

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street
Sacramento, California 95814

Main website: www.energy.ca.gov



In the matter of:) Docket No. 11-RPS-01
)
Developing Regulations and Guidelines) Notice of Business Meeting
For the 33 Percent Renewables Portfolio) RE: RPS Implementation
Standard)

Notice of Proposed Implementation of Assembly Bill 1478 for the Renewables Portfolio Standard

The California Energy Commission will conduct a Business Meeting on:

Monday, November 17, 2014
11:00 a.m.
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
1st Floor, Hearing Room A
Sacramento, California
(Wheelchair Accessible)

California Energy Commission

DOCKETED

11-RPS-01

TN 73960

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Audio from this meeting will be broadcast over the Internet.

For details, please go to:

www.energy.ca.gov/webcast

As part of the November 17, 2014 Business Meeting, the Energy Commission will consider adopting staff's recommendation to revise requirements in the *Renewables Portfolio Standard Eligibility Guidebook (RPS Guidebook)* to implement Assembly Bill 1478 (Stats. 2014, Ch. 664). AB 1478 amends and clarifies the eligibility requirements of a hydroelectric generation unit with a nameplate capacity up to 40 megawatts that is operated as part of a water supply or conveyance system as an eligible renewable energy resource for California's Renewables Portfolio Standard.

Background

The Energy Commission adopted the *RPS Guidebook* to implement and administer its responsibilities under the Renewables Portfolio Standard (RPS) statutes. Under these laws, the Energy Commission is charged with certifying eligible renewable energy resources that may be used by retail sellers of electricity and local publicly owned electric utilities (POU) to satisfy their RPS procurement requirements. The *RPS Guidebook* describes the eligibility requirements and process for certifying renewable resources as eligible for California's RPS. The *RPS Guidebook* is revised periodically to reflect statutory, market, and regulatory developments and to respond to lessons learned through implementing the program.

In 2012 and 2013, the *RPS Guidebook* was revised to implement changes in law under Senate Bill X1-2 (Stats. 2011, 1st Ex. Sess., Ch. 1). Among other things, SBX1-2 established a new RPS eligibility category for hydroelectric generation units with a nameplate capacity up to 40 megawatts that are operated as part of a water supply or conveyance system (WSCS hydroelectric unit). The law prior to SBX1-2 generally limited RPS eligibility to hydroelectric facilities with a capacity of 30 megawatts or less, but under SBX1-2 an individual generating unit at a hydroelectric facility could exceed this 30 megawatt limit. Because of this and other ambiguities in the law, it was difficult to implement the new eligibility category for WSCS hydroelectric units despite *RPS Guidebook* revisions for this purpose.

AB 1478 amends and clarifies the eligibility requirements of a WSCS hydroelectric unit to apply retroactively consistent with the effective date of SBX1-2. AB 1478 clarifies that a WSCS hydroelectric unit is RPS eligible only for the retail seller or POU that procured electricity from the unit as of December 1, 2005. It also limits eligibility to hydroelectric units for which an application for certification was submitted to the Energy Commission prior to January 1, 2013.

Purpose

With the passage of AB 1478, the law with respect to the RPS eligibility of WSCS hydroelectric units has now been clarified. AB 1478 was signed by Governor Brown on September 27, 2014, and became effective immediately. Due to timing considerations, Energy Commission staff is proposing that the Energy Commission expedite the implementation of AB 1478 by considering adoption of a resolution that revises the *RPS Guidebook, 7th Edition* pertaining to the requirements for WSCS hydroelectric units. If adopted, these requirements will become effective immediately, and will subsequently be incorporated into the next revision of the *RPS Guidebook*.

Staff recommends that the requirements and criteria provided in Attachment A be used to evaluate the eligibility of a WSCS hydroelectric unit as an eligible renewable energy resource.

The *Renewables Portfolio Standard Eligibility Guidebook, 7th Edition*, is available on the Energy Commission's website at:

<http://energy.ca.gov/portfolio/>

A draft resolution to implement staff's recommendations will be available on this website prior to the Business Meeting.

Public Comment

The Energy Commission encourages public comments on the proposed revisions to the *RPS Guidebook, 7th Edition*, pertaining to eligibility requirements for a WSCS hydroelectric generation unit as an eligible renewable energy resource for the RPS.

Oral comments: The Energy Commission will accept oral comments during the Business Meeting. 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 November 12, 2014**. Please include docket number 11-RPS-01 and include "RPS

Implementation” in the subject line. Written comments will also be accepted before or at the Business Meeting; however, the Energy Commission may not have time to review them before the conclusion of the meeting. 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). Please include the docket numbers **11-RPS-01** indicate **RPS Implementation** in the subject line. Send comments to:

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 Alana Mathews, Public Adviser, 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 agenda item, please contact Lynette Green at Lynette.Green@energy.ca.gov or (916) 653-2728.

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.

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4. To listen over the computer: If you have a broadband connection, and a headset or a computer microphone and speakers, you may use VoIP (Internet audio) by going to the Audio menu, clicking on "Use Computer Headset," then "Call Using Computer."

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Date: November 5, 2014

David Hochschild
Lead Commissioner

Electronic Mail Lists: renewables and 33by2020 listservs

ATTACHMENT A

Proposed Revisions to the *RPS Eligibility Guidebook, 7th Edition*, Pertaining to a Hydroelectric Generation Unit with a Nameplate Capacity up to 40 Megawatts that is Operated as Part of a Water Supply or Conveyance System as an Eligible Renewable Energy Resource for California's Renewables Portfolio Standard.

Section II.F.3.

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Existing Hydroelectric Generation Unit Operated as Part of a Water Supply or Conveyance System

The generation from certification of an existing hydroelectric generation unit operated as part of a water supply or conveyance system¹ is eligible for the RPS, subject to the limitations specified below, if the following criteria are satisfied: ~~requires that the unit meet all of the following requirements:~~

- a) ~~The generation unit has a nameplate capacity of not exceeding 40 MW or less, subject to the definition of a "project" as defined in this guidebook, the Glossary of Terms.~~
- b) ~~Generation from the facility was under contract to, or owned by, a A retail seller or local publicly owned electric utility (POU) procured electricity from the generation unit as of December 31, 2005.~~
- c) The generation unit commenced commercial operations on or before December 31, 2005.
- d) The generation unit is operated as part of a "water supply or conveyance system," as defined in this guidebook, the Glossary of Terms.
- e) The electricity generated by the generation unit is metered separately from any other generating units located at or within the same hydroelectric generation facility.²
- f) An application to certify the generation unit for the RPS was submitted to the Energy Commission before January 1, 2013.

¹ Senate Bill X1-2 revised Public Utilities Code Section 399.12, Subdivision (e)(1)(A), to add existing hydroelectric generation units not exceeding 40 MW and operated as part of a water supply or conveyance system as an eligible renewable energy resource, if certain criteria are met. Section 399.12, Subdivision (e)(1), was subsequently clarified and amended by Assembly Bill 1478 (Statutes of 2014, Chapter 664). Hydroelectric generation units meeting these criteria are eligible for the RPS starting on January 1, 2011, consistent with SB X1-2, provided the eligibility requirements specified in this guidebook are satisfied.

² For example, if a powerhouse located on a water supply or conveyance system includes three separate hydroelectric generating units, each unit for which RPS certification is sought must be separately metered.

Limitations on RPS Eligibility:

- 1) Generation units certified for the RPS pursuant to this Section II.F.3 are eligible for the RPS starting on January 1, 2011, consistent with Public Utilities Code section 399.12 (e)(1), as amended by Senate Bill X1-2 and subsequently clarified and amended by Assembly Bill 1478.
- 2) Electricity from the generating unit certified for the RPS pursuant to this Section II.F.3 may only be used to satisfy the RPS procurement requirements of the retail seller or POU that procured electricity from the generation unit as of December 31, 2005. If multiple retail sellers or POUs procured electricity from the generation unit as of December 31, 2005, only the retail seller or POU that owned the generation unit as of December 31, 2005, may use electricity from the generation unit to meet its RPS procurement requirements, except as provided in paragraph (3) below.
- 3) A POU that meets the criteria of Public Utilities Code section 399.30 (j) may sell to another POU up to 100,000 megawatt-hours of electricity from all generation units certified for the RPS pursuant to this Section II.F.3, and that electricity may be used by the POU that purchased the electricity to meet its RPS procurement requirements. Electricity from the certified generation units may be sold to multiple POUs, but the total of all such sales shall not exceed 100,000 megawatt-hours.
- 4) A POU that meets the criteria of Public Utilities Code section 399.30 (j) shall report to the Energy Commission all sales of electricity from generation units certified for the RPS pursuant to this Section II.F.3 to ensure compliance with the 100,000 megawatt-hour limit of paragraph (3). The electricity sales shall be reported to the Energy Commission as specified in Section V.B.6. of this guidebook.

To qualify for RPS certification, the applicant for the generation unit shall provide the additional ~~Additional~~ documentation described below ~~must be included~~ with a complete application for RPS certification ~~or precertification~~. An applicant must provide the following additional information to substantiate that the hydroelectric generation unit is operated as part of a water supply or conveyance system:

- a) The ~~C~~urrent water supply permit issued by the California Department of Public Health, if applicable, or its equivalent from another state or local government agency.
- b) The ~~C~~urrent hydroelectric project license, permits, or exemption from licensing from the Federal Energy Regulatory Commission (FERC), if applicable, or the equivalent from another federal, state, or local government agency. If no FERC hydroelectric project licenses, permits, or exemptions were issued for the facility, the applicant must submit documentation explaining why the FERC project licenses, permits, or exemptions are not applicable to the facility.
- c) Documentation showing the water supply ~~or and~~ conveyance system was ~~initially~~ built ~~solely~~ for the distribution of water for agricultural, municipal, or industrial consumption and operated primarily for this purpose.

Add Section V.B.6.

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6. Reporting Sales from Existing Hydroelectric Generation Units Operated as Part of a Water Supply or Conveyance System.

A POU that meets the criteria of Public Utilities Code section 399.30 (j) shall report annually to the Energy Commission on all sales of electricity from hydroelectric generation units certified for the RPS pursuant to Section II.F.3. of this guidebook. By July 1 of each year, the POU shall submit an annual report to the Energy Commission that includes the information in paragraphs (1) – (3) below for all electricity sales from certified hydroelectric generation units made in the prior calendar year.

- (1) The name and RPS identification number of each certified generation unit from which electricity was sold.
- (2) The quantity of electricity sold, in megawatt-hours, from each certified generation unit per month for the previous calendar year.
- (3) The name and contact information of the POU that purchased electricity from the certified generation unit.

A POU may combine the annual report required pursuant to this subsection with other annual reports due to the Energy Commission, provided the reports are submitted to the Energy Commission by July 1 of each year.

Glossary of Terms

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Project – ~~for hydroelectric facilities under the Renewables Portfolio Standard Program,~~ “project” refers to a group of one or more pieces of generating equipment and ancillary equipment necessary to interconnect to the transmission grid that is unequivocally separable from any other generating equipment or components. For hydroelectric facilities under the Renewables Portfolio Standard Program, a “project” is two or more sets of generating equipment that are located within a one-mile radius of each other and are either 1) contiguous or 2) share common control or maintenance facilities and schedules shall constitute a single project, except in the following circumstances:

- 1) A conduit hydroelectric facility, certified as a conduit hydroelectric facility and not a small hydroelectric facility, may be considered a separate project even though the facility itself is part of a larger hydroelectric facility, provided that the larger hydroelectric facility commenced commercial operations prior to January 1, 2006, and the conduit hydroelectric facility commenced commercial operations on or after January 1, 2006, does not cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow, is separately metered to identify its generation,

and is separately certified as RPS-eligible by the Energy Commission. A conduit hydroelectric facility certified as a small hydroelectric facility may not be part of a larger project without considering the capacity of the entire project in the certification.

- 2) ~~For a small~~ A hydroelectric generation unit with a nameplate capacity not exceeding 40 megawatts that is operated as part of a water supply or conveyance system and satisfies the RPS eligibility criteria of Section II.F.3 of this guidebook, as defined in this guidebook, may be considered a separate project even though the generation unit itself is part of a larger hydroelectric facility, and generation from the facility was under contract to, or owned by, a retail seller or local publicly owned electric utility as of December 31, 2005, the ~~The turbine and generator of the hydroelectric generation unit shall constitute a separate project provided that the unit is separately metered to identify its generation, and is separately certified as RPS-eligible by the Energy Commission. If a hydroelectric generation unit is certified as part of a small hydroelectric facility, rather than individually pursuant to Section II.F.3, the capacity of the hydroelectric unit shall be considered part of the overall project in determining the capacity of the small hydroelectric facility.~~

~~For all other electrical generation facilities under the Renewables Portfolio Standard Program, "project" refers to a group of one or more pieces of electrical generating equipment and ancillary equipment necessary to interconnect to the transmission grid that is unequivocally separable from any other electrical generating equipment or components.~~

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Water supply or conveyance system — the distribution of water through a tunnel, canal, pipeline, aqueduct, flume, ditch, and/or similarly constructed water conveyance that was ~~initially built solely~~ for the distribution of water for agricultural, municipal, or industrial consumption, and operated primarily for this purpose, ~~and not primarily for the generation of electricity.~~