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SILICON VALLEY

California Energy Commission Docket Unit, MS-4 Docket No. 21-RPS-02 715 P Street Sacramento, California 95814

Subject: Joint Community Choice Aggregator Comments on the Proposed Revisions to the Renewable Portfolio Standard Guidebook for the 10th Edition

Submitted Electronically

June 5th, 2025

Dear Commissioner Gallardo, Ms. Huber, and Staff,

Peninsula Clean Energy (PCE), Sonoma Clean Power (SCP), Silicon Valley Clean Energy (SVCE), Clean Energy Alliance (CEA), and CleanPowerSF (together, the Joint Community Choice Aggregators or the Joint CCAs) appreciate the opportunity to comment on the proposed revisions to the California Renewables Portfolio Standard Guidebook (RPS Guidebook) for the 10th Edition. The proposed changes represent significant steps toward improving energy storage resource loss accounting and clarifying resource eligibility. As the California Energy Commission (CEC) continues to refine the 10th Edition of the RPS Guidebook, the Joint CCAs respectfully request that the CEC:

- 1) Adopt the proposed revisions clarifying that storage metered separately from the renewable facility is not subject to loss accounting for Renewable Energy Credit (REC) creation.
- Provide clear confirmation that renewable resources interconnected to a California Independent System Operator (CAISO)-approved Subscriber Participating Transmission Owner (SPTO) are eligible as Portfolio Content Category 1 (PCC-1).

1) Background

The California Energy Commission (Commission) held a webinar on May 21, 2025 to review the Commission's proposed revisions to the RPS Guidebook, and solicited stakeholder comments by June 5, 2025. The Joint CCAs are offtakers of RECs from various hybrid solar + storage projects where the solar output to the grid is directly metered. The Joint CCAs seek clarity on the effect that the separately metered storage facilities have on the RECs created by the solar facilities. In addition, PCE, SCP and SVCE have executed long-term contracts with the SunZia wind project in New

Mexico, which is on track to interconnect to the CAISO via a CAISO-approved SPTO starting in 2026.

2) The Commission should adopt the proposed revisions outlined in the workshop on May 21, 2025 regarding renewable resources with energy storage

The Joint CCAs support the proposed clarifications regarding energy storage, specifically, that storage designated and metered separately from the renewable facility is not subject to loss accounting for the purposes of generating RECs. By making it clear that REC eligibility of directly metered renewable generation is not subject to storage efficiency losses, the Commission would ensure fair treatment of storage facilities, and incentivize renewable facilities to add storage to address curtailment and grid reliability.

At this time, the Joint CCAs believe that the majority of storage technologies would benefit from the proposed changes. However, SCP has explored opportunities to add grid-charged thermal energy storage to geothermal powerplants that do not allow for direct electrical metering of the renewable facility. SCP encourages further exploration of this and other similar designs, and would like to offer support in developing exceptions for these unique scenarios. The Joint CCAs suggest that the Commission continue to monitor such issues as the storage market evolves and storage technologies continue to mature.

3) The Commission should provide clear confirmation that renewable resources interconnected to a CAISO-approved SPTO are eligible as PCC-1

In regards to other issues raised by staff during the webinar on May 21, 2025, the Joint CCAs believe that resources delivering to CAISO load via a SPTO tariff are clearly RPS eligible as PCC-1. Public Utilities Code section 399.16 (b) (1) defines PCC-1 resources as:

(1) Eligible renewable energy resource electricity products that meet either of the following criteria:

(A) Have a first point of interconnection with a California balancing authority, have a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area, or are scheduled from the eligible renewable energy resource into a California balancing authority without substituting electricity from another source. The use of another source to provide real-time ancillary services required to maintain an hourly or subhourly import schedule into a California balancing authority shall be permitted, but only the fraction of the schedule actually generated by the eligible renewable energy resource shall count toward this portfolio content category.

(B) Have an agreement to dynamically transfer electricity to a California balancing authority.

The CAISO Tariff describes the SPTO model as a method to allow generation resources and transmission projects outside of CAISO to become a part of the CAISO Controlled Grid, allowing the generation resources to be interconnected directly to CAISO, but with the flexibility to build the

transmission facilities outside of the CAISO Transmission Planning Process. Thus, a resource connected to CAISO via an SPTO is directly interconnected to the CAISO controlled grid¹.

CAISO is a California Balancing Area (CBA), as defined in Public Utilities Code Section 399.12 (d):

"California balancing authority" is a balancing authority with control over a balancing authority area primarily located in this state and operating for retail sellers and local publicly owned electric utilities subject to the requirements of this article and includes the Independent System Operator (ISO) and a local publicly owned electric utility operating a transmission grid that is not under the operational control of the ISO. A California balancing authority is responsible for the operation of the transmission grid within its metered boundaries which is not limited by the political boundaries of the State of California.

Therefore, a renewable resource with its first point of interconnection to a CAISO-approved SPTO asset has a first point of interconnection to a CBA (specifically, CAISO), and meets the definition of PCC1 under the RPS regulations.

The SPTO model provides a method to develop and construct transmission assets and is an alternative to CAISO's traditional Transmission Planning Process. New transmission assets are critical to connecting California to beneficial renewable resources outside of the state. Out-of-state renewable resources are a key piece of the state's roadmap to achieving the zero-carbon goals of Senate Bill 100, and these resources can provide cost savings to Californians relative to lower-value in-state renewable resources. The SPTO model is unlocking access to out-of-state renewable resources, and helping Californians reach a zero-carbon future at a lower cost.

If there is ambiguity regarding the status of resources connected to an SPTO under the current RPS Guidebook language, the Joint CCAs would encourage the Commission to provide confirmation of their PCC-1 eligibility in the 10th edition. Clear confirmation of the PCC-1 eligibility of SPTO-connected resources will continue to incentivize creative and affordable solutions to help the state meet its aggressive climate goals.

4) Conclusion

To summarize, the Joint CCAs encourages the Commission to adopt the proposed revisions regarding energy storage, and to clarify that SPTO-connected resources are PCC-1 eligible. These updates to the RPS Guidebook, if adopted, will facilitate timely and affordable progress towards meeting California's aggressive zero-carbon goals.

The Joint CCAs appreciates the opportunity to provide input to the Commission on the RPS Guidebook. It is our hope that the Joint CCAs may continue to serve as a resource to the CEC as it continues to refine the RPS Eligibility Guidebook. Thank you for your time and consideration. Please reach out to the undersigned at any time if you wish to discuss further.

Sincerely,

¹ See the <u>CAISO Tariff</u>, Section 4.3A, and <u>Master Definition Supplement</u>, Appendix A.

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