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February 11, 2011

**VIA E-MAIL AND MAIL**

Paul Clanon, Executive Director  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Re: Request for Extension to Retire 2008 RECs in compliance with D.10-03-021 as modified by D.11-02-025

Dear Director Clanon:

PG&E submits this letter pursuant to California Public Utilities Commission ("CPUC") Rule of Practice and Procedure 16.6 to request an extension of time until February 28, 2011, to retire Renewable Energy Credits ("REC") that were generated in 2008.

### **Procedural Background**

The Commission issued Decision ("D.")10-03-021 on March 16, 2010. That Decision provided as follows regarding the retirement of RECs for Renewables Portfolio Standard ("RPS") compliance:

In order to be used for compliance with the California renewables portfolio standard, renewable energy credits may be retained in active sub-accounts in the Western Renewable Energy Generation Information System for no more than three compliance years (inclusive of the year in which the electricity associated with the renewable energy credits was generated) after the electricity associated with the renewable energy credits was generated before being transferred to the Western Renewable Energy Generation Information System retirement sub-account of a load-serving entity obligated under the California renewables portfolio standard.<sup>1/</sup>

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<sup>1/</sup> D.10-03-021 at 99 (Ordering Paragraph ("OP") 10). *See also id.* at 67 ("A REC must be retired for RPS compliance for a compliance year not more than three compliance years subsequent to and inclusive of the year of generation of the electricity associated with the REC.")

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D.10-03-021 was stayed on May 6, 2010 by D.10-05-018. The stay remained in effect pending resolution of two Petitions for Modification of D.10-03-021 that had been filed.<sup>2/</sup> The Commission then lifted the stay on January 13, 2011, when it ruled on the pending Petitions for Modification and modified D.10-03-021.<sup>3/</sup> As modified and made effective on January 13, 2011, D.10-03-021 continued to require the retirement of RECs as described above.<sup>4/</sup>

### **Justification for Request**

Under the decisions outlined above, RECs generated in 2008 were required, as of January 13, 2011, to be retired no later than December 31, 2010. The retroactive effect of the decision provided final notice of the requirement only after the date for retirement had passed, and application of the past deadline would be inequitable.<sup>5/</sup>

Additionally, the California Energy Commission (“CEC”) had not yet issued final guidelines by December 31, 2010 regarding the procedures to use to place REC certificates into retirement sub-accounts in the Western Renewable Energy Generation Information System (“WREGIS”). These instructions were published in final form as part of the CEC’s Guidebook on RPS Eligibility issued on January 5, 2011.<sup>6/</sup>

Because PG&E had no notice of a final retirement requirement and did not have final CEC guidance on the method for retiring 2008 RECs in WREGIS by December 31, 2010, PG&E respectfully requests a one-time extension of time to retire 2008 vintage RECs by no later than February 28, 2011.

Respectfully submitted,

M. Grady Mathai-Jackson

cc: Karen Clopton, Chief Administrative Law Judge  
Service List for R.08-08-009 (via E-Mail)

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<sup>2/</sup> See D.10-05-018 at 8 (Conclusion of Law 2).

<sup>3/</sup> See D.11-01-025 at 48 (OP 6).

<sup>4/</sup> See *id.* at Appendix A, pg. 12 (OP 10).

<sup>5/</sup> Because the applicable deadline had already passed when the requirement became effective, PG&E similarly could not submit this request for an extension three days prior to the deadline, as required by CPUC Rule 16.6. The three-day requirement should be waived in this instance.

<sup>6/</sup> See CEC, Commission Guidebook: Renewables Portfolio Standard Eligibility (4<sup>th</sup> Ed.), January 2011, at App. A (WREGIS Reporting Instructions) (available at <http://www.energy.ca.gov/2010publications/CEC-300-2010-007/CEC-300-2010-007-CMF.PDF>).