

**DOCKETED**

<b>Docket Number:</b>	20-BUSMTG-02
<b>Project Title:</b>	Public Comment on California Energy Commission Business Meetings
<b>TN #:</b>	236085
<b>Document Title:</b>	December 22, 2020 Business Meeting Presentation
<b>Description:</b>	N/A
<b>Filer:</b>	Dorothy Murimi
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Public Advisor
<b>Submission Date:</b>	12/22/2020 10:13:14 AM
<b>Docketed Date:</b>	12/22/2020



# **The December 22, 2020 Business Meeting will commence at 1:00 p.m.**

**To view and listen, click Zoom link:**

<https://energy.zoom.us/j/93869230237?pwd=Zm96c09ULzdXTjd4eldtUXdnUGErDz09>

Password: mtg@10am

**Or call:** (669) 900-6833 or (888) 475-4499 (Toll Free) and enter Webinar ID: 938 6923 0237

**To make a public comment call Verizon line:** (888) 823-5065 Password: business meeting

Provide your name, affiliation, and item number to the operator.

Email your questions to [PublicAdvisor@energy.ca.gov](mailto:PublicAdvisor@energy.ca.gov)



**California Energy Commission  
Business Meeting  
December 22, 2020  
1:00 pm**



# Pledge of Allegiance





# Keep California Healthy



**Wash**



**Clean**



**Cover**



**6 Feet**



[covid19.ca.gov](https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Keep-California-Healthy.aspx)



# Remote Compliance

Business Meeting held remotely, consistent with **Executive Orders N-25-20 and N-29-20** and the recommendations from **California Department of Public Health** to encourage physical distancing to slow spread of COVID-19.

For remote participation instructions go to **CEC's Business Meetings webpage:**

<https://www.energy.ca.gov/proceedings/business-meetings>

If Zoom's toll-free numbers don't work:

- **Call: 669-900-6833**
- **Meeting ID: 938-6923-0237**

If Zoom shuts down, Business Meeting will continue via Verizon.

- **Call: 1-888-823-5065**
- **Passcode: business meeting**



# Public Comment Instructions

- Pursuant to **California Code of Regulations Title 20 §1104(e)**, any person may make oral comment on any agenda item.
- Comments may be **limited to 3 minutes or less** per person and **1 person per organization**.
- Any person wishing to comment on information items or reports (non-voting items) shall reserve their comment for the general public comment portion of the meeting agenda.

## To provide comments:

- **File** in Docket #: 20-BUSMTG-0

## OR

- **Call** (888) 823-5065; PW: business meeting
  - 1) Provide: name, organization and item #.
  - 2) Tell Operator if you represent: federal or state legislature; tribal nation or California tribal government; state agency; or county/city government.
  - 3) Spell your first and last name.
  - 4) Do not use speaker phone when talking.
  - 5) Mute Zoom while calling to comment.



# **Item 1: Recognizing Gabe Herrera**

December 22, 2020 Business Meeting

Presented by Chair Hochschild





# Item 1: Recognizing Gabe Herrera - Public Comment

To provide comments:

- **File** in Docket #: 20-BUSMTG-0

**OR**

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  - 2) Spell your first and last name.

**Staff comments are limited  
to 1 minute per person.**





# **Item 2: Recognizing Elizabeth Flores**

December 22, 2020 Business Meeting

Presented by Chief Counsel Darcie Houck



# Item 2: Recognizing Elizabeth Flores - Public Comment

To provide comments:

- **File** in Docket #: 20-BUSMTG-0

OR

- **Call** (888) 823-5065; PW: business meeting
  - 1) Provide: name, organization and item #.
  - 2) Spell your first and last name.

**Staff comments are limited to 1 minute per person.**





# **Item 3: Recognizing Chris Davis**

December 22, 2020 Business Meeting

Presented by Equal Employment Opportunity Officer Carousel Gore



# Item 3: Recognizing Chris Davis – Public Comment

To provide comments:

- **File** in Docket #: 20-BUSMTG-0

**OR**

- **Call** (888) 823-5065; PW: business meeting
  - 1) Provide: name, organization and item #.
  - 2) Spell your first and last name.

**Staff comments are limited  
to 1 minute per person.**





# **Item #4: Public Hearing - Modification of Regulations Specifying Enforcement Procedures for the Renewables Portfolio Standard for Publicly Owned Electric Utilities (Docket 16-RPS-03)**

December 22 Business Meeting

Katharine Larson, RPS Rulemaking Staff Lead  
Renewable Energy Division, Clean Energy Office



# Benefits to California

- Legislature identified Renewables Portfolio Standard (RPS) benefits:

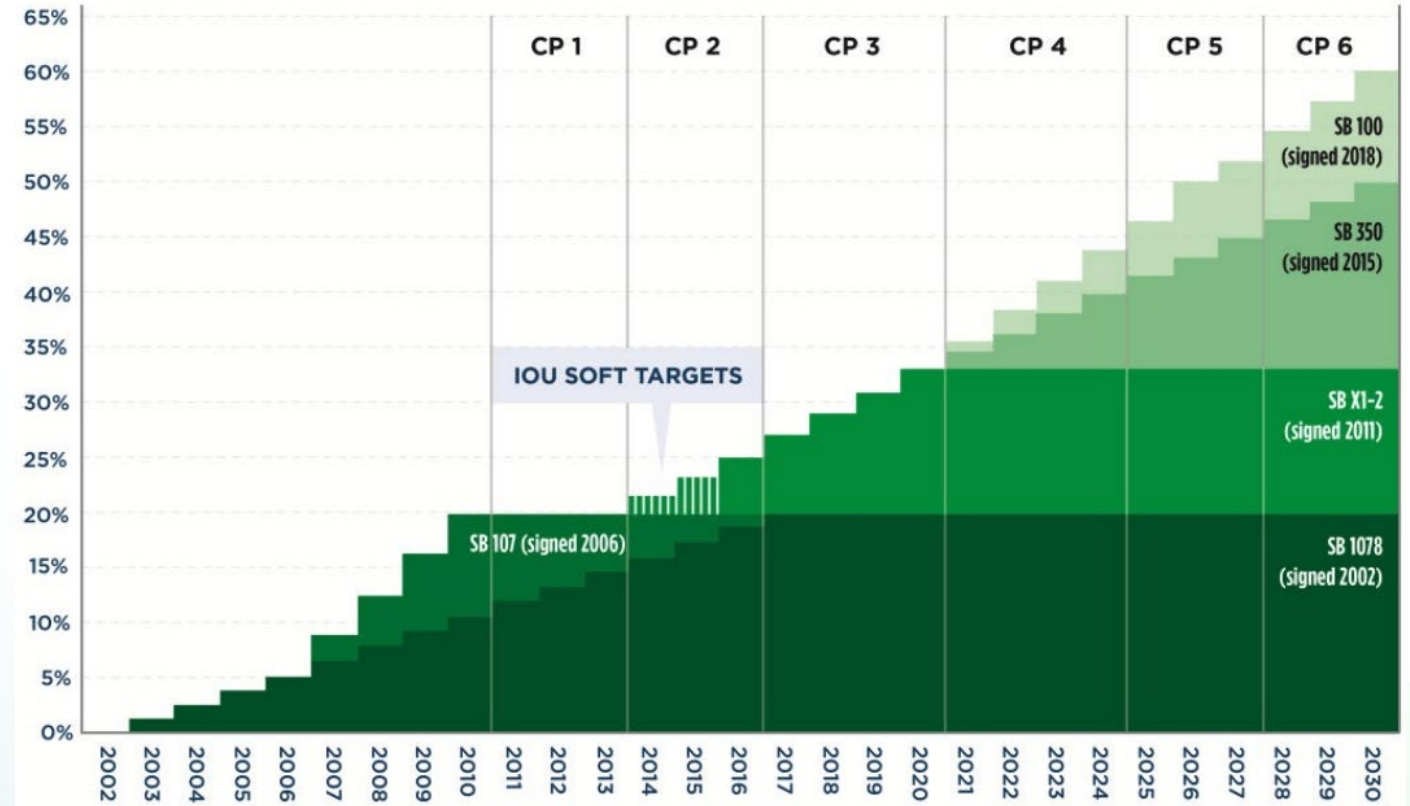


- Proposed regulations promote benefits



# Renewables Portfolio Standard

- Requires retail sellers and POUs to procure increasing amounts of renewable energy
- CEC regulations specify POU RPS enforcement procedures
  - Adopted in 2013 and subsequently amended
- CPUC oversees RPS for retail sellers







# Statutory Changes

Senate Bill (SB) 350 (2015), SB 1393 (2016), SB 100 (2018), SB 1110 (2018)

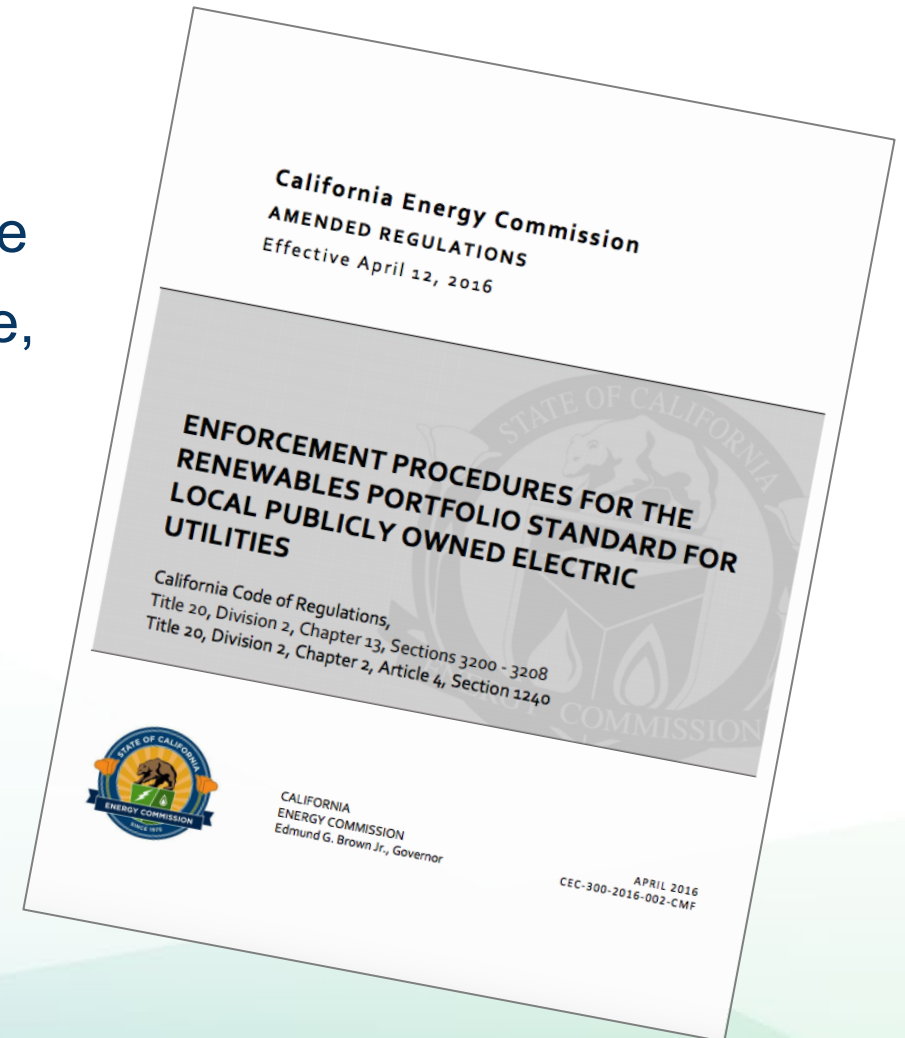
Topic Area	Changes
<b>Procurement Requirements</b>	Compliance periods; targets; long-term procurement requirement
<b>Excess Procurement</b>	Eligibility change; voluntary early compliance process
<b>Optional Compliance Measures</b>	Cost limitations; delay of timely compliance
<b>Exemptions and Adjustments</b>	Exemptions for qualifying hydroelectric generation, gas-fired generation, and unavoidable coal-fired generation; retail sales adjustment based on qualifying green pricing programs; portfolio balance requirement exemption
<b>Other</b>	Procurement plans, reporting



# Rulemaking Objective

## Implement the statutory changes in a manner...

- Consistent with and effectuates purpose of statute
- Consistent, to the extent possible and appropriate, with the implementation for retail sellers
- Reasonably applies to all POU's





# Rulemaking History

- **Pre-rulemaking activities (2016, 2019-2020)**
- **Formal rulemaking initiated (May 8, 2020)**
  - Notice of Proposed Action
  - Initial Statement of Reasons
  - 45-day Express Terms
  - Economic and Fiscal Impact Assessment
- **Lead Commissioner Workshop (June 8, 2020)**
- **CEQA Initial Study and Proposed Negative Declaration (July 9, 2020)**
- **15-day language (July 21, 2020)**
  - Comment period ended August 5
- **Second 15-day language (August 18, 2020)**
  - Comment period ended September 2
- **Lead Commissioner Workshop (November 5, 2020)**
- **Third 15-day language (December 1, 2020)**
  - Comment period ended December 16



# Long-Term Procurement Requirement

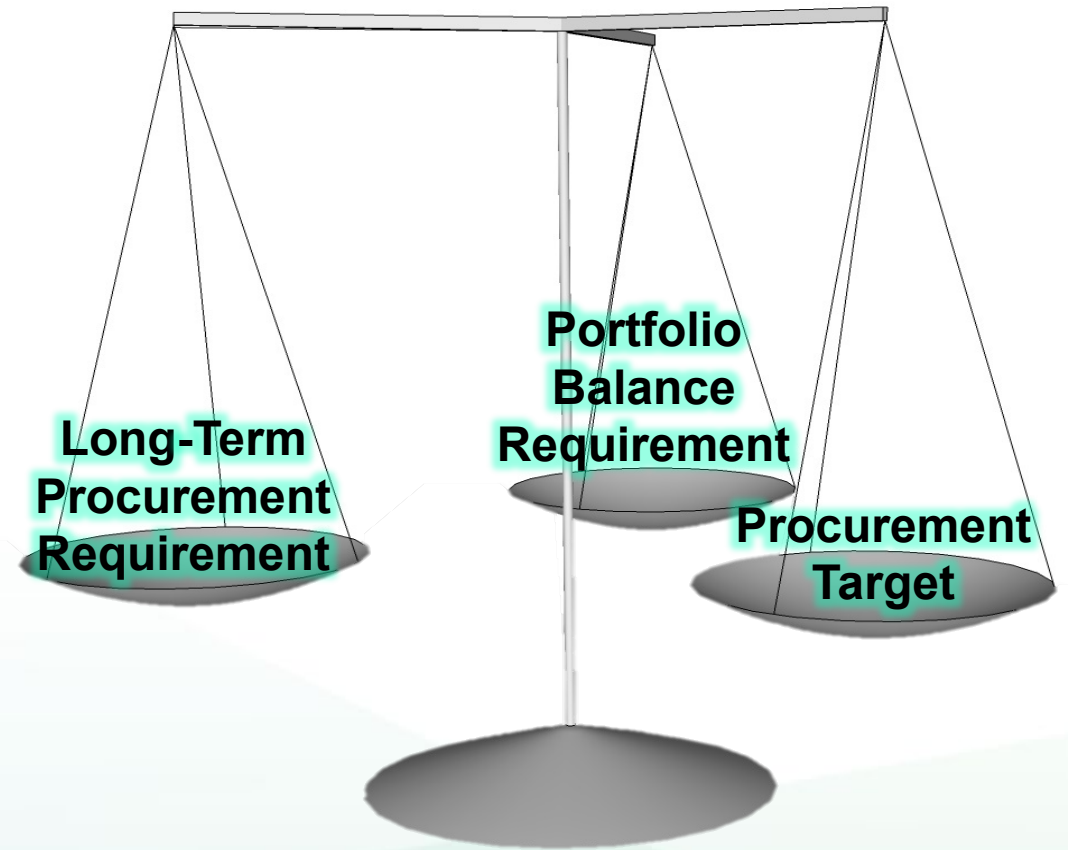
“[...] Beginning January 1, 2021, at least 65 percent of the procurement a retail seller counts toward the renewables portfolio standard requirement of each compliance period shall be from its contracts of 10 years or more in duration or in its ownership or ownership agreements for eligible renewable energy resources.”

“The governing board of a local publicly owned electric utility shall adopt procurement requirements consistent with subparagraph (B) of paragraph (5) of subdivision (a) of, and subdivision (b) of, Section 399.13.”



# Independent Procurement Requirement

- Third, separate RPS procurement requirement
- Same enforcement process for failure to comply
- Same ability to adopt optional compliance measures





# Summary of Long-Term Contract Requirements

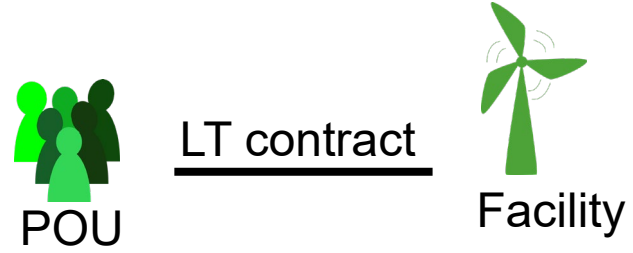
- Duration of at least 10 continuous years
  - Reasonably consistent procurement quantities
  - No cost-free early termination provisions
  - Includes minimum pricing or quantity terms
- } Applies to all long-term contracts
- } Applies to long-term contracts and amendments executed after July 1, 2020

**Requirements apply to POU's procurement contract and any upstream contract(s) with the RPS facility or facilities**

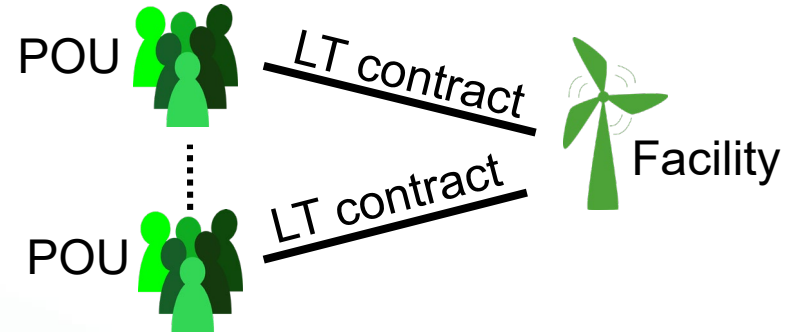


# Long-Term Contract Structures

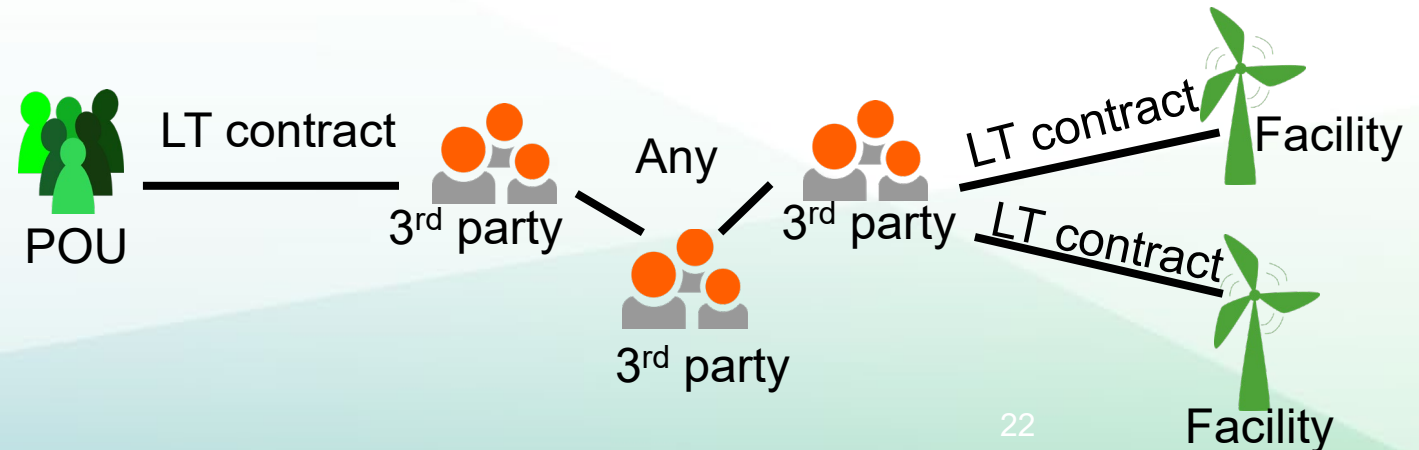
- POU contract with RPS facility (or facilities)



- Jointly negotiated contracts with RPS facility



- POU contracts with third-party suppliers





# Additional Considerations for Long-Term Procurement

- Classification of procurement from a long-term contract
  - Amendments
  - Replacement energy
  - Additional quantity
- Renewals or extensions of certain federal hydropower contracts
- Ownership, ownership agreements
- PCC 0, historic carryover, prior banked excess procurement





# Procurement Requirements and Optional Compliance Measures

## Procurement Requirements

- Compliance Periods
  - Three-year periods beginning on and after January 1, 2031
- Procurement Targets
  - Soft targets for intervening years
- Portfolio Balance Requirement Clarification

## Optional Compliance Measures

- Excess Procurement
  - New rules in 2021, may take effect early
  - Adopt rules allowing early compliance within 30 days of regulation effective date
- Delay of Timely Compliance
  - Additional conditions for delay
- Cost Limitations
  - Simplified requirements for POU rules



# Exemptions and Adjustments

## Retail sales exclusion for qualifying voluntary green pricing/shared renewable generation programs

- Reduced retail sales lowers soft target  
Soft target = (retail sales) x (soft target %)

- Requirements for qualifying generation:
  - Meet criteria of PCC 1
  - Must be retired on customers' behalf
  - Cannot be further sold, transferred, or otherwise monetized
  - To extent possible, POU sought to procure within a California balancing authority

EXAMPLE

Retail Sales: 10,000 MWh  
Qualifying GPP generation: 1,000 MWh  
Soft target percent: 33%

With adjustment:

$$\begin{aligned} &= (10,000 \text{ MWh} - 1,000 \text{ MWh}) \times 33\% \\ &= 9,000 \text{ MWh} \times 33\% \\ &= \mathbf{2,970 \text{ MWh}} \end{aligned}$$

Without adjustment:

$$\begin{aligned} &= (10,000 \text{ MWh}) \times 33\% \\ &= \mathbf{3,300 \text{ MWh}} \end{aligned}$$



# Exemptions and Adjustments

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## Partial procurement target exemption for qualifying large hydroelectric generation

- Potential annual soft target reduction through 2030

## Partial procurement target exemption for qualifying gas-fired generation

- Potential reduction to RPS procurement target beginning in 2025-2027 period
- Eligibility, adjustment based on operating conditions on a compliance period basis



# Reporting

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- **General**
  - Updates to address new and modified requirements
  - Clarification of existing reporting requirements
- **Annual Reporting**
  - Report complete contract information after execution
  - Upstream contracts upon request
  - Attestations by POUs
  - Alternative deadlines if regulations take effect after July 1, 2021
- **Compliance Reporting**
  - Change to two-step process
  - Extension request process



# Review of Long-Term Contracts

## Annual review

- CEC staff will verify contracts identified as long-term
- To the extent possible, staff will notify POUs of the determinations within 1 year
- POU may appeal staff's determination specific to LTR

## Voluntary request for advance review

- Available for contracts...
  - Executed after July 1, 2020, and
  - Additional information needed to show compliance with LTR
- To the extent possible, the Executive Director will issue determination within 90 days
- POU may appeal determination



# Conclusions and Recommendation

- CEQA – Negative Declaration of environmental impact
- Economic and fiscal impact – not major regulations
- Proposed regulations
  - Consistent with and necessary to effectuate purpose of statute
  - Consistent or comparable with requirements for retail sellers
  - Reasonably apply to all POUs
- **Recommend:**
  - 1) Adopting the Negative Declaration for the proposed regulations, then**
  - 2) Adopting the proposed regulations**



# Item 4: Public Hearing – Renewables Portfolio Standards Regulations

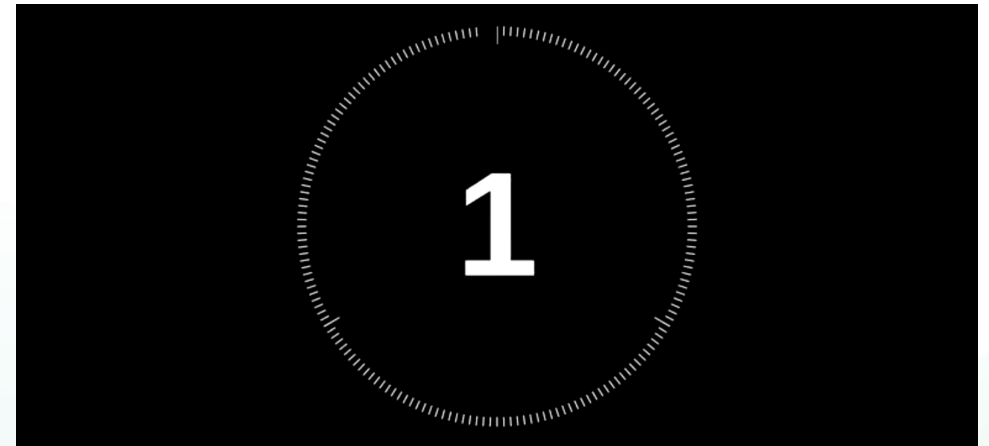
To provide comments:

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**Item 5(a-b): Agreements 001-20 & 002-20-ECG  
with the Monson-Sultana Joint Union  
Elementary & Golden Plains Unified School  
District for \$690,508 & \$534,990 dollars  
respectively in ECAA-Ed Funded Loans**

December 22, 2020 Business Meeting

Camille Remy-Obad

Renewable Energy Division, Local Assistance and Finance Office





# Benefits of the ECAA Loans to California

Creates **Green Jobs**



**Lowers Utility Bills**

**Promotes Energy Efficiency & Renewable Generation**

**7 OF 10**  
of the most ozone polluted U.S cities are in California



CALIFORNIA CLEAN AIR DAY  
A PROJECT OF THE COALITION FOR CLEAN AIR





# Monson-Sultana Project Overview

- Monson-Sultana Joint Union Elementary is proposing to finance an energy project using a \$690,508 zero percent interest loan.



- Project involves installing one 150 kW ground mounted solar photovoltaic (PV) array at the elementary school.





# Golden Plains Project Overview

- Golden Plains Unified School District is proposing to finance an energy project using a \$534,990 zero percent interest loan.
- Project involves replacing halogen, incandescent and HID lighting with LED lamps or fixtures at seven sites:





# Project Energy Savings

## **Monson-Sultana**

319,216 kWh of energy  
conservation

\$61,700 projected annual energy  
cost savings

## **Golden Plains**

280,486 kWh of energy  
conservation

\$81,341 projected annual energy  
cost savings



# Staff Recommendation

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- To adopt staff's determination that these projects are exempt from CEQA.
- To approve agreements 001-20-ECG & 002-20-ECG with the Monson-Sultana Joint Union Elementary School & the Golden Plains Unified School District.



# Item 5 - Public Comment

To provide comments:

- **File** in Docket #: 20-BUSMTG-0

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# Item 6: Minutes - Public Comment

To provide comments:

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# Item 10: Public Comment

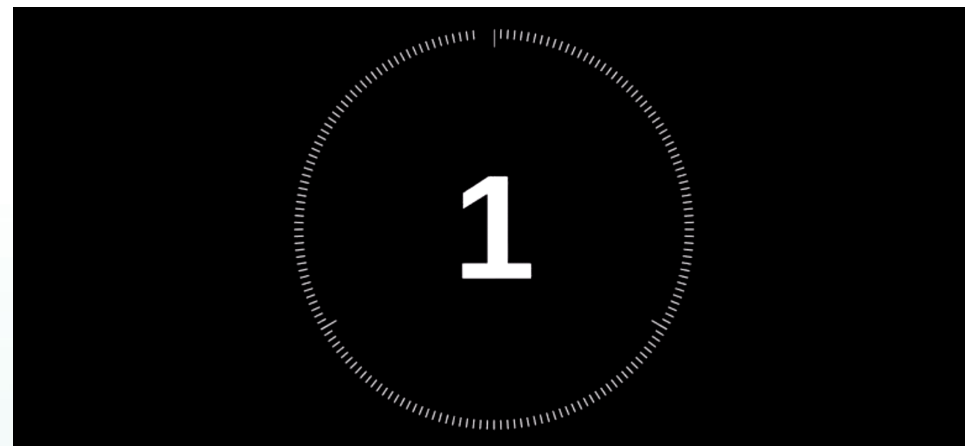
To provide comments:

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**Public comments are limited to 3 minutes per person and 1 person per organization.**







# **In Closed Session**

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**Pursuant Government Code Section 11126**

**The December 22, 2020 Business Meeting.**

**We appreciate your patience.**



# **In Closed Session**

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## **Pursuant Government Code Section 11126**

**The December 22, 2020 Business Meeting is running past 5:00 p.m.  
This meeting will resume at 5:45 p.m.**

**We appreciate your patience.**