

June 25, 2012

Richard Bode, Chief  
GHG Emission Inventory Branch  
California Air Resources Board  
Via e-mail: [rbode@arb.ca.gov](mailto:rbode@arb.ca.gov)

Dr. David Edwards, Manager  
Climate Change Reporting Section  
California Air Resources Board  
Via e-mail: [dedwards@arb.ca.gov](mailto:dedwards@arb.ca.gov)

**SAN FRANCISCO PUBLIC UTILITIES COMMISSION (SFPUC) COMMENTS  
ON MAY 30<sup>th</sup>, 2012 DISCUSSION DRAFT OF PROPOSED CHANGES TO  
THE MANDATORY REPORTING REQUIREMENTS (MRR)**

The San Francisco Public Utilities Commission (SFPUC) offers the following comments on the California Air Resources Board's (CARB's) May 30<sup>th</sup> discussion draft and subsequent clarifications in the accompanying workshops.

**RPS Adjustment Factor (Revised Section 95111(b)(5))**

1. The RPS Adjustment should be expanded to include electricity supplies that are used to exceed California's RPS requirements

The proposed regulations allow the RPS Adjustment to be used only "where adjustments are used to comply with California RPS requirements." This appears to exclude use of the adjustment to cover retail electricity supplies that are used to exceed the California RPS requirements.

The SFPUC is currently in the process of developing San Francisco's Community Choice Aggregation (CCA) program – CleanPowerSF – with a target of providing its customers with electricity sourced with 100% RPS-eligible resources. Some portion of the difference between CleanPowerSF's mandated California RPS requirement (starting at 20% and rising to 33%) and the additional RPS-eligible energy that CleanPowerSF will procure to meet its 100% RPS-eligible goal will likely be from "Bucket 2" RECs, for which the RPS Adjustment was designed.

The RPS Adjustment should be expanded to allow adjustments when they are used to provide RPS-eligible supplies that exceed the California RPS requirements. This is consistent with CARB's long-standing policy goal of rewarding "early action" and efforts that exceed mandated minimum requirements. The AB32 Scoping Plan itself recognizes the need to move beyond the 33% RPS goal (albeit not until after 2020) if California is to meet

**Edwin M. Lee**  
Mayor

**Anson Moran**  
President

**Art Torres**  
Vice President

**Ann Moller Caen**  
Commissioner

**Francesca Viotor**  
Commissioner

**Vince Courtney**  
Commissioner

**Ed Harrington**  
General Manager



AB32's longer-term goal of an 80% reduction in GHG emissions by 2050. Procurement of RPS-eligible resources and the GHG emissions reductions that result should be treated the same whether the procurement is used to meet or to exceed California's RPS requirements.

In addition to CleanPowerSF, other CCAs, energy service providers, and investor- and publicly-owned utilities offer electricity supplies that exceed the California RPS. These entities should not be penalized for doing so.

2. The RPS Adjustment should not be limited solely to retail providers

Based on the June 19<sup>th</sup> workshop, it appears that CARB will modify the RPS Adjustment to eliminate the proposed language that inadvertently limits its applicability and use solely to retail providers. As numerous parties noted in their May 30<sup>th</sup> comments,<sup>1</sup> this limitation fails to recognize that, in many cases, a marketer or other entity may be importing electricity on behalf a retail provider, and therefore should be able to utilize the RPS adjustment. The SFPUC supports this change.

3. Recommended change to the draft regulation per (1) and (2) above

The SFPUC recommends the following change to the RPS Adjustment to achieve both modifications described above:

In the definition of CO<sub>2</sub>e<sub>RPS adjust</sub> in Section 95111(b)(5), modify the last sentence as follows:

The RPS Adjustment may only be claimed by ~~Retail Providers~~ where adjustments are used **either** to comply with **or exceed** California RPS requirements.

4. The RPS Adjustment needs to recognize that RPS rules may differ between CPUC and CEC regulated entities.

As noted in the comments and workshops, one of the main issues of the RPS Adjustment is to reconcile the yearly MRR reporting requirements with SBX1-2's 36-month lifetime for RECs as well as the ability to carry over certain RECs between SBX1-2's 3-year compliance periods. It appears that CARB may be considering further changes to address this issue. In doing so, CARB should recognize that the CEC is still in the process of developing its implementation rules for the publicly-owned utilities and that these rules may differ from the rules adopted by the CPUC for the investor-owned utilities.

---

<sup>1</sup> This includes the comments of Pacific Gas & Electric, Southern California Edison, Independent Energy Producers, Los Angeles Department of Water & Power, and Noble Energy Solutions.

**Conclusion**

The SFPUC appreciates the opportunity to provide these comments and looks forward to working with CARB staff prior to the start of the formal rulemaking proceeding.

Please feel free to contact us at (415) 554-1526 or at [jhendry@sfgwater.org](mailto:jhendry@sfgwater.org) if you need additional information.

Sincerely,

*/s/ James Hendry*

James Hendry  
Regulatory and Legislative Affairs

*/s/ Meg Meal*

Meg Meal  
Regulatory and Legislative Affairs

cc:

Patrick Gaffney, Climate Change Reporting Section ([pgaffney@arb.ca.gov](mailto:pgaffney@arb.ca.gov) )

Wade McCartney, Electric Power Entity Reporting ([wmccartn@arb.ca.gov](mailto:wmccartn@arb.ca.gov) )

Mike Campbell, CCA Director, SFPUC

Jeanne Sole, City Attorney, City and County of San Francisco