

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street
Sacramento, California 95814

Main website: www.energy.ca.gov

03-RPS-1078

02-REN-1038



Implementation of Renewables)	Docket No. 03-RPS-1078
Portfolio Standard Legislation (Public)	RPS Proceeding
Utilities Code Sections 381, 383.5,)	
399.11 through 399.15, and 445; [SB)	
1038], [SB 1078]))	
)	
and)	
)	
Implementation of Renewables)	Docket No. 02-REN-1038
Investment Plan Legislation (Public)	Renewable Energy Program
Utilities Code Sections 381, 383.5, and)	
and 445; [SB 1038])ⁱ)	Notice of Committee Workshop

Notice of Committee Workshop on Proposed Changes to the Renewables Portfolio Standard Guidelines and Procurement Verification Report

The California Energy Commission’s Renewables Committee (Committee) will conduct a workshop to solicit public comments on its draft *RPS Procurement Verification Report* and proposed changes to the *Renewables Portfolio Standard Eligibility Guidebook*, the *New Renewable Facilities Program Guidebook*, and the *Overall Renewable Energy Program Guidebook*. Commissioner John L. Geesman is the Presiding Member and Vice Chair Jackalyne Pfannenstiel is the Associate Member of the Renewables Committee.

WEDNESDAY, DECEMBER 7, 2005
10 a.m.
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
First Floor, Hearing Room A
Sacramento, California
(Wheelchair Accessible)

Audio from this meeting will be broadcast over the Internet.
For details, please go to:
www.energy.ca.gov/webcast/

To participate in the meeting by phone,
please call: **888-566-5772**
Passcode: Raitt Call, Call Leader: Heather Raitt

Purpose

The purpose of the workshop is to solicit comments from interested parties on the draft *Renewables Portfolio Standard Procurement Verification Report (Verification Report)* and staff's proposed changes to the *Renewables Portfolio Standard Eligibility Guidebook (RPS Guidebook)*, *New Renewable Facilities Program Guidebook (NRFP Guidebook)*, and the *Overall Renewable Energy Program Guidebook*.

The *Verification Report* serves to transmit the Energy Commission's Renewables Portfolio Standard (RPS) procurement verification findings for the previous calendar year to the California Public Utilities Commission (CPUC) for implementing its roles in setting California's RPS targets and determining compliance with the state's RPS. This first *Verification Report* accomplishes the following, for calendar year 2004:

- Verifies the amount of energy procured by each investor-owned utility (IOU) from each RPS-eligible facility certified by the Energy Commission.
- Verifies that renewable facilities located out-of-state satisfy the Energy Commission's RPS energy delivery requirements.
- Identifies baseline, incremental and annual procurement for purposes of RPS compliance.
- Quantifies the amount of energy that qualifies as incremental geothermal.
- Compares the CPUC's annual procurement targets for each IOU with the Energy Commission's findings for how much procurement qualifies towards the targets.
- Compares the IOU's compliance filings to the CPUC with the Energy Commission's findings.

The *RPS Guidebook* describes the eligibility requirements and process for certifying renewable resources as eligible for California's RPS and Supplemental Energy Payments (SEPs) and describes how the Energy Commission will design and implement an accounting system to verify compliance with the RPS. Proposed changes to the *RPS Guidebook* include modifications and updates for: the tracking system, incremental geothermal certification, Assembly Bill 200 (Leslie, Chapter 50, Statutes of 2005), delivery requirements, CPUC RPS decisions, accounting for baseline and incremental procurement, and eligibility for biomass and mothballed facilities.

The *NRFP Guidebook* describes how the Energy Commission will allocate and award SEPs to cover the above-market costs of renewable energy. Proposed changes to the *NRFP Guidebook* include revisions to address the SEP process and prevailing wage.

The *Overall Renewable Energy Program Guidebook* describes specific aspects of how the Energy Commission's Renewable Energy Program is administered. Proposed Changes to the *Overall Guidebook* revise the definitions for "biomass," "commercial operation," "retail seller," "investor owned utility," "electric service providers," and "community choice aggregator".

Highlights of the proposed changes to these *Guidebooks* are provided in Attachment A to this notice. The *Guidebooks* and the draft *Verification Report* are available on the Energy Commission's Web site at:

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

Proposed changes to the *Guidebooks* are shown with new text underlined and deleted text struck out. Hard copies of the *Guidebooks* and the draft *Verification Report* may be obtained by contacting Janet Preis at (916) 654-4524, jpreis@energy.state.ca.us.

Background

The Energy Commission established the RPS proceeding in March 2003 in response to Senate Bill 1078 (Sher, SB 1078, Chapter 516, Statutes of 2002) and Senate Bill 1038 (Sher, Chapter 515, Statutes of 2002). SB 1078 establishes specific roles for the Energy Commission and the CPUC in implementing the RPS. As part of the collaborative process between the two agencies, the Energy Commission is charged with certifying renewable generating facilities as eligible for California's RPS. The Energy Commission began certifying facilities in 2004.

The Energy Commission is also charged with designing and implementing a tracking system to verify compliance with the RPS program and ensure that renewable energy procured to meet California's RPS is counted only once and is not counted towards meeting other renewable energy retail claims.

To verify RPS procurement for the *Verification Report*, the Energy Commission developed and applied an Interim Tracking System. The Interim Tracking System ensured that all the RPS-procurement claims met RPS-eligibility requirements, and compared the amount of RPS-eligible energy procured with the amount of energy generated to verify that the amount procured did not exceed the amount generated. The Energy Commission determined, to the extent possible, that RPS-eligible energy procured by the IOUs was counted only once in California, and verified that any RPS-eligible energy procured from an out-of-state generator satisfied the Energy Commission's delivery requirements. Future *Verification Reports* will be based on findings supported by the Western Renewable Energy Generation Information System, expected to be operational in 2007.

The *RPS*, *NRFP* and *Overall Program Guidebooks* were developed in part as elements of the RPS collaborative process between the Energy Commission and the CPUC. The *Guidebooks* are revised periodically to reflect statutory, market, and regulatory developments and to respond to lessons learned as the RPS is implemented, as authorized by Public Resources Code Section 25747, Subdivision (a).

Written Comments

Written comments on the workshop topics must be submitted by 5:00 p.m. on December 9, 2005. Please include the docket numbers **No. 03-RPS-1078** and **No. 02-RPS-1038** and indicate **RPS Proceeding** in the subject line or first paragraph of your comments. Please hand deliver or mail an original plus 20 paper copies to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 05-RPS-1078
1516 Ninth Street
Sacramento, CA 95814-5512

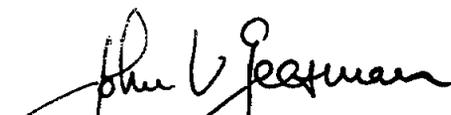
The Energy Commission encourages comments by e-mail. Please include your name or organization in the name of the file. Those submitting comments by electronic mail should provide them in either Microsoft Word format or as a Portable Document (PDF) to [docket@energy.state.ca.us]. **One paper copy** must also be sent to the Energy Commission's Docket Unit.

Participants may also provide an original and 30 copies at the beginning of the workshop. All written materials relating to this workshop will be filed with the Dockets Unit and become part of the public record in this proceeding.

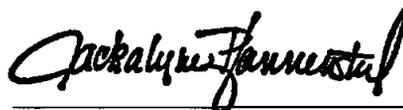
Public Participation

The Energy Commission's Public Adviser, Margret J. Kim, provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this forum, please contact the Public Adviser's Office at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [pao@energy.state.ca.us]. If you have a disability and require assistance to participate, please contact Lou Quiroz at (916) 654-5146 at least five days in advance.

Please direct all news media inquiries to Claudia Chandler, Assistant Executive Director, at (916) 654-4989. For technical questions regarding the subject matter of this workshop, please contact Heather Raitt by phone at (916) 654-4735, or by e-mail at [hrait@energy.state.ca.us].



JOHN L. GEESMAN
Commissioner and Presiding Member
Renewables Committee



JACKALYNE PFANNENSTIEL
Vice Chair and Associate Member
Renewables Committee

Date Mailed:
Mail Lists: 5507 RPS, 5504 New

¹ Public Utilities Code Sections 383.5 and 445 were amended and recast as Public Resources Code Sections 25740 through 25751 pursuant to SB 183 (Sher, Statutes 2003, Chapter 666)

Note: California Energy Commission's formal name is State of California Energy Resources Conservation and Development Commission.

ATTACHMENT

Highlights of Proposed Guidebook Changes

The following summarizes the proposed changes to the *Renewables Portfolio Standard Eligibility Guidebook*, the *New Renewable Facilities Program Guidebook*, and the *Overall Renewable Energy Program Guidebook*. To review the proposed changes in their entirety, please visit the Energy Commission's Web site at [www.energy.ca.gov/portfolio/documents/index.html].

Renewables Portfolio Standard Eligibility Guidebook

- Clarify the Interim Tracking System
 - The Energy Commission's process for verifying RPS procurement and delivering its findings to the CPUC is identified and described.
 - Developed reporting forms for generators to report their annual generation disaggregated by month.
 - Clarify that retail sellers are responsible for providing the generation (via the RPS-Track form) for the qualifying facilities (QFs) they certify. QFs certified by the retail seller do not need to report their generation separately or submit third party verification of the generation.
 - The RPS-Track form is modified to require the retail sellers to identify if their procurement should count towards the baseline or the incremental procurement target, and the amount of procurement intended to apply as banked or to use from banking.
- Implement Incremental Geothermal Certification
 - Additional specifications are provided on what information applicants must include in their requests for RPS certification.
 - A certification process is identified for cases in which the Energy Commission certifies a portion of the generating capacity of a geothermal facility that qualifies as incremental geothermal.
 - The methodology is identified that the Energy Commission will apply to determine how much energy is counted toward baseline and toward the incremental procurement target (IPT) for partially incremental geothermal facilities that were commercially operational before September 26, 1996.
- Implement Assembly Bill 200¹
 - For an electrical corporation with 60,000 or fewer customer accounts in California that serves retail end-use customers outside California, the Energy Commission will verify that the electricity generated by the facility is eligible to meet the annual procurement targets as determined by the

¹ Statutes of 2005, Chapter 50 as codified in Public Utilities Code Section 399.17.

Energy Commission as a specified percentage of total kilowatt-hours sold to the facility's retail end-use customers in California in a calendar year.

- Clarify that out-of-state delivery requirements do not apply to these electrical corporations (e.g. PacifiCorp and Sierra Pacific).
- Clarify delivery requirements for out-of-state RPS-eligible facilities.
- Reflect CPUC decisions on RPS implementation since last *Guidebook* adoption:
 - Clarification of annual procurement target, incremental procurement target and baseline.
 - Clarification of participation of distributed generation in the RPS.
 - Clarification of definition of Renewable Energy Certificates/Credits.
 - Clarification of requirements for delivery location.
- Clarify accounting for baseline and incremental procurement
- Clarify specific RPS-eligibility criteria:
 - Clarification of eligibility definition of commercial operations and eligibility of RPS-eligible facilities that shut down and later restart operations.
 - Clarification that biomass facilities seeking supplemental energy payments are subject to the state's timber harvest plan requirements pursuant to the Z'berg-Nejedly Practice Act of 1973. Biomass facilities not seeking supplemental energy payments are not subject to the state's timber harvest plan.

New Renewable Facilities Program Guidebook

- Clarify the Supplemental Energy Payment process
 - Clarification of the process for requesting SEPs and issuing Funding Award Agreements.
 - Development of forms that generators and IOUs submit to the Energy Commission when a generator requests SEPs.
 - Development of Short List Data Request forms that the IOUs transmit to the Energy Commission for determining the adequacy of SEP funds.
 - Clarification that projects seeking SEPs are subject to the state's prevailing wage law with respect to construction, alteration, demolition, installation, and repair.
- Implement prevailing wage requirements.

Overall Renewable Energy Program Guidebook

- Clarification of eligibility definition of commercial operations and eligibility of RPS-eligible facilities that shut down and later restart operations.
- Clarification that sludge waste derived from organic matter is eligible as biomass.
- Addition of definition for "retail seller."
- Revised definitions for "community choice aggregator," "electric service provider," "electrical corporation," and "investor owned utility."