

**DOCKETED**

<b>Docket Number:</b>	21-RPS-02
<b>Project Title:</b>	Renewables Portfolio Standard 10th Edition Guidebook Update
<b>TN #:</b>	259867
<b>Document Title:</b>	SDG&E Comments on Proposed Scope for RPS Guidebook Tenth Edition
<b>Description:</b>	N/A
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<b>Organization:</b>	San Diego Gas & Electric Company (SDG&E)
<b>Submitter Role:</b>	Public
<b>Submission Date:</b>	11/1/2024 4:43:47 PM
<b>Docketed Date:</b>	11/1/2024



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November 1, 2024

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

**SUBJECT: SDG&E Comments on Proposed Scope of Renewables Portfolio Standard (RPS) Tenth Edition Guidebook Update**

Dear Ms. Huber:

San Diego Gas & Electric Company (SDG&E) appreciates the opportunity to provide feedback on the California Energy Commission's recently released "Notice and Request for Comment on the Proposed Scope for the *Draft Renewables Portfolio Standard Eligibility Guidebook, Tenth Edition*" ("Notice"). The Renewables Portfolio Standard (RPS) has been and will continue to be instrumental in driving emissions reductions for the electricity sector while supporting the development of clean energy technologies that demonstrate California's climate leadership.

In general, it would be helpful to have additional detail on the scope and intent of the proposed changes being considered for the RPS Guidebook update so that we can provide more targeted comments, including information on anticipated impacts. Nonetheless, SDG&E offers the below feedback for CEC's consideration.

**I. Clean, firm and dispatchable resources including those utilizing renewable hydrogen will be needed to achieve SB 100 goals.<sup>1</sup>**

It is critical that electric utilities like SDG&E have a wide array of resource options on the table to facilitate the transition to a decarbonized electricity portfolio that prioritizes reliability. In particular, clean, firm, and dispatchable resources—such as those that can generate electricity from renewable hydrogen and other low carbon fuels—will be critical for supporting reliable and resilient electric service to meet the needs of our future electric grid.

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<sup>1</sup> SB 100 (Statutes of 2018) establishes the policy of the state that eligible renewable energy resources and zero-carbon resources supply 100% of retail electricity sales to California end-users by 2045. The bill text is available at: [SB-100 California Renewables Portfolio Standard Program: emissions of greenhouse gases](#).

**II. AB 1921<sup>2</sup> should not be interpreted to require the removal of existing RPS-eligibility for fuel cells using hydrogen derived from RPS-eligible resources.**

Unfortunately, based on the light details provided in CEC’s Notice, it appears that the CEC’s initial interpretation of Assembly Bill 1921, conflicts with the need to establish a diverse set of clean technologies to support our SB 100 goals. Rather than simply adding linear generators using renewable fuels to the list of technologies eligible for the RPS, the notice suggests that the legislation further directs the CEC to remove fuel cells operating on renewable hydrogen. It is SDG&E’s understanding that this was not the intent of Assemblymember Papan, the author of AB 1921.<sup>3</sup> AB 1921 was intended to provide a technology inclusive approach, allowing for equal treatment of linear generators and fuel cells using renewable fuels. Amendments to the bill during the legislative process and associated analyses further limited the RPS-eligible fuel types for linear generator use to clarify that ammonia and hydrogen sourced from *fossil-based* sources would not be RPS-eligible. None of these discussions or amendments suggested intentional changes to the existing eligibility of feedstocks using hydrogen sourced from RPS-eligible feedstocks.

**The CEC can and should preserve the existing provisions that allow for the use of fuel cells using qualified hydrogen gas** (i.e., hydrogen derived from “a non-fossil-based fuel or feedstock through a process powered using an eligible renewable energy resource.”)<sup>4</sup> As the Assembly Appropriations Committee analysis of AB 1921 noted, “a technology does not need to be specifically listed in the RPS statute for it to be eligible for the RPS.”<sup>5</sup> In fact, the CEC’s existing RPS Eligibility Guidebook, Ninth Edition (revised), has interpreted statute to allow for the inclusion of fuel cells using an RPS-eligible renewable energy resource, qualifying hydrogen gas, or both.<sup>8</sup> This interpretation should not be impacted by AB 1921.

**III. Turbines powered by hydrogen that is derived from RPS-eligible resources should be considered RPS-eligible.**

Just as fuel cells and linear generators that use hydrogen derived from RPS-eligible sources should be considered RPS-eligible, so too should turbines using the same renewable hydrogen to produce electricity. SDG&E encourages the CEC to consider amending the RPS Guidebook to explicitly include turbines powered by hydrogen that is produced with RPS-eligible resources. The AB 1921 analysis of the Assembly Committee

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<sup>2</sup> Assembly Bill (AB) 1921 (Statutes of 2024): [Bill Text - AB-1921 Energy: renewable electrical generation facilities: definition.](#)

<sup>3</sup> The October 31, 2024, letter from Assemblymember Diane Papan, author of AB 1921, to CEC Siting, Transmission and Environmental Protection Director Elizabeth Huber—submitted to the CEC’s 21-RPS-02 docket— provides further clarification on the author’s intent.

<sup>4</sup> California Energy Commission’s “Renewables Portfolio Standard Eligibility, Ninth Edition (Revised), Commission Guidebook” at page 13.

<sup>5</sup> See page 2 of the Assembly Committee on Appropriations analysis of AB 1921 (Papan) – As Amended April 8, 2024; prepared for the May 8, 2024, committee hearing.

on Natural Resources importantly noted that, "it has been demonstrated over and over that combustion technologies using renewable fuels are eligible, without the RPS statute saying so."<sup>6</sup> It stands to reason that hydrogen used in a turbine to create electricity should be considered RPS-eligible provided that the hydrogen was produced using an RPS-eligible feedstock.

SDG&E is already using renewable hydrogen at our largest power plant, Palomar Energy Center (PEC). Located in Escondido, CA, PEC is a 588-megawatt combined cycle power plant. PEC now includes an onsite electrolyzer and solar panels that are producing renewable hydrogen for use as a cooling gas in the combined cycle process, blending it with natural gas for electric generation, and to fuel the first hydrogen vehicles in our fleet. In September 2024, SDG&E began blending up to 2% renewable hydrogen by volume into one the turbines at PEC to understand its impacts on emissions, plant operations, and general cost effectiveness. The knowledge gained from this pilot will help inform our long-term electric reliability and decarbonization strategy. SDG&E anticipates that, by necessity, our future will include resources such as fuel cells and turbines using renewable hydrogen.

Thank you for your consideration of SDG&E's comments. We look forward to engaging with staff as these concepts are further developed and the process for updating the Guidebook continues. Please do not hesitate to contact me should you have any questions or require additional information.

Sincerely,



Sarah M. Taheri  
Regulatory Affairs Manager

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<sup>6</sup> See page 2 of the Assembly Committee on Natural Resources analysis of AB 1921 (Papan) – As Amended April 8, 2024; prepared for the April 15, 2024, committee hearing.