facilities
- e. Out-of-state facilities
- f. Out-of-country facilities

**A:** Please see answer to question 3. Also, it is anticipated that third party auditing costs will equal to \$10,000 to 15,000 per year.

7. What was or will be the total cost of participation in the Energy Commission's generation tracking and verification system (Interim Tracking System and/or WREGIS)?

**A:** Please see answer to question 3. Also, it is anticipated that WREGIS costs will be about \$2,000 to 3,000 per year.

8. Are there any additional POU costs that should be taken into consideration?

**A:** Additional resource procurement costs will lead to higher electric rates. Because we intend to perform the compliance efforts with existing staff resources, additional direct costs may be limited to overtime and/or contract costs for consulting and legal support as needed. It is likely that additional indirect costs, in the form of overtime or contract costs to support activities formerly performed by redirected in-house staff will be incurred. Furthermore, it is likely that we will incur opportunity costs, such as non-optimal procurement or less efficient operations, as a result of shifting staff resources to compliance activities.

9. Is there potential for the creation of new businesses as a result of an increase in procurement requirements under the RPS?

**A:** No. Procurement requirements will be assigned to appropriate staff within the existing organization.