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**CALIFORNIA  
ENERGY COMMISSION**



**CALIFORNIA  
NATURAL  
RESOURCES  
AGENCY**

California Energy Commission

## **STAFF DRAFT REPORT**

# **Renewables Portfolio Standard Verification Results**

**San Francisco Public Utilities Commission – Hetch  
Hetchy Power**

**Compliance Period 3 (2017-2020)**

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# California Energy Commission

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# RPS Verification Results: Compliance Period 3

## San Francisco Public Utilities Commission – Hetch Hetchy Power

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### 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:<sup>1</sup>

- 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.

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<sup>1</sup> 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.

- Any optional compliance measures being applied by the POU for the compliance period.
- 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)*<sup>2</sup> 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)*<sup>2</sup> 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*.<sup>3</sup> 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

As discussed more in depth below, SFPUC – Hetch Hetchy Power's verification results are reported and evaluated under alternative procurement requirements and on an annual, rather than compliance period, basis. Public Utilities Code (PUC) Section 399.30 (j) establishes alternative procurement requirements for a POU in a city and county that receives greater than 67 percent of its electricity sources from in-state owned hydroelectric facilities. To qualify, a POU must show that it meets the requirements of 20 CCR Section 3204 (b)(3) of the RPS POU Regulations by submitting documentation showing that it receives at least an average of

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

<sup>3</sup> 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.

67 percent of its electricity demand in the twenty years preceding each compliance period from qualifying hydroelectric generation.

If a POU can show that it meets the criteria for the alternative procurement requirements, the POU's procurement target is determined annually, instead of on a compliance period basis, and the POU is exempt from the portfolio balance requirements. If the POU has electricity demand that is not satisfied by its qualifying hydroelectric generation in any given year, the POU's procurement target is set at the lesser of the following:

1. The portion of the POU's electricity demand that is not satisfied by the POU's qualifying hydroelectric generation.
2. The soft target corresponding to that year.

To determine the POU's procurement target for any given year, the POU must report its electricity demand, instead of retail sales, and its qualifying hydroelectric generation.

SFPUC – Hetch Hetchy Power provided documentation demonstrating that it qualifies for the alternative procurement requirements in 20 CCR Section 3204 (b)(3) of the RPS POU Regulations during Compliance Period (CP) 3. Therefore, SFPUC — Hetch Hetchy Power must meet stand-alone procurement targets in 2017, 2018, 2019, and 2020 that are determined by the annual amount of electricity demand that was not satisfied by SFPUC — Hetch Hetchy Power's qualifying hydroelectric generation. Furthermore, SFPUC — Hetch Hetchy Power does not have a Category 1 portfolio balance requirement or limitation on Category 3 procurement during Compliance Years 2017 -2020. 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](https://www.energy.ca.gov/portfolio/documents/rps_verification_pous.html).

For Compliance Year 2017, SFPUC — Hetch Hetchy Power retired and reported 344,868 RECs, and 19,387 RECs were verified by the CEC as RPS-eligible.<sup>4</sup> SFPUC — Hetch Hetchy Power's electricity demand that was not satisfied by qualifying hydroelectric generation was equal to 12,763 RECs, which represents 1.32 percent of its total electricity demand. SFPUC — Hetch Hetchy Power applied 12,763 RECs from CP 3 RPS-eligible RECs toward its procurement requirements, equaling the number of RECs needed to meet its annual procurement target.

For Compliance Year 2018, SFPUC — Hetch Hetchy Power retired and reported 204,966 RECs, and 94,302 RECs were verified by the CEC as RPS-eligible.<sup>5</sup> SFPUC — Hetch Hetchy Power's electricity demand that was not satisfied by qualifying hydroelectric generation was equal to 93,252 RECs, which represents 9.42 percent of its total electricity demand. SFPUC — Hetch Hetchy Power applied 93,252 RECs from CP 3 RPS-eligible RECs toward its procurement requirements, equaling the number of RECs needed to meet its annual procurement target.

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<sup>4</sup> 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 facility or facilities not being RPS-certified when RECs were created, RECs being retired more than 36 months after the vintage, and RECs were withdrawn by the POU. Please refer to the POU's Summary Claims Report for more detail.

<sup>5</sup> The number of RECs verified by the CEC is fewer than the number of RECs retired and reported because claim(s) were withdrawn by the POU.

For Compliance Year 2019, SFPUC — Hetch Hetchy Power retired and reported 415,210 RECs, and 194,827 RECs were verified by the CEC as RPS-eligible.<sup>6</sup> SFPUC — Hetch Hetchy Power's electricity demand that was not satisfied by qualifying hydroelectric generation was equal to 76,176 RECs, which represents 7.52 percent of its total electricity demand. SFPUC — Hetch Hetchy Power applied 76,176 RECs from CP 3 RPS-eligible RECs toward its procurement requirements, equaling the number of RECs needed to meet its annual procurement target.

For Compliance Year 2020, SFPUC — Hetch Hetchy Power retired and reported 534,488 RECs, and 450,573 RECs were verified by the CEC as RPS-eligible.<sup>7</sup> SFPUC — Hetch Hetchy Power's electricity demand that was not satisfied by qualifying hydroelectric generation was equal to 8,872 RECs, which represents 1.02 percent of its total electricity demand. SFPUC — Hetch Hetchy Power applied 8,872 RECs from CP 3 RPS-eligible RECs toward its procurement requirements, equaling the number of RECs needed to meet its annual procurement target.

SFPUC — Hetch Hetchy Power retired and applied sufficient RECs to meet each annual procurement target for each year 2017 – 2020.

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<sup>6</sup> 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 RECs being retired more than 36 months after the vintage, and RECs were withdrawn by the POU.

<sup>7</sup> 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 RECs being retired more than 36 months after the vintage.

Procurement Target Calculation (MWh) <sup>1</sup>	Calendar Year	Total Electricity Demand Verified	Qualifying Hydroelectric Generation	Electricity Demand not met by Hydroelectric Generation	Soft Target Percentage	Soft Targets
	2017	965,306	952,543	12,763	27	260,632
	Procurement Target					12,763

Verification Results	
Target	12,763
Applied	12,763
Deficit	0
Renewable Percentage	1.32%

RECs Available <sup>2</sup>	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Available	Total RECs Available
Category 0 (PCC 0)	0	7,710	0	7,710
Pre June 2010 PCC 1	0	11,261	703,586	714,847
Pre June 2010 PCC 2	0	0	0	0
Pre June 2010 PCC 3	0	0		0
Category 1 (PCC 1)	0	416	0	416
Category 2 (PCC 2)	0	0	0	0
Category 3 (PCC 3)	0	0		0
Historic Carryover			0	0
Total				722,973

RECs Applied	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Applied	Total RECs Applied
Category 0 (PCC 0)	0	1,502	0	1,502
Pre June 2010 PCC 1	0	11,261	0	11,261
Pre June 2010 PCC 2	0	0	0	0
Pre June 2010 PCC 3	0	0		0
Category 1 (PCC 1)	0	0	0	0
Category 2 (PCC 2)	0	0	0	0
Category 3 (PCC 3)	0	0		0
Historic Carryover			0	0
Total				12,763

RPS Portfolio Balance Requirements (MWh) <sup>3</sup>	
Category 1 Balance Requirement	N/A
Category 1 Requirement Deficit	N/A
Category 3 Balance Limitation	N/A
Category 3 Disallowed	N/A

Optional Compliance Measures Applied	
Cost Limitation	No
Delay of Timely Compliance	No
Portfolio Balance Reduction	N/A

CP3 Excess Procurement Calculation (MWh) <sup>4</sup>	Eligible RECs Retired	RECs Applied	Deductions	Accumulated in CP3
Category 0 (PCC 0)	7,710	1,502		6,208
Pre June 2010 PCC 1	11,261	11,261	0	0
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	416	0	0	416
Category 2 (PCC 2)	0	0	0	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	6,208	6,208
Pre June 2010 PCC 1	703,586	0	0	703,586
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	0	0	416	416
Category 2 (PCC 2)	0	0	0	0
Historic Carryover	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, Second Edition and in section 3206(a)(1) of the RPS POU Regulations.



Procurement Target Calculation (MWh) <sup>1</sup>	Calendar Year	Total Electricity Demand Verified	Qualifying Hydroelectric Generation	Electricity Demand not met by Hydroelectric Generation	Soft Target Percentage	Soft Targets
	2018	990,048	896,796	93,252	29	287,113
	Procurement Target					93,252

Verification Results	
Target	93,252
Applied	93,252
Deficit	0
Renewable Percentage	9.42%

RECs Available <sup>2</sup>	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Available	Total RECs Available
Category 0 (PCC 0)	0	3,849	6,208	10,057
Pre June 2010 PCC 1	0	68,996	703,586	772,582
Pre June 2010 PCC 2	0	0	0	0
Pre June 2010 PCC 3	0	0		0
Category 1 (PCC 1)	0	847	416	1,263
Category 2 (PCC 2)	0	0	0	0
Category 3 (PCC 3)	0	20,610		20,610
Historic Carryover			0	0
Total				804,512

RECs Applied	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Applied	Total RECs Applied
Category 0 (PCC 0)	0	3,646	0	3,646
Pre June 2010 PCC 1	0	68,996	0	68,996
Pre June 2010 PCC 2	0	0	0	0
Pre June 2010 PCC 3	0	0		0
Category 1 (PCC 1)	0	0	0	0
Category 2 (PCC 2)	0	0	0	0
Category 3 (PCC 3)	0	20,610		20,610
Historic Carryover			0	0
Total				93,252

RPS Portfolio Balance Requirements (MWh) <sup>3</sup>	
Category 1 Balance Requirement	N/A
Category 1 Requirement Deficit	N/A
Category 3 Balance Limitation	N/A
Category 3 Disallowed	N/A

Optional Compliance Measures Applied	
Cost Limitation	No
Delay of Timely Compliance	No
Portfolio Balance Reduction	N/A

CP3 Excess Procurement Calculation (MWh) <sup>4</sup>	Eligible RECs Retired	RECs Applied	Deductions	Accumulated in CP3
Category 0 (PCC 0)	3,849	3,646		203
Pre June 2010 PCC 1	68,996	68,996	0	0
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	847	0	0	847
Category 2 (PCC 2)	0	0	0	0

Balance of Excess Procurement and Historic Carryover (MWh)	Beginning Balance	Applied in CP3	Accumulated in CP3	Ending Balance
Category 0 (PCC 0)	6,208	0	203	6,411
Pre June 2010 PCC 1	703,586	0	0	703,586
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	416	0	847	1,263
Category 2 (PCC 2)	0	0	0	0
Historic Carryover	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, Second Edition and in section 3206(a)(1) of the RPS POU Regulations.



Procurement Target Calculation (MWh) <sup>1</sup>	Calendar Year	Total Electricity Demand Verified	Qualifying Hydroelectric Generation	Electricity Demand not met by Hydroelectric Generation	Soft Target Percentage	Soft Targets
	2019	1,012,744	936,568	76,176	31	313,950
	Procurement Target					76,176

Verification Results	
Target	76,176
Applied	76,176
Deficit	0
Renewable Percentage	7.52%

RECs Available <sup>2</sup>	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Available	Total RECs Available
Category 0 (PCC 0)	0	905	6,411	7,316
Pre June 2010 PCC 1	0	193,053	703,586	896,639
Pre June 2010 PCC 2	0	0	0	0
Pre June 2010 PCC 3	0	0		0
Category 1 (PCC 1)	0	869	1,263	2,132
Category 2 (PCC 2)	0	0	0	0
Category 3 (PCC 3)	0	0		0
Historic Carryover			0	0
Total				906,087

RECs Applied	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Applied	Total RECs Applied
Category 0 (PCC 0)	0	0	0	0
Pre June 2010 PCC 1	0	76,176	0	76,176
Pre June 2010 PCC 2	0	0	0	0
Pre June 2010 PCC 3	0	0		0
Category 1 (PCC 1)	0	0	0	0
Category 2 (PCC 2)	0	0	0	0
Category 3 (PCC 3)	0	0		0
Historic Carryover			0	0
Total				76,176

RPS Portfolio Balance Requirements (MWh) <sup>3</sup>	
Category 1 Balance Requirement	N/A
Category 1 Requirement Deficit	N/A
Category 3 Balance Limitation	N/A
Category 3 Disallowed	N/A

Optional Compliance Measures Applied	
Cost Limitation	No
Delay of Timely Compliance	No
Portfolio Balance Reduction	N/A

CP3 Excess Procurement Calculation (MWh) <sup>4</sup>	Eligible RECs Retired	RECs Applied	Deductions	Accumulated in CP3
Category 0 (PCC 0)	905	0		905
Pre June 2010 PCC 1	193,053	76,176	0	116,877
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	869	0	0	869
Category 2 (PCC 2)	0	0	0	0

Balance of Excess Procurement and Historic Carryover (MWh)	Beginning Balance	Applied in CP3	Accumulated in CP3	Ending Balance
Category 0 (PCC 0)	6,411	0	905	7,316
Pre June 2010 PCC 1	703,586	0	116,877	820,463
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	1,263	0	869	2,132
Category 2 (PCC 2)	0	0	0	0
Historic Carryover	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, Second Edition and in section 3206(a)(1) of the RPS POU Regulations.

Procurement Target Calculation (MWh) <sup>1</sup>	Calendar Year	Total Electricity Demand Verified	Qualifying Hydroelectric Generation	Electricity Demand not met by Hydroelectric Generation	Soft Target Percentage	Soft Targets
	2020	866,180	857,308	8,872	33	285,839
	Procurement Target					8,872

Verification Results	
Target	8,872
Applied	8,872
Deficit	0
Renewable Percentage	1.02%

RECs Available <sup>2</sup>	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Available	Total RECs Available
Category 0 (PCC 0)	0	2,136	7,316	9,452
Pre June 2010 PCC 1	0	447,305	820,463	1,267,768
Pre June 2010 PCC 2	0	0	0	0
Pre June 2010 PCC 3	0	0		0
Category 1 (PCC 1)	0	1,132	2,132	3,264
Category 2 (PCC 2)	0	0	0	0
Category 3 (PCC 3)	0	0		0
Historic Carryover			0	0
Total				1,280,484

RECs Applied	Surplus RECs	Eligible RECs Retired in CP3	Prior Balances Applied	Total RECs Applied
Category 0 (PCC 0)	0	0	0	0
Pre June 2010 PCC 1	0	8,872	0	8,872
Pre June 2010 PCC 2	0	0	0	0
Pre June 2010 PCC 3	0	0		0
Category 1 (PCC 1)	0	0	0	0
Category 2 (PCC 2)	0	0	0	0
Category 3 (PCC 3)	0	0		0
Historic Carryover			0	0
Total				8,872

RPS Portfolio Balance Requirements (MWh) <sup>3</sup>	
Category 1 Balance Requirement	N/A
Category 1 Requirement Deficit	N/A
Category 3 Balance Limitation	N/A
Category 3 Disallowed	N/A

Optional Compliance Measures Applied	
Cost Limitation	No
Delay of Timely Compliance	No
Portfolio Balance Reduction	N/A

CP3 Excess Procurement Calculation (MWh) <sup>4</sup>	Eligible RECs Retired	RECs Applied	Deductions	Accumulated in CP3
Category 0 (PCC 0)	2,136	0		2,136
Pre June 2010 PCC 1	447,305	8,872	0	438,433
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	1,132	0	0	1,132
Category 2 (PCC 2)	0	0	0	0

Balance of Excess Procurement and Historic Carryover (MWh)	Beginning Balance	Applied in CP3	Accumulated in CP3	Ending Balance
Category 0 (PCC 0)	7,316	0	2,136	9,452
Pre June 2010 PCC 1	820,463	0	438,433	1,258,896
Pre June 2010 PCC 2	0	0	0	0
Category 1 (PCC 1)	2,132	0	1,132	3,264
Category 2 (PCC 2)	0	0	0	0
Historic Carryover	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, Second Edition and in section 3206(a)(1) of the RPS POU Regulations.