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May 21, 2025, Scoping Meeting on Proposed Updates for the Renewables Portfolio Standard Guidebook, Tenth Edition

Additional submitted attachment is included below.

BEFORE THE ENERGY COMMISSION
OF THE STATE OF CALIFORNIA

In the matter of:	)	Docket No. 21-RPS-02
	)	
Renewables Portfolio Standard 10th Edition Guidebook Update	)	LADWP Comments Re: Scoping Meeting on Proposed Updates for the Renewables Portfolio Standard Guidebook, Tenth Edition
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COMMENTS FROM THE LOS ANGELES DEPARTMENT OF WATER AND POWER TO THE CALIFORNIA ENERGY COMMISSION ON THE MAY 21, 2025, SCOPING MEETING ON PROPOSED UPDATES FOR THE RENEWABLES PORTFOLIO STANDARD GUIDEBOOK, TENTH EDITION

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Dated: June 5, 2025

BEFORE THE ENERGY COMMISSION

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INTRODUCTION

The Los Angeles Department of Water and Power ("LADWP") appreciates the opportunity to provide comments to the California Energy Commission ("Commission" or "CEC") regarding the May 21, 2025, scoping meeting on proposed updates for the Renewables Portfolio Standard Guidebook, Tenth Edition.

The City of Los Angeles ("City of LA") is a municipal corporation and charter city organized under the provisions set forth in the California Constitution. LADWP is a proprietary department of the City of LA, pursuant to the Los Angeles City Charter, whose governing structure includes a mayor, a fifteen-member City Council, and a five-member Board of Water and Power Commissioners ("Board"). LADWP is the third largest electric utility in the state, one of five California Balancing Authorities, and the nation's largest municipal utility, serving a population of over four million people within a 478 square mile service territory that covers the City of Los Angeles and portions of the Owens Valley. LADWP exists to support the growth and vitality of the City of LA, its residents, businesses and the communities we serve, providing safe, reliable and cost-effective water and power in a customer-focused and environmentally responsible manner.

The purpose of the Renewables Portfolio Standard Eligibility Guidebook (RPS Guidebook) is to describe the eligibility requirements and process for certifying facilities that generate RPS-eligible electricity and describes the rules and process for verifying renewable energy

certificates (RECs) for compliance with California's RPS program. The CEC hosted a meeting on May 21, 2025, to present and gather feedback on the proposed scope of updates for the RPS Guidebook, Tenth Edition, which was last updated in 2017. Written comments were requested by June 5, 2025.

LADWP supports the Commission's current efforts to update the RPS Guidebook. LADWP is a vertically-integrated publicly-owned electric utility that is in the process of transforming its fleet of electricity generating resources to meet both State and local renewable energy requirements and goals. With that in mind, the RPS Guidebook needs to provide regulatory certainty that ratepayer investments in clean energy projects will be fully recognized and that resource development, which typically takes years to plan and execute, will not result in stranded investments that would increase costs for RPS compliance and negatively impact affordability for electric ratepayers. As such, LADWP believes it is critical that updates to the RPS Guidebook address use of renewable hydrogen in electric utility scale turbine-generators (turbines) to produce zero-carbon RPS eligible electricity as described in more detailed comments below.

SPECIFIC COMMENTS

As California moves closer to its goal of a 100 percent clean electricity supply, the need for clean dispatchable power has become increasingly clear. Maintaining grid reliability requires dispatchable generating resources that can operate when variable renewable generation is not sufficient to meet demand for electricity. We respectfully encourage the CEC to consider expanding RPS eligibility to include electricity generating turbines fueled by hydrogen, provided that the hydrogen is produced using renewable energy. Renewable hydrogen produced through electrolysis powered by solar, wind, or other qualifying resources can be stored and used to provide firm, zero-carbon electricity generating capacity when needed.

Expanding RPS eligibility to include renewable hydrogen fueled electricity generating turbines will not only help support system reliability but will also send important market signals that are critical to the development of a robust clean hydrogen economy in California. Programs such as ARCHES (described in more detail below) rely on clear regulatory frameworks and incentives to scale infrastructure, attract investment, and provide broad access to clean and renewable hydrogen across sectors.

Including renewable hydrogen fueled turbines within the RPS framework would help support the development of long-duration energy storage, increase diversity and flexibility in the portfolio of electricity generating resources, and facilitate the integration of higher levels of renewable energy. It would also enable the decarbonization of existing thermal generation infrastructure in a way that aligns with California's climate and energy goals.

1) **CEC should consider RPS eligibility of turbine-generators utilizing renewable hydrogen in this RPS Guidebook Update**

Commission Proposes to Not Address Role of Renewable Hydrogen Use in Turbines

CEC staff indicated during the May 21, 2025, workshop that the Commission is not proposing to expand the role of renewable hydrogen in RPS at this time beyond the inclusion of linear generators as was required by California Assembly Bill 1921. However, California Senate Bill 1369 (Skinner, 2018) requires the Commission, along with other state agencies, to consider "green electrolytic hydrogen" as a form of energy storage. Green hydrogen is produced through electrolysis powered by renewable electricity, effectively storing renewable energy for later use. This recognition supports the case for allowing renewable hydrogen to qualify under the state's Renewables Portfolio Standard (RPS). Just as the RPS framework permits biomethane derived from eligible renewable sources to count toward RPS compliance when used in electricity generating turbines, green electrolytic hydrogen should also be eligible when used in a similar manner. Since the stored energy originates from renewable sources, using green electrolytic hydrogen in turbines should be treated as renewable electricity generation under the RPS framework.

California's Support for a Renewable Hydrogen Economy

Governor Gavin Newsom has directed the Governor's Office of Business and Economic Development (GO-Biz) to develop California's Hydrogen Market Development Strategy, employing an all-of-government approach to building up California's clean, renewable hydrogen market. In the spirit of this effort, LADWP strongly encourages the Commission, in its efforts to address renewable hydrogen, to incorporate additional RPS-eligible assets such as electricity generating turbines into the scope of the RPS Guidebook update and not limit eligibility to just linear generators and fuel cells. Since the last RPS Guidebook update in 2017, tremendous work has been done to develop renewable hydrogen technologies as a clean energy resource, including the establishment of the Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES), the nation's first hydrogen hub. ARCHES is a public-private partnership organized to accelerate hydrogen projects on an industrial scale. This update to the RPS Guidebook is critically time sensitive to ensure that proper credit and regulatory certainty is provided to electric utilities for those projects that incorporate renewable hydrogen. The CEC should avoid actions (or inactions) that could increase RPS compliance costs or result in stranded assets, such as excluding electricity generating turbines that use renewable hydrogen from this RPS Guidebook update.

LADWP's Scattergood Green Hydrogen-Ready Modernization Project

LADWP is proposing to construct and operate a rapid-response combined-cycle generation system (CCGS) at its Scattergood Generating Station (Scattergood). The proposed project is being considered by LADWP based on the findings and recommendations contained in the Los Angeles 100% Renewable Energy (LA100) Study, which establishes a pathway for the City to transform its electrical power supply to carbon-free resources. The LA100 Study, the final report for which was published in 2021, was a multi-year effort undertaken jointly by the

National Renewable Energy Laboratory (NREL) and LADWP with active participation by the LA100 Advisory Group consisting of representatives from neighborhood councils, environmental organizations, business and labor groups, academia, city government, and the renewable energy industry. More recently, NREL completed a supplemental study in 2025, reevaluating technology development of non-combustion alternatives that followed the completion of the original LA100 Study. NREL found that none of the alternatives or combinations thereof were feasible for various reasons, reaffirming the potential need for the proposed project to maintain grid reliability and resiliency. Further, Scattergood has been identified as the most immediate and instrumental location in relation to the requirement for dependable generation capacity due to electrification at the Los Angeles International Airport (LAX), the potential implementation of increased wastewater treatment capabilities at the City's Hyperion Water Reclamation Plant, and anticipated growth in demand for electricity in the western areas of the City that Scattergood serves.

Scattergood Generating Station Is Already RPS-Certified for Biomethane Combustion
LADWP's Scattergood Generating Station was certified as RPS-eligible in July 2011 when using biomethane to generate electricity. This certification marked a significant step in LADWP's efforts to reduce its carbon footprint by integrating RPS-eligible renewable fuels into existing generation assets. Scattergood has upheld a history of participating in the RPS program, aligning with California's broader clean energy goals. As LADWP undertakes the modernization of this facility, it is important that this trajectory of RPS-aligned investment continues. This transition to renewable green hydrogen represents a natural and necessary evolution in Scattergood's mission to supply reliable and clean electricity to the City of Los Angeles.

The Commission Should Avoid Unintended Consequences and Market Disruptions
If use of renewable hydrogen to generate electricity at Scattergood does not qualify as eligible toward RPS compliance, it would risk disincentivizing the use of renewable hydrogen at scale, delay progress toward California's clean energy targets, and create regulatory uncertainty for projects already in development. Adding RPS eligibility for use of hydrogen in electricity generating turbines in the guidebook is essential to ensure that investments in renewable hydrogen infrastructure are recognized, and that Scattergood can remain a cornerstone in LADWP's transition to a reliable, decarbonized energy future. In addition, excluding renewable hydrogen from RPS eligibility may inadvertently place an added burden on LADWP's ratepayers, as the utility would need to procure additional qualifying renewable resources to meet RPS obligations, despite already investing in electricity generation using renewable hydrogen to meet local zero carbon energy goals. To ensure fairness and consistency in the treatment of renewable fuels, hydrogen produced using RPS-eligible renewable electricity should be eligible for the RPS program, regardless of the generation technology in which it is used. This is consistent with how biomethane is treated under the current RPS framework such that there is no restriction on the type of generator used to convert biomethane into electricity, as long as the generator itself is RPS certified, and the fuel pathway is compliant.

Consistent with that certification process, LADWP requests that the Commission incorporate into the RPS Guidebook additional technologies such as turbines that use renewable hydrogen

to generate electricity to provide both regulatory certainty and to ensure our ratepayers receive the proper credit for the investment in clean energy infrastructure.

2) Using Renewable Fuels from Qualified Feedstocks

LADWP generally supports RPS eligibility for renewable fuels derived from qualified feedstocks, provided there are necessary safeguards in place (e.g., preventing double-counting) with a thorough understanding of induced grid greenhouse gas emissions. LADWP does not promote double counting in any way and remains committed to ensuring that all renewable energy credits are accurately accounted for within the RPS framework. In the case of renewable hydrogen, it is essential to maintain a clear and verifiable link between the renewable electricity used to produce the hydrogen and the hydrogen itself. Since the energy content of renewable hydrogen is effectively derived from RPS-eligible electricity, proper tracking of its feedstock is critical to ensuring that its use reflects a true extension of renewable energy generation within the RPS framework. To support this, renewable hydrogen production facilities seeking to create RPS eligible fuels should be subject to a certification process that allows for appropriate oversight and review to avoid double counting of the renewable energy that was used to produce RPS-eligible hydrogen. This would help ensure transparency, consistency, and the integrity of renewable fuels that are eligible for RPS compliance. LADWP looks forward to the opportunity to provide more detailed comments should the CEC consider the expanded use of hydrogen in the RPS program.

CONCLUSION

LADWP is grateful for the opportunity to participate in this proceeding and looks forward to working with the Commission to help shape appropriate and effective updates to the RPS Guidelines that will benefit the health, safety, and security of all California residents. If you have any questions, please contact me at (213) 367-0787, or Mr. Jordi Burbano at (213) 367-0343.

Dated: June 5, 2025

Respectfully Submitted,

Silvia Lozano

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