



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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**Order Instituting Rulemaking to Implement the
California Renewables Portfolio Standard Program**

**RULEMAKING 06-02-012
(Filed February 16, 2006)**

**ADMINISTRATIVE LAW JUDGE'S RULING
REQUESTING POST-WORKSHOP COMMENTS ON TRADABLE
RENEWABLE ENERGY CREDITS**

**Comments On
Scope of Proceedings
Issues to be Considered**

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In accordance with ALJ Ruling requesting Post-Workshop Statements, Central California Power (CCP) wishes to present comments in order to help expedite the steps for a resolution connected with the use of Tradable RECs.

With regard the “Proposed Guiding Principles”, CCP presented its comments at the time the Pre-Workshop Comments were requested

Basis of a tradable REC Market

Question (1)

(a) Tradable RECs will not affect current factors limiting new renewable energy projects in California. The limiting factors include: lack of adequate transmission infrastructure, complex and lengthy permitting processes and in-state delivery requirements for RPS eligible generation

Agreed! A trading regimen will not provide the necessary transmission infrastructure which must undergo a rigorous and lengthy process involving the planning, procurement of rights-of way, and perhaps the most excruciating event of all the permitting process. Perhaps the regulatory Commissions could ease the permitting process which would help shorten the time period necessary to build the transmission infrastructure, however planning and right-of way procurement operations would still be required. An approved trading regimen may however help enhance investment. Unless the borrowers are deep-pockets corporations, the investment community is not particularly motivated to finance power development projects at this time period. Any stimulus is a plus.

(b) Tradable RECs will provide buyer and seller of RPS eligible generation with additional contracting flexibility in the near term and the long term.

Without doubt, the slide on “Potential Benefits of TRECS” in Sara Kamins presentation on Tradable RECS for RPS Compliance answers the question most succinctly.

(c) (d) CCP does not have an answer

(2) What are the most likely sources of RECs that could be traded in the 2008-2011 timeframe?

The most likely sources are probably the RECs coming from wind and solar. Wind is the generation medium requiring the least amount of overall erection time assuming wind turbines are available for delivery. As to quantity CCP doesn't have an answer.

(3), (4) No opinion

Question 5

Please comment on Dr. Weiss's assessment of the elasticity of RPS demand and supply curves.

First of all on Slide 6 the writer disagrees with the statement renewable power technologies have low variable cost and are not dispatchable. Evidently Dr. Weiss is more familiar with “As-Generated” renewable generation than with reliable renewable generation. The writer is however in agreement with Dr. Weiss's two important features analysis. Slides 7, 8, 9 are an accurate assessment.

On Slide 10, I have questions with Dr. Weiss's assessment: The idea of RECs achieving RPS goals by providing direct revenue streams for renewable attributes, to whom is Dr. Weiss referring to when he says providing? If he is referring to the generators who collected them then yes the statement is valid. The question : Is there long-term contracting for renewable power without the associated environmental attributes? The answer is, Yes there can be. This writer has stated many times that the environmental attributes do not have to accompany the Renewable Energy Credits. They are two entirely different and separate items. The important thing to remember in the purchase of renewable energy is the renewableness of the energy, which is a function of it's being generated in a “facility” certified by the CEC as a renewable facility. While there may be a reduction in emissions created by renewable energy resulting in the creation of “Emissions Reduction Credits” (ERCs), the renewableness of the energy and

the emissions reductions created by using the renewable fuel are two distinct, separate, different, issues and this difference includes the GHGs. It is the renewableness of the energy, not the pollution emissions removed that created the value of the REC

With regard the demand and supply curves, the diagram could more nearly assume the “Normal Market Curve” with reliable renewable generation. Depending on the type and amount of generation utilized in firming and shaping (how reliable will the firming and shaping action make the renewable energy that is generated?) it may be possible to make the renewable energy approximate the Normal Market Curve.

Question (6)

If the demand for tradable RECs for RPS compliance exceeds supply in the California REC market (at least in the near term) do you agree with Dr. Weiss’s analysis that REC prices would tend to float to the RPS penalty amount (\$50/MWh) Would prices float to any other price cap the Commission might implement?

(a) If REC prices floated to the penalty amount or a price cap, would a market for tradable RECs drive up the price of bundled RPS contracts?

(b) If REC prices floated to the penalty amount or a price cap, how would this affect California ratepayers in the short term? In the long term?

(c) If REC prices floated to the penalty amount or a price cap, would all RPS non-compliance costs then be transferred from utility shareholders to ratepayers? Would some portion of noncompliance costs be transferred?

The writer will attempt to answer Question 6 (a), (b), (c) in one paragraph.

Yes, if allowed to float it is not possible to accurately predict where prices will end up. As an example just refer to the price of petroleum or the price of corn since it’s use as a fuel alternative was encouraged by the president. If REC prices floated to the penalty amount or to the price cap, depending on the amount of the cap, prices might well drive up the costs of bundled and unbundled contracts, which in turn could very well cost the ratepayers more, unless the State of California wished to make up the difference. It is “crystal balling” to attempt to forecast a future happenstance. To date there has been little statewide or even federal success in predicting price futures on any subject or commodity. With regard question (c) once costs become too egregious for utilities to bear they seek relief either through bankruptcy or other means. Ultimately the ratepayer and/or the taxpayer get stuck with the bill.

Question (7)

(a) Please describe any situations in a California REC market in which the boom-bust pricing pattern is likely not to apply.

I believe Dr. Weiss is basing his presentation primarily on the variable delivery pattern of “As Generated” generation. If so it’s conceivable that a reliable form of generation could smooth out the variability of generation delivery. If however Dr. Weiss is alluding to an economic demand condition creating a boom-bust situation then there is no condition or situation that will not affect the outcome.

(b) In the timeframe 2008-2011, are contracts for RECs likely to provide developers of new renewable facilities in California and neighboring states with additional financial resources (both in terms of cash flow for the facility and in terms of willingness for investors and/or lenders to provide capital for development of the facility)?

As a generality investors will lend if the risk can be evaluated and the reward is worth the risk. Can the rewards for REC contracts be defined within this time period? Will the reward be sufficient to overcome the risk of capital expenditure? If the investment community can be convinced the reward is worth the risk then possibly investment capital will be available in this time period. However in this time period it will be difficult to get new generation built, therefore there will probably not be many RECs available.

(c) Please describe how the design of a tradable REC market for compliance with the California RPS should take into account the boom-bust pricing tendency. This design proposal posits a REC market whose principal purpose is stimulating development of new renewable energy generation capable of providing California with new renewable energy.

If the boom-bust pricing tendency is solely dependent upon the availability of the TRECS then banking of the RECs will provide a stockpile that will have a tendency to produce the RECs as required and smooth out the variability of supply.

Staff Straw Proposal

Compliments to Staff, the proposal is an excellent start. With regard the individual subjects in the proposal, the following answers will be germane to all the individual subjects and to the questions that follow that require answers.

Market Participants; both the Proposal and the Rational are acceptable.

Eligibility of existing RPS contracts and online facilities: CCP is unclear why when a bundled contract has been earmarked the RECs can not be unbundled. When RECs are unbundled, why not make provisions to allow all provisions to become unbundled? Why not institute statutes that provide flexibility and simplicity?

TREC Contract Length requirements: CCP agrees with the recommendation and rational. Why should any portion of the TRECs be subjected to the regulation of a contract? If entities wish to enter into a contract, this action should be permitted, but only if it is voluntary..

TREC Usage Limits; CCP has stated that short term contracts should be allowed, but carefully controlled. The point on limiting the amount of short term REC contracts for RPS compliance is an effective control.

Flexible Compliance: Banking; CCP believes that like “Emissions Reductions Credits (ERCs)” the RECs should have NO expiration limit. CCP’s rationale being that once a REC is created, it should be utilized (traded). It may be possible that within the “three compliance year period plus 2 more” there is no need for a trade, however that should have no bearing on either the REC’s compliance, validity or monetary value. However that said, once the REC is traded it should be retired for both compliance and monetary purposes. A sound banking regimen will help strike the balance between smoothing supply and demand.

Outstanding Issues:

Provide a differentiation code for bundled and unbundled RECs.

Banking rules should be modified if necessary to create a simplicity for effective utilization.

Flexible Compliance: Earmarking; No Comment.

Treatment of Bundled Contracts; It appears this is discussing a timeframe for unbundling and for treating null power compliance. The issues appear to be Commission related relative to tracking, earmarking and null power compliance issues. CCP has no adverse comments.

Cost Recovery: CCP is not clear about whether the discussion is about the cost of energy or the cost of the RECs. If the statements refer to pricing for energy within the present framework, CCP has provided a section entitled "CCP Overall Comments" whereby present pricing methods are discussed in detail. However, CCP believes that a REC price cap should be established. Further, CCP would recommend that REC pricing be conducted under rigorous CPUC scrutiny to prevent unscrupulous gouging. A regulated market is a controlled price market.

With regard to the specific questions relative to the Staff Straw Proposal:

1.

(a) Impact on and integration with the existing methods of RPS compliance, including both procurement methods and existing flexible compliance rules.

There should be very little if any impact connected with the adoption of most of the provisions of the Staff Straw Proposal.

(b) No Comment.

(c) Impact on the development of new renewable resources in California and neighboring states.

New facilities development is a function of the amount of revenue that can be obtained vs the risks that may be incurred. The impacts to development such as transmission construction, the long, arduous approval periods, obtaining finance and of course the revenue to be obtained for a kW of power are the keys to development. Any additional opportunity to produce revenue is of course appealing, but as of yet this has not been defined. Will the formation of an REC market definitely enhance new development is a crystal ball question. It can be a stimulus to revenue.

(d) Impact on RPS compliance in the timeframe 2008-2011.

Minimal. There is insufficient time to implement the construction of the facilities needed to comply with the quantities of generation necessary for compliance.

(e) Impact on RPS compliance in the timeframe 2012-2020,

Better, assuming the economics necessary to build new facilities are satisfactory to warrant the risk. With regards the question of Tradable REC development it is understood the Commission must come up with a viable program.

(1) answered in (d) above, and (2) answered in (e) above.

(f) Impact on the development of a market for tradable RECs for RPS compliance.

As CCP has stated above, the proposal is an exceptional piece of writing by CPUC Staff, it is an excellent start and if permitted it can form the basis for regulatory resolution. The rationale for the most part is well thought out. What is most necessary to determine impact is the regulations governing the REC purchase and sale.

(g) Impact on and integration with a possible market of tradable allowances for compliance with the Global Warming Solutions Act, Assembly Bill (AB) 32 (Nuñez/Pavley), 2006 Stats. ch. 488.9

It is far too soon to determine the impact of a possible market of tradable allowances for compliance with the Global Warming Solutions Act. Depending on the regulations forthcoming from AB 32 and the like the impacts could be minimal to catastrophic.

(2) In order to evaluate the TREC usage limits section of the straw proposal, please comment on whether the minimum quota proposal would help:

(a) maintain a focus on new renewable infrastructure development;

Yes, insofar as the limits established provide for both flexibility and simplicity. The proposal does not impose any more rigorous restrictions. Under “Recommendations” a balance between usage and the necessity to construct sufficient renewable generation is maintained.

(b) reduce ratepayer compliance costs that might otherwise result from a high demand for RECs relative to available supply;

Only a regulated regimen can control costs. However even in a regulated market if the cost of the commodity, in this case the REC rises because the costs of the REC is used as a “hedge” to control the costs of renewable generation then “ratepayer compliance costs” must rise.

(c) enable RPS procurement to remain a hedge against volatile natural gas prices;

The only way RPS procurement can become an effective hedge against natural gas price volatility is in the event renewable energy negates the need for natural gas fired generation. That is not viable in the

foreseeable future. At present there is only a small percentage of “reliable renewable energy” even being conceived, the greatest percentage of renewable energy is “As-Generated”).

(d) respond to the impact of supply and demand on REC market prices and liquidity by imposing more stringent minimum contracting requirements for short-term REC contracts than for short-term bundled contracts.

At the moment more stringent minimum contracting requirements are not required. Short term contracting is less than 10 percent of the overall contracted amount. In effect this quantity of short term contracting may even add to the overall quantity of energy in the RPS inventory. CCP has proposed a scenario whereby short term contracting can be used to advantage in other filings. As long as the amount of short term contracting does not discourage the amount of long term contracts necessary for the building of new renewable facilities it is not an adverse impact. As long as the amount of short term contracting does not exceed 10% of the overall amount of renewable generation there should be no adverse impacts.

(3) In order to evaluate the cost recovery section of the straw proposal, please comment on whether, if authorized by the Commission, an unbundled REC market for RPS compliance should be viewed as a commodity market, in which prices converge and each unit does not have a different intrinsic value? CCP has suggested that the value of a REC be correlated to the production cost of the renewable energy. CCP has also suggested that pricing be conducted under rigorous CPUC scrutiny.

(4) No Comment

(5) The establishment of a body within the Commission to undertake the pricing of both the price of the renewable energy and the cost of the REC. The cost of the renewable energy should be determined upon its utilization, whether it is reliable (dispatchable) or as-generated. As suggested above, the cost of the REC should also be determined and regulated.

(6) As noted in the Amended Scoping Memo, after a workshop on REC trading for RPS compliance, the parties will then have the opportunity to “comment on the desirability, or lack thereof, of adopting a system like one of those developed through the workshop process, or be able to make another proposal that could be contrasted in some detail with the previous possibilities.”

CCP would opt for the Straw Proposal as outlined above and repeated below for reference:

Market Participants; both the Proposal and the Rational are acceptable.

Eligibility of existing RPS contracts and online facilities: CCP is unclear why when a bundled contract has been earmarked the RECs can not be unbundled. When RECs are unbundled, why not make provisions to allow all provisions to become unbundled? Why not institute statutes that provide flexibility and simplicity?

TREC Contract Length requirements: CCP agrees with the recommendation and rationale. Why should any portion of the TRECs be subjected to the regulation of a contract? If entities wish to enter into a contract, this action should be permitted, but only if it is voluntary..

TREC Usage Limits; CCP has stated that short term contracts should be allowed, but carefully controlled. The point on limiting the amount of short term REC contracts for RPS compliance is an effective control.

Flexible Compliance: Banking; CCP believes that like “Emissions Reductions Credits (ERCs)” the RECs should have NO expiration limit. CCP’s rationale being that once a REC is created, it should be utilized (traded). It may be possible that within the “three compliance year period plus 2 more” there is no need for a trade, however that should have no bearing on either the REC’s compliance, validity or monetary value. However that said, once the REC is traded it should be retired for both compliance and monetary purposes. A sound banking regimen will help strike the balance between smoothing supply and demand.

Outstanding Issues:

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Cost Recovery: CCP is not clear about whether the discussion is about the cost of energy or the cost of the RECs. If the statements refer to pricing for energy within the present framework, CCP has provided a section entitled “CCP Overall Comments” whereby present pricing methods are discussed in detail.

However, CCP believes that a REC price cap should be established. Further, CCP would recommend that

REC pricing be conducted under rigorous CPUC scrutiny to prevent unscrupulous gouging. A regulated market is a controlled price market.

In addition CCP would suggest adding the following: The establishment of a body within the Commission to undertake the pricing of both the price of the renewable energy and the cost of the REC. The cost of the renewable energy should be determined upon its utilization, whether it is reliable (dispatchable) or as-generated. As suggested above, the cost of the REC should also be determined and regulated. The value of the REC however should remain constant for both reliable and as-generated generation.

REC Attributes

(1) With respect to biogas that is an RPS-eligible resource, should the benefits of capturing methane in the production of the biogas be included in the attributes of the REC associated with the biogas?

The question requires clarification. Biogas collected from a landfill is a different item as opposed to biogas produced through say anaerobic digestion. The methane included in the capture should be included in the attributes of the REC associated with the biogas.

(2) How should the "net zero emissions" requirement in the last sentence of the Green Attributes definition in Attachment D-2 be applied to the capture of methane to produce RPS-eligible biogas?

Good question. Is there any added cost of producing the biogas for example as through transportation and processing? If so, then assume the biogas produced already is "net zero omissions" and the requirement is fulfilled. Transportation and processing are already added costs, to require deductions places another unfair burden upon an industry (Biomass) that is already treated as a stepchild and is bereft of perks and subsidies afforded other "as-generated" technologies.

(3) Should a REC include avoided carbon emissions associated with conventional generation displaced by the renewable generation giving rise to the REC? As a policy matter, why or why not?

At this time, NO. The REC issue is still in the early stages of discovery and regulation, why compound the issue at this time with another issue that is in an even earlier stage of discovery? The REC question is important and requires resolution. The added revenue potential must be settled in order to provide the investment community with a clear picture of what revenues the renewable energy industry can earn. The term "added revenue" is also meant to include items such as transmission congestion, energy delivery and the other issues that require resolution and must be overcome.

(4) In view of the current uncertainties associated with the implementation of AB 32, what are the potential pitfalls, if any, both for the RPS program itself and the interaction of RPS with potential GHG regulatory methods, of determining that a tradable REC used for compliance with the California RPS includes avoided carbon emissions? Of determining that a REC does not include avoided carbon emissions?

At the moment, in accordance with the Kristin Ralff Douglas presentation RECs can not be used as GHG offsets, because the electric sector is under the cap, a REC can not be an offset. In addition, an offset must contain “avoided emissions” in order to be considered displacing emissions. However under Options B and C, RECs can be utilized for GHG compliance. In Option C, RECs can be used for GHG compliance, however an avoided emissions value and an added emissions value must be assigned. It is understood that both values are estimated and are not precise emission values.

In Option B RECs can also be used for GHG compliance, however REC has avoided emissions assigned to the REC, null power does not. Avoided emission assignments are assumptions and not actual emissions avoided. It appears that if Option C were to be selected, it would provide the most flexibility for conformance with no double counting, Option B would also provide flexibility, however null power could not be used for compliance. Option A is the most rigid and negates the use of RECs for GHG compliance.

As a viable alternative for use at this time CCP opts for using Option C, primarily because it provides the use of RECs for GHG compliance while avoiding the threat of double counting.

(5) Are there any potential legal impediments to or uncertainties about the implementation of the policy preferences you expressed in response to questions 1-4? What are they? How might they be overcome? Please explain in detail.

The uncertainties connected with the adoption of either Option B or C is connected with assigning the emissions values.

(6) Would particular decisions about the implementation of AB 32 alter your views about the issues discussed in Questions 1-5, above? What decisions would have an impact? What impact would they have? Why?

With the state of discovery relative to the implementation of AB 32 it is difficult to crystal ball an answer. Based upon the studies and presentations by CPUC Staff, they all appear to have been very well thought out and their rationale is sound. Hopefully AB 32 will be implemented along the lines presented by

CPUC Staff. Any alteration to the implementation of AB 32 could have a minimal to catastrophic impact upon both the REC and the RPS program.

Standard Terms and Conditions

What changes, if any, should be made in the standard terms and conditions set forth in Attachment D-2 to reflect and/or accommodate the policy preference and legal analysis set forth in your responses to questions 1-6 in Section 3?

None at the moment.

What changes, if any, should be made to the standard terms and conditions to accommodate the use of tradable RECs for RPS compliance, even if you think no other changes are required in response to the questions in Section 3, above?

Under “Standard Terms and Conditions, D.07-02-011, pp 41-42, modified by D.07-05-057” the last sentence clearly states: If the Project is a biomass or landfill gas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project.

Under Subsection 3.4 directly beneath the subsection states: Green Attributes. Seller hereby provides and conveys all Green Attributes from the Unit(s) to Buyer as part of the Product being delivered, as such term is described in the applicable Transaction confirmation for the period set forth in such confirmation. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Unit(s), and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Unit(s).

The writer believes there is ambiguity between the Subsection 3.4 and the paragraph located directly above which lists the exceptions whereby the Seller keeps the tradable Green Attributes. Subsection 3.4 specifically states that Seller hereby provides and conveys all Green Attributes from the Unit(s) to Buyer etc. If Subsection 3.4 is to remain it should be amended to reflect the exception, as stated there is no exception and this violates the provisions of SB107.

What changes, if any, should be made to the standard terms and conditions to conform to Pub. Util. Code § 399.14(a)(2)(D), which provides in part that “A contract for the purchase of electricity generated by an eligible renewable energy resource shall, at a minimum, include the renewable energy credits associated with all electricity generation specified under the contract.”

Public Utility Code § 399.14 (a) (2) (D) should be revised to reflect the exception to supplying all renewable energy credits associated with electricity generation as stated above.

Cost Recovery

The Cost Recovery Recommendations proposed by CPUC Staff are based upon regulated pricing, not upon the vagaries of market fluctuation. CCP agrees with this method of operation, “market prices” have proven impossible to control. The price cap amounts will of course require further study, however the total REC purchase limit should be amended. Instead of an annual limit, extend the limit period to say three years. It may not be possible in some years to obtain the contracted amount of renewable energy, renewable energy may be susceptible to the vagaries of nature. The value of the GHG adder should be amended once the ramifications of the GHG regulations have been established. The tendency to rely upon forward price curves should be tempered by the experiences to date. In almost every case where forward pricing has been attempted the results have not been favorable. Forward pricing curves should be used only as a guide. Pricing itself should be reviewed at least annually and adjusted as required.

Price Transparency

The intent to provide public disclosure of price information and volumes (traded?, sold would be a better term) is sound, WREGIS reporting is essential, however CCP again cautions about reliance upon anything but experience and constant price readjustment to creating TREC pricing. Will price transparency alone ultimately result in the desired new renewable development in California? NO!

CCP Overall Comments

In Commissioner Geesman’s Workshop held in May 2007 and entitled “IEPR Committee Workshop on Feed-In Tariffs” a comparison was drawn between renewable energy programs in Europe and the California RPS program. The difference is the implementation of the European programs was right on schedule whereas the California RPS program is lagging. The reason appears to be that the Europeans

understand that renewable energy is more expensive than conventional energy and must be and is being paid for, while in California it appears to be the intent to obtain renewable energy for the same price or for an even lesser price than the cost of conventional energy. There are some other recognizable reasons why California's program is lagging, however based upon the information disclosed in Commissioner Geesman's Workshop one of the biggest reasons for California's inability to attract interest in building new renewable facilities is the overall reluctance to accept the fact that renewable energy, in particular reliable renewable energy is more expensive to produce than conventional energy. The rationale for regulatory price acceptance for renewable energy (MPR pricing) is based upon the projected price of natural gas. Europe recognizes that renewable energy, even "As Generated" renewable energy is more expensive than conventional energy and is prepared to pay the price. In California, the regulatory agencies steadfastly refuse to acknowledge the added expenses and risk associated with renewable generation, a fact well recognized by the financial community.

Secondly the Workshop strongly indicated that the European investment community was encouraged to invest in renewable energy. Outside of deep pocket entities such as the IOU's and out of state utility owning developers, (these are entities that could raise capital for almost any reason imaginable), the financial community has not displayed much interest in providing significant amounts of finance for renewable development. Part of the problem is that some facets of renewable energy such as the collection, transportation and processing of the fuel ingredients are not well known, there is little experience or information available, very little history available for the investment community from which to base investment decisions upon. CCP has suggested in communication with the California Energy Commission (CEC) in particular that perhaps some investment on the part of state or federal financing authorities to provide investment capital for some of the "not well known" portions of the project. Perhaps that will give the conventional lending community an incentive to "partner", to provide finance for portions of the project with which they have the necessary level of comfort. Certainly state or federal investment will give the conventional investment community the confidence that the renewable energy program is for real and has the support of the state and federal government. This may well provide the impetus for conventional investment to provide funding for at least portions of the project they have familiarity with.

Another big obstacle to building generation of any kind in California is the rigors of the permitting process. There has been little in the way of regulatory assistance in furthering the quest for renewable energy. On the contrary, there may be more obstacles to certification created by renewable energy development. As an example, just permitting a conventional natural gas fired generation project has been

and still is a challenge in California. The cost of permitting is quite an impediment, this added to the rigors of permitting present a daunting obstacle to finance.

In addition to the recognized problems such as transmission requirements the paragraphs above present CCP's views on some of the reasons why the quest for renewable energy is experiencing the lack of positive progress. The writer would like to present some potential solutions:

Provide a realistic price for renewable energy, modify the MPR approach with the "adder" as required to reflect the increased cost of renewable energy, or adopt a more realistic protocol. Provide a price differential for reliable (dispatchable) and as-generated energy.

Establish a value and a procedure for the TRECS, allow the generators to share in the revenues. Any revenue increase would enhance investment potential.

Provide some permitting relief. Make the permitting process simpler. Condense the time required for permitting.

Most of the suggestions mentioned above are already in practice in Europe. They appear to work in Europe, they may work in California.

CCP has no further comments. CCP wishes to thank the Commission for the opportunity to present its views and comments on this crucial issue.

Respectfully submitted,

/ S /

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November 5, 2007

CERTIFICATE OF SERVICE

To All Parties with E-Mail Addresses on Service List R.06-02-012:

Attached in pdf format is a copy of CENTRAL CALIFORNIA POWER'S POST-WORKSHOP COMMENTS in response to "ALJ RULING REQUESTING POST-WORKSHOP COMMENTS ON TRADABLE RENEWABLE ENERGY CREDITS. This document was e-mailed to the CPUC Docket Office on November 5, 2007. This document was served by e-mail to all parties on the service lists R06-02-012, R06-05-027, R06-03-004, R06-04-009 who have provided the Commission with e-mail addresses.

Executed November 5, 2007 in Fresno California.

If you have any problems opening the documents, I can be reached at (559) 917-5064.

Sincerely,

Joseph Langenberg

/ S /

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