

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

Order Instituting Rulemaking to Integrate )  
and Refine Procurement Policies and ) Docket R. 13-12-010  
Consider Long-Term Procurement Plans. ) (Filed December 19, 2013)

**COMMENTS OF  
THE COGENERATION ASSOCIATION OF CALIFORNIA  
AND  
THE ENERGY PRODUCERS AND USERS COALITION**

The Cogeneration Association of California<sup>1</sup> (CAC) and the Energy Producers and Users Coalition<sup>2</sup> (EPUC) provide the following comments on the Preliminary Scoping Memo describing the issues to be considered in this 2014 long term procurement planning (LTPP) proceeding. CAC and EPUC submit these comments in accordance with the Order Instituting Rulemaking (OIR), issued on December 30, 2013.

CAC and EPUC strongly support the proposal in the Preliminary Scoping Memo that the issues to be considered in the 2014 LTPP should include the future targets and solicitations for CHP capacity, as provided in the CHP Settlement and as set forth in Decision 10-12-035. Although the Scoping Memo states on page 12 that the Commission “may choose to consider” an additional CHP MW target, the need to set

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<sup>1</sup> CAC represents the combined heat and power and cogeneration operation interests of the following entities: Coalinga Cogeneration Company, Mid-Set Cogeneration Company, Kern River Cogeneration Company, Sycamore Cogeneration Company, Sargent Canyon Cogeneration Company, Salinas River Cogeneration Company, Midway Sunset Cogeneration Company and Watson Cogeneration Company.

<sup>2</sup> EPUC is an ad hoc group representing the electric end use and customer generation interests of the following companies: Aera Energy LLC, Chevron U.S.A. Inc., ExxonMobil Power and Gas Services Inc., Phillips 66 Company, Shell Oil Products US, Tesoro Refining & Marketing Company LLC, THUMS Long Beach Company, and Occidental Elk Hills, Inc.

such an additional, specific target is pressing, and the issue should not remain discretionary.

There are several reasons for the Commission to further address the utilities' performance under the QF/CHP Settlement. First, it is unclear whether the utilities have met their procurement targets for the First Program Period. Based on the Energy Division's latest status report, there remains at least 1253 MW to be procured under that mandate.<sup>3</sup> Second, the Settlement provides for a Second program Period, for 2015 – 2020. The procurement target for this period is set forth in the Settlement:

*2.3.2 For CHP procurement in the Second Program Period, the IOUs will procure the following:*

*2.3.2.1 Any portion of the IOUs' MW Targets that was not attained in the Initial Program Period.*

*2.3.2.2 SDG&E shall procure an additional 51 MW.*

*2.3.2.3 Additional CHP capacity to meet the IOUs' GHG Emissions Reduction Targets as established by the CPUC in the Long Term Procurement Planning (LTPP) proceeding, taking into account the progress toward the MW Targets in the Initial Program Period.<sup>4</sup>*

The Commission should review the utilities' progress to date, the additional CHP procurement authorized thus far in the Long-Term Procurement Plan proceedings, and the additional procurement necessary to meet GHG reduction targets set by CARB. For these reasons, the Commission must address these issues as a priority in this proceeding.

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<sup>3</sup> See, CHP Semi-Annual Reports, updated 10/16/2013, on CPUC ED website, at: <http://www.cpuc.ca.gov/PUC/energy/CHP/settlement.htm>.

<sup>4</sup> Section 2.3, CHP Term Sheet, at page 8.

CAC and EPUC support the proposal made by the California Cogeneration Council that these issues should be addressed in a separate track, both to ensure timely and continued compliance with the Settlement and to provide adequate focus on the complex history and issues associated with the Settlement.

Respectfully submitted,

A handwritten signature in black ink that reads "Donald Brookhyser". The signature is written in a cursive style and is positioned above the typed name and contact information.

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