

CALIFORNIA ENERGY COMMISSION

1516 Ninth Street
Sacramento, California 95814

Main website: www.energy.ca.gov



In the matter of:)	Docket No. 11-RPS-01
)	
Developing Regulations and Guidelines for the 33 Percent Renewables Portfolio Standard)	Docket No. 02-REN-1038
)	
and)	REVISED NOTICE OF BUSINESS MEETING RE: Guideline
)	Revisions for RPS
Implementation of Renewables)	Implementation and
))	Renewable Energy
Investment Plan Legislation)	Program

California Energy Commission DOCKETED 11-RPS-01
TN # 70607 MAY 03 2013

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

The California Energy Commission will conduct a Business Meeting on:

April 30, 2013
9:00 a.m.
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
1st Floor, Hearing Room A
Sacramento, California
(Wheelchair Accessible)

Remote Access Available by Computer or Phone via WebEx™
(Instructions below)

As part of the April 30, 2013, Business Meeting, the Energy Commission will consider adopting revisions to the *Renewables Portfolio Standard Eligibility Guidebook, Seventh Edition, (RPS Guidebook)* and the *Overall Program Guidebook for the Renewable Energy Program, Sixth Edition (Overall Program Guidebook)*.

Proposed changes to the *RPS Guidebook* clarify eligibility requirements and implement changes in law. Additionally, because the Energy Commission intends to phase out the *Overall Program*

Guidebook by the end of 2013, staff also proposes to transfer information pertinent to the RPS program from the *Overall Program Guidebook* to the *RPS Guidebook*. The *Overall Program Guidebook* describes how the Renewable Energy Program is administered and includes information that applies overall to the program elements and aspects related to the RPS. Because other elements of the Renewable Energy Program refer to the *Overall Program Guidebook*, staff proposes that the Energy Commission adopt the revisions to the *Overall Program Guidebook* that reflect the transfer of RPS-related information until that guidebook is phased out.

Background

Renewables Portfolio Standard Eligibility Guidebook

The *RPS Guidebook* explains how the Energy Commission implements and administers its responsibilities under California's Renewables Portfolio Standard (RPS) statute. Under these laws, the Energy Commission is charged with certifying eligible renewable energy resources that may be used by retail sellers of electricity and local publicly-owned electric utilities (POUs) to satisfy their RPS procurement requirements and for developing an accounting system to verify a retail seller's or POU's compliance with the RPS. The *RPS 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 how the Energy Commission's Renewable Energy Program and program elements are administered and includes information and requirements that apply overall to the program elements, including aspects related to California's RPS. Some of RPS-eligible renewable energy resources may qualify for funding under elements of the Renewable Energy Program.

A summary of the proposed revisions to the *RPS Guidebook* and *Overall Program Guidebook* are provided in Attachment A to this notice.

The final draft guidebooks, with proposed changes shown in underline/strikeout format, will be available on the Energy Commission's website at:

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

Biomethane Suspension

In addition to the proposed guidebook revisions, the Energy Commission will consider lifting the suspension of the RPS eligibility guidelines related to the use of biomethane. The Energy Commission implemented the suspension on March 28, 2012, to provide additional time to evaluate the RPS eligibility of biomethane in light of changes to law as a result of Senate Bill X1-2 (Stats. 2011, 1st ex. Sess., ch. 1). Since that time the Legislature has enacted Assembly Bill 2196 (Stats. 2012, ch. 605), which clarifies and establishes new requirements on the use of biomethane for RPS eligibility. The proposed revisions to the RPS Guidebook include changes to implement and address AB 2196. Staff is recommending that the suspension be lifted with the adoption of the proposed guidebook revisions, and that interested parties now be allowed to submit applications for RPS certification based on the use of biomethane, as specified, and subject to, the adopted guidebook revisions.

Public Comment

Oral comments. The Energy Commission will accept oral comments during the meeting. Comments may be limited to three minutes per speaker. Any comments will become part of the public record in this proceeding.

Written comments. Written comments should be submitted to the Dockets Unit by **4:00 p.m. on April 25, 2013**. Written comments will be also accepted at the meeting; however, the Energy Commission may not have time to review them before the conclusion of the meeting. All written comments will become part of the public record of the business meeting and this proceeding. Additionally, written comments may be posted to the Energy Commission's website for the proceeding.

The Energy Commission encourages comments by e-mail. Please include your name and any organization name. Comments should be in a downloadable, searchable format such as Microsoft® Word (.doc) or Adobe® Acrobat® (.pdf). Please include the docket numbers **11-RPS-01 and 02-REN-1038** and indicate **Developing Regulations and Guidelines for the 33 Percent Renewables Portfolio Standard** in the subject line. Send comments to:

docket@energy.ca.gov
and
rps33@energy.ca.gov

If you prefer, you may send a paper copy of your comments to:

California Energy Commission
Dockets Office, MS-4
Re: Docket Nos. 11-RSP-01 and 02-REN-1038
1516 Ninth Street
Sacramento, CA 95814-5512

Public Adviser and Other Commission Contacts

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission proceedings. If you want information on how to participate in this forum, please contact the Public Adviser's Office at PublicAdviser@energy.ca.gov or (916) 654-4489 (toll free at (800) 822-6228).

If you have a disability and require assistance to participate, please contact Lou Quiroz at lou.quiroz@energy.ca.gov or (916) 654-5146 at least five days in advance.

Media inquiries should be sent to the Media and Public Communications Office at mediaoffice@energy.ca.gov or (916) 654-4989.

If you have questions on the subject matter of this agenda item, please contact Kate Zocchetti at kate.zocchetti@energy.ca.gov or (916) 653-4710.

Remote Attendance

You may participate in this meeting through WebEx, the Energy Commission's online meeting service. Presentations will appear on your computer screen, and you may listen to audio via your computer or telephone. Please be aware that the meeting may be recorded.

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If you have difficulty joining the meeting, please call the WebEx Technical Support number at 1-866-229-3239.

Availability of Other Agenda Items

To see other agenda items for this business meeting, see the full agenda for the **April 30, 2013**, Business Meeting at: www.energy.ca.gov/business_meetings/

Availability of Documents on This Matter

Documents and presentations regarding this proceeding are available online at: www.energy.ca.gov/portfolio/documents/index.html.

April 19, 2013

Mail List: renewable listserv

Attachment A: Summary of Major Revisions to the Renewables Portfolio Standard Eligibility Guidebook and Overall Program Guidebook for the Renewable Energy Program

The following summarizes the major changes staff is proposing to the *Renewables Portfolio Standard Eligibility Guidebook* and the *Overall Program Guidebook for the Renewable Energy Program*, by section. The draft guidebooks, with the staff's proposed changes shown in underline/strikeout format, will be available on the Energy Commission's website at:

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

Staff is recommending the following revisions to the guidebooks, listed by section.

Renewables Portfolio Standard Eligibility Guidebook

What's New in This Guidebook?

This new section highlights the changes in this edition of the guidebook as compared to the previous edition.

I. Introduction

- **New Legislation:** Addresses the new laws affecting the RPS:
 - Assembly Bill 2196, which establishes new requirements for facilities using biomethane, is summarized.
- **Outstanding Issues:** Identifies outstanding issues that the Energy Commission may consider in future guidebook revisions.
 - **Storage Facilities:** This has been modified to recognize the importance of energy storage for renewable energy resources and anticipates that new storage technologies may be addressed in future guidebook revisions. Changes were also made to clarify that methods of storing renewable energy that are integrated into the electrical generation facility as part of the generation process are considered part of the electrical generation facility and not a separate, independent storage facility itself for the purpose of RPS eligibility.
 - **Station Service:** Because the Energy Commission plans to reconsider the definition of station service, this topic is added to "Outstanding Issues."
 - **Existing Renewable Facilities Program:** This is deleted from this section, but related issues are identified under the new Retroactive Application of the Law subsection in Outstanding Issues.
 - **Retroactive Application of the Law:** The Energy Commission plans to address how it applies changes in law to facilities that were RPS-certified before new laws was implemented, including the eligibility of nonrenewable fuel use above the de minimis amount as allowed by law, existing small hydroelectric facilities of 30 MW or less from which a retail seller or local publicly owned electric utility did not procure electricity as of December 31, 2005, and out-of-state facilities that commenced commercial operations before January 1, 2005, from which the electricity was not procured by a retail seller or POU as of January 1, 2010.
 - **33 percent RPS by 2020 Implementation:** This issue is deleted from this section.
 - **Pipeline Biomethane:** This issue is deleted from this section.

II. Energy Resource Eligibility Requirements

This section incorporates the portions of the former Eligibility Requirements section relating specifically to eligible energy resources. Changes to this section include:

- Table 1 summarizes the reporting requirements for each renewable resource.

- Biogas: the biogas section is removed and a biomethane section is introduced, implementing AB 2196.
- Biomass: additional information is transferred from the *Overall Program Guidebook for the Renewable Energy Program* regarding eligible biomass materials.
- Fuel Cells: additional information on the hydrogen production process is required.
- Hydroelectric: this section is reorganized and duplicative information is removed; pumped storage hydroelectric is moved from this section to the Energy Storage section.
- The following topics are added to the Energy Resources Eligibility Requirements section:
 - Geothermal
 - Ocean Thermal
 - Ocean Wave
 - Solar
 - Tidal Current
 - Wind

III. Facility Requirements

This section incorporates the portions of the former Eligibility Requirements section relating to the operations and characteristics of an electric generating facility. Changes to this section include:

- Table 2 summarizes the facility requirements presented in this section.
- Generation Tracking and Accounting: the treatment of station service loads is clarified.
- Renewable Facilities Using Multiple Energy Resources
 - Clarifies the types of fuel measurement methodologies allowed by the Energy Commission.
 - The amount of nonrenewable fuel that may count toward the RPS is established for biomass facilities that participated in the Energy Commission's former Existing Renewable Facilities Program.
 - Additional clarifications are made to the yearly reporting instructions for facilities using multiple fuels including nonrenewable fuels.
- Facilities with a First Point of Interconnection to a non-California Balancing Authority Outside California or Facilities Located Outside the United States.
 - Removal of Socioeconomics and Workers' Safety from the list of Laws, Ordinances, Regulations and Standards (LORS) that must be addressed.
 - Language on certifying facilities for incremental generation is deleted.
- Incremental Generation: this section is introduced, which describes how the historical and renewable baselines are determined and how the eligible incremental generation is determined.
- Energy Storage: A new subsection on energy storage is added, which establishes requirements for eligible renewable energy facilities using storage.
- The following subsections are removed from this section:
 - Energy Delivery Requirements
 - Unbundled Renewable Energy Credits

IV. Certification

The certification section is expanded to include new certification types and additional information on the certification process.

- Limited certification for facilities exclusively serving a multijurisdictional utility is no longer offered.

- Utility-certified facilities.
 - The certification extension deadline for utility-certified facilities is extended from October 1, 2012, to the adoption date of the seventh edition of the *Renewables Portfolio Standard Eligibility Guidebook*.
 - Each IOU must provide additional information to the Energy Commission regarding all utility-certified facilities they represent with unexpired initial contracts.
 - Each IOU must submit a CEC-RPS-1 form for each utility-certified facility it owns.
- Applicants for facilities that failed to apply for certification within 90 days of commencing commercial operations or apply for amended certification or precertification with 90 days of a significant change may now retain their original eligibility date if the Energy Commission received an application for certification or amended certification or precertification before the adoption date of the seventh edition of the *Renewables Portfolio Standard Eligibility Guidebook*.
- Facilities Using Biomethane under pre-March 29, 2012, biomethane procurement contracts: limited certification is established for electric generation facilities using biomethane under biomethane procurement contracts executed before March 29, 2012.
- Historic Carryover: establishes requirements for facilities with eligible generation for historic carry-over, as specified in the Energy Commission’s draft regulations for Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities, as adopted.
- Eligibility Date: information on how the RPS-eligibility date is established and under what circumstances it may be changed, are described in detail, including all exceptions that allow generation before the eligibility date to count for specific purposes.
- Checking the RPS-Eligibility Status of a Facility: Information on how to determine the status of an application for a facility in the RPS program.
- Applications that were denied for being incomplete after the adoption of the fifth edition of the *Renewables Portfolio Standard Eligibility Guidebook* may reinstate the original eligibility date, assigned to the facility in an approved application, if an application is received by the Energy Commission before the adoption of this seventh edition of the *Renewables Portfolio Standard Eligibility Guidebook*.

V. RPS Tracking Systems, Reporting, and Verification

New RPS reporting instructions and updated and new forms are provided for all load serving entities. Energy Commission staff continue to finalize the forms to ensure that they conform with the text in the *RPS Guidebook*; forms adopted with the final *RPS Guidebook* may differ slightly from the draft forms published with the guidebook notice.

- There are special reporting instructions for retail sellers and Publicly Owned Electric Utilities (POUs) for reporting 2011 and 2012 procurement. For years 2013 and forward, the annual due date for reporting procurement retired for the RPS for the previous reporting year is July 1 for both retail sellers and POUs.
- The reporting requirements and limitations related to the phasing out of the Interim Tracking System (ITS) for retail sellers, POUs, and certain RPS-certified facilities are described.
- REC retirement and reporting requirements shared by retail sellers and POUs are explained.
- In addition to explaining the verification methodology using the ITS and the Western Renewable Energy Generation Information System – WREGIS, information on how RPS data becomes finalized is included.

VI. RPS Procurement Requirements

- A new section, RPS Procurement Requirements, is added. It addresses the different RPS agency roles of the Energy Commission and the California Public Utilities Commission (CPUC) and detailed reporting instructions for POU with regards to “count in full” (including Historic Carryover) and Portfolio Balance Requirement claims.
- The process is discussed for contesting and correcting erroneous categorization in the verification process.

VII. Retail Sellers’ Procurement from POU for RPS Compliance

A retail seller may claim RECs it has procured that are associated with deliveries of electricity by an eligible renewable energy resource to a POU, for purposes of the RPS, if the Energy Commission verifies the procurement and certain conditions.

VII. Administration

A new section, Administration, is added to provide information relevant to the RPS that is currently provided in the *Overall Program Guidebook for the Renewable Energy Program*.

Glossary of Terms

The following terms related to the RPS program have been added, some of which are from the current *Overall Program Guidebook’s* Glossary of Terms:

- Biogas
- Biomass
- Biomethane
- California Balancing Authority
- Commercial operation
- Commercial operations date (COD)
- Common carrier pipeline
- Dedicated pipeline
- Investor-owned utility (IOU)
- Ocean thermal
- Ocean wave
- Pipeline biomethane
- Portfolio Content Category
- Reporting year
- Water-supply or conveyance system
- Retire

Overall Program Guidebook for the Renewable Energy Program

The RPS program will no longer reference the *Overall Program Guidebook*, which the Energy Commission plans to phase out by the end of 2013.

I. Introduction

References to the RPS, RPS-related legislation, and *Renewables Portfolio Standard Eligibility Guidebook* are deleted.

II. General Provisions

References to the RPS, *Renewables Portfolio Standard Eligibility Guidebook*, and statutory authority for the RPS are deleted.

IV. Applying for Program Funds and Renewables Portfolio Standard Certification

References to RPS certification are deleted.

V. Reconsideration of Funding Awards, Funding Award Cancellations, and Certification

References to RPS certification are deleted

VII. Enforcement Action

References to RPS certification are deleted.

Glossary of Terms

The following terms related to the RPS are deleted or revised in the *Overall Program Guidebook's* Glossary of Terms:

- Balancing Authority Area
- California Balancing Authority
- Collaborative Staff
- Conduit hydroelectric facility
- Green attribute
- Investor-owned utility
- Multijurisdictional utility
- Project
- Renewable Energy Certificate
- Small hydroelectric
- Water-supply or conveyance system
- Western Renewable Energy Generation Information System