



# STAFF WORKSHOP

## PROPOSED REVISIONS TO THE RENEWABLES PORTFOLIO STANDARD ELIGIBILITY GUIDEBOOK

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**DOCKETED**  
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MAY 03 2013

Hearing Room A

9:30 a.m.

March 14, 2013

*Thank you for your participation – the workshop will begin shortly.*

*Please take advantage of the WebEx call-back function.*



# Workshop Agenda

- Welcome & Housekeeping
- Staff Presentations
  - New Legislation
  - Proposed Revisions to Resource Eligibility Requirements
  - Proposed Revisions to Facility Requirements
  - Proposed Revisions to Certification
- BREAK
  - Proposed Revisions to Verification and Procurement Requirements
  - New Sections: Administration & Glossary of Terms
  - Outstanding Issues & Questions
- Next Steps and Schedule
- LUNCH
  - Proposed Implementation of AB 2196: Biomethane
- Public Comment Period



# Housekeeping

- Handouts on desk at room entrance
- Restrooms located on 1<sup>st</sup> floor
- Snack bar on 2<sup>nd</sup> floor
- Several restaurants within walking distance
- Emergency evacuation procedures
- WebEx
  - For interactive participation use WebEx



## WebEx Participation

- WebEx users can:
  - View slides
  - “Raise hand” to ask a question
  - “Chat” to the WebEx host
- WebEx users are muted on entry
- WebEx users will be un-muted during Q&A
- Login details are on **page 2** of the **Workshop Notice**



## Ground Rules

- We will take questions & comments after each major section has been presented – as time allows.
- Remaining questions during Public Comments
- Use blue cards to make speaking request
  - Blue cards available on table at room entrance
  - Submit blue cards to Energy Commission staff
  - Before speaking, provide business card to court reporter
  - Must use microphone at podium to speak
- WebEx and phone-only participants can also ask questions during Public Comments



## Public Comments

- Comments will be taken in the following order:
  - Audience in Attendance
    - Blue cards
  - WebEx participants
    - Click the “Raise Hand” button to ask a question
      - We can then un-mute your phone line to take your comment verbally
    - Alternatively, you can “chat” your comment to WebEx “Host”
  - Phone-only participants
    - We will un-mute all phone lines for open ‘mic’ comments - Please only un-mute your phone to speak



## Purpose of Workshop

- Seeking public input on staff's proposed revisions to the *Renewables Portfolio Standard Eligibility Guidebook* in response to changes in law, policy clarifications and lessons learned from program implementation.
- Final adoption of 7<sup>th</sup> Edition of RPS Guidebook planned for late April 2013
- Comment period ends March 25 ~~20~~, 2013



## New Legislation Affecting RPS Eligibility

- Assembly Bill 2196 (2012)
  - Establishes new RPS requirements for facilities using biomethane, defined as landfill gas or digester gas.
  - A facility using biomethane procured under a contract executed by a retail seller or POU and reported to the Energy Commission before March 29, 2012, is eligible under the rules in place at contract execution if biomethane source is producing and injecting into a common carrier pipeline on or before April 1, 2014.





## New Legislation Affecting RPS Eligibility AB 2196 - Cont'd

- Eligibility criteria for biomethane contracts or specified amendments executed on or after March 29, 2012, for biomethane that is:
  1. Used at onsite generating facility.
  2. Delivered to offsite generating facility through a dedicated pipeline.
  3. Delivered to generating facility through common carrier pipeline and:
    - A. Pipeline physically flows within California or toward generating facility;
    - B. Source did not inject biomethane into a common carrier pipeline before March 29, 2012, or began injecting sufficient incremental quantities of biomethane after March 29, 2012, to satisfy contract requirements.
    - C. Biomethane capture and injection directly results in environmental benefits to California.



## **New Legislation Affecting RPS Eligibility AB 2196 - Cont'd**

- Sufficient renewable and environmental attributes to ensure zero net emissions associated with electricity production.
- No marketing, regulatory or retail claim to greenhouse gas reduction due to methane destruction without retiring those attributes.
- Eligibility for all electric generation facilities determined by the Energy Commission.
- Energy Commission and CPUC to address RPS procurement requirements and assign appropriate portfolio content categories for POUs and retail sellers, respectively.



# Staff's Proposed Revisions to the *Renewables Portfolio Standard Eligibility Guidebook*





## RPS Eligibility Guidebook: *Overview of Proposed Revisions*

- **New Section:** *What's New in this Guidebook?*
  - Summarizes the major revisions compared to the previous edition.
- **Eligibility Requirements** section has been split into two subsections
  - **Energy Resource Eligibility Requirements** – requirements based on the renewable energy resource(s) used by the facility.
  - **Facility Requirements** – operational requirements for facilities participating in the RPS program.
- **Certification** section expanded to include new types of certification, add requirements for Historic Carryover, and revise deadlines and eligibility dates



## **RPS Eligibility Guidebook: *Overview of Proposed Revisions***

- **Tracking Systems, Reporting and Verification**
  - Provides new RPS reporting instructions and updated and new forms for all load serving entities. Details to be provided later.
- **New Section: *Administration***
  - Provides information transferred from the *Overall Program Guidebook for the Renewable Energy Program* that is relevant to the RPS.
- **New Section: *Glossary of Terms***
  - Transferred relevant definitions from the *Overall Program Guidebook*, and added new and revised terms.



## **RPS Eligibility Guidebook: *Proposed Revisions***

- **Outstanding Issues Section**
  - Storage has been removed from Outstanding Issues and placed in a separate category.
  - Facilities previously eligible under the former Existing Renewable Facilities Program has been addressed and removed from Outstanding Issues.
  - The 33% by 2020 implementation section has been removed from Outstanding Issues.



## Proposed Revisions: *Energy Resource Eligibility Requirements*

- **Biogas** - this section has been removed.
- **Biomass** - information is transferred from the *Overall Program Guidebook* regarding eligible biomass materials.
- **Biomethane** - a new Biomethane section is added to implement AB 2196.
  - The Energy Commission is expected to lift its suspension of eligibility for facilities using biomethane when this guidebook is adopted.
  - Detailed discussion of AB 2196 implementation to follow.
- **Hydroelectric**
  - Eligibility for existing 40 MW small hydro unit that is part of a water supply or conveyance system is applied beginning Jan. 1, 2011.
    - Required documentation is specified to demonstrate requirements are met.
  - Pumped storage moved to new Energy Storage section.



## **Proposed Revisions: *Energy Resource Eligibility Requirements***

- **New Sections for Eligible Resources**
  - Geothermal
  - Ocean Thermal
  - Ocean Wave
  - Solar
    - Photovoltaic
    - Solar Thermal Electric
  - Tidal Current
  - Wind





## Proposed Revisions: *Facility Requirements*

- **Table 2** summarizes facility characteristics that require submittal of additional information.
- **Generation Tracking and Accounting**
  - Clarifies that generation to meet station service load is not eligible for California's RPS.
- **Renewable Facilities Using Multiple Energy Resources**
  - Biomass facilities previously participating in Existing Renewable Facilities Program may use 5% nonrenewable fuel until end of procurement contracts or end of 2013, whichever is later. Subject to standard de minimis requirement thereafter.
  - Solar thermal facilities previously in ERFP may use 25% nonrenewable fuel allowance.
  - Clarifications to annual reporting instructions for facilities using a de minimis quantity of nonrenewable fuel as RPS eligible.



## Proposed Revisions: *Facility Requirements*

- **Facilities with 1<sup>st</sup> Point of Interconnection to Non-California Balancing Authority Outside CA or Located Outside US**
  - Facilities serving multi-jurisdictional utilities are subject to the eligibility requirements of this section.
  - Socioeconomics and Worker Safety are removed from the environmental areas (LORS) that must be addressed.
- **Unbundled Renewable Energy Credits** section is deleted.
- **Incremental Generation – New Sub-Section**
  - Accounting and establishing historical and renewable baselines are discussed.



## Proposed Revisions: *Facility Requirements*

- **Energy Storage – New Sub-Section**
  - Integrated storage devices must only be capable of storing energy from the RPS-eligible generation facility and from no other energy inputs.
  - Storage devices not integrated must be located and metered as the same facility and owned by the same entity to be considered as part of the RPS-eligible generation facility.
    - Meter must measure the total output of the storage device and the renewable generator as if it were a single facility.
    - Electricity from the renewable generator to the storage device is treated as internal power flow and cannot produce RECs.
    - The ratio of renewable fuel to conventional fuel used to generate electricity would be applied to the output of the facility.



## Proposed Revisions: *Certification*

- **Utility-Certified Facilities**

- The certification deadline for utility-certified facilities with expired contracts to reapply for RPS certification on their own behalf is further extended from October 1, 2012, to the adoption date of this 7<sup>th</sup> edition guidebook.
- All utility certified facilities are required to apply for certification on the CEC-RPS-1 form by the end of 2013, regardless of their initial contract expiration date, or risk the suspension of the facility's certification status.

- **Historic Carryover for POU's**

- Must have been procured under a procurement contract or ownership agreement executed before June 1, 2010, and
- Must be from resources that were RPS-eligible under the RPS Eligibility Guidebook current at the time of execution of the contract or ownership agreement, except need not have been tracked in WREGIS.



## Proposed Revisions: *Certification*

- **RPS Eligibility Date** begins when complete application for certification or precertification is received, except under following conditions that would incur a later date:
  - Failure of precertified facility to submit certification application within 90 days of coming online (COD).
  - Precertified facility with substantial operational changes.
  - Facility moving from one aggregated unit to another.
  - Failure to submit amended certification application within 90 days of the operational change.
  - Revocation or denial of certification.
- Unless facility was previously certified, generation occurring prior to new eligibility date due to the above conditions would not be RPS-eligible.



## Proposed Revisions: *Certification*

- **Special Cases for Retroactive Eligibility Date**
  - **Net surplus generation under AB 920** net surplus compensation program
    - Generation procured by a utility under an AB 920 program prior to the electrical generation facility's eligibility date will be considered RPS-eligible once the facility is RPS-certified.
  - **Existing 40 MW hydroelectric unit** as part of a water supply or conveyance system
    - Generation is eligible beginning on January 1, 2011, if an application for certification is received within 90 days of the adoption of this guidebook.



## Proposed Revisions: *Certification*

- **Special Cases for Retroactive Eligibility Date**
  - **Facilities serving POUs**
    - For an RPS-certified facility that was not certified by the Energy Commission at the time of generation, generation is only eligible beginning January 1, 2011, if the Energy Commission received an application for certification before October 1, 2012, *unless it meets criteria below.*
    - Facilities under contract with or approved by a POU for its RPS before June 1, 2010, were encouraged to apply for certification by October 1, 2012, in 6<sup>th</sup> edition guidebook. Such facilities must now apply by December 31, 2013, for generation beginning January 1, 2011, to be eligible for RPS.



## Proposed Revisions: *Certification*

- **RPS-Eligibility Status**

- Expanded options for each facility's RPS eligibility status posted and periodically updated on Energy Commission website.

Received	Incomplete
Corrections Sent	Disapproved
Pending	Withdrawn
Approved	Decommissioned
Suspended	





~Short Break~



## RPS Eligibility Guidebook: Proposed Revisions

- RPS Tracking Systems, Reporting, and Verification
- RPS Procurement Requirements
- POU's selling RECs to Retail Sellers for RPS Compliance



## RPS Tracking Systems

- Interim Tracking System (ITS) –
  - Based on self-reported data and data collected from various sources in order to verify procurement claims
  - Being phased out; transitioning to WREGIS
- Western Renewable Energy Generation Information System (WREGIS)
  - Electronic tracking system that covers the WECC service area, used to meet Energy Commission RPS tracking requirements
  - A Renewable Energy Credit (REC), termed WREGIS Certificate, represents one MWh of reported RPS-certified generation
  - Entities must participate in WREGIS for REC transactions to comply with the RPS
  - WREGIS Certificates must be retired to claim procurement for RPS compliance



## Reporting to the Energy Commission

- SB x1 2 has multi-year compliance periods; retail sellers and POUs must report **annually** to the Energy Commission
- At end of each compliance period, Energy Commission will produce *RPS Verification Report* for retail sellers and *RPS Verification and Compliance Report* for POUs
- Facilities reporting generation using ITS, facilities not interconnected to a California Balancing Authority (CBA), and multi-fuel facilities must report generation data to the Energy Commission
- Specifics are provided about the transitioning from ITS to WREGIS, reporting using WREGIS, and RPS procurement reporting due dates



## Reporting and Due Dates for Retail Sellers

- 2011 and 2012 Reporting Year –
  - 2011 RECs: By July 1, 2013, or within 90 days after the adoption of the RPS Guidebook, whichever is later.
  - 2012 RECs: Must be reported 120 days after the adoption of the RPS Guidebook.
- 2013 and Future Reporting –
  - July 1, 2014, and July 1 every subsequent year for RECs claimed for the previous reporting year
- Retail sellers must authorize WREGIS to send the WREGIS NERC e-Tag Summary Reports to CPUC staff for purposes of determining PCC classification



## Reporting and Due Dates for POUs

- Historic Carryover Claims
  - Due July 1, 2013, or 30 calendar days after the effective date of the regulations, whichever is later.
- Static Reporting Form
  - Please submit form upon adoption of the Guidebook and *Enforcement Procedures for the RPS for POUs (POU Regulations)*
- 2011 and 2012
  - September 1, 2013, or 30 calendar days after effective date of *POU Regulations*
  - Classify as Historic Carryover, Count in Full, and Portfolio Content Categories (PCCs)
- 2013 and subsequent years
  - Annual compliance reporting due July 1 for the previous year, as described in the *POU Regulations*



## **PUC Sections 399.17; 399.18; and 399.30 (h) Exemptions from the Procurement Balance Requirements**

- Exempt SMJUs and POUs may count RECs for RPS compliance without regard to the portfolio balance requirements, if all other procurement requirements for compliance with the RPS are met.

POUs - Report classified procurement in following categories: count in full, bundled, and unbundled.

SMJUs reporting to and verification by the Energy Commission will not differ from other retail sellers.



## REC Retirement and Reporting Requirements

1. Up to 36 Months for RECs to be Retired and Used for Compliance
2. Excess Procurement (procurement that may be used in future compliance periods)
3. Procurement Claims may not be Made Before the Contract Execution and/or Ownership Agreement Date
4. Supplements for Previously Reported Years through the Following Reporting Year
5. Accounting for WREGIS Prior Period Adjustments
6. Facilities with Special RPS Restrictions





## Verification Methodology Using the ITS & WREGIS

- Work to ensure procurement only counted once.
- Procurement claims exceeding generation data by 5% must provide supporting documentation
- During the transition to WREGIS, staff will follow the ITS verification methodology
- SMJUs retiring RECs in other systems (NVTREC) may be required to provide documentation
- Multi-fuel facilities must report annual generation data to Energy Commission staff by March 31 following the generation year.



## Finalizing Verified Data for Retail Sellers & POUs

- Analyze annual procurement data and work with retail sellers and POUs to verify procurement claims.
- Present verification findings and discuss outstanding issues at a public workshop.
- Following each compliance period, present results in two separate reports; one for retail sellers and one for POUs.
- Retail sellers' *Verification Report* will be transmitted to the CPUC for use in determining RPS compliance.
- For POUs, staff will follow the enforcement procedures as laid out in the *POU Regulations*.



## Energy Commission CPUC – Agency Roles

- On or After June 1, 2010 procurement is classified into Portfolio Content Categories (PCCs) and Subject to Portfolio Balance Requirements (PBRs)
- PCC 1 - minimum procurement requirement
- PCC 2 – no minimum requirement or maximum limitation
- PCC 3 – maximum procurement limitation
- Historic Carryover, Count in Full and PCC determinations are considered part of RPS compliance
  - For retail sellers, classification and compliance determinations will be based upon Energy Commission verified data and completed by the CPUC.
  - For POUs, Energy Commission will finalize classification of Historic Carryover, Count in Full and PCC claims in the *Verification and Compliance Report for POUs*.



## POUs-only - Pre June 1, 2010, Count in Full

- Renewable energy resource was eligible under Energy Commission rules in place at date of contract execution or ownership agreement
- Verification Information:
  - RPS Claims (ITS/WREGIS)
  - certification information and applicable *RPS Eligibility Guidebook* requirements
  - contract or ownership agreements showing the execution date
  - contract modifications, including those that may allow the procurement to remain classified as “count in full,” and
  - other information as determined necessary.
- Includes Historic Carryover.
- Not subject to PCCs or PBRs.



## Pre June 1, 2010 and Did NOT Meet Rules in Place at Time

- Does not meet the criteria for “count in full” but also
- Does not meet the main criterion for applying the PBR: namely, that the contracts or ownership agreements were executed on or after June 1, 2010.
- Procurement in this category is classified in PCC 1, 2, or 3, as appropriate, but the procurement is not subject to the PBR.
- Verification Information:
  - RPS Claims (ITS/WREGIS)
  - certification information and applicable *RPS Eligibility Guidebook* requirements
  - contract or ownership agreements showing the execution date
  - other information as determined necessary.



## Portfolio Content Category 1

**RECs from facilities must meet one of the following criteria:**

1. Have first point of interconnection to CBA.
2. Have first point of interconnection to a distribution system to serve CBA end users.
3. Have generation scheduled into CBA.
4. Have dynamic transfer agreement with CBA.

**In all cases electricity and REC must be procured bundled and renewable energy may not be sold back to the RPS facility.**

If a resale for RPS purposes:

- must be for future generation and RECs only; and
- must otherwise meet the requirements of PCC 1



## **PCC1 – Scheduled, Analysis of Auditable Package**

Verification includes:

- Contract checks
- RPS Claims (ITS/WREGIS)
- Review Annual Hourly Comparison Spreadsheet
- Review WREGIS NERC e-Tag Summary Report (CA RPS e-Tag Summary Report)
  - Source Facility is RPS-certified facility (2<sup>nd</sup> compliance period required)
  - Confirm generation came from RPS-facility into a CBA
  - e-Tag amount matched – no more than lesser of hourly generation and schedule
- Audit information using individual e-Tags
- Additional information, as necessary



## Reading Hourly Data from an e-Tag

### Example of hourly e-Tag “Energy and Transmission Profiles MW (out of)”

Date	Start	Stop	Gen	PSEI			PSEI		
			MW	Trans	PSE	MW	Trans	CISO	MW
01/01/2011	00:00	4:00	0	0	0	0	0	0	0
01/01/2011	4:00	10:00	100	100	100	100	100	100	100
Display MWh Total:			600	600	600	600	600	600	600





## PCC 1 Scheduled - Why Hourly Data is Needed

Hour Ending	Metered Volume MWh	Scheduled Volume MWh	Lesser of Schedule & Meter = PCC 1
1	100	0	0
2	0	0	0
3	0	0	0
4	100	100	100
5	100	100	100
6	125	100	100
7	75	100	75
8	75	100	75
9	75	100	75
<b>Total</b>	<b>650</b>	<b>600</b>	<b>525</b>



## PCC 1 - Verification for 2<sup>nd</sup> Compliance Period

- POU's must use the WREGIS NERC e-Tag Summary Report to report e-Tag data, CA RPS e-Tag Summary Report phased out
- Generator Name must be the RPS-certified facility from which the PCC1 claim is made
- Facility must be registered as a specific source with OATI webRegistry System by January 1, 2014
  - Must provide Facility Source Name so staff may recognize RPS facility on the e-Tags.



## PCC 2 Firmed and shaped

- Renewable energy is firmed and shaped with substitute energy
- Substitute energy is incremental to LSE
- Both facilities' first point of interconnection is outside a CBA
- Substitute energy scheduled into CBA within the same calendar year as RE is generated
- Renewable energy may not be sold back to RPS facility
- If a resale, for future generation and RECs only
- Verification includes:
  - Contract checks
  - RPS Claims (ITS/WREGIS)
  - NERC (CA RPS) e-Tag Summary Report(s)
  - Individual e-Tags as requested



## Portfolio Content Category 3

- All unbundled renewable energy credits and other electricity products procured from eligible renewable energy resources located within the WECC transmission grid that do not meet the requirements of either PCC 1 or PCC 2 fall within PCC 3.
- Procurement Claims May Not Be Made Before the Contract Execution and/or Ownership Agreement Date , REC claims may not be made before the contract execution date.
- Verification includes:
  - Contract checks
  - RPS Claims (ITS/WREGIS)



## POUs Contesting and Correcting Erroneous Categorizations in the Verification Process

- Energy Commission staff will work with POU staff to resolve outstanding issues in advance of public workshops, unresolved issues will be discussed at the workshop.
- Public comments considered in the drafting of the *Draft RPS Verification and Compliance Report for POUs*
- Public comments also considered in the *Final RPS Verification and Compliance Report for POUs*.
- After adoption of the *Final RPS Verification and Compliance Report for POUs*, compliance procedures will be followed in accordance with the *Enforcement Procedures for the RPS for POUs*.



## POUs Selling RECs to Retail Sellers

- A retail seller may claim RECs it has procured that are associated with deliveries of electricity by an eligible renewable energy resource to a POU, for purposes of the RPS, if the Energy Commission determines the following conditions are met:
  - POU has adopted and implemented an RPS procurement plan.
  - The electrical generation associated with the RECs is from an electrical generation facility that has been certified for the RPS by the Energy Commission.
  - REC must be tracked in WREGIS.
  - The quantity of RECs procured by the retail seller will not impede the POU from meeting its target standard.



## RPS Eligibility Guidebook: *Proposed Revisions*

- **Appendix A: WREGIS Reporting Instructions**



- Updated to specify one retirement subaccount for retail sellers based on reporting year and labeled as:  
YYYY CA RPS RS10
- POU's make non-binding, Historic Carryover, Count in Full, and PCC classifications by retiring in the following retirement subaccounts based on reporting year:

YYYY CA RPS HC10  
YYYY CA RPS PCC0  
YYYY CA RPS PCC1  
YYYY CA RPS PCC2  
YYYY CA RPS PCC3

POUs Exempt from PBRs Only

YYYY CA RPS PCC0  
YYYY CA RPS BNDL  
YYYY CA RPS TREC



## Proposed Revisions: *Administration*

- ***New section*** in this guidebook was transferred from *Overall Program Guidebook* – describes the protocol used by the Energy Commission to administer the RPS.
  - Administration information for RPS Certification provides additional information on cancelation of RPS certification, audits, record retention, and use and disclosure of information and records by the Energy Commission.
  - Added option that the Executive Director may extend a due date for report submission for good cause.
- Energy Commission plans to phase out the *Overall Program Guidebook* by the end of 2013.





## Proposed Revision: *Glossary of Terms*

- ***New section*** in this guidebook – definitions relevant to RPS were transferred from *Overall Program Guidebook*.
- New, revised or deleted terms:

•Awardee	•Investor Owned Utility
•Biogas	•Pipeline Biomethane
•Biomass	•Portfolio Content Category
•Commercial Operations Date	•Station Service
•Common Carrier Pipeline	•Decommissioned
•Dedicated Pipeline	•Water Supply or Conveyance System



## Outstanding Questions & Issues



- Energy Storage

1. Are there conditions under which a categorical determination can be made that a storage system, when co-located with a renewable electrical generation facility, is an “addition or enhancement” to that facility pursuant to Public Resources Code section 25741?
2. Recognizing the need to preserve the integrity of RPS accounting, what alternative metering arrangements should be considered or allowed for purposes of measuring RPS eligible energy generation using storage devices?
3. Besides storage devices, should other equipment that does not actually generate electricity be considered an “addition or enhancement” to a facility pursuant to Public Resources Code section 25741 for purposes of RPS certification? If so, what types equipment and under what conditions?



## Outstanding Questions & Issues



- Verification
  - What other documentation is available that could be considered for demonstrating that RPS requirements are being met for:
    - Biomethane delivery
    - Portfolio Content Category classification
    - Count -in-Full (including Historic Carryover)
- Other Outstanding Issues?



## Next Steps

- **Public comments are due by 5 pm on March 25 20, 2013**
  - Follow filing instructions in Workshop Notice
- Staff will revise draft guidebook and incorporate public input
- Final draft guidebook planned for adoption in late April 2013 – public notice at least 10 days in advance
- Guidebook becomes effective immediately upon adoption
- **NEXT** - Detailed discussion of AB 2196 implementation for biomethane.



~Lunch Break~



## Implementation of AB 2196: Biomethane for RPS *Existing Biomethane Contracts*

- Existing Biomethane Procurement Contracts
  - Executed by a retail seller or POU before March 29, 2012
  - Reported to the Energy Commission before March 29, 2012.
  - Meets all applicable eligibility requirements at time of contract execution.
  - Biomethane source(s) produce and inject biomethane into common carrier pipeline before April 1, 2014.
  - Biomethane used by generating facility designated in biomethane procurement contract executed before March 29, 2012.
- Incremental quantities of biomethane not meeting requirements for existing contracts are subject to requirements for New Biomethane Procurement Contracts.



## Implementation of AB 2196: Biomethane for RPS *Existing Biomethane Contracts*

- Delivery Requirements for Existing Biomethane Procurement Contracts
  - Delivered into pipeline within WECC or pipeline that delivers gas to California (or the generating facility).
  - Contracts required for delivery or storage with every pipeline or storage operator from injection point to delivery point in CA or to facility (if outside CA)
- Substitution of Electrical Generation Facilities
  - Biomethane under an existing biomethane contract may not be used for RPS at a different electric generation facility than was designated in the original report to the Energy Commission prior to March 29, 2012.



## **Implementation of AB 2196: Biomethane for RPS *Existing Biomethane Contracts***

- Adjustments to Existing Contracts are Subject to Requirements for New Biomethane Procurement Contracts
  - Extension of term of existing contract.
  - Amounts of biomethane exceeding the quantities specified in existing contract.
  - Quantities specified in existing contract as optional to the buyer.
  - Quantities procured from source not identified in existing contract.
  - Quantities from sources not producing and injecting biomethane into pipeline by April 1, 2014.





## Implementation of AB 2196: Biomethane for RPS *New Biomethane Contracts*

- New Biomethane Procurement Contracts
  - Executed by a retail seller or POU on or after March 29, 2012.
  - Reported to the Energy Commission on or after March 29, 2012.
  - Executed before March 29, 2012, but reported to Energy Commission after March 29, 2012.
  - Biomethane source(s) must not have injected biomethane into a common carrier pipeline before March 29, 2012, unless of sufficient incremental quantities after March 29, 2012, to satisfy the contract requirements.
  - Must have direct environmental benefits to California:
    - Reduction or avoidance of criteria air pollutants (or their precursors).
    - Reduction or avoidance of pollutants that could have an adverse impact on any surface water or groundwater .
    - Mitigation of a local nuisance associated with the emission of odors.



## Implementation of AB 2196: Biomethane for RPS *New Biomethane Contracts*

- Delivery Requirements for New Biomethane Procurement Contracts
  - Delivered into common carrier pipeline within WECC region or interconnected to a common carrier pipeline system located within WECC.
  - Contracts required for delivery or storage with every pipeline or storage operator from injection point to delivery point at facility.
  - Pipeline(s) on delivery path must physically flow biomethane within California or from injection point toward final delivery at facility at least 50% of the time on annual basis.



## Implementation of AB 2196: *All Biomethane Procurement for RPS*

- Biomethane Procurement Contract must demonstrate:
  - Execution date and term.
  - Specific biomethane sources and, as applicable, reported to the Energy Commission before March 29, 2012.
  - Contracted quantities of biomethane from each source.
  - Sufficient renewable and environmental attributes associated with production, capture and injection are transferred to generating facility to ensure zero net emissions associated with electricity production using biomethane.
  - Only appropriate marketing, regulatory or retail claims from the reduction of GHG due to capture and destruction of methane may be made in connection with the biomethane procurement contract.
    - If claimed, GHG reduction attributes due to destruction of methane must be retired on behalf of retail seller or POU customers.



## Implementation of AB 2196: *All Biomethane Procurement for RPS*

- Application Process
  - **Complete applications submitted on new forms must be received within 90 days of adoption of this guidebook to maintain certification status.**
  - Applies to all facilities using biomethane, including onsite, offsite through dedicated pipeline and through common carrier pipeline.
  - Applies to RPS-certified, precertified and pending eligibility.
  - Applicants of facilities with existing biomethane contracts:
    - Will be certified on limited basis until allowable quantities of biomethane are used.
    - Must notify Energy Commission when new sources under contract begin deliveries by amending RPS certification application.



## **Implementation of AB 2196: *All Biomethane Procurement for RPS***

- **Procurement Requirements**
  - Compliance with RPS procurement requirements for retail sellers, including classification of RECs into count-in-full or portfolio content categories, is determined by the CPUC.
  - For POUs, the Energy Commission will consider the execution date of the electricity procurement or ownership agreement to determine classification as count-in-full or in portfolio content category IF the PPA specifies the procurement of biomethane. If the PPA does not specify biomethane procurement, the Energy Commission will consider the execution date of the biomethane procurement contract for this classification.



## Implementation of AB 2196: *All Biomethane Procurement for RPS*

- Annual Reporting and Accounting Requirements
  - Annual report of monthly data due annually by March 31 for prior calendar year. Information used to determine ongoing eligibility and for verification of procurement and delivery. Reporting includes:
    - Fuel quantities injected, delivered and used
    - Pipeline transport contracts and delivery paths
    - Pipeline nomination reports
    - Storage nomination reports
    - Biomethane invoices
    - Gas and electricity meter reads
    - Summary statement and additional documentation
  - “Delivery Path Summary Spreadsheet” and “Fuel Use Summary Spreadsheet” must be submitted annually (sample to be provided in Appendix)



# Questions & Comments



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