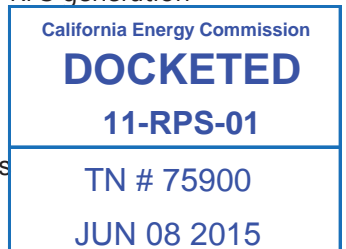


From: Hendry, James <JHendry@sfgwater.org>
Sent: Monday, June 08, 2015 10:42 AM
To: Chisholm, Emily@Energy; Gould, Angela@Energy; Green, Lynette@Energy
Subject: RPS Eligibility Guidebook -- Minor clarifications for incremental RPS generation

Importance: High



Angie/Emily – please forward on to Mark Koostra as well as I don't have his e-mail handy. Thanks

Under the section for calculating incremental RPS-eligible generation I noticed the following statement which I think needs correcting.

PAGE 42 (clean version)
CALCULATED MEASUREMENT METHOD

2. Calculated Measurement Method

.....

The incremental generation is defined as the electricity generated by the facility in excess of the historical baseline. *The generation attributed to the baseline generation, which cannot be counted as RPS-eligible, shall include renewable generation* equal to the renewable baseline and include additional generation, renewable or nonrenewable, equal to the remainder of the historical baseline. Facilities not producing renewable generation in excess of the renewable baseline, or any generation in excess of the historical baseline, in a particular month will not produce any incremental generation that month.

As written, the language states that “baseline generation...cannot be counted as RPS-eligible”, which is then immediately followed by the statement that the baseline includes both a renewable (i.e. RPS-eligible) and non-renewable component.

As this section can apply to incremental generation from existing RPS-eligible sources I do not think it means to say that the base-line generation must not be RPS-eligible.

I believe what the regulation is trying to say is that the renewable baseline generation is not to be included in calculating the amount of incremental RPS-eligible generation which is what Section III.E. addresses.

A proposed fix is offered below (additional language in **bold/underline**).

The incremental generation is defined as the electricity generated by the facility in excess of the historical baseline. The generation attributed to the baseline generation, which cannot be counted as RPS-eligible **under Section III.E**, shall include renewable generation equal to the renewable baseline and include additional generation, renewable or nonrenewable, equal to the remainder of the

historical baseline. Facilities not producing renewable generation in excess of the renewable baseline, or any generation in excess of the historical baseline, in a particular month will not produce any incremental generation that month.

Hopefully the above clarifies that the incremental generation becomes RPS-eligible as calculated under this section, while the underlying baseline RPS-generation retains its eligibility according to the other sections of the Guidebook.

The current language may be carried over from the previous version of this section which originally read: "An applicant may seek RPS certification for only the incremental output of a facility *that is otherwise ineligible for the RPS certification.*" This latter portion has now been struck out of the current version so it now reads: "An applicant may seek RPS certification for only the incremental output of a facility ~~that is otherwise ineligible for the RPS certification.~~" (See page 86 of the red-lined version)