

October 3, 2014

**VIA E-MAIL DOCKET@ENERGY.
CA.GOV**

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 11-RPS-01
1516 Ninth Street
Sacramento, CA 95814-5512

Re: PG&E Stakeholder Comments Proposed Process to Allow Creation of Retroactive Renewable Energy Certificates and Extend the Deadline for the Interim Tracking System for the Renewables Portfolio Standard

I. INTRODUCTION

Pacific Gas and Electric Company (“PG&E”) appreciates the opportunity to provide comments on the California Energy Commission (“Commission”) Staff’s recommendation to establish a process that would (1) allow the Executive Director to request the retroactive creation of renewable energy credits (“RECs”) in the Western Renewable Generation Information System (“WREGIS”) and (2) to extend the deadline for local publicly owned electric utilities (“POUs”) to use the Energy Commission’s Interim Tracking System (“ITS”) to report procurement of generation not tracked in WREGIS to December 31, 2013.

In general, PG&E supports both Staff proposals, each of which provide Renewables Portfolio Standard (“RPS”)-obligated entities, including Investor Owned Utilities (“IOUs”), additional flexibility to count their procured RPS generation while also maintaining the integrity of the RPS program. Each proposal helps to maintain the integrity of the RPS program by ensuring that the rules allow for all RPS-eligible resources to be counted for compliance, while at the same time ensuring that non-RPS-eligible resources are not included in compliance demonstrations. While PG&E supports both staff proposals for adoption, PG&E offers the following comments and suggestions for clarifications for the Commission’s consideration.

II. SUPPORT FOR RETROACTIVE CREATION OF RECS IN WREGIS

PG&E supports the process proposed by Staff to facilitate the creation of retroactive WREGIS certificates in accordance with WREGIS Operating Rules. This proposed process will close a certificate creation gap that PG&E has observed occurs on occasion with some of the RPS-eligible generators in PG&E’s portfolio. Typically, such shortfalls occur due to delays in

the WREGIS registration of RPS facilities. Without a means to create such certificates retroactively or to otherwise count such RPS generation, the economic value of such RECs would be lost, leading to potential severe financial consequences to the facility owner. PG&E believes the staff's proposed process for creating retroactive WREGIS certificates, in conjunction with existing WREGIS procedures, should eliminate the occurrence of such shortfalls in the future. However, PG&E has the following comments with respect to this procedure.

- PG&E understands that this proposed procedure applies to all RPS-obligated entities and participants, including IOUs and the generators in their portfolios, and not just to POUs. If that is not the case, the Commission should clarify and re-issue the proposal for additional comments prior to adoption to ensure a consistent application of energy policies to all RPS-obligated entities.
- PG&E supports the intent of the Resolution in Paragraph 8 to ensure that RECs are not double counted with other regulatory or voluntary programs. However, the proposed auditing standards in Paragraph 8(b) should be better defined to avoid unnecessarily burdensome processes. As currently written, it appears that an independent auditor would need to review all potential renewable compliance regimes in order to determine whether the RPS-eligible generation under consideration could have been used for compliance under those programs. It is PG&E's understanding that all such regulatory programs require the use of a limited number of tracking systems like WREGIS. Furthermore, when WREGIS certifies a facility as RPS-eligible, part of that process is ensuring that the same facility is not certified in these other tracking systems. An independent auditor should only need to verify that the facility was not certified in any other tracking system for state regulatory renewables programs during the period in which the facility has proposed to create RPS-eligible RECs. This will align the verification process by the auditor with the process used by WREGIS for certification and will avoid the unnecessary time and cost for the auditor to review the eligibility rules of every potential state regulatory program. The Resolution should also specify the specific voluntary programs that the auditor should review to ensure against double counting. For example, the auditor should be asked to confirm the facility did not create Green-E credits during the same period it seeks to create RPS-eligible RECS.
- Paragraphs 6(g) (1) and 8(b) of the Resolution should refer to the "Green Attributes," as defined in the RPS Eligibility Guidebook, rather than to RECs as defined in the Guidebook and Section 399.12 of the California Public Utilities Code. The definitions of RECs require certification in WREGIS or the ITS, and this is by definition not the case where a facility has generated renewable power but was not registered in WREGIS at the time.

III. ALLOW POU'S TO USE THE ITS TO REPORT THE PROCUREMENT OF RENEWABLE ENERGY GENERATION THAT OCCURS AFTER OCTOBER 1, 2012 TO REPORT PROCUREMENT OF GENERATION OCCURRING THROUGH DECEMBER 31, 2013

PG&E recognizes and understands the need to provide POU's additional flexibility during the early periods of WREGIS implementation and supports the proposed extension to the reporting period covered by ITS to cover generation occurring through December 31, 2013.

While the CEC's intent here is to phase out the ITS, and to require all POU's (and other retail sellers') generation and procurement to be tracked and reported using WREGIS beginning on January 1, 2014, PG&E wishes to reiterate its earlier comments on the RPS Eligibility Guidebook regarding the burdensome requirement to track the RECs associated with excess generation from net-metered ("NEM") facilities through WREGIS. In PG&E's comments submitted on March 25, 2013, PG&E offered a streamlined proposal to not use WREGIS for reporting de minimis levels of surplus generation from NEM customers and instead to report excess generation directly from PG&E's customer billing system used to track and pay NEM customers. Eliminating the burdensome WREGIS reporting requirement will allow these generators to participate cost-effectively in the RPS program and will provide the full value of the generation to PG&E's NEM customers. To implement this or similar proposals in which WREGIS implementation is not cost-effective, PG&E suggests retaining the ITS beyond January 1, 2014.

IV. CONCLUSION

PG&E appreciates the opportunity to provide comments on the staff's proposal and looks forward to continuing to work with the Commission and other stakeholders on RPS implementation.

Sincerely,

/s/

Madeline R. Silva