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California Energy Commission
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Docket No. 13-RPS-01
RPS Proceeding
1516 Ninth Street
Sacramento, CA 95814-5512

COMMENTS FROM THE CITY OF AZUSA ON THE CALIFORNIA ENERGY COMMISSION'S NOTICE OF PROPOSED ACTION FOR THE ADOPTION OF REGULATIONS ESTABLISHING ENFORCEMENT PROCEDURES FOR THE RENEWABLES PORTFOLIO STANDARD FOR LOCAL PUBLICLY OWNED ELECTRIC UTILITIES

I. INTRODUCTION

The City of Azusa Light & Water ("Azusa") is a is a publicly owned utility that has been serving the electricity and water needs of City of Azusa residents for over 100 years. Azusa is governed by a five member Utility Board - a local regulatory authority comprising of individuals appointed by the Azusa City Council. Azusa is a member of the Southern California Public Power Authority (SCPPA) and California Municipal Utilities Association (CMUA).

II. COMMENTS

Azusa would like to thank the CEC Commissioners and staff for their diligent work on the proposed RPS Regulations and for providing stakeholders with this opportunity to comment. Azusa supports the comments submitted concurrently by SCPPA and the CMUA.

i. Interpretation of "count in full"

Azusa does not support the proposed RPS Regulations' interpretation of the "count in full" provision as it relates to pre-June 1, 2010 RPS contracts ("grandfathered contracts"). We believe that the appropriate interpretation of "count in full" in the RPS statute is that, if desired, grandfathered RPS - compliant contracts can be considered with ALL their attributes (hence "full"), to include their potential inclusion into a specific Portfolio Content Category. The RPS Regulation's proposed interpretation of "count in

full" is harmful to entities whose pre-June1, 2010 contracts qualify for Portfolio Content Category 1 (PCC 1). Since virtually all Azusa's grandfathered contracts qualify for PCC 1, Azusa will be financially adversed if it is not provided an option to "bucketize" such contracts. We do not believe that this unfair, and potentially harmful, limitation was the intent of the RPS statute or desire of its authors.

ii. Clarification of the "historic carryover" provision

Azusa supports and appreciates an interpretation of Section 3206(a)(5) of the proposed RPS Regulation that would credit early action by a POU in excess of its ATP. We are concerned, however, that the proposed "36 months retirement rule" may severely limit the otherwise prudently earned pre-2011 credits since only that portion of the RECs calculated to be in excess of the 2004-2010 ATP that is retired within 36 months could be carried over. Azusa believes that all pre-2011 RECs associated with renewable generation that a POU has procured in excess of ATP and properly accounted for (whether via WREGIS, ITS or other prudent method) should be eligible for historic carryover.

III. CONCLUSION

Azusa would like to again thank CEC staff for the time and efforts spent in developing the proposed RPS Regulations and accompanying documentation. Azusa looks forward to working collaboratively with the CEC on these important matters.

Respectfully Submitted,

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