

CALIFORNIA ENERGY COMMISSION1516 Ninth Street
Sacramento, California 95814Main website: www.energy.ca.gov

California Energy Commission

DOCKETED**11-RPS-01**

TN 72678

FEB 14 2014

In the matter of:)

Docket No. 11-RPS-01)

) Developing Regulations and Guidelines for
) the 33 Percent Renewables Portfolio
) Standard)) NOTICE OF WORKSHOP
) RE: **Renewables Portfolio Standard**
) **Eligibility Guidebook**

Notice of Lead Commissioner Workshop to Scope a Future Edition of *Renewables Portfolio Standard Eligibility Guidebook*

Commissioner David Hochschild, the California Energy Commission's Lead Commissioner for Renewables, will hold a scoping workshop to solicit public comment on possible revisions to a future edition of the *Renewables Portfolio Standard Eligibility Guidebook* (*RPS Guidebook*). Other Commissioners may attend the workshop.

TUESDAY JANUARY 28, 2014

Beginning at 9:30 a.m.

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street

First Floor, Hearing Room A

Sacramento, California

(Wheelchair Accessible)

Remote Access Available by Computer or Phone via WebEx™ (instructions below)

Agenda

This workshop is to solicit public comments from interested parties on issues described as "outstanding" in the *RPS Guidebook* and on items that have been brought to the Energy Commission staff's attention, and to provide stakeholders an opportunity to suggest topics for potential revisions to a future edition of the *RPS Guidebook*. The Energy Commission is seeking public input on the following topics as well as the specific questions identified in Attachment A to this notice.

- The definition of prime generating equipment for repowering
- The requirement to apply for RPS certification within 90 days of a facility's commencement of commercial operations to retain the precertification eligibility date
- The definition of a dedicated pipeline for facilities using biomethane not used onsite or delivered through a common carrier pipeline
- Potential RPS-eligibility of energy storage facilities
- Application of new eligibility requirements to previously certified facilities

- Precertification value and challenges

Public comments from this workshop may be used to inform revisions to a future edition of the *RPS Guidebook*.

This workshop will not address station service because the Energy Commission held a workshop dedicated to this topic on September 10, 2013. Stakeholders will have an opportunity to provide additional comments on all proposed changes to the *RPS Guidebook* at future workshop.

Background

The *RPS Guidebook* describes the eligibility requirements and process for certifying eligible renewable energy resources for California's RPS and describes how the Energy Commission verifies compliance with the RPS. The *RPS Guidebook* is periodically revised to reflect changes in statute and market conditions.

The *RPS Guidebook, Seventh Edition*, is available on the Energy Commission's website at:

www.energy.ca.gov/renewables/documents/index.html#rps

Public Comment

Oral comments: The Lead Commissioner will accept oral comments during the workshop. Comments may be limited to three minutes per speaker. Any comments will become part of the public record in this proceeding.

Written comments: Written comments should be submitted to the Dockets Unit by 4:00 p.m. on Tuesday, February 18, 2014. Please include docket number 11-RPS-01 and indicate "*RPS Guidebook* Scoping Workshop" in the subject line. Written comments will also be accepted before or at the workshop; however, the Energy Commission may not have time to review them before the conclusion of the workshop. For additional information, see Standing Order re: Proceedings and Confidentiality Procedural Requirements for Filing, Service, and Docketing Documents with the Energy Commission, available at:

www.energy.ca.gov/commission/chief_counsel/docket.html

Additionally, written comments may be posted to the Energy Commission's website for the proceeding. Please note that your written and oral comments, attachments, and associated contact information (e.g. your address, phone, email, etc.) become part of the viewable public record. This information may become available via Google, Yahoo, and any other search engines.

The Energy Commission encourages comments by e-mail. Please include your name and any organization name. Comments should be in a downloadable, searchable format such as Microsoft® Word (.doc) or Adobe® Acrobat® (.pdf) and sent to both:

docket@energy.ca.gov and RPS33@energy.ca.gov

If preferred, you may send a paper copy of your comments to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 11-RPS-01
1516 Ninth Street
Sacramento, CA 95814-5512

Public Adviser and Other Commission Contacts

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission proceedings. If you want information on how to participate in this forum, please contact the Public Adviser's Office at PublicAdviser@energy.ca.gov or (916) 654-4489 (toll free at (800) 822-6228).

If you have a disability and require assistance to participate, please contact Lou Quiroz at lou.quiroz@energy.ca.gov or (916) 654-5146 at least five days in advance.

Media inquiries should be sent to the Media and Public Communications Office at mediaoffice@energy.ca.gov or (916) 654-4989. If you have questions on the subject matter of this workshop, please contact Mark Kootstra at mark.kootstra@energy.ca.gov or (916) 653-4487.

Remote Attendance

You may participate in this meeting through WebEx, the Energy Commission's online meeting service. Presentations will appear on your computer screen, and you may listen to audio via your computer or telephone. Please be aware that the meeting may be recorded.

To join a meeting:

VIA COMPUTER: Go to <https://energy.webex.com> and enter the unique meeting number: **923 222 529**. When prompted, enter your name and the following meeting password: **meeting@9:30**

The "Join Conference" menu will offer you a choice of audio connections:

1. To call into the meeting: Select "I will call in" and follow the on-screen directions.
2. International Attendees: Click on the "Global call-in number" link.
3. To have WebEx call you: Enter your phone number and click "Call Me."
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VIA TELEPHONE ONLY (no visual presentation): Call 1-866-469-3239 (toll-free in the U.S. and Canada). When prompted, enter the unique meeting number: **923 222 529**. International callers may select their number from <https://energy.webex.com/energy/globalcallin.php>

VIA MOBILE ACCESS: Access to WebEx meetings is now available from your mobile device. To download an app, go to www.webex.com/overview/mobile-meetings.html.

If you have difficulty joining the meeting, please call the WebEx Technical Support number at 1-866-229-3239.

Availability of Documents

Documents and presentations for this meeting will be made available online at:

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



DAVID HOCHSCHILD
Lead Commissioner, Renewables

Mail List: renewable

Date: December 26, 2013

Attachment A: Questions Concerning Possible Revisions to a Future Edition of the RPS Guidebook

The following topics may be addressed as proposed revisions in a future edition of the *Renewables Portfolio Standard Eligibility Guidebook (RPS Guidebook)*. Energy Commission staff seeks stakeholder input to help inform decisions concerning these issues, and specifically responses to the questions below.

A. The definition of prime generating equipment for repowering

Per Assembly Bill 2196,¹ the Energy Commission defines all digester gas, landfill gas, and any other biogas as a biomethane resource. However, this changed classification was not addressed in the repowering section of the *RPS Guidebook, Seventh Edition*, specifically the definition of the prime generating equipment for facilities that use biomethane. The Energy Commission has defined the prime generating equipment for a digester gas facility as:

“Digester gas: the entire digester unit and internal combustion engine or combustion turbine as applicable.” (*RPS Guidebook, Seventh Edition*, page 58)

While for landfill gas facilities the prime generating equipment is defined as:

“Landfill gas: the entire internal combustion engine or combustion turbine as applicable.” (*RPS Guidebook, Seventh Edition*, page 58)

The Energy Commission is seeking stakeholder response to the following questions.

1. What is the appropriate definition of the prime generating equipment for a facility using biomethane from digester gas? From landfill gas? Should the definitions be the same? Explain.
2. Should this definition be different for a biomethane facility receiving gas from either a dedicated pipeline (including onsite) or a common carrier pipeline? Why or why not?
3. Should any distinction be made for separate ownership of the gas collection or process equipment and the electricity generation facility using biomethane? If so, how?

B. Certification application deadlines relating to the eligibility date

The seventh edition of the *RPS Guidebook* requires applicants of precertified facilities to apply for certification within 90 days of commencing commercial operations to retain the eligibility date assigned to the facility upon its precertification. This requirement was added to ensure that the Energy Commission has accurate facility information submitted in a timely manner, and that facilities are certified before a utility claims generation from the facility for the RPS.

1. Is this a reasonable requirement? Why or why not? If this is not a reasonable requirement, is there a different timeframe for applying for certification that is more reasonable?
2. Is there an alternative approach to ensure the Energy Commission receives important facility information in a timely manner?

¹ Assembly Bill 2196 (Chapter 605, Statutes of 2012) amends Section 25741 of the Public Resources Code and adds Section 399.12.6 to the Public Utilities Code.

3. Should a facility remain precertified if the estimated commercial operations date passes and the facility does not submit an application for certification within the specified timeframe?

C. The definition of a dedicated pipeline for biomethane

For an electric generation facility using biomethane, AB 2196 makes a distinction between biomethane used by an onsite generating facility, used by an offsite generating facility and delivered to the generating facility using a dedicated pipeline, and used by a facility and delivered through a common carrier pipeline. With the implementation of AB 2196, the Energy Commission defines a dedicated pipeline as follows:

“Dedicated pipeline — for purposes of RPS eligibility of biomethane, refers to a gas conveyance pipeline that is not part of a common carrier pipeline system, that conveys biomethane from a specific biomethane producer to a specific electrical generation facility and to no other end users.” (*RPS Guidebook, Seventh Edition*, page 118)

This definition was intended to ensure that for the RPS, biomethane delivered to an offsite electrical generation facility through a dedicated pipeline can only be consumed at the specified facility and no other.

1. Does the Energy Commission’s definition of dedicated pipeline achieve the objective stated above? If not, please propose an alternative definition.
2. Is the Energy Commission’s definition of dedicated pipeline too narrow? If so, how could it be expanded while still achieving the objective stated above?

D. Energy storage facilities

The *RPS Guidebook, Seventh Edition*, provides requirements regarding the use of energy storage devices that are operated as part of a renewable electrical generation facility that is eligible for the RPS. If the energy storage device(s) and the renewable generation are metered as a single facility, they can be treated as a single electrical generation facility in a certification application. At this time, energy storage devices that are not operated and metered as part of a single renewable electrical generation facility may not be certified.

Stand alone energy storage devices are not inherently renewable, nor can they produce any electricity without consuming a greater quantity of energy than is discharged from the device.

1. Should energy storage facilities not directly connected to or metered as part of a renewable electrical generation facility be eligible for RPS certification? If so, how can the Energy Commission ensure that the output of the energy storage device is from a renewable electrical generation facility, and that no double counting of the renewable generation occurs?
2. Given the inherent energy losses in storing electricity, is there any benefit for utilities to procure renewable energy that has been stored in an energy storage device rather than directly procuring it from the renewable generator and allowing generic grid electricity to be stored? Explain. Do these benefits remain if delivery to the energy storage device requires firm transmission, or another delivery arrangement similar to electrical generation facilities not interconnected to a California Balancing Authority to provide a Portfolio Content Category 1 product?

3. Should energy storage devices be allowed to shift delivery times for Portfolio Content Category 1 deliveries? Why or why not? If yes, explain how this could be verified.

E. Precertification

The Energy Commission currently offers precertification for electrical generation facilities that have not yet commenced commercial operations, or for facilities that have commenced commercial operations, but are not yet using an eligible renewable energy resource to generate electricity. The precertification of a facility is intended to provide the applicant an initial staff evaluation, based on the information provided, about whether the facility would meet the requirements of the *RPS Guidebook* in place when the precertification application was submitted to the Energy Commission. The status of precertification does not guarantee that the facility will become RPS certified, nor does it allow precertified facilities to apply for certification under the same eligibility requirements. Certification applications are evaluated under the *RPS Guidebook* in effect when the Energy Commission receives the certification application. The Energy Commission receives more applications for precertification than certification, and many precertified facilities fail to apply for certification or notify the Energy Commission that the project has been delayed or failed. This results in skewed data for the Energy Commission's electricity planning functions and unnecessary cost to administer the RPS program. In addition, precertification may send the wrong signal to utilities and financial institutions that are investing in precertified projects.

1. Are market participants, including facility owners, utilities, investors, or other stakeholders aware of the intended use of precertification, or is precertification being represented as having a different value intended by than the Energy Commission?
2. Could the renewables market reasonably adjust to the elimination of the precertification process? Why or why not?
3. Could test energy, which is generated before a facility commences commercial operations, be made RPS-eligible through other means than a precertification?
4. What measures should the Energy Commission take to ensure that applicants for precertification fully intend to complete the development of the planned facility and commence commercial operations?
5. Can the precertification process be revised to provide greater assurance to developers and the renewable electricity market? Can greater assurance be provided without guarantying the certification of a precertified facility or without evaluating the certification application under the edition of the *RPS Guidebook* used to precertify the facility?

F. Application of new eligibility requirements to RPS certified facilities

The Energy Commission has historically applied changes in RPS eligibility requirements on a prospective basis. For example, when a change in law resulted in a revision to an eligibility requirement, the change affected facilities applying for certification after the law was implemented in the RPS Eligibility Guidebook. As a result, facilities certified under a previous *RPS Guidebook* remain RPS certified without demonstrating compliance with the revised *RPS Guidebook*, and may retain benefits no longer provided to facilities newly seeking RPS certification. The Energy Commission is particularly interested in the following areas:

1. Assembly Bill 1954² eliminated the Energy Commission's discretion to set a de minimis amount of fossil fuel used at an eligible renewable energy resource to count toward the RPS as renewable. AB 1954 set the de minimis amount of nonrenewable fuel at two percent with an allowance of up to five percent under specific conditions. Specific information can be found in Sections III.B.2 and 3, of the *RPS Guidebook, Seventh Edition*.
2. Assembly Bill 3048³ requires all existing small hydroelectric facilities that commenced commercial operations before January 1, 2006, to have been under contract to, or owned by, a retail seller or local publicly owned electric utility as of December 31, 2005, to be eligible for the RPS.
3. Senate Bill X1-2⁴ requires the electricity generated by an existing facility that commenced commercial operations prior to January 1, 2005, and has its first point of interconnection to the transmission network within a non-CBA outside California, to be procured by a retail seller or POU as of January 1, 2010, in order for the existing facility to be RPS-eligible.

The Energy Commission is seeking stakeholder response to the following questions.

1. Should the Energy Commission hold all RPS-certified facilities to the requirements of all subsequent *RPS Guidebooks* even if new requirements are established after the facility becomes certified? Why or why not?
2. What would be the impact, if any, on utilities if an RPS-certified facility that does not meet the requirements of the current *RPS Guidebook* was required to re-certify under the current guidebook? What would be the impact, if any, on owners of these noncompliant facilities?
3. If the eligibility of a facility is rescinded, or revised, due to a change in the *RPS Guidebook* or law, when should the change in the eligibility go into effect? When the law went into effect, upon adoption of the revised *RPS Guidebook*, or at some other time?
4. To implement such requirements should RPS-certified facilities be required periodically re-certify, or re-certify due to the adoption of a new guidebook or the close of an existing contract?

2 Assembly Bill 1954 (Chapter 460, Statutes of 2010) amends Section 399.2.5 and 399.12 of the Public Utilities Code.

3 Assembly Bill 3048 (Chapter 558, Statutes of 2008) amends pertinent provisions in Sections 25741 and 25742 of the Public Resources Code and Sections 399.12 and 399.12.5 of the Public Utilities Code.

4 SB X1-2 (Chapter 1, Statutes of 2011, First Extraordinary Session) amends pertinent provisions in section 25741 of the Public Resources Code, among other changes..