

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

Order Instituting Rulemaking to  
Continue Implementation and  
Administration of California Renewables  
Portfolio Standard Program.

Rulemaking R.11-05-005

**COMMENTS OF THE GREEN POWER INSTITUTE ON THE  
PROPOSED DECISION ON PORTFOLIO CONTENT CATEGORIES**

October 27, 2011

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## **COMMENTS OF THE GREEN POWER INSTITUTE ON THE PROPOSED DECISION ON PORTFOLIO CONTENT CATEGORIES**

Pursuant to Rules 14.3 and 14.6 of the Commission’s Rules of Practice and Procedure, in Proceeding R-11-05-005, the **Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard Program**, the Green Power Institute, a program of the Pacific Institute for Studies in Development, Environment, and Security (GPI), provides these *Comments of the Green Power Institute on the Proposed Decision on Portfolio Content Categories*. Overall, the Proposed Decision (PD) makes all of the right determinations, and should be passed without substantive changes.

On page 2 of the PD, the first paragraph ends with the following sentence: “This decision focuses on new Pub. Util. Code § 399.16, which established three new portfolio content categories for RPS procurement and sets limitations on the use of procurement in each category.” This statement is technically incorrect, as the legislation places limitations on only two of the three content categories. There is no limitation on the use of procurement from category 1. The sentence quoted above is repeated in the first paragraph on page 6. We suggest ending the sentence with the following wording: “... and sets limitations on the use of procurement in categories 2 and 3.”

Beginning with the final paragraph on page 12 of the PD and continuing on the next couple of pages, the text discusses the fact that retail sellers will have to provide more information than they are currently required to provide about their procurement transactions, in order to allow the Commission to make proper determinations concerning into which content category a particular transaction belongs. The GPI believes that the process can be simplified somewhat by not imposing any additional information requirements on transactions that retail sellers are willing to represent as being in category 3, the most restrictive of the categories in terms of how much procurement can be in this category at any point in time. Category 3 is the category for California RPS-qualifying RECs that

cannot be placed in the more desirable categories 1 and 2; in other words the none-of-the-above category. Since this is the lowest-valued category, it makes sense to minimize the information requirement necessary for categorization.

The final paragraph on page 24 of the PD questions the efficacy of using e-Tags to demonstrate delivery of energy from an out-of-state eligible generator to a California balancing authority. Apparently, the problem is that while e-Tags often identify the generator, they are not required to identify the generator. Rather than eschewing the use of e-Tags, as the PD does, we believe that there is a straightforward solution. Retail sellers who are trying to obtain a category finding for a particular procurement that is above category 3 have the burden of proof to show that their transaction qualifies. In order to ensure that e-Tags can be used to demonstrate delivery to a California balancing authority, it should be incumbent on the retail sellers to include contract language in their PPAs that requires the generator to request that its ID be included on all e-Tags for energy that they are shipping into a California balancing authority.

Section 3.6 of the PD, on pages 44 – 46, defines in detail RECs that are in the least desirable category, category 3. As stated previously, in our opinion the approach to category 3 should be one of simplification, as this is the category for everything that does not fit into categories 1 or 2. The least that can be done for these lowest-valued RECs is to minimize their transaction costs.

Dated October 27, 2011  
Respectfully Submitted,



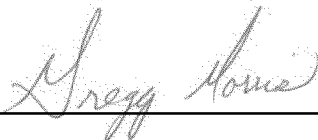
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VERIFICATION

I, Gregory Morris, am Director of the Green Power Institute, and a Research Affiliate of the Pacific Institute for Studies in Development, Environment, and Security. I am authorized to make this Verification on its behalf. I declare under penalty of perjury that the statements in the foregoing copy of *Comments of the Green Power Institute on the Proposed Decision on Portfolio Content Categories*, filed in R.11-05-005, are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

Executed on October 27, 2011, at Berkeley, California.



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Gregory Morris