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NCPA Comments on RPS Guidebook 10th Edition

Comments of the Northern California Power Agency on the RPS Guidebook Scoping Workshop

Additional submitted attachment is included below.

BEFORE THE CALIFORNIA ENERGY COMMISSION

In the matter of: **Renewables Portfolio Standard Guidebook, Tenth Edition Update**	**Docket No. 21-RPS-02**

COMMENTS OF THE NORTHERN CALIFORNIA POWER AGENCY ON THE RPS GUIDEBOOK SCOPING WORKSHOP

The Northern California Power Agency[1] (NCPA) offers the following comments to the California Energy Commission (Commission) in response to the *Notice Scoping Meeting on Proposed Updates for the Renewables Portfolio Standard Guidebook, Tenth Edition*, dated May 7, 2025 and May 21, 2025 Staff Workshop. In these comments, NCPA addresses the limited issue of the treatment of renewable hydrogen for power generation as part of the Renewable Portfolio Standard (RPS) program. NCPA further supports the comments of the California Municipal Utilities Association (CMUA) regarding the scope of proposed changes for the Tenth Edition of the RPS Guidebook.

I. COMMENTS ON PROPOSED SCOPE OF UDPATES

A. The Commission Should Clarify the RPS-Eligibility of Green Hydrogen in the Upcoming Guidebook Revisions.

Hydrogen created through the use of RPS-eligible resources and combusted for power generation should be considered eligible for RPS compliance. As such, in these comments, NCPA focuses on the treatment of hydrogen and its connection to the state's RPS program. As a practical matter, hydrogen is well-positioned to play an increasingly essential role in California's clean energy future. In fact, the Commission, other state agencies, the State Legislature, and the Governor's office have taken several actions to support the production of hydrogen in California. At the policy level, the Commission has been assessing the role of hydrogen as part of the Integrated Energy Policy Report (IEPR) process and as part of multi-agency work tied to the implementation of California Senate Bill (SB) 1075. At the program

[1] NCPA's members are the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Shasta Lake, and Ukiah, Plumas-Sierra Rural Electric Cooperative, Port of Oakland, San Francisco Bay Area Rapid Transit (BART), and Truckee Donner Public Utility District. Collectively, these publicly-owned utilities, rural electric cooperative, port authority, public transit district, and public utility district provide reliable and affordable electricity to approximately 700,000 electric customers in central and northern California.

level, the Commission has also been tasked with managing a $100 million Clean Hydrogen Program. These commitments highlight the important function that the state believes hydrogen can provide to Californians, and the Commission's role in helping to effectuate those benefits. While outstanding administrative questions remain about how to specifically define green hydrogen, the Commission can send an important signal to promote capital investment in hydrogen infrastructure by recognizing the value of hydrogen in the RPS program, and particularly its relationship to power generation.

B. The RPS Eligibility Guidebook Should Include Specific Language Recognizing the Role of Green Hydrogen as Source of Combustion to Generate Electricity

NCPA urges the Commission to ensure that the upcoming revisions to the RPS Eligibility Guidebook include specific language that recognizes green hydrogen as an RPS-eligible resource when used as a fuel for combustion to generate electricity. As NCPA and other stakeholders have noted in the past, renewable hydrogen can be used to decarbonize the electric generation sector while hydrogen feedstock can be sourced from renewable energy that would otherwise be curtailed. The state will need to explore options and recognize that different strategies will be required for delivering hydrogen to fuel different power plants and efforts are already underway across the state to expand the beneficial uses of renewable hydrogen.

As a public agency, NCPA and its members would benefit greatly from the consideration of green hydrogen as RPS-eligible for power generation needs. NCPA's Lodi Energy Center (LEC) is a 300-megawatt natural gas facility that was recently upgraded to operate using up to a 45 percent hydrogen blend. NCPA is not allowing the policy debate on the definition of green hydrogen to slow down its commitment to combusting hydrogen at LEC. Key to this effort will be the construction of four PEM electrolyzers to produce green hydrogen and onsite storage, that would be combusted at LEC to generate power.

These efforts are being aided by California's Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES) that has been selected to receive $1.2 billion in federal grant funding from the U.S. Department of Energy under the Infrastructure and Investment Jobs Act. However, in the face of increasing uncertainty surrounding federal support for these critical efforts, it is imperative that the Commission take all necessary steps to ensure that the progress can continue. Such efforts are also crucial in light of the imperative to ensure that all Californians have access to reliable and reasonably priced electricity.

One of those steps is to acknowledge the role of green hydrogen in electricity production and create a path forward for ensuring that the resource is RPS eligible. By recognizing the

green hydrogen production of electricity utilizing excess or low value renewable energy – energy that would otherwise be curtailed and of little value to the ratepayers that invested in those resources – the Commission can help optimize the value of those renewable resources. The upcoming revisions to the RPS Eligibility Guidebook provides the appropriate venue for consideration of the rules, policies, and definitions necessary to enable RPS-eligible treatment for green hydrogen and ensure against double counting of RECs. The amendments to the RPS Eligibility Guidebook should explore ways to ensure that green hydrogen used for linear generators are RPS-eligible.

This fuel source is analogous to energy storage. For example, in providing for alternate measuring methods, the current guidebook provides "an applicant for a facility with a directly connected energy storage device may propose to treat only the electricity leaving the facility in excess of the imported grid electricity as RPS-eligible, if it can be shown that this approach will underestimate the renewable portion of the stored and exported electricity in all possible cases." (RPS Eligibility Guidebook, p. 31). Similarly, Chapter 3, Section F provides a sound basis for examining the RPS-eligibility treatment of green hydrogen and developing the appropriate rules and counting metrics for doing so.

C. The Commission Should Adopt the Recommendations on the Scope of Amendments Proposed by CMUA

Renewables Paired with Energy Storage: In comments submitted on June 5, 2025, CMUA addresses the Staff Proposal to modify the RPS Guidebook loss accounting rules applied to renewable generating facilities paired with energy storage. Specifically, CMUA notes that the proposed changes are a positive move to better account for renewable generation paired with energy storage, and further urges staff to structure this change such that loss accounting will be eliminated in any 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. NCPA supports the refinements to these account rules and the inclusion of these modifications within the scope of the upcoming amendments.

E-Tags for Pseudo Ties: The 10th Edition of the Guidebook should properly include changes to the current requirement for publicly owned utilities to provide e-tags for pseudo ties, and NCPA supports CMUA's comments to include this revision within the scope of the changes.

II. CONCLUSION

Hydrogen produced through the use of RPS-eligible resources and combusted for power generation should be considered eligible for RPS consideration. Making the change to the next edition of the Eligibility Guidebook will move the discussion forward, create greater regulatory certainty around important investments in green hydrogen technology, and provide an outlet for the utilization of clean, renewable resources that would otherwise be curtailed and of little benefit to the state's ratepayers. The Commission should take this opportunity to expand the scope of the discussion in recognition of the key role that green hydrogen can play in helping the state meet its green energy objectives, while also supporting a reliable electricity grid.

Please do not hesitate to contact the undersigned or Scott Tomashefsky at (916) 781-4291 or scott.tomashefsky@ncpa.com with any questions.

Dated: June 5, 2025

Respectfully submitted,

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