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Proceeding: RPS Implementation (Docket 11-RPS-01)

Comments of the City and County of San Francisco’s Public Utilities Commission (SFPUC) on Proposed Resolution 14-1117-XX for consideration by the California Energy Commission (CEC) at its November 17, 2104 Business Meeting

Summary

The SFPUC appreciates the efforts of the CEC to expeditiously implement the requirements of Senate Bill (SB)X1-2 as modified by Assembly Bill (AB) 1478 through Resolution 14-1117-XX. The SFPUC submitted applications for Renewable Portfolio Standard (RPS) certification of its Kirkwood generating units pursuant to SBX1-2 more than two years ago. AB 1478 reconfirms the RPS-eligibility of the Kirkwood generating units that are operated as part of the SFPUC’s water supply and conveyance system.

The SFPUC supports the proposed changes to the CEC’s RPS Eligibility Guidebook, but suggests minor modifications to improve the clarity and consistency of the amendments with the requirements of SBX1-2 and AB 1478. The SFPUC proposes to substitute “RPS-eligible electricity products” or “RPS-eligible electricity” for the word “electricity” in the proposed revisions to the RPS Eligibility Guidebook.

Once the Resolution is approved, the SFPUC urges the CEC to immediately certify all of the units with pending applications that are eligible under AB 1478.

Proposed Modifications

Under SBX1-2 and AB 1478 the SFPUC’s Kirkwood generating units are “eligible renewable energy resources.” The SFPUC can use the electricity from these units either to meet its own electricity demands (Portfolio Content Category [PCC] 1) or sell the underlying electricity to others while retaining the

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associated PCC 3 Renewable Energy Credits (RECs). Neither SBX1-2 nor AB 1478 impose any limitations on the ability of the SFPUC to sell non-RPS-eligible (“null”) energy from these units.

In the CEC’s proposed amendments to its RPS Eligibility Guidebook, the use of the word “electricity” in Paragraph (2) under “Limitations on RPS-Eligibility” (Section II.F.3) could be incorrectly interpreted to limit the SFPUC’s right to claim as RPS-eligible only the generation from the Kirkwood units that the SFPUC uses for its own load. However, neither SBX1-2 nor AB 1478 limits entities with eligible water supply and conveyance units from selling the underlying null electric energy and retaining the PCC3 RECs for their own use. To avoid any potential confusion in this regard, the SFPUC requests the CEC to replace the word “electricity” with “RPS-eligible electricity products”, as noted in the SFPUC’s mark-up of Attachment A.

The use of “electricity” in Paragraphs (3) and (4) is also inconsistent with SBX1-2 and AB 1478. As written, the proposed language states that: “A POU that meets the criteria of Public Utilities Code section 399.30 (j) may sell to another POU up to 100,000 megawatt-hours (MWh) of electricity from all generation units...” (emphasis added). Once again, this could be incorrectly interpreted to mean that the SFPUC can sell no more than 100,000 MWh of electricity from these units, even if it is the sale of non-RPS or null energy. AB 1478 only limits the SFPUC’s sales from its eligible water conveyance units to no more than 100,000 MWh of “electricity that...*qualify as eligible renewable energy resources*” (emphasis added).¹ The use of the term “RPS-eligible electricity products” will prevent any confusion in this regard and will conform the proposed language to the requirements of AB 1478.

Finally, the CEC should require only the monthly reporting of the sale of “RPS-eligible electricity” (electricity with RPS attributes) from its Kirkwood units rather than all monthly “electricity sales” as currently proposed in Section IV.B. 6. Requiring this information is beyond the scope of what is necessary to ensure compliance with Public Utilities Code Section 399.12(e)(1)(D)(ii).

The SFPUC already provides the CEC with annual reports on the Kirkwood units’ annual generation, generation used to serve retail loads, and sales to others as part of the SFPUC’s Power Source Disclosure Report and RPS Compliance reporting obligations. Requiring all of this information to be submitted monthly, rather than annually would significantly increase the SFPUC’s reporting burden without providing any benefit to tracking compliance with AB 1478.

The SFPUC recommends verifying the sale of RPS-eligible electricity from the Kirkwood units through the Western Renewable Energy Generation Information System (WREGIS) where the Kirkwood units have been registered since mid-

¹ Public Utilities Code 399.12(e)(1)(D)(ii)

2012. The only way the SFPUC could sell RPS-eligible energy from the Kirkwood units would be by requesting WREGIS to transfer RECs from the SFPUC's account to another publicly-owned utility. The SFPUC has already agreed to make the WREGIS information available to the CEC to verify and confirm the SFPUC's annual reporting of the monthly sales of RPS-eligible energy from its Kirkwood units. This combination of information should be sufficient for the CEC to ensure SFPUC compliance with the 100,000 MWh limit.

Please find attached the SFPUC's proposed changes to the CEC's proposed revisions (Attachment A) to the RPS Eligibility Guidebook.

Conclusion

The SFPUC urges the CEC to expeditiously approve the proposed Resolution with the minor changes the SFPUC proposes herein. Once the Resolution is approved, the CEC should immediately certify all of the units with pending applications that are eligible under AB 1478.

Please feel free to contact us with any questions or comments.

Sincerely,

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ATTACHMENTS

- Proposed modifications to draft Resolution 14-1117-XX