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California Energy Commission

STAFF DRAFT REPORT

Renewables Portfolio Standard Verification Results

**Power and Water Resources Pooling Authority
Compliance Period 3 (2017-2020)**

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California Energy Commission

Gregory Chin

Kevin Chou

Sophia Bird

Rong (Grace) Jiang

Primary Author(s)

Yoseph Saeed

Supervisor

Sean Simon

Branch Manager (Acting)

RENEWABLES PORTFOLIO STANDARD BRANCH

Sean Simon

Deputy Director

RENEWABLES AND ELECTRICITY PLANNING

Elizabeth Huber

Director

**SITING, TRANSMISSION, AND ENVIRONMENTAL PROTECTION
DIVISION**

Drew Bohan

Executive Director

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RPS Verification Results: Compliance Period 3

Power and Water Resources Pooling Authority

Background

The California Energy Commission (CEC) administers the state's landmark Renewables Portfolio Standard (RPS), ensures the state's utilities disclose electricity sources to consumers, supports renewable energy development, and tracks the state's progress toward its renewable energy goals. Enacted by Senate Bill 1078 (Sher, Chapter 516, Statutes of 2002) and accelerated and expanded by subsequent legislation, California's RPS establishes increasing renewable energy procurement targets spanning multiyear compliance periods for the state's electric load-serving entities (LSE). Originally applicable to retail sellers, the statewide mandatory RPS was expanded by Senate Bill X1-2 (Simitian, Chapter 1, Statutes of 2011, First Extraordinary Session) to include local publicly owned electric utilities (POU). As a result of Senate Bill 100 (DeLeón, Chapter 312, Statutes of 2018), LSEs are required to increase their procurement of eligible renewable energy resources to 60 percent of retail sales by 2030.

As part of its responsibilities, the CEC verifies the eligibility of renewable energy procured by LSEs, which include retail sellers and POUs that are obligated to participate in California's RPS. The CEC is also responsible for certifying RPS-eligible renewable energy resources, designing and implementing an accounting system to track and report renewable energy procurement for all program participants, and overseeing compliance and enforcement of POUs. The CEC participated in the development of the Western Renewable Energy Generation Information System (WREGIS), an independently administered renewable energy tracking system to verify renewable energy procurement for all program participants. The California Public Utilities Commission is responsible for compliance and enforcement for retail sellers.

Report Overview

This report covers the RPS verification results for POU procurement claims for Compliance Period 3, which covers years 2017 through 2020. The verification report provides an overview of the identified POU's results and tables, including:¹

- The POU's procurement target and portfolio balance requirements and limitations.
- The amount of eligible renewable energy credits (REC) retired, and the amount applied to meet the compliance period requirements, both shown by Portfolio Content Category classification and Long-Term Procurement Requirement classification, as applicable.
- Any deficits in meeting RPS procurement requirements for the compliance period.
- Any optional compliance measures being applied by the POU for the compliance period.

¹ The contents of verification results reports will vary for POUs with specific exclusions, exceptions, or different procurement requirements under the RPS statutes and as described in the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* based on the requirements specific to that POU.

- A calculation of excess procurement accumulated in this compliance period.
- A summary of the POU's excess procurement and historic carryover, if any, including any prior balance, the amount accumulated and used in the current compliance period, and remaining balance.

In adopting this report, the CEC finds the procurement claim amounts listed are consistent with RPS certification and procurement requirements specified in the *Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition (Revised)* and the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* and are eligible for the RPS as indicated. Therefore, the procurement claim amounts count toward meeting the identified POU's RPS procurement requirements.

Verification Process

The methods used by the CEC to verify load-serving entity procurement claims are detailed in the *Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition (Revised)*² and further explained in the *Renewables Portfolio Standard Verification Methodology Report, Third Edition*, both of which can be found at <https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard/renewables-portfolio-standard>.

The verification results presented in this report are not a compliance determination. After the POU's verification results are adopted by the CEC, staff will use the verification results to determine if the POU complied with the RPS requirements for Compliance Period 3 in accordance with the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*.³ The CEC Executive Director will make a compliance determination informed by the verification results presented in each POU's verification results report and, if applicable, the application of optional compliance measures by the POU. The Executive Director will issue a letter to each POU documenting the RPS compliance determination.

Verification Results

For RPS Compliance Period 3 (2017–2020), Power and Water Resources Pooling Authority retired and reported 393,585 RECs, and 391,163 RECs were verified by the CEC as RPS-eligible.⁴ Each [POU's Summary Claims Report](#), which includes claim eligibility details, is available at https://www.energy.ca.gov/portfolio/documents/rps_verification_pous.html.

In accordance with 20 California Code of Regulations (CCR) section 3204 (b)(7) of the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned*

² Refer to Chapter 7 of the [Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition \(Revised\)](#).

³ The *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*, with the most recent update having taken effect July 12, 2021, are set forth in 20 CCR §§ 1240 and 3200–3208 and establish the rules and procedures by which the California Energy Commission will assess a POU's procurement actions and determine whether those actions meet the RPS requirements.

⁴ The number of RECs verified by the CEC is fewer than the number of RECs retired and reported because claims were determined to be ineligible due to a facility or facilities not being RPS-certified when the RECs were created, and RECs were withdrawn by the POU. Please refer to the POU's Summary Claims Report for more detail.

Electric Utilities (RPS POU Regulations), 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.

Power and Water Resources Pooling Authority qualified for the procurement requirement exemption under section 3204 (b)(7) in 2017. Power and Water Resources Pooling Authority reported 282,113 MWh of large hydroelectric generation for 2017, and 282,113 MWh was verified by CEC staff as meeting the criteria of large hydroelectric generation under section 3204 (b)(7)(A). The large hydroelectric generation had the effect of reducing Power and Water Resources Pooling Authority's 2017 soft target from 80,562 to 16,266 RECs.

In accordance with 20 CCR section 3204 (b)(8) of the RPS POU Regulations, between January 1, 2019, and 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.

Power and Water Resources Pooling Authority qualified for the procurement requirement exemption under section 3204 (b)(8) in 2019. Power and Water Resources Pooling Authority reported 216,068 MWh of large hydroelectric generation for 2019, and 216,068 MWh was verified by CEC staff as meeting the criteria of large hydroelectric generation under section 3204 (b)(8)(A). The large hydroelectric generation had the effect of reducing Power and Water Resources Pooling Authority's 2019 soft target from 86,146 RECs to 61,824 RECs. The combined 2017 and 2019 large hydroelectric generation had the effect of reducing Power and Water Resources Pooling Authority's total Compliance Period 3 target from 399,400 to 310,782 RECs.

For Compliance Period 3, Power and Water Resources Pooling Authority had a procurement target of 310,782 RECs, which represents 23.53 percent of its retail sales over the years 2017-2020. Power and Water Resources Pooling Authority applied 310,782 RECs from Compliance Period (CP) 3 RPS-eligible RECs toward its procurement requirements, equaling the number of RECs needed to meet its procurement target.

Procurement Target Calculation (MWh) ¹	Calendar Year	Annual Retail Sales	Green Pricing Program	Qualifying Hydroelectric Generation	Soft Target Percentage	Soft Targets
	2017	298,379	0	282,113	27	16,266
	2018	324,751	0	0	29	94,177
	2019	277,892	0	216,068	31	61,824
	2020	419,743	0	0	33	138,515
Procurement Target						310,782

Verification Results	
Target	310,782
Applied	310,782
Deficit	0
Renewable Percentage	23.53%

RECs Available ²	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Available	Total RECs Available
Category 0 (PCC 0)	0	22,183	0	22,183
Pre June 2010 PCC 1	0	0	0	0
Pre June 2010 PCC 2	0	0	0	0
Pre June 2010 PCC 3	0	0	0	0
Category 1 (PCC 1)	0	310,842	0	310,842
Category 2 (PCC 2)	0	29,221	0	29,221
Category 3 (PCC 3)	0	28,917	0	28,917
Historic Carryover	0	0	0	0
Total				391,163

RECs Applied	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Applied	Total RECs Applied
Category 0 (PCC 0)	0	22,183	0	22,183
Pre June 2010 PCC 1	0	0	0	0
Pre June 2010 PCC 2	0	0	0	0
Pre June 2010 PCC 3	0	0	0	0
Category 1 (PCC 1)	0	230,519	0	230,519
Category 2 (PCC 2)	0	29,221	0	29,221
Category 3 (PCC 3)	0	28,917	0	28,917
Historic Carryover	0	0	0	0
Total				310,840

RPS Portfolio Balance Requirements (MWh) ³	
Category 1 Balance Requirement	216,449
Category 1 Requirement Deficit	0
Category 3 Balance Limitation	28,859
Category 3 Disallowed	58

Optional Compliance Measures Applied	
Cost Limitation	Yes
Delay of Timely Compliance	No
Portfolio Balance Reduction	No

CP3 Excess Procurement Calculation (MWh) ⁴	Eligible RECs Retired	RECs Applied	Deductions	Accumulated in CP3
Category 0 (PCC 0)	22,183	22,183	0	0
Pre June 2010 PCC 1	0	0	0	0
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	310,842	230,519	65,513	80,323
Category 2 (PCC 2)	29,221	29,221	29,221	0

Balance of Excess Procurement and Historic Carryover (MWh)	Beginning Balance	Applied in CP3	Accumulated in CP3	Ending Balance
Category 0 (PCC 0)	0	0	0	0
Pre June 2010 PCC 1	0	0	0	0
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	0	0	80,323	80,323
Category 2 (PCC 2)	0	0	0	0
Historic Carryover	0	0	0	0

1. "Soft Target" is defined in section 3204(a)(3) of the RPS POU Regulations.
2. Total RECs Verified as Available during CP 3, does not include Disallowed PCC 3 RECs.
3. Calculated as specified in Section 3204(c) of the RPS POU Regulations.
4. Calculated as described in the RPS Verification Methodology Report, Third Edition and in section 3206(a)(1) of the RPS POU Regulations.