

**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 PROCUREMENT QUANTY REQUIREMENTS**

November 17, 2011

Gregory Morris, Director
The Green Power Institute
a program of the Pacific Institute
2039 Shattuck Ave., Suite 402
Berkeley, CA 94704
ph: (510) 644-2700
fax: (510) 644-1117
gmorris@emf.net

**COMMENTS OF THE GREEN POWER INSTITUTE ON THE
PROPOSED DECISION ON PROCUREMENT QUANTITY REQUIREMENTS**

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 Procurement Quantity Requirements*. In our opinion, the Proposed Decision (PD) makes all of the correct determinations, and should be passed without any substantive changes.

The GPI believes that the PD makes the correct decision (PD, pg.10) to begin the first compliance period on January 1, 2001, as specified in the legislation, SB 2 (1x). Considering the fact that the procurement target for 2011 is 20 percent in both the old program (2003-2010) and the new program (2011-2020), there is simply no case to be made that beginning the first procurement period for the new program on January 1, 2011, inconveniences anybody. The compliance mechanism in the new legislation is designed to use complete years, and this allows that to happen.

The GPI strongly supports the use of linear trend projection (PD, pg. 2) for determining quantity targets for years for which the legislation, SB 2 (1x), does not specify the applicable target. The targets for intervening years are not compliance obligations in and of themselves for the year for which they are set, but they are important components of the obligation for the multi-year compliance period of which they are a part. Setting meaningful targets for the intervening years ensures that retail sellers will know with sufficient lead time that they need to be working diligently now on increasing their renewable energy supply, in anticipation of the required ramp-up to 33 percent that begins with the 2014 operating year.


We support the method used in the PD for cumulating the annual procurement targets to determine compliance-period obligations (PD, pgs.15-18). The equations presented in

the PD, and repeated in the Ordering Paragraphs, implement both the letter and the spirit of the new RPS law.

The section of the PD on reporting and verification, Section 3.9 (PD, pgs.18-19), directs the Director of the Energy Division to develop a new reporting format that reflects the compliance requirements of the new legislation, SB 2 (1x). We urge the Commission to expand this directive to include a public-participation process in the development of the new reporting tool. We view this as a promising opportunity to significantly downsize and simplify the very complicated spreadsheet tool that evolved in support of the compliance program that was in effect during the first phase (2003-2010) of California's RPS program. We also note that a number of issues concerning compliance and enforcement in the new phase of the program remain unresolved, including the matter of whether the utilities will be required to fulfill their obligations under the first phase of the RPS program, such as delivering on their earmarked-energy obligations. There may be implications for the new spreadsheet for the first compliance period of the state's new RPS program, depending on the determinations the Commission makes.

We urge the Commission to pass a Decision that includes all of the numbers and equations exactly as presented in the PD, without change. We note that getting the quantities right is only a part of the process. Without a strong enforcement mechanism backing up the procurement obligations, compliance is unlikely. We look forward to seeing the coming PDs that are still required to fully implement the new RPS law.

Dated November 17, 2011
Respectfully Submitted,

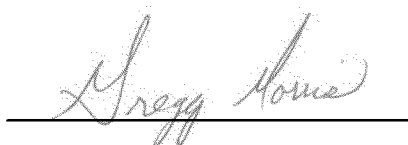


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ph: (510) 644-2700
e-mail: gmorris@emf.net

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 Procurement Quantity Requirements*, 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 November 17, 2011, at Berkeley, California.

A handwritten signature in cursive script, reading "Gregory Morris", is written above a solid horizontal line.

Gregory Morris