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SCP Comments on Proposed Scope for the Draft RPS Eligibility Guidebook, Tenth Edition

Additional submitted attachment is included below.

Sonoma Clean Power

431 E Street
Santa Rosa, CA 95404

sonomacleanpower.org

October 29, 2024

California Energy Commission
Docket Unit, MS-4
Docket No. 21-RPS-02
715 P Street,
Sacramento, CA 95814

RE: Sonoma Clean Power Comments on the Notice of Proposed Scope for the Draft Renewables Portfolio Standard Eligibility Guidebook, Tenth Edition

Dear Commissioner Gallardo and Commission Staff,

Sonoma Clean Power Authority (SCP) is the public power provider for Sonoma and Mendocino counties, serving a population of about a half-million. In downtown Santa Rosa, SCP operates our Customer Center to help customers understand bills and learn how to transition to 100% renewable energy for their homes, businesses, and cars. SCP is also the only power provider in California offering 100% 24/7 renewable energy generated purely from within its service territory. SCP is dedicated to expanding our renewable portfolio while advancing energy sector decarbonization and enabling equitable access to clean, renewable, and reliable power for all our customers.

SCP respectfully submits these comments to the California Energy Commission (Commission) on the *Notice and Request for Comment on the Proposed Scope for the Draft Renewables Portfolio Standard Eligibility Guidebook, Tenth Edition*, issued on October 18, 2024. The notice identifies eighteen topics that the Commission plans to consider for updates to the Renewables Portfolio Standard (RPS) Eligibility Guidebook. In these comments, SCP supports revising the treatment of energy storage in the RPS Eligibility Guidebook in order to: (I.) Eliminate the losses for hybrid and interconnected energy storage systems when determining the quantity of renewable energy credits created, and (II.) Expand the treatment of integrated storage technologies to include thermal storage.

I. The RPS Eligibility Guidebook Should Not Subtract Round Trip Efficiency Losses from Hybrid or Interconnected Renewable Generation and Energy Storage Systems.

The proposed scope provided by the notice includes "Energy Storage" in Chapter 3.F. This notice specifically states the Commission seeks to "[c]larify that the RPS-eligible generation is not impacted by the onsite use of an energy storage device under certain project configurations."[1] SCP strongly supports reevaluating the treatment of energy storage in the RPS Eligibility Guidebook. The Commission sought input on the treatment of energy storage back in 2022 during its February 2022 workshop on this topic.[2] In this workshop, stakeholders expressed clear support for changes removing the deduction of losses from energy storage. As the Los Angeles Department of Water and Power shared in its comments on the workshop, "[t]he current RPS requirements require bundled renewable generation and storage projects that share a point of interconnection to have energy storage losses subtracted, whereas separate generation and storage projects do not. This distinction is counterproductive and encourages inefficient use of land and equipment."[3]

In updating the RPS guidebook, the Commission should seek to develop a protocol that does not discourage the installation of energy storage at an RPS-eligible generation facility. Accordingly, the quantity of RPS-eligible generation should reflect the standalone output capacity of the renewable generating facility and should not be subject to losses associated with an energy storage system. The RPS Eligibility Guidebook should seek to not discourage the use of grid electricity in energy storage – given that a key value proposition for energy storage is in repurposing otherwise curtailed renewables to serve evening peak load and enhance grid reliability. This is particularly true now that the Inflation Reduction Act has removed the grid charging restrictions on the tax eligibility of energy storage resources.

Current rules intrinsically require losses associated with grid electricity to be subtracted from RPS-eligible generation for hybrid facilities. This both discourages installation of energy storage at RPS-eligible facilities and grid charging. In cases where the output of the renewable generating facility is not directly metered, the RPS Eligibly Guidebook could allow the project applicant to submit documentation to establish a standard round-trip efficiency factor the Commission could use to credit losses on RPS-eligible generation.

II. The RPS Eligibility Guidebook Should Address Thermal Storage Integrated into a Renewable Generating Facility.

SCP also recommends that the Commission expand the energy storage chapter to address thermal storage technologies that are incorporated into an RPS-eligible facility. Thermal storage technology has evolved rapidly since the issuance of the last RPS Eligibility

[1] CEC, *Notice and Request for Comment on the Proposed Scope for the Draft Renewables Portfolio Standard Eligibility Guidebook, Tenth Edition*, Oct. 18, 2024 at 3.
[2] https://www.energy.ca.gov/event/workshop/2022-02/staff-workshop-rps-requirements-energy-storage-devices
[3] https://efiling.energy.ca.gov/GetDocument.aspx?tn=241621&DocumentContentId=75594

Guidebook. It provides a two-fold value proposition: long-duration discharge capabilities coupled with the ability to charge rapidly. In practice, this allows thermal energy storage technologies to opportunistically absorb excess renewable electricity and discharge stored energy over long periods. However, thermal storage systems have lower round-trip efficiency and cannot be metered separately, which makes them financially untenable under the current RPS counting rules – which in effect penalize the existing RPS generation resource with losses incurred by the thermal energy storage system.

To resolve this issue, the ability to credit losses on RPS generation and grid charging should be extended to thermal storage installed at an RPS-eligible facility. In essence, installing a thermal storage system at an RPS-eligible facility – such as a geothermal or biomass plant – should not reduce the quantity of the facility's RPS-eligible output.[4] The RPS guidebook already includes provisions on how to account for thermal and electrical energy in evaluating RPS eligibility; these can be extended to thermal storage that is integrated with an RPS-eligible generator.

III. Conclusion

SCP appreciates the opportunity to provide these comments to the Commission. It is our hope that we may serve as a resource to the CEC as RPS Eligibility Guidebook changes continue to develop. Thank you for your time and consideration. Please reach out to me or my team at any time if you wish to discuss further.

Sincerely,

Neal Reardon
Director of Regulatory Affairs
Sonoma Clean Power Authority
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[4] Page 30 of current guidebook: https://efiling.energy.ca.gov/getdocument.aspx?tn=217317