

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



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Order Instituting Rulemaking to Continue
Implementation and Administration of California
Renewables Portfolio Standard Program.

Rulemaking 11-05-005
(Filed May 5, 2011)

COMMENTS OF THE CITY AND COUNTY OF SAN FRANCISCO

Pursuant to the Commission's May 10, 2011, Order Instituting Rulemaking Regarding Implementation and Administration of the Renewables Portfolio Standard Program (the "OIR"), the City and County of San Francisco ("CCSF" or "City") respectfully files comments in response to the OIR. CCSF is named as a respondent in this proceeding, in its capacity as a Community Choice Aggregator ("CCA"). In addition, the City has an interest in this matter as an advocate for bundled customers within its boundaries. The City notes moreover that it functions as a Publicly Owned Utility ("POU"). The OIR invites comments and reply comments on the list of issues to be addressed, the proposed schedule, and the need for evidentiary hearings.

The OIR was followed by an Administrative Law Judge's ("ALJ") Ruling Setting a Prehearing Conference issued on May 23, 2011 (the "ALJ Ruling"). The ALJ Ruling further organizes the initial list of issues set forth in the OIR, and invites each party to indicate in its comments its three highest priorities among the principle topics identified in Attachment A, the rough order of priority among the remaining topics, the schedule for addressing the identified three highest priority items, and whether these will require an evidentiary hearing. The ALJ Ruling reiterates the OIR's directive that parties should coordinate with each other to determine whether or not there is agreement on the issues, priorities, schedule and other matters to be considered in this proceeding.

The City is one of two extant CCAs named as respondents in this proceeding. The City has had a preliminary discussion with the other CCA, the Marin Energy Authority ("MEA"), and is coordinating with other POU's through CMUA. Moreover, during the course of this proceeding the City will seek to coordinate with MEA and other parties with similar interests to clarify areas of agreement. Nonetheless, the City is in a somewhat different situation from MEA in that whereas MEA has concluded its initial contracting for the first phase of its program, the City is now in the process of negotiating contracts. Moreover, the City also represents the interests of bundled service customers that are City residents or businesses.

The City's highest priority is to have as much certainty as possible, as soon as possible, about the Renewable Portfolio Standard ("RPS") requirements that will apply to CCAs. Nonetheless, the City considers that the Commission should in the first phase of this proceeding, address the fundamentals that apply to all entities subject to the Commission's RPS jurisdiction, and then, as a second step address the mechanics of how these requirements will be implemented and enforced vis a vis the different categories of Load Serving Entities ("LSEs"). For example, the Commission should begin by developing detailed definitions of the categories of RPS resources created by SB 2 (2011-12 First Extraordinary Session, Stats. 2011)("SB 2 (1X)"). In addition, other matters that affect all LSEs should be given priority, such as rules for REC trading. It may be possible to address many of these issues through a workshop and comments process. However, if parties are unable to agree, evidentiary hearings may be necessary.

Once fundamental issues applicable to all LSEs are addressed, the Commission can turn to the details of how the requirements should be implemented and enforced with respect to the particular categories of LSEs: the Investor Owned Utilities ("IOUs"), CCAs, and Energy Service Providers ("ESPs"). Moreover, LSE specific implementation and enforcement matters should be

