

DOCKETED

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Document Title:	Memorandum Regarding SolarCity Request for Extension of RPS Certification Application Deadline
Description:	Memo from Deputy Director Korosec to Executive Director Oglesby regarding Extension of RPS certification application deadline.
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Memorandum

To: Robert P. Oglesby
Executive Director

Date : February 8, 2016

Telephone: CALNET (XXX)
(XXX)

From : **California Energy Commission - Suzanne Korosec**
1516 Ninth Street Deputy Director, Renewable Energy Division
Sacramento CA 95814-5512

Subject: SOLARCITY REQUEST FOR EXTENSION OF RPS CERTIFICATION
APPLICATION DEADLINE

This memo is in regard to SolarCity Corporation's (SolarCity) request for an extension of the deadline to submit its application for Renewables Portfolio Standard (RPS) certification for the following facilities:

- 9561362-CA (RPS ID 62546A)
- 935033-CA (RPS ID 62553A)
- 9561361-CA (RPS ID 62555A)
- 9561359-CA (RPS ID 62556A)
- 954088-CA (RPS ID 62611A)
- Santa Cruz City Schools – 9501930 (RPS ID – none)
- Lancaster School District – District Office (RPS ID – none)
- Placer County Water Agency – 9571226 (RPS ID – none)
- Placer County Water Agency - 9562670 (RPS ID – none)

RPS staff recommends that the Executive Director delay consideration of the request until SolarCity provides appropriate and accurate documentation to support its request, as described below.

SolarCity's Request for an Extension of a Deadline in Connection with its RPS Eligibility Date

At its April 22, 2014 Business Meeting, the Energy Commission approved a process to allow the Executive Director to extend and waive application deadlines for RPS certification if applicants met certain criteria. The approved process was subsequently incorporated into the *RPS Eligibility Guidebook, Eighth Edition*, which was adopted by the full Commission on June 10, 2015.

On January 15, 2016, SolarCity submitted a formal request for extension using the approved process. However, the documentation included with the request included several important errors and omissions.

According to SolarCity, a "WREGIS glitch" occurred in October 2013 that led it to believe that the renewable energy credits (RECs) associated with the facilities above created in October and November 2013 were eligible for the California RPS. These RECs were then sold to a counterparty (Liberty Power Holdings LLC) which later retired the RECs for RPS compliance.

During the verification process, RPS staff informed Liberty Power Holdings LLC that these RECs were ineligible because they were generated prior to the approved eligibility dates determined in the RPS certification process for the generating facilities. Staff encouraged Liberty Power Holdings LLC to apply for a time extension waiver request to secure an earlier eligibility date that would allow the RECs to be eligible.

On November 24, 2015, SolarCity contacted RPS staff and inquired about the time extension request process. In a phone conversation with Energy Commission staff, SolarCity indicated that its priority is to register with WREGIS first, and then seek California RPS certification as time allowed. SolarCity also noted that there are approximately 60 additional facilities with similar circumstances.

SolarCity is requesting the time extension back to the WREGIS approval date of March 2013, seven months prior to the "glitch" date of October 2013.

Errors and Omissions in the Letter Requesting Deadline Extension

SolarCity's documentation for its extension request contained several errors and omissions:

1. Four of the facilities included in the request are not RPS certified – Santa Cruz City Schools – 9501930, Lancaster School District – District Office, Placer County Water Agency – 9571226, and Placer County Water Agency, 9562670 – which means those facilities are not eligible to request a time extension.
2. SolarCity's letter did not explain the circumstances for why the applicant was unable to submit a timely application for certification and whether the circumstances were beyond the applicant's control, as required by the *RPS Guidebook*.
3. SolarCity's letter did not demonstrate that any other good cause exists for granting the request, as required by the *RPS Guidebook*.
4. It is unclear whether the financial consequences identified in SolarCity's request include those associated with the four facilities that are not RPS certified; the claimed financial consequences should only include those associated with the RPS certified facilities.

In reviewing a request for time extension, the Executive Director may consider whether the applicant was diligent in submitting its application upon learning that an application deadline was missed. However, SolarCity did not provide any reason for its delay in submitting an application for certification. The *RPS Eligibility Guidebook, Seventh Edition* (the guidebook in effect at the time SolarCity applied for certification) required applicants to apply for certification within 90 days of commencing commercial operations. SolarCity submitted applications in December 2013 and January 2014 for facilities that commenced commercial operations in June 2011, December 2012, and January 2013, well beyond the 90-day deadline. In addition, SolarCity failed to submit any applications for the four facilities that commenced commercial operations in October 2011, January 2014, February 2014, and September 2014.

Eligibility Dates for the SolarCity Facilities

The eligibility dates for the five SolarCity facilities identified below are based on the dates the applications for RPS certification were submitted to the Energy Commission: December 3, 2013, December 17, 2013, and January 13, 2014. If an application is not received within 90 days of a facility’s commercial operations date, a facility’s eligibility date becomes the date the application was received by the Energy Commission. This means that all generation between the commercial operations date and the date the facility is certified by the Energy Commission cannot be used for RPS compliance purposes. The eligibility dates for the five SolarCity facilities were clearly stated on the RPS certificates transmitted to SolarCity.

RPS ID No.	Facility Name	Commercial Operations Date	Eligibility Date
62546A	9561362-CA	1/13/2013	12/3/2013
62553A	935033-CA	6/1/2011	12/17/2013
62555A	9561361-CA	12/19/2012	12/17/2013
62556A	9561359-CA	1/13/2013	12/17/2013
62611A	954088-CA	12/4/2012	1/13/2014
N/A	Santa Cruz City Schools – 9501930	9/30/2014	N/A
N/A	Lancaster School District – District Office	10/13/2011	N/A
N/A	Placer County Water Agency – 9571226	2/14/2014	N/A
N/A	Placer County Water Agency - 9562670	1/16/2014	N/A

Staff Recommendation

Based on the information provided by SolarCity, staff has determined that the request for an extension of time is incomplete and recommends that the Executive Director request the following additional information from SolarCity:

Robert P. Oglesby
February 8, 2016
Page 4

- An explanation of the circumstances for why the applicant was unable to submit a timely application for certification and whether these circumstances were beyond the applicant's control.
- An explanation of any other good cause that exists for granting the request.
- An estimate of the financial consequences and other hardships to the facility owner if an extension is not granted for the 5 RPS-certified facilities.
- A request to remove from the time extension request the four facilities that are not RPS certified.

If you have any questions, please do not hesitate to contact me.



SUZANNE KOROSEC
Deputy Director, Renewable Energy Division

cc: Christina Crume
Gabe Herrera