

# Renewables Committee Workshop

## Proposed Changes to RPS Guidelines

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## BACKGROUND

- California's Renewables Portfolio Standard (RPS) is collaboratively implemented by the Energy Commission and CPUC
- Energy Commission's RPS roles by statute:
  - Certify renewable generating facilities as eligible for RPS & Supplemental Energy Payments (SEPs)
  - Certify incremental geothermal production
  - Design and implement an RPS tracking and verification system
  - Award SEPs
- Proposed changes RPS implementation Guidelines adopted in 2004



# OVERVIEW

- Guidebooks are revised as needed to respond to public comments; lessons learned; and statutory, market, and regulatory developments
- Renewables Portfolio Standard Eligibility Guidebook (Aug. 2004 )
  - Describes eligibility requirements and process for certifying facilities for RPS and Supplemental Energy Payments (SEPs)
  - Describes interim tracking system in use until Western Renewable Energy Generation Information System (WREGIS) is operational
- New Renewable Facilities Guidebook (May 2004)
  - Describes requirements to qualify for SEPs and process for how SEPs are awarded
- Overall Renewable Energy Program Guidebook (May 2004)
  - Describes how Renewable Energy Program is administered and defines program terms
- Proposed changes to 2004 editions
  - Changes initially proposed in November 2005
  - December 7, 2005, Renewables Committee workshop
  - Additional revisions published in April 2006 version



## SUMMARY OF CHANGES

# RPS Eligibility Guidebook

- Reflect CPUC Decisions
  - Revise Definitions for Annual Procurement Target (APT), Incremental Procurement Target (IPT), Baseline.
  - Update participation of distributed generation.
  - Update definition of Renewable Energy Certificates/Credits.
  - Update requirements for delivery location.
- Implement AB 200
  - Applies to electric corporations that serve retail end-use customers outside CA and have 60,000 or fewer customer accounts in CA.
  - Guidelines clarify that out-of-state delivery requirements do not apply to such corporations (such as PacifiCorp and Sierra Pacific Power).



## SUMMARY OF CHANGES

# RPS Eligibility Guidebook – cont'd

- Implement Incremental Geothermal Certification
  - Additional specifications for what information applicants must include in RPS certification requests.
  - New certification of ‘partial’ incremental geothermal facilities.
  - Methodology to determine how much energy counts as baseline vs. incremental procurement from facilities certified with “incremental geothermal” capacity and operational before 9-26-96.
    - ◆ Quantification based on operational capacity of facility
- Clarify delivery requirements



## SUMMARY OF CHANGES

# RPS Eligibility Guidebook – cont'd

- Clarify Specific RPS-Eligibility Criteria
  - Facilities that shut down and re-start
  - Biomass facilities seeking SEPs are subject to CA Timber Harvest Plan requirements
  - Certified and pre-certified facilities are subject to the same reporting requirements
  - Out-of-state facilities selling to publicly owned utilities are eligible for pre-certification
- Clarify RPS eligibility certificate will show certification number and facility size, fuel type, location and owner
- Conforming changes to application for Certification and Pre-certification



## SUMMARY OF CHANGES

# RPS Eligibility Guidebook – cont'd

- Clarify Interim Tracking System
  - Describes Interim Tracking System Process
    - ◆ Verification of RPS procurement
    - ◆ Transmittal of findings to CPUC
  - Develops forms for reporting annual generation by month
  - Clarifies that retail sellers are responsible for reporting the generation for the QFs they certify
  - Adds new requirements on RPS-Track Form:
    - ◆ Requires retail sellers to identify whether procurement counts as baseline or incremental procurement
    - ◆ Requires NERC Identification Number for out-of-state facilities
    - ◆ Implements AB 200 requirements



## SUMMARY OF CHANGES

# New Renewable Facilities Guidebook

- Clarify and Update SEP Process
  - *Short List Data Request* revised to report bid-specific data for all bids received in solicitation.
  - Energy Commission may seek updates to utilities' data on bids above and below MPR.
  - Projects are subject to state's prevailing wage law.
  - *Funding Confirmation Letter* revisions:
    - ◆ Process for terminating similar to *SEP Award Agreement*
    - ◆ Both Funding Confirmation Letter and SEP Award Agreement could be terminated if milestones are not being met
    - ◆ Lump sum of SEPs and be made public upon adoption (not payment per kWh)
    - ◆ Funding confirmation letter may be conditional to CPUC contract approval



## SUMMARY OF CHANGES

# New Renewable Facilities Guidebook

- Clarify and Update SEP Process (cont'd)
  - Applicant and utility may request that data be deemed confidential for a specified time period.
  - Revisions made to *Utility Data to Supplement SEP Application* and *SEP Application* forms.
    - ◆ Reflect 2005 MPR, such as Time of Delivery factors
    - ◆ Identify contract milestones (Facility)
    - ◆ Include un-redacted advice letter filing (Utility)
    - ◆ Use template spreadsheet to calculate levelized bid and contract price (Facility)
    - ◆ Explain if there is a difference between bid and contract price (Facility)
- Provide references to availability of other (non-SEPs) production incentive funds for existing facilities.



## SUMMARY OF CHANGES

# Overall Renewable Energy Program Guidebook

- Clarify eligibility definitions for commercial operations and re-powered facilities.
- Clarify that organic sludge waste is eligible as biomass.
- Revise and update definitions, including:
  - Awardee
  - Commercial operations
  - Community choice aggregator
  - Electric service provider
  - Electrical corporation
  - Funding award
  - Investor owned utility
  - Retail sellers



## Next Steps

- Stakeholder input welcome
- Written comments due TODAY by 5:00 pm
  - Mail or e-mail <docket@energy.state.ca.us>
  - Will be docketed and become part of public record
- Estimated Schedule:
  - Considered for adoption at Energy Commission's Business Meeting on April 26, 2006
- Guidebooks available at:

[www.energy.ca.gov/portfolio/documents/index.html](http://www.energy.ca.gov/portfolio/documents/index.html)



**For More Information:**

**[www.energy.ca.gov/portfolio](http://www.energy.ca.gov/portfolio)**

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