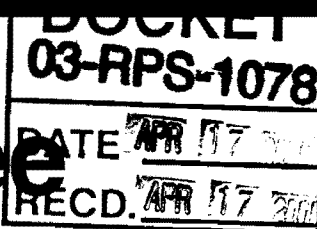


02-REN-1038



Renewables Committee Workshop

Proposed Changes to RPS Guidelines

April 17, 2006

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Renewable Energy Program



BACKGROUND

- California's Renewables Portfolio Standard (RPS) is collaboratively implemented by the Energy Commission and CPUC
- Energy Commission's RPS roles by statute:
 - Certify renewable generating facilities as eligible for RPS & Supplemental Energy Payments (SEPs)
 - Certify incremental geothermal production
 - Design and implement an RPS tracking and verification system
 - Award SEPs
- Proposed changes RPS implementation Guidelines adopted in 2004



OVERVIEW

- Guidebooks are revised as needed to respond to public comments; lessons learned; and statutory, market, and regulatory developments
- Renewables Portfolio Standard Eligibility Guidebook (Aug. 2004)
 - Describes eligibility requirements and process for certifying facilities for RPS and Supplemental Energy Payments (SEPs)
 - Describes interim tracking system in use until Western Renewable Energy Generation Information System (WREGIS) is operational
- New Renewable Facilities Guidebook (May 2004)
 - Describes requirements to qualify for SEPs and process for how SEPs are awarded
- Overall Renewable Energy Program Guidebook (May 2004)
 - Describes how Renewable Energy Program is administered and defines program terms
- Proposed changes to 2004 editions
 - Changes initially proposed in November 2005
 - December 7, 2005, Renewables Committee workshop
 - Additional revisions published in April 2006 version



SUMMARY OF CHANGES

RPS Eligibility Guidebook

- Reflect CPUC Decisions
 - Revise Definitions for Annual Procurement Target (APT), Incremental Procurement Target (IPT), Baseline.
 - Update participation of distributed generation.
 - Update definition of Renewable Energy Certificates/Credits.
 - Update requirements for delivery location.
- Implement AB 200
 - Applies to electric corporations that serve retail end-use customers outside CA and have 60,000 or fewer customer accounts in CA.
 - Guidelines clarify that out-of-state delivery requirements do not apply to such corporations (such as PacifiCorp and Sierra Pacific Power).



SUMMARY OF CHANGES

RPS Eligibility Guidebook – cont'd

- Implement Incremental Geothermal Certification
 - Additional specifications for what information applicants must include in RPS certification requests.
 - New certification of 'partial' incremental geothermal facilities.
 - Methodology to determine how much energy counts as baseline vs. incremental procurement from facilities certified with "incremental geothermal" capacity and operational before 9-26-96.
 - ◆ Quantification based on operational capacity of facility
- Clarify delivery requirements



SUMMARY OF CHANGES

RPS Eligibility Guidebook – cont'd

- Clarify Specific RPS-Eligibility Criteria
 - Facilities that shut down and re-start
 - Biomass facilities seeking SEPs are subject to CA Timber Harvest Plan requirements
 - Certified and pre-certified facilities are subject to the same reporting requirements
 - Out-of-state facilities selling to publicly owned utilities are eligible for pre-certification
- Clarify RPS eligibility certificate will show certification number and facility size, fuel type, location and owner
- Conforming changes to application for Certification and Pre-certification

SUMMARY OF CHANGES

RPS Eligibility Guidebook – cont'd

- Clarify Interim Tracking System
 - Describes Interim Tracking System Process
 - ◆ Verification of RPS procurement
 - ◆ Transmittal of findings to CPUC
 - Develops forms for reporting annual generation by month
 - Clarifies that retail sellers are responsible for reporting the generation for the QFs they certify
 - Adds new requirements on RPS-Track Form:
 - ◆ Requires retail sellers to identify whether procurement counts as baseline or incremental procurement
 - ◆ Requires NERC Identification Number for out-of-state facilities
 - ◆ Implements AB 200 requirements



SUMMARY OF CHANGES

New Renewable Facilities Guidebook

- Clarify and Update SEP Process
 - *Short List Data Request* revised to report bid-specific data for all bids received in solicitation.
 - Energy Commission may seek updates to utilities' data on bids above and below MPR.
 - Projects are subject to state's prevailing wage law.
 - *Funding Confirmation Letter* revisions:
 - ◆ Process for terminating similar to *SEP Award Agreement*
 - ◆ Both Funding Confirmation Letter and SEP Award Agreement could be terminated if milestones are not being met
 - ◆ Lump sum of SEPs and be made public (not payment per kWh)
 - ◆ Funding confirmation letter may be conditional to CPUC contract approval



SUMMARY OF CHANGES

New Renewable Facilities Guidebook

- Clarify and Update SEP Process (cont'd)
 - Applicant and utility may request that data be deemed confidential for a specified time period.
 - Revisions made to *Utility Data to Supplement SEP Application* and *SEP Application* forms.
 - ◆ Reflect 2005 MPR, such as Time of Delivery factors
 - ◆ Identify contract milestones (Facility)
 - ◆ Include un-redacted advice letter filing (Utility)
 - ◆ Use template spreadsheet to calculate levelized bid and contract price (Facility)
 - ◆ Explain if there is a difference between bid and contract price (Facility)
- Provide references to availability of other (non-SEPs) production incentive funds for existing facilities.



SUMMARY OF CHANGES

Overall Renewable Energy Program Guidebook

- Clarify eligibility definitions for commercial operations.
- Clarify that organic sludge waste is eligible as biomass.
- Revise and update definitions, including:
 - Awardee
 - Commercial operations
 - Community choice aggregator
 - Electric service provider
 - Electrical corporation
 - Funding award
 - Investor owned utility
 - Retail sellers



Next Steps

- Stakeholder input welcome
- Written comments due TODAY by 5:00 pm
 - Mail or e-mail <docket@energy.state.ca.us>
 - Will be docketed and become part of public record
- Estimated Schedule:
 - Considered for adoption at Energy Commission's Business Meeting on April 26, 2006
- Guidebooks available at:

www.energy.ca.gov/portfolio/documents/index.html



For More Information:

www.energy.ca.gov/portfolio

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Renewables Committee Workshop

April 17, 2006
Hearing Room A
1:00 P.M.

Proposed Changes to Renewables Portfolio Standard Guidelines

- ▶ *Renewables Portfolio Standard Eligibility Guidebook*
- ▶ *New Renewable Facilities Program Guidebook*
- ▶ *Overall Program Guidebook*

Agenda:

1. Opening comments from Renewables Committee
2. Staff presentation
3. Public comments, in person and by phone

