



CRS

center for
resource
solutions

March 29, 2016

Ms. Lynette Green
California Energy Commission (CEC)
Dockets Office, MS-4
Re: Docket no. 16-RPS-01
1516 Ninth Street
Sacramento, CA 95814-5512

RE: Docket No. 16-RPS-01. Comments of Center for Resource Solutions (CRS) in response to March 17, 2016 Workshop on Future Edition of Renewable Portfolio Standard (RPS) Eligibility Guidebook

Dear Ms. Green:

CRS appreciates the opportunity to submit comments regarding potential revisions to the RPS Eligibility Guidebook discussed at the CEC's March 17, 2016 Workshop. Specifically, these comments pertain to incorporating changes related to the process for local publically owned utilities (POUs) to move surplus retired renewable energy certificates (RECs) reported for a specified compliance period to the following compliance period, as per RPS Resolution No. 16-0309-04A.

Background on CRS and Green-e®

CRS is a 501(c)(3) nonprofit organization that creates policy and market solutions to advance sustainable energy. CRS has broad expertise in renewable energy policy design and implementation, electricity product disclosures and consumer protection, and greenhouse gas (GHG) reporting and accounting. CRS administers the Green-e programs. Green-e Energy, in particular, is the leading certification program for voluntary renewable electricity products in North America. In 2014, Green-e Energy certified retail sales of 38 million megawatt-hours (MWh), representing over 1% of the total U.S. electricity mix, or enough to power nearly a third of U.S. households for a month. In 2014, there were over 836,000 retail purchasers of Green-e certified renewable energy, including 50,000 businesses.

Stakeholder-driven standards supported by rigorous verification audits and semiannual reviews of marketing materials ensure robust customer disclosure and are pillars of Green-e certification. Through these audits and reviews CRS is able to provide independent third-party certification of renewable energy products. Green-e program documents, including the standards, Code of Conduct, and the annual verification report, are available at www.green-e.org. CRS also has a long history of working with state agencies to design and implement consumer protection policies that ensure accurate marketing and avoid double counting of individual resources towards multiple end uses.

Comments

- 1. Require an audit report, similar to that which is required for the issuance of retroactive RECs, as a part of incorporating the process for local POUs to move surplus retired RECs reported for a specified compliance period to the following compliance period into the RPS Eligibility Guidebook.**

Attachment A, Section 13.c of RPS Resolution No. 16-0309-04A requires that the Executive Director shall not approve a POU's request to withdraw surplus retired RECs from one compliance period and use them for the following compliance period if:

"the request, if approved, would allow the POU or another party to use the surplus retired RECs in question to satisfy the renewables portfolio standard of another state or provincial government, or to satisfy another regulatory program or renewable energy obligation, or to satisfy a renewable obligation under a voluntary program."

In accordance with this requirement, we recommend that when the RPS Eligibility Guidebook is revised to include the process for moving surplus RECs it should include a requirement that, if the request is approved by the Executive Director, the POU submit an audit report to the Executive Director within 90 days after the request that meets the same criteria as the audit report currently required for the issuance of retroactive RECs, on page 27 of the *RPS Eligibility Guidebook, 8th Edition*. In particular, the auditor shall verify that the surplus RECs in this case have not been sold, traded, or otherwise transferred to any other individual or entity or used to satisfy any state regulatory or voluntary program, by obtaining a letter from the administrator of each state or voluntary program where the RECs would have been eligible documenting that the RECs were not used to satisfy that program.

One example of how surplus RECs may be included in a voluntary product is that under certain circumstances sellers of Green-e Energy certified products can report renewable energy retired for the RPS in a 100% renewable energy product (and report to a customer that 35% of the renewable energy supplied was retired for RPS compliance and the other 65% was voluntary renewable energy, for example). In this case, if the POU's supply gets moved to the next compliance period, reducing the percentage from the RPS in such a product, they must obtain additional voluntary supply to fulfill the customer's purchase of 100% renewable energy. The audit report that we recommend would help ensure that the surplus RECs have not been reported as part of such a voluntary product. This audit report would be consistent with the procedures already in place for the issuance of retroactive RECs, which have a similar potential to impact voluntary sales.

Thank you very much for the opportunity to comment. We would be happy to supply any other supporting or clarifying information that would be helpful.

Sincerely,



Todd Jones
Senior Manager, Policy and Climate Change Programs