

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking to Develop
Additional Methods to Implement the
California Renewables Portfolio Standard
Program.

Rulemaking 06-02-012
(Filed February 16, 2006)

**NOTICE OF EX PARTE COMMUNICATION
OF THE DIVISION OF RATEPAYER ADVOCATES**

Pursuant to Rule 8.2 and 8.3 of the California Public Utilities Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates ("DRA"), hereby provides notice of an ex parte communication with Michael Wheeler, advisor to Commissioner Grueneich. On Friday, October 8, 2010 at 10 a.m., DRA Policy Advisor Cheryl Cox and Marcelo Poirier, counsel to DRA, met with Mr. Wheeler at the Commission's offices for approximately 15 minutes. DRA initiated the communication. A one-page document was distributed, a copy of which is attached to this notice.

The topic of discussion was the Proposed Decision of President Peevey modifying Decision ("D.") 10-03-021 authorizing use of tradable renewable energy credits ("TRECs") for compliance with the California Renewables Portfolio Standard ("RPS") program and lifting stay and moratorium imposed by D.10-05-018, which was issued on August 25, 2010. DRA's representatives discussed DRA's support for the Proposed Decision's upholding of the definition of REC-only transactions and the \$50/REC price cap in D.10-03-021. Mr. Poirier also discussed DRA's recommendation that the Commission extend the current sunset date associated with the temporary TREC usage limit and price cap from December 31, 2011 to a date 24 months from the issuance of a decision fully authorizing the use of TREC for RPS compliance.

Copies of this notice can be obtained by calling or sending an e-mail to Sue Muniz at (415) 703-1858 (e-mail: sam@cpuc.ca.gov).

Respectfully submitted,

/s/ MARCELO POIRIER

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October 12, 2010

ATTACHMENT



Contact: Cheryl Cox, DRA Policy Advisor - (415) 703-2495 - cxc@cpuc.ca.gov

PROCEEDING NO: R.06-02-012
Commission Agenda: October 14, 2010

October 6, 2010

**PROPOSED DECISION MODIFYING DECISION 10-03-021 AUTHORIZING
USE OF TRADABLE RENEWABLE ENERGY CREDITS (TRECs)**

DRA Position: The Commission should adopt the Proposed Decision (“PD”) with a modification to extend the current sunset date, associated with temporary TREC usage limit and price cap, from December 31, 2011 to a date 24 months from the issuance of a decision fully authorizing the use of TRECs for RPS compliance.

Background

- On August 25, 2010, the Commission issued the PD of President Peevey modifying Decision (“D.”)10-03-021 authorizing use of renewable energy credits for compliance with the California Renewables Portfolio Standard program and lifting stay and the moratorium imposed by D.10-05-018.

DRA supports the PD upholding D.10-03-021’s critical ratepayer protection mechanisms during the initial term of the TREC market

- Definition of REC-only transactions to include out-of-state contracts with complex delivery mechanisms.
- \$50/REC price cap.

The Commission should extend the sunset date to a date 24 months from the issuance of a final decision fully authorizing the use of TRECs because a December 31, 2011 sunset date is insufficient to achieve the Commission’s objectives

- Does not provide sufficient time for the Commission to effectively evaluate whether to review, modify, or extend the TREC usage limit and price cap.
- Conflicts with D.10-03-021’s 16 month timeline for the issuance of Energy Division’s report on the TREC market and the use of TRECs for RPS compliance.
- Insufficient time is available to gather adequate data on the TREC market and generate a report for the Commission to use in its evaluation of how to proceed with the temporary limits regarding TRECs.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of “**NOTICE OF EX PARTE COMMUNICATION OF THE DIVISION OF RATEPAYER ADVOCATES**” to the official service list in **R.06-02-012** by using the following service:

E-Mail Service: sending the entire document as an attachment to all known parties of record who provided electronic mail addresses.

U.S. Mail Service: mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on **October 12, 2010** at San Francisco, California.

/s/ REBECCA ROJO
Rebecca Rojo

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R.06-02-012

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