

# Memorandum

To: Robert P. Oglesby  
Executive Director

Date : August 6, 2012

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From: **California Energy Commission**  
1516 Ninth Street  
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Subject: **STAFF RECOMMENDATION TO APPROVE REVISIONS TO THE RENEWABLES PORTFOLIO STANDARD ELIGIBILITY GUIDEBOOK AND OVERALL PROGRAM GUIDEBOOK FOR THE RENEWABLE ENERGY PROGRAM AT THE AUGUST 9, 2012 BUSINESS MEETING**

## Summary of Item

Energy Commission staff are recommending minor revisions to the *Renewables Portfolio Standard Eligibility Guidebook, Fifth Edition, (RPS Guidebook)* and the *Overall Program Guidebook for the Renewable Energy Program, Fourth Edition (Overall Program Guidebook)*. These revisions are limited in nature and are being proposed to clarify changes to the guidebooks that the Energy Commission adopted at May 9, 2012, Business Meeting. Public comments received at the May 9 Business Meeting identified changes to the guidebooks that required further clarification. Staff, with input and guidance from lead renewables Commissioner Carla Peterman, is recommending the following guidebook revisions for this purpose:

### RPS Guidebook Revisions

- Clarify that the requirements for facilities located out-of-country or that have a first point of interconnection to the WECC transmission system that is located outside California are limited to facilities that are connected to a balancing authority that is not a "California Balancing Authority" as defined in the *Overall Program Guidebook*.
- Clarify that an applicant for a hydroelectric facility or generation unit must only submit project licenses, permits and exemptions issued by the Federal Energy Regulatory Commission (FERC) if applicable to the facility, and that if none were issued, explanatory documentation must be submitted to the Energy Commission.
- Clarify that, in general, only an applicant who seeks to revise a facility's date of commercial operations must apply as a repowered facility.
- Clarify that to receive a "beginning-on date" for eligibility beginning with the month during which the application for precertification or certification was received by the Energy Commission, the application for certification must be submitted within 90 days of the facility's commencement of commercial operations.
- Clarify that generation from an existing hydroelectric generation unit operated as part of a water supply or conveyance system may count toward RPS procurement requirements beginning on the effective date of Senate Bill X1-2

(December 10, 2011), if an application for certification for the unit is received by October 1, 2012.

- Clarify that for utility-certified facilities to qualify for a certification extension if their utility contract expires after October 1, 2012, the facility applicant must submit an application no later than 90 days after the termination date of the utility contract.
- Clarify that if any facility in an aggregated unit is determined to be ineligible for the RPS, the applicant may submit an amended application to remove the ineligible facility within 30 days without losing its certification.
- Clarify that applications for certification and precertification must be submitted electronically using the format specified in the guidebook unless the applicant receives advance approval from Energy Commission staff.

#### Overall Program Guidebook Revisions

- Define “nameplate capacity” consistent with the definition used by the Western Renewable Energy Generation Information System (WREGIS), which has been the Energy Commission’s existing practice for RPS-purposes.

In addition to the above-noted revisions, minor grammatical, typographic, and formatting errors are being corrected in the guidebooks.

Notice of the proposed revisions to the guidebooks was published on July 30, 2012, in accordance with Public Resources Code Section 25747 (a).

#### Background

The *RPS Guidebook* explains how the Energy Commission implements and administers its responsibilities under California’s Renewables Portfolio Standard (RPS) statute. Under these laws, the Energy Commission is charged with certifying eligible renewable energy resources that may be used by retail sellers of electricity and local publicly-owned electric utilities (POUs) to satisfy their RPS procurement requirements and charged with developing an accounting system to verify a retail seller’s or POU’s compliance with the RPS. The *RPS Guidebook* describes the eligibility requirements and process for certifying eligible renewable energy resources for California’s RPS and describes how the Energy Commission verifies compliance with the RPS.

The *Overall Program Guidebook* describes how the Energy Commission’s Renewable Energy Program is administered and includes information and requirements, such as auditing and appeal provisions and a glossary of terms, that apply overall to the program elements, including aspects related to California’s RPS. Some of the RPS-eligible renewable energy resources may qualify for funding under other elements of the Renewable Energy Program.

The *RPS Guidebook* and *Overall Program Guidebook* are revised from time to time to reflect changes in law and applicable decisions of the California Public Utilities Commission, as well as changes in market conditions affecting the RPS. Revisions to the guidebooks are adopted by Energy Commission pursuant to Public Resources Code Section 25747 (a).

### Justification for Action Requested

The revisions to the *RPS Guidebook* and *Overall Program Guidebook* will clarify changes to these guidebooks that were adopted by the Energy Commission at the May 9, 2012 Business Meeting, and will respond to public comments requesting further clarification.

### CEQA Compliance

The Energy Commission's adoption of the minor guidebook revisions is exempt from review under the California Environmental Quality Act (CEQA) (Pub. Resources Code, §§ 21000 et seq.; Cal. Code of Regs., tit. 14, §§ 15000 et seq.), because the adoption of the revisions does not constitute a project under CEQA. The guidebook revisions relate to general policy and procedure making and the creation of government funding mechanisms or other government fiscal activities, which do not involve a commitment to a specific project that may result in a potentially significant physical impact on the environment. (Cal. Code of Regs., tit. 14, § 15378 (b)(2) and (4).)

Additionally, the minor guidebook revisions fall within the "common sense" exemption of the CEQA regulations. This exemption indicates that CEQA only applies to projects that have a significant effect on the environment. (Cal. Code of Regs., tit. 14, § 15061 (b)(3).) A significant effect on the environment is defined as substantial, or potentially substantial, adverse change in the environment. (Pub. Resources Code, § 21068; Cal. Code of Regs., tit. 14, § 15382.) The guidebook revisions merely clarify provisions that were previously adopted by the Energy Commission. These guidebook revisions will not create an adverse effect on the environment.

### Oral Presentation

Staff will be prepared to discuss its recommendation and to respond to questions regarding the minor revisions to the *RPS Guidebook* and *Overall Program Guidebook*.

### Business Meeting Participants

Kate Zocchetti, Renewable Energy Office.  
Gabe Herrera, Office of Chief Counsel.

### Commission Action Requested

Approve the revisions to the *RPS Guidebook* and *Overall Program Guidebook*.

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DAVE ASHUCKIAN, Deputy Director  
Efficiency & Renewable Energy Division