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CRS center for resource solutions

April 21, 2010

California Energy Commission
Re: Docket No. 02-REN-1038
and Docket No. 03-RPS-1078
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5504

RE: California Energy Commission Draft 2006 Procurement Verification Report; Comments of the Center for Resource Solutions Regarding CPUC TRECs Decision

Dear Commissioners,

Center for Resource Solutions ("CRS") appreciates the opportunity to provide comments on any potential impacts that recent regulatory events may have on the **Draft 2006 Procurement Verification Staff Report** ("Draft 2006 Report").[1] On April 3rd, 2009, and February 16, 2010, CRS submitted comments relating to the treatment of RECs from Mountain View I and II wind facilities ("Mountain View") and Southern California Edison's ("SCE") RPS obligations. CRS supports the treatment of these critical issues put forth in the Draft 2006 Report, wherein generation from Mountain View is ineligible for compliance with the California RPS by SCE, regardless of any California Public Utility Commission ("CPUC") decision on the use of TRECs for RPS compliance, specifically CPUC Order D 10-03-021. Such a determination by the California Energy Commission ("CEC" or the "Commission") and the CPUC will ensure the integrity of thousands of contracts and marketing claims, and provide stability in the voluntary renewable energy market, as well as clear guidance for the entities subject to the California RPS.

A CPUCs decision on the use of TRECs within the RPS would not affect our previous comments on the Draft 2006 Report. SCE should be held to the same requirements as all other utilities for the reporting years in question. The eligibility of TRECs should not be selectively applied retroactively to benefit companies who did not meet their RPS requirements for the years being verified by the CEC. SCE would reap an unfair advantage by its noncompliance in 2006 if it were allowed to take advantage of a change in RPS law. If SCE was not incompliance with its RPS obligation during the period

[1] Barkalow, Gina, Theresa Daniels, Lorraine Gonzales. 2010. *Renewables Portfolio Standard 2006 Procurement Verification Draft Staff Report.* California Energy Commission. CEC-300-2009-006-SD

under review, that fact should not be modified by any later CPUC TREC decision as it is not retroactive for all parties subject to the RPS. Any remedy involving REC purchases should require that the generation be RPS eligible for the reporting year in question. Alternatively, if the CEC recommends that SCE purchase current vintage RECs to remedy the shortfall, CRS recommends that any RECs purchased from the voluntary market be Green-e Energy Certified to ensure against any further double counting.

In short, CRS stresses the same concerns and recommendations voiced in our April 3, 2009 and February 16th comments. Thank you for your consideration.

Sincerely,

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