

Memorandum

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To: Rob Oglesby

Date : November 6, 2015

Telephone: CALNET (XXX)
(XXX)

From : **California Energy Commission - Suzanne Korosec**
1516 Ninth Street
Sacramento CA 95814-5512
Deputy Director, Renewable Energy Division

Subject: DTE STOCKTON LLC'S REQUEST FOR CREATION OF RETROACTIVE REC IN WREGIS FOR RPS CERTIFICATION

This memo is in regard to DTE Stockton LLC's request for the creation of retroactive renewable energy credits (REC) in the Western Renewable Energy Generation Information System (WREGIS) for Renewables Portfolio Standard (RPS) certification for the DTE Stockton facility, RPS ID No. 60964A, WREGIS GU ID (Generating Unit Identification) W3540.

RPS staff recommends that the Executive Director grant the request based on the documentation DTE Stockton LLC submitted in support of its request, as described below.

Eligibility Date and Certification for the DTE Stockton Facility

The DTE Stockton facility was granted RPS certification with an eligibility date of January 13, 2010, based on the date the precertification application was received. The *RPS Eligibility Guidebook, 7th Edition*, required that a precertified facility must apply for full certification within 90 days of its Commercial Operations Date (COD) to retain the eligibility date assigned during precertification. In order to apply for certification, the facility must be registered and approved in WREGIS.

On February 21, 2014, the DTE Stockton facility commenced commercial operations. On March 6, 2014, the Energy Commission received an application for certification for the DTE Stockton facility which was subsequently approved on March 17, 2014.

In order to count generation of pre-COD (test) energy, a facility must be registered, approved in WREGIS, and issued an approved WREGIS GU ID within 75 days of the facility's COD. The applicant initiated the WREGIS registration process for the DTE Stockton facility on June 14, 2013, but did not provide complete documentation for the account until July 2, 2014. WREGIS Staff subsequently approved the facility for a WREGIS GU ID on July 9, 2014. However, because the WREGIS GU ID number was

not approved within 75 days of the facility's COD, the facility cannot count pre-COD (test) energy.

DTE Stockton, LLC's Request for the creation of retroactive RECs in WREGIS

At the October 7, 2014, business meeting, RPS staff recommended a process that would allow the Executive Director to request the retroactive creation of RECs in WREGIS consistent with WREGIS Operating Rules Section 12.9, based on specific criteria. The Energy Commission unanimously approved the creation of retroactive REC process, which was set forth in Resolution 14-1007-10 and took effect immediately. Additionally, this process was incorporated and adopted into the *RPS Eligibility Guidebook, Eighth Edition* at the June 10, 2015, business meeting.

On October 9, 2015, DTE Stockton, LLC submitted a formal request for the creation of retroactive RECs in WREGIS in accordance with the criteria in Resolution No. 14-1007-10. The request included generating facility WREGIS GU ID, the months and years for which the creation of retroactive RECs is being requested, and a brief explanation why retroactive RECs are needed.

Pursuant to Resolution No. 14-1007-10, the Energy Commission's Executive Director may grant the creation of retroactive RECs in WREGIS if he finds that the applicant has demonstrated the need for the creation of retroactive RECs in WREGIS. In determining the need, the Executive Director may consider, without limitation, whether the applicant was diligent in registering in WREGIS within the WREGIS Operating Rules timeline, whether the applicant's failure to register in WREGIS was caused by circumstances beyond the control of the applicant, and whether the applicant or facility owner or operator will suffer financial consequences or other hardships if the creation of retroactive RECs in WREGIS is not granted.

In its October 9th request for the creation of retroactive RECs in WREGIS, DTE Stockton, LLC states that they were unable to complete the WREGIS registration process because the required registration item (EIA Form 860) was being updated by the United States Department of Energy during the fourth quarter of 2013 and lasted until July 1, 2014. While DTE Stockton, LLC was able to submit the required EIA Form 860 on July 2, 2014, by that time WREGIS was unable to create the RECs that had been generated at the facility from November 2013 through March 2014.

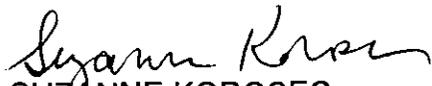
Staff's Determination and Recommendation

Based on the information provided by DTE Stockton, LLC to support its request for the creation of retroactive RECs in WREGIS, staff determined the requirements for granting the creation of retroactive RECs in WREGIS are satisfied and, as required for the creation of retroactive RECs in WREGIS, will not exempt the DTE Stockton facility from complying with all eligibility requirements of the *RPS Eligibility Guidebook*, waive or excuse any of the eligibility dates specified in *RPS Eligibility Guidebook*, allow the creation of retroactive RECs in WREGIS for any generation that predates the date of the request by more than 24 months or the eligibility date of the generating facility, whichever is earlier, or allow DTE Stockton, LLC to circumvent changes under pending *RPS Eligibility Guidebook* revisions or receive a benefit that is not provided in the *RPS Eligibility Guidebook* under which the facility actually submitted an application for RPS certification.

Therefore, staff recommends that the Executive Director grant the creation of retroactive RECs in WREGIS for the DTE Stockton facility for the vintage months of November 2013 through March 2014.

If DTE Stockton's request for a time extension is granted by the Executive Director, staff will forward the request to WREGIS staff for its consideration and approval. The Energy Commission will request WREGIS staff to create the retroactive RECs consistent with the WREGIS Operating Rule Section 12.9 and invoice DTE Stockton, LLC for all costs and expenses incurred by WREGIS staff. Furthermore, if the request is approved, DTE Stockton, LLC shall submit an audit report to the Executive Director within 90 days after the request for the creation of retroactive RECs in WREGIS is approved and the audit report shall meet the criteria specified in the *RPS Eligibility Guidebook*.

If you have any questions, please do not hesitate to contact me.



SUZANNE KOROSEC
Deputy Director, Renewable Energy Division

cc: Christina Crume
Bill Blackburn
Gabe Herrera