



August 20, 2012

Administrative Law Judge Anne E. Simon  
Administrative Law Judge Regina M. DeAngelis  
California Public Utilities Commission  
505 Van Ness Street  
San Francisco, CA 94102

RE: RPS Closing Report of Bear Valley Electric Service (U-913 E)

Dear Administrative Law Judge Simon and Administrative Law Judge DeAngelis:

Pursuant to Decision (“D.”) 12-06-038 and the “Instructions” tab of the “Provisional 20% RPS Closing Report – Small” template, Bear Valley Electric Service (U-913 E) (“BVES”), a division of Golden State Water Company, submits the following Provisional Closing Report for the California Renewable Portfolio Standard 20% Program (“Provisional Closing Report”). BVES has always sought to meet its renewables portfolio standard (“RPS”) procurement targets and will continue to strive to meet the new RPS targets established by the Commission. Though the extent of BVES’ renewable procurement efforts are not reflected in the Provisional Closing Report, BVES’ best efforts, until recently, have had limited success procuring renewable generation for the RPS program.

As described in greater detail in BVES’ May 23, 2012 Renewables Portfolio Standard Procurement Plan, BVES has issued seven requests for proposals (“RFPs”) between 2006 and 2011, all but one including requests for renewable energy and/or RECs BVES has had very limited responses to its competitive solicitations.<sup>1</sup> Despite BVES’ diligent efforts, none of the previous bids received have resulted in signed contracts. Successful bidders offering bundled solar energy either withdrew their bids due to insurmountable or unforeseen circumstances like land availability, interconnection issues or changes in the strategy of the seller. BVES, in turn, has ceased negotiations with past successful bidders offering solar energy due to a concern over pricing as well as a rapidly changing legislative and regulatory environment. In addition to its competitive RFP solicitation efforts, BVES pursued several bilateral transactions with developers and suppliers, two of which did not reach the contracting phase while the other two resulted in contracts submitted for approval to the CPUC in June and July 2011.<sup>2</sup> While one of

<sup>1</sup> BVES issued an RFP seeking resource adequacy (“RA”) on December 16, 2011. RA was the only product sought in that RFP; however, earlier that year, two RFPs seeking RPS-eligible products were issued.


<sup>2</sup> Before pursuing the two bilateral transactions that were submitted for CPUC approval, BVES sought a transaction involving a proposed BVES-owned in-line hydro project utilizing a wastewater line near BVES’ service territory. The Board of the local water authority, however, voted not to move forward with the project. In addition, BVES also explored a joint project with a major cement company near BVES’ territory that would have included wind energy; however, BVES determined that cost, viability and timeline issues presented a level of risk such that it stopped pursuing the project

the CPUC-submitted bilateral contracts was approved by the CPUC, neither bilateral contract performed well.

BVES believes the difficulty it has experienced over the past several years in acquiring RPS resources stems, in part, from its relatively small annual procurement requirement when compared to the three largest California investor-owned utilities (“IOUs”) as well as large municipal utilities. Renewable developers have seemed unwilling to sell a portion of a power plant’s output to BVES when they can sell their project’s entire output to one of the large IOUs or municipal utilities in the state. The need to shape resources to BVES’ demand and energy requirements and BVES’ winter peak has even further frustrated the effort to acquire resources.

However, it appears that BVES’ probability of success in acquiring RPS-eligible products is improving due to more favorable legislation and regulatory rules. Decision 11-12-052 formally excludes BVES from adhering to the RPS portfolio content categories so long as all other procurement requirements for compliance with the RPS are also met.<sup>3</sup> Based on this exemption from the portfolio content category restrictions, BVES can satisfy its entire procurement obligation under the RPS program using procurement from the third portfolio content category (§ 399.16(b)(3)), including unbundled RECs. Because unbundled RECs are likely to be the least expensive of the portfolio content category products, with lower costs to ratepayers, it makes sense for BVES to procure unbundled RECs to meet its RPS targets. Accordingly, going forward, BVES is now cautiously optimistic that its ability to use unbundled RECs under the revised statute and consistent with CPUC direction will now yield a competitively secured contract that will promptly gain Commission approval to meet BVES RPS procurement obligations.

Respectfully submitted,



Harry Scarborough, Director

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<sup>3</sup> See D.11-12-052, Ordering Paragraph 16.

**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 10, 2011)

**Bear Valley Electric Service U-913-E**

**PROVISIONAL CLOSING REPORT FOR CALIFORNIA**

**RENEWABLES PORTFOLIO STANDARD 20% PROGRAM**

20-Aug-12

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## CALIFORNIA'S RENEWABLES PORTFOLIO STANDARD

### Provisional RPS 20% Closing Report Worksheet Instructions

- D.12-06-038 requires Investor Owned Utilities (IOU), Multi-Jurisdictional Utilities (MJU), Electric Service Providers (ESP), and Community Choice Aggregators (CCAs) to file a Closing Report that calculates RPS procurement from 2003-2010. The Closing Report spreadsheets are automated to calculate a retail seller's net deficit/surplus figure for compliance years 2003-2010 compliance years. Parties may refer to Commission Decision D.12-06-038 for additional details relating to the calculations within the closing report spreadsheet.
- Any retail seller seeking confidentiality protection for the Closing Report should file a declaration. Confidentiality requests shall comply with the substantive and procedural rules set forth in D.06-06-066, as modified by D.08-04-023, the Commission's decision in its Confidentiality proceeding, Rulemaking (R.) 05-06-040, and any subsequent decisions issued in the same or successor proceeding. A declaration for confidentiality should identify all redacted information by tab name and cell reference, not to be confused with the line numbers provided in the Accounting tab.
- RPS closing reports will be submitted to the Commission as specified below:
  - Serve a public version on the service list in proceeding R.11-05-005. All pages must be legible: If reports need to be printed and scanned to be issued to the service list, please ensure that scanned documents are not blurry or distorted. Retail sellers are responsible for maintaining confidentiality when serving a redacted report. **No more than 35 CPUC e-mail addresses can be included in the same e-mail.**
  - File a confidential Excel version utilizing the locked spreadsheet with the Energy Division by e-mailing an electronic version to [robert.blackney@cpuc.ca.gov](mailto:robert.blackney@cpuc.ca.gov) and [rpscompliance@cpuc.ca.gov](mailto:rpscompliance@cpuc.ca.gov). Please only submit Excel documents in .xls format (.xlsm and .xlsx files will NOT be accepted).
  - Send paper copies (confidential and public) to each of the assigned Administrative Law Judges (ALJs):

Regina M. DeAngelis and Anne E. Simon  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102
  - Do not send paper copies of the confidential version to anyone except the persons listed above, unless specifically requested.
  - All ESP's and CCA's must submit their RPS eligible contracts to the Commission (D.12-06-038). All contract documents should be provided in a digital pdf format. Please write all digital documents (pdf's) to a CD-R or DVD-R and mail to:

Robert Blackney  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102
- Any questions regarding the completion and/or filing of this report can be directed to:  
Robert Blackney, Energy Division, California Public Utilities Commission: [robert.blackney@cpuc.ca.gov](mailto:robert.blackney@cpuc.ca.gov), (415) 703-3072
- Include the Title Page and fill out the following information:
  - Name of the retail seller serving the Closing Report
  - Date the Closing Report is being served
  - Contact information
- Complete the Officer Verification Form in the format provided (Rule 1.11)
- Yellow cells throughout the spreadsheet indicate user supplied data by the retail seller where and when applicable.
- All data must be entered in MWh out to three decimal points to accurately account for retail sales, procurement and targets. The spreadsheet will display MWh throughout. Do not round any reporting data, as this may trigger some cells to turn red.
- The spreadsheet included in this report has locked cells to ensure that the computation of the net deficit/surplus are accurately calculated and reported based on the data provided by the user. An unprotected version of the spreadsheet is also available by request.
- Line #'s in the "Accounting" tab hyperlink to the "Calculations" tab, which provides additional information on the particular line item or section of the "Accounting" tab.

#### ACCOUNTING TAB

- Begin by entering the relevant data for Lines 1-3, this will calculate the retail seller's Baseline Procurement Amount. Enter actual and forecasted sales figures to generate Incremental Procurement Targets (IPTs) and Annual Procurement Targets (APTs).

#### PROCUREMENT DETAIL TAB

- Procurement Summary:** Total RPS Eligible Procurement is differentiated by three categories, *existing and or signed contracts*, *short-listed/under negotiation/pending approval*, and *generic future contracts*. This section is populated by completing the Contract Detail section below. If the retail seller has entered into contracts that are short-term or with existing facilities but cannot meet its Annual Minimum Contracting Requirement, then deliveries from those contracts may not be used for compliance in any year (D.07-05-028).
  - Annual Contracting Quota Requirement:** Retail sellers must enter into long-term contracts or contracts with new facilities for energy deliveries equivalent to at least 0.25% of that retail seller's prior years' retail sales, if it intends to use deliveries from short-term contracts and/or existing facilities, for RPS compliance purposes. Retail sellers must submit supporting documentation proving that the requirement has been met (i.e. a power purchase agreement for a long-term and/or new contract). If the retail seller has provided the power purchase agreement in a prior report or filing, it does not need to be provided again.

- Contracts are differentiated by Contract term-length and type (row 13:14). All deliveries from "long-term and/or new" are automatically entered into "Cumulative Surplus Contracting Quota Bank" (row 17).
- RPS Eligible Procurement by Resource Type:** This report must state the amount procured or projected to be procured from each resource type (D.05-07-039, Appendix A, D.06-10-050, page 47-48). This information is reported in rows 23:36 in the "Procurement Detail" tab and populated by completing the "Contract Detail" section.
- Contract Detail:** For each contract, enter actual and forecasted delivery data throughout the contract term. Do not assume that an expiring contract will be renegotiated.
  - Pre-2002 Contracts:** Input total annual deliveries by resource type
  - 2002-2010 Contracts:** List contracts by name, annual deliveries (MWh), project status, facility status and resource type.
  - 2005-2010 Contracts:** In addition to the requirements above, contracts from these years should be identified by term-length, short-term (less than 10 years) and long-term, as well as, by type, existing or new (defined below). 2005 and 2006 contracts that were signed prior to 2007 can be identified as "n/a" for this purpose.

- "Contract Length / Type" (Column "X") Pursuant to D.07-05-028, starting in 2007, each RPS-obligated retail seller must, in order to be able to count for any RPS compliance purpose energy deliveries from contracts of less than 10 years' duration ("short-term") with RPS-eligible facilities that commenced commercial operation prior to January 1, 2005 ("existing facilities"), in each calendar year enter into contracts with facilities of at least 10 years' duration ("long-term") and/or short-term contracts with facilities that commenced commercial operation on or after January 1, 2005 ("new facilities") for energy deliveries equivalent to at least 0.25% of that retail seller's prior year's retail sales ("minimum quantity").

- "Contract Volume" (Column "Y") Input the total MWh over the term of the contract identified in the power purchase agreement. Compliance with the minimum quota requirement is measured by contracted-for-energy, not deliveries.
- Contract Execution Date:** The date the contract was signed. If the parties signed on different dates, or there are contract amendments, use the most recent date signed.
- If any procurement data for a specific contract differs from what is entered into the CEC-RPS-Track form for that year, the specific cell should be highlighted and the discrepancy should be explained.

#### Spreadsheet user notes

- Protecting confidential data: Individual cells may be formatted black, which will serve to redact info when excel file is converted to pdf. Select cell - click on "fill color" icon - choose black. Note: Once converted to pdf, additional steps are necessary to ensure redacted data is not accessible.
- Adding and/or deleting rows. The "Earmarking Detail" tab and "Procurement Detail" tab allows users to add to or delete rows. Within the desired section, highlight entire row(s) by selecting the excel row number(s) - right click and select "copy" - right click again and select "insert copied cells"

	A	B	C	D	E	F	G	H	I	J	K
1											
2			<b>Provisional RPS 20% Closing Report: Accounting</b>								
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6			<b>RPS Baseline Calculation</b>								
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		<b>Actual</b>								
<b>RPS Procurement and Targets (MWh)</b>		<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	
5	Bundled Retail Sales	132,850	135,759	134,066	141,235	140,441	137,358	136,365	132,167	
6	Total RPS Eligible Procurement	0	0	0	0	0	0	0	0	
7	Annual Procurement Target (APT)	1,269	N/A	N/A	N/A	6,708	8,113	9,486	26,433	
8	Incremental Procurement Target (IPT)	N/A	1,328	1,358	1,341	1,412	1,404	1,374	16,947	
9	Preliminary Procurement Surplus/(Deficit)	N/A	N/A	N/A	N/A	(6,708)	(8,113)	(9,486)	(26,433)	
10	Actual Procurement Percentage	N/A	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

		<b>Actual</b>								
<b>Bundled Surplus Procurement Bank</b>		<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	
11	Surplus Procurement Bank Balance as of Prior Year	N/A	N/A	0	0	0	(6,708)	(14,821)	(24,307)	
12	Application of Banked Surplus Procurement to Current Year Deficit	N/A	N/A	0	0	0	0	0	0	
13	Cumulative Surplus Procurement Bank Balance	N/A	N/A	0	0	(6,708)	(14,821)	(24,307)	(50,740)	

	<b>Surplus/(Deficit) for RPS Compliance Years, Prior to 2011</b>	<b>Is Retail Seller's 2010 RPS Eligible Procurement Percentage ≥14% of 2010 Retail Sales?</b>	<b>Surplus/(Deficit) Carried Forward</b>
14	(50,740)	NO	(50,740)









**Provisional RPS 20% Closing Report: Calculations**

RPS Baseline Inputs (MWh)		
Line#	Calculation	Notes
1	User supplied data	Pursuant to D.07-03-046, the <b>2003 Initial Baseline Procurement Amount</b> for the investor owned utilities (IOUs) is calculated using the following equation:
2	User supplied data	
3	User supplied data	
4	<b>Baseline formula =</b>	
		$\frac{\text{2001 RPS Eligible Procurement}}{\text{2001 Total Retail Sales}} \times \text{2003 Total Retail Sales} + \text{1\% of 2001 Total Retail Sales}$

RPS Procurement and Targets (MWh)		
Line#	Calculation	Notes
5	User supplied data	Annual Retail Sales
6	Data from "Procurement Detail" tab	In current and past years, this line should equal Total RPS Eligible Procurement in procurement detail tab.
7	Prior year Line 7 + Line 8	
8	1% of line 5 {Y-1}	
9	Line 6 - Line 7	
10	Prior to 2010: Line 6 / Line 5 {Y-1} 2010 : Line 6 / Line 5	For all years prior to 2010, Actual Procurement Percentage equals prior year retail sales (current year RPS Procurement/Prior Year Retail Sales). For 2010 the calculation is 2010 Retail Sales/2010 RPS Procurement.

Surplus Procurement Bank		
Line#	Calculation	Notes
11	Line 13 {Y-1}	
12	If Row 9 has a deficit, applies bank from line 11 (if line 11 is a positive value)	
13	Sum of lines 9 + 11	

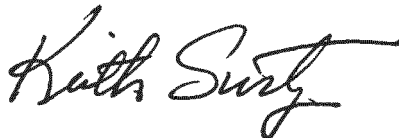
Surplus/(Deficit) for RPS Compliance Years, Prior to 2011		
Line#	Calculation	Notes
14	Line 9 (in year 2010 only)	Since this report tracks TREC Bank independent of Banking for Bundled Procurement, this cell computes a total excess/deficit figure for the entirety of the RPS 20% Program.

## OFFICER VERIFICATION FORM

I am an officer of the reporting corporation herein, and am authorized to make this verification on its behalf. The statements in the foregoing document 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. The spreadsheet format used to file this Provisional RPS 20% Closing Report has not been altered from the version issued or approved by Energy Division. The information provided in this Provisional RPS 20% Closing Report adheres to the Commission's orders in D.12-06-038.

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

Executed on August 20, 2012, at San Dimas, California.

A handwritten signature in black ink, appearing to read "Keith Switzer". The signature is written in a cursive, flowing style.

Keith Switzer, Vice President of Regulatory Affairs, GSWC