

DOCKETED

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Document Title:	Memo Regarding Southern California Edison's Request for Extension of RPS Certification Application Deadline
Description:	Memo from Deputy Director Suzanne Korosec to Executive Director Robert P. Oglesby regarding request from Southern California Edison for extension and waiver of RPS certification application deadlines to reinstate the original RPS eligibility for three Salton Sea geothermal facilities: Salton Sea Power Generation Co. #3, Salton Sea Power Generation Co. #1 and Salton Sea Power Generation Co. #4.
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Memorandum

To: Robert P. Oglesby
Executive Director

Date: March 9, 2016

Telephone: CALNET (XXX)
(XXX)

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

Subject: SOUTHERN CALIFORNIA EDISON'S REQUEST FOR EXTENSION OF RPS
CERTIFICATION APPLICATION DEADLINE

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

- Salton Sea Power Generation Co #3 (RPS ID 60317A)
- Salton Sea Power Generation Co #1 (RPS ID 60323A)
- Salton Sea Power Generation Co #4 (RPS ID 60324A)

RPS staff recommends that the Executive Director grant the request based on the documentation SCE submitted in support of its request, as described below.

Eligibility Date for the Salton Sea Facilities

The Salton Sea facilities were granted utility certification for the RPS with an eligibility date of April 5, 2005. Under the utility certification, only the generation under contract and certified was eligible for the RPS. Once the contract ends or is voluntarily renegotiated, the facility certification will be revoked. In or around September 2008, the Salton Sea facilities were disapproved; however there are no records to support the reasoning. In January 2008, the Energy Commission adopted the *RPS Eligibility Guidebook, Third Edition*, which had several changes that could have led to the disapproval of the facilities:

- The implementation of Western Renewable Energy Generation Information System (WREGIS) and the requirement that all retail sellers register in WREGIS,
- The original two-year certification expiration date, or
- The contract termination or voluntary renegotiation between SCE and the facility owner.

In September 2011, SCE contacted the Energy Commission about the Salton Sea facilities and why the status was disapproved and determined that in order to recertify the facilities, SCE would need to submit an amended certification application. In

January 2012, SCE followed up on the status of the facilities again; however amended applications were not submitted. In March 2012, Energy Commission staff requested SCE to submit amended applications so that the facilities could be included in the 2008-2010 Verification Report. On May 7, 2012, SCE submitted the amended certification applications for the Salton Sea facilities, which were subsequently approved on August 31, 2012, with an eligibility date of May 7, 2012.

In September 2015, Energy Commission staff contacted SCE regarding ineligible claims for the 2011-2013 Verification Report, stating the claims from January 2011 to April 2012 were ineligible. In December 2015, SCE responded that they were unaware of the new eligibility date from the amended certification applications in 2012, and had no record of why the facilities were initially disapproved in September 2008.

SCE's Request for a Waiver to Restore the Initial Certification Eligibility Date

On February 12, 2016, the Energy Commission received SCE's formal request for extension in accordance with the criteria in the *RPS Eligibility Guidebook, Eighth Edition*. The request included the amount of time requested, a brief explanation of the circumstances why SCE was unable to submit a timely application for certification, and a brief explanation of the financial consequences to SCE if the extension of time is not granted.

Pursuant to the *RPS Eligibility Guidebook, Eighth Edition*, the Energy Commission's Executive Director may grant an extension of time if he finds that the applicant has demonstrated good cause exists. In determining whether good cause exists, the Executive Director may consider, without limitation, whether the applicant was diligent in submitting a request for an extension of time upon learning that an application deadline was missed, whether the applicant's failure to submit a timely application for certification was caused by circumstances beyond the control of the applicant, and whether the applicant or facility owner or operator will suffer financial consequences or other hardships if an extension of time is not granted.

In its letter of request for an extension, SCE states that there was an error in disapproving the Salton Sea facilities in 2008, and therefore the original eligibility date should remain. Additionally, SCE claims the 1,061,434 ineligible renewable energy credits (RECs) for the January 2011 to April 2012 time period would amount to \$98,096,092.47 paid by SCE customers for ineligible RECs.

Staff's Determination and Recommendation

Based on the information provided by SCE to support its request for a time extension, staff determined the requirements for granting a time extension are satisfied and, as required by the time extension process, will not exempt the SCE facilities from complying with all eligibility requirements of the *RPS Eligibility Guidebook*, waive or excuse any of the eligibility dates specified in *RPS Eligibility Guidebook*, allow SCE to use a discontinued certification application form, or allow SCE to circumvent changes under pending *RPS Eligibility Guidebook* revisions or receive a benefit that is not

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provided in the *RPS Eligibility Guidebook* under which the facilities actually submitted an application for RPS certification.

Therefore, staff recommends that the Executive Director grant an extension of the RPS certification deadline from September 18, 2008, to May 7, 2012, the date the Energy Commission received an amended certification application from SCE for the Salton Sea Power Generation Co #3 (RPS ID 60317A), Salton Sea Power Generation Co #1 (RPS ID 60323A), and Salton Sea Power Generation Co #4 (RPS ID 60324A) facilities.

If SCE's request for a time extension is granted by the Executive Director, staff will revise the corresponding RPS Certificates for the Salton Sea Power Generation Co #3 (RPS ID 60317A), Salton Sea Power Generation Co #1 (RPS ID 60323A), and Salton Sea Power Generation Co #4 (RPS ID 60324A) facilities to reflect eligibility beginning on April 5, 2005, the date the Energy Commission received the applications for utility certification.


SUZANNE KOROSEC
Deputy Director, Renewable Energy Division

cc: Christina Crume
Gabe Herrera

