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**on the Scoping Meeting on Proposed Updates for the Draft
Renewables Portfolio Standard Eligibility Guidebook, Tenth Edition**

Additional submitted attachment is included below.



June 5, 2025

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

RE: Comments of the California Municipal Utilities Association on the Scoping Meeting on Proposed Updates for the Draft Renewables Portfolio Standard Eligibility Guidebook, Tenth Edition [CEC Docket #21-RPS-02]

Dear Commissioner Gallardo and Commission Staff,

The California Municipal Utilities Association (CMUA) respectfully submits these comments to the California Energy Commission (Commission) on the *Scoping Meeting on Proposed Updates for the Renewables Portfolio Standard Eligibility Guidebook, Tenth Edition* (Scoping Meeting), held on May 21, 2025. During the Scoping Meeting, Commission Staff presented initial proposals for updates to the next edition of the Renewables Portfolio Standard Eligibility Guidebook (RPS Guidebook) and sought stakeholder feedback. CMUA appreciates the Commission's engagement with stakeholders in this process and supports the planned schedule for this proceeding, which includes holding a workshop to discuss the draft RPS Guidebook.

In these comments, CMUA (i) supports the Commission staff proposal to modify the existing loss accounting rules for renewable generating facilities that are paired with energy storage, (ii) supports the elimination of the requirement for POUs to provide e-tags for pseudo-tie resources, and (iii) urges the Commission to evaluate the conditions needed to recognize utility scale turbine generators as RPS-eligible if the facility utilizes hydrogen derived with renewable energy.

I. COMMENTS ON THE SCOPING MEETING ON PROPOSED UPDATES FOR THE 10TH EDITION OF THE RPS ELIGIBILITY GUIDEBOOK

A. CMUA Generally Supports the Commission Staff Proposal to Modify the RPS Guidebook Loss Accounting Rules Applied to Renewable Generating Facilities Paired with Energy Storage.

During the Scoping Workshop, Commission staff presented an initial proposal for revisions to the RPS Guidebook's treatment of energy storage devices that are either connected to or integrated into an eligible renewable generating facility. Specifically, the staff proposal includes the following six elements:

1. Diagrams/categories of energy storage removed.
2. New glossary definitions added related to energy storage.
3. Storage designated and metered separate from the facility not subject to loss accounting.
4. Only additions or enhancements subject to loss accounting.
5. All losses for interconnection needs still netted.
6. Any eligible resources used as inputs must be netted out.

Overall, staff's proposal represents a very positive step in addressing the current issues with the RPS Guidebook's treatment of energy storage facilities that are paired with renewable generation. In particular, CMUA supports staff's willingness to clarify that under certain facility configurations, loss accounting will no longer be applied to the electricity that is used to charge the energy storage facility. As presented, the staff proposal would eliminate loss accounting if the storage facility is "designated and metered separate" from the renewable generating facility. While it will be important to ensure that the designation and metering requirements are consistent with common configurations, this is a significant improvement from the existing loss accounting rules.

As staff develops the specific RPS Guidebook language to implement this change, CMUA encourages staff to eliminate loss accounting for any storage configuration where the generation from the renewable facility is accurately metered and losses associated with the transmission of that energy to the interconnection point can be either metered or estimated. Staff should ensure that the RPS Guidebook is clear on what configurations will be exempt and ensure that the metering requirements are not unnecessarily restrictive or unduly burdensome. CMUA strongly encourages that the Commission engage with stakeholders to ensure that the changes to the RPS Guidebook effectively remove disincentives to pairing energy storage with renewable generation.

Additionally, the update to the RPS Guidebook should clarify that the change to the loss accounting rules applies retroactively to all existing facilities and that no action is required by the applicants of certified facilities to receive this treatment. Because facilities are evaluated and certified under the RPS Guidebook in place at the time that the certification application is received by the Commission, it is

important to clarify that this change is not limited to facilities that are certified under the 10th and later editions of the RPS Guidebook.

Finally, the Commission should seek further stakeholder feedback on the proposed elimination of the energy storage diagrams from the RPS Guidebook. While diagrams have the potential to cause confusion, they can also be useful explanatory tools. Considering that developers from across the western United States must consult with and comply with the RPS Eligibility Guidebook requirements, it can be very helpful to have simple and clear diagrams that demonstrate the applicable requirements. Rather than eliminate the diagrams, the Commission should seek stakeholder input on updated versions of the diagrams that are sufficiently clear and accurate.

B. CMUA Strongly Supports Staff’s Proposal to not Require E-Tags for Pseudo-Tie Resources.

Under the current edition of the RPS Guidebook, publicly owned utilities (POUs) are required to provide e-tag data demonstrating that electricity from a generating facility that is not interconnected to a California Balancing Authority (CBA) was actually scheduled into a CBA. This includes requiring e-tag data for all dynamically transferred facilities, even where the dynamic transfer is accomplished through a pseudo-tie agreement between the host balancing authority and a CBA. As CMUA stated in prior comments,¹ this requirement is highly burdensome, potentially infeasible to comply with, and inconsistent with the California Public Utilities Commission’s (CPUC) requirements for retail sellers.

During the Scoping Meeting, staff proposed to update the POU requirements to remove the e-tag reporting requirement for pseudo-tie arrangements. CMUA greatly appreciates staff’s willingness to make this change and strongly supports this proposed update. This change will significantly reduce the reporting burden on POUs with generating facilities utilizing a pseudo-tie.

C. The Commission Should Evaluate Expanding the RPS Eligibility for Turbines Utilizing Hydrogen Produced with Electricity from Eligible Renewable Energy Resources as Part of this Edition of the RPS Guidebook

During the Scoping Workshop, Commission staff proposed to update the RPS Guidebook to implement Assembly Bill (AB) 1921 (stats. 2024) by adding linear generators as an eligible resource if the facility is utilizing eligible fuels. Staff proposes that linear generators would be subject to the same fuel eligibility provisions as fuel cells, which includes allowing the use of hydrogen gas that is derived using electricity from eligible renewable energy resources (renewable hydrogen). Staff also stated that, for this edition of the RPS Guidebook, they do not plan to consider the eligibility of other facilities beyond fuel cells and linear generators that also use renewable hydrogen.

¹ See, Comments of the California Municipal Utilities Association on the Notice and Request for Comment on the Proposed Scope for the Draft Renewables Portfolio Standard Eligibility Guidebook, Tenth Edition, Nov. 1, 2024.

Increasing the use of renewable hydrogen by utility scale turbine generators is an essential strategy for meeting California's environmental goals in a manner that preserves the reliability of the grid and reduces the economic impacts on electricity ratepayers. Renewable hydrogen provides a dispatchable, zero carbon generating resource that utilizes existing infrastructure and can also help address the reliability needs of transmission constrained regions of the state. Importantly, the renewable energy used for production often comes from excess solar or wind generation that would otherwise have to be curtailed. California has enacted numerous statutes that recognize the importance of renewable hydrogen and promote the development of renewable hydrogen projects within the state. Consistent with these goals and policies, many utilities are already developing or are evaluating projects that would utilize renewable hydrogen as a fuel source in turbine generators. The Commission should use this opportunity to evaluate the potential for all turbines that utilize renewable hydrogen to be certified as RPS-eligible.

CMUA encourages the Commission to evaluate the expansion of the eligibility of renewable hydrogen within this update of the Guidebook and to seek input from stakeholders on the types of registration and reporting requirements that would be necessary to ensure that no double counting occurs. Engaging in this analysis now would be an important step in facilitating the greater use of renewable hydrogen in California.

II. CONCLUSION

CMUA appreciates the opportunity to provide these comments on the Scoping Meeting for the 10th Edition of the RPS Eligibility Guidebook and thanks the Commission for its consideration of these comments.