

**Phase III Issues in
Direct Access Rulemaking
(R. 07-05-025)**

Joint Utility Comments

July 13, 2010

Uniform Compliance with Resource Requirements

RA	No changes needed to existing rules. All ESPs are now under the same rules and penalties. This is the model that should be used for other procurement issues.
RPS / RES	DAs and CCAs should be required to: (1) file renewable plans and (2) be subjected to same RPS / RES rules as IOUs.
QFs < 20 MW	All costs associated with the energy provided under Feed in Tariffs (e.g., AB 1969 and AB 1613) should be allocated to all benefitting customers regardless of vintage.
QF Summit / CHP Procurement Costs	Defer to QF Summit.
GHG	CARB will monitor GHG compliance obligations for all entities that report GHG emissions related to owned facilities or electricity imports, which will result in substantial compliance costs for utility customers. The CPUC must adopt appropriate ratemaking treatment to ensure that GHG compliance costs incurred by the IOUs are not unfairly shifted onto bundled utility customers as a result of customers departing for DA service or returning to utility service.
CPUC-Mandated Reliability Upgrades	Any CPUC-mandated reliability generation costs (per Section 365.1 (c) (2)) imposed on IOUs should be allocated to all benefitting customers regardless of vintage.