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California Public Utilities Commission

# CPUC – Energy Division: Portfolio Content Category Classification Review Process Handbook

October 2017



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## **I. Executive Summary**

This Portfolio Content Category Classification Review Handbook provides retail sellers guidance on what information is required to substantiate each Portfolio Content Category (PCC) classification implemented through D.11-12-052. Additionally, Energy Division staff will explain and update, where appropriate, the reporting spreadsheets that are used to substantiate retail seller PCC classification claims. Finally, Energy Division staff will provide process diagrams to illustrate the flow of information in Energy Division staff's review process.

This Energy Division Portfolio Content Category Classification Review Handbook is organized into two main sections:

- Descriptions of PCC classifications – outlines the necessary criteria for each of the PCC classifications as defined and implemented by D.11-12-052.
- Energy Division requirements for PCC claims - describes the documentation required for retail sellers to demonstrate PCC classifications of RPS renewable energy credits (RECs). In addition, a process diagram for reviewing each PCC classification has been included.

## II. Descriptions of Portfolio Content Category Classifications

D.11-12-052 provides guidance to retail sellers—investor-owned utilities (IOUs), electric service providers (ESPs), and community choice aggregators— about how RPS procurement can meet the criteria for inclusion in each of the new RPS portfolio content categories that apply to RPS procurement from contracts and ownership agreements executed after June 1, 2010. A different date applies for ESPs, January 13, 2011, and is subject to CPUC’s implementation of Public Utilities Code Section 399.16(c)(4).<sup>1</sup> For the purposes of the Energy Division Portfolio Content Category Classification Review Handbook only the June 1, 2010, date will be referenced in the upcoming sections.

The following sections highlight the criteria and definitions for each of the PCCs pursuant to D.11-12-052.

### A. Definition of Portfolio Content Category 1 (PCC 1) - Facilities with First Point of Interconnection within a California Balancing Authority (CBA) or with Generation Scheduled into a CBA<sup>2</sup>

Pursuant to D.11-12-052 (Ordering Paragraph 1), a retail seller claiming PCC 1 for RECs must provide information to Energy Division sufficient to demonstrate the generation facility from which the electricity is procured meets one of the following criteria:

- First point of interconnection to the Western Electricity Coordinating Council (WECC) transmission grid within the metered boundaries of a California balancing authority area.
- First point of interconnection with the electricity distribution system used to serve end users within the metered boundaries of a California balancing authority area.
- Generation from a facility that is scheduled into a California balancing authority without substituting electricity from any other source. If another source provides real-time ancillary services required to maintain an hourly or sub-hourly import schedule into the California balancing authority only the fraction of the schedule actually generated by the generation facility from which the electricity is procured may count toward this portfolio content category.<sup>3</sup>

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<sup>1</sup> Assembly Bill (AB) 2187 (Bradford), Stats. 2012, ch. 604.

<sup>2</sup> PCC 1 classification applies only to a procurement contract or ownership agreement signed, or utility-owned generation in commercial operation on or after June 1, 2010. For information on procurement contracts or ownership agreements signed, or utility-owned generation that achieved commercial operation prior to June 1, 2010, please see section II.D.

<sup>3</sup> Electricity that is transferred into California via the CAISO Energy Imbalance Market is not eligible to count as PCC 1. Under the current rules of the ISO tariff electricity transferred into California becomes property of the ISO at the border of the CAISO’s service territory. Consequently, it is impossible for a retail seller to retain the title of RPS electricity that enters into California via EIM transfer.

- Generation from a facility that is scheduled into a California balancing authority pursuant to a dynamic transfer agreement<sup>3</sup> between the balancing authority where the generation facility is located and the California balancing authority into which the generation is scheduled.

Additional information regarding reporting requirements for PCC 1 claims can be found in section III.A-D (pages 5-18).

**B. Definition of Portfolio Content Category 2 (PCC 2) -Incremental Electricity and Substitute Energy<sup>4</sup>**

Pursuant to D.11-12-052 (Ordering Paragraph 2), a retail seller claiming PCC 2 for RECs must provide information to the Energy Division sufficient to demonstrate all of the following:

- Buyer simultaneously purchases energy and associated RECs from the RPS-eligible generation facility without selling the energy back to the generator at the same time.
- Purchased energy must be available to the buyer, i.e., the purchased energy must not in practice be already committed to another party.
- Initial contract for substitute energy is acquired no earlier than the time the RPS-eligible energy is purchased, and prior to the initial date of generation of the RPS-eligible energy as stated in the contract.

Additional information regarding reporting requirements for PCC 2 claims can be found in section III.E (page 19).

**C. Definition of Portfolio Content Category 3 (PCC 3) -Electricity Products Not Qualifying as PCC 1 or PCC 2, Including Unbundled RECs<sup>5</sup>**

Pursuant to D.11-12-052 (Ordering Paragraph 18), any retail seller claiming PCC 3 for RECs, must provide information to Energy Division demonstrating that one or more of the following conditions are met:

- Procurement consists of unbundled renewable energy credits originally associated with electricity eligible for use in the California renewables portfolio standard.

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<sup>3</sup> There are two type of “dynamic transfer agreements”, pseudo ties and dynamic schedule agreements

<sup>4</sup> PCC 2 classification applies only to a procurement contract or ownership agreement signed, or utility-owned generation in commercial operation on or after June 1, 2010. For information on procurement contracts or ownership agreements signed, or utility-owned generation that achieved commercial operation prior to June 1, 2010, please see section II.D.

<sup>5</sup> PCC 3 classification applies only to a procurement contract or ownership agreement signed, or utility-owned generation in commercial operation on or after June 1, 2010. For information on procurement contracts or ownership agreements signed, or utility-owned generation that achieved commercial operation prior to June 1, 2010, please see section II.D.

- Procurement consists of any generation eligible under the California renewables portfolio standard that does not qualify to be counted in either the portfolio content category described in Pub. Util. Code § 399.16(b)(1), or the portfolio content category described in Pub. Util. Code § 399.16(b)(2).
  - Example: RECs from a PCC 1 facility where meter generation is in excess of the e-Tag amount. The amount of metered generation in excess of the amount identified on the e-Tag cannot count as PCC 1 and would be counted in PCC 3.

Additional information regarding reporting requirements for PCC 3 claims can be found in section III.F (page 21).

#### D. Definition of RECs Not Subject to Portfolio Content Category Classifications 1, 2 and 3 (PCC 0)

Procurement claims from contract/ownership agreements executed before June 1, 2010, are not subject to the PCC classifications established in D.11-12-052. For the purposes of RPS compliance, any eligible RPS RECs that are not subject to PCC 1, 2, or 3 will be placed in their own classification, which Energy Division staff categorize as PCC 0.

Pursuant to D.11-12-052, a retail seller claiming PCC 0 for RECs from a procurement contract or ownership agreement signed, or utility-owned generation in commercial operation before June 1, 2010, must provide documentation (see section III.G) sufficient to demonstrate that the original date of contract execution was prior to June 1, 2010.

If a contract or ownership agreement originally signed by a retail seller prior to June 1, 2010, is amended or modified after June 1, 2010, to increase the nameplate capacity or expected quantities of annual generation. However, the originally contracted procurement may be used for all compliance purposes, but the incremental procurement resulting from the amendment will be subject to PCCs 1, 2 and/or 3 depending on the delivery conditions of the amended contract.

Additional information regarding reporting requirements for PCC 0 claims can be found in section III.F (page 21).

### III. Description of Energy Division Requirements for Determining PCC Classification Claims and the Auditable Package

Retail sellers must provide detailed information to support each PCC claim for RECs retired<sup>4</sup> and reported in annual RPS compliance reports. In addition, retail sellers must file WREGIS reports with the Energy Division. Together, this will create an “auditable package” for Energy Division staff to use in substantiating PCC claims of retail sellers and ultimately for determining RPS compliance.

The specific information required in order to complete the auditable package will depend on the PCC classification claimed by the retail seller, but may consist of 4 reporting documents:

- Energy Division RPS Compliance Report
- Static Contract Information Spreadsheet
- Energy Division Hourly Meter and e-Tag Reconciliation Report
- WREGIS NERC e-Tag Summary Report<sup>5</sup> and/or Energy Division RPS Hourly e-Tag Summary Report
- WREGIS Compliance Report<sup>6</sup>

#### A. RPS Compliance Report Static Contract Information Spreadsheet

As part of the auditable package, retail sellers must report contract information, regardless of the PCC classification, to the Energy Division staff in the Static Contract Information tab found in the Excel version of the annual RPS Annual Compliance Report.<sup>7</sup> Energy Division staff will verify static contract information by reviewing documents submitted to Energy Division. Depending on the PCC classification claimed by the Retail Seller, Energy Division staff will require the review of RPS procurement contracts, interconnection agreements, dynamic scheduling agreements, and/or pseudo tie agreements. Since Energy Division staff does not expect static information to change, we will only require retail sellers to submit supporting documentation<sup>8</sup> in the first year in which the contract is reported. Retail sellers must update the Static Contract Information if any existing procurement contract is amended in a manner that may impact the PCC classification of RECs procured from that contract or facility.

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<sup>4</sup> Retire means to commit a renewable energy credit tracked in the tracking system established by the Energy Commission pursuant to Public Utilities Code Section 399.25 (c) for compliance with the RPS program.

<sup>5</sup> WREGIS e-Tag Reports are generated through the WREGIS website. For additional information on WREGIS e-Tags Reports and how to submit this information to Energy Division, please reference the [CEC Guidebook 9<sup>th</sup> Edition](#).

<sup>6</sup> WREGIS Compliance Reports are generated through the WREGIS website. For additional information on WREGIS Compliance Reports and how to submit this information to Energy Division, please reference the [CEC Guidebook 9<sup>th</sup> Edition](#).

<sup>7</sup> Annual Compliance Report spreadsheet templates can be found on the CPUC [RPS website](#), under the “RPS Compliance & Reporting” header.

<sup>8</sup> Supporting documentation per PCC classification is described in sections III.B through G.



Retail sellers are required to provide the following information in the “Static Contract Information” spreadsheet:

- Initial Reporting Year: Enter the calendar year in which contract information is first reported in the Static Contract Information tab. Please update the Reporting Year when contracts are amended and resubmit the form with the corresponding contract/amended contract.
- Facility Name: Indicate the name of the facility that generated the RECs that are being claimed for RPS compliance. If electricity products are purchased from a portfolio of assets, list all of the facilities. If the facilities are unknown, indicate unknown.
- Technology: Select type of RPS eligible technology from the drop-down options. If other, please specify.
- Expected PCC Classification Claimed: Enter the PCC classification of the reported RECs.
- Facility Status: Select the facilities status (e.g. online, in development, etc.) from the project from drop-down options.
- Contract Execution Date: Input the date the contract was originally executed. If the facility is utility owned, input the date the ownership agreement was originally executed or when ownership began. Retail sellers must provide a copy of the contract agreement (e.g. paper copy of contract/agreement or digital copy on CD) to demonstrate the contract execution date.
- Contract Start Date: Indicate the first date that electricity products were or will be procured by the retail seller.
- Contract Term: Indicate the duration of the contract. If the facility is utility owned, state "utility owned."
- Contract End Date: This field shows the final date of the original contract/agreement.
- Contract Termination Date: If the contract is terminated before the contract end date, please enter the termination date. Retail sellers must provide supporting documentation.
- Type of Procurement Arrangement: All ownership/contract agreements should be described based on whether the retail seller will receive:
  - Facility's full output
  - A percentage share of facility's MWh output during contracted timeframe
  - A fixed amount of MWh during a contracted timeframe, receive incremental generation (full RPS eligible amount), or receive incremental generation based on percent share of the total RPS eligible amount
- Shared % or Fixed Contract Amount of Total Generation: Enter the share of total generation under the current contract/agreement. If the contracted energy is a fixed amount, enter total contractual fixed amount and provide additional explanations in the

notes section as necessary. Explain in the "Notes" section if volume or percent amount changes annually and provide annual specific amounts per calendar year. A copy of the contract agreement is also required to demonstrate the share (%) or fixed amount of RECs to be delivered.

- CPUC ID: Enter the identification number provided to facility by Energy Division. If the Energy Division has not provided any CPUC ID information, please input "N/A."
- WREGIS ID: Enter the identification number assigned to facility by WREGIS.
- RPS ID: Enter the identification number assigned to facility by the CEC.
- Retail Seller Contract Reference Number, or Contract ID Number: Please input the retail seller internal ID number. If the retail seller does not maintain internal tracking IDs, please input "N/A."
- Owner/Seller<sup>9</sup>: Indicate the wholesale seller of electricity products. If utility owned, state "utility owned." If purchased from a load-serving entity, state the name of the load-serving entity.
- Scheduling Coordinator: Indicate the party responsible for scheduling the deliveries of RPS eligible electricity into a CBA, if applicable. If there is more than one party is designated as a "scheduling coordinator," indicate only the primary scheduling coordinator.
- Facility Source Name: For Facilities not interconnected to a CBA, retail sellers must enter the facility's source name, as registered with OATT's webRegistry. If the contracted agreement is for a portfolio of assets, then the retail seller should list all possible source facilities. If the contract does not include a list of portfolio assets, input "Portfolio of Assets Unknown."
- Location by County and State, or Country if outside US: Input the county and state that the facility is located in. If the facility is located outside of the United States, please indicate the country in which the facility is located. If incremental electricity is provided from system power purchases indicate "system power purchases."
- Facility(ies) Directly Interconnected to a CBA: Indicate if the facility is directly interconnected to a CBA by selecting "yes" or "no" from the drop down menu. Select "yes" if the contracted facility(ies) is/are directly interconnected to a CBA, or "no" if the contracted facility(ies) is/are not directly interconnected to a CBA.
- CBA(s) of Interconnection: If the contract includes a facility that is directly interconnect to a CBA, input the name of the CBA that the facility interconnects. If the contract includes more than one facility or a portfolio of assets, then input the name of each facility and corresponding CBA of interconnection in the following format "Facility:

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<sup>9</sup> For the Large IOUs (PG&E, SCE and SDG&E) this field should be analogous to the "Primary Developer" field from the RPS database "Monthly Submittal" file.

CBA” for each facility. If the contract is for unbundled RECs or does not include any facility that is directly interconnected to a CBA, input “N/A.”

- Execution Date for Substitute Energy Agreement (PCC 2 Only): Input the date the substitute energy agreement was originally executed.
- Duration of Substitute Energy Agreement (PCC 2 Only): Input the duration of the substitute energy agreement.
- Resale Agreement: Indicate if the contract has a resale agreement, as defined in D.11-12-052, by selecting “resale – purchase,” “resale – seller” or “not resale” from the drop down menu. Select “resale – purchase” or “resale – seller” to indicate that the contract has a resale agreement, or “not resale” to indicate that the contract does not have a resale agreement. If the contract has a resale agreement, please provide a copy of the resale agreement with the copy of the original contract.

- **Process for Secure Contract Submission:**

- Retail sellers will submit a zipped contracts file with two main folders inside – a confidential contract folder and a public contract folder. If there have been deliveries under the contract for three years or more, the contract is classified as public. All zipped contract files will be submitted through the CPUC’s secure file transfer protocol (FTP) addressed to [rpscompliance@cpuc.ca.gov](mailto:rpscompliance@cpuc.ca.gov).
- Within the confidential and public contract folders, there will be individual folders for each facility that contains all relevant contracts to that facility. Each individual folder containing all relevant contracts should be named as the facility name itself (e.g. Pacific Wind Project).
  - The relevant contracts include: the executed original power purchase agreements, amendments, and relevant energy agreements (e.g. substitute energy agreement or dynamic transfer agreement).
- Within the individual facility folders, each individual contract file should be named with the following naming convention:

Date of execution, facility name, type of agreement (eg. 2010-04-14, Facility Name, PPA or 2010-08-14, Facility Name, Amendment 1).

## B. Requirements to Substantiate PCC 1 Claims from Facilities that Have a First Point of Interconnection within a California Balancing Authority

In addition to the information submitted in the Static Contract Information tab and a copy of the RPS PPA, Retail sellers must demonstrate that the facility’s first point of interconnection is within a CBA. If the retail seller’s contract does not specify a point of interconnection in a CBA, retail sellers can substantiate a direct interconnection by providing interconnection agreements

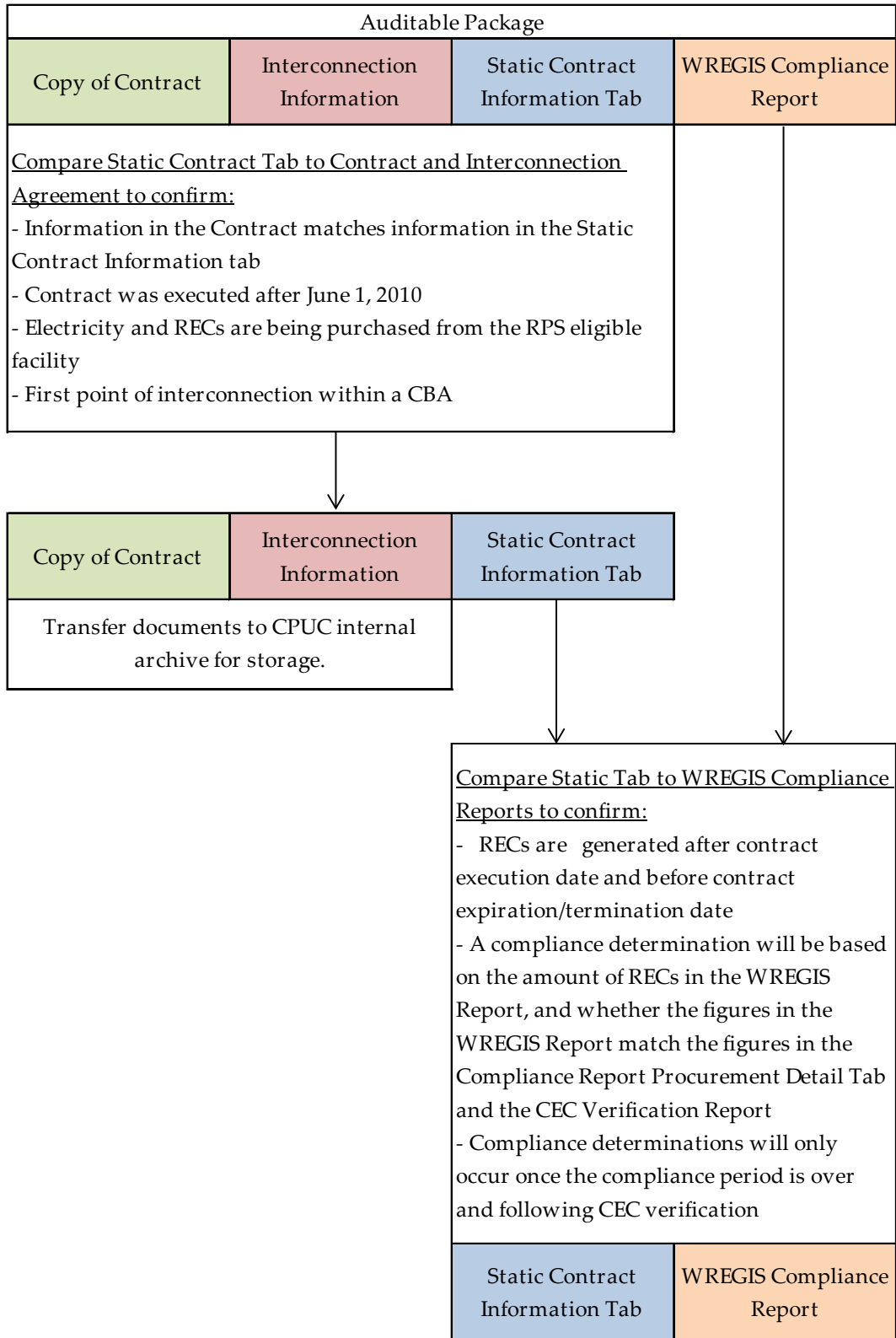
demonstrating a first point of interconnection within a CBA, or by citing Federal Energy Regulatory Commission (FERC) dockets that illustrate a point of interconnection.

Lastly, in order to demonstrate a PCC 1 claim directly interconnected to a CBA, staff requires retail sellers to submit a copy of their WREGIS Compliance Report demonstrating the time frame which PCC 1 claims were generated and the facility source of generated amounts.

Energy Division staff may request additional information if the supporting documentation above is determined insufficient.

See Table III.B on the next page for an illustration of the Energy Division review process.

Table III.B. Energy Division Process for Reviewing Required Documents for PCC 1 Claims from Facilities that Have a First Point of Interconnection within a CBA



C. Additional Documentation Required to Substantiate PCC 1 Claims from Facilities that Have Pseudo Tie Agreements to Deliver Generation into a CBA

In order for RPS-eligible resources from facilities with first point of interconnection outside a CBA, but delivered into CBA in real time through the use of a pseudo tie, a retail seller making a PCC 1 claim must demonstrate that the facility has engaged in the appropriate pseudo tie agreement to deliver the facility's generation to a CBA.

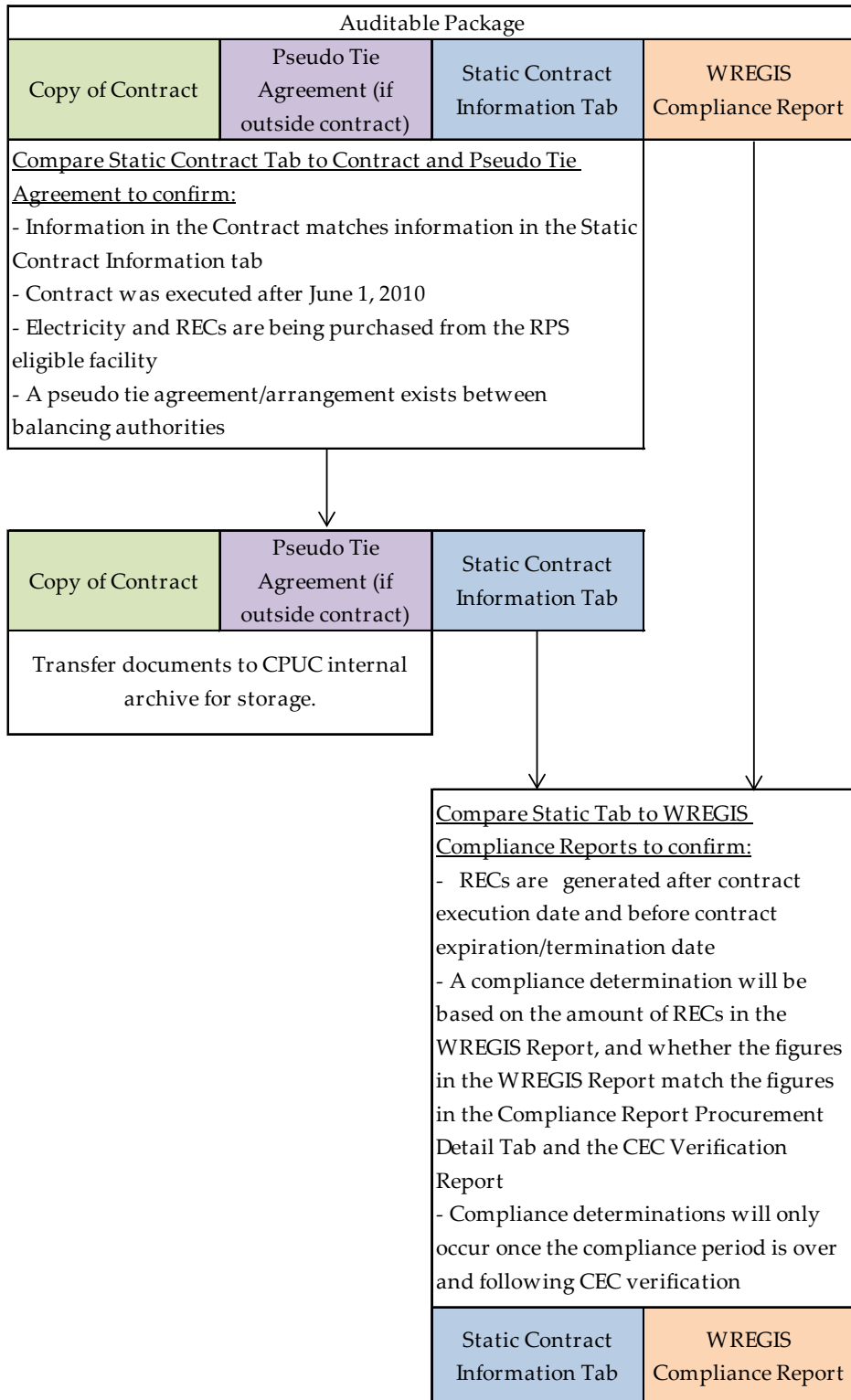
Retail sellers must provide some/all of the following documents in order to substantiate PCC 1 claims from a facility delivering RPS electricity through a pseudo tie:

- Power Purchase Agreements (PPAs) specify the purchase of bundled RPS eligible electricity and RECs
- A pseudo tie agreement between the balancing authority which the contracted RPS eligible facility is located, and in a CBA
- WREGIS Compliance Report

As the use of pseudo tie evolve, additional forms of documentation may be included.

See table III.C on the next page for additional information on CPUC review process.

Table III.C.1. CPUC Process for Reviewing Required Documents for PCC 1 Claims from Facilities that Have Pseudo Tie Agreements to Deliver Generation into a CBA



#### D. Requirements to Substantiate PCC 1 Claims for RPS-Eligible Electricity Dynamically Scheduled or Scheduled Into a CBA on an Hourly/Sub-hourly Basis<sup>10</sup>

Portfolio Content Category 1 includes procurement of energy and RECs from an RPS-eligible facility, where the electricity is scheduled into a CBA without substituting electricity from another source. Because ancillary services are often used to maintain an hourly or sub-hourly import schedule into a CBA, the final scheduled amount of electricity as indicated on an e-Tag may be larger than the actual generation amount from the RPS facility. Only the fraction of the schedule actually generated by the RPS eligible facility, procured by the retail seller and scheduled into a CBA may be classified as PCC 1.

Similarly, RECs will be created for all generated output from the RPS eligible facility, including generation that exceeds the schedule. However, only the fraction of the generation that meets the schedule will be classified as PCC 1.

In D.11-12-052, the CPUC specified that a retail seller may claim PCC 1 RECs from resources with dynamic transfer agreements<sup>11</sup> provided that, “the generation from that facility is scheduled into a California balancing authority pursuant to a dynamic scheduling agreement between the balancing authority where the generation facility is located and the California balancing authority into which the generation is scheduled.”<sup>12</sup>

The auditable package for PCC 1 claims scheduled into a CBA, including those with a dynamic scheduling agreement, includes the following information:

- Power Purchase Agreement (PPA) specifying the purchase of bundled RPS eligible electricity and RECs
- The WREGIS e-Tag Summary Report, or RPS Hourly e-Tag Summary Report for e-Tags that are not reported through WREGIS, is used to synthesize important e-Tag information for Energy Division’s PCC classification process.<sup>13</sup> The information included in the WREGIS e-Tag Summary Report, or the RPS Hourly e-Tag Summary Report, should match the information found on individual retail seller NERC e-Tags.<sup>14</sup> The following information is required for all e-Tags, either in the WREGIS e-Tag Summary Report or the CA RPS Hourly e-Tag Summary Report:<sup>15</sup>

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<sup>10</sup> Including contracts with generating resources that have dynamic transfer agreements

<sup>11</sup> Rules and information related to CAISO’s dynamic transfer tariffs is provided in this proposal document. [Dynamic Transfers Final Proposal](#) (May 2011)

<sup>12</sup> D.11-12-052, Ordering Paragraph 1

<sup>13</sup> Retail sellers are required to document all e-Tags through either the WREGIS e-Tag Summary Report, or RPS Hourly e-Tag Summary Report for e-Tags that are not reported through WREGIS. Retail sellers do not need to report an e-Tag in both reports.

<sup>14</sup> The North American Electric Reliability Corporation (NERC) is the entity responsible for the implementation of the electricity tagging process. An e-Tag is an electronic record that contains the details of a transaction to transfer electricity from a seller to a buyer where the electricity is scheduled for transmission across one or more balancing authority area boundaries.

<sup>15</sup> CA RPS Hourly e-Tag Summary Report spreadsheet templates can be found on the CPUC [RPS website](#), under the “Recent Documents/Updates” header.



- e-Tag Identification number: Input the identification number (e-Tag Code) assigned to the e-Tag for the e-Tag query period.
- Start Date: Input the start date and time for energy flow during the e-Tag query period.
- Stop Date: Input the stop date and time for energy flow during the e-Tag query period.
- Generator Name as listed on e-Tag: Input the name of the source facility generating the RPS eligible electricity as it appears on the corresponding e-Tag. For the first compliance period only, if there is another source listed, the retail seller must provide a written explanation as to why this is the case and how staff can determine that the amount or percentage of the amount on the e-Tag is attributable to the specific RPS facility. Staff will evaluate the explanation to determine if the claim or a portion of the claim can be classified as PCC 1. For the second compliance period and forward, the source on the e-Tag must be the RPS-certified facility for which the PCC 1 claims are made.
- Load as listed on e-Tag: Input the “Load” point that is registered with NERC as the “Sink Point” (aka Sink, Last Point of Delivery, POD) and listed on the e-Tag. In order to count as PCC 1 the “Load” point must be within a CBA.
- Load Control Area (LCA) as listed on e-Tag: The LCA must represent generation scheduled into a CBA. LCAs that are not CBAs or are not located in CBAs should not be included. Generation amounts that are associated with LCAs that are not in a CBA, or cannot be located within a CBA, will not be classified as PCC 1.
- Generator Control Area (aka Generator Balancing Area) on the e-Tag: For PCC 1 claims, this must be the Generator Control Area or the balancing authority where the RPS renewable energy resource is located
- Total MWh on e-Tag for the time period: Input the total MWh (up to four decimal places) of RPS eligible electricity scheduled into a CBA.
- Used MWh: Input the MWh amount of e-Tag scheduled electricity that has been successfully matched with RECs tracked in WREGIS. The “Used MWh” amount should not be higher than the sum of the lesser of the hourly generation and hourly final schedule amounts for the timeframe on the e-Tag, but may include the accumulated kWh.<sup>16</sup> No more than what was generated by the RPS-certified facility and which met the final schedule should be matched per e-Tag.
- MWh Remaining: Input the MWh amount of e-Tag scheduled electricity that has not been successfully matched with RECs tracked in WREGIS.

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<sup>16</sup> A retail seller may enter up to four decimal points when populating the “Used MWh” field. The four decimal points account for accumulated kWh that are associated with a given e-Tag. Typically, these kWh would be rounded down to the nearest MWh, however, Energy Division staff have decided to allow retail sellers to include the additional kWh when reporting their e-Tags.

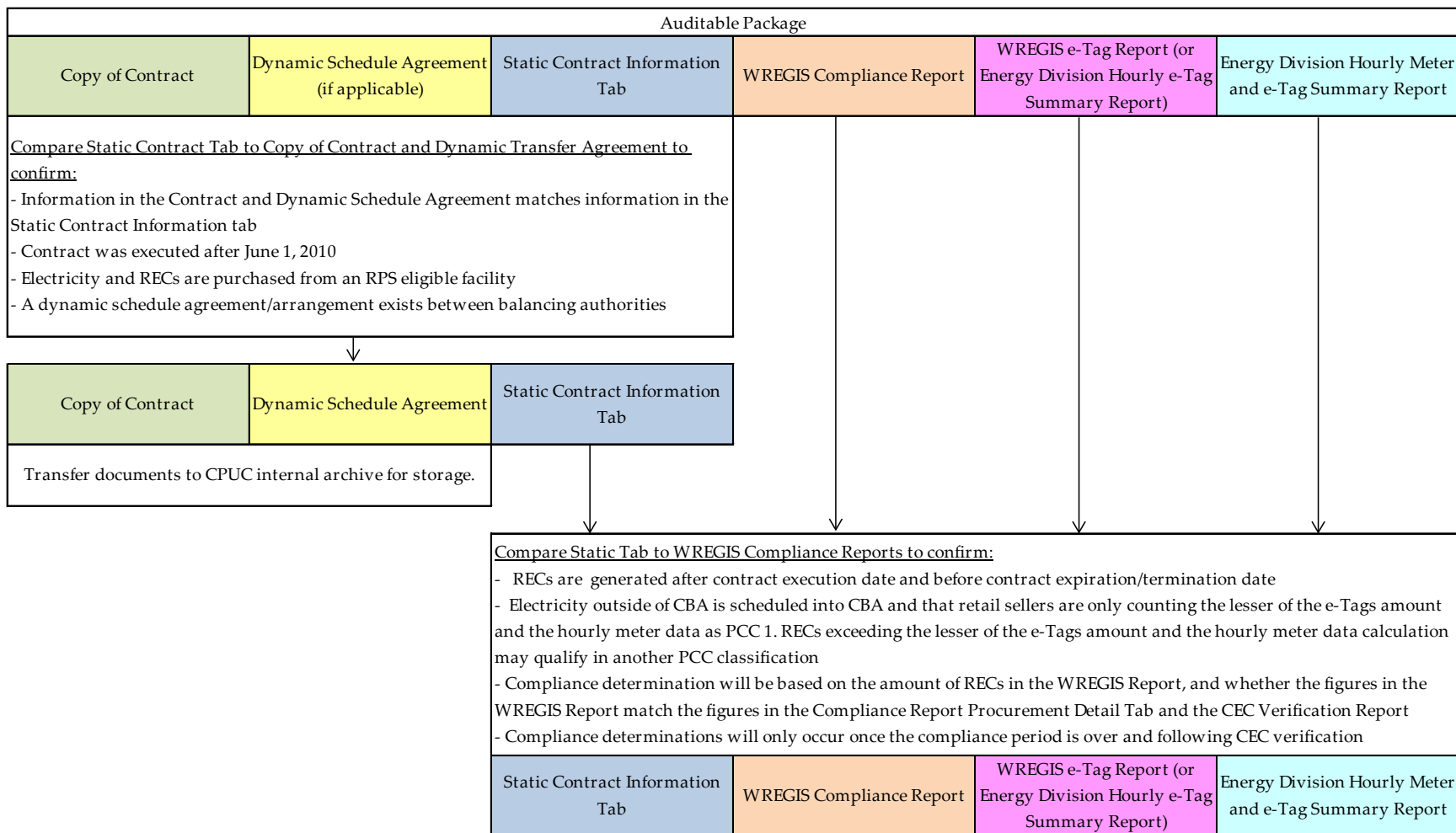
- Importing Entity: The RPS ID for the Purchasing/Selling Entities (PSE) as listed on the “Importing Entity” line of e-Tag with. The “Importing Entity” must RPS ID must also be listed in the “Miscellaneous Token Field RPS\_ID” field.
- Miscellaneous Token Field RPS\_ID: Input up to 10 Miscellaneous Token Field RPS\_ID values associated with the physical delivery path of RPS procurement delivered into a CBA.
- Comments: For e-Tags associated with RECs tracked through WREGIS, input the “WREGIS Certificate Serial Numbers” for any RECs in WREGIS subaccounts.
- The Hourly Meter and e-Tag Reconciliation Report spreadsheet, complete with:
  - Date (for example, 01/01/2011; 01/02/2011, and so forth).
  - Hour Ending (1; 2; 3 and so forth).
  - E-Tags ID Number: This field the identification number for the e-Tag. In the case of multiple e-Tags per hour, report e-Tag information on its own row.
  - Final e-Tag Schedule (MWh): Input the total amount of MWh from the Final e-Tag Schedule. Retail sellers may include four decimal points on MWh figures if they are converting procurement from kWh.
  - RPS facility’s Hourly Meter Data (MWh): Input the amount of MWh generated by the contracted RPS facility during the corresponding hour(s) on the e-Tag. Retail sellers may include four decimal points on MWh figures if they are converting procurement from kWh.
  - Percent Share of Schedule: Enter the procuring entity’s percentage share of the total e-Tag schedule amount. If the procuring entity is entitled to the entirety of a facility’s e-Tag schedule amount, enter 100%.
  - Percent share of facility’s output:<sup>17</sup> This field, which is calculated, determines procuring entity’s percentage share of the facility’s hourly generation amount.
  - Retail Seller Contract Reference Number or Contract ID Number.
  - Eligible PCC 1 Volume: This field, which is calculated, determines the amount of MWh eligible for PCC 1 classification by comparing the retail sellers share of the final hourly schedule amount (“Final e-Tag Schedule (MWh)” times “Percent Share of Schedule”) and the “Allocated Hourly Meter Amount.”

See table III.C.2 on the next page for an illustration of the Energy Division review process.

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<sup>17</sup> Energy Division staff understand that some retail sellers have RPS contracts to purchase a fixed volume of RPS generation, per hour, as opposed to a percentage share of the facilities per hour output. Consequently, Energy Division staff have included an extra tab within the Hourly Meter and e-Tag Reconciliation Report spreadsheet (the “Fixed Volume Calculation” tab) for retail sellers to calculate a percentage share value for fixed volume RPS contracts.

Table III.C.2. Energy Division Process for Reviewing Required Documents for PCC 1 Claims from Facilities Scheduling Electricity into a CBA on an Hourly or Sub-Hourly Basis

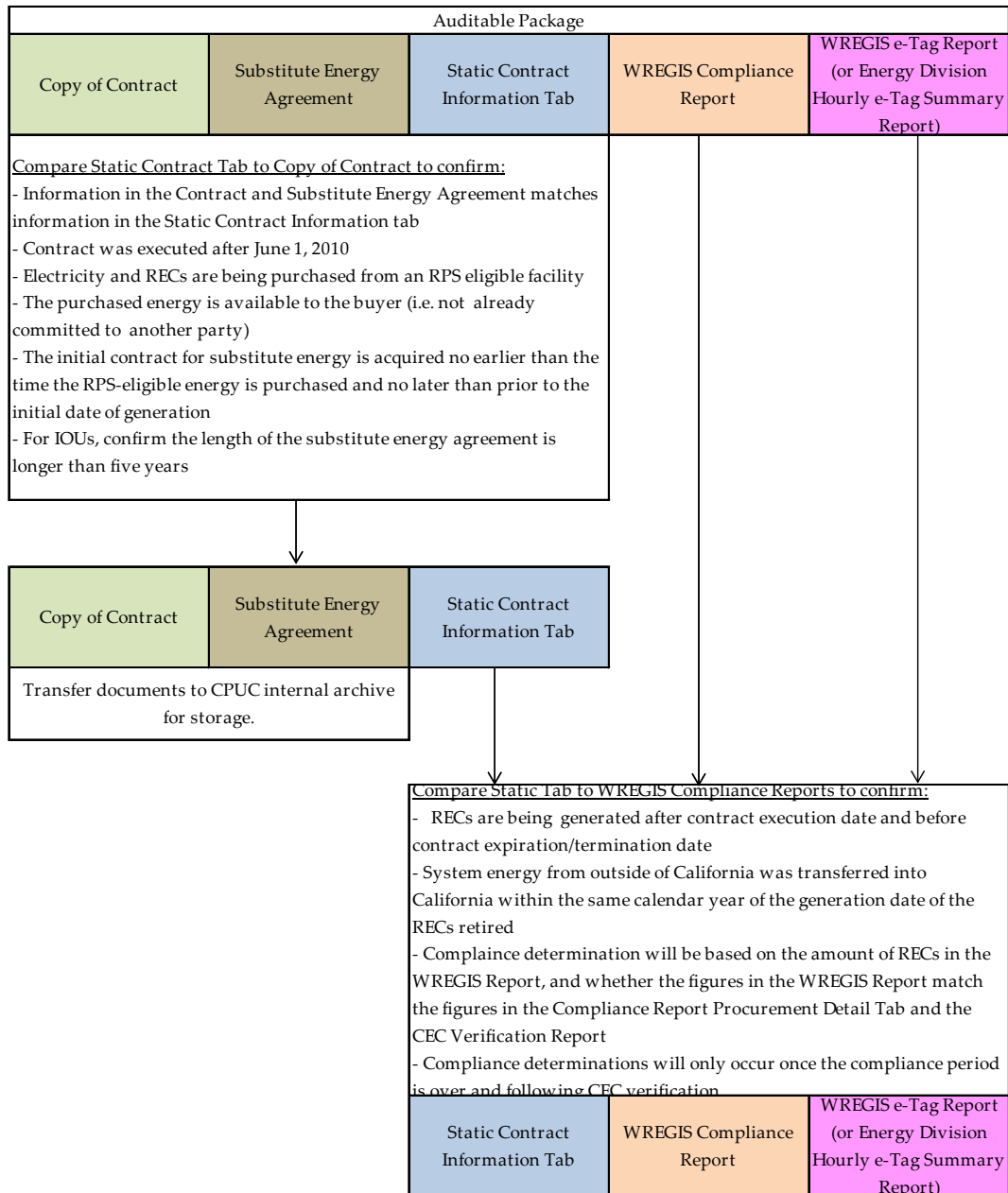


\*RECs exceeding the lesser of the e-Tags amount and the hourly meter data calculation may qualify in another PCC classification

### E. Requirements to Substantiate PCC 2 Claims Using Substitute Energy to Firm and Shape

For facilities with a first point of interconnection outside a CBA and importing substitute energy, retail sellers must substantiate that substitute energy was delivered into a CBA within one calendar year. Specifically, retail sellers must provide the Energy Division with a WREGIS e-Tag Summary Report or RPS Hourly e-Tag Summary Report to substantiate the delivery of system energy into a CBA in the required timeframe.

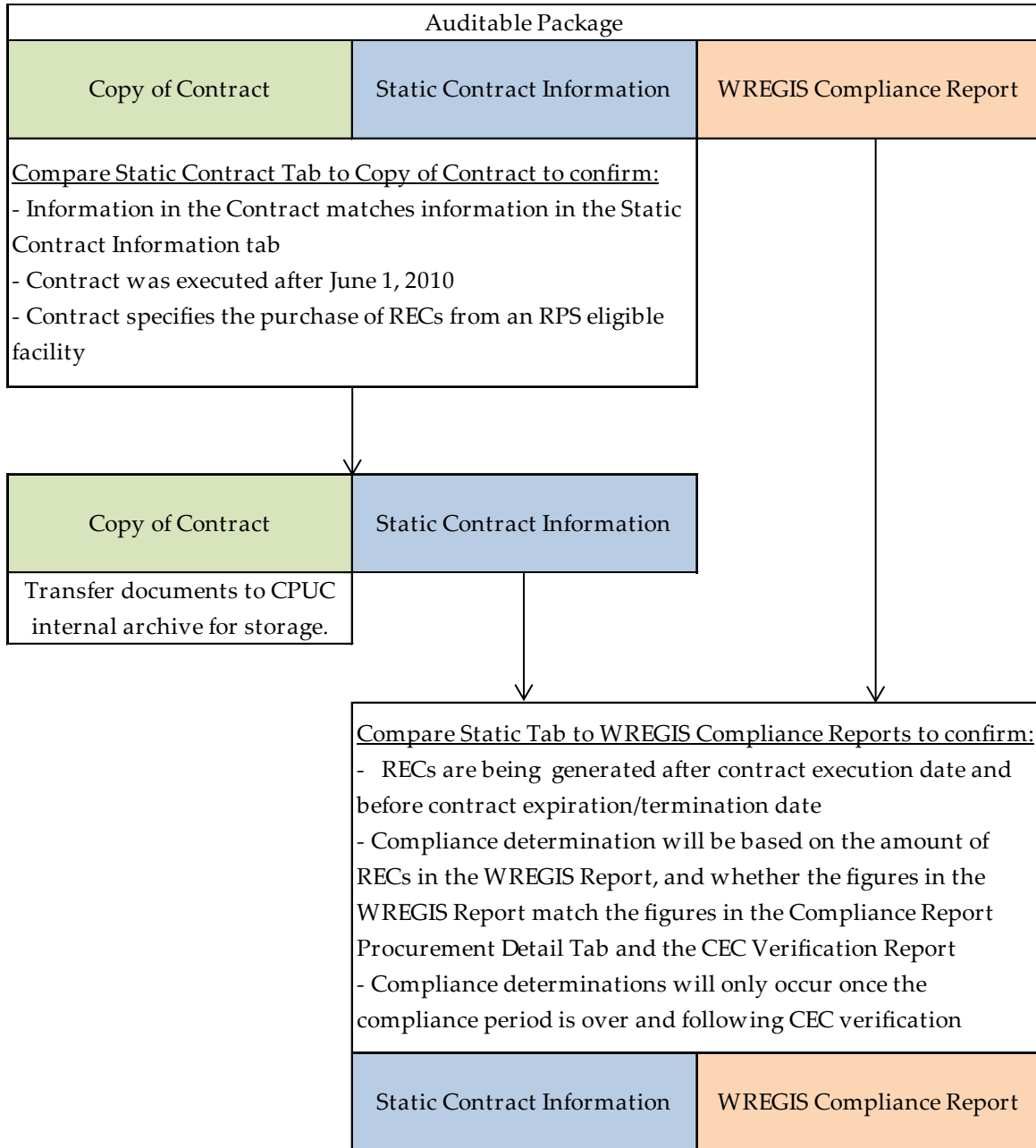
Table III.D. Energy Division Process for Reviewing Required Documents for PCC 2 Claims Using Substitute Energy to Firm and Shape



## F. Requirements to Substantiate PCC 3 Claims

Substantiation of PCC 3 claims will require the review of procurement contract or ownership agreement to verify the date of execution, and the date/terms of contract amendments or modifications, including the purchase of RECs and the total amount of RECs purchased.

Table III.E. Energy Division Process for Reviewing Required Documents for PCC 3 Claims

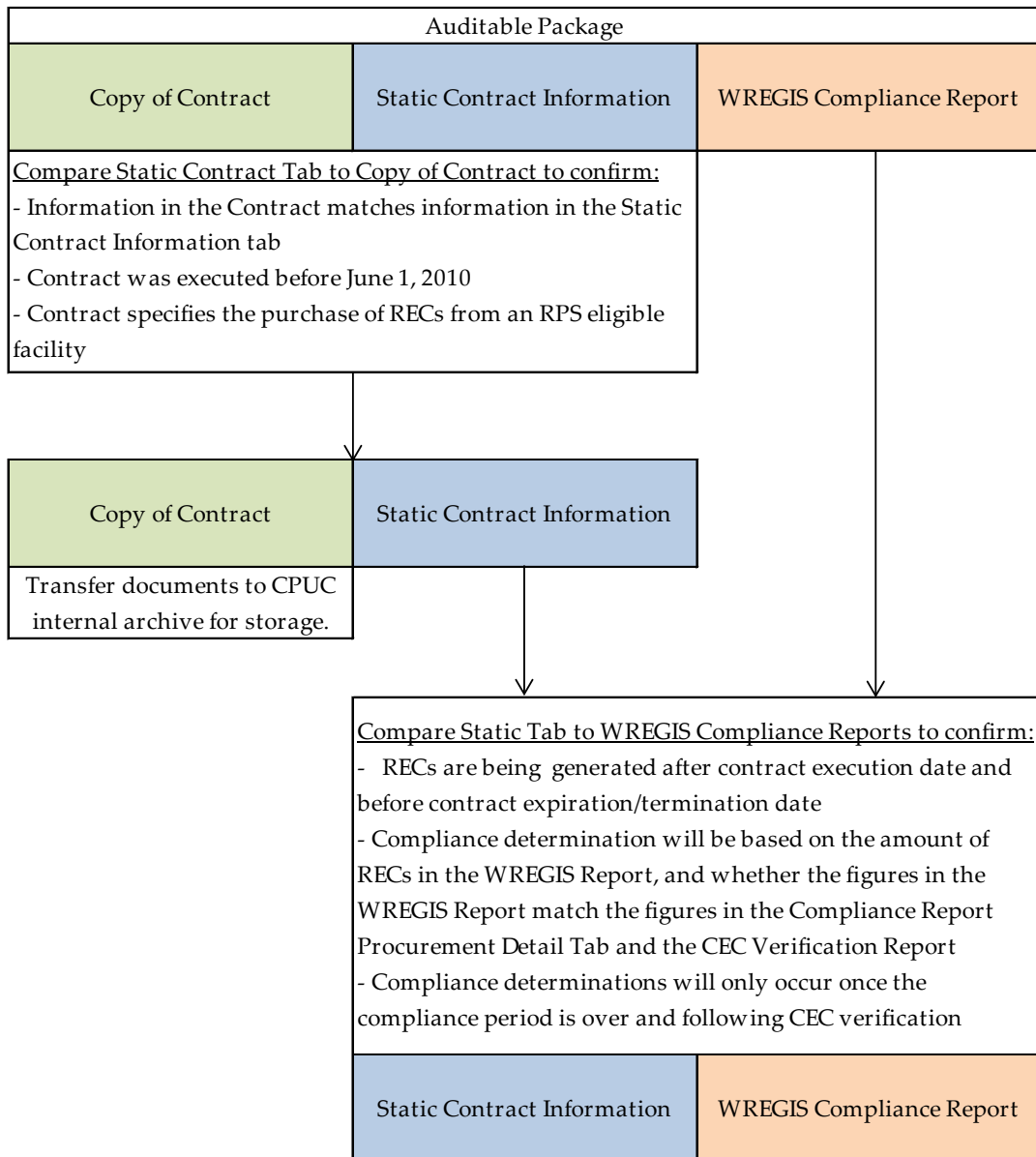


### G. Requirements to Substantiate PCC 0 Claims

Verification of PCC 0 claims will include a review of the contract/ownership agreement to verify the date of execution, the date/terms of contract amendments or modifications, that the RPS-facility met the Energy Commission’s certification rules that were in place at the time and other information as determined necessary.

All contractual information for PCC 0 REC claims must be reported in the “Static Information” tabs in the Annual 33% RPS Compliance Report spreadsheet and supported with a copy of the executed contract.

Table III.F. Energy Division Process for Reviewing Required Documents for PCC 0 Claims



#### IV. Timing for Retail Sellers to Submit Supporting Documentation for Portfolio Content Category Classification Claims

In accordance with the California Energy Commission’s RPS Eligibility Handbook (Ninth Edition)<sup>18</sup> all retail sellers must submit WREGIS Compliance Reports and WREGIS e-Tag Summary Reports to the California Energy Commission and to Energy Division annually on July 1. WREGIS reports – both Compliance and e-Tag Summary – should include all generation and retirement information for the preceding year.

Additional documentation that is required to substantiate PCC classification claims shall be submitted to Energy Division with the annual RPS compliance filing on August 1.<sup>19</sup> Please see Table IV.1 below for a list of information that needs to be submitted to Energy Division on August 1 for each PCC classification.

PCC Classification	Documentation Required Annually on August 1
PCC 1 - Directly Interconnected to a CBA	<ul style="list-style-type: none"> <li>• A digital copy) of any contract that has achieved commercial operation during the prior year sent to the CPUC’s secure FTP addressed to rpscompliance@cpuc.ca.gov.</li> <li>• An updated “Static Contract Information” spreadsheet in the annual compliance report auditable package, that includes new entries for any contract that has achieved commercial operation during the prior year.</li> <li>• A demonstration of direct interconnection to a CBA. See Section III.B of this report for more detailed information.</li> </ul>
PCC 1 - Dynamic Transfer: Pseudo Tie	<ul style="list-style-type: none"> <li>• A digital copy of any contract that has achieved commercial operation during the prior year sent to the CPUC’s secure FTP addressed to rpscompliance@cpuc.ca.gov.</li> <li>• An updated “Static Contract Information” spreadsheet in the annual compliance report auditable package that includes new entries for any contract that has achieved commercial operation during the prior year.</li> <li>• A demonstration of pseudo tie agreement with a CBA. See Section III.C of this report for more detailed information.</li> </ul>

<sup>18</sup> The California Energy Commission RPS Eligibility Guidebook, Seventh Edition, can be found at [http://docketpublic.energy.ca.gov/PublicDocuments/16-RPS-01/TN217317\\_20170427T142045\\_RPS\\_Eligibility\\_Guidebook\\_Ninth\\_Edition\\_Revised.pdf](http://docketpublic.energy.ca.gov/PublicDocuments/16-RPS-01/TN217317_20170427T142045_RPS_Eligibility_Guidebook_Ninth_Edition_Revised.pdf)

<sup>19</sup> Pursuant to D.12-06-038 the Director of Energy Division has the authority to grant an extension to the annual compliance filing.

PCC Classification	Documentation Required Annually on August 1
<p>PCC 1 - Dynamic Transfer: Dynamic Schedule</p>	<ul style="list-style-type: none"> <li>• A digital copy of any contract that has achieved commercial operation during the prior year sent to the CPUC's secure FTP addressed to rpscompliance@cpuc.ca.gov.</li> <li>• An updated "Static Contract Information" spreadsheet in the annual compliance report auditable package that includes new entries for any contract that has achieved commercial operation during the prior year.</li> <li>• A demonstration (digital copy) of a dynamic transfer agreement to deliver RPS electricity to a CBA.</li> <li>• An Hourly Meter and e-Tag Reconciliation Report listing all MWh that are being claimed under PCC 1.</li> <li>• An RPS Hourly e-Tag Summary Report for any e-Tags that are not reported and matched within the WREGIS e-Tag report. This report may also report e-Tags with clerical errors, e.g., including the wrong RPS ID in the Misc. field.</li> </ul>
<p>PCC 1 - Scheduled on an Hourly or Sub-Hourly Basis</p>	<ul style="list-style-type: none"> <li>• A digital copy of any contract that has achieved commercial operation during the prior year sent to the CPUC's secure FTP addressed to rpscompliance@cpuc.ca.gov.</li> <li>• An updated "Static Contract Information" spreadsheet in the annual compliance report auditable package that includes new entries for any contract that has achieved commercial operation during the prior year.</li> <li>• An Hourly Meter and e-Tag Reconciliation Report listing all MWh that are being claimed under PCC 1.</li> <li>• An RPS Hourly e-Tag Summary Report for any e-Tags that are not reported and matched within the WREGIS e-Tag report. This report may also report e-Tags with clerical errors, e.g., including the wrong RPS ID in the Misc. field.</li> </ul>



PCC Classification	Documentation Required Annually on August 1
PCC 2	<ul style="list-style-type: none"> <li>• A digital copy of any contract that has achieved commercial operation during the prior year sent to the CPUC's secure FTP addressed to rpscompliance@cpuc.ca.gov.</li> <li>• An updated "Static Contract Information" spreadsheet in the annual compliance report auditable package that includes new entries for any contract that has achieved commercial operation during the prior year.</li> <li>• An RPS Hourly e-Tag Summary Report for any e-Tags that are not reported and matched within the WREGIS e-Tag report. This report may also report e-Tags with clerical errors, e.g., including the wrong RPS ID in the Misc. field.</li> </ul>
PCC 3	<ul style="list-style-type: none"> <li>• A digital copy of any contract that has achieved commercial operation during the prior year sent to the CPUC's secure FTP addressed to rpscompliance@cpuc.ca.gov.</li> <li>• An updated "Static Contract Information" spreadsheet in the annual compliance report auditable package that includes new entries for any contract that has achieved commercial operation during the prior year.</li> </ul>

For PCC 0 claims all IOUs will need to make a submission of all contracts executed before June 1, 2010, and include the contract in the "Static Contract Information" spreadsheet of the annual compliance report. For PCC 0 claims all ESPs will need to make a submission of all contracts executed before January 13, 2011 - see sections II.D and III.F of this report for additional information.

# Appendix A

## Matrix of Revisions Incorporated into the Final Staff PCC Review Methodology

Revisions are based on stakeholder feedback provided through informal comments provided on the revised PCC Staff Proposal that was served to the R.11-05-005 service list on February 14, 2014.

Commenting Party		Change Requested	Energy Division Solution
e-Tag Summary Report	PG&E	The definition of "Used MWh" indicates the "Used MWh" amount should not be higher than the sum of the lesser of the hourly generation and hourly final schedule amounts for the timeframe on the e-Tag, but may include the accumulated kWh. PG&E seeks clarification of the meaning of "accumulated kWh" in this context.	A footnote has been added on p. 14 to clarify the definition of "Used MWh."
	SDG&E	The Excel spreadsheet provided does not include the "Miscellaneous Token Field RPS_ID" field listed in the Proposal.	The e-Tag Summary spreadsheet has been modified to include this field.
Meter and e-Tag Reconciliation Report	PG&E	Although on page 10 (now page 12 and 13) of the PCC Proposal provides the option to complete the RPS Hourly e-Tag Summary Report or to submit the WREGIS e-tag summary report, paragraph 1 of the instructions for the Hourly e-Tag Summary Report requires that the report be submitted for all out-of-state resources. These instructions should be amended to state that either the WREGIS report of the Hourly e-Tag support can be submitted. Should this information need to be submitted as proposed, PG&E suggests creating separate tabs for each year, to keep the size of each tab manageable, if more than one year is reported in a single report.	Each REC reported by a retail seller needs to be represented in either the WREGIS e-Tag Summary Report or RPS Hourly e-Tag Summary Report. Energy Division staff have modified the instructions for the Hourly e-Tag Summary Report.
	PG&E	Should delineate when each of the tabs should be populated. E.g., hourly meter and e-tag reconciliation form should explicitly state that the form should only be populated for projects that are outside of CA and seeking PCC 1 status through a dynamic transfer agreement and/or scheduling arrangement	Timing information is covered in section IV of this report.

Commenting Party	Change Requested	Energy Division Solution
Meter and e-Tag Reconciliation Report	PG&E suggests that this report include separate tabs for each year to keep the size of each tab manageable.	Energy Division have modified the "Meter and e-Tag Reconciliation Report" spreadsheet instructions to instruct retail sellers to include one tab per year.
Procurement Detail Tab	Although the instructions for the "Fixed Volume Contract Amount (MWH) indicate that this field only relates to contracts where a retail seller has contracted for a fixed volume basis, if this field is left blank, the "Percent Share of Facility Output (%)" in the column H, "Allocated Meter" in the column I and "Eligible PPC 1 Volume" in the column K immediately to the right becomes zero. This seems to be a formula error, as these columns should only come into play if there is a non-zero value. The formula should be revised so that a null value in the "Fixed Volume Contract" column doesn't impact the PCC 1 calculation.	The formula "Procurement Detail" spreadsheet tab that calculates "Fixed Volume" has been modified according to PG&E's suggestion.
Review of PCC 1	As discussed in PG&E's introductory observations above, the PCC Proposal appears to require that dynamic transfer contracts that are not grandfathered would have to provide all the hourly metering/e-Tag forms required of non-dynamically-transferred PCC 1 out-of-state generation. The RPS Statute treats dynamically transferred output as distinct from out-of-state generation that is imported without a dynamic transfer	Contracts with dynamic schedules are required to provide an "Hourly Meter and e-Tag" analysis, however, contracts that use pseudo ties to deliver electricity do not need to provide an "Hourly Meter and e-Tag" analysis. This is discussed in greater detail in Appendix B.
	Iberdrola	Recommends staff review dynamic transfers section. Iberdrola does not believe that a retail seller could execute a substitute energy

Commenting Party		Change Requested	Energy Division Solution
		agreement and then not receive energy.	Meter and e-Tag” analysis, however, contracts that use pseudo ties to deliver electricity do not need to provide an “Hourly Meter and e-Tag” analysis. This is discussed in greater detail in Appendix B.
Review of PCC 2	PG&E	The bottom dash in the first box in the auditable package chart on page 15 indicates the for IOUs, the need to confirm that substitute energy agreements have to be “longer than five years.” D.11-12-052 at page 50 states that a “substitute energy contract procured by an IOU for PCC 2 products must be “at least 5 years in duration.” Therefore, the above phrase in the first box on page 15 should be changed to “5 years or longer.”	Energy Division staff have modified the language for the PCC 2 process diagram.
	PG&E	The second dash in the lower box in the auditable package chart on page 15 indicates the need to confirm that substitute energy needs to be delivered “within one calendar year” of REC generation. D.11-12-052 at page 77 (Ordering Paragraph 2) states that substitute energy for PCC 2 products must be delivered into California and matched with RECs in WREGIS within the “same calendar year.” Therefore, the above phrase in the lower box on page 15 should be changed to “within the same calendar year” to comport with the decision.	Energy Division staff have modified the language for PCC 2 process diagram (at p. 17).
Review of PCC 2	SDG&E	Change proposal language for PCC 2 to reflect that an agreement must run for "minimum of five years, or the length of the contract for RPS-eligible energy, whichever is shorter."	Energy Division staff have modified the language in the PCC 2 sections (at p. 16)

Commenting Party		Change Requested	Energy Division Solution
Static Contract Information Tab	SDG&E	The Excel spreadsheet provided does not include the following fields listed in the Proposal: "Type of Procurement Arrangement," "Retail Seller Contract Reference Number, or Contract ID Number," and "Facility Source Name."	The "Static Contract Information" tab has been modified to include the fields listed.
	PG&E	"Retail Seller Contract Reference Number" field: PG&E notes that this field is not one of the columns in the Static Contract Information tab.	The "Static Contract Information" tab has been modified to include this field.
	PG&E	"Facility Source Name" field: PG&E notes that this field is not one of the columns in the Static Contract Information tab. Additionally, the instruction does not indicate what to do if interconnected directly to a CBA.	The "Static Contract Information" tab has been modified to include this field.
	PG&E	Location (County and State, or Country if outside US): PG&E recommends providing City, County, State, and Country as separate fields, for consistency with "Procurement Detail" tab, the PDSR and the RPS Database. Additionally, PG&E recommends splitting this into separate fields to ease exporting and importing into various databases. These fields should all be consistent with RPS Database and PDSR, in that, contracts with multiple facilities should input "Multiple" for these fields. This field should also allow the response "TBD" if not yet determined.	Additional columns have been added to the "Static Contract Information" tab and the "Static Contract Information" tab instructions/data definitions have been modified.
	PG&E	"CBA(s) of Interconnection" field: PG&E suggests renaming this field and using "Balancing Authority" data field from the PDSR and the RPS Database.	The name of this field has been modified and the possible data validations include all balancing authorities in the WECC.
	PG&E	PG&E proposes clarification on how to report data for contracts for energy from multiple facilities when the facilities do not all have the same information. PG&E proposes that for contracts to purchase energy from a small	Numerous data definitions have been modified to include various/multiple as an option (see p. 6-7).
	PG&E		

Commenting Party		Change Requested	Energy Division Solution
Static Contract Information Tab		number of specific facilities, the IOU provide multiple values separated by commas, if the data type for the column allows. For contracts with a large number of facilities or an undefined or unlimited set of facilities (e.g. REC transactions), the utility should state "Multiple."	
	PG&E	"Resale Agreement" field: PG&E recommends Energy Division clarify the definition of Resale Agreement. It is unclear to PG&E that if the Resale Agreement is referring to PCC 2 firming and shaping agreements, or the traditional "resale" in which previously procured RECs are resold to a third party.	The "Static Contract Information" tab instructions/data definitions have been modified to provide more clarity.
	PG&E	"Owner/Seller" field: PG&E suggests renaming this field and using "Primary Developer Name" data field from the PDSR and RPS Database.	A footnote has been added to note that this field is the same as the corresponding field in the IOU Monthly database document (see p.7).
	PG&E	"Technology" field: PG&E recommends adding "Various" or "Multiple" option in the drop-down list to capture unbundled RECs from various RPS-eligible resources.	The "Technology" data field definition has been modified (at p. 7) within the "Static Contract Information" tab spreadsheet.
	SCE	"Resale" field: The Static Contract Information tab should offer options for both resale (sell) and resale (purchase) agreements.	The "Static Contract Information" tab instructions/data definitions have been modified to provide more clarity.

# Appendix B

## Additional Information About Dynamic Transfers



## **Energy Division Rational for Separating Dynamic Transfers into Two Categories: Pseudo Ties and Dynamic Transfers**

In the first version of the staff proposal Energy Division proposed that all dynamic transfer agreements should be subjected to an hourly meter/e-Tag analysis to ensure the metered energy was entering a CBA. This methodology was met with some opposition from retail sellers who noted that the CEC guidebook allows RECs from procurement contracts with dynamic transfer agreements to be verified through the same process as an “in-state resource”- i.e. Energy Commission policy allows staff to verify the dynamic transfer agreements without an hourly meter/e-Tag analysis.

Energy Division consulted with R.11-05-005 stakeholders and with the ISO to determine if PCC1 claims that use dynamic transfers to deliver electricity into a CBA required the review of hourly e-Tag information and meter data. Consequently, Energy Division staff have determined that there are two distinct types of dynamic transfers that each merit special treatment.

The first type of dynamic transfer agreement that can be used to deliver electricity into a CBA is a pseudo tie agreement. Pseudo-ties are a special type of inter-balancing authority transaction whereby a generator that physically resides outside the contiguous boundaries of a CBA is linked to a CBA so that the point transfer for the generation is analogous to a direct interconnection to the CBA. Under a pseudo tie agreement the CBA assumes all responsibilities as scheduling coordinator for the facility.

The second type of dynamic transfer agreement that can be used to deliver electricity into a CBA is a dynamic scheduling agreement. Dynamic Scheduling occurs when two balancing authorities are linked, allowing them to request and acknowledge desired schedule changes and is able to dynamically transmit a revised schedule as changes (planned or unplanned) in energy production or demand occur. With a dynamic schedule agreement the CBA does not assume an responsibility as the scheduling coordinator for the facility, and electricity will only reach a CBA if the retail seller, the generator, or a third party is responsible for scheduling the electricity into the CBA. Consequently, the RPS eligible electricity will not actually reach the CBA unless the energy is scheduled.

Therefore, Energy Division staff has determined that a pseudo tie agreement demonstrates sufficient interconnection to a CBA that an hourly meter/e-Tag analysis is not necessary. Dynamic schedule agreements, however, do not delegate scheduling coordinator responsibilities to the CBA of delivery and require the RPS eligible electricity to be scheduled into CBA by the retail seller (or other third party). Consequently, Energy Division staff must perform an hourly meter/e-Tag analysis for all dynamically scheduled PCC 1 claims to ensure the RPS eligible electricity is properly scheduled into a CBA.

As the use of pseudo ties and dynamic schedules evolve, additional forms of documentation may be required for Energy Division staff's review.