

Renewables Committee 03-RPS-1078 Workshop

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Proposed Changes to RPS Guidelines

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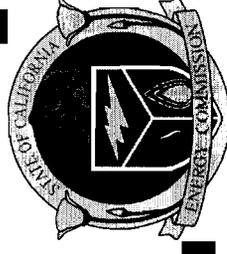
OVERVIEW

- Renewables Portfolio Standard Eligibility Guidebook
 - Describes eligibility requirements and process for certifying facilities for RPS and Supplemental Energy Payments (SEPs)
 - Describes interim tracking system in place until the Western Renewable Energy Generation Information System (WREGIS) is operational
- New Renewable Facilities Guidebook
 - Describes requirements to qualify for SEPs and process for how SEPs are awarded
- Overall Renewable Energy Program Guidebook
 - Describes how Renewable Energy Program is administered and defines program terms



BACKGROUND

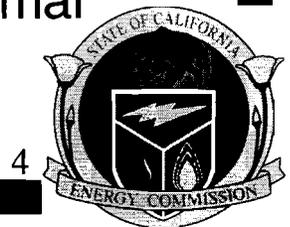
- RPS established in 2002 by SB 1078 and SB 1038
 - Specific roles in statute for CEC and CPUC – collaborative process developed
- Energy Commission’s RPS Roles:
 - Certify renewable generating facilities as eligible for RPS & SEPs
 - Certify incremental geothermal production
 - Design and implement an RPS tracking and verification system
 - Award SEPs
- Energy Commission adopted RPS Decision Documents in 2003 and Guidebooks in 2004
- Guidebooks are revised as needed to respond to statutory, market, and regulatory developments



SUMMARY OF CHANGES

RPS Eligibility Guidebook

- Implement Incremental Geothermal Certification
 - Clarify supplemental information needed for RPS certification, for example, applicants should:
 - ◆ Provide facility-specific data, not aggregated for the steam field.
 - ◆ Describe capital investments.
 - ◆ Provide data showing forecast production per facility with and without capital investments.
 - New certification of 'partial' incremental generation facilities.
 - ◆ Certification identifies capacity that is restricted to baseline/adjusting the baseline and capacity eligible as incremental geothermal.
- Account for Incremental Geothermal Generation
 - Calculate percent incremental geothermal capacity and apply it to the quantity of electricity generated = incremental geothermal energy produced per facility.



SUMMARY OF CHANGES

RPS Eligibility Guidebook –cont’d

- Changes to Reflect CPUC Decisions: Revise Discussion of Annual Procurement Target (APT)
 - APT is mandatory and consists of two components:
 1. **Baseline:** amount of renewable generation a utility must retain in portfolio to continue to satisfy its obligations under RPS targets of previous years. Baseline is retail sellers’ RPS-eligible procurement in year 2001, adjusted to include renewable procurement in subsequent years.
 2. **Incremental Procurement Target:** at least 1 percent of the previous year’s total retail electrical sales.
 - APT = baseline in previous year + current year IPT
 - CPUC Decision 04-06-014, Standard Contract Terms & Conditions, Appendix B



SUMMARY OF CHANGES

RPS Eligibility Guidebook –cont'd

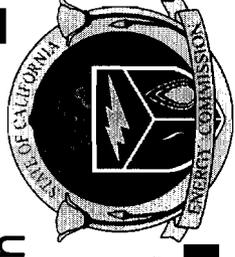
- More Changes to Reflect CPUC Decisions
 - Distributed Generation
 - ◆ May 2005 — CPUC ruled energy from renewable distributed generation facilities cannot be counted for the RPS until issues surrounding measurement, metering, and subsidies are resolved. (Decision 05-05-011)
 - Definition of Renewable Energy Credits
 - ◆ CPUC adopted an initial definition for RECs as part of its decision outlining RPS standard contract terms and conditions. (Decision 04-06-014)



SUMMARY OF CHANGES

RPS Eligibility Guidebook –cont’d

- Specifies the 20 percent target by 2010 target
- Clarifies certain RPS-eligibility criteria
 - ◆ Eligibility depends on date first commercially operational (this also applies if facility shuts down and later recommences operations).
 - ◆ If facility is repowered, repowering date is considered commercial operation date and facility may qualify for SEPs.
 - ◆ Biomass facilities seeking SEPs are subject to CA Timber Harvest Plan requirements.
- Clarifies delivery requirements for out-of-state facilities
 - ◆ Delivery requirements do not apply to facilities located outside of California with first point of interconnection to the WECC transmission system located in California.
 - ◆ Out-of-state facilities must provide the Energy Commission with North American Electricity Reliability Council (NERC) ID number when applying for RPS certification.



SUMMARY OF CHANGES

RPS Eligibility Guidebook –cont’d

- Implement AB 200
 - Modifies definition of eligible renewable resources to include out-of-state facilities for electric corporations, such as PacifiCorp and Sierra Pacific Power, which serve customers both in and outside California.
 - Applies to electric corporations that serve retail end-use customers outside California with 60,000 or fewer customer accounts in California.
 - Out-of-state delivery requirements do not apply to these corporations.



SUMMARY OF CHANGES

RPS Eligibility Guidebook –cont’d

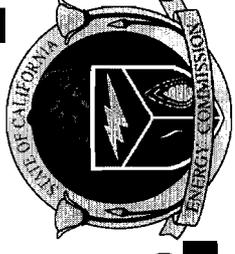
- Describe Interim Tracking System
 - Adds new reporting form (CEC-RPS-GEN) for RPS-certified facilities to annually report their generation per month. Attach payment statements from retail seller as third party verification.
 - Allows retail sellers to provide generation data for the QFs they certify. Filing the CEC-RPS-Track form satisfies this requirement.
 - Modifies the RPS-Track Form for utilities to identify generation as baseline or towards the Incremental Procurement Target, and banked status of generation.
 - Describes Interim Tracking System.
 - ◆ Verify that procurement is from RPS-certified facilities
 - ◆ Compare generation data (CEC-RPS-GEN) and procurement to verify that procurement does not exceed generation per facility
 - ◆ Verify that procurement was counted once and only once



SUMMARY OF CHANGES

New Renewable Facilities Guidebook

- Clarify SEP Process
 - Process clarified for requesting SEPs and issuing Funding Award Agreements.
 - ◆ IOUs must provide the Energy Commission with data about potential demand for SEP funds (Short List Data Request form)
 - ◆ Created form for requesting SEPs.
 - Energy Commission will announce the name of the seller, procuring IOU, total anticipated SEP award and incentive level after contract is approved by CPUC.
 - Projects seeking SEPs are subject to California's prevailing wage law re: construction, alteration, demolition, installation, repair.



SUMMARY OF CHANGES

Overall Renewable Energy Program Guidebook

- Clarify eligibility definitions for commercial operations and re-powered facilities.
- Clarify that organic sludge waste is eligible as biomass.
- Define “retail sellers” as electrical corporations, community choice aggregators, and electric service providers. “Retail sellers” does **not** include local publicly owned electric utilities (municipal utilities) or entities employing cogeneration technology.
- Revise definitions for “community choice aggregator,” “electric service provider,” “electrical corporation,” and “investor owned utility.”



Next Steps

- Stakeholder input welcome
- Written comments due 5:00 pm Dec. 9, 2005
 - Mail or e-mail ok
 - Will be docketed and become part of public record
- Estimated Schedule:
 - Revised documents available January 6, 2006
 - Considered for adoption January 18, 2006
- Guidebooks available at:
www.energy.ca.gov/portfolio/documents/index.html



For More Information:

www.energy.ca.gov/portfolio

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