

**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 11-05-005
(Filed May 5, 2011)

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NOTICE OF EX PARTE COMMUNICATIONS**

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PUBLIC POWER AUTHORITY**

Dated: November 17, 2011

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In accordance with Rule 8.4 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the Southern California Public Power Authority (“SCPPA”)¹ files this notice of five ex parte communications with commissioner advisors regarding the October 7, 2011 Proposed Decision in the captioned proceeding. The communications were oral and also written insofar as SCPPA’s October 27, 2011 opening comments and November 1, 2011 reply comments on the Proposed Decision were provided to each advisor. The ex parte communications were initiated by the undersigned. The SCPPA representatives who were present during the communications were Norman A. Pedersen (SCPPA), Bruno Jeider (City of Burbank), Lianne McGinley (City of Burbank), and Gurcharan Bawa (City of Pasadena). The first four ex parte communications occurred on November 14, 2011 in rooms on the 5th floor of the Commission’s San Francisco headquarters as follows:

- Colette Kersten, Advisor to Commissioner Sandoval: 2:00-2:30 p.m.;
- Scott Murtishaw, Advisor to Commissioner Peevey: 2:30-3:00 p.m.;
- Rahmon Momoh, Advisor to Commissioner Simon: 3:00-3:30 p.m.;
- Sara Kamins, Advisor to Commissioner Ferren: 3:30-4:00 p.m.

¹ SCPPA is a joint powers authority. The members are Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles Department of Water and Power, Imperial Irrigation District, Pasadena, Riverside, and Vernon. This comment is sponsored by Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, the Imperial Irrigation District, Pasadena, Riverside, and Vernon.

The last ex parte communication was with Matthew Tisdale, Advisor to Commissioner Florio, by conference call on November 16, 2011 (4:15-5:15).

The SCPPA representatives expressed strong support for the passage on page 36 of the Proposed Decision that provides as follows:

If a generation facility that the CEC certifies as RPS-eligible is using a fuel that the CEC finds is RPS-eligible, and the facility is directly interconnected with the transmission or distribution system in a California balancing authority area, or has its electricity output scheduled into a California balancing without substitution of electricity from another source, or is dynamically transferred, the facility's output could be classified as meeting the criteria for section 399.16(b)(1).²

The SCPPA representatives explained that some SCPPA members including the Cities of Burbank and Pasadena have contracted for supplies of biomethane for generation at the Magnolia Power Project ("Magnolia") located in Burbank, California. The use of the contracted biomethane at Magnolia is pending certification at the California Energy Commission ("CEC"). Adoption of the Proposed Decision with the passage at page 36 would establish an important precedent for determining the portfolio content categorization of the output from an RPS-eligible California generation facility that burns RPS-eligible biomethane. The participants in the limited market for biomethane need certainty about the portfolio content categorization of biomethane. The adoption of the passage at page 36 of the Proposed Decision should not be delayed while the CEC considers possible revisions to its Renewable Portfolio Standard Eligibility Guidebook as suggested by Commissioner Florio at the November 10, 2011 Commission business meeting.

The SCPPA representatives also expressed concern about remarks by Commissioner Florio at the November 10, 2011 Commission business meeting in which Commissioner Florio seemed to express the view that unless molecules of biomethane could be delivered from the

² PD at 36. Footnote in PD omitted.

source of biomethane such as a dairy, a sewage treatment plant, or a landfill to the point of generation, the output from generating with biomethane at a California facility should be categorized in portfolio content category three like an unbundled renewable energy credit (“REC”). Requiring molecule tracing would preclude portfolio content category one treatment for generation with both in-state and out-of-state biomethane that was transported through a utility pipeline system. It is impossible to trace molecules from point of injection to point of delivery through a gas transmission and distribution system such as the one operated by the Southern California Gas Company. SCPPA members are interested in the potential use of biomethane from California dairies, sewage treatment plants, and landfills for generation at Magnolia, but that usage would be precluded if the output from a California generation facility that uses California biomethane were categorized in portfolio content category three.

The SCPPA representatives also expressed support for including in portfolio content category one RECs that are associated with the output from generation facilities that meet the criteria in section 399.16(b)(1) regardless of whether the REC remains bundled with the output or is unbundled from the output and sold separately.

SCPPA’s October 27, 2011 opening comment and November 1, 2011 reply comment are attached as Attachment A and B to this notice.

To obtain a copy of this notice of ex parte contact, please contact Sylvia Cantos at:
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Respectfully submitted,

/s/ Norman A. Pedersen

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Dated: November 17, 2011

ATTACHMENT A
SCPPA OPENING COMMENT
Dated October 27, 2011

ATTACHMENT B
SCPPA REPLY COMMENT
Dated November 1, 2011

VERIFICATION

I, Norman A. Pedersen, am counsel of record for the Southern California Public Power Authority in proceeding R.11-05-005 and am authorized to make this verification on its behalf. I hereby verify that the statements made in the foregoing **SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY NOTICE OF EX PARTE COMMUNICATIONS** are true and correct to the best of my knowledge, except for those matters which are stated on information and belief, and as those matters, I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 17, 2011 at Los Angeles, CA.

/s/ Norman A. Pedersen

Norman A. Pedersen