

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Continue
Implementation and Administration, and Consider
Further Development, of California Renewables
Portfolio Standard Program.

Rulemaking 18-07-003
(Filed July 12, 2018)

**COMMENTS OF THE INDEPENDENT ENERGY PRODUCERS
ASSOCIATION ON THE ORDER INSTITUTING RULEMAKING
TO CONTINUE IMPLEMENTATION AND ADMINISTRATION,
AND CONSIDER FURTHER DEVELOPMENT, OF THE
CALIFORNIA RENEWABLES PORTFOLIO STANDARD
PROGRAM**

INDEPENDENT ENERGY PRODUCERS
ASSOCIATION
Steven Kelly, Policy Director
P.O. Box 1287
Sloughhouse, CA
Telephone: (916) 448-9499
Facsimile: (916) 448-0182
Email: steven@iepa.com

Dated: August 13, 2018

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The Independent Energy Producers Association (IEP) is pleased to respond to the Order Instituting Rulemaking (OIR) to continue implementation and administration, and consider further development, of the California Renewables Portfolio (RPS) program issued July 23, 2018. IEP provides brief comments on specific issues for consideration in the OIR, particularly focusing on specific implementation and administration tasks that ought to be given high priority with the overall goal of improving the RPS program.

IEP generally concurs with the scope of issues outlined in the OIR. Specifically, we wish to highlight key, high-priority issues that warrant consideration early in the OIR proceeding (e.g., in 2019).

First, IEP endorses the focus on implementing new statutory requirements as quickly as possible. For example, as noted in the OIR, new statutory requirements impose on retail sellers an obligation that 65 percent of their compliance obligation must be met through

long-term contracts beginning in 2021. IEP notes, however, that Public Utilities Code section 399.13(b) clarifies that the 65 percent requirement is effective beginning January 1, 2021. To meet this obligation, retail sellers will need to procure RPS resources on a long-term basis prior to December 31, 2020. Accordingly, Rulemaking 18-07-003 in general and the jurisdictional retail sellers' 2018-2019 RPS Plans specifically will be critical to achieving this goal.

IEP also concurs with the OIR's focus on exercising the Commission's existing authorities to increase the percentage of RPS-eligible electricity sold to retail end-use customers. Increasing the percentage of RPS-eligible electricity in a retail seller's portfolio of delivered energy will assist the Commission in realizing its greenhouse gas emission-reduction targets in a timely manner. Moreover, IEP recommends reconsideration of Commission-adopted RPS banking rules. The Commission's rules regarding banking of RPS-eligible renewable energy credits (RECs) are a barrier to additional RPS procurement. Moreover, the Commission's banking rules (a) undermine the transparency of the actual percentage of a retail seller's energy portfolios that is derived from renewable energy in any one year; (b) create confusion between retail seller reports of RPS sales and California Independent System Operator reports of renewable energy used to serve load in one year; and (c) confuse the counting of environmental impacts of renewable energy production when RPS-eligible energy delivered today is not "counted" until 2025 or later.

IEP looks forward to working with the Commission on these important issues.

Respectfully submitted August 13, 2018 at San Francisco, California.

A handwritten signature in black ink that reads "Steven Kelly". The signature is written in a cursive style with a large, sweeping "K" and a long, horizontal stroke at the end.

INDEPENDENT ENERGY PRODUCERS ASSOCIATION

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