

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
SACRAMENTO, CA 95814-5512
www.energy.ca.gov



November 18, 2014

California Energy Commission

DOCKETED**11-RPS-01**

TN 74019

NOV 18 2014

Meg Meal
City and County of San Francisco
San Francisco Public Utilities Commission
525 Golden Gate Avenue, 7th Floor
San Francisco, CA 94102

RE: Amendment to Renewables Portfolio Standard Certification for Electric Generation Unit Operated as Part of a Water Supply or Conveyance System for:

- R C Kirkwood Powerhouse Unit 1, RPS ID No. 62549A;
- R C Kirkwood Powerhouse Unit 2, RPS ID No. 62550A;
- R C Kirkwood Powerhouse Unit 3, RPS ID No. 62551A.

Dear Ms. Meal:

This letter concerns your pending applications for certification of the water supply or conveyance system hydroelectric generation units referenced above for California's Renewables Portfolio Standard (RPS). As you are aware, on November 17, 2014, the Energy Commission adopted Resolution Number 14-1117-14, which revised the requirements in the *Renewables Portfolio Standard Eligibility Guidebook, 7th Edition*, pertaining to hydroelectric generation units not exceeding 40 megawatts that are operated as part of a water supply or conveyance system, pursuant to Assembly Bill 1478.¹ These revised requirements are shown in underline/strikeout as part of the attached document.

Before the Energy Commission can complete the certification process, you must update your pending applications to comport with the revised requirements set forth in Resolution Number 14-1117-14. This is necessary, because the pending applications were submitted based on the requirements in the *Renewables Portfolio Standard Eligibility Guidebook* in place at the time of submission, and included an attestation to this effect that acknowledged, on behalf of the facility owner, the acceptance and ongoing satisfaction of all requirements as set forth in that *Renewables Portfolio Standard Eligibility Guidebook*.

¹ AB 1478 (Stats. 2014, Ch. 664).

To update your pending applications you must sign and return the attached document. By signing the attached document, you acknowledge and agree to the following:

1. You are an authorized officer or agent of the facility owner and acting on the owner's behalf;
2. You have reviewed the revised requirements as shown in the attached document;
3. You are updating your pending applications to reflect the revised requirements, and recognize that the revised requirements alter the information included in *Section V: Existing Water Supply or Conveyance System Facilities* and *Section XII: Attestation* of the CEC-RPS-1 form that you submitted as part of the pending applications; and
4. You agree to be bound by and comply with the revised requirements.

If you have any questions concerning this letter or the processing of your pending applications, please contact me by email at lynette.green@energy.ca.gov or by phone at (916) 653-2728.

Sincerely,

Lynette Green
RPS Certification Lead
Renewable Energy Division

Attachment

Amendment to Application for RPS Certification

The purpose of this document is to update the pending applications for RPS certification of the following hydroelectric generation units to reflect revised requirements in the *Renewables Portfolio Standard Eligibility Guidebook, 7th Edition*, pertaining to hydroelectric generation units not exceeding 40 megawatts that are operated as part of a water supply or conveyance system, pursuant to Assembly Bill 1478. These revised requirements were adopted by the Energy Commission on November 17, 2014, in Resolution Number 14-1117-14, and are shown below in underline/strikeout format.

Subject Hydroelectric Unit(s):

- R C Kirkwood Powerhouse Unit 1, RPS ID No. 62549A
- R C Kirkwood Powerhouse Unit 2, RPS ID No. 62550A
- R C Kirkwood Powerhouse Unit 3, RPS ID No. 62551A

The pending applications for RPS certification of the subject hydroelectric units are hereby updated to comport with the revised requirements shown below and set forth in Resolution Number 14-1117-14.

By signing this document, I acknowledge and agree to the following:

1. I am an authorized officer or agent of the owner of the subject hydroelectric units and am acting on the owner's behalf;
2. I have reviewed the revised requirements to the *Renewables Portfolio Standard Eligibility Guidebook, 7th Edition*, as shown below;
3. I am updating my pending applications to reflect these revised requirements, and recognize that the revised requirements alter the information included in *Section V: Existing Water Supply or Conveyance System Facilities* and *Section XII: Attestation* of the CEC-RPS-1 form that I submitted as part of the pending applications; and
4. I agree to be bound by and comply with these revised requirements.

Revised Requirements as set forth in Resolution Number 14-1117-14

Renewables Portfolio Standard Eligibility Guidebook, 7th Edition

Section II.F.3.

Page 29

Existing Hydroelectric Generation Unit Operated as Part of a Water Supply or Conveyance System

The ~~generation from certification of~~ an existing hydroelectric generation unit operated as part of a water supply or conveyance system² is eligible for the RPS, subject to the limitations specified

² Senate Bill X1-2 revised Public Utilities Code Section 399.12, Subdivision (e)(1)(A), to add existing hydroelectric generation units not exceeding 40 MW and operated as part of a water supply or conveyance system as an eligible renewable energy resource, if certain criteria are met. Section 399.12, Subdivision (e)(1), was subsequently clarified and amended by Assembly Bill 1478 (Statutes of 2014, Chapter 664). Hydroelectric generation units meeting these

below, if the following criteria are satisfied: requires that the unit meet all of the following requirements:

- a) The generation unit has a nameplate capacity of not exceeding 40 MW or less, subject to the definition of a "project" as defined in this guidebook, the Glossary of Terms.
- b) Generation from the facility was under contract to, or owned by, a retail seller or local publicly owned electric utility (POU) procured electricity from the generation unit as of December 31, 2005.
- c) The generation unit commenced commercial operations on or before December 31, 2005.
- d) The generation unit is operated as part of a "water supply or conveyance system," as defined in this guidebook, the Glossary of Terms.
- e) The electricity generated by the generation unit is metered separately from any other generating units located at or within the same hydroelectric generation facility.³
- f) An application to certify the generation unit for the RPS was submitted to the Energy Commission before January 1, 2013.

Limitations on RPS Eligibility:

- 1) Generation units certified for the RPS pursuant to this Section II.F.3 are eligible for the RPS starting on January 1, 2011, consistent with Public Utilities Code section 399.12 (e)(1), as amended by Senate Bill X1-2 and subsequently clarified and amended by Assembly Bill 1478.
- 2) Electricity from the generating unit certified for the RPS pursuant to this Section II.F.3 may only be used to satisfy the RPS procurement requirements of the retail seller or POU that procured electricity from the generation unit as of December 31, 2005. If multiple retail sellers or POUs procured electricity from the generation unit as of December 31, 2005, only the retail seller or POU that owned the generation unit as of December 31, 2005, may use electricity from the generation unit to meet its RPS procurement requirements, except as provided in paragraph (3) below.
- 3) A POU that meets the criteria of Public Utilities Code section 399.30 (j) may sell to another POU up to 100,000 megawatt-hours of electricity from all generation units certified for the RPS pursuant to this Section II.F.3, and that electricity may be used by the POU that purchased the electricity to meet its RPS procurement requirements. Electricity from the certified generation units may be sold to multiple POUs, but the total of all such sales shall not exceed 100,000 megawatt-hours.
- 4) A POU that meets the criteria of Public Utilities Code section 399.30 (j) shall report to the Energy Commission all sales of electricity from generation units certified for the RPS

criteria are eligible for the RPS starting on January 1, 2011, consistent with SB X1-2, provided the eligibility requirements specified in this guidebook are satisfied.

³ For example, if a powerhouse located on a water supply or conveyance system includes three separate hydroelectric generating units, each unit for which RPS certification is sought must be separately metered.

pursuant to this Section II.F.3 to ensure compliance with the 100,000 megawatt-hour limit of paragraph (3). The electricity sales shall be reported to the Energy Commission as specified in Section V.B.6. of this guidebook.

To qualify for RPS certification, the applicant for the generation unit shall provide the additional ~~Additional~~ documentation described below ~~must be included~~ with a complete application for RPS certification or precertification. An applicant must provide the following additional information to substantiate that the hydroelectric generation unit is operated as part of a water supply or conveyance system:

- a) ~~The~~ Current water supply permit issued by the California Department of Public Health, if applicable, or its equivalent from another state or local government agency.
- b) ~~The~~ Current hydroelectric project license, permits, or exemption from licensing from the Federal Energy Regulatory Commission (FERC), if applicable, or the equivalent from another federal, state, or local government agency. If no FERC hydroelectric project licenses, permits, or exemptions were issued for the facility, the applicant must submit documentation explaining why the FERC project licenses, permits, or exemptions are not applicable to the facility.
- c) Documentation showing the water supply or and ~~and~~ conveyance system was ~~initially~~ built solely for the distribution of water for agricultural, municipal, or industrial consumption and operated primarily for this purpose.

Add Section V.B.6.

Page 91

6. Reporting Sales from Existing Hydroelectric Generation Units Operated as Part of a Water Supply or Conveyance System.

A POU that meets the criteria of Public Utilities Code section 399.30 (j) shall report annually to the Energy Commission on all sales of electricity from hydroelectric generation units certified for the RPS pursuant to Section II.F.3. of this guidebook. By July 1 of each year, the POU shall submit an annual report to the Energy Commission that includes the information in paragraphs (1) – (3) below for all electricity sales from certified hydroelectric generation units made in the prior calendar year.

- (1) The name and RPS identification number of each certified generation unit from which electricity was sold.
- (2) The quantity of electricity sold, in megawatt-hours, from each certified generation unit per month for the previous calendar year.
- (3) The name and contact information of the POU that purchased electricity from the certified generation unit.

A POU may combine the annual report required pursuant to this subsection with other annual reports due to the Energy Commission, provided the reports are submitted to the Energy Commission by July 1 of each year.

Glossary of Terms

Pages 122-123

Project — ~~for hydroelectric facilities under the Renewables Portfolio Standard Program, “project” refers to a group of one or more pieces of generating equipment and ancillary equipment necessary to interconnect to the transmission grid that is unequivocally separable from any other generating equipment or components. For hydroelectric facilities under the Renewables Portfolio Standard Program, a “project” is two~~ Two or more sets of generating equipment that are located within a one-mile radius of each other and are either 1) contiguous or 2) share common control or maintenance facilities and schedules shall constitute a single project, except in the following circumstances:

- 1) A conduit hydroelectric facility, certified as a conduit hydroelectric facility and not a small hydroelectric facility, may be considered a separate project even though the facility itself is part of a larger hydroelectric facility, provided that the larger hydroelectric facility commenced commercial operations prior to January 1, 2006, and the conduit hydroelectric facility commenced commercial operations on or after January 1, 2006, does not cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow, is separately metered to identify its generation, and is separately certified as RPS-eligible by the Energy Commission. A conduit hydroelectric facility certified as a small hydroelectric facility may not be part of a larger project without considering the capacity of the entire project in the certification.
- 2) ~~For a small~~ A hydroelectric generation unit with a nameplate capacity not exceeding 40 megawatts that is operated as part of a water supply or conveyance system and satisfies the RPS eligibility criteria of Section II.F.3 of this guidebook, as defined in this guidebook, may be considered a separate project even though the generation unit itself is part of a larger hydroelectric facility. and generation from the facility was under contract to, or owned by, a retail seller or local publicly owned electric utility as of December 31, 2005, the The turbine and generator of the hydroelectric generation unit shall constitute a separate project provided that the unit is separately metered to identify its generation, and is separately certified as RPS-eligible by the Energy Commission. If a hydroelectric generation unit is certified as part of a small hydroelectric facility, rather than individually pursuant to Section II.F.3, the capacity of the hydroelectric unit shall be considered part of the overall project in determining the capacity of the small hydroelectric facility.

~~For all other electrical generation facilities under the Renewables Portfolio Standard Program, “project” refers to a group of one or more pieces of electrical generating equipment and~~

~~ancillary equipment necessary to interconnect to the transmission grid that is unequivocally separable from any other electrical generating equipment or components.~~

Page 127

Water supply or conveyance system — the distribution of water through a tunnel, canal, pipeline, aqueduct, flume, ditch, and/or similarly constructed water conveyance that was ~~initially~~ built solely for the distribution of water for agricultural, municipal, or industrial consumption, and operated primarily for this purpose, ~~and not primarily for the generation of electricity.~~

Signature of Authorized Officer of Agent of the Facility Owner

Applicant Signature

Date

Print Applicant Name

Facility Owner Name