

**Before the Energy Resources Conservation and Development Commission of the
State of California**

Implementation of Renewables Portfolio Standard Legislation)	Docket No. 03-RPS-1078 RPS Proceeding
)	
and)	
Implementation of Renewables Investment Plan Legislation)	Docket No. 02-REN-1038 Renewable Energy Program

**REVISED ERRATA TO THE COMMITTEE DRAFT RENEWABLES
PORTFOLIO STANDARD ELIGIBILITY GUIDEBOOK, NEW
RENEWABLE FACILITIES PROGRAM GUIDEBOOK, AND EXISTING
RENEWABLE FACILITIES GUIDEBOOK**

The following list of Errata was incorporated by reference into the *Renewables Portfolio Standard Eligibility Guidebook*, *New Renewable Facilities Program Guidebook*, and *Existing Renewable Facilities Guidebook* when these *Guidebooks* were adopted by the Energy Commission at its March 14, 2007, Business Meeting. The Errata provide staff clarifications to the text of these *Guidebooks* based on party comments received during the comment period, including comments received during the March 14, 2007, Business Meeting.

RENEWABLES PORTFOLIO STANDARD ELIGIBILITY GUIDEBOOK

I. INTRODUCTION

B. Outstanding Issues

• **Hybrid Technologies**

Page 5, last paragraph is revised as follows:

For example, The Energy Commission has developed a methodology to account for the amount of RPS-eligible energy generated from a hybrid technology that uses a mix of natural gas and biogas injected into a gas ~~transmission~~ transportation pipeline. Once WREGIS is operational, the Energy Commission anticipates that it will account for generation from biogas injected into the pipeline ~~transmission~~ transportation system and for other hybrid technologies.

II. ELIGIBILITY REQUIREMENTS

B. Eligibility for the Renewables Portfolio Standard

Page 10, last paragraph, is revised as follows:

Facilities using biodiesel, biomass, hydroelectric, or municipal solid waste (MSW) resources are subject to the additional resource or fuel-specific requirements described below. Also addressed below are requirements for photovoltaic facilities, as well as those for hybrid and other facilities that use a mix of fuels, including those that operate in part by using fossil fuels.

Table 1: Renewables Portfolio Standard Eligibility Requirements for Renewable Electricity Facilities

Page 13, Notes to Table 1 are revised as follows:

⁴ Biomass:

(B) Solid waste materials ~~such as~~ including waste pallets, crates, dunnage, manufacturing, and construction wood wastes, landscape or right-of-way tree trimmings, mill residues that are directly the result of the milling of lumber, and rangeland maintenance residues.

⁵ **Municipal Solid Waste Conversion:** A facility is eligible for the RPS if 1) ~~it technology that uses a two-step process to create energy whereby in the first step (gasification conversion) a non-combustion thermal process that consumes no excess oxygen is used to convert solid waste into a clean burning fuel for the purpose of, and then in the second step, this clean burning fuel is used to generate electricity,~~ 2) is eligible for the RPS if it is located in state or satisfies the out-of-state requirements, and 3) it meets all of the following criteria:

3. Small Hydroelectric

Page 18 is revised as follows:

a. Small Hydroelectric (not conduit)

RPS Eligibility

- January 1, 2006: Except as noted, generation from a small hydroelectric facility that commenced commercial operations ~~on or after~~ before January 1, 2006, is eligible for the California RPS if the facility meets all of the following criteria:...

b. Conduit Hydroelectric

Page 20 is revised as follows:

RPS Eligibility

- January 1, 2007: Generation from a conduit hydroelectric facility that commenced commercial operations ~~on or after~~ before January 1, 2007, is eligible for the RPS if the facility meets all of the following criteria:...

c. New and Repowered Small Hydroelectric and Conduit Hydroelectric

Page 23 is revised as follows:

1. A new ~~or revised~~ permit from the State Water Resources Control Board (SWRCB) for a new appropriation of water.
3. An increase in the volume or rate of water diverted if the increase would require a new permit ~~or license~~ approval of a time extension petition from the SWRCB.

The paragraph after the above list is revised as follows:

If a new or repowered small hydroelectric facility or conduit hydroelectric facility can demonstrate that it may operate without a new or increased appropriation or diversion of water, it may be eligible for the RPS and SEPs. For example, a small hydroelectric facility that can operate by simply adding hydroelectric power generation as an authorized purpose of use to its existing SWRCB permit or license may be eligible for the RPS and SEPs if this change in use does not require a new appropriation ~~or~~ and does not increase the volume or rate of water diverted beyond that which ~~is allowed~~ otherwise would be diverted under that permit or license. ~~Similarly, a water development project that has been granted a permit by the SWRCB but has not been built out and issued a license by the SWRCB may be able to use additional water as authorized under the permit to create electric energy so long as there is no change in water use relative to what the permittee would have used under the approved project.~~

4. Municipal Solid Waste

Page 25 is revised as follows consistent with changes to page 13, Note 5 to Table 1:

2. Solid Waste Conversion Facilities: A facility is eligible for the RPS if 1) it that uses a two-step process to create energy whereby in the first step (gasification

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conversion) a non-combustion thermal process that consumes no excess oxygen is used to convert MSW into a clean burning fuel, and then in the second step, this clean burning fuel is used to generate electricity, 2) is eligible for the RPS if it is located in-state or satisfies the out-of-state requirements, and 3) it meets all of the following criteria in accordance with Public Resources Code Section 25741, Subdivision (b)(3):

6. Hybrid Systems

Page 28 is revised as follows:

2. If the annual fossil fuel use at the facility exceeds a *de minimus* amount ~~annually~~, then only the renewable portion of the electricity production can qualify for the RPS, and only once an appropriate tracking system for such electricity production is developed.

Page 29 is revised as follows:

RPS-eligible biogas (gas derived from RPS-eligible biomass or digester gas) injected into a natural gas ~~transmission~~ transportation pipeline system and delivered into California for use in an RPS-certified hybrid facility may result in the generation of RPS-eligible electricity. The biogas must meet strict heat content and quality requirements within a narrow band of tolerance to qualify as pipeline-grade gas. Quantifying RPS-eligible energy production requires accurate metering of the volume of biogas injected into the ~~transmission~~ transportation system and the measured heat content of the injected gas. Although blending the biogas into the ~~transmission~~ transportation pipeline system mixes the biogas with other pipeline gas, natural gas regulations require gas entering the system to be “nominated” for use at a specific power plant or to a pipeline system owned by a publicly owned utility or other load-serving entity (LSE).

Page 30 is revised as follows:

Any production or acquisition of gas that is directly supplied to the gas ~~transmission~~ transportation pipeline system and used to produce electricity may generate RPS-eligible electricity as follows:

2. The gas must be injected ~~at a point within the WECC region,~~ into a transmission natural gas pipeline system that is either within the WECC region or interconnected to a natural gas pipeline system in the WECC region that delivers gas into California.

3. The energy content produced and supplied to the ~~transmission~~ transportation pipeline system must be measured and reported annually, disaggregated by month.

7. Other Renewable Facilities Using Fossil Fuel

Page 31 is revised as follows:

If a facility meets the above criteria, the Energy Commission will certify the facility as the fuel type of the renewable fuel used. For example, if a solar thermal electric facility is co-fired with natural gas (fossil fuel use must meet the criteria of the Public Utility Regulatory Policies Act [PURPA] including not to exceed 25 percent of the fuel use), then the facility will be certified as “solar thermal electric.”

D. Eligibility for Out-of-State Facilities

Page 33 is revised as follows:

Generation from renewable facilities located out-of-state is potentially eligible for both the RPS and SEPs. To qualify ~~only~~ for the RPS or SEPs, generation from an out-of-state facility must meet the RPS eligibility requirements described above and must satisfy all of the following criteria.

Page 34 is revised as follows:

- b) Commences initial commercial operations on or after January 1, 2005 (except in the case of small hydroelectric and conduit hydroelectric facilities, which must commence initial commercial operations on or after January 1, 2006, and January 1, 2007, respectively, to qualify for SEP eligibility).
- c) Demonstrates delivery of its generation to an in-state market hub or in-state location, as specified in the delivery requirements below.

E. Delivery Requirements

Page 35 is revised as follows:

The retail seller, procurement entity, or facility representative must either (a) arrange for an interchange transaction with the California ISO to deliver the facility's ~~generation energy~~ to the point of delivery in California, or (b) arrange for an interchange transaction with another balancing authority to deliver ~~generation energy~~ energy to ~~a~~ the point of delivery in California.

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Page 36 is revised as follows:

2. ~~3.~~ The Source identified on the NERC tag may be a specific RPS-eligible facility registered as a unique source or may be any balancing authority located in the WECC.
3. ~~4.~~ The RPS certification number of the facility or facilities (or RPS pre-certification number, in the case of local publicly-owned electric utilities) that is/are engaged in a power purchase agreement with a retail seller or procurement entity (or local publicly owned electric utility implementing these delivery requirements as part of compliance with its RPS) must be shown on the comment field of the NERC tag.
4. The facility must provide the Energy Commission with its NERC identification (Source point name) if it registers as a unique source, or the Source point name of its balancing authority when it applies for RPS certification.
5. The ~~seller-facility representative, retail seller, or procurement entity (or publicly-owned electric utility implementing these delivery requirements as part of compliance with its RPS)~~ must request and receive acceptance of a NERC tag between a balancing authority in California and any balancing authority in WECC.

III. CERTIFICATION PROCESS

Page 39, the last sentence of first paragraph, is revised as follows:

Although retail sellers are required to meet their annual procurement requirements with generation from RPS-certified facilities, the Energy Commission also certifies facilities as RPS eligible if they serve a local publicly owned electric utility and encourages publicly owned utilities to meet their RPS obligations with certified facilities. Also, the Energy Commission will pre-certify small hydroelectric facilities that intend to sell to a local publicly owned electric utility or that would be otherwise eligible for certification except that ~~that~~ the facility was owned by or under contract to a publicly owned utility.

A. Applying for Certification and Pre-Certification

Pages 39-40 are revised as follows:

An application may be submitted for a facility by the facility operator or its agent on the facility's behalf (CEC-RPS-1A) or by the procuring retail seller on the operator's behalf (CEC-RPS-2) for facilities under contract with the retail seller prior to April 21, 2004, the initial adoption date of this *Guidebook*. A publicly-

owned electric utility, for purposes of its RPS program, may certify a facility on the operator's behalf using form CEC-RPS-2 for facilities under contract with the publicly-owned electric utility and subject to the requirements applicable to retail sellers.

Page 41 is revised as follows:

The Energy Commission encourages local publicly owned electric utilities to meet their RPS obligations through procurement from RPS-certified (or pre-certified) facilities.

Page 42 is revised as follows:

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 pre-certification. In addition, the agent or retail seller must possess documents to verify a facility's compliance with the requirements of certification and pre-certification.

APPENDIX A: FORMS

RPS Certification (CEC-RPS-1A) and Pre-Certification (CEC-RPS-1B) forms are revised to conform to the body of text in the Guidebook:

CEC-RPS-1A has been reformatted and divided into seven forms as follows:

CEC-RPS-1A—Main application form for RPS Certification
CEC-RPS-1A:S1—Certification Supplement 1 – Biodiesel
CEC-RPS-1A:S2—Certification Supplement 2 – Biomass
CEC-RPS-1A:S3—Certification Supplement 3 – Small Hydroelectric
CEC-RPS-1A:S4—Certification Supplement 4 – Municipal Solid Waste
CEC-RPS-1A:S5—Certification Supplement 5 – Repowered Facilities
CEC-RPS-1A:S6—Certification Supplement 6 – Out-of-State Facilities

CEC-RPS-1B has been reformatted and divided into seven forms as follows:

CEC-RPS-1B—Main application form for RPS Pre-Certification
CEC-RPS-1B:S1—Pre-Certification Supplement 1 – Biodiesel
CEC-RPS-1B:S2—Pre-Certification Supplement 2 – Biomass
CEC-RPS-1B:S3—Pre-Certification Supplement 3 – Small Hydroelectric
CEC-RPS-1B:S4—Pre-Certification Supplement 4 – Municipal Solid Waste
CEC-RPS-1B:S5—Pre-Certification Supplement 5 – Repowered Facilities
CEC-RPS-1B:S6—Pre-Certification Supplement 6 – Out-of-State Facilities

NEW RENEWABLE FACILITIES GUIDEBOOK

CEC-SEP-4 (SELLER)—SEP APPLICATION

Page A-16 is revised as follows:

[8] c) Identify the levelized supplemental energy payment REQUESTED to be paid per kWh over the 10 year payout period (ϕ /kWh):

SEP APPLICATION INSTRUCTIONS

Page A-20 is revised as follows:

[8] c) Identify the levelized supplemental energy payment REQUESTED (ϕ /kWh). This is the amount you want paid per eligible kWh generated over the 10 year SEP payment period.

EXISTING RENEWABLE FACILITIES GUIDEBOOK

III – OVERVIEW

E. Determination of Facility Funding, Target Prices, and Caps

Page 8, following final bullet at bottom of page, is revised to add the following:

The Energy Commission will consider applications to hold the above required information confidential under its regulations for confidential designation, California Code of Regulations, Title 20, Section 2501, et seq. Applicants seeking confidential designation should send their application for funding eligibility and supporting documentation, along with an application for confidentiality, to the Executive Director at the following:

Executive Director
California Energy Commission
1516 Ninth Street, MS-39
Sacramento, CA 95814

IV - APPLICATION PROCESS

A. Required Forms

Page 12, paragraph 3, is revised as follows:

Facilities must apply for ERFPP eligibility to be evaluated and determined eligible for program funding. To apply, facilities must complete an Application for ERFPP Funding Eligibility form (CEC-1250E-1). Applicants for biomass facilities must also submit the Biomass ~~Fuels~~ and Fossil Fuels Usage Report for Biomass Facilities (CEC-1250E-4) in order to provide fossil fuel use information, be an RPS certified facility, and submit necessary supporting documentation.

C. Updating Eligibility Forms

Page 17, paragraph 1, sentence 1, is revised as follows:

All applicants will be required to resubmit the application form (CEC-1250E-1) and to complete the Biomass ~~Fuel~~ and Fossil Fuel Usage Report for Biomass Facilities form (CEC-1250E-4) by January 31st of each year.

V - INCENTIVE PAYMENT PROCESS

C. Withholding Payments

Page 20, paragraph 3, sentence 1, is revised as follows:

Applicants are required to provide fossil fuel and biomass fuel usage for the previous calendar year in the Biomass ~~Fuel~~ and Fossil Fuel Usage Report for Biomass Facilities (CEC-1250E-4), which is due by January 31st of each calendar year.