

The Los Angeles Department of Water and Power's Response to Attachment B: Stakeholder Survey on the Cost Impact of the 33 Percent Renewables Portfolio Standard Draft Regulations

The California Energy Commission (Energy Commission, or CEC) 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

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

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| Question 1: | What was the total number of full time employees of the POU in 2011? |
| LADWP’s Response | Total number of full time employees at LADWP in 2011 is 9185. |
| Question 2: | How many total hours were part-time/seasonal employees employed by the POU in 2011? |
| LADWP’s Response | LADWP had 15,649 total hours of part-time/seasonal employees employed in 2011. |
| Question 3: | Does the POU plan to hire additional staff to assist in compliance with the requirements of the RPS? |
| LADWP’s Response | Yes, the LADWP plans to hire additional staff to assist in compliance with the requirements of the RPS. |
| Question 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. |
| LADWP’s Response | The total estimated cost of adoption of a renewable energy procurement plan is \$2,122,449. The total estimated cost of adoption of a program or plan for RPS enforcement is \$2,523,678. |

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| | The provided estimated costs reflect necessary resources, actions and cost for adopting of these plans. |
| Question 5: | What is the estimated annual cost of implementation of the adopted renewable energy procurement plan for the POU? |
| LADWP's Response | The estimated annual cost for implementation of the adopted renewable energy procurement plan for LADWP is \$6,873,557. |
| Question 6: | <p>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:</p> <ul style="list-style-type: none"> 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 |
| LADWP's Response | Compared to current operations, LADWP estimates a cost of \$589,700 for applying and maintaining RPS-certification. |
| Question 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)? |
| LADWP's Response | LADWP estimates a total cost of \$4,269,600 for participation in the Energy Commission's generation tracking and verification system. |
| Question 8: | Are there any additional POU costs that should be taken into consideration? |
| LADWP's Response | LADWP has taken into consideration additional estimated cost of \$2,237,600. |
| Question 9: | Is there potential for the creation of new businesses as a result of an increase in procurement requirements under the RPS? |
| LADWP's Response | Yes, there is potential for the creation of new businesses as a result of an increase in procurement requirements under the RPS. The Energy Commission needs to take into consideration that disqualification of certain eligible renewable energy resources (i.e. biomethane, etc.) can be detrimental to existing and dependable businesses. |