

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street
Sacramento, California 95814

Main website: www.energy.ca.gov



In the matter of:)	
)	
Implementation of Renewables)	Docket No. 03-RPS-1078
Portfolio Standard Legislation)	
)	Docket No. 02-REN-1038
and)	
)	
Implementation of Renewables)	
Investment Plan Legislation)	NOTICE OF BUSINESS MEETING

**Notice to Consider Adoption of the
Renewables Portfolio Standard Eligibility Guidebook
and the Overall Program Guidebook for the
Renewable Energy Program**

The California Energy Commission will hold a Business Meeting on:

DECEMBER 1, 2010
Beginning at 10 a.m.
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
First Floor, Hearing Room A
Sacramento, California
(Wheelchair Accessible)

DOCKET**02-REN-1038**

DATE	DEC 17 2010
RECD.	DEC 17 2010

As part of the December 1, 2010, Business Meeting, the Energy Commission will consider adopting revisions to the *Renewables Portfolio Standard Eligibility Guidebook (RPS Guidebook)* and the Overall Program Guidebook for the Renewable Energy Program (Overall Guidebook). Details on how to participate in the Business Meeting will be available in the Energy Commission's December 1 Business Meeting Agenda located on-line at [www.energy.ca.gov/business_meetings/index.html].

Renewables Portfolio Standard Eligibility Guidebook

The *RPS Eligibility Guidebook* explains how the Energy Commission implements and administers its responsibilities under California's Renewables Portfolio Standard (RPS) under statute. Under these laws, the Energy Commission is charged with certifying eligible renewable energy resources that may be used by retail sellers of electricity to

satisfy their RPS procurement requirements and for developing an accounting system to verify a retail seller's compliance with the RPS. The *RPS Eligibility Guidebook* describes the eligibility requirements and process for certifying renewable resources as eligible for California's RPS and describes how the Energy Commission verifies compliance with the RPS.

Overall Program Guidebook for the Renewable Energy Program

The *Overall Program Guidebook* describes specific aspects of how the Renewable Energy Program is administered. The *Overall Program Guidebook* also addresses aspects of the Renewable Energy Program related to the state's RPS under statute. Many of the RPS-eligible renewable energy resources may qualify for funding under elements of the Renewable Energy Program.

Process

Renewable Energy Program guidebooks are revised periodically to reflect statutory, market, and regulatory developments and to respond to lessons learned through implementing the program. Public Resources Code Section 25747 authorizes the Energy Commission to approve substantive changes to the guidebooks upon providing 10 days public notice. Changes take effect once approved at a publicly noticed meeting.

On August 20, 2010, the Energy Commission released staff drafts of proposed changes to the *RPS Eligibility Guidebook* and the *Overall Program Guidebook*. On August 30, 2010, Energy Commission staff held a public workshop to present staff's proposed changes to these guidebooks. Many entities provided public comments during and following the workshop. Staff carefully considered these comments when preparing the final draft guidebooks. Public comments are available on the Energy Commission's website at:

www.energy.ca.gov/portfolio/documents/index.html#083010

Proposed changes to the *Overall Guidebook* clarify various definitions applicable to the RPS, and clarify the process for appealing disputes of funding award payments under the guidelines.

Proposed changes to the *RPS Eligibility Guidebook* clarify eligibility requirements and the certification process, provide instructions on using WREGIS for RPS compliance, and incorporate changes in law applicable to the RPS.

Summaries of proposed changes to these guidebooks are provided in Attachment A to this notice. Non substantive and minor clarifying changes are not included in Attachment A. The final draft guidebooks, with proposed changes shown in underline/strikeout format, are available on the Energy Commission's Web site at:

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

The forms in Appendix B of the *RPS Eligibility Guidebook* will be posted on the Energy Commission's Web site prior to the December 1, 2010, Business Meeting.

Written Comments

Please send or deliver written materials to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 03-RPS-1078
and
Docket No. 02-REN-1038
RPS Proceeding
1516 Ninth Street
Sacramento, CA 95814-5512

The Energy Commission encourages comments by e-mail. Please include your name or organization's name 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.

All written materials relating to this proceeding will be filed with the Dockets Unit and become part of the public record. Parties are encouraged to file written comments by 5 p.m. on November 26, 2010.

Public Participation

The Energy Commission's Public Adviser's Office 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 [PublicAdviser@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 the Media and Public Communications Office at (916) 654-4989, or by e-mail at [mediaoffice@energy.state.ca.us]. For technical questions on the subject matter, please contact Kate Zocchetti, RPS Unit Supervisor, at (916) 653-4710 or by e-mail at [kzocchet@energy.state.ca.us].

JAMES D. BOYD
Vice Chair and Presiding Member
Renewables Committee

ROBERT WEISENMILLER
Commissioner and Associate Member
Renewables Committee

Date: November 17, 2010

Electronic Mail List: renewable
Attachment: Appendix A

Attachment A: Summary of Revisions to the RPS Eligibility Guidebook and Overall Program Guidebook

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

I. Renewables Portfolio Standard Eligibility Guidebook

Eligibility

- **Biodiesel.** Adds specific fuel attestation requirements on the Attestations Supplemental Form (CEC-RPS-1A/B:S5) and removes duplicative requirements for supplemental application submissions.
- **Biogas.** Clarifies biogas as a stand-alone renewable eligible resource separate from the multi-fuel requirements section. Other changes to the biogas eligibility requirements include:
 - Clarifies acceptable methods of transporting the biogas;
 - Clarifies the eligibility of biogas to include transportation to an RPS-eligible electric generating facility that is located outside of California (but within the WECC); and
 - Clarifies the delivery requirements for pipeline biomethane and requires the submission of the attestations in the supplemental application form.
- **Biomass.** Adds clarifying language on the de minimis fossil fuel requirements for biomass facilities and adds an attestation form to the list of supplemental information that must be provided to the Energy Commission. Removes duplicative requirements for supplemental application submission.
- **Fuel Cells.** Clarifies eligibility requirements for fuel cells using renewable fuels.
- **Hydroelectric.** Incorporates changes in law addressing eligibility of small hydroelectric and incremental hydroelectric facilities as follows:
 - Implements Assembly Bill 3048,¹ allowing existing small hydroelectric facilities owned or under contract with local publicly owned electric utilities prior to January 1, 2006, to be eligible for the RPS;
 - Implements Assembly Bill 1351,² allowing incremental hydroelectric generation from out-of-state facilities to receive their Section 401 certification under the federal Clean Water Act from the applicable state board or agency, and requires incremental generation from hydroelectric facilities to be owned by a retail seller or a local publicly owned electric utility.
 - Implements Senate Bill 1247,³ allowing a hydroelectric generation facility, certified as of January 1, 2010, to change the volume or timing of

¹ Assembly Bill 3048 (Statutes of 2008, Chapter 558), amends pertinent provisions in Public Resources Code Section 25741(b)(2).

² Assembly Bill 1351 (Statutes of 2009, Chapter 525), amends pertinent provisions in Public Utilities Code Section 399.12.5.

³ Senate Bill 1247, (Statutes of 2010, Chapter 488), amends pertinent provisions in Public Utilities Code Section 399.12.5.

streamflow as it is required by license conditions approved pursuant to the Federal power Act (Chapter 12 (commencing with Section 791a) of Title 16 of the United States Code) on or after January 1, 2010, without losing its status as an RPS Certified Facility. Senate Bill 1247 also requires that the Rock Creek Powerhouse (FERC Project Number 1962) receive any necessary incremental certification from the State Water Resources Control Board.

- **Small Conduit Hydroelectric.** Clarifies how conduit hydroelectric facilities not built in an existing (pre-January 1, 2007) conduit may certify as a small hydroelectric facility, subject to the eligibility requirements of a small hydroelectric facility.
- **Municipal Solid Waste Conversion.** Clarifies eligibility for MSW conversion facilities by allowing facilities located outside of California to be RPS eligible by submitting operating permits from the local governing body responsible for permitting solid waste facilities in that region. Clarifies which technological requirements are placed on the electric generation facility and which requirements are meant for the facility housing the conversion technology.
- **Renewable Facilities using Multiple Resources.** Clarifies requirements for renewable facilities using multiple resources to:
 - Clarify what constitutes a multi-fuel facility.
 - Clarify what fuel types can be included in the de minimis of nonrenewable fuel use.
 - Require all facilities using multiple energy inputs, including those that meet the de minimis requirements, to supply a measurement methodology that will be used to measure the contribution of each resource and fuel type. Appropriate measurement methodologies are provided.
 - Address implementation of Assembly Bill 1954 (Chapter 460, Statutes of 2010) in a future edition of the RPS Eligibility Guidebook.
- **Out-of-State Facilities.** Clarifies the eligibility requirements for out-of-state facilities.
- **Energy Delivery.** Provides new instructions on using NERC e-Tags to verify energy delivery from out-of-state facilities.

Certification

- Allows existing small hydroelectric and out-of-state baseline facilities owned by or under contract to a POU to be RPS eligible as provided under Assembly Bill 3048 (Statutes of 2008, Chapter 558).
- Describes the process for receiving a biogas delivery approval letter and the situations for which one will be provided.
- Adds limitations on the eligibility of past generation from eligible facilities not yet certified for the RPS.
- Clarifies requirements for registration in WREGIS, and places limits on the use of the Interim Tracking System.

Application Process

- Clarifies and adds requirements for submission of applications.
- States that the CEC-RPS-2 form will no longer be accepted as a valid application form for RPS certification or pre-certification.

- Revises the additional information required for MSW facilities to shift the supporting agency for MSW facilities from the California Integrated Waste Management Board to the California Department of Resources Recycling and Recovery (CalRecycle).
- Out-of-State Facilities.
 - Requires submission of environmental documentation to support the claims made in the LORS analysis.
 - Adds “Noise” to the list of LORS required to be reviewed in the LORS analysis.
 - Provides a matrix of thresholds for determining the likelihood of the facility causing or contributing to a violation of any of California’s LORS in California.
- Clarifies the requirements to repower a conduit hydroelectric facility to be the same as to repower small hydroelectric facilities.

Tracking and Verification

- Describes the method the Energy Commission will use to transition from the Interim Tracking System to WREGIS for the verification process.
- Provides detailed instructions on how the REC retirement process will work for both the Interim Tracking System and WREGIS.
- Removes duplicate information about accounting for out-of-state, incremental generation from this section.
- Adds detailed instructions in Appendix B on how to verify delivery and retire RECs using WREGIS.
- Changes the date to submit RPS compliance reports to the Energy Commission from May 1 to June 1 of each year.

Publicly Owned Electric Utilities

- Incorporates AB 3048 (Statutes of 2008, chapter 558) to allow RPS certification for existing small hydroelectric facilities owned by or selling to POUs. AB 3048 moved the definition of a local publicly owned electric utility to Public Utilities Code Section 224.3. AB 3048
- Changes the date to submit reports by POUs to the Energy Commission from May 1 to June 1 of each year.
- Removes the restriction that small hydroelectric facilities that are already online cannot apply for RPS certification and can only apply for pre-certification.

Appendices

- **Appendix B: Forms.** New forms are added and, with the exception of the reporting form for publicly owned electric utilities, minor revisions to existing forms are made to align the forms with revisions to the proposed changes in the *RPS Eligibility Guidebook, Fourth Edition*. Revisions are not shown in underline/strikeout on the forms because it would impact the formatting and make it difficult to read the revised forms. The following forms are new:
 - CEC-RPS-DELIVERY, Delivery Verification and Attestation Form for Retail Sellers
 - CEC-RPS-1A/B-S4, Certification/Pre-Certification Supplement 4 – Distributed Generation

- CEC-RPS-1A/B-S5, Certification/Pre-Certification Supplement 5 – Attestations
- WREGIS State/Provincial/Voluntary Compliance Report Attestation Form

The CEC-REO-POU, Reports by Local Publicly Owned Electric Utilities form, is revised to streamline POU reporting requirements for various Energy Commission programs, including the RPS.

II. Overall Program Guidebook

- Clarifies Energy Commission appeals under Section VI: Disputes of Funding Award Payments. If an awardee seeks to challenge a determination of the Executive Director on a funding award payment dispute, the appropriate process is Arbitration pursuant to Section VIII.
- Glossary of Terms:
 - The following terms have been clarified to better align with the *Renewables Portfolio Standard Eligibility Guidebook* and other Renewable Energy Program elements:
 - Biogas (including pipeline biomethane)
 - Biomass
 - Commercial operations
 - Conduit hydroelectric facility
 - Digester gas
 - Distributed generation
 - Geothermal
 - Hydroelectric
 - On-site generation
 - Project
 - PTC (PVUSA Test Conditions)
 - Renewable Energy Credit (REC)
 - Self-generation
 - Small hydroelectric
 - WECC interconnection
 - The following terms have been added to clarify existing terms and requirements:
 - Biomethane
 - Central station
 - Green attributes
 - Multi-jurisdictional utility
 - Pipeline biomethane
 - Western Renewable Energy Generation Information System (WREGIS)