

DOCKETED

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Description:	regarding the time extension request from USDA - San Dimas Technology and Development Center
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M e m o r a n d u m

To: Robert P. Oglesby
Executive Director

Date : April 11, 2016

Telephone: CALNET (XXX)
(XXX)

Thanks
R.

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

Subject: **USDA FOREST SERVICE'S REQUEST FOR EXTENSION OF RPS CERTIFICATION APPLICATION DEADLINE FOR USDA – FOREST SERVICE, SAN DIMAS TECHNOLOGY AND DEVELOPMENT CENTER (SDTDC) (CEC-RPS-ID 61993A)**

This memo is in regard to United States Department of Agriculture (USDA) Forest Service's request for an extension of the deadline to submit its application for Renewables Portfolio Standard (RPS) certification for the USDA – Forest Service, San Dimas Technology and Development Center (SDTDC) facility, referred to as facility. RPS staff recommends that the Executive Director grant the request based on the documentation the USDA Forest Service submitted in support of its request, as described below.

Eligibility Date for the USDA Forest Service Facility

The facility was granted RPS precertification with an eligibility date of March 19, 2012, based on the date the precertification application was received. In August 2012, the Energy Commission adopted the *RPS Eligibility Guidebook, 6th Edition*, which included a new requirement that a precertified facility must apply for full certification within 90 days of its Commercial Operations Date (COD) to retain the eligibility date assigned during precertification.

The USDA originally applied for full certification of the facility on August 20, 2012. Staff contacted the applicant on September 5, 2012, to complete the application by submitting the electronic Excel file. No response was received and the application was returned to the applicant on November 15, 2012, with a letter informing the applicant to reapply for certification with a complete application.

The Energy Commission received a complete certification application for the facility on January 17, 2013, 179 days after the commercial operations date of July 23, 2012. Because the application was submitted after the 90-day deadline, Energy Commission staff approved the facility for RPS certification with an eligibility date of January 17, 2013 (the date the application was received).

USDA Forest Service's Request for a Waiver to Restore the Initial Certification Eligibility Date

On January 6, 2016, the USDA submitted a 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 the USDA was unable to submit a timely application for certification, and a brief explanation of the financial consequences to the USDA 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 for granting an extension of time. 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 January 6th request for an extension, the USDA states that 126 renewable energy credits (RECs) created for the periods between the COD of July 2012, through the eligibility date of January 2013 were not accepted by Southern California Edison (SCE) because the generation was not eligible.

Staff followed up with the USDA Forest Service on January 26, 2016, to request additional information about why the applications were not submitted in a timely manner and an explanation of any other good cause that exists for granting the request for an extension of time, the amount of additional time being requested, and the specific financial consequences of not granting the time extension. The USDA Forest Service responded on March 11, 2016, and indicated that due to staffing changes and administrative oversight, the applications and the request for clarifications were not submitted and they were unaware of consequences of the deadlines. Additionally, the USDA stated they did not know the value of the RECs at this time and therefore could not provide the financial consequences.

On March 15, 2016, staff followed up with SCE to determine the financial consequences of not granting the time extension waiver request. Simon Chang from SCE responded on March 17, 2016, and stated the financial consequences would be \$12,465.98 for the 126 ineligible RECs.

Staff's Determination and Recommendation

Based on the information provided by the USDA Forest Service 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 USDA Forest Service facility 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 the USDA Forest Service to use a discontinued certification application form, or allow the USDA Forest Service to circumvent changes

Robert P. Oglesby

April 11, 2016

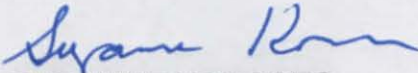
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under pending *RPS Eligibility Guidebook* revisions or receive a benefit that is not provided in the *RPS Eligibility Guidebook* under which the facilities actually submitted an application for RPS certification.

Therefore, staff recommends that the Executive Director grant a 179-day extension of the RPS certification deadline from October 20, 2012, to January 17, 2013, the date the Energy Commission received a complete application from the facility.

If the USDA Forest Service's request for a time extension is granted by the Executive Director, staff will revise the RPS certification and corresponding RPS Certificate for the facility to reflect eligibility beginning on March 19, 2012, the date the Energy Commission received the applications for precertification.

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



SUZANNE KOROSEC

Deputy Director, Renewable Energy Division

cc: Christina Crume

Gabe Herrera

