

BEFORE THE
CALIFORNIA ENERGY COMMISSION

RENEWABLES PORTFOLIO STANDARD

Docket No. 11-RPS-01
Docket No. 02-REN-1038**COMMENTS OF THE CITY AND COUNTY OF SAN FRANCISCO ON THE
LEAD COMMISSIONER DRAFT RENEWABLES PORTFOLIO STANDARD
ELIGIBILITY GUIDEBOOK**

The City and County of San Francisco (City) appreciates the efforts of the California Energy Commission (CEC) staff working with Lead Commissioner Carla Peterman to update the Renewables Portfolio Standard (RPS) Eligibility Guidebook to conform to the California Renewable Energy Resources Act (SB2). The City has reviewed the April 18, 2012, revisions to the Draft RPS Eligibility Guidebook, 5th Edition (Guidebook), and has four recommendations:

1. The regulations in the Guidebook should match the language in SB2. The City supports the changes to the section of the Guidebook referencing a hydroelectric generation "unit" instead of "facility", consistent with the language in SB2.
2. There should be a definition of "nameplate capacity" included in the Guidebook.
3. All resources that are classified as RPS-eligible under the 5th Edition of the Guidebook should be eligible retroactively to either January 1, 2011, or the effective date of SB2 (December 10, 2011).
4. Consistent with state policy goals to increase use of renewable distributed generation, all small-scale renewable distributed generation resources that otherwise meet RPS requirements should be RPS-eligible even if they do not have revenue quality meters.

In an Appendix to these comments we provide suggested language to address these issues, as well as conforming corrections.

The Guidebook should be consistent with the statutory language in SB2.

The City appreciates that many of the April 18 revisions to the draft Guidebook match the language in SB2. Departures from the language in SB2 were one of the major concerns of

the City in its previous comments on the Guidebook.¹ As a utility that receives almost all of our power from hydroelectric energy sources, the City particularly supports use of the term "small hydroelectric generation unit" instead of "facility" for hydroelectric generation associated with a "water supply or conveyance system."² The City also supports inclusion of a definition of "water conveyance." These changes conform the regulations to the requirements of SB2.

"Nameplate Capacity" should be defined.

Although the revised Guidebook extensively uses the term "nameplate capacity," this term is not defined. The City proposes that this term be defined in the Guidebook using the Energy Commission's definition of "nameplate capacity" contained in its Reporting Requirements for Quarterly Fuel and Energy Reports, as follows :

"Nameplate capacity" means the full-load continuous rating of an electric generator or a power plant under specific conditions as designated by the manufacturer.³

RPS Resources should be eligible retroactively to either January 1, 2011 or the effective date of SB2 (December 10, 2011).

The revised Guidebook extends RPS-eligibility to distributed generation (DG) resources that previously were excluded. In accordance with SB2, it also extends RPS-eligibility for selected water conveyance units. However, the revised Guidebook allows generation from these resources to be counted as RPS-eligible only upon the formal adoption of the Guidebook, currently scheduled for May 9, 2012. In contrast, all other RPS-eligible resources of Publicly Owned Utilities (POUs) may be counted as RPS-eligible retroactive to January 1, 2011.

SB2 places an RPS obligation on POUs effective as of January 1, 2011. Resources newly eligible as the result of SB2, such as DG and water conveyance units, should also become eligible as of January 1, 2011. There should be a symmetrical change in the RPS-eligibility rules

¹ Comments of the SFPUC on Draft RPS Eligibility Guidebook filed on November 2, 2012

² Public Utilities Code Section 399.12(e)(1)(A)

³ California Energy Commission -- Reporting Requirements (Article 1.-- Quarterly Fuel and Energy Reports, § 1302. Rules of Construction and Definitions. (39))

to ensure that POU's may count all of their eligible RPS resources towards meeting their RPS obligation.

At a minimum, resources that became RPS-eligible as a result of SB2 should become RPS-eligible on the effective date of SB2's implementation (December 10, 2011). As the Guidebook itself notes, the "guidelines may be given retroactive effect as specified by the Commission and according to its statutory authority."⁴ Allowing RPS-eligibility back to SB2's effective date is also consistent with Energy Commission practice regarding statutory (as opposed to Commission-initiated) changes in RPS-eligibility. For example, the Guidebook allows generation procured under the recently enacted AB920 net surplus compensation program prior to the facility's eligibility date to be considered RPS-eligible.⁵

Existing small-scale renewable distributed generation resources should be RPS-eligible even if they do not have revenue quality meters.

The City appreciates that the CEC's proposed rules will allow for distributed, behind-the-meter renewable generation to qualify for RPS-eligibility, so that the full value of these resources can be recognized. The City has made significant investments in developing such resources, both through its own projects, and through its GoSolarSF program, to supplement the incentives San Franciscans receive under the California Solar Initiative (CSI). The City is concerned, however, that the proposed rules may impose unnecessary limitations.

As noted in the City's previous comments, the requirement that all DG resources must use revenue-quality meters with an accuracy of +/-2% will continue to exclude substantial amounts of solar PV financed through the California Solar Initiative (CSI) program, most of which use non-revenue quality meters. Making large amounts of small DG projects⁶ ineligible for RPS solely because they do not have sophisticated meters is inconsistent with the goal established by the Brown Administration, in its Clean Energy Jobs Plan to create 12,000 MW of DG resources within California, and the Energy Commission's own goals established in its 2011 Integrated Energy Policy Report (IEPR).⁷ Among the action items outlined in both the 2011 IEPR and the

⁴ Guidebook, p. 4

⁵ Guidebook, p. 77

⁶ In our comments we are leaving it to the Energy Commission to determine the appropriate size-threshold below which DG resources would not need revenue-quality meters.

⁷ In its 2011 Integrated Energy Policy Report, February 2012 (CEC-100-2011-001-CMF) the Energy Commission included California Solar Initiative facilities in its table of existing DG resources as well as

2012 IEPR are the need to: "(3) minimize renewable interconnection costs and time; and (4) promote incentives for renewable projects that create in-state benefits." Neither of these action items is achieved by excluding distributed solar projects from RPS-eligibility solely due to restrictive metering requirements.

The City's comments on the previous Guidebook set forth alternatives to address concerns about meter accuracy, such as discounting metered data or letting small units qualify based on engineering benchmarks of their expected generation. The City explained that current WREGIS functionality can accommodate these alternatives. Other commenters, such as the Los Angeles Department of Water & Power (LADWP) and the Sacramento Municipal Utility District (SMUD) also offered proposed solutions and recognized that WREGIS is able to include generation with simple metering in its recordkeeping.

Conclusion

The City appreciates the changes made in the April 18 revised Guidebook, as noted above, and recommends the minor additional changes identified herein.

Respectfully submitted,

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counting them on a going-forward basis towards the 12,000 MW distributed generation goal (Tables, pages 30, 32) and stated that "given the trend of declining costs for solar photovoltaic (PV) technologies, the Energy Commission believes the focus should be on developing the 'low-hanging fruit' in the next few years."

APPENDIX – PROPOSED CHANGES

1. Nameplate Capacity should be defined (Overall Program Guidebook, p. 21)

Nameplate Capacity-- means the full-load continuous rating of an electric generator or a power plant under specific conditions as designated by the manufacturer.

2. CEC-RPS-1.S2 Instructions -- Certification Supplement 2 – Hydroelectric

Note: CCSF's revisions here simply conform the instruction forms to the Guidebook and statutory provisions.

Section VII: Water Supply or Conveyance System Facilities

7. Applicant must certify that the facility meets all the following requirements:...

Nameplate Capacity is ~~30~~ 40 MW or less, with an exception for eligible energy efficiency improvements made after January 1, 2008.

3. Page 71 -- Eligibility of Renewable Energy Credits for Distributed Generation Facilities and Onsite Load

Applicants for a renewable facility that serves onsite load must meet all RPS eligibility requirements in the fifth edition of this guidebook including, but not limited to, small facility aggregation if applicable, participation in WREGIS, and reporting eligible generation based on a meter with an independently verified rating of 2 percent or higher accuracy if the facility is larger than ___ kW⁸ or use of non-revenue quality meters or engineering estimates for facilities under ___ kW.

4. Certification Process (p. 71)

Generation procured by a utility under an AB 920 net surplus compensation program prior to the electrical generation facility's eligibility date will be considered RPS-eligible once the facility has become RPS -certified. Generation procured by a utility from a hydroelectric facility associated with a water supply or conveyance system after December 10, 2011 and prior to the electrical generation facility's eligibility date will be considered RPS-eligible once the facility has become RPS-certified.

5. Relationship between WREGIS and ITS (p. 109)

Note: CCSF's revisions here simply conform this section to the Guidebook provisions that generation before October 2012 may be reported using the ITS for data that are not yet available in WREGIS (see pg 105).

Beginning on October 1, 2012, all load serving entities must track and report their going-forward procurement using WREGIS. Load-serving entities may continue to track and report procurement that occurred prior to October 1, 2012 on their ITS form.

⁸ As noted in our comments, we are leaving it to the Energy Commission to determine the appropriate size-threshold below which DG resources would not need revenue-quality meters