STAFF DRAFT GUIDEBOOK

RENEWABLES PORTFOLIO STANDARD ELIGIBILITY

Seventh Edition

Staff Draft Guidebook

CALIFORNIA
ENERGY COMMISSION

Edmund G. Brown Jr., Governor

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ABSTRACT

The *Renewables Portfolio Standard Eligibility Guidebook* describes the eligibility requirements and process for certifying eligible renewable energy resources for California's Renewables Portfolio Standard (RPS) and describes the California Energy Commission's accounting system to verify compliance with the RPS. California's RPS has a target of obtaining 33 percent of the state's electricity from eligible renewable energy resources by 2020.

Keywords: awardee, battery, biodiesel, biomass, biomethane, certificates, certification, common carrier pipeline, conduit hydroelectric, digester gas, electrolysis, eligibility, energy storage, fuel cell, gasification, geothermal, hydroelectric, hydrogen, incremental generation, landfill gas, multifuel, municipal solid waste, ocean wave, ocean thermal, photovoltaic, pipeline biomethane, power purchase agreement, Qualified Reporting Entity (QRE), RECs, renewable energy, renewable energy credits, Renewables Portfolio Standard, repowered, retail sales, small hydroelectric, Self-Generation Incentive Program, solar, solar thermal, supplemental energy payments, tidal current, tradable renewable energy credits, TRECs, water supply or conveyance system, wind, Western Renewable Energy Generation Information System, WREGIS, WREGIS Certificates

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What's New in This Guidebook?

Below are the major changes in this edition of the *Renewables Portfolio Standard Eligibility Guidebook* as compared with the August 2012 sixth edition of the *RPS Guidebook*:

New Legislation

- Assembly Bill 2196 is summarized, which establishes new requirements for facilities using biomethane.

Energy Resource Eligibility Requirements

This section incorporates the portions of the former Eligibility Requirements section relating specifically to eligible energy resources. Changes to this section include:

- Table 1 summarizes the reporting requirements for each renewable resource.
- The biogas section is removed and a biomethane section is introduced, implementing AB 2196.
- Biomass: additional information is transferred from the *Overall Program Guidebook* regarding eligible biomass materials.
- Fuel Cells: additional information on the hydrogen production process is provided.
- Hydroelectric: this section was reorganized and duplicative information was removed; pumped storage hydroelectric was moved from this section to the Energy Storage section.
- The following topics have been added to the Energy Resources Eligibility Requirements section:
    - Geothermal
    - Ocean Thermal
    - Ocean Wave
    - Solar
    - Tidal Current
    - Wind

Facility Requirements

This section incorporates the portions of the former Eligibility Requirements section relating to the operations and characteristics of an electric generating facility that are unrelated to the eligible energy resource used to generate electricity. Changes to this section include:

- Table 2 is introduced to summarize the facility requirements presented in this section.
- Generation Tracking and Accounting
    - The treatment of station service loads is clarified.
- Renewable Facilities Using Multiple Energy Resources

    - General clarifying revisions have been made to the types of fuel measurement methodologies allowed by the Energy Commission
    - The amount of nonrenewable fuel that may counted toward the RPS is established for facilities that participated in the former Existing Renewable Facilities Program
    - Additional clarifications were made to the yearly reporting instructions for facilities using a de minimis quantity of nonrenewable fuel as RPS eligible.
- Facilities with a First Point of Interconnection to a non-California Balancing Authority Outside California or Facilities Located Outside the United States
    - Removal of Socioeconomics and Workers' Safety from the list of LORS that must be addressed.
    - Language on certifying facilities for incremental generation has been removed.
- Incremental Generation: this section is introduced and describes how the historical and renewable baselines are determined and how the eligible incremental generation is determined.
- Energy Storage: requirements are established for eligible renewable energy facilities using storage.
- The following sections are removed from this section:
    - Energy Delivery Requirements
    - Unbundled Renewable Energy Credits

Certification

The certification section is expanded to include new certification types and additional information on the certification process.

- The certification extension deadline for utility-certified facilities is extended from October 1, 2012, to the adoption date of this guidebook. All utility certified facilities are required to apply for certification on the CEC-RPS-1 form by the end of 2013 or risk the suspension of the facility's certification status.
- Pre March 29, 2012, Biomethane Facilities: special certification for facilities eligible under eligible existing biomethane procurement contracts.
- Historic Carryover: establishes requirements for facilities providing generation for historic carry-over as specified in the Energy Commission's draft regulations for *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities,* as adopted.
- Eligibility Date: information on how the eligibility date for the facility is set, and when the eligibility date for a facility may be changed is described in detail, including all exceptions that allow generation from the facility to count for specific purposes before the eligibility date.
- Checking the RPS-Eligibility Status of a Facility: Information on how to determine the status of an application for a facility in the RPS program is provided.

RPS Tracking Systems, Reporting, and Verification

- New RPS reporting instructions and updated and new forms are provided for all load serving entities.
    - There are special reporting instructions for retail sellers and Publicly Owned Electric Utilities (POUs) for reporting 2011 and 2012 procurement. For years 2013 and forward, the annual due date for reporting procurement retired for the RPS for the previous reporting year is July 1 for both retail sellers and POUs.
    - The reporting requirements and limitations related to the phasing out of the Interim Tracking System (ITS) for retail sellers, POUs, and certain RPS-certified facilities are described.
    - REC retirement and reporting requirements shared by retail sellers and POUs are explained.
    - In addition to explaining the verification methodology using the ITS and the Western Renewable Energy Generation Information System – WREGIS, information on how RPS data becomes finalized is included.

RPS Procurement Requirements

- A new section, RPS Procurement Requirements, is added. It addresses the different RPS agency roles of the Energy Commission and the California Public Utilities Commission (CPUC) and detailed reporting instructions for POUs with regards to "count in full" (including Historic Carryover) and Portfolio Balance Requirement claims.
- The process is discussed for contesting and correcting erroneous categorization in the verification process.

Administration

A new section, Administration, is added to provide information that is provided in the *Overall Program Guidebook for the Renewable Energy Program* that is relevant to the RPS. The RPS program will no longer reference the *Overall Program Guidebook*, which the Energy Commission plans to phase out by the end of 2013.

Glossary of Terms

The glossary of terms is taken from the *Overall Program Guidebook*; only relevant definitions were transferred to the RPS Guidebook. The following terms related to the RPS program have been added, revised, or removed from the *Overall Program Guidebook's* previous Glossary of Terms:

- Biogas
- Biomass
- Biomethane
- Commercial operation
- Commercial operations date (COD)
- Common carrier pipeline

- Dedicated pipeline
- Investor-owned utility (IOU)
- Pipeline biomethane
- Portfolio Content Category
- Station Service
- Water-supply or conveyance system

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I. Introduction

The California Energy Commission developed this guidebook to implement and administer its responsibilities under California's Renewables Portfolio Standard (RPS) under Senate Bill 1038,[1] Senate Bill 1078,[2] Senate Bill 1250,[3] Senate Bill 107,[4] and Senate Bill X1-2.[5] These laws set a goal for retail sellers of electricity and local publicly owned electric utilities (POUs) to increase the amount of renewable energy they procure until 33 percent of their retail sales are served with renewable energy by December 31, 2020. Under these laws, the Energy Commission is required to certify electrical generation facilities as eligible renewable energy resources that may be used by retail sellers of electricity and POUs to satisfy their RPS procurement requirements, develop an accounting system to verify retail sellers' and POUs' compliance with the RPS, and adopt regulations specifying procedures for the enforcement of RPS procurement requirements of POUs. This guidebook describes the requirements and process for certifying electrical generation facilities as eligible renewable energy resources for the RPS and describes how the Energy Commission will track and verify compliance with the RPS. The Energy Commission is addressing its responsibilities for adopting regulations for enforcement provisions for POUs in a separate process.[6]

This guidebook establishes efficient and effective processes to encourage participation in California's RPS and assure program credibility to benefit stakeholders, regulators, and consumers. Although this guidebook addresses part of the Energy Commission's role in implementing the RPS, the Energy Commission recognizes that the California Public Utilities Commission (CPUC) and the California Air Resources Board (ARB) also have key RPS implementation and enforcement roles.

The enabling legislation established specific roles for the Energy Commission, the CPUC, and the ARB and directs the agencies to work together to implement the RPS.[7] Although the law

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[1] SB 1038 (Chapter 515, Statutes of 2002). The pertinent provisions of SB 1038 were formerly codified in Public Utilities Code Sections 383.5 and 445 but are now codified in Public Resources Code Sections 25740 through 25751 as a result of Senate Bill 183 (Chapter 666, Statutes of 2003).

[2] SB 1078 (Chapter 516, Statutes of 2002). The pertinent provisions of SB 1078 are codified in Public Utilities Code Section 399.11 through 399.15. This law was subsequently amended to add Sections 399.16, 399.17, and 399.12.5 under Senate Bill 67 (Chapter 731, Statutes of 2003), Assembly Bill 200 (Chapter 5, Statutes of 2005), and Assembly Bill 2189 (Chapter 747, Statutes of 2006), respectively.

[3] SB 1250 (Chapter 512, Statutes of 2006). SB 1250 amends pertinent provisions in Public Resources Code Sections 25740 through 25751.

[4] SB 107 (Chapter 464, Statutes of 2006). SB 107 amends pertinent provisions in Public Resources Code Sections 25740 through 25751 and Public Utilities Code Sections 399.11 through 399.16.

[5] SB X1-2 (Chapter 1, Statutes of 2011, First Extraordinary Session). SB X1-2 amends pertinent provisions in Public Resources Code sections 25740 through 25751 and amends and/or adds Public Utilities Code Sections 399.11 through 399.31.

[6] See http://www.energy.ca.gov/portfolio/pou_rulemaking/ for information about the Energy Commission's regulations for *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*.

7 SB X1-2 modifies the roles and responsibilities of each agency in implementing the 33 percent RPS requirement, now assigned to all of California's load-serving entities. Both the CPUC and the Energy Commission will implement

assigns lead roles for specific implementation efforts to each agency, the roles of the agencies are interrelated. The Energy Commission is responsible for certifying electrical generation facilities as eligible renewable energy resources and tracking the procurement of such resources to ensure compliance with the RPS. With the passage of SB X1-2, the Energy Commission is also responsible for adopting regulations specifying the enforcement provisions for the POUs. Under SB X1-2, the Energy Commission must refer violations by the POUs to the ARB, which may apply penalties for noncompliance. The CPUC is responsible for establishing compliance targets for the amount of eligible renewable energy resources retail sellers of electricity must procure and determines compliance with the RPS for retail sellers. Retail sellers include electrical corporations,[8] electric service providers (ESPs), and community choice aggregators (CCAs).

In February 2003, the CPUC issued a ruling formalizing collaboration on RPS issues, and in March 2003, the Energy Commission adopted a reciprocal agreement. The Energy Commission subsequently developed this guidebook collaboratively with the CPUC.

While this guidebook reflects current requirements, the Energy Commission recognizes that it may need to revise program guidelines periodically to reflect market, regulatory, and legislative developments as well as incorporate the lessons learned from experience implementing the RPS.

Additionally, information for all retail suppliers of electricity on reporting disclosures and specific purchase claims to customers and the Energy Commission for the Power Source Disclosure Program can be found in the California Code of Regulations, Title 20, Sections 1390-1394.

A. RPS Legislation

Various laws enacted since the original adoption of this guidebook have made revisions to the law governing the RPS. These laws triggered the need for guidebook revisions. The seventh edition of this guidebook incorporates changes in law resulting from the following legislation:

- Senate Bill X1-2, signed into law on April 12, 2011, establishes the California Renewable Energy Resources Act and modifies and/or adds provisions in Public Resources Code Sections 25740 through 25751 and Public Utilities Code Sections 399.11 through 399.31. SB X1-2 increases the RPS procurement goal from 20 percent by 2010 to 33 percent by 2020, expands these requirements to include POUs, revises the responsibilities of the CPUC with respect to retail sellers of electricity, and gives the Energy Commission new regulatory responsibilities with respect to POUs. SB X1-2 also makes other changes to the RPS, including establishing new cost containment provisions, and creating renewable energy product categories with specific procurement requirements for each compliance period.

SB X1-2 through public processes that will define these roles and provide details of the rules and requirements for compliance.

[8] Also referred to as investor-owned utilities (IOUs) in this guidebook.

- Assembly Bill 2196,[9] signed into law on September 27, 2012, amends Section 25741 of the Public Resources Code and adds Section 399.12.6 to the Public Utilities Code. AB 2196 revises the requirements for renewable electrical generation facilities that use landfill gas, digester gas, or another renewable fuel delivered to the facility through a common carrier pipeline, and establishes conditions for the transactions for the procurement of such fuel, including the source of the fuel and delivery method.

Legislation incorporated into previous editions of the *RPS Eligibility Guidebook* includes:

- Senate Bill 1038 (Chapter 515, Statutes of 2002).
- Senate Bill 1078 (Chapter 516, Statutes of 2002).
- Senate Bill 1250 (Chapter 512, Statutes of 2006).
- Senate Bill 107 (Chapter 464, Statutes of 2006).
- Senate Bill 1036 (Chapter 685, Statutes of 2007.
- Assembly Bill 1969 (Chapter 731, Statutes of 2006).
- Assembly Bill 3048 (Chapter 558, Statutes of 2008).
- Assembly Bill 1351 (Chapter 1351, Statutes of 2009).
- Assembly Bill 920 (Chapter 376, Statutes of 2009).
- Senate Bill 32 (Chapter 328, Statutes of 2009).
- Senate Bill 1247 (Chapter 488, Statutes of 2010).

Assembly Bill 1954 (Chapter 460, Statutes of 2010).Additional information on historical legislation is provided in Appendix C – Statutory History of the RPS.

B. RPS Procurement Targets and Portfolio Content Categories

Note: This section has been moved from "Section II A: Renewables Portfolio Standard Procurement Targets and Procurement Content Categories"

The following discussion on the RPS procurement targets and portfolio content categories is provided for informational purposes only and does not supersede any CPUC decision or any requirements adopted as part of the Energy Commission's regulations establishing enforcement procedures for the RPS for POUs. The Energy Commission verifies RPS procurement for retail sellers and POUs. The Energy Commission determines whether a POU is in compliance with its RPS procurement requirements, and the CPUC determines whether a retail seller is in compliance with its RPS procurement requirements.

SB X1-2 introduces the term "electricity products" consisting of eligible renewable energy resources that may be differentiated by their impacts on the operation of the electricity grid. The law requires a balanced portfolio of electricity products from eligible renewable energy

[9] Assembly Bill 2196 (Chapter 605, Statutes of 2012) amends Section 25741 of the Public Resources Code and adds Section 399.12.6 to the Public Utilities Code.

resources consisting of portfolio content categories based on their interconnection to a California balancing authority. The CPUC has defined the product content categories for retail sellers in D.11-12-052, and the Energy Commission has done so for POUs in its regulations for POU enforcement procedures, as adopted.

As established by SB X1-2, eligible renewable energy resources must be procured consistent with portfolio content categories with the following criteria:

- Portfolio Content Category Number 1. A: Have a first point of interconnection with a California balancing authority, [10] or with distribution facilities used to serve end users with a California balancing authority area, or are scheduled from the eligible renewable energy resource into a California balancing authority without substituting electricity from another source. The use of another source to provide real-time ancillary services required to maintain an hourly or subhourly import schedule into a California balancing authority shall be permitted, but only the fraction of the schedule actually generated by the eligible renewable energy resource shall count toward this portfolio content category.
- Portfolio Content Category Number 1. B: Have an agreement to dynamically transfer electricity to a California balancing authority.
- Portfolio Content Category Number 2: Firmed and shaped eligible renewable energy resource electricity products providing incremental electricity and scheduled into a California balancing authority.
- Portfolio Content Category Number 3: Eligible renewable energy resource electricity products, or any fraction of the electricity generated, including unbundled renewable energy credits that do not qualify under the criteria of Portfolio Content Category Number 1. A or 1. B above.

1. Retail Sellers

SB X1-2 directs the CPUC to set, by January 1, 2012, a minimum quantity of eligible renewable energy resources to be procured by each retail seller for each of the following compliance periods:

- January 1, 2011, to December 31, 2013, inclusive
- January 1, 2014, to December 31, 2016, inclusive
- January 1, 2017, to December 31, 2020, inclusive

For the January 1, 2011, to December 31, 2013, compliance period, SB X1-2 directed the CPUC to establish procurement targets equal to an average of 20 percent of retail sales. For the second and third compliance periods, the targets shall reflect reasonable progress in each of the intervening years sufficient to ensure the procurement of electricity products from eligible

10 California balancing authority is defined in the glossary of terms.

renewable energy resources achieves 25 percent of retail sales by December 31, 2016, and 33 percent of retail sales by December 31, 2020.[11]

For the first compliance period, retail sellers must procure at least 50 percent, 65 percent for the second compliance period, and 75 percent thereafter of the eligible renewable energy resource electricity products associated with contracts executed after June 1, 2010, from Portfolio Content Category Number 1.

Retail sellers shall not procure more than 25 percent for the first compliance period, 15 percent for the second compliance period, and 10 percent thereafter of the eligible renewable energy resource electricity products associated with contracts executed after June 1, 2010, from Portfolio Content Category Number 3.

Pursuant to SB X1-2, a small or multi-jurisdictional utility (SMJU) meeting the criteria in Public Utilities Code sections 399.18 subdivision (b)[12] and 399.17 subdivision (b)[13] is not subject to the limitations on the use of procurement in each portfolio content category. CPUC Decision 11-12-052 Ordering Paragraph 16 provides that:

> The procurement of small and multi-jurisdictional utilities that meet the requirements of Public Utility Code §§ 399.17 and 399.18 may count for compliance with the California renewables portfolio standard without regard to the limitations on the use of each portfolio content category established by Pub. Util. Code § 399.16(c), so long as all other procurement requirements for compliance with the California renewables portfolio standard are also met.

The decision also provides a similar rationale for the small and multi-jurisdictional utilities exemption from the limitations for the portfolio content categories. As described in Section V: RPS Tracking Systems, Reporting, and Verification, requirements for SMJUs varies slightly from other RPS-obligated entities as a result of these legislative differences.

2. Local Publicly Owned Electric Utilities (POUs)

The state's RPS requirements are expanded to include POUs under SB X1-2. The law requires each POU to adopt and implement a renewable energy resources procurement plan that requires the utility to procure a minimum quantity of electricity products from eligible

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11 Public Utilities Code Section 399.15, Subdivision (b)(2)(A,B). On December 1, 2011, the CPUC adopted its Decision Setting Procurement Quantity Requirements for the Retail Sellers in D. 11-12-020.

12 This section applies to utilities that either have 30,000 or fewer customer accounts and have issued a certain number of RPS solicitations, or have 1,000 or fewer customer accounts and are not connected to any transmission system or the California ISO. The first condition applies to the Bear Valley Electric Service unit of Golden State Water Company. The second applied to Mountain Utilities. Mountain Utilities has since been acquired by the Kirkwood Meadows Public Utility District (see CPUC Decision 11-06-032). Mountain Utilities is no longer a retail seller for RPS purposes.

13 This section applies to utilities (or their successors) having fewer than 60,000 California customers and either serving retail end-use customers outside of California or being located outside the California ISO and receiving the majority of their electricity from generation sources outside California. The first condition applies to PacifiCorp. The second applies to California Pacific Energy Company, the successor to the California assets of Sierra Pacific Power Company. (D.11-02-015; D.11-04-030.) – see footnotes 33 and 34.

renewable energy resources, including renewable energy credits, as a specified percentage of total kilowatt-hours sold to the utility's retail end-use customers, for each of the following compliance periods:

- January 1, 2011, to December 31, 2013, inclusive
- January 1, 2014, to December 31, 2016, inclusive
- January 1, 2017, to December 31, 2020, inclusive

For the January 1, 2011, to December 31, 2013, compliance period, SB X1-2 directs the governing board of each POU to ensure that the quantities of electricity products from eligible renewable energy resources procured by the POU are equal to an average of 20 percent of retail sales. For the second and third compliance periods, the targets must reflect reasonable progress in each of the intervening years sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 25 percent of retail sales by December 31, 2016, and 33 percent of retail sales by December 31, 2020.[14] The local governing board shall require each POU to procure not less than 33 percent of retail sales of electricity products from eligible renewable energy resources in all subsequent years. POUs must adopt procurement requirements consistent with requirements established for retail sellers in Public Utilities Code Section 399.16.

The Energy Commission will determine compliance with the RPS for all obligated POUs under its regulations, *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*, as adopted.. Any violations will be referred to the ARB to determine potential penalties.

3. Retail Sellers' Procurement From POUs

A retail seller may procure RECs associated with deliveries of electricity by an eligible renewable energy resource to a POU, for purposes of the RPS, if the Energy Commission determines that both of the following conditions are met:[15,16]

1. The POU has adopted and implemented a renewable energy resources procurement plan that complies with the RPS adopted pursuant to Public Utilities Code Section 399.30.

2. The POU is procuring sufficient eligible renewable energy resources to satisfy the target standard, and will not fail to satisfy the target standard in the event that the REC is sold to the retail seller.

In making its determination, the Energy Commission will:

a) Verify that the POU has adopted and implemented an RPS procurement plan.

b) Verify that the electrical generation associated with the RECs is from an electrical generation facility that has been certified for the RPS by the Energy Commission.

[14] Public Utilities Code Section 399.30, Subdivisions (c)(1) and (c)(2).
[15] Public Utilities Code Section 399.25, Subdivision (d).
[16] Public Utilities Code Section 399.31.

c) Require the REC to be tracked in WREGIS.

d) Verify that the quantity of RECs procured by the retail seller will not impede the POU from meeting its target standard.

C. Outstanding Issues

There is an outstanding issue that could affect these guidelines. A brief discussion follows regarding the major issue facing the Energy Commission and the CPUC as the RPS is implemented. The Energy Commission will continue to address this issue collaboratively with the CPUC, ARB, and interested parties as necessary.

1. Precertification

Staff continues to be interested in exploring options to revise the RPS precertification process for renewable projects that are in development and not yet commercially operational. Many stakeholders submitted comments in response to questions regarding precertification in the Energy Commission's notice for the October 21, 2011, workshop for revising the fifth edition of this guidebook. Staff will continue working with interested stakeholders in efforts to reach consensus on how the Energy Commission can provide a measure of regulatory certainty for projects in development.

D. Guidebook Organization

This guidebook is organized as follows:

What's New in This Guidebook?

I. Introduction

II. Energy Resource Eligibility Requirements

III. Facility Requirements

IV. Certification

V. RPS Tracking Systems, Reporting, and Verification

VI. RPS Procurement Requirements

VII. POUs Selling RECs to Retail Sellers for RPS Compliance

VIII. Administration

Glossary of Terms

List of Acronyms

Appendix A – WREGIS Reporting Instructions

Appendix B – Forms

Appendix C – Statutory History of the RPS

Appendix D – Summary of Reporting Requirements and Deadlines

Section II covers energy resource specific eligibility requirements for electrical generating facilities interested in producing electricity that can be procured by retail sellers and POUs to comply with the RPS. For this guidebook, "retail sellers" is defined in the Glossary of Terms and includes California's three largest IOUs, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E); multijurisdictional IOUs[17] such as PacifiCorp small IOUs such as Bear Valley Electric Service (a division of Golden State Water Company) and CalPeco; ESPs, and CCAs. Section III covers additional eligibility requirements for electrical generation facilities participating in the RPS, including generation tracking and accounting requirements as well as specific requirements for facilities with certain interconnection and operational characteristics that are independent of the energy resource used to generate electricity.

Section IV discusses the Energy Commission's certification and precertification process, including the types of certification and precertification currently offered and offered in the past. This section also contains a detailed explanation of the review process and any deadlines associated with the submission of an application for certification, precertification, or amended certification and precertification.

Section V discusses the RPS tracking, reporting, and verification processes the Energy Commission uses to verify retail sellers' and POUs' compliance with the RPS and to verify that generation is counted only once in California or any other state.

Section VI discusses the RPS procurement requirements and the agencies' roles for implementing them for the retail sellers and POUs, and Section VII provides the requirements for retail sellers to procure from POUs for RPS compliance.

Section VII discusses RPS requirements when POUs sell RECs to retail sellers for RPS compliance.

Lastly, Section VIII covers the protocol used by the Energy Commission to administer the RPS program.

17 Multijurisdictional IOUs are electrical corporations that had 60,000 or fewer customer accounts in California as of January 1, 2010, and that satisfy the requirements of Public Utilities Code Section 399.17.

II. Energy Resource Eligibility Requirements

Note: This section has been moved to "Section I.B: RPS Procurement Targets and Portfolio Content Categories"

To become RPS certified, an electrical generation facility must be an "eligible renewable energy resource"[18] which requires the facility to use one or more renewable energy resources or fuels as described in this section and also satisfy the additional eligibility requirements specified in section III: Facility Requirements. The Energy Commission's RPS certification of a facility mens the facility's electrical generation may be used by a retail seller or POU to satisfy their RPS procurement requirements. Facilities that are certified by the Energy Commission for the RPS are generally referred as "RPS eligible" or RPS certified." The Energy Commission has determined that it is appropriate to define eligible renewable energy resources by renewable resource or fuel, rather than by the specific technology used. For certain eligible renewable energy resources, however, the law contains specific requirements, and the Energy Commission must consider both the resource or fuel and the technology to determine RPS eligibility for the facility that uses them for electricity generation.

To qualify as eligible for California's RPS, an electrical generation facility must use one or more of the following renewable resources or fuels:

- Biodiesel
- Biomass
- Biomethane
  - Digester gas
  - Landfill gas
-
- Fuel cells using renewable fuels
- Geothermal
- Hydroelectric
  - Conduit hydroelectric
  - Incremental hydroelectric generation from efficiency improvements
  - Small hydroelectric
  - Water supply and conveyance
- Municipal solid waste
- Ocean wave,
- Ocean thermal
- Solar
  - Photovoltaic
  - Solar thermal electric
- Tidal current

[18] Eligible renewable energy resource is defined in Public Utilities Code Section 399.12 (e) by reference to a "renewable electrical generation facility" as defined in Public Resource Code Section 25741(a).

- Wind

Table 1 summarizes the resource specific requirements for a facility to qualify for the RPS and provides information on the appropriate forms and additional required information to submit for facilities seeking RPS certification or precertification. An explanation of the requirements for each resource type is included below.

Table 1: Summary of RPS Resource Eligibility Requirements

Note: A CEC-RPS-1 form must be submitted for each electrical generation facility seeking RPS certification or precertification. Applications for aggregated units must be made on a CEC-RPS-3 form. All forms can be found in Appendix B.

Resource Used by Facility	Supplemental Form	Additional Required Information, or Notes
Biodiesel	CEC-RPS-1:S1	Yes, if MSW is all or part of the fuel source. Refer to Section II.G.
Biomass	CEC-RPS-1:S1	N/A
Biomethane, including Digester gas and Landfill gas	CEC-RPS-1:S1	Yes, if the biomethane is transported through a common carrier pipeline. Refer to Section I.A
Fuel Cell	CEC-RPS-1:S1	Yes, Submit material required for the feedstock or technology used for generation, if applicable. Refer to Section II.D.
Geothermal	N/A	N/A
Hydroelectric	CEC-RPS-1:S2	Yes, dependent on the classification of the facility
Conduit hydroelectric	CEC-RPS-1:S2	Yes, Refer to Section II.F
Incremental Hydroelectric	CEC-RPS-1:S2	Yes, must demonstrate that the generation is a result of efficiency improvements. Refer to Section II.F.
Small Hydroelectric	CEC-RPS-1:S2	Yes, Refer to Section II.F
Water Supply and Conveyance System	CEC-RPS-1:S2	Yes, must demonstrate that the facility is operated as part of a water supply and conveyance system. Refer to Section II.F
MSW Combustion	CEC-RPS-1:S1	Yes, dependent on the location an operations date. Refer to Section II.G
MSW Conversion	CEC-RPS-1:S1	Yes, dependent on the technology. Refer to Section II.G
Ocean Thermal	N/A	Yes, briefly describe the technology.
Ocean Wave	N/A	Yes, briefly describe the technology.
Solar	N/A	Yes , depending on the classification of the facility.
Photovoltaic	N/A	Some facilities may apply as part of an aggregated unit using the CEC-RPS-3 form. Refer to Section IV.A.2.
Solar Thermal	N/A	N/A
Tidal Current	N/A	Yes, briefly describe the technology.
Wind	N/A	Some facilities may apply as part of an aggregated unit using the CEC-RPS-3 form. Refer to Section IV.A.2.

Source: California Energy Commission

A. Biodiesel

The electrical generation produced by a facility that uses biodiesel is eligible for the RPS if the biodiesel is derived from one or both of the following fuel sources and complies with the requirements for these fuel sources and multifuel technologies:

1. A biomass feedstock such as "agricultural crops and agricultural wastes and residues," including but not limited to animal waste, remains and tallow, food waste, recycled cooking oil, and pure vegetable oil, and consistent with the applicable requirements for multifuel technologies. (Refer to the requirements for biomass eligibility and for multifuel technologies below.)
2. An eligible "solid waste conversion" process using MSW and consistent with applicable requirements for multifuel technologies. (Refer to the requirements for MSW eligibility and for multifuel technologies below.)

When applying for RPS precertification or certification, the applicant must complete the biopower supplemental application form, CEC-RPS-1:S1 which can be found in Appendix B.

B. Biomass

A facility may be RPS-eligible if its electrical generation is produced using a biomass fuel. Eligible biomass fuel includes, but is not limited to, agricultural crops, agricultural wastes and residues, waste pallets, crates, dunnage, manufacturing, construction wood wastes, landscape and right-of-way tree trimmings, mill residues that result from milling lumber, rangeland maintenance residues, biosolids, sludge derived from organic matter, wood and wood waste from timbering operations, and any materials eligible for "biomass conversion" as defined in Public Resources Code Section 40106.

Agricultural wastes and residues include, but are not limited to, animal wastes, remains, and tallow; food wastes; recycled cooking oils; and pure vegetable oils.

Landscape or right-of-way tree trimmings include all solid waste materials that result from tree or vegetation trimming or removal to establish or maintain a right-of-way on public or private land for the following purposes:

- For the provision of public utilities, including, but not limited to, natural gas, water, electricity, and telecommunications.
- For fuel hazard reduction resulting in fire protection and prevention.
- For the public's recreational use.

Applications for RPS precertification or certification must include a completed attestation form signed by the facility owner or operator stating the intent to procure and use biomass fuel that meets RPS eligibility requirements. Failure to use eligible biomass fuel will jeopardize the RPS eligibility of the facility. Applicants for facilities using a mixture of RPS-eligible biomass and nonrenewable energy resources must certify as multifuel facilities, as described in Section III.B: Renewable Facilities Using Multiple Energy Resources. Applicants for biomass facilities must

complete and submit the Biopower supplemental application form, CEC-RPS-1:S1, which can be found in Appendix B.

C. Biomethane

The passage of Assembly Bill 2196 in 2012 modified the RPS eligibility requirements for electrical generation facilities using biomethane to generate electricity. New requirements have been added for tracking and verifying of the use of biomethane by facilities, including tracking and verifying the quantities and sources of biomethane and related environmental attributes and the deliveries of biomethane.

With adoption of this seventh edition of the *RPS Eligibility Guidebook*, the Energy Commission implements AB 2196 and concurrently lifts its March 28, 2012, suspension of eligibility for biomethane. Applicants with pending RPS certification or precertification applications must reapply using the new application forms associated with this seventh edition of the *RPS Eligibility Guidebook* to demonstrate that they acknowledge the new requirements, attest that they meet these new requirements and all applicable requirements in this guidebook, and provide any additional information that the Energy Commission staff may need to determine the electric generating facility's eligibility for the RPS.

As with all renewable energy resources discussed in this guidebook, compliance with RPS procurement requirements for retail sellers claiming procurement from electric generating facilities using biomethane for the RPS is determined by the CPUC. Compliance determinations for procurement requirements for POUs are determined by the Energy Commission in accordance with this guidebook and RPS regulations for POUs as adopted by the Energy Commission.

The electrical generation produced by a facility that uses biomethane is eligible for the RPS if the biomethane is derived from digester gas, and/or landfill gas. Biomethane may be converted to electricity at a generation facility that receives the biomethane in one of three ways:

- Onsite Generating Facility Using a Dedicated Pipeline – Biomethane is produced and captured at a landfill or digester that is located at the same site as the electrical generation facility that is using the biomethane to generate electricity and the biomethane is delivered from the source to the generating facility via a dedicated pipeline as defined in this guidebook.
- Offsite Generating Facility Using a Dedicated Pipeline – Biomethane is produced and captured at a landfill or digester that is not located at the site of the electrical generation facility that is using the biomethane and the biomethane is delivered to the facility through a dedicated pipeline as defined in this guidebook.
- Offsite Generating Facility Using a Common Carrier Pipeline –Biomethane is produced and captured at a landfill or digester that is not located at the site of the electrical generation facility that is using the biomethane and the biomethane is delivered to the facility through a common carrier pipeline as defined in this guidebook. Biomethane procurement contracts for this type of facility fall into one of two categories:

- Existing biomethane procurement contracts: Biomethane procurement contracts that were executed by a retail seller or POU before March 29, 2012, and were reported to the Energy Commission both before March 29, 2012 in connection with an application for RPS certification or precertification of the designated electrical generation facility intended to use the procured biomethane.
- New biomethane procurement contract: Biomethane procurement contracts that were executed by a retail seller or POU on or after March 29, 2012; or were reported to the Energy Commission on or after March 29, 2012; or both in connection with an application for RPS certification or precertification of the designated electrical generation facility intended to use the procured biomethane.

Applicants for facilities using a mixture of RPS-eligible biomethane and conventional natural gas must certify as a multifuel facility, as described in Section III, B.: Renewable Facilities Using Multiple Energy Sources. If biomethane is mixed with conventional natural gas for conditioning purposes, the mixed gas must meet all delivery requirements, though only the biomethane portion will be considered RPS-eligible.

1. Existing Biomethane Procurement Contracts

An electric generating facility using biomethane delivered through a common carrier pipeline pursuant to a biomethane procurement contract executed by retail seller or POU before March 29, 2012, is eligible for the RPS if the facility meets all applicable eligibility requirements under the *RPS Eligibility Guidebook* that was in place at the time of contract execution, including but not limited to the Fourth Edition of the *RPS Eligibility Guidebook,* and additionally satisfies all of the following requirements:

a) The biomethane procurement contract was reported to the Energy Commission before March 29, 2012, in connection with the application for RPS certification or precertification of the designated electrical generation facility.
b) The source(s) and the amount of biomethane under the biomethane procurement contract were reported to the Energy Commission before March 29, 2012 in connection with the application for RPS certification or precertification of the designated electrical generation facility. A facility that was already RPS certified before March 29, 2012, and seeking to add a new biomethane source(s) pursuant to a biomethane procurement contract executed by the retail seller or POU before March 29, 2012, may provide a copy of written documentation submitted to and acknowledged by Energy Commission staff before March 29, 2012, in lieu of having reported the source(s) and the amount of biomethane under the biomethane procurement contract. [19,]
c) The facility meets the requirements under the *RPS Eligibility Guidebook* that was in place at time of the execution of the biomethane procurement contract.
d) The biomethane source(s) under the biomethane procurement contract are producing biomethane and injecting it into a common carrier pipeline before April 1, 2014. Incremental

[19] The *Fourth Edition of the RPS Eligibility Guidebook* clarified that a party could request pre-approval for adding a new fuel source to a specific facility already RPS-certified by submitting such documentation to Energy Commission staff. (Page 43)

electric generation attributable to a biomethane source producing and injecting biomethane into a common carrier pipeline on or after April 1, 2014, is subject to the eligibility requirements in Section 2: New Biomethane Procurement Contracts. The retail seller or POU must demonstrate that this requirement is met for each source associated with procurement claimed by submitting a pipeline invoice or pipeline meter data to the Energy Commission with an application for certification or amended certification.

e) The biomethane is used by the designated electrical generation facility pursuant to the biomethane procurement contract that was executed by the retail seller or POU before March 29, 2012.

A facility failing to meet all of the requirements above is subject to the eligibility requirements in Section 2: New Biomethane Procurement Contracts.

a. Common Carrier Pipeline Delivery Requirements for Existing Biomethane Procurement Contracts

Biomethane procured as part of an existing biomethane procurement contract are required to meet the requirements of the *RPS Eligibility Guidebook* in place at the time the biomethane contract was executed. The delivery requirements of these guidebooks require that:[20]

- The biomethane must be injected into a natural gas pipeline system that is either within the WECC region or interconnected to a natural gas pipeline system located in the WECC region that delivers gas into California (or delivers to the electrical generation facility if the electrical generation facility is located outside California) and the gas is delivered as specified in paragraph 2.
- The applicant, or authorized party, must enter into contracts for the delivery (firm or interruptible) or storage of the gas with every pipeline or storage facility operator transporting or storing the gas from the injection point to California (or to the electrical generation facility if the electrical generation facility is located outside California). Delivery contracts with the pipeline operators may be for delivery with or against the physical flow of the gas in the pipeline.

It is the responsibility of the applicant to ensure that the delivery complies with the guidebook in place when the application for certification was submitted, and that any revisions to the delivery path for the gas comply with the guidebook in place at the time the revision occurs. Applicants may submit a complete delivery description to the Energy Commission as part of a certification or precertification application for preliminary review. If this information is submitted with the application staff may identify any potential issues with the delivery path, but a final determination on the eligibility of a delivery path will not be made until after the applicant submits the annual reporting requirements as specified in Section III. A.: Generation Tracking and Accounting.

20 The eligibility requirements for the third and fourth editions of the RPS Eligibility Guidebook are largely the same with some additions to the fourth edition of the guidebook that were largely introduced as clarifications to the third edition guidebook.

b. Adjustments to Existing Biomethane Procurement Contracts

Electrical generation that is attributable to any quantities of biomethane delivered through a common carrier pipeline and associated with any of the following changes under the existing biomethane procurement contract will be considered RPS-eligible only if the biomethane procurement complies with requirements of Section 2: New Biomethane Procurement Contracts.

1. Any extension of the term of the existing biomethane procurement contract, as originally executed and reported to the Energy Commission before March 29, 2012.
2. Any quantities of biomethane that exceed the quantities (as measured in millions of British thermal units [MMBTUs]) of biomethane specified in the existing biomethane procurement contract, as originally executed and reported to the Energy Commission before March 29, 2012, will be subject to the eligibility requirements specified in Section 2: New Biomethane Procurement Contracts. Only the incremental generation that exceeds the quantities (as measured in MMBTUs) specified in the existing biomethane procurement contract will be subject to the requirements of Section 2.
3. Any quantities of biomethane procurement from sources identified in the existing biomethane procurement contract, as originally executed and reported to the Energy Commission before March 29, 2012, that are specified as optional to the buyer in the contract, as determined by the Energy Commission. Quantities will be deemed optional if the buyer, through his or her initiation or election, can decide whether to accept the additional quantities of biomethane.
4. Any procurement from biomethane sources that were not identified in the existing biomethane contract, as originally executed and reported to the Energy Commission before March 29, 2012, or the RPS certification application submitted to the Energy Commission before March 29, 2012. The removal of a source(s) of biomethane identified in the existing biomethane procurement contract or RPS application submitted to the Energy commission will not be considered a "change in the source(s) of biomethane." The removal of a biomethane source cannot be replaced with a new source
5. Any procurement from source(s) not producing biomethane and injecting it into a common carrier pipeline on or before April 1, 2014. If the facility fails to meet the requirements of Section 2 below, then such procurement will not be eligible to count toward the procurement requirements of a retail seller or POU.

c. Substitution of Electrical Generation Facilities

Biomethane under an existing biomethane procurement contract may only be used for RPS purposes at the designated electrical generation facility for which the biomethane procurement contract was originally reported to the Energy Commission prior to March 29, 2012, in connection with the RPS certification of the designated electrical generation facility. Biomethane under an existing biomethane procurement contract may not be used for RPS purposes at a different electrical generation facility.

2. New Biomethane Procurement Contracts

An electric generating facility using quantities of biomethane delivered through a common carrier pipeline under a new biomethane procurement contract or contract amendment initially executed by a retail seller or POU on or after March 29, 2012, was reported to the Energy Commission on or after March 29, 2012, or are associated with adjustments to existing biomethane procurement contracts, are subject to the following requirements:

a) Common Carrier Pipeline. Injection and delivery requirements.
b) New and Incremental Quantities of Biomethane Requirements. Original injection to a common carrier pipeline on or after March 29, 2012 or incremental biomethane injections.
c) Requirements for Environmental Benefits to California. The capture and injection of biomethane into a common carrier pipeline directly result in at least one of the following environmental benefits to California:
    - Reduction or avoidance of the emission of any criteria air pollutants (or their precursors) in California.
    - Reduction or avoidance of pollutants that could have an adverse impact on any surface water or groundwater in California
    - Mitigating a local nuisance in California associated with the emission of odors.

For purposes of this Section 2: New Biomethane Procurement Contracts, a "new biomethane procurement contract" includes a new biomethane procurement contract executed on or after March 29, 2012, an amendment to an existing biomethane procurement contract executed on or after March 29, 2012, or a biomethane procurement contract or contract amendment executed before March 29, 2012, but reported to the Energy Commission on or after March 29, 2012.

a. Common Carrier Pipeline Injection and Delivery Requirements

The delivery of biomethane procured through new biomethane procurement contracts and delivered through a common carrier pipeline must meet specific requirements depending on the location of the designated electrical generation facility and the initial injection point for the biomethane. The delivery requirements are satisfied if the designated electrical generation facility is located within California and receives biomethane from a biomethane production facility with the initial injection point also located within California.

For an electrical generation facility not located in California and for an electrical generation facility located in California but receiving biomethane from a biomethane production facility with its initial injection point into a common carrier pipeline outside of California, the biomethane delivery must comply with the following requirements:

1) The biomethane must be injected into a common carrier pipeline system that is either within the WECC region or interconnected to a common carrier pipeline system located within the WECC.
2) The applicant for RPS certification of the designated electrical generation facility, or authorized party, must enter into contracts for the delivery (firm or interruptible) or

storage of the gas with every pipeline or storage facility operator transporting or storing the gas from the initial injection point to the final delivery point at the electrical generation facility.

3) The flow of the biomethane in the pipeline(s) along the delivery path must physically flow from the initial injection point towards the final delivery point at the electrical generation facility, as determined by the Energy Commission. In determining whether the biomethane physically flows towards the electrical generating facility, the Energy Commission will review the amount of time, on an annual basis, the gas physically flows towards the electrical generating facility in each segment of the pipeline over the entire pipeline path. The biomethane will not be deemed to physically flow towards the electrical generating facility if the Energy Commission determines the biomethane flows towards the facility less than 50 percent of the time in each pipeline segment.

An applicant must provide documentation with a completed application for RPS certification or precertification to demonstrate that the pipeline meets these requirements by providing verification from the transporting carrier pipeline regarding the physical flow of the pipeline(s). Any change in the pipeline delivery path for biomethane procured as part of new biomethane procurement contract must be reported to the Energy Commission as part of an amended certification application within 90 days of the change.

b. New or Incremental Quantities of Biomethane

Biomethane sources associated with new biomethane procurement contracts must not have injected biomethane into a common carrier pipeline before March 29, 2012, unless the source commenced injection of sufficient incremental quantities of biomethane after March 29, 2012, to satisfy the contract requirements. Biomethane from a biomethane source that is or was part of an existing biomethane procurement contract originally executed and reported to the Energy Commission before March 29, 2012, may be used for RPS purposes only if the biomethane source produces sufficient incremental quantities of biomethane on or after March 29, 2012, to satisfy the new biomethane procurement contract requirements and the biomethane source otherwise satisfies the requirements of this Section 2: New Biomethane Procurement Contracts.

The Energy Commission will determine the eligible quantity of incremental biomethane injections from an individual source based on the source's historical injection of biomethane over three years prior to the increase in biomethane injections must be considered. The baseline amount of biomethane will then be defined and the amount of eligible incremental injections of biomethane will be determined similar to incremental generation as specified in Section III.E: Incremental Generation.

Applicants for an electrical generation facility using biomethane must provide documentation with a completed application for certification or precertification to demonstrate that the biomethane source meets these requirements.

c. Environmental Benefits to California

An applicant must demonstrate for each biomethane source under a new biomethane procurement contract that the capture and injection of biomethane into a common carrier pipeline directly results in at least one of the following environmental benefits to California:

1) Reduction or avoidance of the emission of any criteria air pollutants (or their precursors) in California, as defined by the California Air Resources Board (CARB). A criteria air pollutant is an air pollutant for which acceptable levels of exposure can be determined and for which an ambient air quality standard has been set. Examples include ozone, carbon monoxide, nitrogen dioxide, sulfur dioxide, PM10 and PM2.5.[21]

   The Energy Commission will accept a demonstration that actions planned or taken to capture and inject biomethane into a common carrier pipeline will likely lead to such an emission reduction or avoidance based on standard methodologies used in the field.

   - If such a demonstration is made to the Energy Commission's satisfaction, after-the-fact studies of the emission reduction or avoidance will not be required.
   - If an acceptable demonstration is not made, an applicant must provide baseline emissions data of at least one criteria air pollutant (or its precursor) from the biomethane source, and show that the capture and injection of biomethane from the source into a common carrier pipeline results in a reduction or avoidance of emissions of the criteria air pollutant (or its precursor).

2) Reduction or avoidance of pollutants that could have an adverse impact on any surface water or groundwater, including saline waters, within the geographic boundaries of California, whether public or private, including waters in both natural and artificial channels.

   An applicant must demonstrate to the Energy Commission's satisfaction that this requirement is met by referencing at least one peer-reviewed published document that established a direct and quantifiable relationship between the capture and injection of biomethane from the source into a common carrier pipeline and the reduction or avoidance of pollutants that could have an adverse impact on waters of the state. An applicant lacking such references must provide empirical evidence to demonstrate that this requirement is met.

3) Mitigating a local nuisance in California associated with the emission of odors.[22]

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21 PM 2.5 refers to particulate matter that is 2.5 micrometers in diameter, and PM 10 is larger particulate matter that is 10 micrometers in diameter.

22 A "nuisance" is generally defined in Civil Code Section 3479 as "Anything which is injurious to health, including, but not limited to, the illegal sale of controlled substances, or is indecent or offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property, or unlawfully obstructs the free passage or use, in the customary manner, of any navigable lake, or river, bay, stream, canal, or basin, or any public park, square, street, or highway…"

An applicant must demonstrate to the Energy Commission's satisfaction that this requirement is met by providing documentation showing a direct relationship between the capture and injection of biomethane into the common carrier pipeline and the minimization or resolution of a violation of a local nuisance in California associated with the emission of odors, as defined by the local jurisdiction. The local jurisdiction may be a city, county, air pollution control district or other local jurisdiction that establishes rules or standards for nuisances of odors. A local nuisance does not need to be established under the rules or standards of the local jurisdiction to meet this provision. However, if a facility's operation has created a local nuisance associated with the emission of odors, the applicant must provide documentation of the nuisance and demonstrate that the capture of biomethane from the source and injection of biomethane into a common carrier pipeline directly results in the mitigation of the odor nuisance.

3. RPS Procurement Requirements for Biomethane

If the requirements of this guidebook are satisfied, the procurement of electricity products claimed by a retail seller or POU from an electrical generation facility using biomethane is eligible to count toward the RPS procurement requirements in place at the time the biomethane procurement contract was executed by a retail seller or POU.

The RPS procurement requirements are established for retail sellers and POUs in Article 16 (commencing with section 399.11) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code, as enacted by Senate Bill X 1-2 (Stats. 2011, 1st Ex. Sess., ch.1), which draws a distinction for procurement contracts for electricity products executed before June 1, 2010,[23] and contracts executed on or after this date. SBX1-2 generally requires retail sellers and POUs to satisfy the procurement requirements of Article 16 by procuring electricity products that 1) meet one of the three Portfolio Content Categories specified in Public Utilities Code Section 399.16 (b) and were procured under contracts executed on or after June 1, 2010 (generally referred to "PCC procurement") or 2) were procured under contracts executed before June 1, 2010, and satisfy the conditions of Public Utilities Code Section 399.16 (d) (generally referred to as "count in full procurement"). Hence, SBX1-2 draws a distinction between procurement contracts for electricity products executed before June 1, 2010, and procurement contracts executed on or after this date.

Compliance with RPS procurement requirements for retail sellers, including classification of Product Content Categories and Portfolio Balance Requirements, is determined by the CPUC pursuant to its Decision 11-12-052 or any future CPUC decision; compliance for POUs is determined by the Energy Commission pursuant to its RPS regulations for POUs, *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*.

For POUs, the Energy Commission will consider the dates of execution of the biomethane procurement contract and power purchase agreement (PPA) or ownership agreement in determining whether the electricity procurement qualifies as either PCC procurement or count-in-full procurement, provided all other requirements are satisfied. Each PPA or ownership

23 Assembly Bill 2187 (Bradford, Stats. of 2012, Chapter 604) modifies this date, for electric service providers, to January 13, 2011. References to June 1, 2010, throughout this guidebook for this purpose acknowledge the date of January 13, 2011, for ESPs.

agreement and biomethane procurement contract will generally fall into one of the following classifications:

a. Both the biomethane procurement contract and PPA were executed on or after June 1, 2010; the procurement should qualify as PCC procurement.
b. The PPA was executed before June 1, 2010, and specifies that the procurement of generation pursuant to the contract or agreement is attributable to biomethane, regardless of the biomethane procurement contract execution date; the procurement should qualify as count in full.
c. Both the biomethane procurement contract and PPA were executed before June 1, 2010, and the biomethane procurement contract provided for deliveries of biomethane to the designated electrical generation facility for generation before June 1, 2010, then the procurement of the biomethane-based electricity generation may qualify, if at all, only as count-in-full procurement.

A copy of the PPA or ownership agreement executed by a POU for procurement of electricity generation attributed to biomethane, and a copy of the biomethane procurement contracts, with any sensitive or confidential information redacted from each of these agreements, must be submitted to the Energy Commission with an application for RPS certification of the designated electrical generation facility. If the facility is already RPS certified, the PPA or ownership agreement and biomethane procurement contracts must be submitted within 90 days of the adoption of this seventh edition of the RPS Eligibility Guidebook for the facility to retain its certification.

The PPA or ownership agreement must demonstrate the following:

- The PPA or ownership agreement execution date.
- Sufficient environmental attributes are transferred to the POU to ensure that there are net zero emissions associated with the production of electricity from the generating facility using the biomethane. The Energy Commission will rely on CPUC Decision D.08-08-028, as may be subsequently modified, for the definition of "zero net emissions." [24]

The biomethane procurement contracts for each biomethane source must demonstrate the following:

- The biomethane procurement contract execution date and term.
- The biomethane sources are specified in the contract and, for facilities using biomethane that are certified under Section 1: Existing Biomethane Procurement Contracts, were reported to the Energy Commission before March 29, 2012.

24 The CPUC is addressing the Zero Net Emissions requirement for retail sellers in its RPS proceeding (R.11-05-005) October 5, 2012 Assigned Commissioner Ruling http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M029/K970/29970716.PDF

- The contracted quantity of biomethane in MMBtu from each source, which may include the full output or a percentage of the full output from each source, and the specific time frame for biomethane deliveries.
- All renewable and environmental attributes associated with the production, capture, and injection of the biomethane are transferred in whole to the electric generating facility using the biomethane.

4. Application Process for Facilities Using Biomethane

To implement AB 2196, applicants of all electrical generation facilities using biomethane must submit a new application for certification or precertification, regardless of whether the facility is already certified, precertified, or pending certification, to maintain or establish its RPS status. New applications will not be accepted unless they are submitted in accordance with the *RPS Eligibility Guidebook, Seventh Edition*.

An applicant for an electrical generation facility using biomethane must attest that the environmental and renewable attributes associated with the biomethane are transferred to the electrical generation facility and to no other entities, and provide a copy of the biomethane procurement contract with the application to demonstrate that the environmental and renewable attributes associated with the biomethane are transferred to the facility. For cases where the same entity owns the electrical generation facility and the biomethane source, and no biomethane procurement contract exists, the applicant must attest that that the environmental and renewable attributes associated with the biomethane are transferred to the electrical generation facility and to no other entities.

An RPS certified or precertified facility with a biomethane procurement contract executed and reported to the Energy Commission before March 29, 2012, must notify the Energy Commission when the facility begins taking delivery of biomethane from a source under the biomethane procurement contract by submitting an amended application for RPS certification within 90 days of commencement of delivery.

An electrical generation facility that is RPS certified or precertified under Section 1: Existing Biomethane Procurement Contracts, will be certified on a limited basis and will receive an RPS ID number with a "F" suffix indicating that the facility will not remain RPS certified after it has used the quantities of biomethane specified in the existing biomethane procurement contract, as determined by the Energy Commission. If the facility amends the contract term, quantities of biomethane, or biomethane sources, the facility must submit an amended application to the Energy Commission within 90 days of the change. A facility failing to do so will risk losing its RPS certification status. A facility that meets the requirements of Section 1: Existing Biomethane Procurement Contracts, except that the biomethane source has not commenced biomethane delivery, will be RPS precertified on a limited basis; the applicant must submit an application for RPS certification within 90 days of commencement of receipt of biomethane deliveries.

An applicant for an electrical generation facility using or proposing the use of biomethane that is already certified, precertified, or pending certification, must submit a new application form as specified in this Seventh Edition of the RPS Eligibility Guidebook and provide all necessary

documents within 90 days of the adoption of the seventh edition of this guidebook to retain the facility's certification or precertification status; a facility failing to do so will be suspended and procurement from the facility will not be eligible for the RPS until the suspension is resolved.

5. Biomethane Environmental Attributes

In order for biomethane-based electricity generation to be eligible for the RPS, the renewable and environmental attributes associated with the biomethane production and capture must be transferred from the biomethane producer to the designated electrical generation facility. Additionally, only appropriate marketing, regulatory, or retail claims from the reductions of greenhouse gases (GHGs) due to methane destruction may be made in connection with the biomethane procurement contract.

1 Renewable and Environmental Attributes

As part of the RPS eligibility requirements for biomethane, no party may sell, trade, give away, claim, or otherwise dispose of any of the attributes that would prevent the resulting electricity from being compliant with the definition of "green attributes" as defined in the glossary of terms. For biomethane delivered from the biomethane production facility to the electrical generation facility, these necessary attributes must be conveyed along with the biomethane and sold for the purpose of use at the designated electrical generation facility such that RECs generated would be eligible to meet the RPS.

POUs must demonstrate to the Energy Commission that sufficient renewable and environmental attributes are transferred from the electrical generation facility to the POU to ensure that there are net zero emissions associated with the production of electricity from the generating facility using the biomethane.[25]

2 Marketing, Regulatory, or Retail Claim of GHG Reductions From Methane Destruction

A POU or intermediary party, including the electrical generator, to a biomethane procurement contract shall not make a marketing, regulatory, or retail claim that asserts that the biomethane procurement contract resulted, or will result, in GHG reductions related to the destruction of methane if the capture and destruction of methane is required by law.[26] If the biomethane source is required by law to capture and destroy the methane produced by the biomethane source, the applicant for the designated electrical generation facility must convey this information to the Energy Commission as part of the RPS certification or precertification application.

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[25] For retail sellers, Energy Commission staff defers to the CPUC in implementing Decision 08-08-028 on Definition and Attributes of Renewable Energy Credits for Compliance with the California RPS (August 21, 2008 – see (http://docs.cpuc.ca.gov/word_pdf/FINAL_DECISION/86954.pdf), as may be modified by a subsequent decision of the CPUC. (Also see CPUC decision D.04-06-014 setting forth RPS Standard Terms and Conditions in Appendix A (pp. A2-A3) – See STC 2 at (http://docs.cpuc.ca.gov/word_pdf/FINAL_DECISION/37401.pdf)

26 The CPUC will implement this provision for retail sellers.

If the biomethane source is not required by law to capture and destroy the methane produced by the biomethane source, a POU or intermediary party to a biomethane procurement contract may make a marketing, regulatory, or retail claim of GHG reductions related to the destruction of methane only if one of the following applies:

1. The environmental attributes associated with the capture and destruction of the biomethane are transferred to the POU and are retired on behalf of its customers consuming the electricity associated with the use of biomethane and not resold.
2. The biomethane procurement contract does not allow the biomethane source to separately market the environmental attributes associated with the capture and destruction of the biomethane sold under the contract,and the attributes are retired by the POU on behalf of its customers, or by the intermediary party, and not resold.

If the POU makes a regulatory, marketing or retail claim of GHG reductions related to the destruction of methane, the POU must demonstrate that the attributes associated with methane destruction are retired and not resold by demonstrating both of the following to the Energy Commission:

1) The biomethane source is registered with a GHG project verification program and registry.[27]

2) Carbon credits or offsets have been retired in a voluntary offset program on behalf of the POU's customers consuming the electricity associated with the use of biomethane. [28]

6. Annual Accounting and Reporting Requirements

To ensure the use of biomethane by RPS-certified electrical generation facilities meets the requirements set forth in this guidebook, applicants for all RPS-certified electrical generation facilities using biomethane must report certain information to the Energy Commission annually. This information includes annual reporting of the pipeline nomination reports, storage nomination reports, invoices, and meter reads necessary to monitor the eligibility of the designated electrical generation facility using the biomethane. These annual reporting requirements are also part of the verification reporting requirements for all procurement from facilities using biomethane. The requirements for this documentation are outlined in this section.

This documentation must be presented in a clear and logical manner. If documentation created for other purposes is submitted, for example, historical contracts or invoices, the applicant should list all submitted documents, briefly summarize the purpose of each document, identify what requirement each document is being submitted to fulfill, and indicate where in each document the necessary information is contained.

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27 An example of a GHG project verification program and registry is the Climate Action Reserve (http://www.climateactionreserve.org/)

28 An example of a program that oversees the voluntary GHG offset market is Green-e Climate® (http://www.green-e.org/getcert_ghg.shtml)

The information shall be submitted annually to the Energy Commission by March 31 for the prior calendar year and shall include all relevant information for the prior calendar year, listed by month. Staff will not review the eligibility of any generation associated with biomethane use at an electrical generation facility until after the applicant has submitted the necessary information. Any discrepancies in the reported information shall be explained in detail and supported with documentation. Staff may request additional documentation to determine whether the facility's use of biomethane and nonrenewable fuels may be counted for the RPS for a given year.

1 Pipeline Transport contracts and Delivery Paths

The delivery path is the contractual route taken by the biomethane through a common carrier pipeline or pipelines from the biomethane source to the delivery point. RPS-certified electrical generation facilities using biomethane must use a delivery path that meets certain requirements set forth in this guidebook. To ensure that these requirements are met, a complete picture of that path must be provided to the Energy Commission. This includes copies of the contracts for transporting the biomethane through each pipeline along the delivery path, with any sensitive or confidential information redacted, and a Delivery Path Summary Spreadsheet.

For all biomethane sources associated with existing biomethane procurement contracts the applicant is responsible for ensuring that the delivery complies with the guidebook in place when the application for RPS certification is submitted, and any revisions to that delivery path comply with the guidebook in place at the time the revision occurs. The pipeline transport contracts must demonstrate the following:

- The point of receipt (POR), where the biomethane enters the pipeline.
- The point of delivery (POD), where the gas exits the pipeline or enters storage.
- The transport maximum daily quantity, the maximum amount that can be transferred through the pipeline each day.

As part of the annual reporting, the applicant of an RPS-certified electrical generation facility must submit the Delivery Path Summary Spreadsheet, which contains 12 columns with the following information in corresponding columns. All quantities should be in MMBtus unless otherwise noted. Each row represents one segment of the delivery path of the biomethane. A sample Delivery Path Summary Spreadsheet is included in Appendix B: Forms. If multiple delivery paths were used for the calendar year, a separate Delivery Path Summary Spreadsheet must be submitted for each path used and the applicant must specify when those paths were used. Each segment of the delivery path begins with a POR and ends with a POD. The information in each column of the Delivery Path Summary Spreadsheet corresponds to the following:

a) "POR Entity" – This is the entity that holds ownership of the gas at the POR.
b) "POR Name" – This is the name of the point of receipt, the point where the gas enters the pipeline.

c) "POR Meter Number" – The number or ID of the pipeline meter at the point of receipt. This is used to identify the POR on pipeline nomination reports and other documents.
d) "Pipeline" – The name of the pipeline that this segment of the delivery path is covered by.
e) "POD Name" – The name of the point of delivery, the point where the gas exits the pipeline, either into another pipeline, storage, or the electricity generating facility.
f) "POD Meter Number" – The number of ID of the pipeline meter at the point of delivery. This is used to identify the POR on pipeline nomination reports and other documents.
g) "POD Entity" - The entity that holds ownership of the gas at the POD.
h) "Contract Number" – The contract number for the transport contract that covers this segment of the delivery path.
i) "Contract Effective Date" – The date the transport contract became effective. If the contract is renewed monthly, and there has been no change of terms, provide the earliest date.
j) "Contract Expiration Date" – The date the transport contract will expire. If the contract is renewed monthly, and there has been no change of terms, provide the most recent expiration date.
k) "Contract Execution Date" – The date the transport contract was executed.
l) "TMDQ" – The maximum daily quantity that can be transported through the pipeline according to this contract.

2 *Annual Accounting of Generation Attributable to Biomethane*

The Energy Commission must ensure that the requirements in this section have been met before generation resulting from the use of biomethane is eligible to be counted towards a retail seller's or POU's RPS procurement requirements. To help Energy Commission staff make its determination, the applicant for each RPS-certified electrical generation facility using biomethane shall provide auditable package documentation that includes the following information for each biomethane source:

- Fuel Use Summary Spreadsheet showing the monthly fuel injection, delivery, and use quantities in MMBtus and the monthly total generation of the RPS-certified electrical generation facility.
- Monthly meter data for the biomethane source's injection point on the delivery pipeline.
- Monthly pipeline nomination reports for each pipeline and storage facility along the delivery path.
- Monthly invoices for the procurement of the biomethane.
- Monthly meter data showing the total use of all fuels (biomethane and nonrenewable fuels) at the electricity generating facility.
- A summary statement, including supporting documentation, of all biomethane associated with, or planned to be delivered to, the RPS-certified facility remaining in a storage facility at the close of the calendar year. Biomethane quantities not identified in

the summary report for an RPS-certified facility may not be used for the RPS at a later time.

- Any additional documentation necessary for the Energy Commission to determine nonrenewable fuel use based on the fuel measurement methodology included in the RPS certification of the electrical generation facility, including the information submitted to WREGIS related to fuel use.

The Fuel Use Summary Spreadsheet contains at least seven columns with the following information in corresponding columns. All quantities should be in MMBtus unless otherwise noted. Each row shows the totals for that row's month:

a) Year/Month (for example, 2011/01, 2011/02, and so forth)
b) Total Generation (MWh)
c) "Invoiced" - Invoice totals for biomethane purchases.
d) "Injected" – The amount injected into the pipeline system by the biomethane source according to the pipeline meter data.
e) "[name of pipeline] - Received" - Amount of biomethane received into the pipeline from the biomethane source that is nominated to the electricity generating facility according to the pipeline nomination reports.[29]
f) "[name of pipeline] - Delivered" - Amount of biomethane delivered by the pipeline into another pipeline, gas carrier, or facility.[30]
g) "Total Fuel Use" – Total amount of fuel used at the RPS-certified electrical generation facility according to the pipeline meter at the facility.

A sample Fuel Use Summary Spreadsheet is included in Appendix B: Forms.

Electrical generation facilities using biomethane that are RPS certified or precertified under Section 1: Existing Biomethane Procurement Contracts, are only eligible to use biomethane from the sources and in the quantities specified in the biomethane procurement contracts that were reported to the Energy Commission before March 29, 2012. To monitor this eligibility requirement, and to ensure that no facility using biomethane that was certified or precertified under Section 1 exceeds these contracted amounts, the auditable documentation described above must be submitted to the Energy Commission for every year since the contract execution date, unless the facility is no longer operating or was decommissioned before January 1, 2011, and no longer has a biomethane procurement contract.

D. Fuel Cell Facilities Using Renewable Fuel

The electrical generation produced by a fuel cell facility using renewable fuel is eligible for the RPS if the renewable fuel used is limited to one or more of the following fuel sources:

29 If there is more than one pipeline in the delivery path, repeat columns *e* and *f* for each pipeline.
30 If there is more than one pipeline in the delivery path, repeat columns *e* and *f* for each pipeline.

1 Landfill gas, digester gas, or other gases that meet the definition of an "eligible renewable energy resource" as defined in Public Utilities Code Section 399.12, Subdivision (e) with reference to Public Resources Code Section 25741(a).

2 Hydrogen or hydrogen-rich gases derived from a nonfossil fuel or feedstock through a catalytic or electrolytic process that is energized using power generated by an "eligible renewable energy resource." The electrical generation from a fuel cell using this source of fuel is eligible for the RPS only if the electricity (that was used to make the renewable fuel) is not also counted toward an RPS compliance obligation, or claimed for any other program as renewable generation. If the source of electricity used to make the renewable fuel is located at another site, the facility generating that electricity must be certified as California RPS-eligible.[31] An applicant may be required to submit a detailed description of the hydrogen production process.

Applicants for facilities using a mixture of RPS-eligible and nonrenewable fuel must certify as multifuel facilities, as described in Section III.B: Renewable Facilities Using Multiple Energy Resources. Applicants for fuel cell facilities must complete the Biopower supplemental application form, CEC-RPS-1:S1, which can be found in Appendix B.

E. Geothermal Facilities

The electrical generation produced by a facility that uses a geothermal resource may be RPS-eligible. Only natural heat from within the earth that is captured for production of electric power may be used to create RPS-eligible generation. If the geothermal facility uses thermal energy that does not naturally occur, the facility would be subject to the requirements of Section III.B: Renewable Facilities Using Multiple Energy Resources

F. Hydroelectric

Electrical generation produced by the following types of hydroelectric facilities is eligible for the RPS:

1. Small hydroelectric facilities 30 MW or less.
2. Conduit hydroelectric facilities 30 MW or less.
3. Existing hydroelectric generation units 40 MW or less and operated as part of a water supply or conveyance system.
4. Incremental generation from eligible efficiency improvements to hydroelectric facilities regardless of the facility's overall generating capacity.

31 An example of an eligible renewable fuel for a fuel cell is hydrogen derived from water through a catalytic or electrolytic process that is energized with electricity generated by a solar photovoltaic system. In this example, the hydrogen is derived from water (a non-fossil fuel or feedstock) through a process energized with electricity from an eligible renewable energy resource (a solar photovoltaic system). The electricity used to energize the process must be bundled with the RECs so that it is renewable energy that is used to produce the hydrogen. If the renewable attributes are unbundled from the electricity and disposed of separately, the hydrogen will be produced with null power and will not be considered a renewable fuel for purposes of fuel cell eligibility under the RPS.

The RPS eligibility requirements for each of these hydroelectric facilities are addressed separately in Subsections 1, 2, 3, and 4 below. Subsection 5 and 6 describe additional eligibility requirements that apply to two or more of the groups above.

In addition to the certification or precertification application, applicants for small hydroelectric facilities or conduit hydroelectric facilities with eligible incremental efficiency improvements must complete the hydroelectric supplemental application form, CEC-RPS-1:S2, which can be found in Appendix B – Forms, and provide additional required information described later in this section.

1. Small Hydroelectric

The RPS eligibility of small hydroelectric facilities depends in part on whether the facility was operational before or after January 1, 2006, and whether energy efficiency improvements were made after January 1, 2008.

1) Pre-January 1, 2006 (Existing Facility): Generation from a small hydroelectric facility that commenced commercial operations before January 1, 2006, is eligible for the California RPS if the facility meets all of the following criteria:

    1. The facility has a nameplate capacity of 30 MW or less, with an exception for eligible efficiency improvements made after January 1, 2008, as discussed below.

    2. The facility was under contract to, or owned by, a retail seller or local publicly owned electric utility as of December 31, 2005.[32]

2) Post-January 1, 2006 (New Facility): Generation from a small hydroelectric facility that commences commercial operations or is repowered on or after January 1, 2006, is eligible for the California RPS if the facility meets all of the following criteria:

    1. The facility has a nameplate capacity of 30 MW or less, with an exception for eligible efficiency improvements made after January 1, 2008, as discussed below.

    2. The facility does not "cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow."[33][34]

A small hydroelectric or conduit hydroelectric facility shall not lose its RPS eligibility if efficiency improvements undertaken after January 1, 2008, cause it to exceed 30 MW and the efficiency improvements do not result in an adverse impact on instream beneficial uses or cause

32 Assembly Bill 3048 (Chapter 558, Statutes of 2008) revised the definition of an "eligible renewable energy resource" to include small hydroelectric facilities under contract with or owned by a local publicly owned electric utility.

33 Public Utilities Code Section 399.12, Subdivision (e)(1)(A).

34 A hydroelectric generation facility that is certified as eligible for the RPS as of January 1, 2010, shall not lose its eligibility if the facility causes a change in the volume or timing of streamflow required by license conditions approved pursuant to the Federal Power Act (Chapter 12 [commencing with Section 791a] of Title 16 of the United States Code) on or after January 1, 2010.

a change in the volume or timing of streamflow. The entire generating capacity of the facility shall be RPS-eligible.

2. Conduit Hydroelectric

To be eligible for the RPS, a conduit hydroelectric facility must use for its generation only the hydroelectric potential of an existing[35] pipe, ditch, flume, siphon, tunnel, canal, or other manmade conduit that is operated to distribute water for a beneficial use.[36] A conduit hydroelectric facility may be considered a separate project even though the facility itself is part of a larger hydroelectric facility. The RPS eligibility requirements for conduit hydroelectric facilities depend in part on whether the facility was operational before or after January 1, 2006, and whether eligible energy efficiency improvements were made after January 1, 2008. A discussion of eligible efficiency improvements can be found at the end of this section.

- Pre-January 1, 2006 (Existing Facility): Generation from a conduit hydroelectric facility that commenced commercial operations before January 1, 2006, is eligible for the RPS if the facility meets the following criterion:

  1. The facility has a nameplate capacity of 30 MW or less, with the exception of eligible efficiency improvements made after January 1, 2008, as discussed below.

- Post-January 1, 2006 (New Facility): Generation from a conduit hydroelectric facility that commences commercial operations or is repowered on or after January 1, 2006, is eligible for the California RPS if the facility meets all of the following criteria:

  1. The facility has a nameplate capacity of 30 MW or less, with the exception of eligible efficiency improvements made after January 1, 2008, as discussed below.
  2. The facility does not "cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow."[37][38]

A conduit hydroelectric facility shall not lose its RPS eligibility if efficiency improvements undertaken after January 1, 2008, cause it to exceed 30 MW and do not result in an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow. The entire generating capacity of the facility shall be RPS-eligible.

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35 "Existing" in this context is defined as built before January 1, 2008, the effective date of Assembly Bill 809. If the conduit hydroelectric facility is built in a new pipe, ditch, fume, siphon, tunnel, canal, or other manmade conduit, it may apply as a small hydroelectric facility if it meets all the eligibility requirements of a small hydroelectric facility.
36 "Beneficial use" shall be defined consistent with the California Code of Regulations, Title 23, Sections 659 through 672, to include the following uses of water: domestic use, irrigation use, power use, municipal use, mining use, industrial use, fish and wildlife preservation and enhancement use, aquaculture use, recreational use, and heat control use.
37 Public Utilities Code 399.12, Subdivision (e)(1)(B).
38 A hydroelectric generation facility that is certified as eligible for the RPS as of January 1, 2010, shall not lose its eligibility if the facility causes a change in the volume or timing of streamflow required by license conditions approved pursuant to the Federal Power Act (Chapter 12 [commencing with Section 791a] of Title 16 of the United States Code) on or after January 1, 2010.

A conduit hydroelectric facility may be associated with or part of a larger existing hydroelectric facility and separately certified as RPS eligible if the facility meets the following criteria:

1. The associated existing hydroelectric facility commenced commercial operations before January 1, 2006.
2. The conduit hydroelectric facility commenced commercial operations on or after January 1, 2006.
3. The existing hydroelectric facility and conduit hydroelectric facility are separately metered to identify their respective generation.

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

The certification of an existing hydroelectric generation unit operated as part of a water supply or conveyance system[39] requires that the unit meet all of the following requirements:

1. The generation unit has a nameplate capacity of 40 MW or less, subject to the definition of a "project" as defined in the Glossary of Terms.
2. 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.
3. The unit is operated as part of a "water supply or conveyance system," as defined in the Glossary of Terms.

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:

- Current water supply permit issued by the California Department of Public Health, if applicable, or its equivalent from another state or local government agency.
- 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.
- Documentation showing the water supply and conveyance system was initially built solely for the distribution of water for agricultural, municipal, or industrial consumption and operated primarily for this purpose.

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39 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. Hydroelectric generation units meeting these 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.

4. Incremental Hydroelectric Generation From Efficiency Improvements Regardless of Facility Output

The incremental increase in generation that results from efficiency improvements to a hydroelectric facility, regardless of the electrical output of the facility, is eligible for the RPS if all of the following conditions are met:

1. The facility is owned by a retail seller or a local publicly owned electric utility.[40]
2. The facility was operational before January 1, 2007.
3. The efficiency improvements are initiated on or after January 1, 2008, are not the result of routine maintenance activities and were not included in any resource plan sponsored by the facility owner before January 1, 2008.
4. The facility meets one of the following conditions:
    a. For a facility located in California, the facility has, within the immediately preceding 15 years from the date the efficiency improvements are initiated, received certification from the State Water Resources Control Board (SWRCB) pursuant to Section 401 of the Clean Water Act (33 U.S.C. Sec. 1341) or has received certification from a regional board to which the SWRCB has delegated authority to issue certification, unless the facility is exempt from certification because there is no potential discharge into waters of the United States.
    b. For a facility not located in California, the certification pursuant to Section 401 of the federal Clean Water Act (33 U.S.C. Sec. 1341) may be received from the applicable state board or agency, as determined by the Energy Commission, or from a regional board to which the state board has delegated authority to issue the certification.[41]
    c. The facility meets the requirements of the Public Utilities Code 399.12.5, Subdivision (b)(2)(C).
5. The incremental increase is the result of efficiency improvements from a retrofit, and the efficiency improvements do not result in an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow.[42]

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40 Assembly Bill 1351 (Chapter 525, Statutes of 2009). AB 1351, amended then Section 399.12.5 of the Public Utilities Code to require that a hydroelectric facility, regardless of output, be owned by a retail seller or local publicly owned electric utility for the facility's incremental generation from efficiency improvements to be eligible for the RPS, and to authorize the applicable state board, agency, or regional board outside California to issue a certification to the facility pursuant to the federal Clean Water Act.

41 Public Utilities Code Section 399.12.5, Subdivision (b).

42 A hydroelectric generation facility that is certified as eligible for the RPS as of January 1, 2010, shall not lose its eligibility if the facility causes a change in the volume or timing of streamflow required by license conditions approved pursuant to the Federal Power Act (Chapter 12 [commencing with Section 791a] of Title 16 of the United States Code) on or after January 1, 2010.

6. All of the incremental increase in electricity generation resulting from the efficiency improvements must be demonstrated to result from a long-term financial commitment by the retail seller or local publicly owned electric utility.[43]

General Requirements for Hydroelectric Facilities

To be eligible for the RPS, a new or repowered small hydroelectric facility, conduit hydroelectric facility, or incremental generation from eligible efficiency improvements to a hydroelectric facility must demonstrate that it can operate without adversely impacting the instream beneficial uses or causing a change in the volume or timing of streamflow.[44]

A facility could have an adverse impact on the instream beneficial uses if it causes an adverse change in the chemical, physical, or biological characteristics of water, including a change in the volume, rate, timing, temperature, turbidity, or dissolved oxygen content of the stream water.

5. Eligible Efficiency Improvements

Eligible efficiency improvements to hydroelectric facilities are limited to those improvements that make more efficient use of the existing water resource and equipment, rather than increase the storage capacity or head of an existing water reservoir. Efficiency improvements do not include regular or routine maintenance activities. Eligible efficiency improvements may include the following measures:

- Rewinding or replacing the existing turbine generator.
- Replacing turbines.
- Computerizing control of turbines and generators to optimize regulation of flows for generation.

The applicant is responsible for showing that its facility qualifies for the RPS. The eligible incremental generation from a hydroelectric facility that underwent efficiency improvements will be determined in accordance with Section III.E: Incremental Generation. Additional information required of applicants for small hydroelectric, conduit hydroelectric facilities, and incremental generation regardless of output is discussed below.

6. Additional Required Information for Hydroelectric Facilities

An applicant must provide additional information to substantiate its application for RPS precertification or certification for a small hydroelectric facility, conduit hydroelectric facility, or incremental generation from efficiency improvements to hydroelectric facilities regardless of overall facility size if the facility:

- Commenced commercial operations or was repowered on or after January 1, 2006, for small or conduit hydroelectric facilities.

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43 "Long-term financial commitment" means either new ownership investment in the facility by the retail seller or local publicly owned electric utility or a new or renewed contract with a term of 10 or more years, which includes procurement of the incremental generation. (Public Utilities Code Section 399.12.5, Subdivision [b][4].)

45 "Long-term financial commitment" means either new ownership investment in the facility by the retail seller or local publicly owned electric utility or a new or renewed contract with a term of 10 years or more, which includes procurement of the incremental generation. (Public Utilities Code Section 399.12.5, Subdivision (b)(4).

- Commenced commercial operations before January 1, 2007, for incremental generation from efficiency improvements regardless of facility size.
- Was added to an existing water conduit on or after January 1, 2006, for conduit hydroelectric facilities.
- Was an existing small hydroelectric or conduit hydroelectric facility and made efficiency improvements after January 1, 2008, that caused it to exceed 30 MW.

Additional required water-use data and documentation described below must be included with a complete application for RPS precertification or certification. This information must be included in the CEC-RPS-1:S2 that accompanies a completed CEC-RPS-1 application form. Applicants possessing a permit or license from the SWRCB or from another governing body if located in another state – must submit a copy of the permit or license as well as the application for the permit or license.

1. Name of the facility

2. Ownership of the facility

3. Source water description

   The application must identify the source of the water for the hydroelectric project. The source must be characterized as surface, groundwater, or other (for example, recycled water). For surface water sources, a map at a scale of 1:24,000 must be provided. The map should also identify the location of the diversion point and all other facilities. In addition, a written description of the location of the diversion should be provided (county and nearest city) as well as the name of the body of water at the point of diversion. For groundwater, the location of the well(s) and conveyance facilities shall be identified on a map of 1:24,000 scale. The applicant must also specify how much water is used for each of the identified beneficial uses.

4. Water rights

   Applicants must clearly establish their right to divert water by submitting all necessary information as well as all appropriate licenses or permits. Within California, this information must identify the permitted volume, rate and timing of water diversions, the place of diversion, and beneficial uses. This may be achieved through submittal of the appropriate SWRCB appropriation permit or license, or the Statement of Water Diversion and Use filed with SWRCB. For diversions not subject to an appropriation permit or license, a copy of any Statement of Water Diversion and Use filed with SWRCB should be provided. Facilities located outside California must provide similar documentation of an existing water right for water diversion.

5. Hydrologic data

   The applicant must submit appropriation and/or diversion data for the last five years or for the period of operation if the project has been operating less than five years. Information contained in any legally required reports may be used to meet this requirement if sufficient

information is included in the report. For other projects, the hydrologic data submitted must be accompanied by a description of how the data is collected. Flow data shall be provided at the frequency set forth in the applicable water appropriation permit; for example, if the permit specifies minimum and maximum flows on a monthly basis, then that is the level of information necessary to be submitted.

6. Other permits

The applicant must submit all other applicable permits, including those project licenses, permits and exemptions issued by the Federal Energy Regulatory Commission (FERC), if applicable, or the equivalent from another federal, state, or local government agency. If no FERC project licenses, permits, or exemptions were issued, the applicant must submit documentation explaining why the FERC project licenses, permits, or exemptions are not applicable to the facility.

7. Environmental documentation

The applicant must submit copies of any permits, agreements, contracts, or other requirements affecting the operation of the facility, especially those that affect the volume, rate, timing, temperature, turbidity, and dissolved oxygen content of the stream water before and after the points of diversion.

8. Capacity

For small and conduit hydroelectric facilities, the applicant must demonstrate how the project will comply with the 30 MW nameplate capacity size limitations under the RPS and not cause an adverse impact on instream beneficial uses or a change in the volume or timing of streamflow. For this purpose, a facility may have an adverse impact on the instream beneficial uses if it causes an adverse change in the chemical, physical, or biological characteristics of water.

9. Efficiency improvements

Applicants seeking certification of small or conduit hydroelectric facilities that exceed 30 MW due to efficiency improvements must provide:

a. Documentation showing when the existing small or conduit hydroelectric facility commenced commercial operations.
b. Documentation describing the efficiency improvements and when they were initiated and completed.
c. Documentation demonstrating that the efficiency improvements are not the result of routine maintenance.
d. Documentation demonstrating that the efficiency improvements did not result in an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow. For this purpose, an efficiency improvement could have an adverse impact on the instream beneficial uses if it causes an adverse change in the chemical, physical, or biological characteristics of water.

10. Incremental Hydroelectric Generation

Applicants seeking certification of incremental hydroelectric generation due to efficiency improvements regardless of facility output are required to provide:

a. Documentation showing when the existing hydroelectric facility commenced commercial operations.
b. Documentation describing the efficiency improvements and when they were initiated and completed.
c. Documentation demonstrating that the efficiency improvements are not the result of routine maintenance.
d. Documentation demonstrating that the efficiency improvements were not included in any resource plan sponsored by the facility owner before January 1, 2008. An example of this documentation is submission of pertinent sections of such a resource plan.

e. One of the following:

    i. A copy of certification from the State Water Resources Control Board (SWRCB) pursuant to Section 401 of the Clean Water Act (33 U.S.C. Sec. 1341) or the certification from a regional board to which the SWRCB has delegated authority to issue certification, unless the facility is exempt from certification because there is no potential discharge into waters of the United States. The certification must have been received within the immediately preceding 15 years before the improvements were initiated.

    ii. If the hydroelectric facility is located in a state in the United States other than California, the certification pursuant to Section 401 of the federal Clean Water Act (33 U.S.C. Sec. 1341) may be received from the applicable state board or agency or from a regional board to which the state board has delegated authority to issue the certification.

    iii. The facility meets the requirements of the Public Utilities Code Section 399.12.5, Subdivision (b)(2)(C).

f. Documentation demonstrating that the efficiency improvements did not result in an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow. For this purpose, an efficiency improvement would have an adverse impact on instream beneficial uses if it causes an adverse change in the chemical, physical, or biological characteristics of water.

g. Documentation demonstrating that the efficiency improvements to the facility resulted from a long-term financial commitment by the retail seller or POU.[45]

[45] "Long-term financial commitment" means either new ownership investment in the facility by the retail seller or local publicly owned electric utility or a new or renewed contract with a term of 10 years or more, which includes procurement of the incremental generation. (Public Utilities Code Section 399.12.5, Subdivision (b)(4).

h. A calculation of the historical average annual production of the existing hydroelectric facility, including verifiable generation data for the 20 years preceding the efficiency improvements, including supporting water flow data. If the facility has not been operating 20 years, then provide data for the years it has been operational.

i. The actual or expected efficiency improvement and increase in production in MWh resulting from the efficiency improvement and a discussion of the method used to estimate increased energy production. The actual or expected efficiency improvement should be based on the same data that are used to calculate the historical average annual production of the existing hydroelectric facility. If production data are available for years following the efficiency improvement, please provide those data.

G. Municipal Solid Waste

Electrical generation produced by a facility that uses (MSW) as defined in the glossary of terms is eligible for the RPS. Two types of MSW facilities are eligible:

1. Municipal Solid Waste Combustion Facilities: A facility that directly combusts MSW to produce electricity is eligible for the RPS only if it is located in Stanislaus County and was operational before September 26, 1996.[46] An applicant for a combustion facility must submit documentation to the Energy Commission demonstrating that the facility meets these requirements.

2. Municipal Solid Waste Conversion Facilities: A facility is eligible for the RPS if 1) it uses a two-step process to create energy whereby in the first step, gasification[47] conversion, a non-combustion thermal process that consumes no excess oxygen, is used to convert MSW into a clean-burning gaseous or liquid fuel, and then in the second step this clean-burning fuel is used to generate electricity, and 2) the facility and conversion technology meet all of the following applicable criteria in accordance with Public Resources Code Section 25741, Subdivision (b):

a. The technology does not use air or oxygen in the conversion process, except ambient air to maintain temperature control.
b. The technology produces no discharges of air contaminants or emissions, including greenhouse gases as defined in Section 38505 of the Health and Safety Code.
c. The technology produces no discharges to surface or groundwaters of the state.
d. The technology produces no hazardous wastes.
e. To the maximum extent feasible, the technology removes all recyclable materials and marketable green waste compostable materials from the solid waste stream before the

[46] Public Utilities Code Section 399.12, Subdivision (e)(2).
[47] This process is referred to as "gasification" in Public Resources Code Section 40117, as implemented by the California Department of Resources Recycling and Recovery (CalRecycle). The requirements of Section 40117 mirror the requirements of Public Resources Code Section 25741, Subdivision (b), as applicable to municipal solid waste conversion.

conversion process, and the owner or operator of the facility certifies that those materials will be recycled or composted.

f. The facility at which the technology is used complies with all applicable laws, regulations, and ordinances.
g. The technology meets any other conditions established by the Energy Commission.
h. The facility certifies that any local agency sending solid waste to the facility diverted at least 30 percent of all solid waste it collects through solid waste reduction, recycling, and composting.

In addition to the certification or precertification application, applicants for MSW facilities must complete the supplemental application form for biopower, CEC-RPS-1:S1, found in Appendix B, and provide the additional required information described below.

1. MSW Conversion Facilities Located in California

Applicants for RPS certification of solid waste conversion facilities must provide copies of any solid waste facilities permits issued by the appropriate enforcement agency[48] (EA) pursuant to regulations promulgated by the California Department of Resources Recycling and Recovery (CalRecycle). These permits must be attached to the completed CEC-RPS-1 form to verify compliance with the requirements specified above. Applicants seeking RPS precertification must attach copies of their Solid Waste Facilities Permit Application, as submitted to the EA. The Energy Commission will verify compliance in consultation with CalRecycle based on the adopted regulations as set forth in Title 14, California Code of Regulations, Division 7, Chapter 3, Article 6.0, commencing with Section 17400.

To become certified as an eligible renewable energy resource for the RPS, an applicant for a solid waste conversion facility must submit to the Energy Commission a copy of any applicable permits issued pursuant to the requirements of Title 14, California Code of Regulations, Division 7, Chapter 3, Article 6.0, commencing with Section 17400. The Energy Commission will confirm that the permit is approved, active, and applicable to the facility seeking RPS certification. These permits must demonstrate:

1. The facility is using only a "gasification" conversion technology, as defined in Public Resources Code Section 40117.

2. The facility accepts and processes "solid waste" as defined in Public Resources Code Section 40191 and is not limited to receiving and processing "source-separated" waste as defined in Title 14, California Code of Regulations, Section 17402.5, Subdivision (b)(4).

3. The facility processes solid waste from which, to the maximum extent feasible, all recyclable materials and marketable green waste compostable materials have been removed before the solid waste conversion process.

[48] Enforcement agency as defined in Public Resources Code Section 40130. A list of enforcement agencies can be found at http://www.calrecycle.ca.gov/LES/Directory/.

In addition, an applicant for a solid waste conversion facility must certify to the Energy Commission that:

1. All recyclable materials and marketable green waste compostable materials removed from solid waste prior to the conversion process are recycled or composted.
2. Any local agency sending solid waste to the facility diverted at least 30 percent of all solid waste it collects through solid waste reduction, recycling, and composting. For purposes of this certification, "local agency" means any city, county, or special district, or subdivision thereof that is authorized to provide solid waste handling services.

To become precertified as RPS-eligible, the applicant must submit to the Energy Commission copies of its Solid Waste Facilities Permit Application, as submitted to the EA or a letter from CalRecycle stating that the facility, if built and operated as proposed, is using a "gasification" conversion technology, as defined in Public Resources Code Section 40117. In the event that the EA determines that no permit is required, then the applicant must submit to the Energy Commission the information provided to the EA and the EA's official determination of the facility's regulatory status. The Energy Commission will review this information and consult with CalRecycle to determine if the information is complete and satisfies the requirements specified in Public Resources Code Section 25741, Subdivision (b). The Energy Commission will confer with CalRecycle to determine that the information included on any final approved solid waste facility permit is consistent with the requirements of the RPS eligibility criteria.

If a precertified applicant does not obtain an applicable solid waste facility permit, if such a permit is deemed necessary, by the time the project commences commercial operation, or if it is denied approval for a required permit, the Energy Commission will revoke the applicant's precertification.

2. MSW Conversion Facilities Located Outside California

In the case of an MSW conversion facility not located within California and thus not under the jurisdiction of CalRecycle or an EA, the facility must meet the same requirements for in-state facilities, except that the Energy Commission will accept similar permits (as described above) from the corresponding local agency or agencies with the authority to issue such permits. The applicant must submit copies of the permit applications and all documentation required to receive the local equivalent of the required EA permits as well as any additional information that would be required to receive these permits from the EA.

For RPS precertification, the applicant must submit all available documentation required to receive the local equivalent of the EA permits, as well as the permits required by the local authority. If a precertified applicant does not obtain all required permits from the local authority or meet all standards placed on similar facilities located in California by the EA to receive the required permits by the time the project commences commercial operation, or if it is denied approval for a permit, the Energy Commission will revoke the applicant's precertification.

H. Ocean Thermal

The electrical generation produced by a facility that uses an ocean thermal resource may be RPS eligible. As part of the application for the RPS certification or precertification of an ocean thermal facility, the applicant must include a brief description of the technology used to generate electricity.

I. Ocean Wave

The electrical generation produced by a facility that uses an ocean wave resource may be RPS-eligible. As part of the application for the RPS certification or precertification of an ocean wave facility, the applicant must include a description of the technology used to generate electricity.

J. Solar

The electrical generation produced by a facility using a solar resource may be RPS-eligible if the facility uses either a solar photovoltaic or solar thermal process to produce electricity.

1. Photovoltaic

Solar photovoltaic processes use photons from the sun to excite electrons contained in a semiconductor from a low energy state to a higher energy state through the photoelectric effect. These facilities may use tracking systems or concentrating systems to increase the amount of solar radiation available to the photovoltaic cells. The RPS makes no distinction between the different solar cells that may be used or between facilities that use concentrating or tracking systems and those that do not for the purposes of eligibility.

2. Solar Thermal

Solar thermal electric facilities use solar radiation to create a thermal potential, typically in a fluid. Many solar thermal electric facilities incorporate supplemental boilers or some form of thermal energy storage. Solar thermal electric facilities that include a supplemental boiler to add thermal energy to the working fluid for any purpose are subject to the requirements of Section III.B: Renewable Facilities Using Multiple Energy Resources. Solar thermal electric facilities with thermal storage incorporated into the generating process are eligible consistent with Section III.G: Energy Storage

K. Tidal Current

The electrical generation produced by a facility that uses a tidal current resource may be RPS-eligible. As part of the application for the RPS certification or precertification of a tidal current facility, the applicant must include a description of the technology used to generate electricity.

L. Wind

The electrical generation produced by a facility that uses a wind resource may be RPS-eligible. Facilities using wind resources can use any method of turbine, including vertical and horizontal wind turbines, to capture the naturally occurring wind resource to generate electricity.

III. Facility Requirements

Electrical generation facilities using one or more of the renewable energy resources or fuels discussed above are subject to additional eligibility requirements governing the operations of the facility and the methods used to track and account for the electricity generated by the facility. The requirements of Section III.A: Generation Tracking and Accounting apply to all facilities, regardless of facility operations. The remaining facility requirements only apply to select facilities depending on their operations, interconnection, or other characteristics. Table 2 summarizes the different facility characteristics that may trigger the need to submit additional information.

Table 2: Summary of RPS Faciltiy Characteristics Eligibility Requirements

Note: A CEC-RPS-1 form must be submitted for each electrical generation facility seeking the certification or precertification of an individual facility. Applications for aggregated units must be made on a CEC-RPS-3 form. All forms can be found in Appendix B.

Characterizations	Supplemental Form	Additional Required Information, or Notes
Energy Storage	Technology Dependent	Yes, refer to Section III.G
Multifuel Facility	N/A	Yes, must report fuel use information. Refer to Section III.B
Interconnected to a non-CBA Outside CA	CEC-RPS-1.S3	Yes, refer to Section III.C
Out-of-Country	CEC-RPS-1.S3	Yes, refer to Section III.C.3
Incremental Generation	N/A	Yes, must report historical generation information and improvement or expansion activities. Refer to Section III.E
Repowered	N/A	Yes, must describe repowering activities and financial investment. Refer to Section III.D
Distributed Generation	N/A	May group of small facilities using either wind or solar photovoltaic using the CEC-RPS-3. Refer to Section III.F

Source: California Energy Commission

A. Generation Tracking and Accounting

The following generation tracking and accounting requirements apply to all electrical generation facilities that are certified or precertified by the Energy Commission for California's RPS. For more information on the Energy Commission's process for verifying RPS procurement and generation data,see Section V below.

1. WREGIS

An electrical generation facility must be registered in the WREGIS system before the applicant may apply for the RPS certification of that facility.[49] As part of the application process the applicant must provide the Energy Commission with the WREGIS generating unit identification number or numbers (GU IDs), including what generation is represented by that GU ID, exported generation, onsite load, or other; whether or not that GU ID represents multiple fuel types; and the total nameplate capacity registered under that GU ID. If any of the information that was provided to WREGIS about the facility differs from the information provided to the Energy Commission the applicant must identify the discrepancies information and explain the reasons for those discrepancies.

All generation from facilities certified as eligible for California's RPS must be tracked in WREGIS, with the limited exceptions for 2011-2012 generation noted in this guidebook. Applicants for certification must provide the WREGIS Generating Unit Identification number (GU ID) for each certified facility to the Energy Commission.[50] An RPS-certified facility must remain registered in the WREGIS system and comply with all WREGIS rules, and all generation from that facility must be tracked in the WREGIS system to be considered RPS-eligible, with the limited exceptions noted in this guidebook. Failure to remain registered in the WREGIS system, or the inability to provide proof of registration in WREGIS upon request, may result in the facility's RPS certification being revoked. It is the responsibility of the applicant of an RPS-certified facility to notify the Energy Commission in writing within 90 days of a change in its status in the WREGIS system.

All electrical generation facilities participating in the RPS must use a meter with an independently verified rating of 2 percent or higher accuracy to report the generation output of the facility to WREGIS.

2. Station Service

Compliance with the California RPS is based on procurement from electrical generation facilities that are certified by the Energy Commission as eligible renewable energy resources. Station service, also commonly called parasitic load, generally refers to the electricity consumed by an electrical generation facility for facility operations. Electricity used by an electrical generation facility for station service is not eligible for the RPS and should not result in the creation of renewable energy credits (RECs) that are used for RPS compliance. Station service is defined in the Glossary of Terms in this guidebook.

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49 This requirement may not be applied to facilities that have ceased to operate and are applying for a limited RPS certification.

50 POUs may use the Interim Tracking System (ITS) to report generation occurring through October 2012 that is not tracked in WREGIS; for more information on the ITS, see Section V: RPS Tracking System, Reporting and Verification. An applicant must register its facility with WREGIS to receive a WREGIS ID number.

Generation to meet station service load as defined in this guidebook is not eligible for California's RPS. This is consistent with the WREGIS Operating Rules, which do not provide for the creation of RECs for station service.[51]

B. Renewable Facilities Using Multiple Energy Resources

Renewable facilities using multiple energy resources to generate electricity are eligible for the RPS. These renewable facilities are referred to as "multifuel" facilities and use a mix of fuels or energy resources that can include fossil fuels, other nonrenewable energy resources, and one or more RPS-eligible renewable energy resources to generate electricity. Applicants for these multifuel facilities must accurately measure the annual contribution of each fuel and energy resource type and maintain and report this information to the Energy Commission and WREGIS, as required.

1. Measuring the Renewable Generation From Multifuel Facilities

All applications to certify or precertify a multifuel facility must include a measurement methodology to determine the contribution of each fuel or energy resource, a list of all energy resources used at the facility, and the actual, or anticipated, percentage of the contribution of each energy resource to the total generation output as measured by the fuel measurement methodology on an annual basis. Any significant change in the fuel amounts should be reported to the Energy Commission through an amended application for certification, or precertification; significant changes are discussed in Section IV.B.7: Amending Certification or Precertification. Unless the facility's operations comply with one of the requirements described below to treat an amount of nonrenewable generation as RPS-eligible, no generation attributable to the use of nonrenewable fuel or energy resource will be counted as RPS-eligible.

The Energy Commission will allow one of the methods provided below for measuring the fraction of a multifuel facility's electricity output attributable to renewable energy resources. An application for RPS precertification or certification of a multifuel facility must indicate which of these methods will be used to measure the renewable fraction of the facility's generation. The applicant shall report the fraction of renewable energy relative to the total electricity generation from a multifuel facility to WREGIS on a monthly basis.

All fuels or energy resources contributing thermal energy to the system that generates electricity (except for solar thermal facilities using direct steam generation systems with no thermal storage capacity proposing an alternative measurement methodology), and any inputs not separately metered, must be accounted for in the measurement methodology for all thermal conversion technologies. This includes, but is not limited to, fuel use for startup, freeze protection, flame stabilization, supplemental firing, and any input of thermal energy used to maintain, increase, or control the decrease of the thermal energy within the generation system. Similarly, all fuels or energy resources entering a fuel cell must be considered. Nonthermal technologies should independently and accurately measure all generation directly from each technology or separate unit.

51 Available online at: http://www.wecc.biz/WREGIS/Pages/default.aspx

Below are the methods for measuring the contribution of each fuel or energy resource at RPS-eligible facilities.

1) Combustion technologies and fuel cell technologies: For eligible renewable resources using the combustion of renewable fuels to generate electricity, such as biomass or digester gas, the percentage of the total generation attributable to the RPS-eligible source shall be determined by the ratio of the eligible renewable energy input (MMBtu) to the total energy input (MMBtu) contributing thermal energy to generate electricity or improve efficiency by adding heat to the system, given by the following equation:

$$\text{Percent Renewable} = \frac{\sum(\text{MMBtu})_{\text{RPS}}}{\sum(\text{MMBtu})_{\text{RPS}} + \sum(\text{MMBtu})_{\text{non-RPS}} + \sum\left((\text{MWh})_{\text{grid}} \cdot \frac{3.413\ \text{MMBtu}}{1\ \text{MWh}}\right)}$$

$(MWh)_{grid} \quad = Grid\ Electrictiy\ adding\ heat\ to\ the\ system(MWh)$

$(MMBtu)_{RPS} \quad = RPS\ Eligible\ Renewable\ Fuel(s)\ (MMBtu)$

$(MMBtu)_{non-RPS} = Non - Renewable\ Fuel(s)\ (MMBtu)$

2) Noncombustion, thermal technologies: Renewable technologies that do not use a combustion process to generate RPS-eligible electricity, such as solar thermal and geothermal technologies, have two possible methods to measure the renewable contribution to the total generation.

   a. The first option takes the ratio of the total nonrenewable energy (grid electricity and nonrenewable energy inputs) contributing thermal energy to the system compared to the total generation of the facility, and subtracts it from one. The contribution of the nonrenewable fuel will be measured by the generation that an equivalent amount of MMBtus of natural gas would produce at a natural gas facility. The result of the equation, provided below, is the contribution attributable to the non-combustion renewable technology.

$$Percent\ Renewable = 1 - \frac{\left[(MMBtu)_{non-RPS} \cdot \frac{1\ MWh}{3.413\ MMBtu} \cdot (eff)_{plant} + (MWh)_{grid}\right]}{(MWh)_{Total}}$$

$(\text{MWH})_{\text{Total}} = \text{Total electricial generation of all generators,}$

$\text{not the net electricial output of the facility (MWh)}$

$(\text{MWh})_{\text{grid}} \quad = \text{Grid Electrictiy adding heat to the system(MWh)}$

$(\text{MMBtu})_{\text{non-RPS}} = \text{Non} - \text{Renewable Fuel(s) (MMBtu)}$

$(\text{eff})_{\text{plant}} = \text{The actual conversion efficiency of the facility or 0.425}$

   b. The second option for noncombustion, thermal renewable technologies is to measure the change in the heat content of the medium used to collect the heat attributable to the thermal contribution of the renewable technology. This is done by measuring the heat content of the medium before the heat energy from the renewable source is absorbed

and after that heat is absorbed. To use this method, the applicant must provide a single line drawing of the electric generating system identifying every heat source and the proposed points to measure the change in the heat content of the medium. If multiple media are used to collect heat at the facility from the thermal sources, the heat added to the system shall be measured using the medium that turns the electric generating turbine. For this option, the applicant may use the following Percent Renewable equation:

$$\text{Percent Renewable} = \frac{\sum(\text{MMBtu})_{\text{RPS}}}{\sum(\text{MMBtu})_{\text{RPS}} + \sum(\text{MMBtu})_{\text{non-RPS}} + \sum\left((\text{MWh})_{\text{grid}} \cdot \frac{3.413\ \text{MMBtu}}{1\ \text{MWh}}\right)}$$

Where the noncombustion, thermal renewable contribution is defined by:

$$(MMBtu)_{RPS} = (MMBtu)_{medium_{out}} - (MMBtu)_{medium_{in}}$$

$$(MMBtu)_{RPS} = The\ Heat\ Contribution\ of\ the\ RPS\ eligible\ Technology\ (MMBtu)$$

$$(MMBtu)_{medium_{out}} = The\ Heat\ Content\ of\ the\ heated\ medium\ Exiting\ the\ \text{Renewable}\ Boiler\ (MMBtu)$$

$$(MMBtu)_{medium_{in}} = The\ Heat\ Content\ of\ the\ heated\ medium\ Entering\ the\ Renewable\ Boiler\ (MMBtu)$$

$$(\text{MWh})_{\text{grid}} = \text{Grid Electrictiy adding heat to the system(MWh)}$$

$$(\text{MMBtu})_{\text{non-RPS}} = \text{Non} - \text{Renewable Fuel(s) (MMBtu)}$$

In the event that any thermal renewable facility uses a nonrenewable energy input to add heat to the system through a noncombustion, thermal process, the contribution of that fuel shall be accounted for in a method similar to the second option for noncombustion, thermal renewable technologies.

3) Nonthermal electric generating technologies (except fuel cell technologies): Some renewable technologies, such as solar photovoltaic and wind, are nonthermal electricity generation technologies. Therefore, measurement of total annual energy input is not appropriate for these technologies. Instead, a facility incorporating one or more of these technologies must have internal metering to measure the electrical generation directly associated with that specific technology. The internal metering shall be compared to the total output of the facility to determine the percentage attributable to any nonthermal renewable technology, if applicable. The percentages attributable to the technology shall be recorded monthly and reported to WREGIS on a monthly basis.

4) Alternative measurement methodology: Applicants may submit an alternative measurement method if it can be demonstrated to the Energy Commission's satisfaction that the method is superior to the methods discussed above and is the most appropriate method for that technology, fuel, or energy resource. The methodology shall be based on the total annual energy input of each energy resource to the generating system, and any inputs not separately metered, measurable on a monthly basis. The Energy Commission will evaluate

and consider the proposed measurement method as part of the facility's application for precertification or certification.

Solar thermal facilities using direct steam generation systems with no thermal storage capacity may use nonrenewable fuel for the purpose of increasing or maintaining the thermal energy of the generation system, subject to all the following limitations:

a. The maintenance or increase in thermal energy is limited to levels not exceeding temperatures necessary to generate electricity.

b. The maintenance or increase in thermal energy may not exceed 25 percent of the hourly thermal capacity of the receiver system.

c. The use of nonrenewable fuel for maintenance or increase in thermal energy is limited to the period of time between the final daily termination of generation and the facility's daily initial commencement of generation the next morning.[52]

Uses of nonrenewable fuel falling within these limitations need not be considered as contributing to electricity generation in the measurement methodology for solar thermal facilities using direct steam generation systems with no thermal storage capacity. The applicant must demonstrate to the Energy Commission's satisfaction that the proposed method is superior to the methods discussed above and is the most appropriate method for solar thermal facilities using direct steam generation systems with no thermal storage capacity, similar to all other proposed alternative measurement methodologies. The alternative measurement method shall include separate metering of the total amount of nonrenewable fuel used daily by the facility and separate metering for the portion of this total used between shutdown and commencement of generation the next morning, for reporting the fuel usage to the Commission. The facility operator shall maintain adequate documentation to substantiate the reported nonrenewable fuel use at the facility.

2. De Minimis Quantity of Nonrenewable Fuels or Energy Resources

All of the generation from multifuel facilities using a de minimis quantity of nonrenewable fuels or energy resources in the same generation process as the renewable fuel or resource, and as measured by the methodology approved for that specific facility, may be counted as RPS-eligible. Public Utilities Code Section 399.12, Subdivision (h)(3), requires that the Energy Commission set the de minimis quantity for all facilities applying for precertification or certification at a level of no more than 2 percent of the total annual contribution of nonrenewable fuel to the facility's annual electricity output. The Energy Commission has determined that all facilities using nonrenewable fuels in the generation process may use a de minimis quantity of nonrenewable fuel of 2 percent annually, as calculated by a measurement methodology approved under this guidebook.

52 For example, the pregeneration warming period for the daily initial startup and overnight freeze protection would be treated as part of the period of time between the facility's final daily termination of generation and the facility's initial commencement of generation the next morning.

The law authorizes the Energy Commission to adjust the de minimis quantity for individual facilities up to a maximum level of 5 percent of the total annual contribution of nonrenewable fuel to the facility's annual electricity output if the applicant can demonstrate that several conditions are met by the facility's use of the increased amount of nonrenewable fuel. The Energy Commission has determined that individual facilities meeting the criteria below will be allowed a de minimis quantity of 5 percent nonrenewable fuel use, as measured by the approved fuel measurement methodology. Applicants for individual facilities seeking this adjusted de minimis nonrenewable fuel use must demonstrate in their applications for precertification or certification that the facility meets *all* of the following criteria:

1) The higher quantity of nonrenewable fuel used at the facility will lead to an increase in generation from the facility that is significantly greater than generation from the nonrenewable fuel alone. Significantly greater generation from the facility is defined as an increase in generation that, as a result of the increased quantity of nonrenewable fuel use, is greater than twice the generation potential of the increased quantity of nonrenewable fuel alone.[53] This equates to an increase in generation attributable to the renewable fuel that is greater than the generation potential from the increased quantity of nonrenewable fuel alone.[54]
2) The increased use of nonrenewable fuel reduces the facility's electrical output variability in a manner that results in net environmental benefits to the state. Reduced variability of output from a facility can improve its synchronization to the grid or improve the facility ramp rates, which can improve the ability of renewables to integrate into the California electrical system and achieve the state's RPS and climate change targets, and, thereby, demonstrate a net environmental benefit to the state.
3) The higher quantity of nonrenewable fuel is limited to either natural gas or hydrogen derived by the reformation of a fossil fuel. Specifically, an adjusted de minimis quantity of nonrenewable fuel greater than 2 percent but not greater than 5 percent may be sourced from either natural gas or hydrogen derived by the reformation of a fossil fuel.

All facilities using a de minimis amount of nonrenewable fuels to count toward the RPS must retain records to verify the facility's ongoing compliance with the above requirements and must submit this information to the Energy Commission as required below, and upon request. If the Energy Commission determines that a facility's adjusted nonrenewable fuel use does not meet the above requirements, the facility will be subject to the 2 percent de minimis limit for the applicable year(s) and all subsequent years unless the applicant provides sufficient documentation to demonstrate its qualities for the 5 percent de minimis limit. If the Energy Commission readjusts the annual de minimis quantity of nonrenewable fuels to 5 percent for that facility, it will be applied to generation that occurs subsequent to the Energy Commission's determination.

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[53] The generation potential of the increased nonrenewable fuel alone is calculated by applying the heat rate of the facility to the increased quantity of the nonrenewable fuel.

54 The Energy Commission may revise the definition of "significant" for this purpose after a sampling of operational data are available.

For counting generation attributed to nonrenewable fuel as California RPS-eligible, see "Counting Nonrenewable Fuel Use as RPS-Eligible" below.

3. Other Nonrenewable Fuel Allowances

In the past, the Energy Commission has allowed the generation from facilities using greater amounts of nonrenewable fuel than the de minimis quantity to be considered 100 percent eligible for the RPS if certain conditions were met, as described below. Only facilities that continue to meet these conditions and are currently RPS certified under these conditions may continue to receive RPS credit for the entire output of the facility. For these facilities to count 100 percent of the electricity generated toward the RPS, one of the following four conditions must be met in the current certification for that facility. If the allowable nonrenewable energy amount is exceeded, then only the generation attributable to renewable energy inputs will be counted for the RPS. For counting generation attributed to nonrenewable fuel for the RPS, see "Counting Nonrenewable Fuel Use as RPS-Eligible" below.

1) Biomass facilities eligible for Existing Renewable Facility Program (ERFP) funding as of December 31, 2011. If a biomass facility met the conditions to qualify 100 percent of its generation for ERFP funding under the January 2009 edition of the *Existing Renewables Facilities Program Guidebook, Sixth Edition*, on December 31, 2011, then the entire electrical generation output of the facility can count as RPS-eligible through the end of the electricity procurement contract in place at the time the ERFP program ended or through 2013, whichever is later. As was the case under the Existing Renewable Facilities Program, for facilities using biomass fuel, this level of nonrenewable fuel use is 5 percent of the total annual energy input. Once the contract is terminated (or through 2013, whichever is later), these facilities would then be subject to the de minimis quantity rules in the *RPS Eligibility Guidebook* in place at that time.
2) Solar thermal facilities eligible for ERFP funding as of December 31, 2011. If a solar thermal facility met the conditions to qualify 100 percent of its generation for ERFP funding under the January 2009 edition of the *Existing Renewables Facilities Program Guidebook, Sixth Edition*, on December 31, 2011, then the entire electrical generation output of the facility can count as RPS-eligible. As was the case under the Existing Renewable Facilities Program, for facilities using solar thermal resources, this level is 25 percent of the total annual energy input.
3) Facilities that commenced commercial operations before January 1, 2002, were certified and operational as a renewable qualifying small power production facility (QF)[55] pursuant to the federal Public Utility Regulatory Policies Act[56] before January 1, 2002, and are currently certified by the Federal Energy Regulatory Commission (FERC) as a renewable QF, may use up to 25 percent nonrenewable fuels and the entire electrical generation output of the facility will be considered RPS-eligible.

[55] A QF is a qualifying small power production facility eligible for certification pursuant to Section 292.207 of Title 18 of the Code of Federal Regulations.

[56] Section 1253 of the Energy Policy Act of 2005 ("EPAct") added Section 210(m) to Public Utility Regulatory Policies Act of 1978 ("PURPA").

4) If the facility was awarded a renewable power purchase contract as a result of a 2002/2003 interim RPS procurement solicitation approved by the CPUC under Decision 02-08-071 and Decision 02-10-062, these facilities may use up to 25 percent nonrenewable energy resources, measured on an annual total energy input basis, and count 100 percent of the electricity generated as RPS-eligible.

4. Counting Nonrenewable Fuel Use as RPS-Eligible

All generation from multifuel facilities using fossil fuel or other nonrenewable fuel and meeting the conditions described in Subsections 2 or 3 above may be counted for RPS. The Energy Commission will not verify that RECs associated with electricity generation from nonrenewable fuels qualify as eligible for California's RPS until after annual data are available and provided by the applicant. Because annual data are not available until after the end of a calendar year, and WREGIS does not create RECs until 90 days after the reporting of monthly generation data, the Energy Commission staff will not label any RECs representing electricity generated from nonrenewable fuels as eligible for California's RPS until after the end of the calendar year during which the generation occurred and the fuel use data has been reviewed.

To help the Energy Commission staff make its determination regarding nonrenewable fuel use, the applicant for each multifuel facility shall provide the following information to the Energy Commission annually:

- The total annual generation from the facility, including monthly data, in MWh.
- A list of energy resources contributing to electricity generation at the facility, and the monthly energy input for each fuel measured in BTUs. (In the case of electricity, contribution should be measured in MWh.) The use of any energy resource that is not separately metered, even if it does not contribute to electricity generation, must be included in this list.
- For solar thermal facilities using direct steam generation systems with no thermal storage capacity the monthly energy input for each fuel, in BTUs, used for maintenance or increase in thermal energy of the generation system during the period of time between the final daily termination of generation and the facility's daily initial commencement of generation the next morning. Each of these fuel uses must be identified separately.
- Any additional documentation necessary for the Energy Commission to determine nonrenewable fuel use based on the fuel measurement methodology included in the RPS certification, including the information submitted to WREGIS related to fuel use.

This documentation must be presented in a clear and logical manner. If documentation created for other purposes is submitted with the application, for example, historical contracts, water rights, or environmental documentation, the applicant should list all submitted documents, briefly summarize the purpose of each document, identify what requirement each document is being submitted to fulfill, and indicate where in the each document the necessary information is contained.

The information shall be submitted to the Energy Commission by March 31 for the prior calendar year and shall include all relevant information for the prior calendar year, listed by month. Staff will not begin review of the fuel use at a facility until after the applicant has submitted the necessary information. Any discrepancies in the reported information shall be explained in detail and supported with documentation. Staff may request additional documentation to determine whether the facility's use of nonrenewable fuels may be counted for the RPS for a given year.

For facilities subject to the de minimis quantity described in Subsection 2 of this section, the Energy Commission will make one of the following determinations:

1) The use of nonrenewable fuel at the facility did not exceed the facility's de minimis quantity as calculated by the approved measurement methodology for that facility. The RECs representing generation attributable to the use of nonrenewable fuels or energy resources for that year that comply with the requirements of this guidebook will be labeled as "California RPS-Eligible" in the WREGIS system.

2) The use of nonrenewable fuel at the facility exceeded the facility's de minimis quantity but remained below 10 percent of the total energy inputs of the system, as calculated by the approved measurement methodology for that facility. The generation attributable to the use of nonrenewable fuels or energy resources that exceeds the de minimis quantity will not be considered RPS-eligible. However, the RECs representing the quantity of generation attributable to the nonrenewable fuel use that does not exceed the de minimis quantity for that year that comply with the requirements of this guidebook will be labeled as "California RPS-Eligible" in the WREGIS system.[57]

3) The use of nonrenewable fuel at the facility exceeded 10 percent of the facility's total energy inputs as calculated by the approved measurement methodology for that facility. None of the generation attributable to the use of nonrenewable fuels or energy resources will be RPS-eligible, and the RECs representing the nonrenewable generation will not be labeled as "California RPS-Eligible" in the WREGIS system.

For facilities subject to one of the other nonrenewable fuel allowances described in Subsection 3 of this section, the Energy Commission will make one of the following determinations:

1) The use of nonrenewable fuel at the facility did not exceed the facility's nonrenewable fuel allowance as calculated by the approved measurement methodology for that facility. The generation attributable to the use of nonrenewable fuels or energy resources for that year will be RPS-eligible, and the RECs representing the nonrenewable generation will be labeled as "California RPS-Eligible" in the WREGIS system.

[57] RECs representing eligible generation that occurred before the month during which the nonrenewable fuel use exceeded the annual allowable de minimis quantity will be labeled California RPS-eligible if they remain in the original WREGIS subaccount. The nonrenewable RECs representing generation for the month during which the limit was exceeded beyond the fraction that are eligible, and the nonrenewable RECS generated during the remainder of that year, will not be labeled as California RPS-eligible.

2) The use of nonrenewable fuel at the facility exceeded the facility's nonrenewable fuel allowance as calculated by the approved measurement method for that facility. None of the generation attributable to the use of nonrenewable fuels or energy resources will be RPS-eligible, and the RECs representing the nonrenewable generation will not be labeled as "California RPS-Eligible" in the WREGIS system.[58]

RECs that have been transferred from the original WREGIS subaccount cannot be edited or later labeled as California RPS-eligible. Facilities with utility contracts that require immediate transfer to the utility for RPS retirement, as described in Section V: RPS Tracking Systems, Reporting, and Verification, will not necessarily reside in the generator's initial subaccount and therefore will not be labeled as RPS-eligible. RECs that are not labeled as RPS-eligible may still be used for California's RPS if the generation that produced the RECs complied with all requirements of this guidebook.

Beginning with the adoption of the fifth edition of this guidebook adopted on May 9, 2012, no REC created in the WREGIS system representing generation attributable to nonrenewable fuel will be considered California RPS-eligible or labeled as such until the Energy Commission has made such a determination as described above. Any REC that does not meet the requirements of this guidebook will not be treated as California RPS-eligible regardless of the information printed on the REC.[59]

C. Facilities with a First Point of Interconnection to a non-California

Note: This section has been moved to "D: Repowered Facilities"

Balancing Authority Outside California or Facilities Located Outside the United States

The requirements of this section apply to renewable facilities that have their first point of interconnection to a non-California balancing authority (non-CBA) outside the state, but within the WECC service area. Facilities within the WECC service area that are located outside the United States must meet the out-of-country requirements below regardless of the location of their first point of interconnection to the transmission network. Facilities located in California or near the border of the state with their first point of interconnection to a California balancing authority are not subject to the additional requirements of this section. Applicants may be

[58] Facilities that were eligible for Existing Renewable Facility Program (ERFP) funding on December 31, 2011, must comply with the requirements to count the entire electrical output of the facility as RPS-eligible to treat any of the generation attributable to nonrenewable fuels or energy resources as RPS-eligible regardless of the level of nonrenewable fuel allowance. For example, a facility eligible to use up to 5 percent nonrenewable fuel and consider the entire output of the facility as renewable due to participation in the Existing Renewable Facility Program, will not be allowed to treat the allowed 5 percent as RPS-eligible if the nonrenewable fuel use exceeds 5 percent.

[59] When determining whether nonrenewable fuel or energy resource uses exceed the de minimis quantity, or the applicable fuel allowance, the Energy Commission will round the percentage up to the nearest one-thousandth of a percent. Any use of nonrenewable fuel above the de minimis quantity, or other applicable fuel allowance, will result in the facility exceeding that allowance, regardless of its magnitude.

required to submit documentation to verify the location of their first point of interconnection to the transmission network with their application for precertification or certification.

Facilities that are not or will not be interconnected to a transmission network within the WECC service area are not eligible for the RPS.

With the exceptions noted below for certain POUs, electrical generation from a renewable facility with its first point of interconnection to a non-CBA outside the state can qualify for the RPS if it meets the RPS eligibility requirements described in this guidebook and satisfies all of the following criteria.[60]

1) Facility has its first point of interconnection to an out-of-state transmission network within the WECC service area.
2) Facility commences initial commercial operations on or after January 1, 2005.
3) Facility does not cause or contribute to any violation of a California environmental quality standard or requirement within California.
4) If located outside the United States, the facility is developed and operated in a manner that is as protective of the environment as a similar facility would be if it were located in California. [61]
5) Facility and any retail seller, POU or third parties procuring generation from the facility participate in WREGIS.

If the facility meets all of the above criteria for facilities with a first point of interconnection to a non-CBA outside California except it commenced commercial operations before January 1, 2005 (criterion "2" above), then it may be RPS-eligible if it meets one of the following criteria:

1) The electricity is from incremental generation resulting from project expansion or repowering of the facility on or after January 1, 2005.
2) Electricity generated by the facility was procured by a retail seller or POU as of January 1, 2010.

Local Publicly Owned Electric Utilities

For a POU that is interconnected to a non-CBA located outside California but within the WECC, procurement is not subject to the eligibility requirements in this section for facilities with a first point of interconnection outside California if all of the following conditions are met:[62]

1) The POU was in existence on or before January 1, 2009.
2) The POU provides retail electric service to 15,000 or fewer customer accounts in California.
3) Electricity generated by the facility is procured by the POU, delivered to the balancing authority area in which the POU is located, and is not used to fulfill the renewable energy procurement requirements of other states.
4) The POU and facility participate in WREGIS.

[60] Public Resources Code Section 25741, Subdivision (a)(2)(B).
[61] Public Resources Code Section 25741, Subdivision (a)(3).
[62] Public Utilities Code Section 399.30, Subdivision (i).

5) The Energy Commission verifies that the electricity generated by the facility meets the RPS procurement requirements.

The application for certification of such a facility must indicate it is applying under these requirements. The RPS certification issued will indicate the special conditions on the certificate. This exception to the requirements in this section for facilities with a first point of interconnection outside California applies only to situations wherein these POUs procure energy to meet their own RPS obligations. If generation from these facilities is procured to meet the RPS obligations of another POU or retail seller of electricity, the facility will be subject to all of the eligibility requirements in Section III.C.

1. Additional Required Information for Facilities With a First Point of Interconnection to a non-CBA Outside California

All facilities with a first point of interconnection to a non-CBA outside California must provide the following additional required information when applying for certification as RPS-eligible. Further requirements apply to facilities that commenced commercial operations before January 1, 2005, as described below. However, the additional reporting requirements for facilities with a first point of interconnection to a non-CBA outside California do not apply to a facility that is exclusively serving POUs subject to Public Utilities Code Section 399.30, Subdivision (h).:

1.
2.

Applicants for all other facilities with a first point of interconnection to a non-CBA outside California seeking RPS certification must analyze and document the impacts, if any, the facility has or may have on California's environmental quality.

The law requires a facility with a first point of interconnection to a non-CBA outside California to demonstrate that it will not cause or contribute to a violation of a California environmental quality standard or requirement within California.[63] To meet this requirement, the analysis performed by the applicant must include the following, subject to the Environmental Area Thresholds set forth in **Table 3**:

a) A comprehensive list and description of all California environmental quality laws, ordinances, regulations, and standards (collectively referred to as "LORS") that may be directly or indirectly violated by the facility's development or operation.
b) An assessment of whether the facility's development or operation will cause or contribute to a violation of any of these LORS in the region of California most likely to be affected by the facility's development or operation.
c) Documentation substantiating the applicant's assessment as required in b) above. For example, documentation could include environmental studies, permits, and similar

[63] Public Resources Code Section 25741, Subdivision (a)(2)(B)(ii).

materials demonstrating that the facility's development or operation will not cause or contribute to a violation of a California environmental quality standard or requirement in California.

At a minimum, the LORS described in the applicant's analysis shall address the following environmental areas consistent with Appendix B, Section (g), of the Energy Commission's regulations for power plant certification, Title 20, California Code of Regulations, Sections 1701, et seq, to the extent that application of the Environmental Area Thresholds for Facilities With a First Point of Interconnection to a non-CBA Outside California set forth in Table 3 shows that the project has the potential to impact resources within California:

- Cultural Resources
- Land Use
- Traffic and Transportation
- Visual Resources
- Air Quality
- Public Health
- Hazardous Materials Handling
- Waste Management
- Biological Resources
- Water Resources
- Agriculture and Soil
- Paleontological Resources
- Geological Hazards and Resources
- Transmission System Safety and Nuisance
- Noise

The assessment of the potential for a facility with a first point of interconnection to a non-CBA outside California to cause or contribute to any violation of a California environmental quality standard or requirement depends on the environmental resource area and the facility's distance from the region in California most likely to be impacted by the facility's development or operation. The likelihood that a facility located outside California will affect California's environmental quality is primarily related to distance. For example, a facility located in a state not adjacent to California is unlikely to contribute to a violation of a California Visual Resources LORS. The Supplemental Form for a Facility With a First Point of Interconnection to a non-CBA Outside California, CEC-RPS-1:S3, requires an applicant to identify the project's distance from California, as well as the location in California most likely to be impacted by the project.

The applicable LORS for a given facility will vary depending on the facility's location, since the LORS across California vary. For example, the air quality standards in Southern California may differ from the air quality standards in Northern California. Accordingly, for demonstrating whether the facility with a first point of interconnection to a non-CBA outside California will cause or contribute to a violation of any of these LORS in California, the applicant should select the region in California most likely to be affected by the facility's development or operation.

The Energy Commission will first consider the facility's technology and distance from the California region most likely to be impacted to assess the applicant's LORS documentation. Table 3 describes the thresholds the Energy Commission will apply when evaluating the likelihood of a facility to cause or contribute to a violation of a California LORS, with projects located beyond those thresholds being unlikely to violate a California LORS. As shown in Table 3, some environmental areas have discrete distance limits beyond which the project is unlikely to impact California's environmental quality. Other environmental areas have conditional thresholds for which the potential impact depends on the nature of the facility and its location.

All applicants must submit a written explanation substantiating the claim that the facility does not and will not cause or contribute to a violation of a California LORS within California. For facilities beyond the discrete thresholds identified in Table 3, submission of a simple explanation documenting how the facility's development and operation does not cause or contribute to a violation of a California LORS is sufficient. For projects closer than the discreet threshold for an environmental area, a detailed explanation documenting how the facility's development and operation does not cause or contribute to a violation of a California LORS for the environmental area is required. An applicant may submit a simple explanation for each environmental area with a conditional threshold if there is no potential for a violation of a California LORS. If, however, there is potential for such a violation for an area with a conditional threshold, a detailed explanation is required. For example, Traffic and Transportation is an area with a conditional distance of 20 miles. A facility located in Wyoming, which is farther than 20 miles from the California border, could provide a simple explanation describing how its development and operation have no impact on California's LORS because its transportation activities do not involve California air or highway travel. All LORS assessments and explanations should be submitted in a document to accompany the CEC-RPS-1 Form and Supplemental Form for a Facility With a First Point of Interconnection to a non-CBA Outside California, along with documentation substantiating the applicant's assessment as required above in 1.c.

Table 3: Environmental Area Thresholds

Environmental Area	Threshold or Minimum Distance From California Border
Discreet Thresholds	
Agricultural and Soil	2 miles
Cultural Resources	Project viewshed/ 20 miles
Geological Hazards	2 miles
Land Use/ Recreation	Project viewshed/ 20 miles
Noise	2 miles
Paleontological Resources	Project viewshed/ 1 mile
Visual Resources	Project viewshed/ 20 miles
Conditional Thresholds	
Air Quality	10 miles, or greater if there is potential for transportation or other emissions to impact California air quality
Biological Resources	10 miles, unless the project has the potential to impact a California migratory bird or animal population
Public Health	10 miles, or greater if there is potential for project-related wildfire risk
Traffic and Transportation	20 miles, or greater if the project could impact California air travel or traffic on California highways
Transmission System Safety and Nuisance	2 miles, although if the transmission line interconnection extends into California, the facility would be considered in state and an environmental review pursuant to the California Environmental Quality Act would be required
Waste Management / Hazardous Materials Handling	No distance limit if California disposal site is used or materials are transported through California.
Water Resources	2 miles, or farther distance if project has the potential to impact a drainage flowing into California

Source: California Energy Commission

2. Additional Required Information for Existing Facilities With a First Point of Interconnection to a non-CBA Outside California

As noted above, further reporting requirements apply to existing facilities with a first point of interconnection to a non-CBA outside California that commenced commercial operations before January 1, 2005. For such facilities, the applicant may qualify for RPS certification if either:

1) The electricity generated by the facility was procured by a retail seller or a POU as of January 1, 2010, or

2) The facility produces incremental generation due to project expansion or repowering on or after January 1, 2005.

Applicants seeking to certify an existing electrical generation facility by demonstrating electricity generated by the facility was procured by a retail seller or a POU as of January 1, 2010, must provide a procurement invoice or similar document on the letterhead of the retail seller or POU demonstrating that the facility meets this requirement.

Applicants seeking to certify the incremental generation of an electrical generation facility due to project expansion or repowering on or after January 1, 2005, must meet the requirements in Section III.E: Incremental Generation.

Note: This section has been moved to "E Incremental Generation"

3. Additional Required Information for Out-of-Country Facilities

For facilities located outside the United States, but within the WECC, the applicant must analyze and document that the facility is developed and operated in a manner that is as protective of the environment as a similar facility in California.[64] To meet this requirement the analysis performed by the applicant must include all of the following:[65]

a) A comprehensive list and description of all California environmental quality LORS that would apply to a similar facility located within California at a location designated by the applicant.
b) An explanation of how the facility will be developed and operated in a manner that is as protective of the environment as a similar facility located in California, including whether the developer and/or operator will secure and put in place mitigation measures to ensure that these LORS are followed.
c) Documentation substantiating the applicant's assessment as required in b) above. For example, documentation could include environmental studies, permits, and similar materials demonstrating that the facility's development and operation will protect the

64 This requirement applies effective January 1, 2011, consistent with SB X1-2.
65 Depending on the location and interconnection of the facility, the applicant may also need to address the requirements for facilities with a first point of interconnection to a non-CBA outside California. In such cases, the applicant must analyze and document the impacts, if any, the facility has or may have on California's environmental quality, as specified in section E.1, and must also analyze and document that the facility is developed and operated in a manner that is as protective of the environment as a similar facility in California, as specified in this section E.3.

environment to the same extent as provided by these LORS for a similar facility located in California.

D. Repowered Facilities

Note: This section has been moved from "E: Repowered Facilities"

As noted earlier in this guidebook, the criteria for RPS eligibility may depend on the date a facility begins commercial operations. If a facility is repowered as provided in this section, the date it recommences commercial operations after repowering may be used as its commercial operation date for the RPS application instead of its initial commencement date of commercial operations. In general, only an applicant seeking to revise a facility's date of commercial operations needs to apply for certification as a repowered facility. An applicant for a facility that is RPS-certified or not subject to the eligibility restrictions based on the facility's online date may not need to apply as a repowered facility, even if the facility's prime generation equipment is replaced with new equipment.

Applicants seeking to certify a facility as a repowered facility must submit documentation confirming the replacement of the facility's prime generating equipment and the capital investment made to repower the facility, as well as the value of those investments, in addition to the appropriate application form(s) and any other required information necessary for the generating technology.

1. Prime Generating Equipment: The applicant must document that the facility's prime generating equipment is new and that the repowered facility re-entered commercial operations on or after January 1, 2005. Applicants for repowered small hydroelectric facilities and conduit hydroelectric facilities must document the facilities re-entered commercial operations on or after January 1, 2006.

    a. The "prime generating equipment" for each renewable resource is defined as:

        - Wind: the entire wind turbine, including the generator, gearbox (if any), nacelle, and blades.
        - Biomass: the entire boiler. Stoker boilers may be replaced with boilers using improved stoker technology or fluidized bed technology.
        - Geothermal: the entire steam generator, including the turbine rotors, shaft, stationary blades, and any gear assemblies.
        - Small and conduit hydroelectric: the entire turbine and structures directly supporting the turbine.
        - Solid waste conversion: the entire gasifier (gasifying equipment) and combustion turbine.
        - Landfill gas: the entire internal combustion engine or combustion turbine as applicable.
        - Digester gas: the entire digester unit and internal combustion engine or combustion turbine as applicable.
        - Solar thermal: the entire steam turbine and solar boiler.

b. All prime generating equipment at the facility must be replaced with new equipment for the facility to qualify as a repowered facility. For example, a 25 MW wind facility consisting of 50 separate wind turbines must, at a minimum, replace each of the 50 wind turbines with new turbines of like or greater capacity for the entire 25 MW facility to qualify as a repowered facility. The Energy Commission recognizes that a wind facility owner may want or need to repower only a portion of the turbines owned at a site and does not exclude that option. In the event that a generator is interested in repowering a portion of a site, then it will need to recertify the remaining portion of the site that is not being repowered.

2. Capital Investments: The applicant must document that the value of the capital investment made to repower the facility equals at least 80 percent of the total value of the repowered facility. In addition, the applicant must document that capital investments were made not more than two years before the date that the facility re-entered commercial operations.[66] Capital investments may be considered only for meeting the 80 percent threshold if they were made for that portion of the facility that contributes directly to the production of electricity. This includes the prime generating equipment as well as the electricity generators and related equipment; fuel processing, enhancing, and delivery equipment; control equipment; and structures used to support the aforementioned equipment. As discussed below, the electrical generators; fuel processing, enhancing and delivery equipment; control equipment; and related structures do not need to be replaced for the facility to qualify as a repower. However, if this equipment is replaced, the capital investment to do so may be considered toward meeting the 80 percent threshold.

a. Electrical Generators and/or Fuel Processing, Enhancing, and Delivery Equipment: It is generally not necessary for a facility to replace its existing electrical generators; or fuel processing, enhancing, and delivery equipment, because replacing this equipment may produce little or no improvement to the facility's efficiency and, therefore, does not warrant the additional expense. Exceptions are cases when the electrical generator is an integral part of the prime generating equipment, such as for wind facilities, or where the fuel processing, enhancing, and delivery equipment is an integral part of the prime generating equipment via the fuel conversion process, such as for solid waste conversion facilities and digester gas facilities. The facility's environmental control equipment, such as air pollution control equipment, would not be considered toward meeting the 80 percent threshold because this equipment does not contribute directly to electricity production.

b. Any associated process control equipment and structures used for structural support of the prime generating equipment; electrical generators, fuel processing, enhancing, and delivery equipment; and associated process control equipment, as appropriate, would also fall into this category and are generally not necessary to replace.

[66] If it can be documented to the Energy Commission's satisfaction that construction activities associated with the repowering process began more than two years before the date the facility re-entered commercial operations the two year window may be extended.

The applicant must provide documentation, such as invoice receipts, verifying the replacement of the old equipment, as well as other components of the technology relevant to the repowering application. The Energy Commission will confirm that the equipment listed is appropriate for certification as a repowered facility.

The applicant must document the value of the capital investments made to the facility and the total value of the repowered facility. The value of the capital investments must equal at least 80 percent of the total value of the repowered facility.

The "repowered facility" is defined as all of the new and/or existing prime generating equipment; electrical generators; fuel processing, enhancing, and delivery equipment; and any associated process control equipment and structures at the facility. The land on which the facility sits will not be considered part of the repowered facility for purposes of determining the 80 percent threshold. Similarly, intangibles such as the value of a facility's power purchase contract or its goodwill will not be considered part of the repowered facility.

The applicant may show that it has met the 80 percent threshold by submitting either tax records or an assessment of the "replacement value" of the facility along with documentation of the cost of the new equipment. The applicant must notify the Energy Commission which methodology it is using and provide the appropriate information as described below.

i. Tax Records Method: The applicant must submit to the Energy Commission all relevant tax records needed to demonstrate that the capital investments made to repower the facility are equal to at least 80 percent of the value of the repowered facility.

   - The applicant must document the value of the capital investments and the year the investments were made. In this case, the value of capital investments is the original tax "basis" declared to the Internal Revenue Service to calculate depreciation. The tax basis should reflect the value of the equipment the applicant has attested to purchasing. The tax basis is generally what a business pays for an item to be depreciated.
   - The applicant must document the value of the repowered facility. In this case, the value of the repowered facility is based on the sum of the tax basis declared for all of the equipment and structures in the repowered facility as of the year the facility is repowered. For new equipment and structures, the value of the repowered facility is the original tax basis. For existing equipment and structures, the value of the repowered facility is the tax basis as adjusted for depreciation. For facilities financed using a sale/lease-back or similar structure, the original tax basis of the equipment and structures for both the lessor and lessee will be considered.
   - The applicant must divide the total value of capital investments by the total value of the repowered facility. This calculation must show that the investment is equal to or greater than 80 percent of the total value of the facility for it to qualify as repowered.

ii. Replacement Value Method: This alternative approach may make it more difficult for a facility to meet the 80 percent repowering threshold, but it is a reasonable alternative for parties who are unable or unwilling to secure the necessary tax records to use the adjusted tax basis approach.

- The applicant must document the value of the equipment replaced in the facility. The replacement cost of new equipment is based on the equipment's purchase price and, consequently, is the same value when compared to the adjusted tax basis approach.
- The applicant must submit an independent evaluation of the replacement cost of existing, unreplaced equipment ("retained equipment"). The evaluation should be an estimate of the capital costs that would have to be incurred to replace the retained equipment. This estimate must be provided by an accountant in good standing with the American Institute of Certified Public Accountants or a member in good standing and certified as an internal auditor with the Institute of Internal Audits.
  The applicant must divide the total value of capital investments by the sum of the replacement cost of the new equipment and the independent estimate of the replacement cost of the retained equipment. This calculation must show that the investment is equal to or greater than 80 percent of the total value of the facility for it to qualify as repowered.

E. Incremental Generation

Note: This section has been moved from "C.1. Additional Required Information for Existing Facilities With a First Point of Interconnection to a non-CBA Outside California"

The Energy Commission may certify incremental generation from the expansion or repowering of a facility or as a result of efficiency improvements at hydroelectric facilities. All applicants seeking RPS certification of incremental generation must provide evidence that the incremental generation from the facility resulted (or will result if the applicant is seeking precertification) from a capital expenditure in the facility. This information is needed to verify that the incremental production is not a result of weather fluctuations or some other recurring or random event. The capital investment must exclude monies that would have been spent on operation and maintenance in the normal course of doing business. The applicant must provide a brief description of each capital investment made for facility expansion, repowering, or efficiency improvements, including a discussion of the nature of the capital investments and how they resulted in the incremental generation. In substantiating an application to certify incremental production, the burden of proof will be on the applicant to submit compelling evidence to demonstrate the effect that capital expenditures had on production.Only the incremental portion of the facility output will be considered RPS eligible. The incremental portion of the facility output will be determined either by direct measurement of the facility expansion or by comparison of the facility output to the historical baseline of the facility. For facilities that directly meter the expanded portion of the facility separate from the existing portion of the facility and report it separately in the WREGIS system using a distinct WREGIS GU ID, the baseline is the capacity of the facility before the facility expansion. Facilities capable of separately measuring the incremental portion of the facility, such as wind and solar photovoltaic facilities are strongly encouraged to account for the incremental portion of the facility in this manner.

Facilities unable or unwilling to separately meter the incremental portion of the facility output will need to establish the historical generation baseline of the facility. The historical baseline is calculated based on the generation from the facility in the 36 calendar months (240 calendar months – 20 years – for all hydroelectric facilities), immediately preceding the initiation of construction activities to which the incremental generation is attributed, or any generation decreases in anticipation of construction activities. If a major maintenance or economic event results in a reduction of more than 25 percent from the average monthly generation for one or more months during the 36 calendar months, or 240 calendar months for hydroelectric facilities, an additional month, or months, worth of generation will be required to replace the month(s) with a significant decrease in generation. This grouping of 36 calendar months, or 240 calendar months for hydroelectric facilities, is referred to as the historical baseline period. If the facility has not operated for at least 36 calendar months, 240 calendar months for hydroelectric facilities, the entire generation history for the plant must be provided.

The historical baseline is the average amount of electricity generated by the facility each month during the historical baseline period. In addition to the historical baseline, facilities will receive a renewables baseline. The renewable baseline is the average monthly generation attributable to only the renewable portion of the generation, see Section III.B: Renewable Facilities Using Multiple Energy Resources. If no nonrenewable energy resources were used at the facility to generate electricity during the historical baseline period the renewable baseline will be equal to the historical baseline.

The incremental generation from the facility is defined as the electricity generated by the facility in excess of the baseline. The generation attributed to the baseline generation, generation that cannot be counted as RPS eligible, must 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.

Consistent with Section III.B: Renewable Facilities Using Multiple Energy Resources the nonrenewable fuel and the use will be evaluated after the end of the generation year. For any entity to count generation resulting from the use of a nonrenewable energy resource at an incremental generation facility as eligible in California's RPS the total fuel use at the facility must comply with the requirements of Section III.B. Additionally, the fuel use attributed to the incremental generation must also comply with the requirements of Section III.B. [67]

67 For example, a facility with a historic baseline and renewable baseline of 90 MWh producing 100 MWh in a month could potentially count 10 MWh as RPS-eligible. If 2 MWh are attributable to nonrenewable energy resources then the entire output of the facility is only 2 percent nonrenewable, but the incremental generation from the facility would be 20 percent nonrenewable, and thus not counted toward the RPS. Additionally, a facility with a historic baseline of 90 MWh and a renewable baseline of 10 MWh that produces 100 MWh of electricity each month could potentially count 10 MWh as RPS-eligible. If 80.2 MWh of the generation are attributable to the nonrenewable fuel, then the entire output of the facility would be 80.2 percent nonrenewable, but the incremental portion of the facility would be 2 percent nonrenewable. None of this facility's electricity from the use of nonrenewable fuels could count toward the RPS because the total nonrenewable generation from the facility exceeded allowable limits.

All data submitted are expected to be public. However, the Energy Commission is interested only in data with a direct bearing on the application. For example, although information on capital investments and the resulting production increases is expected to be submitted publicly, the Energy Commission has no interest in any proprietary underlying economic analyses that may have led to the decision to make such an investment.

F. Eligibility of Renewable Energy Credits for Distributed Generation Facilities and Onsite Load

With the adoption of the fifth edition of this guidebook on May 9, 2012, the Energy Commission determined that all grid-connected renewable electric generation facilities in the WECC may be certified as RPS-eligible, including generation serving onsite load, if all eligibility requirements are met for the specific renewable energy resource used by the facility to generate electricity.

Applicants for a renewable facility that serves onsite load must meet all RPS eligibility requirements including, but not limited toparticipation in WREGIS and reporting eligible generation based on a meter with an independently verified rating of 2 percent or higher accuracy.

Both the Energy Commission and the CPUC have roles in determining RPS implementation for renewable distributed generation (DG) facilities, and both have established that Renewable Energy Credits (RECs) created by a renewable DG facility belongs to the owner of the RPS-eligible facility. The CPUC issued a decision on January 11, 2007, allowing DG facility owners to retain 100 percent of the RECs associated with the electricity produced. Facilities that have been or will be funded, entirely or in part, by the following programs may apply for certification or precertification as RPS-eligible, if all eligibility requirements are met for that resource type: New Solar Homes Partnership program, Emerging Renewables Program, or Pilot Performance-Based Incentive Program; the CPUC-approved Self-Generation Incentive Program or California Solar Initiative; or any similar ratepayer-funded program. Similarly, grid-connected facilities participating in net-metering tariffs or consuming some or all of the electricity produced by the renewable energy resource onsite and not exporting all of the electricity to the electricity grid may apply for certification to be RPS-eligible, if all eligibility requirements are met for that resource type.

On June 9, 2011, the CPUC adopted a decision establishing a rate for payment of excess generation from distributed wind and solar systems, as required by AB 920, and requiring electric utilities to compensate net energy metering customers for electricity they produce in excess of their onsite load at the end of a 12-month period (net surplus generation).[68] In all cases the meter used to report generation to WREGIS must have an independently verified accuracy rating of 2 percent or higher. It is the responsibility of the facility owner and the utility procuring the RECs associated with the net surplus compensation under an AB 920 program to ensure the RECs are transferred appropriately.

68 CPUC, Decision D.11-06-016, June 9, 2011.

G. Energy Storage

There are a wide variety of energy storage technologies. None of these technologies are inherently renewable as they are not dependent on the use of a renewable energy resource. However, energy storage technologies can be used to store energy from a renewable energy resource to produce electricity at a later time. In such cases the resulting electricity may be eligible to produce RECs.

Methods of storing energy from a renewable energy resource that are integrated into the electrical generation facility as part of the generation process, such as thermal energy storage at a solar thermal electric facility, are considered part of the electrical generation facility and not a separate, independent storage facility for the purpose of RPS eligibility. These methods generally store an energy potential created by the renewable energy resource, or a mix of renewable and nonrenewable energy resources, before the generation of electricity occurs. If the storage device stores energy after the electrical generation facility produces electricity, as in the case of batteries, for example, then the storage device must only be capable of storing energy coming from the renewable generator.[69] If a mix of renewable and nonrenewable energy resources are used to generate electricity the output of the storage device will be a mix of renewable and nonrenewable energy, regardless of the fuel used at the time energy is stored in the device, for information on facilities using multiple energy resources see Section III.B: Renewable Facilities Using Multiple Energy Resources.

Energy storage devices not integrated into the operations of an electrical generation facility having a direct connection to the output of an RPS eligible facility can receive energy inputs from other sources, but may be RPS eligible in certain cases. If these storage devices are operated as part of the RPS eligible electrical generation facility, are located and metered as the same facility,[70] and are owned by the same entity, the storage device may be considered as part of the electrical generation facility. All energy inputs to the facility, the renewable generator and the energy storage system, would be considered in the fuel measurement methodology, see Section III.B. The resulting percentage of renewable fuel used to generate electricity would be applied to the generation output of the facility. Alternatively, for small systems where the necessary metering could be cost prohibitive, such as residential systems, the applicant may propose to treat only the energy leaving the facility in excess of the imported grid electricity as RPS eligible, if it can be shown that this approach will underestimate the renewable portion of the stored and exported electricity in all possible cases.

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69 For example, if the electrical generation facility is a residential solar photovoltaic system with a battery storage device, the battery must be incapable of receiving electricity from any source except the photovoltaic system. If the generation facility is a biomass plant that also uses natural gas in the electricity generation process, then the battery may only receive electricity from the generation facility associated with the biomass-fired gas boiler(s).

70 The metering arrangement must measure the total output of the energy storage device and the renewable generator as if it were a single facility and the electricity flowing from the renewable generator to the storage device is treated as internal power flow and cannot produce RECs.

Energy storage devices or facilities not falling into one of the above categories are not eligible for the RPS as a generation facility and may not receive RPS certification or precertification as they do not generate electricity from a renewable resource or directly store energy from a renewable resource for delivery of electricity as a later time, but rather store electricity as part of the electric transmission system.

Energy storage systems using pumped storage hydroelectric must meet the eligibility requirements for small hydroelectric facilities.

IV. Certification

This section describes the process for RPS precertification and certification of electrical generation facilities that use renewable energy resources to generate electricity. Applications will be evaluated under the edition of this guidebook that is in place at the time a complete application is received by the Energy Commission. Applications that are submitted using forms no longer in use by the Energy Commission will not be accepted.

Electricity generation from an electrical generation facility cannot be counted toward meeting a retail seller or POU's RPS procurement requirements unless the facility is first certified by the Energy Commission as eligible for the RPS. Any facility operator who owns a facility or is interested in entering into a contract to generate electricity that will count toward a retail seller's or POU's RPS obligation must certify the facility with the Energy Commission before the generation may be counted toward a retail seller's or POU's RPS obligation.[71] Procurement of RPS-eligible electricity may count toward a retailer seller's or POU's RPS obligation if the electrical generation facility uses an eligible renewable energy resource and was RPS-certified at the time of procurement or applied for RPS certification or precertification at the time of procurement, with some exemptions as noted below.

When applying for RPS certification, the facility operator or agent applying on the operator's behalf agrees to participate in the Energy Commission's generation tracking and verification system. For more information about the tracking and verification system, please refer to the section of this guidebook titled "RPS Tracking, Reporting and Verification."

A. Certification Types

The Energy Commission approves RPS certification for electrical generation facilities that have commenced commercial operations and are generating renewable electricity, as described in this guidebook. Provisional certification or "precertification" as an eligible renewable energy resource is available for an applicant whose facility has not commenced commercial operations or is not yet using an eligible renewable energy resource. **The Energy Commission's approval of a facility for precertification does not guarantee that a facility will be eligible for RPS certification in the future, and the precertification certificate will indicate this on its face.** All applications for RPS certification or precertification will be evaluated under the guidebook in place at the time the Energy Commission receives a complete application from the applicant, see

[71] The Third Edition of the *RPS Eligibility Guidebook* allows generation to count only toward a retail seller's RPS procurement obligation if it occurs after the Energy Commission receives the precertification or certification application. Earlier editions of the *RPS Eligibility Guidebook* editions did not contain this restriction and counted all generation toward a retail seller's RPS obligation so long as the facility eventually became certified. The Fourth Edition of the *RPS Eligibility Guidebook* provided notice that, going forward, the Energy Commission will no longer count pre-2008 procurement toward a retail seller's RPS obligation unless the facility was certified at the time of the procurement or the Energy Commission received an application for certification before March 1, 2011.

Section IV.B: The RPS Application Process for more information on what constitutes a complete applications. The Energy Commission provides different types of certification, depending on the facility operations, contractual obligations, and applicant preference. Each type of certification may require the use of a specific application form. Provided below are descriptions of the different types of certification and the necessary forms for each type, Table 4 summarizes the types of certification.

Table 4: Summary of RPS Certification Types

Section	Certification Type	Eligible For RPS	Application Form
1	Individual Facilities	Yes, no restrictions	CEC-RPS-1
2	Aggregated Facilities	Yes, no restrictions	CEC-RPS-3
3	POU Certification	Yes, no restrictions	No longer offered
4	Utility Certification	Yes, only utility representing the facility and only for the duration of the original utility contract	No longer offered
5	Limited Certification	Yes, only the POU contracting with the facility prior to June 1, 2010	CEC-RPS-1
6	Special POU Precertification	No, must apply for certification before considered eligible	No longer offered
7	Pre-March 29, 2012 Biomethane	Yes, with restrictions, see Section	CEC-RPS-1F
8	Historic Carryover	No, may only be counted for historic carryover purposes	CEC-RPS-1

Source: Energy Commission

The Energy Commission assigns a unique RPS identification number, RPS ID, to each facility represented in a certification, precertification, or aggregated unit application. For certification and precertification applications this number consists of five numerals and a letter suffix. For aggregated units the number has the same format, but each facility in the aggregated unit has an additional four digit identifier with an additional suffix, see section IV.A.2 for more information. The numeral portion of the RPS ID is assigned in numerical order, beginning with 60,000, and typically will not change over the life of the facility. The suffix is assigned to the facility based on the application type and may be revised as the participation in California's RPS changes over time, see for a summary of the RPS ID suffixes.

Table 5: RPS ID Suffix Summary

Suffix	Represents	Certification Types**
A	Certification	1,4
B	Certification and SEPs*	1
C	Precertification	1
D	Precertification and SEPs*	1
E	Utility Certification	5
F	Pre March 29, 2012 Biomethane	8
AF	Biomethane Facilities Subject to Sections II.B.1 and II.B 2.	1 and 8
L	Limited Certifications	6
P	Special POU Precertification	7
R	Certified Facility in an Aggregated Unit	2

Source: Energy Commission
*SEPs stands for supplemental energy payments, which are no longer offered by the Energy Commission, but several certifications or precertifications still retain the suffix indicating the original RPS eligibility.
Numbers represent the certification types as **listed in Table 4

The Energy Commission provides different types of certification, depending on the facility operations, contractual obligations, and applicant preference. Each type of certification may require the use of a specific application form. Provided below are descriptions of the different types of certification and the necessary forms for each type, Error! Reference source not found.

1. Individual Facilities

Applicants seeking certification of an individual facility must apply using the CEC-RPS-1 form. These facilities must constitute an individual project, as defined in the glossary of terms. Applications for both certification and precertification can be made for this certification type. Upon receipt of an application for a facility not previously certified with the Energy Commission's RPS program, the facility will be assigned a unique RPS certification number with a suffix of "A" for certification applications, and a suffix of "C" for precertification applications. A previously certified or precertified facility will retain its RPS identification number, but the suffix will change to reflect the most recent application type.

2. Aggregated Facilities

To streamline the process for certifying and precertifying distributed generation facilities, the Energy Commission provides an aggregated application process for wind and solar photovoltaic facilities. An aggregated unit is a group of facilities having both similar characteristics and registered in WREGIS as an aggregated unit. The eligibility of an aggregated unit depends on the eligibility of all facilities within the aggregated unit. An application for an aggregated unit will not be approved unless all facilities in the unit are eligible. If the Energy

Commission determines that one facility in an approved unit is not RPS-eligible, the applicant shall have 30 days, once notified, to submit an amended application that removes any ineligible facilities from the aggregated unit, or the entire unit will lose its certification.

A facility may be part of an aggregated unit using the CEC-RPS-3 form if it meets any one of the following:

a) Has received benefits from a ratepayer-funded incentive program.
b) Participates in a net metering tariff.
c) Primarily serves onsite load.

Facilities that are less than 20 kW (AC) and that received benefits, or plan to receive benefits, from a ratepayer-funded incentive program or a net metering tariff are encouraged to apply for certification as part of an aggregated unit.

All facilities applying for certification as an aggregated unit on the CEC-RPS-3 application form must share a WREGIS Generating Unit ID number (GU ID).[72] The application form must also include all the facilities using that WREGIS GU ID, so that the RPS ID and the WREGIS GU ID numbers assigned to an aggregated unit will include an identical set of generating facilities. All facilities must also use the same generation technology (for example, wind or solar photovoltaic).

Aggregated units will receive an RPS ID with an "R" suffix, and each facility in the unit will be assigned a four-digit identifier with an additional suffix of "A" for certification, or "C" for precertification, so the extended RPS ID number for a facility in an aggregated unit will have the format #####R-#### A.

Facilities receiving compensation for excess RECs under an AB 920 program may also be certified in an aggregated unit. In all cases the meter used to report generation to WREGIS must have an independently verified accuracy rating of 2 percent or higher. It is the responsibility of the facility owner and the retail seller or POU procuring the excess RECs under an AB 920 program to ensure the RECs are transferred appropriately. To count RECs procured under an AB 920 program, the retail seller or POU must retire the RECs in WREGIS and may be required to submit documentation demonstrating that the RECs and the associated electricity were procured together as part of an AB 920 program.

3. Facilities Serving POUs

To expedite the initial RPS certification of facilities selling electricity to POUs, the Energy Commission accepted new applications for commercially on-line facilities serving POUs submitted on the CEC-RPS-4 form until October 1, 2012. This certification type is no longer offered by the Energy Commission. For a facility to become certified using the CEC-RPS-4 form, the facility must have been under contract with and delivering electricity to the POU submitting the form as of January 1, 2012. In addition the POU must have been able to provide all necessary material for certification of the facility; the facility must not have been previously

[72] See the WREGIS Operating Rules Appendix A, the WREGIS Interface Control Document, Addendum A, WREGIS Generation Classification.

certified in the RPS program; the technology, fuel, or energy resource used by the facility must not require use of supplemental forms or additional reporting requirements; and no fewer than 5 facilities must be included in the application. A facility certified using a CEC-RPS-4 form was assigned an RPS ID with an "A" suffix, and any utility may procure generation from the facility as RPS-eligible.

4. Utility-Certified Facilities

The Energy Commission will not accept an application on the facility operator's behalf using a CEC-RPS-2 form.[73] Instead, a retail seller must now use the CEC-RPS-1 form to apply for certification or precertification as a facility's agent; in this instance, the generation would be eligible for use by any retail seller or POU, subject to other applicable limitations.

Facilities certified by a retail seller using a CEC-RPS-2 form before the publication of the fourth edition of this guidebook were assigned RPS IDs with an "E" suffix and were granted certification for only the generation procured under contract by that retail seller. The facility operator must separately certify any facility capacity that is not subject to its procurement contract with the retail seller, but that is procured to satisfy the RPS targets of another retail seller or POU. If a facility operator, or agent thereof, seeks certification on its own behalf using the CEC-RPS-1 form, however, the facility operator need submit only one application for that facility regardless of whether its generation is sold to one or multiple retail sellers or POUs.

Except for CPUC-ordered extensions to existing QF power purchase contracts, retail seller certification on the operator's behalf using the CEC-RPS-2 form becomes void in the event the facility's contract with the retail seller either expires, is voluntarily extended, or is otherwise renegotiated by the retail seller and the facility operator. Once the contract expires or is voluntarily renegotiated, the facility operator, or agent thereof, must apply for certification from the Energy Commission using a CEC-RPS-1 form within 90 days of the contract termination date. The retail seller may not recertify the facility on the operator's behalf using a CEC-RPS-2 form. For CPUC-ordered extensions, retail seller certification may continue until the extension expires.

The sixth edition of the RPS Eligibility Guidebook specified that a utility under contract with the facility identified in the utility certification may count only the amount of generation occurring after the termination date of the contract if the facility operator, or agent thereof, submitted an application for certification to the Energy Commission using a CEC-RPS-1 form before October 1, 2012.

Energy Commission staff have identified many utility-certified facilities with terminated or expired contracts that failed to submit a complete CEC-RPS-1 form to the Energy Commission by the October 1, 2012 deadline. Staff has also learned that many such contracts have been renegotiated by the utilities and facility operators. To address these situations, the Energy

[73] The Energy Commission developed the CEC-RPS-2 Form in 2004 to facilitate the initial application process for the RPS and to accommodate retail sellers applying for a significant number of facilities on the facilities' behalf. The Energy Commission will no longer accept the RPS-2 Form for this purpose, or any other purpose.

Commission hereby further extends the application deadline to the adoption date of this seventh edition of the RPS Eligibility Guidebook.[74]

As noted above, a facility's failure to submit a complete CEC-RPS-1 form on its own behalf (or failure for the utility to apply on the facility's behalf) in a timely manner jeopardizes the facility's ongoing RPS certification once the contract expires. Many utility-certified facilities are similarly under contracts that will expire in the future. The consequences of failing to submit a complete RPS application in a timely manner and jeopardizing the facility's ongoing RPS certification are significant, and that the administrative burden on all parties when this occurs is great. Consequently, with the adoption of this seventh edition of the guidebook, the Energy Commission provides notice that utility-certified facilities must apply for ongoing certification on their own behalf using the CEC-RPS-1 form, on or before December 31, 2013, regardless of their initial contract termination date. After December 31, 2013, the Energy Commission will suspend the RPS eligibility of all utility-certified facilities if an application to certify the facilities on facility owner's behalf has not been submitted.

5. Limited Certifications

A facility using renewable energy resources that was under contract with, or owned by, a retail seller or POU with the contract or ownership agreement having been originally executed prior to June 1, 2010, and not meeting the eligibility requirements of the current RPS guidebook, may receive a limited certification of the facility so that the electricity procured under that contract or ownership agreement may be counted for the RPS if all the following conditions are met:

a) The facility was eligible for the RPS under the rules in the *RPS Guidebook* as of the date when the contract was executed.
b) For an electrical corporation, the contract has been approved by the CPUC, even if that approval occurs after June 1, 2010.
c) Any contract amendments or modifications occurring after June 1, 2010, do not increase the nameplate capacity or expected quantities of annual generation, or substitute a different renewable energy resource. The duration of the contract may be extended if the original contract specified a procurement commitment of 15 or more years.

A facility meeting the above requirements, but failing to meet the eligibility requirements of the current RPS guidebook, may apply for a limited certification on the CEC-RPS-1 form. Except for contract modifications noted above, a facility receiving a limited certification will be eligible for the RPS only for the duration of the contract or ownership agreement originally executed prior to June 1, 2010;[75] this provision applies to only the generation procured under the contract or ownership agreement. These facilities will be assigned a unique RPS certification number with an "L" suffix signifying limited certification applications.

74 Facilities with utility-contract expiration dates occurring less than 90 before the adoption date of the seventh edition of this guidebook need not apply before the adoption of this guidebook, but are still required to apply within 90 days of the contract expiration date.

75 Public Utilities Code Section 399.16, Subdivision (d).

6. Special Precertification for POU-Related Facilities

Facilities previously assigned a precertification RPS ID number with a "P" suffix are owned by or under contract with a POU rather than a retail seller. The "P" suffix indicates that these facilities met all RPS-eligibility requirements, except for previous limitations in the law precluding POU-owned or contracted facilities from being RPS-certified. Thus, the Energy Commission could have assigned only a precertification status to these facilities. A change in law has now removed this restriction, and precertified facilities with a "P" suffix may now apply for RPS certification. Applicants for such facilities must apply for RPS certification and must provide all supporting documentation required in the fifth and future editions of the guidebook. However, if the applicant previously provided such documentation and it remains accurate, the applicant may simply reference the documentation when submitting a new application for certification. If RPS certification is approved for a facility with a "P" suffix, all generation from the date the initial precertification application was received by the Energy Commission will be considered RPS-eligible. The Energy Commission will change the "P" suffix to an "A" suffix once a facility is again approved for certification.

7. Pre-March 29, 2012 Biomethane Facilities

An electric generating facility that is certified or precertified under Section II.B.1. above will be certified on a limited basis and will receive an RPS ID number with a "F" suffix indicating that the facility will not remain certified after it has used the quantities of biomethane specified in the original contract, as determined by the Energy Commission. If the facility amends the contract term, quantities of biomethane, or biomethane sources, the facility must submit an amended application for RPS certification to the Energy Commission within 90 days of the change. A facility failing to do so will risk losing its RPS certification status. A facility that meets the requirements of Section II.B.1. except that the biomethane source has not commenced biomethane delivery will be precertified on a limited basis; the applicant must submit an application for RPS certification within 90 days of commencement of receipt of biomethane deliveries.

Facilities using biomethane sources eligible under both Sections II.B.1. and II.B.2. will receive an "AF"suffix, signifying that the facility is eligible under both rules.

8. Historic Carryover

For a POU to count historic carryover, as defined in the Energy Commission's adopted regulations for *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*, toward its RPS procurement requirements, both the historic carryover and the procurement applied to the POU's annual procurement targets must be procured pursuant to a procurement contract or ownership agreement executed before June 1, 2010, and must be from eligible renewable energy resources that were RPS-eligible under the RPS Eligibility Guidebook current at the time of execution of the contract or ownership agreement, except that the generation from such resources need not be tracked in WREGIS. If the contract or ownership agreement is executed prior to April 21, 2004, the procurement must be from resources that were RPS-eligible under the rules in the RPS Eligibility Guidebook in place as of April 21, 2004. Applicants for facilities applying for RPS certification must provide all

documentation necessary to demonstrate RPS eligibility and the execution date of their contract or ownership agreement execution date.

Applicants seeking to certify the historic generation from a facility pursuant to the regulations for POUs must indicate this on the face of the application. A facility meeting the above requirements may apply for certification on the CEC-RPS-1 form. Facilities that fail to meet the requirements of the RPS guidebook in place at the time a certification application is received by the Energy Commission may only apply for limited RPS certification, this includes facilities that are no longer in existence. Please see Section IV.A.5: Limited Certifications for more details.

Facilities that meet the requirements of the RPS guidebook in place at the time a certification application is received by the Energy Commission may apply for certification similar to other individual facilities. Please see Section IV.A.1: Individual Facilities for more details.

B. The RPS Application Process

The next section outlines the process of applying for precertification and certification, provides information on completing the application forms and submission requirements, and describes the application review and approval processes. Only facilities that have begun commercial operations may apply for RPS certification.

1. Completing Application Forms

Individual facility or aggregated unit applicants must submit a completed application (see Section IV.A: Certification Types) and all required supplemental information; for more information please review Section II: Energy Resource Eligibility Requirements. All information requested in the application forms must be provided unless otherwise specified. The additional required information described in this guidebook must be submitted along with any application for certification.

Any additional information provided to the Energy Commission as part of the application process must be presented in a clear and logical manner. If documentation created for other purposes is submitted with the application, for example, historic contract, water rights, or environmental documentation, the applicant should list all submitted documents, briefly summarize the purpose of each document, identify what requirement each document is being submitted to fulfill, and indicate where in the each document the necessary information is contained.

When a retail seller, POU, or agent applies on a facility operator's behalf, the retail seller or agent must furnish all additional required information. To the extent that the facility's agent or a retail seller applies for certification on a facility's behalf, the agent or retail seller must secure and have available for inspection records to verify the application for certification or precertification. In addition, the agent, POU, or retail seller must possess documents to verify a facility's compliance with the requirements of certification and precertification. These documents must be available to the Energy Commission upon request for auditing purposes.

Only the authorized officer or agent of the facility, the applicant, or the persons identified on the application form, as listed on the submitted application, may approve or request any

changes to an application form during the review process. No changes may be made to an application once the review has been finalized; if the applicant wishes to make any changes, an amended certification (or precertification) application must be submitted. If during the application process substantial revisions to the application are requested by the applicant, or are necessary to continue the review of the application, the Energy Commission may request a new application be submitted to replace the existing application. If persons identified on the application form are unavailable or no longer associated with the facility, an amended application must be immediately submitted. (See Subsection 7 below.)

Application forms can be found on the Energy Commission's website at:

http://www.energy.ca.gov/renewables/documents/index.html#rps

2. Submission Requirements

Before an application for RPS precertification or certification is considered received by the Energy Commission, the applicant must submit both a hard copy and an electronic copy of the completed application form. The hard copy of the complete application, with an original signature (not a copy) of the authorized officer or agent of the facility, along with all supporting documentation (supplemental information may be provided either in hard copy or electronically), must be submitted to the Energy Commission at:

California Energy Commission
Attn: RPS Certification
1516 Ninth Street, MS-45
Sacramento, CA 95814

The electronic version of the unsigned application form in Excel® format must be submitted to the Energy Commission via email to [RPSTrack@energy.ca.gov]. The subject line of the e-mail and the name of the Excel® file should include "Certification," the facility name (or aggregated unit name), and the RPS ID number (if applicable) in the following format:

RPS Certification (or Precertification) of the [Facility Name], [RPS ID number if available]

Once the Energy Commission has received all of the above information from the applicant, including all required supplemental information, the application will proceed into the review process.[76] Prior to beginning the review process the Energy Commission will email the applicant a confirmation that both a hard copy and electronic copy of the application has been received.[77] An application for certification for a facility that has not yet begun commercial

76 If the applicant does not have the required software or Internet access to complete an electronic submission in the required format, and has made all reasonable attempts to complete an electronic submission, the applicant may request a waiver of the electronic submission requirement by submitting a written request to Energy Commission staff that includes an explanation of the circumstances. Staff may explore alternatives with the applicant before considering a waiver. The applicant shall make a written request for a waiver before submitting an application in an alternate format.

77 A confirmation email does not indicate that the application submission is complete, will be reviewed as submitted, or that the application will be approved. The confirmation will only indicate that both a hard copy and electronic copy of the application have been received on the current application forms.

operations using a renewable fuel will be returned to the applicant; only an application for precertification will be accepted for such facilities.

3. Eligibility Date

Upon receipt of the application, electronic and hard copy, staff will date stamp the hard copy of the application as received. This is the official date upon which the Energy Commission deems the application received. For first time applications of precertification, certification, or aggregated units that are approved this date will become the eligibility date, or beginning on date, for the facility. Facilities that are part of an aggregated until will receive an eligibility date that is later than the eligibility date for the remainder of the unit if the facility is added to the unit after the original creation of the aggregated unit. If the facility, or facilities in an aggregated unit, is subsequently certified as RPS-eligible, all generation beginning with the month of the eligibility date that is tracked in WREGIS will be considered RPS-eligible.

The eligibility date for a facility may be revised for several reasons; including an individual facility that is part of an aggregated unit. These reasons include:

- Denial of an application.
- Failure to submit a certification application within 90 days of commencing commercial operations for a precertified facility.
- Substantial changes in the operations of the facility from the precertification application.
- Moving a facility from one aggregated unit to another, affects only the moved facility.
- Withdrawing the certification or precertification of a facility or removing a facility from an aggregated unit.
- Failure to submit an amended certification within 90 days of the change requiring an amendment.
- Revoking the certification of a facility.

If the eligibility date is revised for a facility, aggregated unit, or facility in an aggregated unit that was not previously certified, the generation occurring before the new eligibility date will not be RPS-eligible. Generation from facilities that were certified before the revision to the eligibility date may still be used for California's RPS if the original certification was appropriately approved and occurred before the denial or withdrawal of an application or before the change in operations that required a submission of an amended application.

There are several special cases where the generation from a specific facility or aggregated unit may count for California's RPS prior to the eligibility date. These special cases are explained in more detail below and include:

a) Net Surplus Generation: Generation procured as part of an AB 920 net surplus compensation program prior to October 1, 2012.
b) Existing Hydroelectric Generation Unit Operated as Part of a Water Supply or conveyance System.
c) Facilities Serving Local Publicly Owned Electric Utilities.

In all cases, the electricity will not be considered eligible and will not be counted toward meeting an RPS obligation until the facility is actually certified by the Energy Commission as eligible for the RPS, and the facility's operations are consistent with the information provided in the certification application. This applies to all facilities regardless of whether they previously registered with the Energy Commission's Renewable Energy Program.

All eligible generation produced in the month of the eligibility date, or later, and properly tracked in the WREGIS system[78] will be considered RPS-eligible generation.

- *Net Surplus Generation*

Generation procured by a utility under an AB 920 net surplus compensation program prior to the electrical generation facility's eligibility date will be considered RPS-eligible once the facility has become RPS-certified. The generation produced and procured pursuant to an AB 920 net surplus compensation program prior to the facility applying for certification or October 1, 2012, whichever is earlier, may be reported to the Energy Commission using the ITS if the facility is registered in WREGIS when applying for RPS certification. It is the responsibility of the utility claiming the RECs procured under an AB 920 program to provide evidence that the quantity of claimed RECs does not exceed the quantity procured under AB 920.

- *Existing Hydroelectric Generation Unit Operated as Part of a Water Supply or Conveyance System*
- *Generation from an existing small hydroelectric generation unit up to 40 MW that is operated as part of a water supply or conveyance system, as defined in the Glossary of Terms, and that is RPS-certified by the Energy Commission may be counted toward a retail seller's or POU's RPS procurement requirements beginning on January 1, 2011, consistent with SB X1-2, if an application for certification was received by the Energy Commission within 90 days of the adoption of the seventh edition of the RPS Eligibility Guidebook. Grace Period Exception for Facilities Serving Local Publicly Owned Electric Utilities*

For generation occurring on or after January 1, 2011, to count toward a POU's RPS procurement obligations from a facility that was not certified by the Energy Commission as RPS-eligible at the time of generation, the Energy Commission must receive an application for RPS certification before October 1, 2012, and subsequently certify the facility as RPS-eligible.[79] An applicant must include the facility's assigned WREGIS GU ID number on the application for RPS certification. As noted above, applicants must register facilities with WREGIS to be assigned a WREGIS ID number. If the generation occurred before adoption of the *Renewables Portfolio Standard Eligibility Guidebook, Fifth Edition*, the Energy Commission must determine that the facility met the eligibility requirements of the *Renewables Portfolio Standard Eligibility Guidebook, Fourth Edition*, at the time the generation occurred for the generation to count toward the POU's RPS. Generation meeting these requirements may only be counted toward the RPS procurement obligations of a POU.

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[78] Limited exceptions to this requirement exist. Please see Section IV: RPS Tracking, Reporting, and Verification.

79 A facility must be RPS-certified by the Energy Commission before a POU or retail seller may report procurement of its generation toward the POU's or retail seller's RPS procurement requirements. Facilities under contract with or approved by a POU for its RPS before June 1, 2010, are encouraged to apply for certification by October 1, 2012, and must apply by December 31, 2013.

4. Application Review Process

Upon receipt of the completed application, staff will date stamp the application as received and begin the review process. A valid RPS ID will be assigned to the facility or aggregated unit, as necessary. Facilities that have already been assigned an RPS ID will retain that ID for the life of the project. The suffix may change if additional applications for certification or precertification are submitted for the facility; see Table 5 for the meaning of various RPS ID suffixes. Complete applications are processed in the order they are received.

The Energy Commission may use any information or records submitted to the Energy Commission or obtained as part of the application review process or any audit to determine eligibility and compliance with the RPS. The information and records may include, but are not limited to, applications for RPS precertification and certification, supplemental documentation submitted with RPS applications, documents submitted to substantiate procurement or generation claims, any other documentation submitted upon request of the Energy Commission, publicly available information and documents, and information submitted to other state, federal, or local agencies. This information and these records may be disclosed to the public pursuant to the California Public Records Act (Government Code Section 6250, et seq.). If, as part of any audit, the Energy Commission requires the applicant to provide copies of records that the applicant believes contain proprietary information entitled to protection under the California Public Records Act or other law, the applicant may request that such records be designated confidential pursuant to the Energy Commission's regulations for confidential designation, Title 20, California Code of Regulations, Section 2505.[80]

The Energy Commission will make every effort to notify applicants if their facility is eligible for the RPS as soon as possible. For facilities that are not required to submit additional information pursuant to this guidebook, the Energy Commission expects to review and process applications for certification and precertification within 30 business days of their receipt, unless questions or concerns arise regarding the applications. For applicants that must submit additional required information, such as for biopower, hydroelectric, repowered, facilities with a first point of interconnection to a non-CBA outside California, or out-of-country facilities, the Energy Commission must conduct an extensive review of the additional data, which could take more than 60 days from the date a complete application is received by the Energy Commission and, if applicable, the Executive Director makes a determination on any related requests from the applicant for confidential designation.[81]

If questions arise, the applicant will be contacted and may be asked to submit additional information. A request for additional information will place a hold on the review process for that facility until the Energy Commission receives the requested information. If the applicant does not respond within 60 days to a request for clarification or additional information regarding the application, the application will expire without approval, be returned, and the application will be labeled incomplete. The applicant must submit a new application with

80 Please refer to the section B.4: ~~Use~~ and Disclosure of Information and Records for more information.

81 Review times provided are estimates and are subject to change depending on the complexity of the application and the activity in the application queue.

complete information to reinstate the certification request. The Energy Commission may not seek clarifications on all points of an application for a facility that is not using, nor plans to use, a renewable energy resource, or that clearly fails to satisfy any portion of the eligibility requirements of this guidebook. These applications will be disapproved for failing to meet the RPS eligibility requirements as indicated by the applicant, and not the incompleteness of the application.

5. Notification of the Final Determination

After completing its review, the Energy Commission will notify applicants in writing of its determination on the application for certification or precertification. If the application for certification or precertification is approved, the Energy Commission will issue a certificate stating that the facility, or aggregated unit, is certified or pre-certified as eligible for the RPS. An individual facility certificate will list the Energy Commission-issued certification number for the facility as well as the size, fuel type or types, annual percentage of nonrenewable energy resources (if any), name, location, owner/operator of the facility, applicant or certifying agent, date RPS eligibility begins, and other information relevant to the facility's eligibility. The certificate will also indicate whether the facility was certified by the facility owner/operator, an agent of the facility owner/operator, or a retail seller on the owner/operator's behalf. A copy of the certificate will also be sent to the owner/operator as indicated on the application form, if different than the applicant. An aggregated unit certificate will list the Energy Commission-issued certification number for the unit as well as the number of facilities in the unit, the total size, fuel type, name, aggregating entity, applicant or certifying agent, the applicable RPS eligibility dates, and other information relevant to the facilities' eligibility.

Previous approval of precertification status does not guarantee that a facility will be eligible for RPS certification in the future, and the precertification certificate will indicate this on its face. All facilities must meet the eligibility requirements set forth in the edition of the *RPS Eligibility Guidebook* in place at the time the Energy Commission receives an application for certification, regardless of whether the facility had previously been awarded precertification status.

In addition, the certificate will identify any limits on certification (or precertification). For example, a certificate issued for a multijurisdictional facility certified pursuant to Public Utilities Code Section 399.17 will indicate that the generation of the facility is only eligible to be claimed for RPS compliance by the multijurisdictional utility identified in the application.

If the applicant disagrees with the Energy Commission’s determination on a certification (or precertification) application, the applicant may petition the Energy Commission for reconsideration as described in Section C: Reconsideration of Certification.

As specified in Section B.2: Audits, the Energy Commission may conduct periodic or random reviews to verify records submitted for certification (or precertification) for the RPS. Further, the Energy Commission may conduct on-site audits and facility inspections to verify compliance with the requirements for certification (or precertification). The Energy Commission may request additional information it deems necessary to monitor compliance with the certification

requirements specified in this guidebook. The information submitted by applicants for precertification is subject to further verification once the facility comes on-line. Applicants for precertified facilities must submit a complete certification application (CEC-RPS-1) with all additional required information and be certified as RPS-eligible before any of the facility's generation may be counted toward satisfying a retail seller's or POU's RPS procurement requirements.

6. Checking the RPS-Eligibility Status of a Facility

Upon receipt of an RPS application using the appropriate RPS application forms the Energy Commission will record the status of the facility in the RPS program. The Energy Commission will post information on its website listing all facilities and aggregated units that have been represented in an RPS application and the status of the most recent application, which dictates the status of the facility in the RPS program. Any changes in a facility's certification status will also be posted on the Energy Commission's website. This information can be found online at:

http://www.energy.ca.gov/portfolio/documents/list_RPS_certified.html

The status of each facility listed will indicate as one of the following:

- Received: The application has been received by the Energy Commission, but the review has not begun or only a minimal review has been performed.
- Corrections Sent: The staff analyst has submitted a request for more information or clarification on the application to the applicant, the review is on hold until the requested information is provided in writing. The applicant will have 60 days to respond before the application is classified incomplete.
- Pending: The application has passed the initial review and is in the queue for the final review, further inquiries may be pursued as needed.
- Approved: The application is approved and either certification or precertification has been awarded, the certificate and an accompanying letter have been sent.
- Suspended: The eligibility of an approved facility or aggregated unit is in question and the applicant, as listed on the application, has been contacted for clarification when possible.[82] Generation from facilities with a suspended status may not be used to meet the RPS obligations of any entity until the issues are resolved, which may require the submission of an amended application form. Once the issues are resolved the suspension will be lifted and generation from that facility, including generation occurring during the period of suspension, may be used to meet RPS obligations. Failure to resolve the suspension within a year may result in the disapproval of the facility.
- Incomplete: The application for certification, precertification, or an aggregated unit is incomplete and the review cannot be completed as submitted. These applications have been returned to the applicant. For facilities that have not previously been RPS certified or precertified a new eligibility date will be assigned to a future application.

[82] If the contact information provided on the most recent application is invalid the facility or aggregated unit will be immediately suspended.

- Disapproved: The facility is not eligible for California's RPS and no generation from the facility may me claimed for compliance. If the facility had been certified, generation occurring before the disapproval, or the event resulting in disapproval, may be eligible depending on the circumstances of the disapproval. Facility certifications that have been disapproved will receive a new eligibility date if certification is later pursued.
- Withdrawn: The applicant for the facility has voluntarily withdrawn the RPS application before the completion of the application review process, or the applicant has requested an end to the precertification or certification of a facility or aggregated unit. Facility certifications that have been withdrawn will receive a new eligibility date if certification is later pursued.
- Decommissioned: The electric generation facility has ceased to operate, as confirmed by the applicant, the facility owner, or the system operator.

7. Amending Certification or Precertification

Representatives of certified and precertified facilities must notify the Energy Commission promptly of any changes in information previously submitted in an application for certification or precertification. A facility failing to do so within 90 days of the change risks losing its certification status. Any changes to a certification or precertification application should be reported on an amended CEC-RPS-1 form or an amended CEC-RPS-3 form; certifications cannot be amended on the CEC-RPS-2 form or on the CEC-RPS-4 form. An amended application with any of the following significant changes will be reviewed under the edition of the guidebook in place at the time the Energy Commission receives a complete amended application for precertification or certification:

- Change in fuel, technology, or energy resource type
- Increase in nameplate capacity
- Change in QF status
- Change in fuel suppliers (except for biomass facilities)
- Repowering of the facility[83]
- Increase in the amount of nonrenewable fuel used annually beyond the allowable amount, or a change that exceeds 10 percent of the total annual energy input.

[83] An amended application for an RPS-certified facility that is repowered, as defined in this guidebook, will be evaluated under the edition of this guidebook in place at the time the Energy Commission receives a complete amended application for certification only if the applicant seeks to revise the commercial operations date of the facility based on the date the repowered facility reentered commercial operations. Applicants of previously certified facilities that are repowered but not seeking to revise the operations date need not amend the facility's certification if all information in the original certification remains accurate and no change in facility ownership or applicant representing the facility have occurred. However, such an applicant is encouraged to notify the Energy Commission to document that the facility was repowered.

If all persons listed on the application form are no longer associated with the facility described in the application, an amended application must be submitted and the new applicant must include a cover letter, signed by the new authorized officer or agent, indicating the legitimacy of the changes. The Energy Commission will review the amended application and notify the applicant of any modifications to its certification status.

Also, any changes to the status of a facility's certification will be posted on the Energy Commission's website.

V. RPS Tracking Systems, Reporting, and Verification

The sections below describe the RPS tracking systems and the guidelines for reporting and verification of RPS procurement and generation data. The CPUC determines RPS compliance for retail sellers and the Energy Commission determines RPS compliance for POUs. RPS eligibility rules apply to retail sellers and POUs equally. Periodically, references are made to the Energy Commission's regulations for the *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities*[84] (*Enforcement Procedures for the RPS for POUs*), for POUs and to CPUC Decisions[85] for retail sellers.

A. RPS Tracking Systems

There are two RPS tracking systems: the Interim Tracking System (ITS) and the Western Renewable Energy Generation Information System (WREGIS). The ITS is being phased out and replaced by WREGIS. Reporting and verification will continue to occur on an annual basis, even though there are now multiyear RPS Compliance Periods under SB x1 2.

The Energy Commission is responsible for developing a tracking system to verify compliance with the RPS pursuant to Public Utilities Code, Section 399.25, Subdivisions (b) and (c), which provide as follows:

> The Energy Commission shall do the following:
>
> (b) Design and implement an accounting system to verify compliance with the renewables portfolio standard by retail sellers and POUs to ensure that electricity generated by an eligible renewable energy resource is counted only once for the purpose of meeting the renewables portfolio standard of this state or any other state, to certify renewable energy certificates produced by eligible renewable energy resources, and to verify retail product claims in this state or any other state. In establishing the guidelines governing this accounting system, the Energy Commission shall collect data from electricity market participants that it deems necessary to verify compliance of retail sellers and POUs in accordance with the requirements of this article and the California Public Records Act (Chapter 3.5 [commencing with Section 6250] of Division 7 of Title 1 of the Government Code). In seeking data from electrical corporations, the Energy Commission shall request data from the [California Public Utilities] commission.
>
> (c) Establish a system for tracking and verifying renewable energy credits that, through the use of independently audited data, verifies the generation of electricity associated with each REC and protects against multiple counting of the same renewable energy credit. The Energy Commission shall consult with other western states and with the WECC in the development of this system.

84 Draft versions of these regulations are available at: http://www.energy.ca.gov/2013publications/CEC-300-2013-002/CEC-300-2013-002-SD.pdf. as adopted.

85 http://www.cpuc.ca.gov/PUC/energy/Renewables/decisions.htm and other relevant RPS Decisions as updated by the CPUC

The Energy Commission developed WREGIS, an electronic tracking system that covers the WECC service area, to meet its RPS tracking requirements, including the tracking of RECs. WREGIS, which launched in June 2007, issues a REC, termed a WREGIS Certificate, for each reported megawatt-hour of eligible generation on a monthly basis. WREGIS Certificates document the amount of energy generated by facilities using renewable energy resources by participating in regulatory and voluntary programs in the WECC. WREGIS Certificates must be retired to claim procurement for RPS compliance.

Because it took several years to develop WREGIS, retail sellers initially reported the quantity of RECs associated with RPS procurement to the Energy Commission using the ITS. The ITS is based on self-reported data and data collected from various other sources to verify RPS procurement claims and energy deliveries. As explained below in the Section V.B: Reporting to the Energy Commission, the Energy Commission uses the ITS on a limited basis to verify certain RPS procurement and deliveries until all parties have fully transitioned to WREGIS.

A REC shall be counted only once for compliance with the California RPS and may not be used to count toward the regulatory requirements of any other state or to satisfy any other retail regulatory or voluntary market product claims. [86] RPS-eligible facilities, POUs, retail sellers and third parties who enter into REC transactions for RPS compliance purposes must participate in WREGIS. The process for transitioning from the ITS to WREGIS is described in Section V.B.3.

B. Reporting to the Energy Commission

SB x1 2 established multiyear compliance periods and allows RECs to remain active for up to 36 months before they must be retired. Retail sellers and POUs must still report procurement claims annually to the Energy Commission. The Energy Commission requires retail sellers and POUs to report on the monthly procurement that was retired for the RPS to be counted in the previous calendar year (reporting year), as described below.

Reports are due to the Energy Commission on July 1 (or the next business day if the first falls on a weekend) of each year for claims to be counted for the previous year. However, the Energy Commission had previously directed retail sellers and POUs to postpone reporting for 2011. With adoption of this seventh edition of the RPS Eligibility Guidebook, in the following subsections the Energy Commission provides instructions on how to report RPS procurement beginning with 2011 and 2012 reporting years. These instructions are provided in the following subsections.

In certain situations, as described below, RPS-certified facilities may be required to report generation data to the Energy Commission or to the LSEs to whom they sell, in addition to what is reported to WREGIS.

[86] The California Air Resources Board provides for RPS adjustments in its Cap and Trade program, but requires RECs to be retired for the RPS as demonstration of qualifying for the adjustment. Section 95111(b)(5) http://www.arb.ca.gov/cc/reporting/ghg-rep/tool/power_regreqs_4page.pdf

1. RPS-certified Facilities with Generation Reported Using the ITS Must Report to the Energy Commission

Other than the exceptions noted below for test energy and temporary use of the ITS for POUs transitioning to WREGIS, use of the ITS is no longer allowed. For retail sellers, beginning January 1, 2011, procurement data must be tracked and reported using WREGIS. For POUs, procurement data must be tracked and reported using WREGIS beginning October, 1, 2012.

In cases when the ITS is used for reporting procurement, generators (a retail seller or POU, if the generating facilities are owned by the retail seller or POU) must report monthly and annual generation data to the Energy Commission on the CEC-RPS-GEN form by July 1 (or the next business day) for the entire previous calendar year for which any WREGIS data are unavailable. The CEC-RPS-GEN form and instructions are provided in Appendix A. Energy Commission staff may request that the facility additionally submit monthly payment statements from the retail seller, POU, procurement entity, or third party, showing the amount of energy procured from the facility, as an attachment to the CEC-RPS-GEN form. If the facility uses the payment statement to serve as supporting verification documentation, the facility should strike out any price or other sensitive/confidential data on the statement that it does not want to make publicly available.

For cases in which the retail seller or POU certifies a facility for the RPS on the facility's behalf, the retail seller or POU is responsible for reporting the generation data for that facility.[87] This reporting requirement will be satisfied through the interim tracking forms and WREGIS data. Retail sellers or POUs do not need to file separate CEC-RPS-GEN forms to report generation for the generating facilities they certify, nor does the LSE have to separately provide third-party verification of the generation, unless requested to do so for verification purposes. Regardless of whether generation is reported to the Energy Commission using the ITS or WREGIS, the Energy Commission may conduct audits or request additional information, including CEC-RPS-GEN forms, to verify RPS compliance.

2. RPS-certified Facilities Not Interconnected to a CBA and Multi-Fuel Facilities

Additional reporting of generation data will be necessary for facilities whose generation is:

a) Scheduled into a California balancing authority (CBA), where staff will need to analyze hourly meter and schedule data; and/or

b) From multi-fuel facilities, for which Energy Commission staff must determine if the entire output from a facility is RPS-eligible and/or if the LSE may only claim renewable portion of a facility's output. This includes RPS-eligible facilities using biomethane.

Annual hourly data for facilities scheduled into a CBA is required as described in Section XIV.C.1. The reporting requirements for multi-fuel facilities are explained in Section III.B.4: Counting Nonrenewable Fuel Use as RPS-Eligible.

[87] Energy Commission staff plan to phase out utility-certification by the end of 2013, as discussed earlier in this guidebook.

3. Transitioning from ITS to WREGIS

The *RPS Eligibility Guidebook, Third Edition*, states that effective January 1, 2008, the Energy Commission requires RPS-certified facilities, retail sellers, procurement entities and third parties to participate in WREGIS as part of RPS compliance. In addition, it states that Qualified Reporting Entities (QREs)[88] must register with WREGIS before they can report generation data on the facilities' behalf. The exceptions to this requirement are discussed below.

1 Using the ITS for Test Energy

Beginning with reporting year 2011, the Energy Commission will accept only retail sellers' procurement claims for generation that is tracked in WREGIS and reported to the Energy Commission using WREGIS State/Provincial/Voluntary Compliance Reports (WREGIS Compliance Reports), except in the cases where tracking RECs for test energy was not available in WREGIS.[89]

Initially, the WREGIS system created RECs for generation associated with the earliest active certificate issuance cycle at the time the facility was approved in the WREGIS system.[90] For new facilities with a recent commercial on-line date, this could include "test energy."[91] In July 2012, the functional requirements of WREGIS were changed so that WREGIS may now create RECs for test energy generated during longer periods that precede the generator's registration and approval in WREGIS. Therefore, retail sellers may use the ITS to report test energy not tracked in WREGIS up to July 31, 2012. After that date, retail sellers must report all test energy using WREGIS. As explained below, POUs may use the ITS until October 1, 2012 for all reporting not available in WREGIS, including test energy.

2 Transitioning to WREGIS for POUs

As described throughout the Guidebook, under SB x1 2, the Energy Commission will begin tracking and verifying the procurement of POUs. The Energy Commission's RPS certification process requires that facilities be certified as RPS-eligible facilities and also be registered in WREGIS in order to qualify for California's RPS. POU RPS procurement claims before October 1, 2012 may be reported using the ITS for data that are available in WREGIS. POUs may not report using the ITS for generation that is, or is expected to become available, in WREGIS and should work closely with facilities to ensure WREGIS certificates representing procured RECs are properly transferred to the purchasing POUs. Supporting documentation from WREGIS staff may be necessary to confirm that amounts claimed on the ITS are not, or will not

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[88] A Qualified Reporting Entity (QRE) is a**n individual or an organization providing renewable generation data to WREGIS on a unit-specific basis for the purpose of creating WREGIS Certificates**.

[89] *RPS Eligibility Guidebook, Fifth Edition* http://www.energy.ca.gov/2012publications/CEC-300-2012-002/CEC-300-2012-002-CMF.pdf page 66.

[90] The WREGIS Certificate Issuance Cycle begins on the first day *after* the end of the Current Period Generation Month.

[91] For purposes of the RPS, test energy refers to preproduction electricity generation that occurs during the testing period of a facility before it commences commercial operations.

become, available in WREGIS. Beginning with generation on October 1, 2012, the Energy Commission will accept only procurement tracked and reported through WREGIS.

4. Reporting Using WREGIS

QREs report generation data to WREGIS. When one megawatt-hour of reported generation is accumulated, WREGIS creates one WREGIS Certificate (REC issued through WREGIS with a unique serial number). For purposes of RPS compliance, retail sellers and POUs must retire RECs to demonstrate procurement of the generation represented in the RECs. In practical terms, WREGIS Certificates that are retired represent both procurement and generation data.

However, with implementation of SBX 1-2, additional generation data may be required to verify procurement and the Energy Commission may conduct audits or request additional information, including CEC-RPS-GEN forms in addition to WREGIS Compliance Reports, as needed to verify RPS Compliance.

WREGIS has its own rules and functionality requirements independent of the Energy Commission's RPS program. As a result, there may be instances in which RPS information reported through WREGIS may ultimately differ from amounts verified by the Energy Commission in its RPS Procurement Verification Reports for retail sellers and POUs. To reconcile differences that occur in WREGIS and verified data, additional documentation may need to be provided by the reporting entities, RPS-certified facilities, WREGIS staff, and/or others involved to substantiate the reason(s) why WREGIS Certificate amounts may ultimately differ from the amounts reported in the RPS Verification Report. The process for reconciling differences with WREGIS data and what is ultimately verified as allowable for the RPS is explained below in Section V.C.5: Accounting for WREGIS Prior Period Adjustments.

5. RPS Procurement Reporting Due Dates

1 RPS Reporting for Retail Sellers

Retail Sellers will retire all RECs into an annual WREGIS retirement subaccount for the reporting year in which they are retired. Test energy claims falling under the ITS reporting allowances described above may be reported on the ITS and reported at the same time as the WREGIS claims. For retail sellers, RECs retired for the 2011 reporting year must be reported by July 1, 2013 or within 90 days after the adoption of the *RPS Eligibility Guidebook, Seventh Edition,* whichever is later and RECs retired for the 2012 reporting year must be reported or 120 days after the adoption of the *RPS Eligibility Guidebook, Seventh Edition*. For 2013 forward, the due date for reporting RPS procurement retired for the previous reporting year is July 1 of the following year. For example, claims retired for 2013 reporting year, would be submitted to the Energy Commission on July 1, 2014. Analysis of e-Tag data is necessary to determine Portfolio Content Category classification. Therefore, WREGIS NERC E-Tags Summary Reports no longer need to be sent to Energy Commission staff. Retail sellers must complete WREGIS forms authorizing WREGIS to send the WREGIS NERC e-Tag Summary Reports to CPUC staff. Details for RPS reporting are included in Appendix A.

2 RPS Reporting for POUs

POUs will retire all RECs into annual WREGIS retirement subaccounts, preliminarily classified into portfolio content categories, for the reporting year in which they are claimed. Claims that meet the criteria for ITS reporting described above may be reported using the ITS and will be submitted at the same time as the WREGIS reports. Claims available in WREGIS may not be reported using the ITS. POUs must report historic carryover claims as described in the *Enforcement Procedures for the RPS for POUs,* by July 1, 2013, or 30 calendar days after the effective date of the regulations, whichever is later.

Energy Commission staff must review contract data in order to determine proper portfolio content category classification. POUs are encouraged to submit the static data to Energy Commission staff in the "Static Information" tabs on the POU compliance reporting spreadsheet and the necessary supporting documentations as soon as possible upon finalization of the *RPS Eligibility Guidebook, Seventh Edition* and adoption of the *Enforcement Procedures for the RPS for POUs* to expedite Energy Commission staff's review. If POUs are unable to submit the static form and supporting documentation as soon as possible, they are encouraged to submit the POU compliance reporting spreadsheet and necessary documentation at the same time as the historic carryover information is due.

POUs must report RECs claimed for the 2011 and 2012 reporting years and all other required reporting information as described in the *Enforcement Procedures for the RPS for POUs* by September 1, 2013 or 30 calendar days after the effective date of the POU regulations whichever is later. For 2013 forward, the due date for reporting RPS procurement retired for the previous reporting year is July 1 of the following year. For example, claims retired for 2013 reporting year, would be submitted to the Energy Commission on July 1, 2014. Details for reporting are included in Appendix A.

3 Public Utilities Code Sections 399.17; 399.18; and 399.30 (h) Exemptions from the Procurement Balance Requirements

Small and Multi-Jurisdictional Utilities, and POUs that meet the requirements of Public Utilities Code (PUC) Sections 399.17, 399.18,[92] and 399.30 (h),[93] respectively, may count RECs for RPS compliance without regard to the portfolio balance requirements established by Pub. Util. Code § 399.16(c), as long as all other procurement requirements for compliance with the RPS are met.

For POUs that meet the criteria of PUC Section 399.30 (h) and are not subject to the portfolio balance requirements, reporting and verification will differ from the rest of the POUs. POUs

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92 http://docs.cpuc.ca.gov/WORD_PDF/FINAL_DECISION/169704.pdf This section applies to utilities (or their successors) having fewer than 60,000 California customers and either serving retail end-use customers outside of California or being located outside the California ISO and receiving the majority of their electricity from generation sources outside California. The first condition applies to PacifiCorp. The second applies to California Pacific Energy Company, the successor to the California assets of Sierra Pacific Power Company. (D.11-02-015; D.11-04-030.)

93 Public Utilities Code section 399.30 (h) applies to POUs that were in existence on or before January 1, 2009, that provide retail electric service to 15,000 or fewer customer accounts in California, and are interconnected to a balancing authority located outside California but within the WECC. There are currently three POUs that meet these criteria: City of Needles, Kirkwood Meadows Public Utility District, and Truckee Donner Public Utilities District.

that meet the criteria of PUC Section 399.30 (h) will not classify their procurement by portfolio content category in their compliance reports or when reporting procurement for verification. These POUs will classify their procurement in the following categories: count in full, bundled, and unbundled. Verification efforts for POUs that meet the criteria of PUC Section 399.30 (h) will be focused on RPS eligibility, contract execution dates, and whether the RECs are bundled. POUs meeting the 399.30(h) exemption must report consistent with the time frames described above for the rest of the POUs.

For SMJUs, reporting to and verification by the Energy Commission will not differ from that of all other retail sellers. Energy Commission staff will verify the eligibility of the RPS procurement, while CPUC staff will determine the procurement classification. Retail Sellers meeting the 399.17 and/or 399.18 exemptions must report consistent with the time frames described above for the rest of the retail sellers.

C. REC Retirement and Reporting Requirements

SB x1 2 established certain requirements that merit special instructions for when a REC must be retired. The retirement and reporting requirements that apply to retail sellers and POUs are described below.

1. Up to 36 Months for RECs to be Retired and Used for Compliance.

WREGIS certificates, or RECs, used for the RPS starting January 2011 and later must be retired by the retail seller or local publicly owned electric utility within 36 months from the initial month and year of generation of the associated electricity to be eligible for the RPS.[94] Retire means to claim a renewable energy credit in the tracking system established by the Commission pursuant to the Public Utilities Code Section 399.25(c) and thereby commit the renewable energy credit to be used for compliance with the RPS.

Energy Commission staff will verify that this requirement has been met by comparing the WREGIS Certificate vintage month and year to the WREGIS retirement month and year, as represented by the Action Date on the WREGIS Compliance Report. RECs retired after the 36 month retirement requirement will be deemed ineligible for the RPS, unless documentation is provided to demonstrate that the vintage month and year on the WREGIS Certificate is not representative of the actual generation month and year as described below in Section V.C.5: Accounting for WREGIS Prior Period Adjustments.

2. Excess Procurement

SB X1-2 sets limitation on procurement that may qualify "excess procurement," which may be carried forward to future compliance periods.[95] Whether or not procurement retired and reported for RPS compliance qualifies as excess procurement is based on reported and verified data.

94 Public Utilities Code Section 399.21, Subdivision (a)(6).
95 Public Utilities Code Section 399.13(a)(4)(B).

Excess procurement rules for POUs are included in *Enforcement Procedures for the RPS for POUs.*[96] The CPUC will determine excess procurement for retail sellers. RPS compliance rules for retail sellers, including those for excess procurement, were established by the CPUC in Decision (D.) 12-06-038.[97]

3. Procurement Claims May Not Be Made Before the Contract Execution and/or Ownership Agreement Date

RECs cannot be claimed for RPS compliance before the contract execution and or ownership agreement date. Specifically, LSEs cannot retire RECs for a reporting year prior to when the RECs were procured and, moreover, cannot meet one compliance period's portfolio quantity requirements with procurement dating from a later compliance period. This analysis will be conducted based on month and year of the procurement and/or ownership agreement.

For example, 2012 generation (2012 vintage RECs) procured in February, 2014 may be retired and reported for the 2014 reporting year or later reporting year within the 36 months retirement period, because 2014 is within 36 months of when the REC was generated. However, the RECs cannot be retired and reported for 2013 or earlier years.

4. Supplements for Previously Reported Years through the Following Reporting Year

LSEs should not expect to supplement procurement claims for a report submitted for a previous year. The multi-year compliance periods and the 36 month retirement requirement allowance, combined with allowances for excess procurement, provide LSEs flexibility in determining the necessary amount of RECs to retire per reporting year to meet their RPS procurement requirements. LSEs are encouraged to take a prudent approach to retirement and achievement of the RPS requirements by retiring enough RECs to meet their RPS requirements and, perhaps, retiring more to cover unexpected situations or to qualify as excess procurement.

5. Accounting for WREGIS Prior Period Adjustments

WREGIS Certificates are based on revenue meter data, and when prior period settlement data are finalized, debits or credits may occur in the current reporting period. The WREGIS functionality process called a "prior period adjustment" allows WREGIS to create additional or withhold the creation of WREGIS Certificates in a future month, and possibly in a future year.[98] As a result, there may be less WREGIS Certificates created in a later month than actual generation for that month to adjust for an earlier month when there were more WREGIS Certificates created than should have been. In situations like this, where WREGIS prior period adjustments are made to correct the total amount of certificates issued to a facility over a period of time, LSEs should claim procurement to reflect the facility's actual generation amounts versus prior period adjustment WREGIS Certificates. If the vintage date on the WREGIS Certificate is not representative of the actual month and year of generation as a result of a prior

96 http://www.energy.ca.gov/2013publications/CEC-300-2013-002/CEC-300-2013-002-SD.pdf. as adopted.

97 http://docs.cpuc.ca.gov/WORD_PDF/FINAL_DECISION/169704.pdf, or other relevant RPS Decisions as updated by the CPUC.

98 Refer to the WREGIS Operating Rules for details regarding adjustments to reported generation, including prior period adjustments, which can only be made within two years after the end of the electricity generation month.

period adjustment, then additional documentation may be required to verify procurement requirements.

In situations where the actual generation differs from WREGIS Certificate data, LSEs may retire WREGIS Certificates with a vintage that may not match actual generation, as long as there is sufficient documentation to explain the difference. If the prior period adjustment occurs for WREGIS Certificates already retired, LSEs may request Energy Commission staff to "withdraw" the claims, rather than have them be determined as ineligible. If in another year, WREGIS accounts for the reporting error by not creating additional WREGIS Certificates, the LSE may request that the WREGIS Certificates that were withdrawn be re-allocated to the year in which WREGIS withholds the creation of WREGIS Certificates. In this way, although different from the WREGIS data, LSEs are able to have an accurate reporting of the amount of actual RPS generation for RPS purposes.

In order to account for prior period adjustments in *RPS Verification Reports*, supporting documentation will be necessary, such as: 1) a letter from the LSE explaining the discrepancy and the reason for the discrepancy between WREGIS Certificates and actual generation amounts, particularly in the case where WREGIS Certificates have been retired and an LSE wishes to request the claims be withdrawn; 2) documentation from WREGIS staff explaining how the prior period adjustment(s) were handled in WREGIS; and/or 3) additional supporting information that would allow Energy Commission staff to determine the actual generation month and year versus the vintage month and year as indicated on the WREGIS Certificates.

6. Facilities with Special RPS Restrictions

By RPS law, no RECs shall be created for electricity generated pursuant to any electricity purchase contract with a retail seller executed before January 1, 2005, unless the contract contains explicit terms and conditions specifying the ownership or disposition of those RECs. The law requires procurement under those contracts be tracked through WREGIS and counted toward the purchasing retail seller's RPS procurement requirement.[99]

Similarly, the RPS law states that no RECs shall be created for contracts with Qualified Facilities[100] under the federal Public Utility Regulatory Policies Act[101] executed after January 1, 2005. The law requires that procurement under these contracts be tracked through WREGIS and counted toward the purchasing retail seller's RPS procurement requirement. [102]

To ensure these statutory requirements are met automatic retirement subaccounts can be used to retire WREGIS Certificates from the two types of contracts described above.

Because Energy Commission staff requested LSEs to delay retiring and reporting data in the fifth edition of the *RPS Eligibility Guidebook* for the 2011 and 2012 reporting years, RECs under

99 Public Utilities Code Section 399.21, Subdivision (a)(4).
100 A QF is a qualifying small power production facility eligible for certification pursuant to Section 292.207 of Title 18 of the Code of Federal Regulations.
101 Section 1253 of the Energy Policy Act of 2005 ("EPAct") added Section 210(m) to Public Utility Regulatory Policies Act of 1978 ("PURPA").
102 Public Utilities Code Section 399.21, Subdivision (a)(5).

contract types discussed above have not necessarily been automatically retired. With the adoption of this guidebook, retail sellers may now retire these RECs associated with the contracts described above, and report the 2011 and 2012 WREGIS Certificates in accordance with the instructions in this guidebook; see Appendix A for details.

Additionally, for 2013 forward, retail sellers may reinstate the automatic retirement subaccounts for RECs created as a result of these contractual arrangements and begin the automatic retirement process. For the 2013 WREGIS Certificates created before establishment of the automatic retirement subaccounts, retail sellers may retire the WREGIS Certificates and report them with the 2013 reporting year.

LSEs must inform Energy Commission staff of special restriction facilities, from which they have claims, when submitting RPS procurement claims. Once the necessary information has been recorded by Energy Commission staff, LSEs will not need to report the information again unless there is an amendment or relevant change to the contract.

D. RPS Procurement Verification

The Energy Commission will verify whether procurement is consistent with the requirements of this and other applicable *RPS Eligibility Guidebooks* and, for POUs only, consistent with the Energy Commission's POU regulations.

The Energy Commission intends to verify procurement claims for each retail seller and POU on an annual basis for each year during the compliance periods established by SB x1 2. This process will begin with an Energy Commission staff analysis of annual procurement data as submitted by the LSEs for the preceding reporting year. Staff will work with each retail seller and POU to verify the reported procurement claims and the Energy Commission staff expect to hold an annual public workshop to present Energy Commission staff's findings and discuss outstanding issues. The Energy Commission plans to post its findings on its website.

Following the end of each compliance period, the Energy Commission will combine the verification results of the intervening years with those for the final year of the compliance period. Because reporting for 2011was delayed, Energy Commission staff may initially combine the verification results for multiple years in a single workshop, particularly if it will lead to overall efficiencies in processing and presenting the data.

The Energy Commission expects to adopt two RPS reports per compliance period, one for retail sellers – *RPS Verification Report for Retail Sellers* and one for POUs - *RPS Verification and Compliance Report for POUs*.

1. Verification Methodology Using the Interim Tracking System

As discussed above, the Energy Commission developed an ITS for use until WREGIS became operational. Under the ITS, the Energy Commission first verifies that the RPS procurement reported to the Energy Commission is from a facility certified as RPS-eligible. Also, to the extent possible, the Energy Commission ensures that RPS-eligible energy procured by the utilities is counted only once in California or any other state. The Energy Commission will conduct this verification by cross-checking RPS procurement with retail claims reported under the Energy

Commission's Power Source Disclosure Program and other similar data sources. For facilities in which available generation data indicate that procurement exceeded generation by 5 percent or greater, the procuring utility must submit supporting documentation to verify procurement from those facilities.

The Energy Commission will apply statutory provisions, this guidebook, and Energy Commission regulations for POUs when verifying the amount of RPS-eligible procurement. The Energy Commission will verify the energy generation to the extent possible and will verify that the amount of RPS eligible procurement as reported to the Energy Commission did not exceed the facility's total generation. The Energy Commission will check that if two or more utilities procured energy from the same facility, the cumulative amount of energy procured does not exceed the facility's total generation. If procurement exceeds generation, the Energy Commission will report the discrepancies.

The Energy Commission will collaborate with other state agencies to determine if generation from each facility is claimed in more than one of the states' regulatory programs. Additionally, the Energy Commission will monitor renewable energy claims on the voluntary market, where possible. For example, Green-e Energy[103] and the Energy Commission are collaborating to help ensure against double-counting of the same renewable energy claims.

2. Verification Method Using WREGIS

Beginning with the 2008 compliance year, the Energy Commission started conducting its RPS procurement verification process by analyzing available WREGIS data, and will use WREGIS data to compile RPS Procurement Verification reports, except for POUs using the ITS. As with the ITS, the Energy Commission will compare the reported energy generation with other available generation data and will verify that the amount of RPS-eligible procurement as reported to the Energy Commission did not exceed each facility's total generation at least until all RPS claims are reported using WREGIS. Additionally, the Energy Commission will work with other western states and the voluntary market to help ensure against double-counting of RECs.

In the case of a multijurisdictional utility that has retired RECs in a tracking system other than WREGIS (such as NVTREC[104]), the utility may be required to provide a compliance report to the Energy Commission from such a system to assist staff in verifying against double-counting.

As noted in Section III.B.4: Counting Nonrenewable Fuel Use as RPS-Eligible , additional information is needed to verify that the nonrenewable RECs are eligible for California's RPS. This information as described above must be submitted to the Energy Commission no later than March 31 of the year following the generation year so staff may verify that the facility's use of nonrenewable fuel did not exceed the facility's nonrenewable fuel allowance as calculated by the approved measurements methodology for that facility.

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[103] Green-e Energy is a voluntary certification program for renewable energy.

104 NVTREC is the REC tracking and verification system for Nevada's RPS.

3. Retail Sellers – Finalizing Verified Data

For retail sellers, Energy Commission staff will review the WREGIS Compliance reports and verify the claims as eligible or disallowed; Energy Commission staff will not address PCC classification in the *RPS Verification Report for Retail Sellers*. The CPUC will determine PCC classification for retail sellers as part of the RPS compliance determination process. Energy Commission staff will provide tables to retail sellers showing the procurement amounts as eligible and disallowed, and the reasons for which the claims are disallowed. Retail sellers should work with Energy Commission staff to provide any additional information that may change Energy Commission staff's assessment. As appropriate, Energy Commission staff will update the tables. The tables will be presented at a public workshop. If retail sellers have disagreements about the information contained in the tables, they should provide written and/or verbal comments at the workshop. Comments will be taken into consideration as staff develops the draft *RPS Verification Report for Retail Sellers,* which will be based on all years within the compliance period. After it adopts the *RPS Verification Report* for retail sellers, the Energy Commission will transmit the report to the CPUC for its use in determining RPS compliance for the retail sellers.

4. POUs – Finalizing Verified Data

POUs should retire procurement based on the PCC classification. This will be considered the POU's initial non-binding classification. A POU should retire RECs in the correct PCC retirement subaccount, to the best of its ability. After Energy Commission staff has conducted its initial verification process, which will include PCC classification, tables will be developed that will list claims as eligible or disallowed, as well as a listing the amounts classified as Historic Carryover, Count in Full, PCC 1, PCC 2, and PCC 3.

Energy Commission staff will work with POUs to update the claims tables, as appropriate. Claims submitted as PCC 1 or PCC 2 without sufficient supporting documentation will likely be classified by Energy Commission staff as PCC 3 until sufficient supporting documentation for reclassifying the claims is provided. The claims tables will be presented at a public workshop. If POUs have disagreements on the information contained in the claims tables, they may provide written and/or verbal comments at the workshop. Public comments will be taken into consideration as staff develops the *Draft RPS Verification and Compliance Report for POUs*, which will be based on all years within the compliance period. After it adopts the *RPS Verification and Compliance Report for POUs,* the Energy Commission will use the report as a first step in determining RPS compliance for POUs, and any complaint brought by Energy Commission staff against a POU for failure to meet an RPS requirement, or any regulation, order, or decision adopted by the Energy Commission pertaining to the RPS for POUs, will follow the complaint process in the Enforcement Procedures for the RPS for POUs.

VI. RPS Procurement Requirements

A. Energy Commission and CPUC - Agency Roles

For contracts or ownership agreements originally executed on or after June 1, 2010, [105] SB x1 2 requires procurement of a minimum quantity of electricity products from Portfolio Content Category one (PCC 1) as a specified percentage of total kilowatt-hours sold to the utility's retail end-use customers, for each of the compliance periods. Portfolio Content Category two (PCC 2) has no minimum or maximum procurement requirements. There are maximum procurement quantity limits for portfolio content category three (PCC 3) RECs that can be used for compliance in each compliance period. For contracts or ownership agreements originally executed before June 1, 2010, procurement is not subject to the PCCs and portfolio balance requirements (PBRs).

Determining that procurement requirements have been met, including the minimum and maximum PBRs, will be based on verified procurement data and is expected to occur after the finalization of the *RPS Verification Report for Retail Sellers* for retail sellers, but included in the *RPS Verification and Compliance Report for POUs* for POUs.

Some of the portfolio content category (PCC) classification requirements necessitate verification of information that is expected to be relatively static over time. For example, staff expects to verify information such as the end date of a procurement contract, which may be valid for years into the future, or information related to a facility's interconnection status (for example, whether interconnected to a California balancing authority), which is unlikely to change.

As part of its process to classify procurement into PCCs, CPUC staff will verify static information for retail sellers. Energy Commission staff will verify static information for POUs based on additional supporting documentation, such as ownership agreements, contracts, and so on. POUs will submit the static data to the Energy Commission in the "Static Information" tabs on the POU compliance reporting spreadsheet, along with the necessary supporting documentation. Any updated information or additional facility and contract information must be included on an annual basis with a POU's annual compliance reporting.

The information necessary for determining appropriate PCC per SB X1-2 requirements is expected to be the same for all LSEs and is explained below in detail for POUs. Because CPUC staff will determine PCC classification for retail sellers, retail sellers should have the WREGIS NERC e-Tag Summary Reports sent to CPUC staff instead of Energy Commission staff as the report will assist in PCC 1 and PCC 2 classification.

Retail sellers are subject to relevant CPUC Decisions and should refer to the CPUC for additional reporting information related to retail sellers' RPS procurement requirements,

105 Assembly Bill (AB) 2187 (Bradford, 2012) changed Public Utilities Code Section 399.16 to allow certain contracts for RPS procurement signed by electric service providers (ESPs) prior to January 14, 2011 to be counted for RPS compliance without regard to the portfolio content categories set by Section 399.16. AB 2187 is codified at Public Utilities Code Section 399.16(c)(4). The CPUC will implement AB 2187 in the RPS proceeding R.11-05-005.

including the PBRs. The following sections address the reporting requirements for POU RPS procurement, including the PBRs. Details regarding POU enforcement of the RPS regulations are found in the *Enforcement Procedures for the RPS for POUs.*[106]

The following section applies to POUs only; the CPUC will determine RPS procurement and compliance requirements for retail sellers.

B. Portfolio Content Category 0 - Count in Full

For POUs, procurement claims may qualify as "count in full" if they meet the criteria in the *Enforcement Procedures for the RPS for POUs*.

Procurement claims from "count in full" contracts are not classified in PCCs or subject to the PBR, unless it did not meet the rules in place at the time. Additionally, there is no delivery requirement for "count in full" procurement. As such, there are no delivery or scheduling verification responsibilities associated with "count in full" procurement claims once they have been determined to have met the rules in place at the time, including contracting and delivery rules.

For POUs, verification that the renewable energy resource was eligible under the Energy Commission rules in place at the time when the contract or ownership agreement was executed will be determined by Energy Commission staff based on:

- certification information,
- applicable *RPS Eligibility Guidebook* requirements,
- contract or ownership agreements showing the execution date,
- contract modifications, including those that may allow the procurement to remain classified as "count in full," and
- other information as determined necessary.

This supporting contractual documentation must be reported along with the "Static Information" tabs on the POU compliance reporting spreadsheet and POUs are encouraged to submit the information as soon as possible upon adoption of the RPS Eligibility Guidebook and *Enforcement Procedures for the RPS for POUs*.

There may be contracts with special restrictions, as described in Section V.C.6: Facilities with Special RPS Restrictions, which also have qualifying procurement as PCC 0.

1. Pre-2011 - Historic Carryover

For POUs, historic carryover is the amount of RPS-eligible procurement determined to be above the sum of a POU's 2004-2010 annual procurement targets (APT). The APT increases 1 percent over the previous year's target, except for the 2010 annual procurement target, which is equal to 20 percent of retail sales in 2010.

106 http://www.energy.ca.gov/2013publications/CEC-300-2013-002/CEC-300-2013-002-SD.pdf. as adopted.

The Energy Commission will determine historic carryover for POUs in accordance with the Energy Commission's Enforcement Procedures for the RPS for POUs, as adopted. Energy Commission staff will verify that procurement claimed for historic carryover meets the "count in full" requirements and was generated by facilities that met the Energy Commission's RPS eligibility requirements in place at the time the original contract or ownership agreement was executed, using applicable RPS Eligibility Guidebooks. Energy Commission staff will need to determine a POU's baseline and succeeding years' RPS compliance obligations, based on the calculation set forth in the Enforcement Procedures for the RPS for POUs. POUs that need to certify facilities to count procurement as historic carryover must apply for certification as described in Section IV: Certification.

2. Pre-June 1, 2010 - Procurement to be Classified in PCCs

POUs may have executed contracts or ownership agreements prior to June 1, 2010, with facilities that did not meet the eligibility rules under the RPS Eligibility Guidebook that was in place at that time. Procurement from these contracts or ownership agreements does not meet the criteria for "count in full," but it also does not meet the main criterion for applying the PBR: namely, that the contracts or ownership agreements were executed on or after June 1, 2010. Therefore, procurement in this category is classified in PCC 1, 2, or 3, as appropriate, but the procurement is not subject to the PBR.

C. RPS Portfolio Content Categories for POUs

The following sections describe the supporting documentation required for Energy Commission staff to analyze PCCs claims for POUs, as required in the *Enforcement Procedures for the RPS for POUs* Section 3203 – Portfolio Content Categories.[107]

1. Portfolio Content Category 1 – First Point of Interconnection within or Scheduled into a California Balancing Authority

POUs must provide Energy Commission staff with contractual documentation in order to demonstrate the contracting requirements for PCC 1 have been met.[108] Contractual documentation substantiating PCC 1 claims must be initially provided along with the static information reporting form and then as part of annual reports and/or compliance reports as updates and amendments occur. Information must be sufficient to demonstrate the following:

- The contract execution date and/or ownership agreement date.
- That the electricity and RECs were procured together.[109]
- That there was no resale of the electricity back to the facility.
- The contracted MWh amount; specify if it includes the full output or a percentage of the full output.

Facilities must meet one of the following criteria:

107 http://www.energy.ca.gov/2013publications/CEC-300-2013-002/CEC-300-2013-002-SD.pdf. as adopted.
108 See Enforcement Procedures for the RPS for POUs.
109 WREGIS certificates generated before the contract date will not count as PCC 1.

- Have first point of interconnection within a California balancing authority (CBA);
- Have first point of interconnection to a distribution system to serve CBA end users;
- Have generation scheduled for delivery into a CBA; or
- Have dynamic transfer agreement with a CBA.

Documentation requirements for the different PCC 1 criteria are provided below.

1 *Facilities that Have a First Point of Interconnection with a CBA or to a Distribution System to Serve CBA End Users*

For facilities with a first point of interconnection within a CBA, the interconnection status must be verified for procurement claims to count as PCC 1. If the Energy Commission does not already have information confirming that a facility or a distribution facility has a first point of interconnection within a CBA, the POU must provide information demonstrating that the facility has a first point of interconnection within a CBA before it can be verified as PCC 1.

Energy Commission staff is working to obtain interconnection agreement information for currently certified facilities, but in cases where the necessary interconnection information is not on hand for Energy Commission staff, POUs will need to work with the generators to ensure that the required information is provided.

In cases where POUs must provide supporting documentation to demonstrate a facility is interconnected to a CBA, supporting documentation may, if determined sufficient by Energy Commission staff, include at least one of the following:

- A copy of the interconnection agreement or distribution system interconnection agreements demonstrating a first point of interconnection within a CBA (preferred);
- A Power Purchase Agreement ("PPA") or ownership agreement, other contractual documentation, specifying the Point of Interconnection, as long as it is clearly identifiable and verifiable as a CBA;
- An interconnection agreement between a distribution utility and a producer of renewable energy, that identifies the Point of Interconnection to the distribution system, as long as it is clearly identifiable and verifiable as a CBA;
- An interconnection agreement between a balancing authority and a renewable energy developer, that specifies the Point of Interconnection as long as it is clearly identifiable and verifiable as a CBA; and/or
- A rate schedule supporting the purchase and sale of renewable energy, such as a feed-in tariff, which also identifies the Point of Interconnection, as long as it is clearly identifiable and verifiable as a CBA.

Energy Commission staff may require additional information if the supporting documentation above is determined to be insufficient.

POUs with claims from facilities confirmed by Energy Commission staff to have a first point of interconnection within a CBA and to have met the contractual requirements, are not expected to have to provide information other than the RPS procurement claim (ITS and/or WREGIS as applicable) to support PCC 1 claims, for the length of the contract. However, any changes to the facility's interconnection status or contract amendments must be reported to Energy Commission staff.

2 *Agreements to Dynamically Transfer Electricity to a California Balancing Authority*

Generation from facilities that have agreements to dynamically transfer electricity to a CBA may count as PCC 1, provided certain requirements are met. For renewable resources that are dynamically scheduled into a CBA, the purchaser should identify all balancing areas in the scheduling "chain," and provide copies of agreements that demonstrate that all parties in the scheduling chain have agreed to dynamic scheduling, such that the renewable energy generated is delivered in real-time to a CBA.

The date from which generation may begin to be classified as PCC 1 will be determined by the details specified in the dynamic transfer agreement and/or as specified in the procurement contract. Generation that was not dynamically transferred in real time may not be classified as PCC 1, including generation that occurs before the dynamic transfer agreement and/or procurement contract start date or after the dynamic transfer agreement and/or procurement contract end date.

Energy Commission staff may request additional supporting documentation from POUs to establish that claims from facilities with dynamic transfer agreements may be classified as PCC 1.

POUs with claims from RPS facilities with a first point of interconnection within a CBA, but that have dynamic transfer agreements to schedule generation outside of a CBA, must provide supporting documentation to demonstrate that arrangements have been made to ensure that the generation from the dynamically scheduled facilities remains with a CBA. Supporting documentation could include documentation that the dynamically scheduled agreement was terminated or adjusted in a way that would ensure the generation remains within a CBA. POUs must identify facilities from which they are claiming that are interconnected to a CBA, but that have dynamic transfer agreements to locations outside of a CBA.

3 *Facilities with First Point of Interconnection outside a CBA - Scheduling Generation into a CBA*

i. Scheduling Documentation

The facility, or party responsible for the scheduling arrangements, engage in an interchange transaction with the appropriate control area operator to deliver the facility's generation to a CBA. In accordance with the policies of the NERC, the interchange transaction must be tagged as what is commonly referred to as an e-Tag.[110]

110 The North American Electric Reliability Corporation (NERC) is the entity responsible for the implementation of the first energy tagging process. An e-Tag is an electronic record that contains the details of a transaction to transfer

For renewable resources that are physically located outside a CBA, in accordance with the *Enforcement Procedures for the RPS for POUs*, the POU should provide documentation that demonstrates the nature of the scheduling arrangements. The *Enforcement Procedures for the RPS for POUs* propose that for an electricity product to be classified as a PCC 1 based on scheduling into a CBA without substitution of electricity:

> The POU's governing board, or other authority as delegated by the POU governing board, must have approved an agreement, before the electricity is generated, to schedule the electricity from the facility into the California balancing authority on an hourly or sub-hourly basis.[111]

POU scheduling agreement documentation should be submitted as part of supporting documentation for the "Static Information" and, in the future, as part of the annual reports and/or compliance reports. Supporting documentation may include, but is not limited to, the following:

- Any relevant agreements adopted by the POU governing board;
- Power Purchase Agreements ("PPAs") that specify scheduling procedures and processes among the various counterparties;
- PPA that specifies responsibility for transmission to a Point of Delivery (POD) that is within or in a CBA area;
- An ownership agreement combined with the demonstration of the purchase of transmission rights (firm, contingent firm, or nonfirm) that support delivery of the renewable energy to a CBA area;
- Transmission service agreements;
- Bilateral agreements;
- Broker agreements;
- Evidence from on-line trading platforms;
- Inter-Scheduling Coordinator Trade Agreements, if available; and/or
- Copies of firm transmission scheduling arrangements, if available.

As markets evolve, additional forms of documentation may be included. If a scheduling agreement covers multiple years, the POU does not need to resubmit the documentation

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electricity from a seller to a buyer where the electricity is scheduled for transmission across one or more balancing authority area boundaries. The North American Energy Standards Board (NAESB) uses an Electric Industry Registry (EIR), known as the OATI webRegistry as the official source of registry data. http://www.naesb.org/weq/weq_eir.asp The previous EIR was the NERC TSIN Registry, which was expected to cease publishing of registry data on November 13, 2012 with the OATI webRegistry becoming the official source of registry data.

111 Section3203 – Portfolio Content Categories http://www.energy.ca.gov/2013publications/CEC-300-2013-002/CEC-300-2013-002-SD.pdf. as adopted.

annually. Rather the POU must demonstrate the length of the agreement and report to the Energy Commission any amendments or changes to the agreement.

ii. Verification of Final Schedule and Generation Data

Facilities with generation scheduled into a CBA may use another source to provide the real-time ancillary services[112] required to maintain an hourly or subhourly import schedule into a CBA, but only the fraction of the schedule actually generated by the RPS facility shall count toward PCC 1. The final schedule amount as indicated on an e-Tag may be larger than the actual generation amount from the RPS facility; however, only the amount actually generated by the RPS facility and scheduled into a CBA may be classified as PCC 1.

Similarly, RECs will be created for all generated output from the renewable energy resource, including generation that exceeds the schedule; however, only the fraction of the generation that meets the schedule will be classified as PCC 1.

POUs must not retire more RECs for PCC 1 than the amount equal to the lesser of the hourly amount scheduled for delivery as indicated in final e-Tags and the hourly amount of electricity generated.

Energy Commission staff will work to ensure that the number of RECs initially classified by POUs as PCC 1 is equal to the lesser of the hourly amount scheduled for delivery as indicated in final e-Tags and the hourly amount of electricity generated.

Analysis of PCC 1data is based on the RPS facilities annual, hourly generation and the annual, hourly schedule, regardless if all RECs are retired and reported in the year of generation. POUs must provide sufficient documentation to support PCC 1 claims in the form of an auditable package.

The auditable package includes the following information and should be provided as part of the annual RPS reporting package:

- Annual Hourly Comparison Spreadsheet; and
- WREGIS NERC e-Tag Summary Report (if not available, POUs may use the CA RPS e-Tag Summary Report[113]).

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112 The Energy Information Administration provides the following information regarding the definition of Ancillary Services: "Necessary services that must be provided in the generation and delivery of electricity. As defined by the Federal Energy Regulatory Commission, they include: coordination and scheduling services (load following, energy imbalance service, control of transmission congestion); automatic generation control (load frequency control and the economic dispatch of plants); contractual agreements (loss compensation service); and support of system integrity and security (reactive power, or spinning and operating reserves)."
http://www.eia.gov/cneaf/electricity/page/glossary.html

113 Although e-Tags are commonly referenced as "NERC e-Tags," the North American Electric Reliability Council (NERC) has transferred the e-Tag system to the North American Energy Standards Board (NAESB). NAESB's e-Tag information may be found at: http://www.naesb.org/weq/weq_jiswg_etag_1.8.asp. This *Guidebook* will refer to the electronic tagging information as e-Tags; however, it will refer to the "WREGIS NERC e-Tag Summary Report" as such because this remains the current name of the report. WREGIS intends to update the name "WREGIS NERC e-

The Annual Hourly Comparison Spreadsheet must contain the following information:

- Date (for example, 01/01/2011; 01/02/2011, and so forth);
- Hour Ending (1; 2; 3 and so forth);
- RPS facility's Final Hourly Schedule as represented on e-Tag (reported in MWh – include four decimal points if converting from kWh);
- RPS facility's Hourly Meter Data (reported in MWh – include four decimal points if converting from kWh)
- Eligible PCC 1 Volume: Lesser of Schedule, Meter (reported in MWh - include four decimal points if converting from kWh);
- Amount (Percent Share) of Facility Output Procured;
- Eligible PCC 1 Volume Procured (MWh)- this is the amount of the Eligible PCC 1 Volume the POU procured, which would be calculated using the Percent Share of Facility Output multiplied by the Eligible PCC 1 Volume;
- Total MWh Retired From Eligible PCC1 Procurement (MWh) for Reporting Year;
- Expected Reporting Year for which Eligible PCC1 Procurement may be retired- indicate expected reporting year, if known, or indicate that it will be reported later (2012 or Later Year for example);
- Total MWh Sold From Eligible PCC1 Procurement (MWh);
- E-Tag ID Number; and
- Contract Reference Number

The WREGIS NERC e-Tag Summary Report is used to report e-Tag data.[114] The CA RPS e-Tag Summary Report is a spreadsheet with headers matching those in the WREGIS NERC e-Tag Summary Report and may be used by POUs in the first compliance period, if the WREGIS NERC e-Tag Summary Report is not available.

WREGIS NERC e-Tag Summary Reports[115] include a list of all NERC e-Tags contained within the account for use in RPS retirements.[116] The following information is pulled from the e-Tags

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Tag Summary Report" to remove "NERC" but as of the writing of this report, the update in WREGIS has not occurred.

114 Some POUs may not have signed up for the WREGIS NERC e-Tag Service as this requirement was not in previous Guidebooks for POUs. However, POUs are now on notice to sign up for the WREGIS NERC e-Tagging service in sufficient time that all 2014 vintage RECs are matched with e-Tags in WREGIS.

115 WREGIS may periodically update the headers used in the WREGIS NERC e-Tag Summary Report, and the changes are expected to be acceptable for California's RPS purposes. As a result, the headers included on the e-Tag Summary Report may periodically be updated to match WREGIS NERC e-Tag Summary Reports.

116 See the following link for WREGIS NERC e Tag TRAINING Slides:
http://www.wecc.biz/WREGIS/Documents/WREGIS%20NERC%20e%20Tag%20TRAINING%20Slides.pdf

and included in the WREGIS NERC e-Tag Summary Report. The same information is required in the CA RPS e-Tag Summary Report:

- e-Tag Identification number (e-Tag Code);
- Start Date (date/time of energy flow during the query period);
- Stop Date (date/time of energy flow during the query period);
- Generator Name – (Source – this should be the facility generating PCC 1 RECs) For the first compliance period only, if there is another source listed, the LSEs must provide a written explanation as to why this is the case and how staff can determine that the amount or percentage of the amount on the e-Tag is attributable to the specific RPS facility. Staff will evaluate the explanation to determine if the claim or a portion of the claim can be classified as PCC 1. See below for Verification of Final Schedule Information for the Second Compliance Period and Forward.
- Load (Load facility NERC registered as "Sink Point" aka Sink, Last Point of Delivery, POD) – note that the Load must be within a CBA;
- Load Control Area (LCA) – Note that the LCA must represent generation scheduled into a CBA. LCAs that are not also CBAs or are not located in CBAs should not be included. Amounts that are associated with LCAs that cannot be determined to be the same as a CBA or located in a CBA will not be classified as PCC 1;
- Generator Control Area (aka Generator Balancing Area – Note for PCC 1 claims, this must be the GCA or, at a minimum, the BA where the RPS renewable energy resource is located);
- Total MWh on Tag for the time period (query period);
- Used MWh – this is the MWh amount of scheduled electricity used from the e-Tag and matched to WREGIS Certificates. The "Used MWh" amount should not be higher than the sum of the lesser of the hourly generation and hourly final schedule amounts for the timeframe on the e-Tag. No more than what was generated by the RPS-certified facility and which met the final schedule should be matched per e-Tag.
- MWh remaining – this is the number of MWhs on the e-Tag not yet matched to WREGIS Certificates;
- Importing Entity (PSE from line of E-tag with "RPS ID" in the Miscellaneous token field);
- Miscellaneous Token Field RPS_ID (concatenation of up to 10 Miscellaneous token values all associated with the same line of the physical path) – note that for PCC 1, the RPS Identification number must be the matching number for the PCC1 source facility. Additional information on the miscellaneous token field related to the Importing PSE is acceptable.

Energy Commission staff analysis of the auditable package is expected to follow these steps:

1. Review the Annual Hourly Comparison Spreadsheet to make the initial determination of the annual allowable amount of PCC 1 per RPS-certified facility, as determined by calendar year. POUs are expected to compile the data and conduct their own analysis to determine the number of RECs that may be classified as PCC 1 and to make sure that they do not classify more RECs as PCC 1 than are allowed. Because RECs may be retired up to 36 months after the date the associated electricity was generated, POUs are expected to keep a running tab of the number of RECs retired and the number of RECs that remain available. Retired RECs classified as PCC 1 that cannot be verified as PCC 1 may be claimed as PCC 2 or PCC 3 depending upon whether the procurement meets the criteria for PCC 2 or PCC 3.

2. Review the WREGIS NERC (CA RPS) e-Tag Summary Report to:

   a) Determine that the Source Generator Name is the certified RPS- certified facility. **The Source Generator Name as registered with the webRegistry must be provided in order for staff to match it with the generator's RPS Identification number. If a different source is listed than the RPS-certified facility supporting documentation must be provided to explain why and demonstrate the amount that should be attributable to the RPS-facility as a PCC 1 claim**;

   b) Identify the LCA, POR and GCA and PODs to help confirm that the generation came from the specified RPS-facility, which does not have a first point of interconnection within a CBA and that the electricity was scheduled into a CBA;

   c) Sum up the monthly amount of "Used MWh" note – no more should be matched than the sum of the lesser of the hourly amount generated and the hourly amount scheduled;

   d) Ensure that the "Used MWh" amount matches the sum of the lesser of the hourly amount generated and the hourly amount scheduled and is no greater than the total annual number of RECs allowed as determined in step 1 – the Annual Hourly Comparison Spreadsheet. This analysis may be complicated if LSEs do not retire WREGIS Certificates for PCC 1 claims for the year in which they were generated. Additional information may be required in such cases.

   e) Audit the information provided on the Hourly Comparison Spreadsheet and the WREGIS NERC (CA RPS) e-Tag Summary Report by randomly selecting individual e-Tags (likely several per month) to verify the information provided in the Annual Hourly Comparison Spreadsheet and the WREGIS NERC (or CA RPS) e-Tag Summary Report. If the e-Tag audit does not demonstrate consistent information, all RECs that cannot be verified as for PCC 1 will be classified as either PCC 2 or PCC 3 if such PCC classification requirements have been met. Reporting errors could cause significant delays in Energy Commission staff being able to analyze data in a timely

manner, and POUs are urged to carefully review documentation before submitting it to Energy Commission staff.

f) Additional supporting documentation will be specified by staff during the verification process and is expected to include:

- invoices;
- contract information; and/or
- other supporting documentation as necessary.

Using the WREGIS NERC e-Tag Summary Report

POUs will associate e-Tag data with WREGIS Certificates before or during retirement. When matching e-Tags using WREGIS, no more than the sum of the lesser of the hourly meter and schedule amount per e-Tag should be matched per e-Tag, as indicated in the NERC e-Tag Summary Report under the column "Used MWh." A WREGIS NERC e-Tag[117] Summary Report must be created and submitted to the Energy Commission, along with WREGIS Compliance Reports. Instructions for filing a WREGIS NERC e-Tag Summary Report are included in Appendix A.

iii. Verification of Final Schedule Information for the Second Compliance Period and Forward

For POUs, beginning with RPS Compliance Period 2014-2016, if the Generator Name/ Source Point on the e-Tag is not that of the RPS facility, then the e-Tag documentation will not be accepted for PCC 1 classification. By narrowing the Generator Name/Source Point to the RPS facility, staff is attempting to ensure that the amount claimed as PCC 1 is generated solely by the RPS facility. As described above, no more RECs will count as PCC 1 than the lesser of the hourly generation and hourly schedule amount.

POUs are on notice to register for the WREGIS NERC e-Tag service in order to facilitate and expedite the analysis of PCC 1 claims from RPS facilities scheduling electricity into a CBA. POUs, or entities providing delivery services on behalf of POUs, should sign up for this WREGIS service as soon as possible and no later than is required to have all necessary e-Tag information imported into WREGIS beginning January 1, 2014.

POUs must provide sufficient documentation to demonstrate PCC 1 classification. If Energy Commission staff identifies RECs that were classified as PCC 1 but were not determined by Energy Commission staff to have met the requirements for PCC 1, for example the e-Tag did not specify the RPS-facility as the source, the REC amounts may be counted as PCC 2 or PCC 3,

117 Although e-Tags are commonly referenced as "NERC e-Tags," the North American Electric Reliability Council (NERC) has transferred the e-Tag system to the North American Energy Standards Board (NAESB). NAESB's e-Tag information may be found at http://www.naesb.org/weq/weq_jiswg_etag_1.8.asp. This *Guidebook* will refer to the electronic tagging information as e-Tags; however, this Guidebook will refer to the WREGIS NERC e-Tag Summary Report as such. It is likely that the title: WREGIS NERC e-Tag Summary Report will eventually be updated to remove NERC from the title.

if adequate documentations has been provided for such classifications, in the *RPS Verification and Compliance Report for POUs*.

iv. Registration of the Facility as a "Source" Required by 2014

Energy Commission staff will evaluate WREGIS NERC e-tag Summary Report data and must be able to verify that the unique source as registered and reported on the NERC e-Tag is the RPS-certified facility associated with the matching RECs that are being claimed as PCC 1.

The owner of the eligible facility shall register the facility as a unique Source with NERC. This Source shall be used on NERC e-tags for all eligible energy deliveries. Either the reporting entity or facility must provide the Energy Commission with the facility's NERC identification (Source point name) as formerly registered in the Transmission Services Information Network (TSIN) and any updated NERC identification registration source name information as registered in the OATI webRegistry system[118] when the facility applies for RPS certification.

For facilities that are already RPS-certified, the POUs must provide the unique Source name as registered under the NERC requirements described above for purposes of PCC 1 classification. POUs should include the Source point identification name in the static reporting spreadsheet. If Energy Commission staff needs the information outside of the regular reporting periods, POUs must be prepared to provide the information as it becomes available.

2. Portfolio Content Category 2 – Incremental Electricity and Substitute Energy

SB x1 2 specifies in Section 399.16(b)(2) that firmed and shaped transactions providing incremental electricity may be determined to be PCC 2, given certain requirements are met. This category applies to RPS facilities that have a first point of interconnection outside a CBA, but within the WECC service territory. The substitute energy must also come from outside a CBA.

POUs must meet the PCC 2 requirements specified in *Enforcement Procedures for the RPS for POUs* and provide Energy Commission staff with all necessary contractual and supporting documentation in order to demonstrate the requirements for PCC 2 have been met.

1 General Contractual Requirements for POUs with PCC 2 Claims, Including Resale

Contractual documentation substantiating PCC 2 claims, including documentation for the resale of PCC 2, must be initially be provided by the reporting POU along with the static information and then as part of the annual reports and/or compliance reports, as necessary. Information must be sufficient to demonstrate that procurement classified as PCC 2 meets the requirements in the *Enforcement Procedures for the RPS for POUs* Section 3203 – Portfolio Content Categories.

POUs must also provide the name and identification numbers (EIA, EAO, etc., as known) of the facility. If electricity products will be purchased from a portfolio of assets, list all the facilities

118 The NERC identification is the Source point name, an alpha-numeric code the generator used to identify itself when it registered with the Transmission Services Information Network (TSIN). All POR/POD and Source/Sink data must be registered in the OATI webRegistry system.

included in the asset, if known. WREGIS certificates generated before the contract or ownership agreement execution date will not count as PCC 2.

2 Demonstration of Substitute Energy used to Firm and Shape

The WREGIS NERC e-Tag Summary Report must be submitted with the annual or compliance reports. If the e-Tags are not available in WREGIS, POUs may use the CA RPS e-Tag Summary Report through 2013.[119]

As described above in Section VI.C.1.3: Facilities with First Point of Interconnection outside a CBA - Scheduling Generation into a CBA- Scheduling Generation into a CBA, an E-Tag Summary Report with headers matching those in the WREGIS NERC e-Tag Summary Report must be provided, listing all e-Tags used for PCC 2 claims. WREGIS NERC e-Tag Summary Reports include a list of all NERC e-Tags contained within the account for use in RPS retirements. The following information is pulled from the e-Tags and included in the NERC e-Tag Summary Report: [120]

a. E-Tag Identification number (Schedule Name E-Tag Code);

b. Start Date (date/time of energy flow during the query period);

c. Stop Date (date/time of energy flow during the query period);

d. Generator Name or more generic "Source Point" (sometimes also referred to as the Point of Receipt POR) – (**note that for PCC 2, the source claims must meet the contractual requirements and originate outside a CBA);**

e. Load (Load facility NERC registered as "Sink Point" aka Sink, Last Point of Delivery POD) – (**note that the Load must be within a CBA);**

f. Load Control Area (LCA) – (note that the LCA must represent generation scheduled into a CBA. LCAs that are not also CBAs or are not located in CBAs should not be included. Amounts that are associated with LCAs that cannot be determined to be the same as a CBA or located in a CBA will not be classified as PCC 2);

g. Generator Control Area (aka Generator Balancing Area) -)Note that for PCC 2 the GCA must not be a CBA);

h. Total MWh on Tag for the time period (query period);

i. Used MWh – (the amount matched to WREGIS Certificates);

j. MWh remaining – (the amount not yet matched to WREGIS Certificates);

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[119] Some POUs may not have signed up for the WREGIS NERC e-Tag Service as this requirement was not in previous Guidebooks. However, POUs are now on notice to sign up for the WREGIS NERC e-Tagging service in sufficient time that all 2014 vintage RECs are matched with e-Tags in WREGIS.

[120] WREGIS may periodically update the headers used in the WREGIS NERC e-Tag Summary Report, and the changes are expected to be acceptable for RPS purposes. As a result, the headers included on the e-Tag Summary Report may periodically be updated to match WREGIS NERE e-Tag Summary Reports.

k. Importing Entity (PSE from line of E-tag with "RPS ID" in the Miscellaneous token field);

l. Miscellaneous Token Field RPS_ID (concatenation of up to 10 Miscellaneous token values all associated with the same line of the physical path**.** Note that for PCC 2, one of the RPS Identification numbers must match the source facility being claimed for PCC 2. Additional information in the miscellaneous token field related to the Importing PSE is acceptable).

The WREGIS NERC (or CA RPS) e-Tag Summary Reports will be used to make the initial assessment about the number of WREGIS Certificates claimed as PCC 2 that have been matched with associated scheduled deliveries. For PCC 2, the amount eligible will be the lesser of the number of RECs and the number of MWhs in the final schedule as shown in the WREGIS e-Tag Summary Report, as aggregated on an annual basis.

Energy Commission staff analysis for PCC 2 classification is expected to follow these steps:

a) Review the WREGIS NERC (CA RPS) e-Tag Summary Report:

b) Assess whether the Source point is incremental based on contract information.

c) Review the LCA, POR , GCA, and PODs to confirm the generation came from a Non-CBA location into a CBA location;

d) Sum up the monthly amount of "Used MWh";

e) Ensure that the amount "Used MWh" is the same as or greater than the number of RECs retired. This analysis may be complicated if LSEs do not retire and report WREGIS Certificates for PCC 2 claims for the year in which the associated electricity was generated. Additional information may be required in such cases.

f) Audit the information provided in the WREGIS NERC (CA RPS) e-Tag Summary Report by requesting randomly selected e-Tags (likely several per month) to verify the information provided in the WREGIS NERC (CA RPS) e-Tag Summary Report. If the e-Tag audit does not demonstrate consistent information, the RECs intended for PCC 2 may be classified as PCC 3 (if there is supporting documentation), unless sufficient information has been provided to demonstrate the accurate amount of eligible for PCC 2.

g) Additional supporting documentation will be specified by staff and is expected to include:

- invoices;
- copies of contracts or ownership agreements; and/or
- other supporting documentation as necessary.

Using the WREGIS NERC e-Tag Summary Report

Before or while retiring in WREGIS, POUs will associate e-Tag data with WREGIS Certificates. A WREGIS NERC e-Tag Summary Report must be created and submitted to the Energy Commission, along with WREGIS Compliance Reports. Instructions for filing a WREGIS NERC e-Tag Summary Report are included in Appendix A.

3. PCC 3 – Electricity Products Not Qualifying as PCC 1 or PCC 2, Including Unbundled RECs.

All unbundled renewable energy credits and other electricity products procured from eligible renewable energy resources located within the WECC transmission grid that do not meet the requirements of either PCC 1 or PCC 2 fall within PCC 3.

As explained in Section V.C.3: Procurement Claims May Not Be Made Before the Contract Execution and/or Ownership Agreement Date , REC claims may not be made before the contract execution date. This also applies to PCC 3. POUs should provide contractual documentation confirming that the REC vintage is not before the contract execution date.

PCC 3 claims will be determined based on REC claims (WREGIS and ITS, as allowed) and contract dates.

4. Process for Contesting and Correcting Erroneous Categorizations in the Verification Process.

The process for contesting and correcting erroneous categorizations of PCC claims is described above in Section V.D.4: POUs – Finalizing Verified Data.

In sum, Energy Commission staff will work with POU staff to attempt to resolve outstanding issues in advance of the public workshop to present the results of staff's analysis. However, issues that cannot be resolved in advance of the public workshop will be discussed at the workshop. Public comments will be considered in the drafting of the *Draft RPS Verification and Compliance Report for POUs* explaining outstanding issues. Public comments will also be considered in the drafting of the *Final RPS Verification and Compliance Report for POUs*. After adoption of the *Final RPS Verification and Compliance Report for POUs,* compliance procedures will be followed in accordance with the *Enforcement Procedures for the RPS for POUs.*[121]

[121] As adopted by the Energy Commission.

VII. POUs selling RECs to Retail Sellers for RPS Compliance

A retail seller may claim RECs it has procured that are associated with deliveries of electricity by an eligible renewable energy resource to a POU, for purposes of the RPS, if the Energy Commission determines that both of the following conditions[122;] are met:

1) The POU has adopted and implemented a renewable energy resources procurement plan that complies with the RPS pursuant to Public Utilities Code Section 399.30; and

2) The POU is procuring sufficient eligible renewable energy resources to satisfy the target standard, and will not fail to satisfy the target standard in the event that the REC is sold to the retail seller.

In making its determination, the Energy Commission will:

1) Verify that the POU has adopted and implemented an RPS procurement plan.

2) Verify that the electrical generation associated with the RECs is from an electrical generation facility that has been certified for the RPS by the Energy Commission.

3) Require the REC to be tracked in WREGIS.

4) Verify that the quantity of RECs procured by the retail seller will not impede the POU from meeting its target standard.

[122] Public Utilities Code Section 399.25, Subdivision (d), and Public Utilities Code Section 399.31.

VIII. Administration

Note: This section has been imported from the Renewable Energy Program: Overall Program Guidebook, Fifth Edition and is entirely new to this guidebook. Only the subsections necessary for the administration of the RPS program were migrated from the Overall Program Guidebook. Changes marked in this section are revisions made to the language printed in the Overall Program Guidebook. The original section numbers are preserved in strike-out format.

This section describes the protocol used by the Energy Commission to administer the RPS program. For the purposes of this section, RPS certification refers to the certification or precertification of all electrical generation facilities, including aggregated units, that are currently offered, and have been offered in the past, by the Energy Commission as part of the RPS program. See Section IV.A for a list of all certification types offered by the Energy Commission,

A. General Provisions

1. Guidelines

This guidebook shall be known as the *Renewables Portfolio Standard Eligibility Guidebook* and may be referred to as the RPS guidelines.

2. Authority

These RPS guidelines are adopted pursuant to Public Resources Code Section 25747, Subdivision (a), which directs the Energy Commission to adopt guidelines governing the programs authorized by Public Resources Code Sections 25740 through 25751, and portions of the RPS under Public Utilities Code Section 399.25. The guidelines adopted pursuant to this authority are exempt from the rulemaking requirements of the Administrative Procedures Act, as specified in Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code. These RPS guidelines may be revised pursuant to Public Resources Code Section 25747, Subdivision (a).[123]

123 The RPS Guidelines were initially adopted pursuant to Public Utilities Code Section 383.5, Subdivision (h), which was subsequently amended and recast as Public Resources Code Section 25747, Subdivision (a), pursuant to Senate Bill 183 (stats. 2003, ch. 666).

3. Interpretation

Nothing in these RPS guidelines shall be construed to abridge the powers or authority of the Energy Commission or any Energy Commission-designated committee as specified in Division 15 of the Public Resources Code, commencing with Section 25000, or Division 2 of Title 20 of the California Code of Regulations, commencing with Section 1001.

4. Effective Date

These RPS guidelines shall take effect once adopted by the Energy Commission at a publicly noticed business meeting pursuant to Public Resources Code Section 25747, Subdivision (a). The RPS guidelines may be given retroactive effect as specified by the Energy Commission and according to its statutory authority.

5. Substantive Changes

The Energy Commission may make substantive changes to these RPS guidelines pursuant to Public Resources Code Section 25747, Subdivision (a). Substantive changes shall take effect once adopted by the Energy Commission at a publicly noticed business meeting with no fewer than 10 days public notice. Substantive changes include, but are not limited to, changes in the RPS eligibility or evaluation criteria.

6. Definitions

The terms defined below are used repeatedly throughout this guidebook. For reference a glossary of pertinent terms used in the program element guidebooks is provided at the end of this guidebook.

B. Renewables Portfolio Standard Certification

This section provides additional information on cancelation of RPS certification, audits, record retention, and use and disclosure of information and records by the Energy Commission.

1. Cancellation of RPS Certification

The Energy Commission, through its Executive Director, may cancel the RPS certification of any awardee that changes its basis for RPS certification eligibility under these RPS *guidelines* and no longer satisfies the requisite eligibility criteria. The Executive Director shall notify the awardee in writing of the basis for canceling the awardee's RPS certification and the effective date of the cancellation.. The written notice required herein shall be given at least 15 days before the effective date of the cancellation to provide the awardee an opportunity to file a petition for reconsideration under Section C.

2. Audits

The Energy Commission or its authorized agents may audit any awardee to verify the accuracy of any information included as part of an application for RPS certification or report required under these RPS *guidelines*. As part of an audit, an awardee may be required to provide the Energy Commission or its authorized agents with all information and records necessary to verify the accuracy of any information included in the awardee’s applications or reports. An awardee may also be required to open its business records for on-site inspection and audit by

the Energy Commission or its authorized agents to verify the accuracy of any information included in the awardee's applications and reports.

If an audit finds that an awardee has incorrectly stated or falsified information included on the awardee's applications or reports, the Energy Commission shall notify the awardee of its findings in writing within 30 days of completing the audit. Based on the audit results, the awardee's RPS certification may be cancelled pursuant to Subsection B.1: Cancellation of RPS Certification.

3. Record Retention

Awardees shall keep all records relating to and verifying the accuracy of any information included in an application for RPS certification or report submitted pursuant to these RPS *guidelines*. These records shall be kept for no fewer than three years after the end of the calendar year in which the awardee's RPS certification is approved or the report submitted pursuant to these RPS guidelines is submitted, whichever is longer. These records shall be made available to the Energy Commission or its authorized agents as part of any audit conducted pursuant to these RPS *guidelines*.

4. Use and Disclosure of Information and Records

The Energy Commission or its authorized agents may use any information or records submitted to the Energy Commission or obtained as part of any audit pursuant to these RPS *guidelines* to determine eligibility and compliance with the RPS *guidelines*, evaluate the RPS, or related Energy Commission program, and prepare necessary reports as required by law. The information and records include, but are not limited to, applications for RPS certification and any documentation submitted in support of said applications.

Information and records submitted pursuant to these RPS *guidelines* will be disclosed to other governmental entities and policing authorities for civil and criminal investigation and enforcement purposes. This information and records may also be disclosed to the public pursuant to the California Public Records Act (Government Code Section 6250, et seq.). Personal information, such as taxpayer identification or social security numbers, will not be disclosed to the public.

Information concerning the identity of awardees is public information and will be disclosed pursuant to the California Public Records Act. This information, along with other public information describing program participants, may be disclosed to members of the public to educate them and encourage further program participation. The information may be disclosed through the Energy Commission's website or other means, as the Energy Commission deems appropriate.

If, as part of any application for RPS certification, required report, or audit, the Energy Commission requires the awardee to provide copies of records that the awardee believes contain proprietary information entitled to protection under the California Public Records Act or other law, the awardee may request that such records be designated confidential pursuant to

C. Reconsideration of Certification

Pursuant to Public Resources Code Section 25747, applicants and awardees RPS certification may appeal the Energy Commission's denial, or revocation of RPS certification under these RPS *guidelines*. Appeals will be considered as provided in this section only upon a showing that factors other than those described in these guidelines were applied by the Energy Commission in denying, , or revoking RPS certification.

1. Executive Director Reconsideration

An applicant or awardee may petition the Executive Director for reconsideration if their application for RPS certification was denied or their RPS certification revoked. The petition for reconsideration shall be in writing and shall be submitted, together with any supporting documentation, to the Office of the Executive Director at the following address within 30 days of the date of the notice of RPS certification denial or revocation.

California Energy Commission
Office of the Executive Director
1516 9th Street, MS-39
Sacramento, CA 95814-5512

The petition shall specify the basis for the appeal, state why the petitioner believes the RPS certification denial, or revocation is improper given the eligibility criteria for RPS certification, explain any supporting documentation filed with the petition, identify any legal authority or other basis supporting the petitioner's position, and identify the remedy sought.

Within 30 days of receiving a complete petition, the Office of the Executive Director shall issue a decision based on the petition and the written response of Energy Commission staff.

If petitioner disagrees with the decision of the Office of the Executive Director, the petitioner may appeal the decision to the Energy Commission in accordance with Section C.2.

2. Energy Commission Appeals

Within 30 days of the date of the decision of the Office of the Executive Director, the appealing party may file a letter of appeal to the Energy Commission. The letter of appeal shall be submitted to the Energy Commission and processed as a request for investigation pursuant to the Energy Commission's regulations for complaints and investigations, Title 20, California Code of Regulations, Section 1230, et seq. The letter of appeal shall include the information specified in Title 20, California Code of Regulations, Section 1231 (b). In place of the information specified in Section 1231 (b)(2), (b)(4), and (b)(6), the letter of appeal shall identify the eligibility criteria in the *guidelines* that the appealing party believes were applied incorrectly in denyingor revoking RPS certification. Energy Commission staff shall be designated the respondent in the letter of appeal.

In addition to the information required by Title 20, California Code of Regulations, Section 1231, the letter of appeal shall include a copy of the petition for reconsideration and all supporting documentation, and a copy of the written decision of the Office of the Executive Director.

An applicant or awardee seeking to file a petition for reconsideration or appeal pursuant to this section may contact the Public Adviser's Office for information on the filing process. The contact information for the Public Adviser's Office is:

California Energy Commission
Public Adviser's Office
1516 9th Street, MS-12
Sacramento, CA 95814-5512
email: PublicAdviser@energy.ca.gov

3. Fraud and Misrepresentation

The Executive Director may initiate an investigation of any awardee that Executive Director has reason to believe may have misstated, falsified, or misrepresented information in applying for RPS certification or reporting any information required by these *guidelines*. Based on the results of the investigation, the Executive Director may take any action deemed appropriate, including, but not limited to, cancellation of RPS certification, and, with the concurrence of the Energy Commission, recommending the Attorney General initiate an investigation and prosecution as appropriate under applicable law.

4. Extensions of Reporting Due Dates

The Executive Director may, if good cause exists, extend a due date for the submission of a report required under this guidebook.

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Glossary of Terms

Note: The Glossary of Terms has been imported from the Renewable Energy Program: Overall Program Guidebook, Fifth Edition and is entirely new to this guidebook. Only terms and definitions necessary for the administration of the RPS program were migrated from the Overall Program Guidebook. Changes marked in this section are revisions made to the text in the Overall Program Guidebook, Fifth Edition.

Aggregator — an entity responsible for planning, scheduling, accounting, billing, and settlement for energy deliveries for portfolios of sellers and/or buyers.

Appropriation — consistent with Water Code Section 1201, the right to use a specified quantity of water from any surface streams or other surface bodies of water, or from any subterranean streams flowing through known and definite channels.

Awardee – An individual or entity certified as RPS eligible, pursuant to these guidelines.

Balancing Authority — as defined in Public Utilities Code Section 399.12, Subdivision (b), to mean the responsible entity that integrates load-serving entity resource plans ahead of time, maintains load-interchange-generation balance within a balancing authority area, and supports interconnection frequency in real time.

Balancing Authority Area — as defined in Public Utilities Code Section 399.12, Subdivision (c), for purposes of the RPS, to mean the collection of generation, transmission, and loads within the metered boundaries of the area within which the balancing authority maintains the electrical load-resource balance.

Biodiesel — a renewable fuel derived in whole or in part from a biomass feedstock such as agricultural crops or agricultural wastes and residues, including but not limited to animal wastes, remains and tallow; food wastes, recycled cooking oils, and pure vegetable oils; or from an eligible solid waste conversion process using municipal solid waste.

Biogas — includes digester gas, landfill gas, and any gas derived from an eligible biomass feedstock.

Biomass — any organic material not derived from fossil fuels.

Biomethane — Landfill gas or digester gas.

California balancing authority — as defined in Public Utilities Code Section 399.12, Subdivision (d), for purposes of the RPS, a California balancing authority means a balancing authority with control over a balancing authority area primarily located in this state and operating for retail sellers and local publicly owned electric utilities and includes the California Independent System Operator (ISO) and a local publicly owned electric utility operating a transmission grid that is not under the operational control of the ISO. A California balancing authority is responsible for the operation of the transmission grid within its metered boundaries which may not be limited by the political boundaries of California. A California balancing

authority is "primarily located in this state" if more than 50 percent of its load is physically located within the geographical boundaries of California.

Capacity — the maximum amount of electricity that a generating unit, power facility, or utility can produce under specified conditions. Capacity is measured in kilowatts or megawatts.

Central station facility — an electric generation facility that interconnects to the electricity transmission system.

Collaborative Staff — the staffs at the Energy Commission and the California Public Utilities Commission who have been designated as having special status to work collaboratively and participate in confidential deliberations concerning decision-making on the implementation of the RPS.

Commercial operations date (COD) — the date on which an electrical generation facility ceases to generate electricity for testing purposes and first generates electricity solely for the purpose of consumption by the facility or any customer or for sale to any procuring retail seller or POU; also referred to as commenced operation date in WREGIS.

Common carrier pipeline — a gas conveyance pipeline that is owned or operated by a utility or gas corporation, excluding a dedicated pipeline

Community choice aggregator — as defined in Public Utilities Code Section 331.1 refers to any of the following entities, if that entity is not within the jurisdiction of a local publicly owned electric utility that provided electrical service as of January 1, 2003: any city, county, or city and county whose governing board elects to combine the loads of its residents, businesses, and municipal facilities in a communitywide electricity buyers' program or any group of cities, counties, or cities and counties whose governing boards have elected to combine the loads of their programs, through the formation of a joint powers agency established under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

Competitive transition charge (CTC) — a charge authorized by the California Public Utilities Commission that is imposed on investor-owned utility (IOU) ratepayers (or customers that receive electricity distribution services from the IOU) to recover the costs of utility investments made on behalf of their former customers. The CTC is to be collected in a competitively neutral manner that does not increase rates for any customer class solely due to the existence of transition costs. (Public Utilities Code Section 367)

Conduit hydroelectric facility — as defined in Public Utilities Code Section 399.12, Subdivision (a), to mean a facility for the generation of electricity that uses only the hydroelectric potential of an existing pipe, ditch, flume, siphon, tunnel, canal, or other man-made conduit that is operated to distribute water for a beneficial use. The term "existing" is defined as built before January 1, 2008, the effective date of AB 809 (Chapter 684, Statutes 2007). If the conduit hydroelectric facility was built in a new pipe, ditch, flume, siphon, tunnel, canal, or other man-made conduit, the applicant for RPS eligibility may apply as a small hydroelectric facility.

The term "beneficial use" shall be defined consistent with the California Code of Regulations, Title 23, Sections 659 through 672, to include the following uses of water: domestic use, irrigation use, power use, municipal use, mining use, industrial use, fish and wildlife preservation and enhancement use, aquaculture use, recreational use, and heat control use.

Control Area — an electric power system or systems, bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other control areas and contributing to frequency regulation of the interconnection.
Conventional power source — as defined in Public Utilities Code Section 2805, refers to power derived from nuclear energy, the operation of a hydropower facility greater than 30 megawatts (MW), or the combustion of fossil fuels, unless cogeneration technology, as defined in Public Resources Code Section 25134, is employed in the production of such power.

Dedicated pipeline — for purposes of RPS eligibility of biomethane, refers to a gas conveyance pipeline that is not part of a common carrier pipeline system, that conveys biomethane from a specific biomethane producer to a specific electrical generation facility aand to no other end users.

Digester gas — gas from the anaerobic digestion of organic wastes, including, but not limited to animal wastes, remains, tallow, and biosolids.

Distributed generation facility — a small-scale electricity generation facility that is interconnected to a distribution network and is generally 20 MW or smaller. Distributed generation facilities may serve on-site load or off-site load or both.

Distribution network — utility-controlled network of electrical lines that interconnect homes, buildings, and other customer locations to the electricity system. Some of the electricity customers may be customer-generators with electricity generation facilities that serve on-site, offsite, or both on-site and offsite electricity loads. The voltage of distribution lines varies by utility in California. For example, SCE's distribution network includes 66 kilovolt (kV) and 115 kV systems. However, SDG&E systems of 138 kV and 69 kV are considered transmission and they are controlled by the California ISO. Similarly, much of PG&E's 115 kV system is also considered transmission.

Diversion — consistent with Water Code Section 5100(b), the taking of water by gravity or pumping from a surface stream or subterranean stream flowing through a known and definite channel, or other body of surface water, into a canal, pipeline, or other conduit and includes impoundment of water in a reservoir.

Electric service provider — as defined in Public Utilities Code Section 218.3, refers an entity that offers electrical service to customers within the service territory of an electrical corporation but does not include an entity that offers electrical service solely to service customer load consistent with Public Utilities Code Section **218, Subdivision (b),** and does not include an electrical corporation or a public agency that offers electrical service to residential and small commercial customers within its jurisdiction, or within the service territory of a local publicly owned electric utility. Electric service providers include the unregulated affiliates and subsidiaries of an electrical corporation.

Electrical corporations — Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, PacifiCorp, Liberty Energy-California Pacific Electric Company (formerly Sierra Pacific Power Company), Bear Valley Electric Service (a division of Golden State Water Company), or other electrical corporations as defined by Public Utilities Code Section 218. Also referred to as "investor-owned utilities."

Eligible renewable energy resource — as defined in Public Utilities Code Section 399.12, Subdivision (e), to mean an electrical generating facility that meets the definition of "renewable electrical generation facility" in Public Resources Code Section 25741, and subject to the limitations of Public Utilities Code Section 399.12, Subdivision (e), and Section 399.12.5.

End-use customer (end user) — a residential, commercial, agricultural, or industrial electric customer who buys electricity to be consumed as a final product (not for resale).

Energy Commission – State Energy Resources Conservation and Development Commission. Also referred to as the California Energy Commission.

Existing long-term contract — a power purchase contract entered into with an IOU before September 26, 1996, that provides long-term fixed energy and/or capacity payments.

Facility — see "project."

Fixed energy payments — payments to a generator for energy delivered under a power purchase contract, which are based on a price per unit measure of electricity that was known or ascertainable at the time the contract was entered into. (Fixed energy payments cannot be based on market conditions, such as short-run avoided costs, since these conditions were not known or ascertainable at the time the power purchase contract was entered into).

Fossil fuel — fuel consisting of hydrocarbon constituents, including coal, petroleum, or natural gas, occurring in and extracted from underground deposits, and mixtures or byproducts of these hydrocarbon constituents.

Fuel cell — an advanced energy conversion device that combines hydrogen-bearing fuels with airborne oxygen in an electrochemical reaction to produce electricity very efficiently and with minimal environmental impact.

Geothermal — natural heat from within the earth, captured for production of electric power.

Grid — the electrical transmission and distribution system linking power plants to customers through high power transmission line service.

Green attributes — as defined by the California Public Utilities Commission (CPUC), "any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur

hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;[124] (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project."[125]

Hydroelectric — a technology that produces electricity by using the kinetic energy of flowing or falling nonmarine water to turn a turbine generator. See "small hydroelectric."

Investor-owned utility (IOU) — synonymous with "electrical corporations" as defined herein.

For the *Renewables Portfolio Standard Eligibility Guidebook*, refers collectively to Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, PacifiCorp, Liberty Energy-California Pacific Electric Company (formerly Sierra Pacific Power Company), and Bear Valley Electric Service (a division of Golden State Water Company).

Kilowatt (kW) — 1,000 watts. A unit of measure for the amount of electricity needed to operate given equipment. A typical home using central air conditioning and other equipment might have a demand of 4-6 kW on a hot summer afternoon.

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[124] Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

[125] CPUC. Decision 08-08-028, Appendix A-2, Rulemaking 06-02-012. August 21, 2008.

Kilowatt hour (kWh) — the most commonly used unit of measure telling the amount of electricity consumed over time. It means one kilowatt of electricity supplied for one hour. A typical California household consumes about 500 kWh in an average month.

Landfill gas (LFG) — gas produced by the breakdown of organic matter in a landfill (composed primarily of methane and carbon dioxide) or the technology that uses this gas to produce power.

Local publicly owned electric utility — as defined in Public Utilities Code Section 224.3 to mean a municipality or municipal corporation operating as a "public utility" furnishing electric service as provided in Section 10001 of the Public Utilities Code, a municipal utility district furnishing electric service formed pursuant to Division 6 (commencing with Section 11501 of the Public Utilities Code), a public utility district furnishing electric services formed pursuant to the Public Utility District Act set forth in Division 7 (commencing with Section 15501 of the Public Utilities Code), an irrigation district furnishing electric services formed pursuant to the Irrigation District Law set forth in Division 11 (commencing with Section 20500) of the Water Code, or a joint powers authority that includes one or more of these agencies and that owns generation or transmission facilities, or furnishes electric services over its owner's or its member's electric distribution system.

Marketer — an agent for generation projects who markets power on behalf of the generator. The marketer may also arrange transmission, firming, or other ancillary services as needed. Though a marketer may perform many of the same functions as a broker, a marketer represents the generator while a broker acts as a middleman.

Megawatt (MW) — 1,000 kilowatts. One megawatt is about the amount of power to meet the peak demand of a large hotel.

Megawatt hour (MWh) — a unit of measure describing the amount of electricity consumed over time. It means one megawatt of electricity supplied for one hour. Two typical California households consume about a combined total of 1 MWh in an average month, one household consumes about 0.5 MWh.

Metered — the independent measurement with a standard meter of the electricity generated by a project or facility.

Multijurisdictional utility — for purposes of the Renewables Portfolio Standard, an electrical corporation with 60,000 or fewer customer accounts in California as of January 1, 2010, and that serves retail end-use customers outside California, is located in a control area that is not under the control of a California balancing authority, receives the majority of its electrical requirements from generating facilities located outside California, and is subject to the provisions of Public Utilities Code Section 399.17.

Municipal solid waste (MSW) —solid waste as defined in Public Resources Code Section 40191.

Municipal utility — a local publicly owned (customer-owned) electric utility that owns or operates electric facilities subject to the jurisdiction of a municipality, as opposed to the

California Public Utilities Commission. Also referred to as "local publicly owned electric utility."

Nameplate Capacity — the maximum rated output of a generator, prime mover, or other electric power production equipment under specific conditions designated by the manufacturer.

NERC e-Tag — named for the North American Electric Reliability Corporation (NERC), the entity responsible for the implementation of the first energy tagging process, a NERC e-Tag is an electronic record that contains the details of a transaction to transfer electricity from a seller to a buyer where the electricity is scheduled for transmission across one or more balancing authority area boundaries.

Net metering — contractual agreement or tariff wherein the system owner/generator produces more electricity than is needed to serve the on-site electrical load, and the surplus electricity is supplied to the electrical distribution grid. The owner/generator's utility meter records the difference, or net, between what the utility supplies to the owner/generator and what the owner/generator supplies to the grid.

Ocean thermal — refers to experimental technology that uses the temperature differences between deep and surface ocean water to produce electricity.

Ocean wave — refers to an experimental technology that uses ocean waves to produce electricity.

On-site generation — See "Distributed Generation."

Photovoltaic (PV) — a technology that uses a semiconductor to convert sunlight directly into electricity.

Portfolio Content Category — refers to one of three categories of electricity products procured from an eligible renewable energy resource.

Power purchase contract — an agreement for the purchase of electrical energy and/or capacity that may be structured to provide payments based on both fixed and/or variable factors.

Procure —as defined in Public Utilities Code Section 399.12, Subdivision (f), means to acquire through ownership or contract.

Procurement entity — as defined in Public Utilities Code Section 399.12, Subdivision (g), means any person or corporation authorized by the California Public Utilities Commission to enter into contracts to procure eligible renewable energy resources on behalf of customers of a retail seller pursuant to Public Utilities Section 399.13, Subdivision (f).

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. 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 hydroelectric generation unit with a nameplate capacity not exceeding 40 megawatts that is operated as part of a water supply or conveyance system, as defined in this guidebook, 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 turbine and generator of the hydroelectric generation unit shall constitute a project.

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.

Public Goods Charge (PGC) — a surcharge applied to the electric bills of IOU ratepayers used to support energy efficiency, public interest research, development, and demonstration, and low-income and renewable energy programs and collected pursuant to Public Utilities Code Section 399 et seq.

Public information — any information in the Energy Commission's possession that is not subject to a request or determination of confidential designation pursuant to Title 20 of the California Code of Regulations, Section 2505 et seq., and may be disclosed pursuant to the California Public Records Act (Government Code Section 6250, et seq.) and the Information Practices Act (Civil Code Section 1798, et seq.).

Pumped hydro — an energy storage technology consisting of two water reservoirs separated vertically; during off-peak hours, water is pumped from the lower reservoir to the upper reservoir, allowing the off-peak electrical energy to be stored indefinitely as gravitational energy in the upper reservoir. During peak hours, water from the upper reservoir may be released and passed through hydraulic turbines to generate electricity as needed.

Qualifying facility — a qualifying small power production facility eligible for certification pursuant to Section 292.207 of Title 18 of the Code of Federal Regulations.

Renewable — a power source other than a conventional power source within the meaning of Section 2805 of the Public Utilities Code. Section 2805 states: " 'Conventional power source' means power derived from nuclear energy or the operation of a hydropower facility greater than 30 megawatts or the combustion of fossil fuels, unless cogeneration technology, as defined in Section 25134 of the Public Resources Code, is employed in the production of such power."

Renewable Energy Certificate (REC) — as defined in Public Utilities Code Section 399.12, Subdivision (h)(1), to mean a certificate of proof, issued through the accounting system established by the Energy Commission pursuant to Section 399.25, that one unit of electricity was generated and delivered by an eligible renewable energy resource. As specified in Section 399.12, Subdivision (h)(2), a REC includes all renewable and environmental attributes associated with the production of electricity from an eligible renewable energy resource, except for an emissions reduction credit issued pursuant to Section 40709 of the Health and Safety Code and any credits or payments associated with the reduction of solid waste and treatment benefits created by the utilization of biomass or biogas fuels. As specified in Section 399.12, Subdivision (h)(3), electricity generated by an eligible renewable energy resource attributable to the use of nonrenewable fuels, beyond a de minimis quantity, as determined by the Energy Commission, shall not result in the creation of a renewable energy credit.

As defined by the CPUC in Decision D.08-08-028, a renewable energy credit (REC) for compliance with the California Renewables Portfolio Standard (RPS) is "a certificate of proof, issued through the Western Renewable Generation Information System [sic], that one megawatt-hour of electricity was generated by an RPS-eligible renewable energy resource and delivered for consumption by California end-use retail customers. A REC includes all renewable and environmental attributes associated with the production of electricity from the eligible renewable energy resource, including any avoided emission of pollutants to the air, soil or water; any avoided emissions of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or any other greenhouse gases that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of global climate change;[126] and the reporting rights to these avoided emissions, such as Green Tag reporting rights.[127]

A REC does not include any emissions reduction credit issued pursuant to § 40709 of the Health and Safety Code or any credits or payments associated with the reduction of solid waste or treatment benefits created by the utilization of biomass or biogas fuels. A REC also does not include any energy, capacity, reliability or other power attributes of the generation; any tax credits or other financial incentives in the form of credits, reductions, or allowances associated with the generation that are applicable to a state or federal income taxation obligation; any fuel-

[126] "Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the definition of the REC, this definition does not create any right to use those avoided emissions to comply with any GHG regulatory program."

[127] "Green Tag reporting rights are the right to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party and include without limitation those Green Tag reporting rights accruing under Section 1605(b) of the Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program."

related subsidies or "tipping fees" or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits; or emission reduction credits (whether issued pursuant to § 40709 of the Health and Safety Code or any other authority) that are encumbered or used by the generator for compliance with local, state, or federal operating and/or air quality permits.

In accordance with Public Utilities Code Section 399.21, Subdivision (a)(4), no REC may be created based on any electricity generated pursuant to any contract with a California retail seller or a local publicly owned electric utility executed before January 1, 2005, unless the contract contains explicit terms and conditions specifying the ownership or disposition of the RECs. In accordance with Public Utilities Code Section 399.21, Subdivision (a)(4), a REC may not be created based on any electricity generated pursuant to a contract with a qualifying facility pursuant to the Public Utility Regulatory Policies Act of 1978 that was executed after January 1, 2005.

A REC cannot be created with respect to electricity generated by an eligible renewable energy resource attributable to the use of nonrenewable fuels, beyond a *de minimus* quantity as determined by the CEC." [128]

Renewable energy public goods charge — as defined in Public Resources Code Section 25741 Subdivision()(c), to mean that portion of the nonbypassable system benefits charge required to be collected to fund renewable energy and to be transferred to the Renewable Resource Trust Fund pursuant to the Reliable Electric Service Investments Act (Article 15 [commencing with Section 399] of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code).

Renewables Portfolio Standard (RPS) — refers to California's Renewables Portfolio Standard as established in Public Utilities Code Section 399.11, et seq. "Renewables portfolio standard" is defined in Public Utilities Code Section 399.12, Subdivision (i), to mean the specified percentage of electricity generated by eligible renewable energy resources that a retail seller or local publicly owned electric utility is required to procure pursuant to Public Utilities Code Section 399.11 et seq. Under the RPS, a retail seller or local publicly owned electric utility must increase its total procurement of eligible renewable energy resources so that 33 percent of its retail sales are procured from eligible energy resources no later than December 31, 2020.

Repower(ed) — generically refers to replacing a significant portion of the generating equipment at an existing facility.

Retail seller — as defined in Public Utilities Code Section 399.12, Subdivision (j), to mean an entity engaged in the retail sale of electricity to end-use customers located within the state. Retail sellers include electrical corporations, community choice aggregators, and electric service providers. Retail sellers do not include local publicly owned electric utilities (commonly referred to as municipal utilities), entities employing cogeneration technology or producing power consistent with Public Utilities Code Section 218(b), or the Department of Water

[128] CPUC. Decision 08-08-028, Rulemaking 06-02-012. August 21, 2008.

Resources acting within its capacity pursuant to Division 27 of the Water Code (commencing with Section 80000).

RPS Certification – Certification by the Energy Commission that an electrical generation facility is an eligible renewable energy resource for purposes of meeting the state's Renewables Portfolio Standard pursuant to Public Utilities Code Sections 399.11, et seq. and Public Resources Code Section 25741.

Station Service — the electric supply for the ancillary equipment used to operate a generating station or substation.

Self-generation — See "Distributed Generation."

Sewer gas — gas produced by the anaerobic decomposition of sewage.

Small hydroelectric — an electrical generation facility employing one or more hydroelectric turbine generators, the sum capacity of which does not exceed 30 megawatts, except in the case of efficiency improvements or conduit hydroelectric facilities as described below. Pursuant to Public Utilities Code Section 399.12, Subdivision (e)(1)(A), an existing small hydroelectric generation facility of 30 MW or less may be an eligible renewable energy resource only if a retail seller or local publicly owned electric utility owned or procured the electricity from the facility as of December 31, 2005. Pursuant to Public Utilities Code Section 399.12, Subdivision (e)(1)(A), a new small hydroelectric facility is not an eligible renewable energy resource for purposes of the RPS if it will cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow.

A small hydroelectric facility may exceed 30 megawatts if it is the result of efficiency improvements made to the facility after January 1, 2008, and the efficiency improvements do not cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow. The generating capacity of a conduit hydroelectric facility that is associated with or part of a small hydroelectric facility is not considered part of the generating capacity of the small hydroelectric facility, provided the small 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.

The term "beneficial use" shall be defined consistent with the California Code Regulations, Title 23, Sections 659 through 672, to include the following uses of water: domestic use, irrigation use, power use, municipal use, mining use, industrial use, fish and wildlife preservation and enhancement use, aquaculture use, recreational use, and heat control use.

Solar thermal electric — the conversion of sunlight to heat and its concentration and use to power a generator to produce electricity.

Solid-fuel biomass — a biomass technology that uses solid fuel, such wood, agricultural waste, and other organic material that may be burned to produce electricity.

System operator — entity responsible for the efficient use and reliable operation of the transmission grid, or a local publicly owned electric utility that does not use a system operator.

Tidal current power — energy obtained by using the motion of the tides to run water turbines that drive electric generators.

Transmission system — an interconnected group of electric transmission lines and associated equipment to move or transfer electric energy in bulk between points of supply and consumption.

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.

Watt — a unit of electrical power, equal to the power developed in a circuit by a current of one ampere flowing through a potential difference of one volt.

WECC interconnection — the substation where radial lines from a given power plant first interconnect to the WECC transmission system.

Western Electricity Coordinating Council (WECC) — formed on April 18, 2002, by the merger of the Western Systems Coordinating Council (WSCC), Southwest Regional Transmission Association (SWRTA), and Western Regional Transmission Association (WRTA). WECC is responsible for coordinating and promoting electric system reliability, assuring open and nondiscriminatory transmission access among members, and providing a forum for resolving transmission access disputes.

Wind power — energy from wind converted into mechanical energy and then electricity.

Western Renewable Energy Generation Information System (WREGIS) — the electronic system for tracking Renewable Energy Certificates (RECs) for the states and provinces in the WECC interconnection.

List of Acronyms and Abbreviations

BA	—	Balancing Authority
BANC	—	Balancing Authority of Northern California
CAISO	—	California ISO (Independent System Operator Corporation)
CBA	—	California balancing authority
CPUC	—	California Public Utilities Commission
EA	—	Enforcement Agency
ERFP	—	Existing Renewable Facilities Program
ESP	—	Electric Service Provider
e-Tag	—	Electronic tag created under the policies of the North American Reliability Corporation to document an energy interchange transaction
FERC	—	Federal Energy Regulatory Commission
GUID	—	WREGIS Generating Unit Identification Number
IID	—	Imperial Irrigation District
IOU	—	Investor-Owned Utility
ITS	—	Interim Tracking System
kWh	—	Kilowatt-hour
LADWP	—	Los Angeles Department of Water and Power
LFG	—	Landfill gas
LORS	—	Laws, ordinances, regulations, and standards
LSE	—	Load-serving Entity
MMBtu	—	1 million British thermal units
MSW	—	Municipal Solid Waste
MW	—	Megawatt
MWh	—	Megawatt-hour
NERC	—	North American Electric Reliability Corporation
OIR	—	Order Instituting Rulemaking
PBR	—	Portfolio Balance Requirements
PCC	—	Portfolio Content Category
PG&E	—	Pacific Gas and Electric Company

POU	—	Local Publicly Owned Electric Utility
PRC	—	California Public Resources Code
PUC	—	California Public Utilities Code
PURPA	—	Public Utilities Regulatory Policies Act of 1978
PV	—	Photovoltaic
QF	—	Qualifying Small Power Production Facility
QRE	—	Qualified Reporting Entity
REC	—	Renewable Energy Credit/Certificate
REP	—	Renewable Energy Program
RPS	—	Renewables Portfolio Standard
SB	—	Senate Bill
SCE	—	Southern California Edison Company
SDG&E	—	San Diego Gas and Electric Company
SGIP	—	Self Generation Incentive Program
SMJU	—	Small or Multijurisdictional Utility
SMUD	—	Sacramento Municipal Utility District
SWRCB	—	State Water Resources Control Board
TID	—	Turlock Irrigation District
TREC	—	Tradable Renewable Energy Credits/Certificates
WECC	—	Western Electricity Coordinating Council
WREGIS	—	Western Renewable Energy Generation Information System

Appendix A – WREGIS Reporting Instructions

Appendix A: WREGIS Reporting Instructions will be published in a future draft of the Renewables Portfolio Standard Eligibility Guidebook, Seventh Edition.

Appendix B – Forms

Appendix B: Forms will be published in a future draft of the Renewables Portfolio Standard Eligibility Guidebook, Seventh Edition.

Appendix C – Statutory History of the RPS

Below is a list of bills enacted into law that made changes to RPS statutes or impacted the RPS to some degree.

- **Senate Bill 1038**.[129] The pertinent provisions of SB 1038 were formerly codified in Public Utilities Code Sections 383.5 and 445, but are now codified in Public Resources Code Sections 25740 through 25751 as a result of Senate Bill 183 (Chapter 666, Statutes of 2003).
- **Senate Bill 1078**[130] established the Renewables Portfolio Standard. The pertinent provisions of SB 1078 are codified in Public Utilities Code Section 399.11 through 399.15. This law was subsequently amended to add Sections 399.16, 399.17, and 399.12.5 under Senate Bill 67 (Chapter 731, Statutes of 2003), Assembly Bill 200 (Chapter 5, Statutes of 2005), and Assembly Bill 2189 (Chapter 747, Statutes of 2006), respectively.
- **Senate Bill 1250**[131] amends pertinent provisions in Public Resources Code Sections 25740 through 25751.
- **Senate Bill 107**[132] amends pertinent provisions in Public Resources Code Sections 25740 through 25751 and Public Utilities Code Sections 399.11 through 399.16.
- **Senate Bill 1036**,[133] passed in October 2007, repeals the provisions for awarding SEPs and requires the Energy Commission to terminate production incentives awarded as of January 1, 2002, unless the facility began generating electricity by January 1, 2007.
- **Assembly Bill 1969**[134] added Public Utilities Code (PUC) Section 399.20, authorizing tariffs and standard contracts for the purchase of eligible renewable generation from public water and wastewater customers. In July 2007, the CPUC implemented AB 1969, creating a feed-in tariff (FIT) up to 1.5 megawatt (MW), and expanded the FIT to cover nonwater and wastewater customers in the Pacific Gas & Electric (PG&E) and Southern California Edison (SCE) territories.[135] All generation procured under this program counts towards the RPS target.
- **Assembly Bill 3048**[136] and **Senate Bill 380**[137] were passed into law in 2008. AB 3048 addresses the RPS eligibility of existing renewable generation owned by or under contract with a local publicly owned electric utility (POU), and SB 380 expands feed-in tariffs for

129 SB 1038, Chapter 515, Statutes of 2002.
130 SB 1078, Chapter 516, Statutes of 2002.
131 SB 1250, Chapter 512, Statutes of 2006.
132 SB 107, Chapter 464, Statutes of 2006.
133 SB 1036, Chapter 685, Statutes of 2007. SB 1036 amends pertinent provisions in Public Resources Code Sections 25740 through 25751.
134 Assembly Bill 1969 (Chapter 731, Statutes of 2006).
135 CPUC Decision 07-07-027.
136 AB 3048, Chapter 558, Statutes of 2008. AB 3048 amends pertinent provisions in Public Resources Code 25741 and 25742 and Public Utilities Code Sections 399.12 and 399.12.5.
137 SB 380, Chapter 544, Statutes of 2008. SB 380 amends Section 399.20 of the Public Utilities Code.

small renewable generators in the service territories of the large IOUs and raised the program cap from 250 MW to 500 MW.

- **Assembly Bill 1351**[138] was signed into law in 2009. AB 1351 requires that hydroelectric facilities must be owned by a retail seller or publicly owned electric utility for their incremental generation due to eligible efficiency improvements to count as eligible for the RPS. AB 1351 also expands eligibility for such facilities located outside California.
- **Assembly Bill 920**,[139] signed into law in 2009, requires electric utilities to develop a tariff to compensate wind and solar net energy metering customers for electricity they produce in excess of their on-site load at the end of a 12-month period (net surplus generation). An eligible customer-generator with a facility no more than 1 megawatt in capacity that elects to participate in the tariff will be compensated by the utility for the facility's net surplus generation at a rate determined by the CPUC. The utility may count this surplus generation toward its RPS obligation.
- **Senate Bill 32**,[140] signed into law in 2009, further modifies Public Utilities Code 399.20. It expands the eligible project size of the feed-in tariff from 1.5 MW to 3 MW in size, raises the program cap from 500 MW to 750 MW, and requires the municipal utilities to comply with this statute. SB 32 must be implemented through a CPUC proceeding before projects can utilize the new tariff.
- **Senate Bill 1247**,[141] signed into law on September 29, 2010, as an urgency bill, modifies Public Utilities Code Section 399.12.5. SB 1247 ensures that for a hydroelectric generation facility certified as of January 1, 2010, its RPS eligibility will not be revoked if the facility causes a change in the volume or timing of streamflow that is required by license conditions approved pursuant to the Federal Power Act (Chapter 12 (commencing with Section 791a) of Title 16 of the United States Code) on or after January 1, 2010.
- **Assembly Bill 1954**,[142] Signed into law on September 29, 2010, directs the Energy Commission to set the de minimis quantity of nonrenewable fuels that may be used for each renewable technology at no more than 2 percent, but permits the Energy Commission to adjust this de minimis quantity to a maximum of 5 percent for individual facilities if certain conditions are satisfied as specified in AB 1954.
- **Senate Bill X1-2**,[143] signed into law on April 12, 2011, as part of the First Extraordinary Session, establishes the California Renewable Energy Resources Act and modifies provisions

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138 AB 1351, Chapter 525, Statutes of 2009. AB 1351 amends Section 399.12.5 of the Public Utilities Code.
139 AB 920, Chapter 376, Statutes of 2009. AB 920 amends Section 2827 of the Public Utilities Code. The CPUC must adopt a net surplus electricity compensation rate before this law can be further implemented.
140 SB 32, Chapter 328, Statutes of 2009. SB 32 amends section 399.20 of, and adds section 387.6 to the Public Utilities Code.
141 SB 1247, Chapter 488, Statutes of 2010. SB 1247 amends Section 399.12.5 of the Public Utilities Code.
142 AB 1954, Chapter 460, Statutes of 2010. AB 1954 amends Section 399.2.5 and 399.12 of the Public Utilities Code.
143 SB X1-2, Chapter 1, Statutes of 2011. SB X1-2 adds Section 705 to the Fish and Game Code, amends Sections 25740, 25740.5, 25741, 25742, 25746, 25747, and 25751 of, adds Section 25519.5 to, and adds and repeals Section 25741.5 of, the Public Resources Code, and amends Sections 399.11, 399.12, 399.20, and 454.5 of, amends, renumbers, and adds

in Public Resources Code 25740 through 25751 and Public Utilities Code Sections 399.11 through 399.20 to advance the state's RPS goal to at least 33 percent of total retail sales of electricity in California by December 31, 2020, and to expand the same RPS goals to the publicly owned electric utilities as to the retail sellers. SB X1-2 makes other changes to the RPS, including replacing the annual procurement targets with compliance periods, replacing the market price referent (MPR) with new cost containment provisions, and creating renewable energy product categories with specific procurement requirements for each compliance period.

- **Assembly Bill 2196**,[144] signed into law on September 27, 2012, amends Section 25741 of the Public Resources Code and adds Section 399.12.6 to the Public Utilities Code. AB 2196 revises the requirements for renewable electrical generation facilities that use landfill gas, digester gas, or another renewable fuel delivered to the facility through a common carrier pipeline, and establishes conditions for the transactions for the procurement of such fuel, including the source of the fuel and delivery method. AB 2196 also establishes new eligibility requirements for facilities using biomethane under contracts initially executed on or after March 29, 2012, or for quantities of biomethane associated with contract amendments executed on or after March 29, 2012.

Sections 399.13 and 399.16 of, adds Sections 399.18, 399.19, 399.26, 399.30, 399.31, and 1005.1 to, adds Article 11 (commencing with Section 910) to Chapter 4 of Part 1 of Division 1 of, repeals Section 387 of, and repeals and adds Sections 399.14, 399.15, and 399.17 of, the Public Utilities Code.

144 Assembly Bill 2196 (Chapter 605, Statutes of 2012) amends Section 25741 of the Public Resources Code and adds Section 399.12.6 to the Public Utilities Code.

Appendix D – Summary of Reporting Requirements and Deadlines

Appendix D: Summary of Reporting Requirements and Deadlines, will be published in a future draft of the Renewables Portfolio Standard Eligibility Guidebook, Seventh Edition.