

**STATE OF CALIFORNIA
BEFORE THE CALIFORNIA ENERGY COMMISSION**

In the matter of:)	Docket No. 11-RPS-01
)	
Developing Regulations and Guidelines)	COMMENTS RE:
for the 33% Renewables Portfolio Standard)	Staff Workshop On
)	Station Service
)	
<hr/>)	September 20, 2013

Comments of the Sacramento Municipal Utility District (SMUD) on Staff Workshop Regarding Station Service

Thank you for the opportunity to provide comments on the CEC staff's efforts to provide better guidance and definitions of the concept of station service and its relation to creation of eligible RECs for the RPS. SMUD observed the September 10th workshop, and has reviewed Attachment A to the workshop notice, summarizing staff's research into and recommendations about the station service concept to date.

SMUD generally agrees with CEC staff that station service energy use should not be eligible for RPS procurement or REC creation in WREGIS since it is not generally available to end-users in the State. And, SMUD generally agrees that it is reasonable for the REC tracking service used for the RPS in California – WREGIS – to create RECs only for that generation that is not station service, and hence to have a definition of that term, and that WREGIS should have general authority over the application of that definition in WREGIS.

However, as was evident in the workshop, there are complications in understanding and defining these terms appropriately due to the differential requirements and operational characteristics of various renewable generators.

SMUD believes that any energy used on-site in support of the operation of renewable facility should be supplied by the renewable facility – when it is operating -- prior to exporting power to the grid or to a counterparty. The metered value of that exported power should be generally considered to be representative of the eligible, delivered, amount of RECs available to the grid or counterparty. SMUD is opposed to administratively altering the metered value to

reflect an overly ambitious definition or interpretation of station service, believing that this path is overly complicated and unnecessary for purposes of the integrity of the RPS in California.

Specifically, SMUD encourages the CEC to:

- Require that, when a facility is operating, any energy necessary for station service be provided by the facility itself. SMUD believes that this is the normal procedure at a facility, and should not need to be enforced in any way other than attestation and spot-checking or auditing where necessary.
- Not include in the concept of “station service” any energy that is used on-site when a generator is not operating. Attempting to monitor and administratively deduct energy for lighting, etc. at a facility while it is not operating from the metered generation of a facility during operation is an unwieldy and unnecessary expansion of the basic concept here – that, during operation, the facility should provide the power necessary for its basic operation. SMUD believes that moving down this path is inconsistent with the Program Administrator Advice Letter to WREGIS Regarding Station Service (May 2012), which indicates that an “inverted definition” of station service would “...lead to confusion and a wider reach than ... intended.” SMUD contends that ancillary use when the facility is not operating is conceptually similar to energy use for site maintenance or supply chain activities, which the Advice Letter recommended *not* including. For example, nighttime lighting at solar PV system likely fits the “inverted” definition of station service that the Advice letter recommends against, rather than the “positive” definition of power needed for the basic operation of a facility.
- Not include in the concept of “station service” any energy that is used to transport fuel, or any other aspect of the renewable generation, to the generation site. For example, energy for the transportation of biomethane through a pipeline to a generator within California should not be considered station service, and somehow deducted from the metered generation of a facility using biomethane. Also, any energy used to transport or pump wastewater from an offsite source such to a geothermal field for injection for field replenishment should not be considered station service and deducted from metered generation in some fashion.

In addition, the CEC staff paper on station service (Attachment A) and presentation at the workshop discussed the desire to avoid allowing facilities to

adjust a site boundary in some fashion to place some necessary load “off-site”, and hence potentially outside the definition of station service. SMUD agrees that this redefinition of boundaries is inappropriate and should not be allowed, but SMUD also believes that the CEC should not administratively expand a project’s boundaries to cover all energy use that may be considered “station service”, even if that energy use is clearly not a part of the original facility boundary. A project will in most cases have a clear, concise “boundary” beyond which the energy used to transport fuel, fluids, or necessary equipment, etc. to the facility, or to monitor or control the operation of a facility, should not be administratively added to “station service” merely because it is within the types of on-site load that normally would be included in the concept. For example, the energy necessary for a central dispatch center where a facility is monitored and may be controlled remotely should not be included in station service and deducted from the metered generation, even though that energy if it occurred on-site would normally reduce the metered, exported generation.

Thank you again for the opportunity to comment.

/s/

WILLIAM W. WESTERFIELD, III
Senior Attorney
Sacramento Municipal Utility District
P.O. Box 15830, M.S., B406, Sacramento, CA 95852-1830

/s/

TIMOTHY TUTT
Program Manager, State Regulatory Affairs
Sacramento Municipal Utility District
P.O. Box 15830, M.S. A404, Sacramento, CA 95852-1830
cc: Corporate Files