DOCKETED	
Docket Number:	21-RPS-02
Project Title:	Renewables Portfolio Standard 10th Edition Guidebook Update
TN #:	264064
Document Title:	American Clean Power - California Comments on Proposed Scope of the Draft RPS Eligibility Guidebook, 10th Edition
Description:	N/A
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Organization:	Biering & Brown, LLP
Submitter Role:	Applicant Representative
Submission Date:	6/5/2025 4:34:18 PM
Docketed Date:	6/5/2025



June 5, 2025

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

Re: American Clean Power – California Comments on the Proposed Scope of the Draft Renewables Portfolio Standard Eligibility Guidebook, Tenth Edition (21-RPS-02)

American Clean Power – California ("ACP-California")¹ appreciates this opportunity to provide the following comments on the Renewables Portfolio Standard Eligibility Guidebook ("RPS Guidebook" or the "Guidebook") Updates and the California Energy Commission's ("CEC") May 21, 2025 Scoping Meeting on the same topic. Our comments are summarized as follows:

- 1. Location Eligibility and Verification: The RPS Guidebook should provide more certainty to developers throughout the West and should be updated to address the development of new transmission facilities that are part of CAISO. The RPS Guidebook should explicitly state that RPS-eligible projects that have a first point of interconnection outside of California to California Independent System Operator ("CAISO")-operated facilities (e.g., expansions of the CAISO footprint, such as the Subscriber Participating Transmission Owner ("SPTO") model at CAISO) have a first point of interconnection to a California Balancing Authority Area ("BAA") and will not be subject to e-tag verification requirements.
- 2. Law Ordinance Regulation and Standards ("LORS") Documentation: ACP-California supports the designations of state waters and the exclusive economic zone as not requiring LORS documentation.
- **3. Verification and Compliance:** As CAISO implements the Enhanced Day Ahead Market ("EDAM"), the California Public Utilities Commission ("CPUC") and CEC should

¹ The American Clean Power Association ("ACP") is the voice of companies from across the clean power sector that are providing cost-effective solutions to the climate crisis while creating jobs, spurring massive investment in the American economy, and driving high-tech innovation across the United States. ACP's mission is to transform the U.S. power grid to a low-cost, reliable, and renewable power system. ACP-California is a state project of ACP, representing companies who develop, own and operate utility-scale solar, storage, land-based wind, offshore wind, geothermal and transmission assets to power a clean and renewable economy for California and the West.



consult with the California Air Resources Board ("CARB") on their updates to the Mandatory Greenhouse Gas Reporting Regulation ("MRR") to ensure consistency with reporting of specified imports and any updates to RPS verification requirements.

4. Energy Storage: ACP-California supports the CEC's recognition that metering and netting requirements for hybrid and co-located resources merit updates and should be more consistent with CAISO's practices. We look forward to reviewing and commenting on the language changes in the RPS Guidebook and support making this aspect of the Guidebook less proscriptive.

DISCUSSION

I. Location Requirements and Verification

In our October 2024 comments on the proposed scope of the RPS Guidebook, ACP-California explained the nature of the evolving Western grid and the need to clarify that resources interconnected to CAISO-operated facilities, such as SPTO facilities, have a first point of interconnection ("POI") to a California BAA. Section 399.16 of the Public Utilities Code expressly contemplates projects with a first POI to California BAA. Chapter 3(C) of the RPS Guidebook should be updated to implement the requirement in Public Utilities Code Section 399.16(b)(1) that resources have a first POI with a California BAA to qualify for portfolio content category ("PCC") 1 classification. The CEC should update Chapter 3(C) to reflect the current and evolving structure of the CAISO BAA and affirm that out-of-state resources with a first POI with a California BAA are classified as PCC 1 when out-of-state transmission facilities have been turned over to the CAISO (or another California BAA) for operational control. This clarification would provide needed certainty on this topic and ensure that California LSEs and ratepayers have access to cost-effective and diverse clean resources throughout the Western Interconnection. The CPUC and the CEC should also collaborate on updates to verification requirements under the CPUC's PCC classification guidebook and the technical guide on verification that the CEC uses for publicly owned utilities.

EDAM implementation is another topic that may necessitate clarification and coordination with CAISO and CARB. This issue was raised by other parties in opening comments, some of whom suggested that e-tagging procedures would materially change and there would be risks to the creation of new opportunities for PCC 1 RPS deliveries when out-of-state resources did not hold transmission rights. ACP-California does not concur with this characterization of EDAM. Based on our recent discussions with CAISO, it is our understanding that under EDAM, entities will still show transmission rights for delivery to CAISO and there



will still be e-tags available for resources that do not have a first POI in CAISO. Since the market is new, we encourage the CEC to confirm this understanding with CAISO and work with CAISO and CARB to ensure that RPS reporting and verification requirements are as consistent as possible with specified import reporting under the MRR.² CARB recently previewed concepts for updates to specified import reporting and other updates to the cap-and-trade regulation and the MRR at a recent CARB workshop.³ As part of this coordination, the agencies should make clear that there will be a pathway for verifying both long- and short-term RPS transactions.

II. LORS Documentation

Please see the summary of our comment on this topic above. We look forward to reviewing the proposed revisions to the RPS Guidebook later this summer and may provide additional feedback at that time.

III. Verification and Compliance

Please see the summary of our comment on this topic above. We look forward to reviewing the proposed revisions to the RPS Guidebook later this summer and may provide additional feedback at that time.

IV. Storage Resources

ACP-California appreciates the CEC's recognition that reductions in renewable energy credit ("REC") value due to loss accounting can create a disincentive for pairing storage with RPS resources. We are further encouraged by the continued efforts the CEC has undertaken for hybrid and co-located resources in the RPS Guidebook's updates. The CEC's current implementation of Section 25741 of the Public Resources Code can negatively affect the installation of energy storage at an RPS-eligible generating facility with a hybrid configuration (single Resource ID) because "any losses from energy storage must be subtracted or netted from the generation of an eligible renewable facility."⁴ Deducting roundtrip efficiency losses from hybrid resources can discourage the efficient use of land or increase costs due to configuring

² See 17 Cal. Code Reg. Sec. 95111.

³ Cap-and-Trade Program Workshop (October 5, 2023 Afternoon Session), <u>https://ww2.arb.ca.gov/sites/default/files/2023-10/nc-CapTradeWorkshop_Oct052023_afternoon_0.pdf</u>, slides 4-11.

⁴ Green, Lynette, Christina Crume. 2017. Renewables Portfolio Standard Eligibility Guidebook,

Ninth Edition. California Energy Commission, Publication Number: CEC-300-2016-006-ED9-CMFREV., at 41.



projects to avoid the loss of REC value that would otherwise be optimized to CAISO's requirements.

ACP-California encourages the CEC to employ flexibility in its approach to these issues and avoid a more proscriptive approach in the updates to the energy storage section. The CEC should retain flexibility for making case-by-case determinations to account for different metering arrangements.

Conclusion

ACP-California appreciates this opportunity to provide these comments on the scope for the RPS Guidebook, Tenth Edition, and looks forward to reviewing and commenting on the updates to the guidebook text later this summer.

Sincerely,

/s/

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