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Document Title:	Request for Information - Renewables Portfolio Standard Implementation of Senate Bill 1350
Description:	The California Energy Commission (CEC) seeks information from the public and interested parties for the purpose of implementing Senate Bill 1350 (McNerney), which modified California Public Resources Code (PRC) Section 25741 and affects the Renewables Portfolio Standard (RPS) program.
Filer:	Alec Coyne
Organization:	California Energy Commission
Submitter Role:	Commission Staff
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STATE OF CALIFORNIA – NATURAL RESOURCES AGENCY Gavin Newsom, *Governor*

CALIFORNIA ENERGY COMMISSION
715 P Street
Sacramento, California, 95814
energy.ca.gov
CEC-70 (Revised 4/26)

Request for Information

Renewables Portfolio Standard Implementation of Senate Bill 1350

Written Comments Due: January 25, 2027

Purpose of Request

The California Energy Commission (CEC) seeks information from the public and interested parties for the purpose of implementing Senate Bill 1350 (McNerney), which modified California Public Resources Code (PRC) Section 25741 and affects the Renewables Portfolio Standard (RPS) program. This Request for Information (RFI) invites comments from load-serving entities, hydrogen manufacturers, consumer and environmental advocates, technical experts, and other interested parties to inform the CEC's implementation of Senate Bill (SB) 1350 in the Eleventh Edition of the *RPS Eligibility Guidebook* (*RPS Guidebook*).

SB 1350 modifies the definition of "renewable electrical generation facility" to include a facility that converts hydrogen gas to electricity via a turbine, with requirements pertaining to hydrogen production, renewable energy certificate accounting, fuel blend, emissions, and fuel delivery. Integrating RPS-eligible hydrogen turbines into the RPS program raises unique implementation considerations. SB 1350 addresses many but not all the details required to certify facilities and verify the generation for RPS compliance purposes. For example, PRC Section 25741(a)(1)(B)(i) clearly states that the hydrogen used in turbines must be solely derived from an eligible renewable resource or through electrolysis of water, and it must exclusively use electricity generated from another renewable electrical generation facility to be eligible, but the language leaves open the question of how fuels and feedstocks are verified, along with their renewable attributes. The CEC intends to implement details not addressed by SB 1350 in the updated RPS Guidebook. This RFI is a precursor to the CEC updating the RPS Guidebook, and there will be additional opportunities to provide input throughout the RPS Guidebook update process.

Background

The *RPS Guidebook*, currently in its Tenth Edition, describes the eligibility requirements and process for certifying facilities as RPS-eligible and describes the rules and process for reporting and verifying renewable energy certificates (RECs) for compliance with California's RPS program. CEC staff, in coordination with the lead commissioner for the RPS Program, Commissioner Noemí Gallardo, work to revise the *RPS Guidebook* periodically to reflect statutory, market, and regulatory developments. The *RPS Guidebook* was last updated in December 2025 and can be found at https://www.energy.ca.gov/publications/2025/rps-eligibility-guidebook-tenth-edition-commission-guidebook.

A copy of SB 1350 can be found in Appendix A and at https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260SB1350.

Request for Information

The CEC requests responses to the questions listed below to inform staff's proposed implementation of SB 1350. Everyone is welcome to respond to all or a subset of the questions and to provide broader comments on a proposed framework for implementation.

Project Development and Operations

Incorporating RPS-eligible hydrogen into the program will provide project developers with additional renewable resource pathways. The CEC welcomes all perspectives on potential opportunities, challenges, and considerations associated with project development and operational implementation.

1. How will the renewable energy supply for hydrogen production be configured (e.g., co-located, separate sites, within a California balancing authority area or other balancing authority areas)? For electrolytic production, how would each configuration demonstrate hourly matching, a renewable electricity source, and compliance with other applicable SB 1350 requirements?
2. What renewable resources will be developed or procured to power electrolytic hydrogen production, and will this include a single source or a broader portfolio of resources?
3. What, if any, hydrogen-related uses or services beyond electricity generation are likely to be incorporated into an electrical generating facility (e.g., on-site hydrogen refueling station)?
4. How will hydrogen production facilities ensure that renewable procurement aligns with electrolytic hydrogen production operational needs, including during periods of variable or intermittent generation? Please describe any anticipated approaches such as energy storage, leveraging grid electricity, etc.

Hydrogen Production and Hourly Matching

PRC Section 25741(a)(1)(B)(iv) requires the facility to submit information on the hydrogen production process and demonstrate hourly matching of electrolytic hydrogen production with renewable energy generation starting on January 1, 2030.

5. Please describe how hydrogen production can be measured and reported in million British thermal units (MMBtu), on an hourly basis, and any anticipated technical or operational challenges in doing so. Please address the different metering points and units of energy that may require conversion and whether the data can be independently verified.
6. What types of technologies and methods will be utilized for RPS-eligible hydrogen production (electrolyzer type, thermochemical processes, etc.)? For each type, what information or documentation can demonstrate that hydrogen is solely derived from an eligible renewable resource or exclusively uses electricity from a renewable electrical generation facility, as required in PRC Section 25741(a)(1)(B)(i)?

Hydrogen Transport

PRC Section 25741(a)(1)(B)(viii) requires that the hydrogen is physically delivered to the turbine.

7. What documentation or other verification validation methods could demonstrate that RPS-eligible hydrogen is physically delivered to and consumed by turbines, including when the hydrogen is transported or stored?
8. In hydrogen supply agreements for power generation, what are the common practices regarding the location of the procurement point (dispatch vs. delivery), and how are any transportation or storage losses normally assigned between the parties?
9. What energy sources and delivery methods (e.g., on-site renewable or grid electricity) are planned for use to compress/liquify/synthesize the RPS-eligible hydrogen gas for transportation?
10. What transportation modes (e.g., pipeline, fuel container, etc.) are planned for use to deliver hydrogen to the electrical generating facility, and what factors influence that choice? How would each method affect the ability to document physical delivery?
11. What hydrogen losses or leakage rates assumptions should be expected during the hydrogen production, processing, storage, transportation, delivery, and end-use stages? Please provide supporting data or sources.
12. Please describe how hydrogen losses and leakage can be measured at each stage, from production to electricity generation, and in aggregate. What measurement methods are used? Over what time frame are losses and leakage measured? What are the units of measurement? How are losses and leakage minimized?

End-Use Electricity

13. What technical challenges should be considered when determining whether and how hydrogen concentrations, including the 20% by volume threshold, may affect REC creation? Are there other considerations regarding REC creation?
14. Will turbine facilities generate electricity using only RPS-eligible hydrogen, or fuel blends with biomethane and/or natural gas? If using blended fuels, what proportions of each fuel are expected to be used?
15. What are the expected timelines for turbine facilities to increase hydrogen blending concentrations by volume? Will hydrogen levels be at or above 20% by volume initially? Will hydrogen levels vary within a day, a week, a month, or a year?
16. In using blended fuel, will turbine facilities receive deliveries of RPS-eligible hydrogen blended with natural gas, or will the facility receive deliveries of RPS-eligible hydrogen gas only, for blending on-site?
17. If RPS-eligible hydrogen is blended with other fuels in a turbine facility, what data is available to continuously measure and verify fuel composition and consumption?
18. Do electrical generating facilities plan to store hydrogen gas prior to electricity generation? If so, please describe planned storage methods, including short-duration and long-duration storage technologies, and if any hydrogen losses/leakage are anticipated.

Resource Shuffling

PRC Section 25741(a)(1)(B)(v) requires that the manufacturing of hydrogen does not result in resource shuffling.

19. How should "resource shuffling" be interpreted in the context of SB 1350 and the RPS program? What information should be required to demonstrate that resource shuffling did not occur?

General

20. Please describe any specific technical or policy considerations for implementing SB 1350 that are not addressed in responses to the questions above. Please describe the issue clearly, identify the relevant statutory requirement(s), and include a detailed description for how the issue should be addressed.

Public Comment

Written comments may be submitted through the CEC's electronic commenting system. Visit the e-commenting page for this docket at https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=26-RPS-01. Enter your contact information and a subject title that describes your comment. Comments may be included in the "Comment Text" box or attached as a downloadable, searchable document in Microsoft® Word or Adobe® Acrobat®. The maximum file size allowed is

10 MB. If you need assistance with submitting comments, please contact the Docket Unit at docket@energy.ca.gov or (916) 654-5076.

Written comments may be submitted to the Docket Unit by 5:00 p.m. on January 25, 2027. All information submitted will become part of the public record of this proceeding with access available via any internet search engine; please do not include any personal contact information.

A paper copy may be mailed to:
California Energy Commission
Docket Unit, MS-4
Docket No. 26-RPS-01
715 P Street
Sacramento, California 95814

Public Advisor. The CEC's Public Advisor assists the public with participation in CEC proceedings. To request assistance, interpreting services, or reasonable modifications and accommodations, call 916-269-9595 or email publicadvisor@energy.ca.gov as soon as possible but at least five days in advance of the workshop. The CEC will work diligently to meet all requests based on availability.

Media Inquiries. Email mediaoffice@energy.ca.gov or call (916) 654-4989.

Technical Subject Inquiries. Email Rose Saga at rose.saga@energy.ca.gov.

General Inquiries: Email RPS Staff at rpstrack@energy.ca.gov or call (916) 653-6222.

Availability of Documents: All records for the RPS Eligibility Guidebook, Eleventh Edition update will be available at https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=26-RPS-01. When new information is posted, an email will be sent to those subscribed to the General Renewable Energy Info and CEC Renewable Energy Programs. To receive these notices or notices of other email subscription topics, visit Subscriptions, at https://www.energy.ca.gov/subscriptions.

Dated: November 20, 2026, at Sacramento, California.

Regina Galer
Regina Galer
Director, Siting, Transmission and Environmental Protection Division

Subscriptions:
General Renewable Energy Info and CEC Renewable Energy Programs

Appendix A

This section outlines SB 1350. The revisions to PRC 25741 are noted in bold and italics.

Senate Bill No. 1350

CHAPTER 35

An act to amend Section 25741 of the Public Resources Code, relating to energy, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 29, 2026. Filed with Secretary of State June 29, 2026.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1350, McNerney. Energy: renewable electrical generation facilities: definition.

Existing law defines a "renewable electrical generation facility" as a facility that uses biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells or linear generators that use specified fuels, small hydroelectric generation of 30 megawatts or less, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and that meets other specified requirements. Existing law incorporates that definition into various programs, including the California Renewables Portfolio Standard Program, which requires the Public Utilities Commission to establish a renewables portfolio standard requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from electrical generating facilities that meet that definition of "renewable electrical generation facility," and the net energy metering program, in which residential customers, small commercial customers, and commercial, industrial, or agricultural customers of an electrical utility, who use renewable electrical generation facilities, are eligible to participate, as specified.

This bill would expand the definition of "renewable electrical generation facility" to include a facility that converts hydrogen gas to electricity in a turbine and meets specified criteria, including that the hydrogen used in the turbine is solely derived from an eligible renewable resource, as specified, or through the electrolysis of water, and exclusively uses electricity generated from another renewable electrical generation facility, and that the manufacturing of the hydrogen does not result in resource shuffling or use unbundled renewable energy credits, as specified.

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of a commission action implementing this bill's requirements would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 25741 of the Public Resources Code is amended to read:

25741. As used in this chapter, all of the following definitions apply:

(a) "Renewable electrical generation facility" means a facility that meets all of the following criteria:

(1) The facility meets either of the following criteria:

(A) The facility uses biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells or linear generators using fuels described in this paragraph that otherwise meet the requirements of this subdivision, small hydroelectric generation of 30 megawatts or less, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and any additions or enhancements to the facility using that technology.

(B) The facility converts hydrogen gas to electricity in a turbine and meets all of the following criteria:

(i) The hydrogen used in the turbine is solely derived from an eligible renewable resource described in subparagraph (A) or through the electrolysis of water, and exclusively uses electricity generated from another renewable electrical generation facility. Any fraction of hydrogen produced through the use of nonrenewable fuels or nonrenewable electricity shall not be eligible to satisfy the requirements of this section.

(ii) The electricity used to derive the hydrogen is not also counted toward a compliance obligation pursuant to the California Renewables Portfolio Standard Program (Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code) or claimed as renewable generation for any other state program.

(iii) The facility provides the commission with confirmation from the air quality management district or air pollution control district that the facility's turbine has the capacity to use a fuel for which hydrogen comprises a sufficient quantity of the blend by volume, but not below 20 percent by volume, to achieve a measurable reduction in greenhouse gas emissions.

(iv) The facility has submitted information on the hydrogen production process, as specified by the commission. For electrolytic production, the operator shall demonstrate, for the production process, hourly matching of hydrogen production with renewable energy generation starting January 1, 2030.

(v) The manufacturing of the hydrogen does not result in resource shuffling, as independently determined by the commission based on regional impacts of hydrogen production on zero-carbon generation, local air pollution, and fossil fuel generation.

(vi) The manufacturing of the hydrogen does not use unbundled renewable energy credits. (vii) The facility provides the commission with confirmation from the air quality management district or air pollution control district that the combustion of hydrogen will result in a net decrease of air pollutants and of greenhouse gas emissions from the electrical sector and will not increase the oxides of nitrogen emissions rate from the turbine compared to natural gas.

(viii) The hydrogen is physically delivered to the turbine.

(2) The facility satisfies one of the following requirements:

(A) The facility is located in the state or near the border of the state with the first point of connection to the transmission network of a balancing authority area primarily located within the state. For purposes of this subparagraph, "balancing authority area" has the same meaning as defined in Section 399.12 of the Public Utilities Code.

(B) The facility has its first point of interconnection to the transmission network outside the state, within the Western Electricity Coordinating Council (WECC) service area, and satisfies all of the following requirements:

(i) It commences initial commercial operation after January 1, 2005.

(ii) It will not cause or contribute to a violation of a California environmental quality standard or requirement.

(iii) It participates in the accounting system to verify compliance with the renewables portfolio standard established by the commission pursuant to subdivision (b) of Section 399.25 of the Public Utilities Code.

(C) The facility meets the requirements of clauses (ii) and (iii) of subparagraph (B), but does not meet the requirements of clause (i) of subparagraph (B) because it commenced initial operation before January 1, 2005, if the facility satisfies either of the following requirements:

(i) The electricity is from incremental generation resulting from expansion or repowering of the facility.

(ii) Electricity generated by the facility was procured by a retail seller or local publicly owned electric utility as of January 1, 2010.

(3) If the facility is outside the United States, it is developed and operated in a manner that is as protective of the environment as a similar facility located in the state.

(4) If eligibility of the facility is based on the use of landfill gas, digester gas, or another renewable fuel delivered to the facility through a common carrier pipeline, the transaction for the procurement of that fuel, including the source of the fuel and delivery method, satisfies the requirements of Section 399.12.6 of the Public Utilities Code and is verified pursuant to the accounting system established by the commission pursuant to Section 399.25 of the Public Utilities Code, or a comparable system, as determined by the commission.

(b) "Municipal solid waste conversion" means a technology that uses a noncombustion thermal process to convert solid waste to a clean-burning fuel for the purpose of generating electricity, and that meets all of the following criteria:

(1) The technology does not use air or oxygen in the conversion process, except ambient air to maintain temperature control.

(2) The technology produces no discharges of air contaminants or emissions, including greenhouse gases as defined in Section 38505 of the Health and Safety Code.

(3) The technology produces no discharges to surface or groundwaters of the state.

(4) The technology produces no hazardous wastes.

(5) To the maximum extent feasible, the technology removes all recyclable materials and marketable green waste compostable materials from the solid waste stream before the conversion process and the owner or operator of the facility certifies that those materials will be recycled or composted.

(6) The facility at which the technology is used is in compliance with all applicable laws, regulations, and ordinances.

(7) The technology meets any other conditions established by the commission.

(8) The facility certifies that any local agency sending solid waste to the facility diverted at least 30 percent of all solid waste it collects through solid waste reduction, recycling, and composting. For purposes of this paragraph, "local agency" means any city, county, or special district, or subdivision thereof, that is authorized to provide solid waste handling services.

(c) "Renewable energy public goods charge" means that portion of the nonbypassable system benefits charge required to be collected to fund renewable energy pursuant to the Reliable Electric Service Investments Act (Article 15 (commencing with Section 399) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code).

(d) "Report" means the report entitled "Investing in Renewable Electricity Generation in California" (June 2001, Publication Number P500-00-022) submitted to the Governor and the Legislature by the commission.

(e) "Retail seller" has the same meaning as defined in Section 399.12 of the Public Utilities Code.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure the continued safe harboring of over $675 million in tax credits that would materially benefit the state, to allow the State Energy Resources Conservation and Development Commission to begin working on implementation this year or by early 2027, and to provide a strong market signal for utilities to contract for procurement of renewable hydrogen before implementation, it is necessary for this act to take effect immediately.