



CRS

center for
resource
solutions

California Energy Commission

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California Energy Commission

Re: Docket No. 11-RPS-01

Submitted electronically to:

docket@energy.ca.gov and

RPS33@energy.ca.gov

RE: Comments from Center for Resource Solutions on 33 Percent Renewables Portfolio Standard Pre-Rulemaking Draft Regulations

Dear Commissioners:

Center for Resource Solutions ("CRS") appreciates the work of the California Energy Commission to develop and enforce standards for the California Renewables Portfolio Standard ("RPS"), and the opportunity to provide comments on the *33 Percent Renewables Portfolio Standard Pre-Rulemaking Draft Regulations* ("Draft Regulations"). CRS creates policy and market solutions to advance sustainable energy, and as one aspect of this mission administers the Green-e® Energy certification program, which certifies the utility green pricing programs of five California electricity providers, as well as retail sales of over 85,000 MWh of CA-generated RECs. Tracking, verification, and avoiding double counting of renewable electricity is a major focus of Green-e Energy and CRS, and our comments below pertain to clarifying and verifying ownership of renewable energy certificates ("RECs") claimed toward RPS compliance.

Comments

Due to the 36-month lifespan of a REC for RPS compliance purposes there is a risk of double counting such RECs with other RPS laws or with the voluntary renewable energy market, and this risk may be heightened by the proposed Historic Carryover rules. In general, verification that the renewable MWh claimed as Historical Carryover are not being claimed elsewhere or in prior years must be considered. This risk of double counting will be significantly lower in the future, assuming that Historical Carryover calculations and crediting will happen only once, because both the CEC and Green-e Energy will require that the RECs from a facility registered in WREGIS be clearly retired for either RPS compliance or a voluntary market sale.

A specific instance of a risk related to Historical Carryover pertains to increasing POU use of the WREGIS tracking system in order to comply with the RPS. On the July 30, 2012 Staff Workshop call, it was mentioned that POUs are starting to join WREGIS and load their generation data into the tracking system in anticipation of RPS compliance. There is a possibility that MWh that have already been generated and are being entered in WREGIS could have been previously sold to other parties, and that the POU does not in fact have the rights to the RECs from certain

generation at facilities from which they receive electricity. If RECs are issued in WREGIS for MWh generated in the past but those RECs have been sold already, this creates a double sale of the RECs from those MWh. Such RECs could have been sold to other utilities for other states' RPS compliance or into the voluntary renewable energy market. A similar issue with loading historical data into WREGIS arose in Oregon last year, which required the state to conduct due diligence reviews of MWh generated prior to a facility joining WREGIS. Oregon contracted with CRS to review historic generation to assure that any WREGIS certificates created had not been sold prior to issuance in Green-e Energy certified transactions. CRS would be happy to discuss ways in which we can support such a review related to Historical Carryover.

In Section 3204.a.7 of the Draft Regulations, a POU is able to comply with the renewable electricity delivery rules of the RPS if it has historically received a large portion of its electricity from non-RPS-eligible hydropower in the current year and the previous 5 years. While this section requires that the POU document the percentage of electricity coming from hydropower over the previous 5-year period, it does not make clear whether the POU must own and retire RECs for all MWh claimed from such facilities for the purpose of exercising the compliance option presented in Section 3204.a.7. CRS recommends that REC ownership and retirement be a requirement of this section, in order to prevent the POU from demonstrating RPS compliance through reliance on MWh of electricity that have been stripped of their RECs and are not considered to be renewable, despite having been generated by a hydropower facility.

Thank you for accepting and considering our comments. If you have any questions or follow-up to any of them, please don't hesitate to contact me.

Sincerely,

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