

From: Jacobson, Erik B (RegRel)
Sent: 7/11/2014 5:03:17 PM
To: Franz, Damon A. (damon.franz@cpuc.ca.gov)
Cc:
Bcc:
Subject: RE: GHG Accounting for bottoming-cycle CHP

I will follow-up and get back to you. Thanks

On Jul 11, 2014, at 4:11 PM, "Franz, Damon A." <damon.franz@cpuc.ca.gov> wrote:

Hey Erik-

I met with some of the CHP parties this week, and they are concerned that the utilities may not be properly valuing GHG savings from bottoming-cycle CHP in accordance with the rules set forth in the CHP/QF settlement. In particular, they contend that all bottoming-cycle CHP facilities should be treated as new CHP for the purposes of counting GHG benefits, according to section 6.4.1, which states: "For the purposes of this section regarding GHG Emissions Reduction Target counting, Existing CHP facilities are gas-fired Topping Cycle CHP facilities that exported and delivered electric power to an IOU as listed by QF ID number in each IOU's July 2010 Semi-Annual Report..."

I looked at some of the bid rankings from the last RFO, and it looks like some existing bottoming-cycle CHP was not given credit for GHG benefits. The Settlement is confusing on this point, and I'm having our legal team look into it and provide us with an opinion on how the Settlement intended to treat bottoming cycle. But in the meantime, I wanted to get an opinion from PG&E about whether or not you agree with the CHP parties' interpretation, or whether PG&E has already analyzed that part of the Settlement language and arrived definitively at the opposite conclusion.

Damon

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