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Marvin E. Crist Vice Mayor
Ken Mann Council Member
Angela E. Underwood-Jacobs Council Member
Raj Malhi Council Member
Mark V. Bozigian City Manager

February 15, 2017

California Public Utilities Commission
Energy Division
Attention: Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298

Advice Letter LCE 003-E

Re: GHG Environmental Performance Standard (EPS) Compliance Filing 2017

Pursuant to Ordering Paragraph No. 4 of Decision (“D.”) 07-01-039, issued in R. 06-04-009 on January 25, 2007, the city of Lancaster, operating its Community Choice Aggregation (“CCA”) program as “Lancaster Choice Energy,” submits this annual Attestation Letter affirming that the financial commitments Lancaster Choice Energy has entered into for generation during the prior calendar year are in compliance with the greenhouse gas (“GHG”) emissions performance standard (“EPS”). Specifically, Lancaster Choice Energy is in compliance with the EPS as it has no new long-term financial commitments entered into for the prior calendar year.

Effective Date: March 17, 2017 – 30 days after filing

Tier Designation: Tier 2 Designation

Purpose

This Attestation Letter provides information and documentation required by D.07-01-039. This Attestation Letter demonstrates that for **2016** Lancaster Choice Energy has entered into financial commitments that are in compliance with the EPS (long-term financial commitments defined on Page 3 of Attachment 7 in D.07-01-039).

Background

D.07-01-039 requires all Load Serving Entities (“LSEs”) to file annual Attestation Letters, due February 15th of each year, attesting to the Commission that the financial commitments entered into for generation during the prior calendar year are in compliance with the EPS. D.07-01-039 requires LSEs to file Attestation Letters as an advice letter and serve the Attestation Letter on the service list in Rulemaking (“R.”) 06-04-009. This Attestation Letter is filed pursuant to that process.

D.07-01-039 requires LSEs to include a listing of long-term financial commitments of five years or longer that they have entered into during the prior year. Furthermore, D.07-01-039 requires additional documentation demonstrating that LSEs have complied with the EPS. Specifically, D.07-01-039 requires LSEs to provide documentation to demonstrate:

- (a) That the commitments were not “covered procurements” under the interim EPS rule and/or
- (b) For those that represent covered procurements, documentation demonstrating that such procurements are EPS-compliant, including any contracts with a term of five years or longer that include provisions for substitute energy purchases.
- (c) For any requested reliability-based exemptions that have been pre-approved by the Commission, a reference to the application and Commission decision number.

D.07-01-039 requires all LSEs to disclose the investment amount and type of alteration to retained generation, by generation facility and unit. D.07-01-039 also advises LSEs to present documentation regarding the design and intended use of the powerplant(s) underlying their new long-term financial commitments utilizing the sources of information listed in § 8341(b)(4), as well as any other sources of documentation that they believe will be relevant to this determination.

D.07-01-039 emphasizes that the key concept is to establish the design and intended use of the powerplant. Accordingly, documentation of the annualized plant capacity factor for the powerplant should include historical annual averages in order to help determine whether the plant is “designed and intended” to be used for baseload generation. D.07-01-039 requires LSEs to provide documentation of capacity factors, heat rates and corresponding emissions rates that reflect the actual, expected operations of the plant.

This Attestation Letter comports with the requirements outlined above.

Protests

This compliance filing is not subject to protest pursuant to General Order 96-B, Energy Industry Rule 9.

Correspondence

Any correspondence regarding this compliance filing should be sent by email to the attention of:

Cathy DeFalco
Energy Manager – Regulatory
Lancaster Choice Energy
44933 Fern Avenue
Lancaster, CA 93534
(661) 723-6185
cdefalco@cityoflancasterca.org

Certification

- (1) I have reviewed, or have caused to be reviewed, this compliance submittal.
- (2) Based on my knowledge, information, or belief, this compliance submittal does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements true.
- (3) Based on my knowledge, information, or belief, this compliance submittal contains all of the information required to be provided by Commission orders, rules, and regulations.

By:  _____

Dated: February 15, 2017

Jason D. Caudle
Deputy City Manager
City of Lancaster
44933 Fern Avenue
Lancaster, CA 93534
(661) 723-6000
jcaudle@cityoflancasterca.org

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY LSE (Attach additional pages as needed)

Lancaster Choice Energy

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person for questions and approval letters: Cathy DeFalco

Phone #: 661-723-6185

E-mail: cdefalco@cityoflancaster.org

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: LCE 003-E

Subject of AL: GHG Emission Performance Standard (EPS) filing 2017

Tier Designation: 1 2 3

Keywords (choose from CPUC listing):

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.07-01-039

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL _____

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? Yes No

Requested effective date: March 15, 2017

No. of tariff sheets: 0

Estimated system annual revenue effect: (%)

Estimated system average rate effect: (%)

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: n/a

Service affected and changes proposed¹: n/a

Pending advice letters that revise the same tariff sheets: n/a

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Ave.,
San Francisco, CA 94102
EDTariffUnit@cpuc.ca.gov

Utility Info (including e-mail)
Lancaster Choice Energy
Cathy DeFalco, Energy Manager - Regulatory
(661) 723-6185
cdefalco@cityoflancasterca.org

¹ Discuss in AL if more space is needed.