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November 1, 2024

California Energy Commission
Docket Unit, MS-4
Docket No. 21-RPS-02
715 P Street
Sacramento, California 95814

Submitted Electronically

**Re: American Clean Power – California Comments on the Proposed Scope of the Draft
*Renewables Portfolio Standard Eligibility Guidebook, Tenth Edition (21-RPS-02)***

American Clean Power – California (“ACP-California”) appreciates this opportunity to provide the following comments on the proposed scope of the California Energy Commission’s (“CEC”) draft scope for the *Renewables Portfolio Standard Eligibility Guidebook (RPS Guidebook), Tenth Edition*, released on October 18, 2024.

Background on ACP-California

The American Clean Power Association (“ACP”) is the voice of companies from across the clean power sector that are providing cost-effective solutions to the climate crisis while creating jobs, spurring massive investment in the American economy, and driving high-tech innovation across the United States. ACP’s mission is to transform the U.S. power grid to a low-cost, reliable, and renewable power system. ACP-California is a state project of ACP, representing companies who develop, own and operate utility-scale solar, storage, land-based wind, offshore wind, geothermal and transmission assets to power a clean and renewable economy for California and the West.

Discussion

1. The CEC Should Ensure that Hybrid Resources are Not Discounted Through Roundtrip Efficiency Losses.

ACP-California supports the CEC’s proposed reevaluation of “Energy Storage” in Chapter 3.F.¹ Currently, the CEC’s implementation of Section 25741 of the Public Resources Code penalizes the installation of energy storage at an RPS-eligible generating facility with a

² CEC *Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition* revised, Apr. 27, 2017 at 41.

hybrid configuration (single Resource ID) because “any losses from energy storage must be subtracted or netted from the generation of an eligible renewable facility.”² Deducting roundtrip efficiency losses from hybrid resources discourages efficient use of land and undermines the significant value of energy storage resources for ensuring grid reliability during peak load. ACP-California encourages the CEC to ensure that hybrid resources are fully supported given their significant value to California’s grid reliability and statutory climate mandates.

The CEC’s RPS Requirements for Energy Storage Devices workshop in February 2022 was a prudent first step towards clarifying RPS requirements for energy storage technology and addressing issues that stakeholders have identified as hindering the development of clean energy resources that will be a major component of the State’s capacity expansion plans. At the 2022 workshop, stakeholders identified numerous issues with the current certification and accounting methodology. Stakeholders noted that: (1) the current categories of hybrid resource types do not reflect the configurations developers are planning and developing; (2) there is a misalignment with the California Independent System Operator’s (“CAISO”) configurations of resource types and metering requirements; and (3) the netting of losses due to energy storage overly penalizes renewable generation delivered to the grid.³ ACP-California appreciates the CEC’s recognition of the need to revisit these issues and we look forward to working with the CEC and stakeholders to improve this aspect of the RPS Guidebook in furtherance of California’s capacity expansion targets for hybrid resources.

2. The CEC Should Update the RPS Guidebook to Reflect the Evolution of CAISO’s Balancing Authority Area.

Since the last version of the Guidebook was adopted, there have been several important developments in the Western Interconnection that have provided California load-serving entities (“LSEs”) and ratepayers with greater access to geographically diverse renewable resources. The CAISO Balancing Authority Area (“BAA”) has always included substations that provide points of interconnection outside of California’s state borders (e.g., COB, Mead, Palo Verde, etc.). However, the CAISO now includes new portions of the California BAA that provide greater opportunities for geographically diverse resources to serve California LSEs. Valley Electric

² CEC *Renewables Portfolio Standard Eligibility Guidebook, Ninth Edition* revised, Apr. 27, 2017 at 41.

³ CEC *Renewables Portfolio Standard Requirements for Energy Storage Technology – Presentation* (February 7, 2022).

Association (“VEA”), located entirely in Nevada, is one such example.⁴ Another example is the Subscriber Participating Transmission Owner (“SPTO”) model recently adopted by the CAISO.⁵

Chapter 3(C) of the RPS Guidebook implements the requirement in Public Utilities Code Section 399.16(b)(1) that resources have a first point of interconnection with a California BAA to qualify for portfolio content category (“PCC”) 1 classification. ACP-California requests the CEC update Chapter 3(C) to reflect the current and evolving structure of the CAISO BAA and affirm that out-of-state resources with a first point of interconnection with a California BAA are classified as PCC 1 when out-of-state transmission facilities have been turned over to the CAISO (or another California BAA) for operational control. This will ensure that resources located out-of-state are treated similarly to resources in-state and that California LSEs and ratepayers have access to cost-effective and diverse clean resources throughout the Western Interconnection.

Conclusion

ACP-California appreciates the opportunity to provide these comments on the draft scope for the *RPS Guidebook, Tenth Edition*.

Sincerely,

/s/

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⁴ In 2011, VEA and the CAISO entered into a Transition Agreement, which establishes the process for VEA to join the CAISO BAA, as a Participating Transmission Owner, Utility Distribution Company, and LSE, effective January 1, 2013. The CAISO assumed operational control over VEA’s transmission system after Federal Energy Regulatory Commission (“FERC”) approval in 137 FERC ¶ 61,194.

⁵ CAISO, SPTO Model, information available [here](#).