



California Energy Commission

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11-RPS-01

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California Energy Commission
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5504

18 of February, 2014

RE: *RPS Guidebook Scoping Workshop (Docket No. 11-RPS-01)*

Iberdrola Renewables, LLC (Iberdrola) appreciates the opportunity to comment on potential revisions to the California Energy Commission's (CEC's) Renewables Portfolio Standard (RPS) Eligibility Guidebook, Seventh Edition. Iberdrola looks forward to additional dialogue on all of the proposed subjects discussed at the January 28, 2014 Lead Commissioner's Workshop. At the present time, Iberdrola offers opinions on two topics:

1. Certification and Precertification

Iberdrola strongly recommends against doing away with the pre-certification process. Iberdrola can understand the CEC's frustrations and strain against staff resources due to the inability of some pre-certified facilities to come on line within a reasonable timeframe or at all. The existing requirement for renewable resource facility owners to apply for RPS certification within 90 days of a facility's commercial operations date (COD) in order to retain the pre-certification eligibility date is reasonable. As the CEC is aware, California load serving entities can only purchase energy to meet their RPS targets from certified facilities. Certified facilities must be registered with WREGIS in order to create the WREGIS certificates required for RPS verification. Currently, WREGIS will not allow a facility to register until the facility has received final CEC certification—and the CEC does not give final certification until projects have reached COD. If a project is pre-certified, then the facility owner can better manage the certification process and thus ensure that full value for the renewable energy can be received from COD.

Absent pre-certification, the final certification process may ultimately take longer and delay the effective date of power purchase agreements beyond COD which would have a disastrous effect on the project economics and result in higher costs to ratepayers. Therefore, project developers are very sensitive to the timing of certification and registration in WREGIS and are concerned about any delay in certification. The existing certification and pre-certification process is working well and serves its intended purpose.

2. RPS Eligibility for Energy Storage Facilities

(A) In response to the CEC's question raised in the January 28, 2014 Workshop Presentation:

Should energy storage facilities not directly connected to or metered as part of a renewable facility be eligible for RPS certification?

Like most energy stakeholders, Iberdrola is enthusiastic about the prospect of increasing energy storage capacity as an integral part of California's clean energy infrastructure. Any CEC policy that addresses allocation of RPS-like credit to storage facilities should not inadvertently dilute or detract from the value of CEC-certified renewable energy resources. As the CEC acknowledges, stand-alone energy storage devices do not generate energy, and they are not "renewable." Thus, it does not make sense for stand-alone energy storage devices to be eligible for RPS certification. That said, there is a strong value proposition associated with energy storage complementing renewable generation facilities. Adding energy storage to the design of renewable projects such as wind and solar may increase reliability and benefit the grid. Furthermore, many developing energy storage technologies bring significant ancillary service value which should be encouraged to their maximum extent, rather than to focus on distinctions between renewable "behind the meter" storage (least efficient) and renewable and grid-tied storage (most efficient). On the other hand, issues such as losses to metered output at the point of interconnection need to be addressed at the outset so that there is not an artificial disincentive to adding this capability.

Storage itself does not add to the amount of renewable generation used to satisfy California demand and therefore should not be counted toward satisfaction of RPS targets previously passed or contemplated in the future. Storage does, however, increase the system value of renewable energy when it is used to shift energy to higher load periods or when it responds effectively to ramping and power quality issues. Therefore, Iberdrola would support a policy to promote efficient deployment of energy storage but not a credit that assumes all energy deployed through storage is RPS compliant. Ideally, in the case of storage located as a stand-alone device, it would have its own incentives that recognize its contribution to bulk storage, ancillary services as well as deferral of transmission or distribution build.

If storage is part of a renewable facility, the RECs ultimately credited for RPS compliance should be based on the generation of the facility itself and not on the loss-adjusted generation produced by the storage facility. In addition, combined facilities should be optimized to accommodate the ability for storage to react in the most efficient way for the grid without reducing the RECs generated for RPS compliance. Storage should provide shaping in the hours that benefit the grid the most and not based on program compliance that does not value system needs in real time. If structured appropriately, storage may participate in the ancillary services market and the bulk storage program, regardless of its location or RPS designation. Incenting storage to meet these needs would provide California electricity ratepayers significant value.

(B) Should energy storage devices be allowed to shift delivery times for Portfolio Content Category 1 deliveries? Why or why not? If yes, explain how this could be verified.

Yes—energy storage devices should be allowed to shift delivery times for PCC1 deliveries, aligned with the above principles. Essentially, Iberdrola recommends ensuring that all energy generated by a renewable facility is counted for the RPS regardless of whether that energy goes directly to the grid or is used to charge a storage facility before being dispatched to the grid. For example, within an hour, if a project generates 100 MWh, and 80 MWh are delivered directly to the grid and 20 MWh charge a storage facility, the full 100 MW of generation should count for RPS.

Iberdrola appreciates the ability to comment on these critical issues. We look forward to continued dialogue with the CEC and stakeholders, particularly on the energy storage issue which is obviously quite complicated and presents unprecedented challenges and opportunities with respect to California's clean energy goals.

Yours Sincerely,

A handwritten signature in dark red ink that reads "Robin Smutny-Jones". The signature is written in a cursive, flowing style.

Robin Smutny-Jones, Director
California Policy and Regulation