

DOCKETED

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Project Title:	Appeal by Los Angeles Department of Water & Power re Renewables Portfolio Standard Certification Eligibility
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CALIFORNIA ENERGY COMMISSION

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In the matter of:)	Docket No. 11-RPS-01
)	
Developing Regulations and Guidelines for the)	Docket No. 02-REN-1038
33 Percent Renewables Portfolio Standard)	
)	REVISED STAFF NOTICE RE:
and)	Concept Paper for Implementation
)	of Assembly Bill 2196
Implementation of Renewables)	
Investment Plan Legislation)	

REVISED Notice Regarding Staff Concept Paper for Implementation of Assembly Bill 2196 Pertaining to the Renewables Portfolio Standard Program

This notice updates a prior notice issued by the Energy Commission on January 25, 2013, concerning proposed revisions to the *Renewables Portfolio Standard Eligibility Guidebook* and the *Overall Program Guidebook for the Renewable Energy Program*. This notice informs stakeholders about the availability of the California Energy Commission *Staff Concept Paper for Implementing Assembly Bill 2196 for the Renewables Portfolio Standard*.¹ With the enactment of AB 2196, the Energy Commission plans to revise its guidelines for implementing the Renewables Portfolio Standard Program (RPS) to incorporate revisions pertaining to electricity generation facilities using biomethane for purposes of the RPS.

Background

Renewables Portfolio Standard

The California Energy Commission is responsible for certifying eligible renewable energy resources that may be used by retail sellers of electricity and local publicly-owned electric utilities (POUs) to satisfy their RPS procurement requirements and for developing an accounting system to verify a retail seller's or POU's compliance with the RPS. The Energy Commission's *Renewables Portfolio Standard Eligibility Guidebook* describes the eligibility requirements and process for certifying renewable energy resources as eligible for California's RPS and describes how the Energy Commission verifies compliance with the RPS. The Energy Commission is also responsible for adopting regulations specifying the procedures for the enforcement of the RPS for the POUs.

¹ AB 2196 (Chesbro), Chapter 605, Stats. 2012; effective date January 1, 2013.

Under AB 2196, the Energy Commission is responsible for establishing RPS-eligibility requirements for electric generating facilities using biomethane and establishing a system for tracking and verifying the procurement and delivery of biomethane and the required attributes that is comparable to the system required by Public Utilities Code Section 399.25 subdivision (c).

Eligibility of Pipeline Biomethane

On March 16, 2012, the Energy Commission published a notice of staff's proposed suspension of the RPS eligibility guidelines related to biomethane, which provided information on the current biomethane requirements, the shortcomings of these requirements in light of Senate Bill X1-2,² and the purpose and conditions of the proposed suspension. On March 28, 2012, the Energy Commission adopted a resolution³ to suspend the RPS-eligibility of biomethane to provide the Energy Commission (and the Legislature) additional time to evaluate the RPS eligibility of biomethane under the new law.

On September 27, 2012, Governor Brown signed AB 2196 into law. AB 2196 defines "biomethane" as landfill gas or digester gas, consistent with Public Resources Code Section 25741, and grandfathers the procurement of electricity from generating facilities using biomethane delivered through a common carrier pipeline under the rules in place at the time the biomethane procurement contract was executed, including the *RPS Eligibility Guidebook*, 4th Edition, subject to additional requirements specified in AB 2196.

AB 2196 also establishes RPS-eligibility requirements for any quantities of biomethane associated with biomethane procurement contracts executed on or after March 29, 2012, or for amendments made after March 29, 2012, to existing contracts initially executed before this date.

AB 2196 requires all biomethane sellers and purchasers of biomethane, irrespective of the date of the biomethane procurement contract, to comply with a system for tracking and verifying the use of biomethane, established by the Energy Commission, which is equivalent to the system required by Public Utilities Code Section 399.25 subdivision (c). In addition, for biomethane-based electricity generation to count for a retail seller or POU's RPS procurement requirements, AB 2196 requires that sufficient renewable and environmental attributes of the biomethane production and capture to be transferred to the retail seller or POU using the biomethane to ensure that there are zero-net emissions associated with the production of the electricity from the generating facility using the biomethane.

Concept Paper on Implementation of Assembly Bill 2196

On October 5, 2012, the Energy Commission released a public notice informing stakeholders that implementation of AB 2196 for the RPS would be part of its process to revise the *RPS Eligibility Guidebook*, and that staff expects the March 28, 2012, biomethane suspension to be lifted as part of and in conjunction with the revisions to the *RPS Eligibility Guidebook*. The notice also advised stakeholders that as requirements for biomethane are being developed pursuant to AB 2196, staff planned to release a concept paper in late 2012 to solicit public input on new requirements.

² SB X1-2 (Simitian), Chapter 1, Stats. 2001, 1st Ex. Session; effective December 10, 2011.

³ California Energy Commission, Resolution Number 12-0328-3. March 28, 2012.

www.energy.ca.gov/portfolio/notices/2012-04-06_corrected_resolution_biomethane_suspension.pdf

The *Staff Concept Paper on Implementation of Assembly Bill 2196* is available on the Energy Commission's website at:

www.energy.ca.gov/portfolio/documents/index.html

Attachment A to the staff concept paper provides a copy of AB 2196 in its entirety. Staff has identified outstanding issues and related questions regarding the details of implementing AB 2196, which are provided in Section D of the staff concept paper. Staff seeks stakeholder input addressing these issues and questions in addition to providing comments in response to the concept paper.

Next Steps

After considering stakeholder input to the concept paper and under the direction of the lead commissioner on renewables, staff plans to release a draft *RPS Eligibility Guidebook, 7th Edition* in early 2013, followed by a public workshop on the staff's proposed revisions to the draft guidebook. After incorporating stakeholder input on the draft guidebook, staff anticipates that the Energy Commission will consider adoption of the final draft *RPS Eligibility Guidebook, 7th Edition* at a business meeting in spring 2013.

Staff encourages stakeholder participation in this process. Public notices are released via the Energy Commission's listservers; visit www.energy.ca.gov/portfolio/index.html to subscribe to the Renewable listserver for this proceeding.

Public Comment

Staff welcomes comments on the staff concept paper and responses to questions posed in Section D of the concept paper in writing by 5:00 p.m. PST on February 8, 2013. Please include the docket numbers **11-RPS-01** and **02-REN-1038** and indicate **Renewables Portfolio Standard** in the subject line.

The Energy Commission encourages written comments by e-mail. Please include your name or organization's name in the name of the file. Comments should be in a downloadable, searchable format such as Microsoft® Word (.doc) or Adobe® Acrobat® (.pdf). Send comments by email to:

docket@energy.ca.gov and RPS33@energy.ca.gov.

If preferred, please send or deliver written materials to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 11-RPS-01
and
Docket No. 02-REN-1038
RPS Proceeding
1516 Ninth Street
Sacramento, CA 95814-5512

If both a paper copy and an electronic copy of the same document are submitted, they will be docketed as distinct and separate records upon receipt; however, paper copies are no longer required. All written materials relating to this proceeding will be filed with the Dockets Unit and become part of the public record.

Public Adviser and Other Commission Contacts

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission proceedings. If you want information on how to participate in this forum, please contact the Public Adviser's Office at PublicAdviser@energy.ca.gov or (916) 654-4489 (toll free at (800) 822-6228).

Media inquiries should be sent to the Media and Public Communications Office at mediaoffice@energy.ca.gov or (916) 654-4989.

If you have questions on the subject matter of this issue, please contact Kate Zocchetti at kate.zocchetti@energy.ca.gov or (916) 653-4710.

Availability of Documents on This Matter

Documents and presentations regarding this proceeding are available online at:

www.energy.ca.gov/portfolio/documents/index.html.

Mail List: renewable listserver

Date: January 25, 2013

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