

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

Order Instituting Rulemaking to Continue  
Implementation and Administration, and Consider  
Further Development, of California Renewables  
Portfolio Standard Program.

Rulemaking 15-02-020  
(Filed February 26, 2015)

**NARRATIVE REPORTING PORTION OF THE 2014 ANNUAL 33% RENEWABLES  
PORTFOLIO STANDARD COMPLIANCE REPORT OF  
BEAR VALLEY ELECTRIC SERVICE (U-913 E), A DIVISION OF GOLDEN STATE  
WATER COMPANY**

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Pursuant to the “Instructions” tab of the 2014 Preliminary Annual 33% Renewables Portfolio Standard (“RPS”) Compliance Report template for BVES and CalPeco (“RPS Compliance Report”), Bear Valley Electric Service (“BVES”), a division of Golden State Water Company, submits the following narrative responses as part of its RPS Compliance Report.

**I. Narrative Reporting Requirements.**

**A. Narrative Reporting Requirements for all Retail Sellers.**

1. **The status of any necessary siting and permitting approvals from federal, state, and local agencies for those eligible renewable energy resources procured by the retail seller that have not yet attained their commercial on-line dates.**

All of BVES’ renewable procurement comes from facilities that have already attained their commercial on-line dates.

2. **Identification of all procurement from eligible renewable energy resources located outside California and within the WECC during the period covered by the report.**

BVES procured only unbundled renewable energy credits (“RECs”) in 2014 and all of those unbundled RECs were generated by facilities outside of California and within the WECC.

Table I below shows the facility name, location and number of RECs procured from each facility.

**Table I**

WREGIS Generating Unit ID #	Facility Name	City	State	RECs
W1862	Golden Valley Wind Park	Burley	ID	2,967
W1862	Golden Valley Wind Park	Burley	ID	485
W1690	Juniper Canyon	Bickleton	WA	1,344
W1884	Pilgrim Stage Station Wind Park	Hagerman	ID	2,516
W1881	Thousand Springs Wind Park	Hagerman	ID	3,360
W1883	Tuana Gulch Wind Park	Hagerman	ID	3,217
W186	Elkhorn Valley Wind Farm	Union	OR	3,814
W1862	Golden Valley Wind Park	Burley	ID	2,088
W1862	Golden Valley Wind Park	Burley	ID	3,960
W1690	Juniper Canyon	Bickleton	WA	1,080
W1690	Juniper Canyon	Bickleton	WA	231
W1884	Pilgrim Stage Station Wind Park	Hagerman	ID	1,095
W1881	Thousand Springs Wind Park	Hagerman	ID	3,467
W1883	Tuana Gulch Wind Park	Hagerman	ID	3,031
<b>Total RECs Procured in 2014:</b>				<b>32,655</b>

Going forward, BVES will continue to procure unbundled RECs from Iberdrola Renewables, LLC (“Iberdrola”). These unbundled RECs are not contractually tied to a specific eligible renewable energy resource (“ERR”) but may come from one or more ERRs that are certified by the California Energy Commission and qualify as an ERR. Once those RECs have been transferred to BVES’ Western Renewable Energy Generation Information System (“WREGIS”) account, BVES can then specifically identify the ERRs associated with the REC procurement.

**3. Identification of all procurement of unbundled RECs during the period covered by the report.**

BVES satisfied its 2014 RPS procurement requirement using unbundled RECs. BVES currently has a single contract with Iberdrola for renewable procurement in the years 2013 – 2023.<sup>1</sup> Table I, included in response to question number two, above, shows the facility name, location and quantity of unbundled RECs BVES procured in 2014.<sup>2</sup>

**4. Recommendations to remove impediments to making progress toward achieving the renewable energy resources procurement requirements established by statute and implemented by Commission decision.**

BVES' biggest obstacles to meeting its procurement requirements in the past have resulted from difficulties finding renewable facilities willing to sell to BVES largely based on BVES' relatively small annual procurement requirement when compared to the three largest California investor-owned utilities ("IOUs") as well as large municipal utilities. BVES' success in acquiring RPS-eligible products has dramatically improved due to favorable legislation and regulatory rules allowing BVES to use unbundled RECs to satisfy its RPS procurement obligations. 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 has the option to satisfy its entire procurement obligation under the RPS program using unbundled RECs. Because unbundled RECs are likely to be the least expensive of the portfolio

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<sup>1</sup> The CPUC approved the Iberdrola contract on July 25, 2013 by Resolution E-4604.

<sup>2</sup> Of the 32,655 RECs BVES purchased from Iberdrola in 2014 and shown above in Table I, 18,766 were retired and applied to the 2014 compliance year while another 8,616 from BVES' 2013 REC purchase were also retired and applied to 2014 RPS requirements. 13,889 RECs purchased in 2014 remain active in WREGIS (non-retired).

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

content category products, with lower costs to ratepayers, procuring unbundled RECs to meet its RPS targets is highly attractive.

However, as BVES adjusts its retail sales forecast and related procurement plans for both conventional and renewable resources, BVES may determine that it will need to acquire more RPS-eligible energy and/or unbundled RECs to satisfy future RPS requirements. While BVES believes unbundled RECs are likely to be the least expensive option for its RPS requirements, BVES' renewable energy procurement plans may determine that bundled energy also provides a least cost, best fit for its supply portfolio and its customers.

The only remaining impediment for BVES to meet its procurement goals is the timing of obtaining CPUC-approval of REC contracts. Any delay or rejection of BVES' *future* procurement contracts could adversely impact BVES' RPS position and impact BVES' future procurement decisions.

## **B. Narrative Reporting Requirements for Electrical Corporations**

- 1. The current status and progress made during the prior year toward construction of, and upgrades to, transmission and distribution facilities and other electrical system components owned by that electrical corporation to interconnect eligible renewable energy resources and to supply the electricity generated by those resources to load. The narrative must specifically include, but is not limited to, the status of planning, siting, and permitting of transmission facilities by federal, state, and local agencies.**

Although BVES can, and plans to, satisfy the vast majority of its RPS procurement obligation using unbundled RECs, it may in the future become necessary for BVES to upgrade or modify its transmission and distribution facilities to meet its RPS goals. BVES is currently in the early stages of determining what additional resource options it should pursue with regard to renewables and has not yet made formal plans that may include siting and permitting of transmission facilities by federal, state and local agencies. Accordingly, BVES has nothing to

report regarding the status and progress made in 2014 toward the construction of, and upgrades to, its transmission and distribution facilities and other electrical system components to interconnect ERRs and to supply the electricity generated by those resources to load.

## **II. Conclusion.**

BVES will continue to make all reasonable efforts to meet its RPS procurement requirements and looks forward to working with the Commission to implement the RPS program.

Dated: August 31, 2015

Respectfully submitted,

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/s/

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