

DOCKETED

Docket Number:	16-RPS-03
Project Title:	Amendments to Regulations Specifying Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities
TN #:	231219
Document Title:	Part A, sections 3200 through 3205 Pre-Rulemaking Amendments to the RPS POU Regulations
Description:	N/A
Filer:	Gregory Chin
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	12/13/2019 2:53:32 PM
Docketed Date:	12/13/2019

PART A: Sections 3200 through 3205

PRE-RULEMAKING AMENDMENTS TO Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities

California Code of Regulations Title 20. Public Utilities and Energy Division 2. State Energy Resources Conservation and Development Commission

Chapter 13. Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities

Section 3200 – Scope

The regulations in this chapter implement enforcement procedures for the Renewables Portfolio Standard for local publicly owned electric utilities established in Article 16 (commencing with section 399.11) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code.

NOTE: Authority cited: Sections 25213 and 25218 (e), Public Resources Code; and section 399.30, Public Utilities Code. Reference: Section 399.30, Public Utilities Code.

Section 3201 – Definitions

The following definitions apply to this chapter:

- (a) **“Annual procurement target”** means the amount of procurement that a POU must meet for a particular year for the purposes of calculating historic carryover.
- (b) **“Balancing authority”** means a balancing authority as defined in Public Utilities Code section 399.12 (b).
- (c) **“Balancing authority area”** means a balancing authority area as defined in Public Utilities Code section 399.12 (c).
- (d) **“Baseline”** means the initial RPS procurement of a POU that will form the basis of that POU’s annual procurement targets.
- (e) **“Bundled”** means an electricity product that, when procured by the POU claiming the electricity product to satisfy its RPS procurement requirements, includes both the electricity and the associated renewable energy credits from an eligible renewable energy resource. For example, if the POU claiming an electricity product owns the associated eligible renewable energy resource, then all electricity products, including those associated with electricity consumed onsite, may be considered bundled electricity products.
- (f) **“California balancing authority”** means a balancing authority primarily located in California with more than 50 percent of its end-use electric load physically located within the political boundaries of California. This includes balancing authority areas operated by the California Independent System Operator Corporation, Los Angeles Department of Water and Power, Balancing Authority of Northern California, Imperial Irrigation District, and Turlock Irrigation District.

- (g) **"Commission"** means the State Energy Resources Conservation and Development Commission, commonly known as the California Energy Commission.
- (h) **"Compliance period"** means the compliance period as defined in Public Utilities Code section 399.30 ~~(b)(e)~~.
- (i) **"Compliance report"** means the report that each POU files with the Commission ~~by July 1 of the calendar year~~ following the end of a compliance period as specified in section 3207.
- (j) **"Contract end date"** means the last date that a POU is deemed to have procured electricity products from the counterparty to the contract. For example, if a contract requires the counterparty to supply the POU with electricity products from July 1, 2020, through January 1, 2025, the contract end date is January 1, 2025.
- (k) **"Contract execution date"** means the date that a contract is executed by the last party to execute the contract.
- (l) **"Contract start date"** means the first date after the contract is executed that a POU is deemed to have procured electricity products from the counterparty to the contract. For example, if a contract is executed on January 1, 2020, and requires the counterparty to supply the POU with electricity products starting on July 1, 2020, the contract start date is July 1, 2020.
- ~~(j)~~(m) **"Electricity product"** means either:
- (1) Electricity and the associated renewable energy credit generated by an eligible renewable energy resource.
 - (2) An unbundled renewable energy credit.
- ~~(k)~~(n) **"Eligible renewable energy resource"** means an electrical generating facility that the Commission has determined meets the definition of a "renewable electrical generation facility" in section 399.12 (e) of the Public Utilities Code, including a facility satisfying the criteria of section 399.12.5 of the Public Utilities Code, and has certified as an RPS-certified facility.
- ~~(l)~~(o) **"Executive Director"** means the Executive Director of the Commission, or his or her designee.
- ~~(m)~~(p) **"Historic carryover"** means a POU's procurement that satisfies the following criteria: 1) the procurement is for electricity and the associated renewable energy credit generated in 2004-2010 by an eligible renewable energy resource that met the Commission's RPS eligibility requirements in effect when the original procurement contract or ownership agreement was executed by the POU, 2) the original contract or ownership agreement was executed by the POU prior to June 1, 2010, and 3) the procurement is in excess of the sum of the 2004 – 2010 annual procurement targets defined in section 3206 (a)(5)(D) and was not applied to the RPS of another state or to a voluntary claim.
- ~~(n)~~(q) **"Megawatt-hour" or "MWh"** means a unit of energy equivalent to one megawatt of electricity supplied for one hour.
- (r) **"Long-term procurement requirement"** refers to the minimum amount of procurement from contracts of 10 years or more in duration, ownership, or ownership agreements required by Public Utilities Code section 399.13 (b).

~~(e)~~(s) **"NERC e-Tag"** means an electronic record that contains the details of a transaction to transfer energy from a source point to a sink where the energy is scheduled for transmission across one or more balancing authority area boundaries. For purposes of this definition, "source point" refers to the generation source of the energy, and "sink" refers to the balancing authority in which the electric load is located.

~~(f)~~(t) **"Ownership agreement"** includes:

- (1) An agreement between a POU and a third party to acquire or develop an part or all of an electrical generation facility or
- (2) If the POU ~~built~~ developed and owns part or all of the electrical generation facility and ~~therefore~~ has no such agreement with a third party, the arrangement by which the POU ~~built~~ developed the facility, ~~in which case the date of the arrangement for the purposes of section 3202(a) is the commercial operation date of the facility.~~

~~(u)~~ **"Ownership agreement execution date"** means the date that the ownership agreement is executed by the last party to execute the ownership agreement or, if there is no ownership agreement with a third party, the date that the facility first generates electricity products. If the facility is not an eligible renewable resource when the ownership agreement is executed or when the facility first generates electricity products, the execution date is the date that a renewable fuel or resource is procured for and utilized by the facility, thereby allowing it to be deemed an eligible renewable energy resource.

~~(q)~~(v) **"Portfolio balance requirement"** refers to the portfolio content category minimum requirement and maximum limit requirements defined in Public Utilities Code section 399.16.

~~(r)~~(w) **"Portfolio content category"** refers to one of three categories of electricity products procured from an eligible renewable energy resource, as specified in section 3203.

~~(s)~~(x) **"POU"** or **"Local publicly owned electric utility"** means a local publicly owned electric utility as defined by Public Utilities Code section 224.3.

~~(t)~~(y) **"Procure"** means to acquire electricity products from eligible renewable energy resources, either directly from the eligible renewable energy resource or from a third party, through executed contracts or ownership agreements.

~~(u)~~(z) **"Renewable electrical generation facility"** means a facility as defined in Public Resources Code section 25741(a).

~~(v)~~(aa) **"Renewable energy credit"** or **"REC"** means a certificate of proof, as defined in Public Utilities Code section 399.12 (h), associated with the generation of electricity from an eligible renewable energy resource.

~~(w)~~(bb) **"Renewables Portfolio Standard"** or **"RPS"** has the same meaning as defined in Public Utilities Code section 399.12 (i).

~~(x)~~(cc) **"RPS-certified facility"** means a facility that the Commission has certified as being eligible for the RPS pursuant to the Commission's RPS Guidelines, or that the Commission has granted limited RPS certification in place for the duration of that facility's contract or ownership agreement term pursuant to the Commission's RPS Guidelines.

~~(y)~~(dd) **"RPS Guidelines"** means the guidelines adopted by the Commission pursuant to Public Resources Code section 25747 (a) to implement the RPS.

~~(z)~~~~(ee)~~ **"RPS procurement requirements"** refers to ~~both~~ the portfolio balance requirement, ~~and~~ the RPS procurement target, ~~and, beginning January 1, 2021, the long-term procurement requirement~~ with which a POU must comply.

~~(aa)~~~~(ff)~~ **"RPS procurement target"** means the specified percentage of retail sales that a POU must procure of electricity products from eligible renewable energy resources for each compliance period ~~as defined in Public Utilities Code section 399.30 (c). For POUs that meet the criteria listed in Public Utilities Code section 399.30 (j), the procurement target is the annual specified percentage of the portion of electricity demand not met by the POU's qualifying hydroelectric generation, or the soft target for that year, whichever is less, that must be procured from eligible renewable energy resources.~~

~~(bb)~~~~(gg)~~ **"Resale" or "resold"** means the sale from any entity to a POU of part or all of the electricity products procured by the entity through an executed procurement contract, as opposed to an ownership agreement.

~~(cc)~~~~(hh)~~ **"Retail sales"** means sales of electricity by a POU to end-use customers and their tenants, measured in MWh. This does not include energy consumption by a POU, electricity used by a POU for its water pumping, or electricity produced for onsite consumption (self-generation).

~~(dd)~~~~(ii)~~ **"Retire"** means to claim a renewable energy credit in the tracking system established by the Commission pursuant to Public Utilities Code section 399.25 (c) and thereby commit the renewable energy credit to be used for compliance with the RPS, except as provided in section 3204 (b)(9).

~~(ee)~~~~(jj)~~ **"Soft target"** means an amount equivalent to the percentage of retail sales for a single year within a compliance period that is used to calculate the RPS procurement target for that compliance period. For example, the soft target for 2014 is equal to 20 percent of retail sales for that year.

~~(ff)~~~~(kk)~~ **"Unbundled REC"** means a REC from an eligible renewable energy resource that is not procured as part of the same contract or ownership agreement with the underlying energy from that eligible renewable energy resource; this includes RECs that were originally procured as a bundled product but were subsequently resold separately from the underlying energy.

~~(gg)~~~~(ll)~~ **"Western Electricity Coordinating Council" or "WECC"** means the electricity coordinating council as defined in Public Utilities Code section 399.12 (k). WECC is part of the North American Electric Reliability Corporation and the regional entity responsible for coordinating and promoting bulk electric system reliability in the Western Interconnection serving all or part of the 14 western states and portions of Mexico (in northern Baja California) and Canada (in British Columbia and Alberta).

~~(hh)~~~~(mm)~~ **"Western Renewable Energy Generation Information System" or "WREGIS"** refers to the independent, renewable energy tracking system implemented for the region covered by the Western Electricity Coordinating Council.

NOTE: Authority cited: Sections 25213 and 25218 (e), Public Resources Code; and section 399.30, Public Utilities Code. Reference: Sections 25741 and 25747, Public Resources Code; and section 399.30, Public Utilities Code.

Section 3202 – Qualifying Electricity Products

(a) For an electricity product to be used for compliance toward the RPS procurement requirements specified in section 3204, the electricity product must meet one of the following requirements:

(1) The electricity product is procured pursuant to a contract or ownership agreement executed on or after June 1, 2010.

(A) Procurement must be classified into a portfolio content category in accordance with section 3203.

(B) Procurement will be included in the calculation of the portfolio balance requirements as defined in section 3204 (c), unless the procurement is retired by a POU that meets the criteria of section 3204 ~~(a)(7)(b)(3)~~, 3204 ~~(a)(8)(b)(4)~~, or 3204 ~~(a)(9)(b)(5)~~.

(C) Procurement must be classified as long-term or short-term in accordance with section 3204 (d).

(D) Procurement will be included in the calculation of the long-term procurement requirement as defined in section 3204 (d) starting with the compliance period beginning January 1, 2021, except for a POU that elects for voluntary early compliance with the long-term procurement requirement pursuant to section 3206 (a)(1)(G).

(2) The electricity product is procured pursuant to a contract or ownership agreement executed before June 1, 2010, and the electricity product is associated with generation from an eligible renewable energy resource that met the Commission's RPS eligibility requirements that were in effect when the original procurement contract or ownership agreement was executed by the POU.

(A) Except as provided in paragraphs (B) and (C), the electricity product shall count in full toward the RPS procurement requirements, subject to the following:

1. If the associated REC is retired within 36 months of the date the electricity product is generated, the electricity product will count toward the RPS procurement targets as defined in section 3204 (a) and the long-term procurement requirement as defined in section 3204 (d).

2. The electricity product will not be classified within a portfolio content category and will not count toward the requirements of section 3204 (c).

3. Electricity products associated with contracts of less than 10 years in accordance with section 3206 (a)(1)(C)(4) will not be subtracted when calculating excess procurement in accordance with section 3206 (a)(1)(C).

(B) If contract amendments or modifications after June 1, 2010, increase nameplate capacity or expected quantities of annual generation, increase the term of the contract except as provided in 3202 (a)(2)(C), or substitute a different eligible renewable energy resource, only the MWhs or resources procured prior to June 1, 2010, shall count in full toward the RPS procurement targets. The remaining procurement that is additional due to the amendment must be classified into a portfolio content category and as long-term or short-term and follow the portfolio balance requirements and long-term procurement requirement in accordance with sections 3204 (c) and (d).section 3204 (e).

- (C) The term of such procurement contract may be extended if the initial term of the contract specified a procurement commitment of 15 years or more.
- (3) The electricity product is procured pursuant to a contract or ownership agreement executed before June 1, 2010, but the eligible renewable energy resource did not meet the Commission's RPS eligibility requirements when the original procurement contract or ownership agreement was executed by the POU.
- (A) Procurement must be classified into a portfolio content category in accordance with section 3203.
- (B) Procurement will not be included in the calculation of portfolio balance requirements in section 3204 (c).
- (C) Procurement must be classified as long-term or short-term in accordance with section 3204 (d).
- (D) Procurement will be included in the calculation of the long-term procurement requirement as defined in section 3204 (d) starting with the compliance period beginning January 1, 2021, except for a POU that elects for voluntary early compliance pursuant to section 3206 (a)(1)(G).
- ~~(E)~~(E) If contract amendments or modifications after June 1, 2010, increase nameplate capacity or expected quantities of annual generation, increase the term of the contract, or substitute a different eligible renewable energy resource, only the MWhs or resources procured prior to June 1, 2010, shall be considered to meet the criteria of this section 3202 (a)(3) for the term of the contract executed prior to June 1, 2010. The remaining procurement, or any electricity products procured after the end of the original contract term, must be classified into a portfolio content category and follow the portfolio balance requirements in accordance with section 3204 (c).
- (b) If any electricity products procured pursuant to a contract or ownership agreement executed prior to June 1, 2010, are resold on or after June 1, 2010, and the resale is not explicitly included in the original contract or ownership agreement terms, the electricity products must be classified in a portfolio content category and follow the portfolio balance requirements of section 3204 (c), unless the procurement is retired by a POU that meets the criteria of section 3204 ~~(a)(7)(b)(3)~~, section 3204 ~~(a)(8)(b)(4)~~ or section 3204 (a)(9)(b)(5).
- (c) A POU may not use a REC associated with electricity products to meet its RPS procurement requirements unless it is retired within 36 months from the initial month of the generation of the associated electricity. For example, a POU can retire a REC associated with electricity generated in February 2011 no later than February 28, 2014, to claim the REC toward the POU's RPS procurement requirements. ~~RECs may not be retired for purposes of the RPS procurement requirements of a compliance period if that compliance period begins after the date of retirement.~~
- (d) RECs may not be retired for purposes of the RPS procurement requirements of a compliance period if that compliance period begins after the date of retirement. For example, a POU may not retire a REC in 2020 for purposes of satisfying the POU's RPS procurement requirements for the compliance period beginning January 1, 2021, or any subsequent compliance period, unless the REC was accrued as excess procurement in accordance with the requirements of section 3206 (a)(1).

~~(d)~~(e) A POU may not use a REC to meet its RPS procurement requirements for a compliance period that precedes the date of generation of the electricity associated with that REC. For example, a POU may not retire a REC associated with electricity generated in April 2014 to meet its RPS procurement requirements for the 2011-2013 compliance period.

~~(f)~~(e) A POU may not use a REC to meet its RPS procurement requirements for a compliance period that precedes the date the POU procured that REC. For example, a POU may not retire a REC associated with electricity generated in November 2013 that the POU procured in February 2014 to meet its RPS procurement requirements for the 2011-2013 compliance period.

NOTE: Authority cited: Sections 25213 and 25218 (e), Public Resources Code; and section 399.30, Public Utilities Code. Reference: Sections 399.13, 399.16, 399.21, and 399.30, Public Utilities Code.

Section 3203 – Portfolio Content Categories

(a) Portfolio Content Category 1

(1) Portfolio Content Category 1 electricity products must be procured bundled to be classified as Portfolio Content Category 1, and the POU may not resell the underlying electricity from the electricity product back to the eligible renewable energy resource from which the electricity product was procured. The electricity products must be generated by an eligible renewable energy resource that is interconnected to a transmission network within the WECC service territory. For purposes of this section 3203, the first point of interconnection to the WECC transmission grid is the substation or other facility where generation tie lines from the eligible renewable energy resource interconnect to the network transmission grid. Portfolio Content Category 1 electricity products must also meet one of the following criteria:

(A) Electricity products must be generated by an eligible renewable energy resource that has its first point of interconnection within the metered boundaries of a California balancing authority area.

(B) Electricity products must be generated by an eligible renewable energy resource that has its first point of interconnection to an electricity distribution system used to serve end users within the metered boundaries of a California balancing authority area. For purposes of this section 3203, the first point of interconnection to an electricity distribution system is within the service area boundaries of a utility distribution company.

(C) Electricity products from the eligible renewable energy resource with a first point of interconnection outside the metered boundaries of a California balancing authority must be scheduled into a California balancing authority without substituting electricity from another source. For purposes of this section 3203, electricity generated by the eligible renewable energy resource must be scheduled into a California balancing authority on an hourly or subhourly basis, and the POU's governing board or other authority, as delegated by the POU governing board, must have approved an agreement, before the electricity is generated, to schedule the

electricity from the eligible renewable energy resource into the California balancing authority on an hourly or subhourly basis. If there is a difference between the amount of electricity generated within an hour and the amount of electricity scheduled into a California balancing authority within that same hour, only the lesser of the two amounts shall be classified as Portfolio Content Category 1.

(D) Electricity products must be subject to an agreement between a California balancing authority and the balancing authority in which the eligible renewable energy resource is located, executed before the product is generated, to dynamically transfer electricity from the eligible renewable energy resource into the California balancing authority area. For purposes of this section 3203, electricity generated by the eligible renewable energy resource shall be scheduled into a California balancing authority area on an hourly or subhourly basis.

(2) Electricity products originally qualifying in Portfolio Content Category 1 and resold must meet the following criteria to remain in Portfolio Content Category 1:

(A) The original contract for procurement of the electricity products meets one of the criteria in section 3203 (a)(1)(A) – (D).

(B) The resale contract transfers only electricity and RECs that have not yet been generated prior to the effective date of the resale contract.

(C) The electricity and associated RECs must be transferred by the resale contract to the ultimate buyer, and the electricity must be transferred in real time.

(D) For those electricity products that satisfy section 3203 (a)(1)(C), the original hourly or subhourly schedule is maintained, and the criteria of section 3203 (a)(2)(A) – (C) are met.

(3) Electricity products originally qualifying in Portfolio Content Category 1 and resold that do not meet the criteria of section 3203 (a)(2)(A) – (D) shall not be counted in Portfolio Content Category 1.

(b) Portfolio Content Category 2

(1) Portfolio Content Category 2 electricity products must be generated by an eligible renewable energy resource that is interconnected to a transmission network within the WECC service territory, and the electricity must be matched with incremental electricity that is scheduled into a California balancing authority.

(2) Portfolio Content Category 2 electricity products must be procured bundled and must meet all of the following criteria:

(A) The first point of interconnection to the WECC transmission grid for both the eligible renewable energy resource and the resource providing the incremental electricity must be located outside the metered boundaries of a California balancing authority area.

(B) The incremental electricity used to match the electricity from the eligible renewable energy resource must be incremental to the POU. For purposes of this section 3203, “incremental electricity” means electricity that is generated by a resource located outside the metered boundaries of a California balancing authority area and that is not in the portfolio of the POU claiming the electricity products for RPS compliance prior to the date the contract or ownership agreement for the electricity products

from the eligible renewable energy resource, with which the incremental electricity is being matched, is executed by the POU or other authority, as delegated by the POU governing board.

- (C) The contract or ownership agreement for the incremental electricity is executed by the governing board or other authority, as delegated by the POU governing board, at the same time or after the contract or ownership agreement for the electricity products from the eligible renewable energy resource is executed.
 - (D) The incremental electricity must be scheduled into the California balancing authority within the same calendar year as the electricity from the eligible renewable energy resource is generated.
 - (E) The electricity from the eligible renewable energy resource must be available to be procured by the POU and may not be sold back to that resource.
- (3) Electricity products originally qualifying in Portfolio Content Category 2 and resold must meet the following criteria to remain in Portfolio Content Category 2:
- (A) The original contract for procurement of the electricity products meets the criteria of section 3203 (b)(2)(A) – (E).
 - (B) The resale contract transfers only electricity and RECs that have not yet been generated prior to the effective date of the resale contract.
 - (C) The resale contract transfers the original arrangement for incremental electricity, including the source and quantity for the incremental electricity.
 - (D) The resale contract retains the scheduling of the incremental electricity into the California balancing authority as set out in the original transaction.
 - (E) The transaction provides incremental electricity for the POU claiming the transaction for RPS compliance.
 - (F) The incremental electricity is scheduled into the California balancing authority.
- (4) Electricity products originally qualifying in Portfolio Content Category 2 and resold that do not meet the criteria above must be counted in Portfolio Content Category 3.
- (c) Portfolio Content Category 3
- (1) 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 Portfolio Content Category 1 or Portfolio Content Category 2 fall within Portfolio Content Category 3.

NOTE: Authority cited: Sections 25213 and 25218 (e), Public Resources Code; and section 399.30, Public Utilities Code. Reference: Sections 399.16 and 399.30, Public Utilities Code.

Section 3204 – RPS Procurement Requirements

- (a) RPS procurement targets for each compliance period:
 - (1) For the compliance period beginning January 1, 2011, and ending December 31, 2013, a POU shall demonstrate it has procured electricity products sufficient to meet or exceed

an average of 20 percent of its retail sales over the three calendar years in the compliance period. The numerical expression of this requirement is:

$$\frac{(EP_{2011} + EP_{2012} + EP_{2013})}{(RS_{2011} + RS_{2012} + RS_{2013})} \geq 0.20$$

EP_X = Electricity products retired for the specified year X; this may include excess procurement and historic carryover that the POU has chosen to apply to the compliance period containing year X

RS_X = Total retail sales made by the POU for the specified year X

No POU may apply Portfolio Content Category 3 RECs in excess of the maximum limit calculated in 3204 (c) ~~(4)(5)~~ toward its RPS procurement target for this period.

- (2) For the compliance period beginning January 1, 2014, and ending December 31, 2016, a POU shall demonstrate it has procured electricity products within that period sufficient to meet or exceed the sum of 20 percent of its 2014 retail sales, 20 percent of its 2015 retail sales, and 25 percent of its 2016 retail sales. The numerical expression of this requirement is:

$$EP_{2014} + EP_{2015} + EP_{2016} \geq 0.20 (RS_{2014}) + 0.20 (RS_{2015}) + 0.25 (RS_{2016})$$

No POU may apply Portfolio Content Category 3 RECs in excess of the maximum limit calculated in 3204 (c) ~~(5)(6)~~ toward its RPS procurement target for this period.

- (3) For the compliance period beginning January 1, 2017, and ending December 31, 2020, a POU shall demonstrate it has procured electricity products within that period sufficient to meet or exceed the sum of 27 percent of its 2017 retail sales, 29 percent of its 2018 retail sales, 31 percent of its 2019 retail sales, and 33 percent of its 2020 retail sales. The numerical expression of this requirement is:

$$(EP_{2017} + EP_{2018} + EP_{2019} + EP_{2020}) \geq 0.27 (RS_{2017}) + 0.29 (RS_{2018}) + 0.31 (RS_{2019}) + 0.33 (RS_{2020})$$

EP_X = Electricity products applied to the specified year X toward the RPS procurement target for the compliance period containing year X. This may include electricity products retired for and applied to year X, subject to the Portfolio Content Category 3 limit calculated in section 3204 (c), and excess procurement pursuant to section 3206 (a)(1) and historic carryover pursuant to section 3206 (a)(5) that the POU has applied to year X.

RS_X = Total retail sales made by the POU for the specified year X

No POU may apply Portfolio Content Category 3 RECs in excess of the maximum limit calculated in 3204 (c) ~~(6)(7)~~ toward its RPS procurement target for this period.

~~(4) For the calendar year ending December 31, 2021, and each calendar year thereafter, a POU shall procure electricity products sufficient to meet or exceed 33 percent of its retail sales by the end of that year. No POU may apply Portfolio Content Category 3 RECs in excess of the maximum limit calculated in 3204 (c)(8) toward its RPS procurement target for the calendar year ending December 31, 2021, or for any calendar year thereafter.~~

(4) For the compliance period beginning January 1, 2021, and ending December 31, 2024, a POU shall demonstrate it has procured electricity products within that period sufficient to meet or exceed the sum of 35.75 percent of its 2021 retail sales, 38.50 percent of its 2022 retail sales, 41.25 percent of its 2023 retail sales, and 44.00 percent of its 2024 retail sales. The numerical expression of this requirement is:

$$\underline{(EP_{2021} + EP_{2022} + EP_{2023} + EP_{2024}) \geq 0.3575 (RS_{2021}) + 0.3850 (RS_{2022}) + 0.4125 (RS_{2023}) + 0.4400 (RS_{2024})}$$

No POU may apply Portfolio Content Category 3 RECs in excess of the maximum limit calculated in 3204 (c)(6) toward its RPS procurement target for this period.

(5) For the compliance period beginning January 1, 2025, and ending December 31, 2027, a POU shall demonstrate it has procured electricity products within that period sufficient to meet or exceed the sum of 46.00 percent of its 2025 retail sales, 50.00 percent of its 2026 retail sales, and 52.00 percent of its 2027 retail sales. The numerical expression of this requirement is:

$$\underline{EP_{2025} + EP_{2026} + EP_{2027} \geq 0.4600(RS_{2025}) + 0.5000(RS_{2026}) + 0.5200(RS_{2027})}$$

No POU may apply Portfolio Content Category 3 RECs in excess of the maximum limit calculated in 3204 (c)(6) toward its RPS procurement target for this period.

(6) For the compliance period beginning January 1, 2028, and ending December 31, 2030, a POU shall demonstrate it has procured electricity products within that period sufficient to meet or exceed the sum of 54.67 percent of its 2028 retail sales, 57.33 percent of its 2029 retail sales, and 60.00 percent of its 2030 retail sales. The numerical expression of this requirement is:

$$\underline{EP_{2028} + EP_{2029} + EP_{2030} \geq 0.5467(RS_{2028}) + 0.5733(RS_{2029}) + 0.6000(RS_{2030})}$$

No POU may apply Portfolio Content Category 3 RECs in excess of the maximum limit calculated in 3204 (c)(6) toward its RPS procurement target for this period.

(7) Compliance periods beginning on and after January 1, 2031, shall be three years in length starting on January 1 and ending on December 31. For each compliance period beginning on or after January 1, 2031, a POU shall demonstrate it has procured electricity products within the compliance period sufficient to meet or exceed an average of 60.00 percent of the POU's retail sales over the three calendar years of the compliance period. The numerical expression of this requirement is:

$$EP_{x1} + EP_{x2} + EP_{x3} \geq 0.6000 (RS_{x1}) + 0.6000 (RS_{x2}) + 0.6000 (RS_{x3})$$

No POU may apply Portfolio Content Category 3 RECs in excess of the maximum limit calculated in 3204 (c)(6) toward its RPS procurement target for this period.

(b) Exemptions and Adjustments

~~(5)~~(1) For a POU that is a joint powers authority of districts established pursuant to state law on or before January 1, 2005, that furnishes electric services other than to residential customers, and is formed pursuant to the Irrigation District Law (Division 11 [commencing with section 20500] of the Water Code), the percentage of total retail sales, upon which the RPS procurement targets in section 3204 (a)(1)-~~(7)~~(4) are calculated, shall be based on that POU's average annual retail sales over the seven years preceding the end of each year within that compliance period. (For example, for the compliance period ending December 31, 2013, the retail sales for 2011 shall equal the average annual retail sales for January 1, 2005 – December 31, 2011, the retail sales for 2012 shall equal the average annual retail sales for January 1, 2006 – December 31, 2012, and the retail sales for 2013 shall equal the average annual retail sales for January 1, 2007 – December 31, 2013.) If the POU has not furnished electric service for the seven years preceding the end of a compliance period, then the calculation shall be based on average annual retail sales over the number of completed years during which the authority has provided electric service.

~~(6)~~(2) Notwithstanding section 3204 (a)(1) – ~~(7)~~(4) or section 3204 (c)(1)-~~(7)~~(9), a POU that meets the criteria listed in Public Utilities Code section 399.30 (g) shall be deemed to be in compliance with the RPS procurement requirements ~~this section~~.

(A) A POU shall demonstrate that it meets the criteria listed in section 399.30 (g) by providing the Commission documentation showing the POU receives all of its electricity pursuant to a preference right adopted and authorized by the United States Congress pursuant to section 4 of the Trinity River Division Act of August 12, 1955 (Public Law 84-386). The documentation shall include a copy of any written notice filed with the United States Secretary of the Interior or the Western Area Power Administration declaring the POU's intent to exercise its preference rights under the Trinity River Diversion Act and any integrated resource plan filed with the Western Area Power Administration confirming the POU's election to receive all of its electricity pursuant to its preference rights, and any updates or amendments to those written notices and integrated resource plans. The POU shall initially submit documentation to the Commission within 30 calendar days of the effective date of these regulations. Thereafter, the POU shall submit to the Commission a copy of any new or updated written notices or integrated resource plans filed with the United States Secretary of the Interior or the Western Area Power Administration. Copies of such notices and plans shall be submitted to the Commission within 30 calendar days of the date the notices and plans are filed with the United States Secretary of the Interior or the Western Area Power Administration. The Commission may request additional documentation if necessary to determine whether the POU meets the criteria listed in Public Utilities Code section 399.30 (g).

~~(7)~~(3) Notwithstanding section 3204 (a)(1) – ~~(7)~~(4) or section 3204 (c)(1)-~~(7)~~(9), a POU that meets the criteria listed in Public Utilities Code section 399.30 (j) shall be deemed to be in compliance with the requirements of subdivisions (a) and (c) of this section 3204 for a given calendar year if all of the POU's electricity demand in that calendar year is satisfied with its qualifying hydroelectric generation or if the POU meets the requirements of paragraph (D).

(A) For purposes of this section 3204 ~~(b)(3)~~(a)(7), "qualifying hydroelectric generation" is generation from a facility that meets the following criteria:

1. The facility is located within the state.
2. The facility is owned and operated by the POU.
3. The facility is a hydroelectric facility but does not meet the definition of a renewable electrical generation facility and is not RPS-certified based on the definition of a renewable electrical generation facility.

(B) For purposes of this section 3204 ~~(b)(3)~~(a)(7), "electricity demand" means consumption of electricity by all end-use customers and their tenants, including but not limited to the POU itself, measured in MWh.

(C) A POU shall demonstrate that it meets the criteria listed in Public Utilities Code section 399.30 (j) by providing the Commission documentation showing the POU received at least an average of 67 percent of its electricity demand in the twenty years preceding each compliance period from qualifying hydroelectric generation. The POU shall initially submit documentation for the twenty years immediately preceding January 1, 2017 by March 31, 2017. New documentation shall be submitted within 90 calendar days of the end of each subsequent compliance period.

(D) If a POU meeting the criteria listed in Public Utilities Code section 399.30 (j) has electricity demand unsatisfied by its qualifying hydroelectric generation in any given year, the POU shall procure electricity products equal to the lesser of the following:

1. The portion of the POU's electricity demand unsatisfied by the POU's qualifying hydroelectric generation.
2. The soft target listed in section 3204 (a)(1) – ~~(7)~~(4) corresponding to the year during which the POU's qualifying hydroelectric generation was insufficient to meet its annual electricity demand.

~~(8)~~(4) A POU that meets the criteria of Public Utilities Code section 399.30 (h) shall not be subject to the requirements in section 3204 (c)(1)-~~(7)~~(9). A POU shall demonstrate that it meets the criteria listed in Public Utilities Code section 399.30 (h) by providing the Commission documentation showing the POU was in existence on or before January 1, 2009, that it provides retail electric service to 15,000 or fewer customer accounts in California, and that it is interconnected to a balancing authority primarily located outside California but within the WECC.

~~(9)~~(5) A POU that meets the criteria of Public Utilities Code section 399.18 shall not be subject to the requirements in section 3204 (c)(1)-~~(7)~~(9). A POU shall demonstrate that it meets these criteria by providing the Commission documentation showing that the POU is a successor to an electrical corporation that had 1,000 or fewer customer accounts in California as of January 1, 2010, and was not interconnected to any

transmission system or to the Independent System Operator as of January 1, 2010, and continues to meet these criteria during the applicable compliance period.

~~(10)(6)~~ Notwithstanding section 3204 (a)(1) – (7)(4), from January 1, 2014, through December 31, 2018, a POU that receives greater than 50 percent of its annual retail sales from its qualifying hydroelectric generation that is not an eligible renewable energy resource may reduce the amount of eligible renewable energy resources it must procure to satisfy the RPS procurement target for a compliance period. ~~beginning on January 1, 2014, a POU that meets the criteria listed in Public Utilities Code section 399.30 (k) shall not be required to procure additional electricity products for a given compliance period in excess of either the portion of its retail sales not supplied by qualifying hydroelectric generation or the POU's cost limitation adopted pursuant to section 3206 (a)(3).~~

(A) For purposes of this section 3204 ~~(b)(6)(a)(10)~~, “qualifying hydroelectric generation” is generation from a facility that meets the following criteria:

1. The facility is owned solely and operated by the POU as of 1967.
2. The facility serves a POU with a distribution system demand of less than 150 megawatts.
3. The facility was involved in a contract in which an electrical corporation received the benefit of the electric generation through June 2014, at which time the benefit reverted back to the ownership and control of the POU. The POU is not required to apply the electric generation from the facility toward its own load to meet this criterion.
4. The facility has a maximum penstock flow capacity of no more than 3,200 cubic feet per second and includes a regulating reservoir with a small hydroelectric generation facility producing fewer than 20 megawatts with a maximum penstock flow capacity of no more than 3,000 cubic feet per second.
5. The facility generation does not result from an increase in the amount of water stored by a dam because the dam is enlarged or otherwise modified after December 31, 2012.
6. For the compliance period beginning January 1, 2014, ending December 31, 2016, the facility is not an eligible renewable energy resource.
7. For the compliance period beginning January 1, 2014, ending December 31, 2016, qualifying hydroelectric generation does not include that portion of the hydroelectric generation that satisfies the criteria of section 399.12.5 (b) of the Public Utilities Code, and with respect to that portion of the generation, the facility is an RPS-certified facility.

(B) For the compliance period beginning January 1, 2014, ending December 31, 2016, a POU that receives greater than 50 percent of its annual retail sales from its qualifying hydroelectric generation shall not be required to procure additional electricity products for the compliance period in excess of either the portion of its retail sales not supplied by qualifying hydroelectric generation or the POU's cost limitation adopted pursuant to section 3206 (a)(3).

~~(B) 1.~~ A POU shall demonstrate that it receives greater than 50 percent of its annual retail sales from qualifying hydroelectric generation meets the criteria listed in

~~Public Utilities Code section 399.30 (k)~~ by providing the Commission documentation showing that the annual average qualifying hydroelectric generation produced in the twenty years preceding the each compliance period beginning January 1, 2014, or the entire generating history of the qualifying hydroelectric generation facility, whichever is less, is greater than 50 percent of the POU's retail sales for the year preceding the that compliance period. The documentation shall identify the amount of any hydroelectric generation that resulted from an increase in the amount of water stored by a dam, because the dam was enlarged or otherwise modified after December 31, 2012. The POU shall initially submit documentation for the twenty years immediately preceding January 1, 2014, or the entire generating history of the qualifying hydroelectric generation facility, within 30 calendar days of the effective date of these regulations.

~~(C) 2.~~ If a POU that receives greater than 50 percent of its annual retail sales from its qualifying hydroelectric generation meeting the criteria listed in Public Utilities Code section 399.30 (k) has retail sales unsatisfied by its qualifying hydroelectric generation for the compliance period beginning January 1, 2014, ending December 31, 2016, in a compliance period, the POU shall procure electricity products equal to the lesser of the following for the compliance period:

~~1.~~i. The portion of the POU's retail sales unsatisfied by the POU's qualifying hydroelectric generation.

~~2.~~ii. The target listed in section 3204 (a)(2).~~section 3204 (a)(1) – (4) for that compliance period.~~

iii. The quantity that may be procured in accordance with the POU's adopted cost limitation pursuant to section 3206 (a)(3).

~~(C)~~ Between January 1, 2017, and December 31, 2018, a POU that receives greater than 50 percent of its annual retail sales from its qualifying hydroelectric generation in 2017 or 2018 shall procure electricity products equal to the lesser of the following for the relevant year of the compliance period beginning January 1, 2017, ending December 31, 2020:

i. The portion of the POU's retail sales unsatisfied by the POU's qualifying hydroelectric generation.

ii. The soft target listed in section 3204 (a)(3) for that year of the compliance period.

iii. The quantity that may be procured in accordance with the POU's adopted cost limitation pursuant to section 3206 (a)(3).

~~(D)~~ A POU that receives greater than 50 percent of its annual retail sales from its qualifying hydroelectric generation ~~meets the criteria of Public Utilities Code section 399.30 (k)~~ shall be subject to the requirements in section 3204 (c)(1)-~~(7)(9)~~.

(7) Notwithstanding section 3204 (a)(1) – (7), between January 1, 2016, and December 31, 2018, a POU that receives more than 50 percent of its annual retail sales from large hydroelectric generation during a given year of a compliance period is not

required to procure electricity products that exceed the lesser of the portion of the POU's retail sales unsatisfied by the POU's large hydroelectric generation or the soft target for the relevant year of the compliance period.

(A) For purposes of this section 3204 (b)(7), "large hydroelectric generation" is generation from a hydroelectric facility that meets the following criteria:

1. The facility is not an eligible renewable energy resource pursuant to Public Utilities Code section 399.12 (e).
2. The generation is not incremental generation that results from efficiency improvements to a large hydroelectric generation facility eligible for the RPS pursuant to Public Utilities Code section 399.12.5 (b), and with respect to that incremental generation, the facility is an RPS-certified facility.
3. For the year 2016, the facility does not include any resource that meets the definition of hydroelectric generation set forth in section 3204 (b)(6)(A).
4. The facility providing electricity to the POU is owned by:
 - i. The federal government as part of the federal Central Valley Project; or
 - ii. A joint powers agency formed and created pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code).
5. The generation is procured by a POU under an existing agreement effective as of January 1, 2015, or an extension or renewal of that agreement.
 - i. For purposes of this section 3204 (b)(7), an extension or renewal of an agreement between a POU and the federal government as part of the federal Central Valley Project includes an amendment that renews or extends the existing agreement as contemplated under the administration of the agreement effective as of January 1, 2015, or included in the Western Area Power Administration's Power Marketing Plan.
 - ii. In the event that an extension or renewal of an agreement between a POU and the federal government as part of the federal Central Valley Project increases the percentage allocated to the POU, only generation procured under the renewal or extension up to the maximum allocation under the terms of the agreement effective as of January 1, 2015, shall count as large hydroelectric generation.

(B) Any generation that does not meet the criteria of section 3204 (b)(7)(A) shall be subtracted from the POU's large hydroelectric generation for purposes of determining whether a POU receives greater than 50 percent of its retail sales from large hydroelectric generation and calculating the procurement requirement exemption in paragraph (D).

(C) A POU that is a joint powers authority of districts established pursuant to state law on or before January 1, 2005, that furnishes electric services other than to residential customers, and is formed pursuant to the Irrigation District Law (Division 11 [commencing with section 20500] of the Water Code), shall use its annual retail sales, not the average retail sales calculated in section 3204 (b)(1), for purposes of determining whether a POU receives greater than 50 percent of its retail sales from large hydroelectric generation and calculating the procurement requirement exemption in paragraph (D).

(D) If a POU receives greater than 50 percent of its retail sales from its large hydroelectric generation in any given year between January 1, 2016, and December 31, 2018, the POU shall procure electricity products equal to the lesser of the following for the relevant year:

1. The portion of the POU's retail sales unsatisfied by the POU's large hydroelectric generation.
2. The soft target listed in section 3204 (a)(2) or (a)(3) for the intervening year of the relevant compliance period.

(E) A POU that qualifies for the procurement requirement exemption under this section 3204 (b)(7) shall be subject to the requirements in section 3204 (c)(1)-(7), unless the POU also meets the criteria of section 3204 (b)(4) or (b)(5).

(8) Notwithstanding section 3204 (a)(1) – (7), from January 1, 2019, through December 31, 2030, a POU that receives more than 40 percent of its annual retail sales from large hydroelectric generation during a given year of a compliance period is not required to procure electricity products that exceed the lesser of the portion of the POU's retail sales unsatisfied by the POU's large hydroelectric generation, or the soft target for the relevant year of the compliance period.

(A) For purposes of this section 3204 (b)(8), "large hydroelectric generation" is generation from an electrical generating facility that meets the following criteria:

1. The facility meets the definition of "large hydroelectric generation" as defined in Public Utilities Code section 399.30 (k)(1).
2. The generation is not incremental generation that results from efficiency improvements to a large hydroelectric generation facility eligible for the RPS pursuant to Public Utilities Code section 399.12.5 (b).
3. The generation is procured by a POU under an ownership agreement or contract in effect as of January 1, 2018. Procurement from an extension or renewal of that agreement shall not be eligible to count as large hydroelectric generation for the purposes of this section 3204 (b)(8) unless the agreement was in effect on January 1, 2015, between the POU and the Western Area Power Administration or the federal government as part of the federal Central Valley Project.

- i. For purposes of this section 3204 (b)(8), an extension or renewal of an agreement between a POU and the Western Area Power Administration or the federal government as part of the federal Central Valley Project includes an amendment that renews or extends the existing agreement as contemplated under the administration of the agreement in effect on January 1, 2015, or included in the Western Area Power Administration's Power Marketing Plan.
- ii. In the event that an extension or renewal of an agreement between a POU and the Western Area Power Administration or the federal government as part of the federal Central Valley Project increases the percentage allocated to the POU, only generation procured under the renewal or extension up to the maximum allocation under the terms of the agreement in effect on January 1, 2015, shall count as large hydroelectric generation.

(B) Any generation that does not meet the criteria of section 3204 (b)(8)(A) must be subtracted from the POU's large hydroelectric generation for purposes of determining whether a POU receives greater than 40 percent of its retail sales from large hydroelectric generation and calculating the procurement requirement exemption in paragraph (D).

(C) A POU that is a joint powers authority of districts established pursuant to state law on or before January 1, 2005, that furnishes electric services other than to residential customers, and is formed pursuant to the Irrigation District Law (Division 11 [commencing with section 20500] of the Water Code), shall use its annual retail sales, not the average retail sales calculated in section 3204 (b)(1), for purposes of determining whether a POU receives greater than 40 percent of its retail sales from large hydroelectric generation and calculating the procurement requirement exemption in paragraph (D).

(D) If a POU receives greater than 40 percent of its retail sales from large hydroelectric generation in any given year within a compliance period, the POU shall procure electricity products equal to the lesser of the following for the relevant year of the compliance period:

1. The portion of the POU's retail sales unsatisfied by the POU's large hydroelectric generation.
2. The soft target listed in section 3204 (a)(3) –(7) for that the intervening year of the relevant compliance period.

(E) A POU that qualifies for the procurement requirement exemption under this section 3204 (b)(8) shall be subject to the requirements in section 3204 (c)(1)-(7), unless the POU also meets the criteria of section 3204 (b)(4) or (b)(5), and subject to the requirements in section 3204 (d).

(9) Beginning January 1, 2014, a POU may subtract from its retail sales the MWhs generated by an eligible renewable energy resource that is credited to customers participating in the POU's voluntary green pricing or shared renewable generation program.

(A) For purposes of this subparagraph, a "voluntary green pricing or shared renewable generation program" refers to a program through which a participating customer of the POU may elect to have some or all of its retail sales needs satisfied with electricity products procured by the POU from specified eligible renewable energy resources or specified types of eligible renewable energy resources.

(B) A POU may subtract from its retail sales the electricity products credited to a participating customer in a voluntary green pricing or shared renewable generation program if all of following requirements are met:

1. The electricity products are generated by an RPS-certified facility.

2. The electricity products satisfy the criteria of Portfolio Content Category 1, as specified in section 3203 (a). Electricity products that meet the criteria of section 3202 (a)(2) may be subtracted if they also satisfy the criteria of Portfolio Content Category 1.

3. The RECs associated with the electricity products are retired in a WREGIS subaccount designated for the benefit of participating customers. These RECs shall not be counted toward compliance with the POU's RPS procurement requirements and shall not be further sold, transferred, or otherwise monetized for any purpose.

i. For purposes of this section 3204 (b)(9), "monetized" means to earn revenue from the RECs that are retired in a WREGIS subaccount designated for the benefit of participating customers, other than the revenue earned through the tariff or subscription for the voluntary green pricing or shared renewable generation program.

4. To the extent possible, the POU sought to procure the electricity products from RPS certified facilities that are located in reasonable proximity to program participants.

(C) For the purposes of calculating the RPS procurement requirements, a POU that qualifies for the retail sales subtraction under this section 3204 (b)(9) for a given year may substitute its retail sales after subtracting the electricity products that meet the criteria of paragraph (B) in place of its total retail sales for that year.

(10) For the compliance period beginning January 1, 2021, and ending December 31, 2024, a POU that has qualifying procurement of coal-fired generation may reduce the amount of eligible renewable energy resources it must procure to satisfy the RPS procurement target, subject to the following:

(A) For the purpose of this section 3204 (b)(10), qualifying procurement of coal-fired generation means coal-fired generation that is procured pursuant to "unavoidable long-

term contracts and ownership agreements” that satisfy the criteria of Public Utilities Code section 399.30 (l)(1)(A).

(B) The POU must demonstrate in its renewable energy resources procurement plan adopted pursuant to section 3205 all of the following:

1. The POU has an obligation for qualifying procurement of coal-fired generation. Coal-fired generation means electricity generated by a power plant that is located outside California and uses coal as a fuel source for no less than 75 percent of the facility’s total energy input.
2. The qualifying procurement of coal-fired generation is procured by the POU pursuant to a contract or ownership agreement exceeding 10 years in duration that was originally executed by the POU before June 1, 2010, and that was not subsequently modified to result in an extension of the duration of the contract or ownership agreement or result in an increase in the total quantities of electricity delivered to the POU during any compliance period.
3. The POU cannot cancel or divest itself from the qualifying procurement of coal-fired generation without incurring a significant economic harm to its retail customers that cannot be mitigated through the resale of the generation or the facility, transfer of the generation or facility to another entity, early closure of the facility, or other feasible measures.

(C) The POU may reduce its RPS procurement target for the compliance period to the greater of the following two quantities:

1. The quantity that would allow the POU’s total procurement of electricity products from eligible renewable energy resources during the compliance period, when combined with its qualifying procurement of coal-fired generation during the compliance period, to not exceed the POU’s total retail sales during the compliance period. The numerical expression for this procurement quantity is:

$$\underline{(EP_{2021} + EP_{2022} + EP_{2023} + EP_{2024}) = (RS_{2021} + RS_{2022} + RS_{2023} + RS_{2024}) - QP}$$

EP_x = Electricity products applied to the specified year X toward the RPS procurement target. This may include electricity products retired for and applied to year X, subject to the Portfolio Content Category 3 limit calculated in section 3204 (c), and excess procurement pursuant to section 3206 (a)(1) and historic carryover pursuant to section 3206 (a)(5) that the POU has applied to year X

RS_x = Total retail sales made by the POU for the specified year X

QP = Total amount of qualifying procurement of coal-fired generation for the compliance period.

2. The quantity that would allow the POU's total procurement of electricity products from eligible renewable energy resources during the compliance period to average 33 percent of the POU's retail sales for the compliance period. The numerical expression for this procurement quantity is:

$$\frac{(EP_{2021} + EP_{2022} + EP_{2023} + EP_{2024})}{+ 0.3300 (RS_{2024})} = 0.3300 (RS_{2021}) + 0.3300 (RS_{2022}) + 0.3300 (RS_{2023})$$

(D) The procurement target for the compliance period beginning January 1, 2021, for a qualifying POU, will be calculated using the actual retail sales as reported in accordance with section 3207 (c) and the quantity of qualifying procurement of coal-fired generation as reported in accordance with section 3207 (l).

(11) A POU that owns a qualifying gas-fired power plant may reduce the amount of eligible renewable energy resources that it procures for a compliance period beginning January 1, 2025, subject to the following:

(A) For purposes of this section 3204 (b)(11), "qualifying gas-fired power plant" is a facility that satisfies the criteria of Public Utilities Code section 399.33 (a).

(B) The qualifying gas-fired power plant must be operating at or below a 20 percent capacity factor on an annual average each year of the compliance period in order to reduce the RPS procurement target for the compliance period.

i. For purposes of this paragraph, the capacity factor on an annual average is calculated as the total annual generation produced by the power plant divided by the total annual generation the power plant could have produced each year of the compliance period if it had operated at nameplate capacity for the entire year.

The numerical expression for capacity factor on an annual average is:

$$G_x \div GC_x$$

G_x = Quantity of generation from a gas-fired power plant for year X of the compliance period

GC_x = Quantity of generation that the gas-fired power plant could have produced for year X if it had operated at nameplate capacity for the entire year

(C) The POU has attempted to mitigate against the reduction of generation to below 20 percent of the qualifying gas-fired power plant's total capacity by attempting to sell the power plant or attempting to sell the generation from the power plant to the extent it is practicable and does not result in resource shuffling.

(D) The POU has procured eligible renewable energy resources equal to 45 percent of its retail sales by December 31, 2027, 50 percent by 2030, and 50 percent for each

three-year multiyear compliance period thereafter, and reasonable progress in each of the intervening years of these compliance periods.

The numerical expression of this requirement for the compliance period beginning January 1, 2025, ending December 31, 2027, is:

$$\underline{(EP_{2025} + EP_{2026} + EP_{2027}) = 0.4167 (RS_{2025}) + 0.4333 (RS_{2026}) + 0.4500 (RS_{2027})}$$

The numerical expression of this requirement for the compliance period beginning January 1, 2028, ending December 31, 2030, is:

$$\underline{(EP_{2028} + EP_{2029} + EP_{2030}) = 0.4667 (RS_{2028}) + 0.4833 (RS_{2029}) + 0.5000 (RS_{2030})}$$

The numerical expression of this requirement for the three-year compliance period beginning January 1, 2031, and subsequent three-year compliance periods is:

$$\underline{(EP_{x1} + EP_{x2} + EP_{x3}) = 0.5000 (RS_{x2}) + 0.5000 (RS_{x2}) + 0.5000(RS_{x2})}$$

EP_x = Electricity products applied to the specified year X toward the RPS procurement target for the compliance period containing year X. This may include electricity products retired for and applied to year X, subject to the Portfolio Content Category 3 limit calculated in section 3204 (c), and excess procurement pursuant to section 3206 (a)(1) and historic carryover pursuant to section 3206 (a)(5) that the POU has applied to year X.

RS_x = Total retail sales made by the POU for the specified year X

(E) A POU that satisfies the conditions of paragraphs (B)-(D) may reduce its procurement target for the compliance period calculated in section 3204 (a) by the difference between the gas-fired power plant's actual generation for the compliance period and the amount of generation it could have produced if it had operated at a 20 percent operating capacity during the compliance period.

(F) The reduction of the procurement target will be calculated using the quantity of qualifying gas-fired generation as reported in accordance with section 3207 (m).

(G) This procurement requirement reduction shall be available only until December 31 of the calendar year during which the qualifying gas-fired power plant's original term of bonded indebtedness expires.

(H) A POU must notify the Commission of its intent to act pursuant to this provision no later than April 1, 2019.

~~(b) RPS procurement requirements deficits incurred by a POU in any compliance period shall not be added to the RPS procurement requirements of the POU in a future compliance period.~~

(c) In meeting the RPS procurement targets as defined in section 3204 (a), each POU shall also be subject to the following portfolio balance requirements:

- (1) For the compliance period beginning January 1, 2011, and ending December 31, 2013, not less than 50 percent of electricity products that meet the criteria of section 3202 (a)(1) and credited toward the RPS procurement target shall meet the definition of Portfolio Content Category 1 specified in section 3203 (a).

The numerical expression of this requirement is:

$$PCC1_{2011-2013} \geq 0.50 \times (POST_{2011-2013})$$

PCC1_x = Electricity products retired and applied to the RPS procurement target for compliance period X that must meet the criteria of section 3202 (a)(1) and the definition of Portfolio Content Category 1 specified in section 3203 (a)

POST_x = Portion of electricity products procured pursuant to a contract or ownership agreement executed on or after June 1, 2010, that is retired and applied toward the RPS procurement target for compliance period X

- (2) For the compliance period beginning January 1, 2014, and ending December 31, 2016, not less than 65 percent of electricity products that meet the criteria of section 3202 (a)(1) and credited toward the RPS procurement target shall meet the definition of Portfolio Content Category 1 specified in section 3203 (a).

The numerical expression of this requirement is:

$$PCC1_{2014-2016} \geq 0.65 \times (POST_{2014-2016})$$

- (3) For the compliance period beginning January 1, 2017, and each compliance period thereafter, and ending December 31, 2020, not less than 75 percent of electricity products that meet the criteria of section 3202 (a)(1) and credited applied toward the RPS procurement target shall meet the definition of Portfolio Content Category 1 specified in section 3203 (a).

The numerical expression of this requirement is:

$$PCC1_{2017-2020} \geq 0.75 \times (POST_{2017-2020})$$

$$PCC1_x \geq 0.75 \times (RPS_x - PRE_x)$$

PCC1_x = The minimum portion of electricity products applied toward the RPS procurement target for compliance period X that must meet the criteria of section 3202 (a)(1) and the definition of Portfolio Content Category 1 specified in section 3203 (a).

RPS_x = The RPS procurement target calculated in section 3204 (a) for compliance period X or, if less than the target, the sum of electricity products retired for compliance period X, subject to the limit on Portfolio Content Category 3 electricity products calculated in this section 3204 (c), and any excess procurement pursuant to section 3206 (a)(1) or historic carryover pursuant to section 3206 (a)(5) that the POU has applied toward the target.

PRE_x = The portion of electricity products applied toward the RPS procurement target for compliance period X that meets the criteria of section 3202 (a)(2) or (a)(3) or is historic carryover pursuant to section 3206 (a)(5).

- ~~(4)~~ For the calendar year ending December 31, 2021, and each calendar year thereafter, not less than 75 percent of electricity products that meet the criteria of section 3202 (a)(1) and credited toward the RPS procurement target shall meet the definition of Portfolio Content Category 1 specified in section 3203 (a).

The numerical expression of this requirement is:

$$PCC1_y \geq 0.75 \times (POST_y)$$

~~PCC1_y = Electricity products retired and applied toward the RPS procurement target for compliance year Y that must meet the criteria of section 3202 (a)(1) and the definition of Portfolio Content Category 1 specified in section 3203 (a)~~

~~POST_y = Portion of electricity products procured pursuant to a contract or ownership agreement executed on or after June 1, 2010, that is retired and applied toward the RPS procurement target for compliance year Y~~

- ~~(5)~~(4) For the compliance period beginning January 1, 2011, and ending December 31, 2013, no more than 25 percent of electricity products that meet the criteria of section 3202 (a)(1) and credited toward the RPS procurement target shall meet the definition of Portfolio Content Category 3 specified in section 3203 (c).

The numerical expression of this requirement is:

$$PCC3_{2011-2013} \leq 0.25 \times (POST_{2011-2013})$$

- ~~(6)~~(5) For the compliance period beginning January 1, 2014, and ending December 31, 2016, no more than 15 percent of electricity products that meet the criteria of section 3202 (a)(1) and credited toward the RPS procurement target shall meet the definition of Portfolio Content Category 3 specified in section 3203 (c).

The numerical expression of this requirement is:

$$PCC3_{2014-2016} \leq 0.15 \times (POST_{2014-2016})$$

- ~~(7)~~(6) For the compliance period beginning January 1, 2017, and each compliance period thereafter, and ending December 31, 2020, no more than 10 percent of electricity products that meet the criteria of section 3202 (a)(1) and credited applied toward the RPS procurement target shall meet the definition of Portfolio Content Category 3 specified in section 3203 (c).

The numerical expression of this requirement limit is:

$$\begin{aligned} PCC3_{2017-2020} &\leq 0.10 \times (POST_{2017-2020}) \\ PCC3_x &\leq 0.10 \times (RPS_x - PRE_x) \end{aligned}$$

PCC3_x = The maximum portion of electricity products applied toward the RPS procurement target for compliance period X that meets the criteria of section 3202 (a)(1) and the definition of Portfolio Content Category 3 specified in section 3203 (c)

RPS_x = The RPS procurement target calculated in section 3204 (a) for compliance period X or, if less than the target, the sum of electricity products retired for compliance period X and excess procurement pursuant to section 3206 (a)(1) or historic carryover pursuant to section 3206 (a)(5) that the POU has applied toward the target

PRE_x = The portion of electricity products applied toward the RPS procurement target for compliance period X that meets the criteria of section 3202 (a)(2) or (a)(3) or is historic carryover pursuant to section 3206 (a)(5).

~~(8) For the calendar year ending December 31, 2021, and each calendar year thereafter, no more than 10 percent of electricity products that meet the criteria of section 3202 (a)(1) and credited toward the RPS procurement target shall meet the definition of Portfolio Content Category 3 specified in section 3203 (c).~~

The numerical expression of this requirement is:

$$PCC3_y \leq 0.10 \times (POST_y)$$

~~*PCC3_y = Electricity products retired and applied toward the RPS procurement target for compliance year Y that must meet the criteria of section 3202 (a)(1) and the definition of Portfolio Content Category 3 specified in section 3203 (c)*~~

~~(9)(7) Except as otherwise required by this section 3204 (c), electricity products meeting the definition of Portfolio Content Category 2 specified in section 3203 (b) may be used to meet RPS procurement requirements.~~

(d) Long-term procurement requirement

(1) For the compliance period beginning January 1, 2021, and each compliance period thereafter, at least 65 percent of the electricity products applied toward the RPS procurement target shall be from long-term procurement. The numerical expression of this requirement is:

$$LT_x = 0.65 (RPS_x)$$

LT_x = Electricity products applied toward the RPS procurement target for compliance period X that must meet the criteria of long-term procurement provided in paragraph (2)

RPS_x = The RPS procurement target calculated in section 3204 (a) for compliance period X or, if less than the target, the sum of electricity products retired, subject to the Portfolio Content Category 3 limit for compliance period X calculated in section 3204 (c), and any excess procurement pursuant to section 3206 (a)(1) or historic carryover pursuant to section 3206 (a)(5) that the POU has applied to the target

(2) Electricity products will be classified as long-term or short-term based on the contracts, ownership, or ownership agreements through which they are procured. For the purpose of this subdivision, long-term procurement refers to procurement from long-term contracts, ownership, or ownership agreements, subject to the following:

(A) A long-term contract is defined as a contract to procure electricity products for a duration of at least 10 continuous years. A short-term contract is defined as a contract to procure electricity products for a duration of fewer than 10 continuous years.

i. The duration of a contract shall be measured from the contract start date until the contract end date, except as provided in paragraph (iii). The contract start date may occur before or after January 1, 2021.

ii. If electricity products are procured under a long-term contract that has been amended to extend the end date of the contract, the electricity products procured under the amendment shall be classified as long-term, except as provided in paragraph (E).

iii. If electricity products are procured under a short-term contract that has been amended to extend the end date of the contract, the duration of the amended contract will be measured from the amendment execution date until the amendment end date. If the amended contract provides a commitment to procure electricity products for a duration of at least 10 continuous years, procurement from the amended contract shall be classified as long-term as of the month and year of the amendment execution date.

iv. If electricity products are procured under a long-term contract that has been amended or terminated early such that the contract no longer provides a commitment to procure electricity products for a duration of at least 10 continuous years, only the electricity products procured prior to the amendment or termination notice may be classified as long-term.

(B) Procurement from an ownership agreement shall be classified as long-term, unless the agreement specifies that the ownership duration is for a period of less than 10 continuous years. Procurement from an ownership agreement that specifies the ownership duration is for a period of fewer than 10 continuous years shall be classified as short-term.

(C) Electricity products classified as Portfolio Content Category 2 under the requirements of section 3203 (b) shall count toward the long-term procurement requirement of

this section 3204 (d) if the electricity products are procured under a long-term contract subject to paragraph (A) or an ownership agreement subject to paragraph (B), even if the matching incremental electricity is not associated with a long-term contract or an ownership agreement.

(D) Electricity products that meet the criteria of section 3202 (a)(2) or historic carryover pursuant to section 3206 (a)(5) shall be classified as long-term without regard to the requirements of paragraphs (A)-(C).

(E) Excess procurement that was accrued in accordance with the requirements of section 3206 (a)(1)(C) or section 3206 (a)(1)(I)(3) and applied to the RPS procurement target for a compliance period beginning on or after January 1, 2021, shall be classified as long-term without regard to the requirements of paragraphs (A)-(C).

(F) For purposes of this section 3204 (d), except as provided below, amendments or assignments of long-term contracts or ownership agreements that do not modify the duration of the agreement shall not affect the classification of electricity products procured from the contract or ownership agreement as long-term, subject to the following:

- i. Amendments that increase the nameplate capacity or expected quantities or allocation of annual generation under the original contract or ownership agreement shall be treated as new agreements for the incremental procurement under the amendment, unless the increase was specifically contemplated under the terms of the original contract or ownership agreement.
- ii. Amendments that substitute a different renewable energy resource or fuel than was specified in the original contract or ownership agreement shall be treated as new agreements for procurement from the substitute resource or fuel.

(e) RPS procurement requirements deficits incurred by a POU in any compliance period shall not be added to the RPS procurement requirements of the POU in a future compliance period.

NOTE: Authority cited: Sections 25213 and 25218 (e), Public Resources Code; and section 399.30, Public Utilities Code. Reference: Sections 399.13, 399.16, ~~and 399.30,~~ and 399.33, Public Utilities Code.

Section 3205 – Procurement Plans and Enforcement Programs

(a) Renewable Energy Resources Procurement Plan

- (1) Within 60 calendar days of the effective date of these regulations, each POU shall adopt a renewable energy resources procurement plan detailing how the POU will achieve its RPS procurement requirements for each compliance period. The renewable energy resources procurement plan, and any revisions or updates to the plan, shall be submitted to the Commission within 30 calendar days of adoption. A POU that has

previously adopted a renewable resources procurement plan before the effective date of these regulations does not need to adopt a new renewable energy resources procurement plan and submit the plan to the Commission if no changes are made to the plan after the effective date of these regulations.

- (2) A POU that meets the criteria listed in Public Utilities Code section 399.30 (j) shall adopt a renewable energy resources procurement plan detailing how the POU will achieve its RPS targets annually. The renewable energy resources procurement plan shall additionally provide a forecast of the qualifying hydroelectric generation expected to meet the POU's forecasted annual electricity demand. The renewable energy resources procurement plan, and any revisions or updates to the plan, shall be submitted to the Commission within 30 calendar days of adoption.
- (3) Each POU shall provide the following notice regarding new or updated renewable energy resources procurement plans:
 - (A) The POU shall post notice, in accordance with Chapter 9 (commencing with section 54950) of Part 1 of Division 2 of Title 5 of the Government Code, whenever its governing board will deliberate in public on its renewable energy resources procurement plan.
 - ~~(B) Contemporaneous with the posting of the notice of a public meeting to consider the renewable energy resources procurement plan, the POU shall notify the Commission of the date, time, and location of the public meeting to consider the procurement plan. This requirement is satisfied if the POU provides the Commission with the uniform resource locator (URL) that directly links to the notice for the public meeting. Alternatively, an e-mail with information on the public meeting in Portable Document Format (PDF) may also be provided to the Commission.~~
 - ~~(C) The POU must notify the Commission if any URL provided by the POU pursuant to this section 3205 no longer contains the correct link, and the POU must send the Commission a corrected URL that links to the information or a PDF containing the information as soon as it becomes available.~~

(b) Enforcement Program

- (1) As of January 1, 2012, each POU shall have adopted an enforcement program detailing actions the POU will take if the POU determines that it will not meet its RPS procurement requirements in accordance with section 3204. The enforcement program, and any revisions or updates to the program, shall be submitted to the Commission within 30 calendar days of adoption.
- (2) Each POU shall provide notice regarding new or updated enforcement programs. The enforcement program must be adopted at a publicly noticed meeting offering all interested parties an opportunity to comment.
 - (A) No less than 30 calendar days notice shall be given to the public of any meeting held for purposes of adopting the enforcement program.
 - (B) If the enforcement program is modified or amended, no less than 10 calendar days notice shall be given to the public before any meeting is held to make a substantive change to the enforcement program.

- ~~(3) Contemporaneous with the posting of the notice of a public meeting to consider the enforcement program, the POU shall notify the Commission of the date, time, and location of the public meeting to consider the enforcement program. This requirement is satisfied if the POU provides the Commission with the URL that directly links to the notice for the public meeting. Alternatively, an e-mail with information on the public meeting in PDF may also be provided to the Commission.~~
- ~~(4) The POU must notify the Commission if any URL provided by the POU pursuant to this section 3205 no longer contains the correct link, and the POU must send the Commission a corrected URL that links to the information or a PDF containing the information as soon as it becomes available.~~
- ~~(c) If a POU distributes information to its governing board related to its renewable energy resources procurement status or future procurement plans or enforcement programs, for the governing board's consideration at a public meeting, the POU shall make all that information available to the public at the same time it is distributed to its governing board and shall provide an electronic copy of that information to the Commission for posting on the Commission's website.~~
- ~~(1) This requirement is satisfied if the POU provides to the Commission the URL that directly links to the documents or information regarding other manners of access to the documents. Alternatively, an e-mail with the information in PDF may also be provided to the Commission.~~
- ~~(2) The POU must notify the Commission if any URL provided by the POU pursuant to this section 3205 no longer contains the correct link, and the POU must send the Commission a corrected URL that links to the information or a PDF containing the information as soon as it becomes available.~~
- ~~(c)(d) Notwithstanding section 3205 (a) and (b)(a)–(c), a POU that meets the criteria listed in Public Utilities Code section 399.30 (g) is not required to provide the Commission with a renewable energy resources procurement plan and, enforcement program, or public notice or information concerning any such procurement plans or enforcement programs.~~

NOTE: Authority cited: Sections 25213 and 25218 (e), Public Resources Code; and section 399.30, Public Utilities Code. Reference: Sections 399.30, Public Utilities Code.