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SoCalGas & SDG&E Comment on CEC RPS Eligibility Guidebook, 10th Edition

Additional submitted attachment is included below.

June 5, 2025

Elizabeth Huber
Director, Siting, Transmission and Environmental Protection Division
California Energy Commission
Docket Unit, MS-4
Docket No. 21-RPS-02
715 P Street
Sacramento, CA 95814-5512

Subject: SoCalGas and SDG&E Comments on the CEC Scoping Meeting on Proposed Updates for the Renewables Portfolio Standard Guidebook, Tenth Edition

Dear Ms. Huber,

Southern California Gas Company (SoCalGas) and San Diego Gas and Electric Company (SDG&E), collectively the "Joint Utilities," appreciate the opportunity to provide comments on the California Energy Commission's (CEC) Scoping Meeting on Proposed Updates for the *Renewables Portfolio Standard (RPS) Guidebook, 10th Edition* held on May 21, 2025.

Our comments focus on the following areas:

1) Renewable hydrogen should be RPS eligible as an energy resource.
2) Appreciation for retaining RPS eligibility of fuel cells with renewable hydrogen.
3) Turbines powered by hydrogen derived from RPS-eligible resources should be explicitly RPS-eligible.

1. Renewable hydrogen should be RPS eligible as an energy resource.

When the CEC adopted the 9th Edition of the RPS Guidebook in 2017, renewable hydrogen was still in early consideration for use in electric generation. Since then, various efforts regarding decarbonized molecules that could support electric generation have been undertaken such as the initiative of Los Angeles Department of Water and Power (LADWP) to introduce the use of hydrogen in its Intermountain Power Plant (IPP) and Scattergood Generating Station.[1]

[1] LADWP has plans to convert IPP to 100 percent hydrogen by 2045 and Scattergood to 100 percent hydrogen by 2035. See https://www.ladwp.com/sites/default/files/2025-03/LA100%20Plan%20Advisory%20Group%20Meeting%207%20March%2020%2C%202025.pdf.

Furthermore, beyond SoCalGas' efforts to evaluate blending hydrogen for transport through existing gas infrastructure, SoCalGas recently has also demonstrated the feasibility of Angeles Link, proposed as an open access dedicated hydrogen pipeline system, that could support dispatchable power generation in addition to other end uses. This is consistent with the California Air Resources Board's (CARB) *2022 Scoping Plan*, which includes dedicated hydrogen pipelines as well as blending into pipelines[2] as part of the State's portfolio of decarbonization resources to meet the State's goal of achieving carbon neutrality by 2045.

SoCalGas and SDG&E recommend the *RPS Eligibility Guidebook, 10th Edition* outline the eligibility criteria for renewable hydrogen to provide consistency and support the development of renewable hydrogen. Section C of the *RPS Eligibility Guidebook, 9th Edition* outlines the eligibility criteria and restrictions for biomethane and a comparable section for renewable hydrogen should be added and incorporated in the *RPS Eligibility Guidebook, 10th Edition*. This new section should establish eligibility criteria for renewable hydrogen, particularly when derived from biomass feedstocks, mirroring many of the existing requirements for biomethane. Renewable hydrogen should be recognized as an RPS-eligible resource, and its transport in pipelines as well as use across a range of technologies, should also be identified as RPS-eligible.

2. Appreciation for retaining RPS eligibility of fuel cells with renewable hydrogen.

Retaining the existing RPS-eligibility of fuel cells using an RPS-eligible renewable energy resource or qualifying hydrogen gas derived from non-fossil-based fuel or feedstock is an important step in supporting our shared decarbonization efforts. In addition, the Commission's addition of linear generators as an RPS-eligible resource in alignment with Assembly Bill (AB) 1921 makes clear that linear generators and fuel cells using renewable fuels qualify as "renewable electric generation facilities." This helps establish clear market signals to load-serving entities and stakeholders (such as project developers) to pursue investment in decarbonized, firm, and dispatchable resources that are essential components of electric grid and broader energy system reliability and resilience.

3. Turbines powered by hydrogen derived from RPS-eligible resources should be explicitly RPS-eligible.

Similar to how fuel cells and linear generators that use fuel produced from RPS-eligible resources, such as renewable hydrogen, are considered RPS-eligible, so too should gas turbines running on renewable hydrogen be explicitly considered RPS-eligible in the *RPS Eligibility Guidebook, 10th Edition*. The Joint Utilities recommend the Commission explicitly designate gas turbines using RPS-eligible renewable fuels as an eligible technology in the upcoming edition of the RPS Eligibility Guidebook. This clarification would align with the treatment of biomethane in Section

[2] CARB SB 1075 presentation, p. 8, February 25, 2025, available at: https://ww2.arb.ca.gov/sites/default/files/2025-02/sb-1075-workshop-022525-presentation-carb.pdf.

D(2) of the *RPS Eligibility Guidebook, 9th Edition*[3], which includes the eligibility of biomethane use in gas turbines.

There is well-established precedent interpreting the RPS statute as supporting the inclusion of emerging and commercially viable technologies. This is supported by the analysis of AB 1921 by the Assembly Committee on Natural Resources importantly noted that, "it has been demonstrated over and over that combustion technologies using renewable fuels are eligible, without the RPS statute saying so."[4]

Over the years, successive editions of the RPS Eligibility Guidebook have reinforced this approach by incorporating technologies not explicitly identified in statute. For example, in the *RPS Eligibility Guidebook, 7th Edition*, adopted in April 2013, the CEC established criteria under which energy storage technologies such as batteries could qualify as RPS-eligible, despite the absence of any reference to such technologies in the Public Resources Code (PRC). The CEC's rationale was based on the commercial availability of batteries and the importance of RPS eligibility in fostering market certainty and continued investment. In the same spirit, the CEC can and should recognize gas turbines utilizing eligible renewable fuels as an RPS-eligible technology in Section III of the *RPS Eligibility Guidebook, 10th Edition*. Taking such action would be consistent with past practice and provide the regulatory clarity needed to advance investment in renewable fuels such as hydrogen.

Importantly, inclusion of renewable hydrogen as a firm dispatchable resource to generate electricity supports CARB's *2022 Scoping Plan*. CARB identifies a need for nine gigawatts of clean firm dispatchable power in the State by 2045, and combustion turbines operating on decarbonized fuels such as hydrogen will be required to support the expected capacity requirements. Repowering existing power plants to convert turbines from running on natural gas to running on a blend of natural gas and hydrogen or only hydrogen can support generation of large quantities of dispatchable energy with a relatively small footprint.

SDG&E is the first utility in California to blend hydrogen generated via electrolysis powered by renewable energy into one of its large gas turbines. SDG&E operates a hydrogen system at Palomar Energy Center (PEC) in Escondido, CA, a 588 MW combined cycle natural gas power plant. Since 2024, SDG&E has achieved blending at up to 2 percent by volume in one of turbines at PEC. SDG&E is considering seeking RPS eligibility for this pilot project. SDG&E expects that other generators may follow in this path.

[3] CEC RPS Eligibility Guidebook, 9th Edition, p. 13, January 2017, available at: https://efiling.energy.ca.gov/getdocument.aspx?tn=217317.

[4] See page 2 of the Assembly Committee on Natural Resources analysis of AB 1921 (Papan) – As Amended April 8, 2024; prepared for the April 15, 2024, committee hearing.

Conclusion

Senate Bill (SB) 100 requires 100 percent clean electricity by 2045[5], most of which needs to come from RPS-eligible resources. RPS eligibility guidelines help project developers and market participants to make decisions about future electricity resource buildout. Therefore, it is in the public interest for RPS eligibility guidelines to encourage development of emerging technologies by making sure requirements and market signals are clear, consistent, and easily understood. The Joint Utilities recommend the CEC use its current review of the RPS Eligibility Guidebook as an opportunity to provide greater clarity to the public regarding the fuels and technologies that qualify as eligible resources and technologies. The Joint Utilities look forward to continued engagement with the CEC and stakeholders on this important proceeding. Thank you for your consideration of our comments.

Respectfully,

/s/ Kevin Barker

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SoCalGas
Senior Manager
Energy and Environmental Policy

/s/ Megan Silva

Megan Silva
SDG&E
Regulatory Affairs Manager

[5] SB 100 accelerated the State's clean electricity goal to 60% by December 31, 2030. See: https://legiscan.com/CA/text/SB100/id/1819458.