

BEFORE THE
CALIFORNIA ENERGY COMMISSION

In the Matter of,)
) Docket No. 11-RPS-01
Staff Workshop on the)
Proposed Guidebook Revisions) Docket No. 02-REN-1038

**Staff Workshop on the Proposed Changes to the
Renewables Portfolio Standard Eligibility Guidebook
and the Overall Program Guidebook**

CALIFORNIA ENERGY COMMISSION

HEARING ROOM A

1516 NINTH STREET

SACRAMENTO, CALIFORNIA

FRIDAY, OCTOBER 21, 2011

9:03 A.M.

Reported by:
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Commission Staff Present:

Gina Barkalow
Mark Kootstra
Kate Zocchetti
Rod Ogelsby
Gabe Herrera

Also Present (*on phone/WebEx):

Randy Howard, Los Angeles Department of Water and Power
Ira Pearl, Renewco
Jim Harlan, Rockland Capital
Sara Birmingham, The Solar Alliance
Gregory A. Reichert, URS Corporation (on behalf of Friant
Power Authority)
Bruno Jeider, Burbank Water & Power
Rosalie Mulé, Waste Management
Peter Weiner, Paul Hastings LLP (on behalf of BrightSource
Energy and Abengoa Solar)
Susie Berlin, Northern California Power Agency
Susan Patterson, Gas Technology Institute
Gurchuran Bawa, Pasadena Water & Power
Kurt Grossman, Genergy, LLC.
Jeremy Weinstein, PacifiCorp
Jedidiah Gibson, PacifiCorp
Chuck Helget, Republic Services
Tim Tutt, Sacramento Municipal Utility District -
David Branchcomb, Sierra Pacific Industries
Lily Mitchell, Southern California Public Power Authority
Mandip Samra, Anaheim Public Utilities
James Hendry, San Francisco PUC
*Arthur Haubenstock, BrightSource Energy, Inc
*Jason Makansi, Coalition to Advance Renewable Energy
through Bulk Storage
*Linda Watts, San Diego Gas & Electric
*David Mauney, Sustainable Energy Solutions

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P R O C E E D I N G S

OCTOBER 21, 2011 9:03 a.m.

MS. ZOCCHETTI: So we'll get started in just a moment, everyone.

Good morning. I'm Kate Zocchetti. I am the Supervisor of the Renewables Portfolio Standard Program here at the Energy Commission. I want to thank you all for attending this morning at this early for me hour. I'm not a morning person but I see that most of you are so thank you for coming.

I want to put out a couple of things about the handouts. We have handouts on the table when you come in. The date is not today's date; sorry, we didn't catch that error. Also, to format for our computer down here we had to adjust a couple of the pages about in the middle of the presentation. So as you're going along with us your handouts won't exactly jive with the presentation here. It doesn't mean that you have the wrong version. We just had to insert a couple of additional slides to accommodate all the great information we're going to give you today.

Before I get started I'd like to point out a couple of my staff. Teresa Daniels here, if you raise your hand. She's going to be collecting the blue cards. We're going to have a comment period towards the end and in a couple of places. So either Teresa or Lorraine, good

1 timing, will be collecting those cards. Also, there's a
2 little box in the entry way there for you to put them in
3 if staff isn't available for that. So that's how you get
4 to kind of raise your hand and ask a question or make a
5 comment.

6 This is our agenda. I'll go over some
7 housekeeping rules and then we'll have a staff
8 presentation on staff's proposed changes to the Renewables
9 Portfolio Standard Eligibility Guidebook and the Overall
10 Program Guidebook for the Renewable Energy Program. We'll
11 take a break and then we'll look at the questions that we
12 put in Attachment B to the Workshop Notice and then we'll
13 take Public Comments.

14 We did not put an end time to the agenda today.
15 If we do happen to get into the lunch hour we'll see what
16 everyone's needs are. If there are flights and so forth.
17 If you do have an early flight or you have other
18 commitments that you would like to speak before others
19 please let us know and we'll try to accommodate you.

20 Restrooms are located on this floor right out
21 the main doors there and to your left. We have a snack
22 bar on the second floor up the main concrete stairs. They
23 have food, coffee, water. If, in the event of any
24 emergency, we'd like you to follow staff out of the
25 building and we'll be meeting across the street at

1 Roosevelt Park where we would meet until we have the all
2 clear sign. We just had a drill so if we hear emergency
3 sirens it's probably the real thing.

4 We have WebEx going today for those of you who
5 are not in the room today. How you can use that is that
6 you can see our slides, you can raise your hand to ask a
7 question. Brian here is hosting the WebEx and you can
8 also chat to the WebEx host. If you are on WebEx you are
9 muted. You can be unmuted. We will unmute you during the
10 question/answer session. Login details -- if you are on
11 the phone only and want to get into WebEx, please refer to
12 page four of the Workshop Notice.

13 We mentioned the blue cards. Before speaking we
14 have a Court Reporter here who is going to be transcribing
15 today and we'd like you to give him a business card so
16 that he spells your name correctly and knows what
17 organization you represent. Please step up to the podium
18 there before you comment.

19 We'd like to take comments in the following
20 order: the audience that's here at the Energy Commission
21 first, followed by WebEx participants and then phone-in
22 participants.

23 So as I mentioned today we are seeking your
24 input on staff's proposed revisions to the two guidebooks.
25 We update these guidebooks not on a regular schedule but

1 in response to changes in statute, some of the changes
2 that the CPUC puts forward in their decisions that affect
3 RPS eligibility. As most of you know the Energy
4 Commission implements the RPS in California in
5 collaboration with the CPUC.

6 We do also incorporate changes in response to
7 lessons learned as we administer the program. So we kind
8 of save those all up, sections in the guidebook that
9 perhaps aren't clear that we get a lot of questions on or
10 things that our staff feel should be elaborated on and
11 whatnot. We save those up and when we make the other
12 major changes we do those as well.

13 So that's why you'll see a lot of little typos
14 getting fixed and little editorial things as well. We
15 want to show you every single change we make to the
16 guidebook and we try to show that in our underline
17 strikeout in the draft version.

18 We are also seeking your input on three topics
19 that may get incorporated into the final draft of the
20 guidebooks. Those questions we will address at the end
21 and those are in Attachment B to the Workshop Notice.

22 So I'd like to go over some of the legislation
23 that has affected RPS eligibility that is reflected in our
24 proposed changes.

25 Assembling Bill 920 was enacted in 2009. That

1 requires the electric utilities to develop a standard
2 contract or tariff eligible wind and solar generators up
3 to one megawatt. This provides for surplus net metering
4 for electricity in excess of the onsite load based on a 12
5 month period. And then the utility can count this surplus
6 generation towards its RPS obligation.

7 Senate Bill 32 expands the already in place
8 feed-in tariff from the 1.5 MW to the 3 MW in size. It
9 raises the statewide cap for all of the utilities from 500
10 MW to 750 MW. It also expands to include the POUs, the
11 publicly owned electric utilities. We'll use a lot of
12 acronyms today. And the CPUC is implementing a proceeding
13 on this as most of you know and that is moving forward and
14 we will be updating the guidebook as that process unfolds.

15 Assembly Bill 1954 was signed into law last
16 year. It directs the Energy Commission to revise our de
17 minimis quantity of nonrenewable fuels that can be used at
18 a multi-fuel facility so that it is no more than 2
19 percent, and 2 percent is what has historically been set
20 as the de minimis amount of nonrenewable fuels that still
21 allows 100 percent of the output to be counted as RPS
22 eligible. But AB 1954 allows the Energy Commission to
23 raise the de minimis quantity to 5 percent if certain
24 conditions are satisfied. We'll be going into that in
25 more detail a little bit later.

1 And then probably the reason that a lot of you
2 are here, Senate Bill X1-2 which was signed by Governor
3 Brown this year and which will actually not go into effect
4 until about a month and a half from now. That increases
5 the RPS obligation from the 20 percent now to the 33
6 percent by 2020. It also expands the requirements to
7 include POUs. It revises the responsibilities of the CPUC
8 regarding retail sellers so they're undergoing a lot of
9 changes to their rules to—for their oversight of the
10 retail sellers whereas the Energy Commission is starting a
11 process for developing regulations for oversight over the
12 POUs in terms of the enforcement. It also adds language
13 to how the CPUC should determine the renewable feed-in
14 tariff price that we just mentioned.

15 So I'm not going to read all of these but slide
16 12 here just kind of shows a list of all the categories in
17 the guidebook so that you can kind of focus in on your
18 areas of interest if you haven't had a chance to read the
19 proposed changes. These are the major topics that have
20 been affected by this draft revision.

21 I'd like to invite Mark Koostra on my staff who
22 many of you have met and have talked with on the phone.
23 He, along with Brian, works a lot on the eligibility
24 requirements and processing applications for eligibility.
25 Mark is going to go over the proposed changes.

1 MR. OGELSBY: Kate, before you do that you may
2 want to introduce the panel so that the folks that are
3 attending and online will know who's present.

4 MS. ZOCCHETTI: Sorry. Absolutely.

5 MR. OGELSBY: I'll start by introducing myself.

6 MS. ZOCCHETTI: Thank you.

7 MR. OGELSBY: I'm Rob Ogelsby. I know many of
8 you already. I'm the Executive Director here at the
9 Energy Commission. I don't attend many of these workshops
10 but I am attending this one because of the importance of
11 the subject. And I wanted to be sure that I was available
12 to hear your comments directly. So why don't we go down
13 the table?

14 MS. BARKALOW: Hi. I'm Gina Barkalow and I am
15 the lead for the Procurement Verification for the RPS
16 Program.

17 MR. HERRERA: Good morning. I am Gabe Herrera
18 with the Energy Commission's Legal Office. I advise the
19 Commission on RPS and renewable energy matters.

20 MR. KOOSTRA: And I'm Mark Koostra. I'm sure
21 that I've talked with a lot of you, I don't recognize a
22 lot of you because most of our conversations are on the
23 phone. It's good to see a lot of you here.

24 So I'm going to go through primarily the
25 Eligibility section of the RPS guidebook. Gina is going

1 to present the Verification section because we both kind
2 of work on those separate sections.

3 So the first, some of the changes that have
4 happened in the Introductory section of the guidebook.
5 We're still retaining the legislation that is being
6 implemented in this guidebook which is what Kate just
7 talked about and any other legislation that has been
8 recently adopted. In this case, there's not a lot of
9 that. We're going to be incorporating that into this
10 guidebook but the legislation history, that long list of
11 bills that have happened, that have impacted the RPS over
12 time, is going to be moved to an Appendix. Most of that
13 information is still going to be exactly the same. We
14 just feel that it streamlines the process and allows you
15 to find what you're looking for if, you need to look at
16 the history, a little easier.

17 We also updated the guidebooks and Regulations
18 section or related guidebooks and Regulation section to
19 include the Power Source Disclosure Program which has a
20 lot of similar aspects. If, I believe that this is
21 correct, that it's been revised to align more with the RPS
22 definitions as well as the POUs regulations are being
23 listed there just referenced.

24 The Outstanding Issues section has seen some
25 significant changes. First is the removal of the TRECs

1 section there and the Renewable Customer-side Distributed
2 Generation section. This information has been
3 incorporated into the guidebook body as a whole and at
4 this point staff would like to believe that at least it's
5 a resolved issue to be discussed in the guidebook context
6 as opposed to a future issue to be resolved.

7 Other issues here - we expanded the discussion
8 of electricity storage. This is a realization that there
9 are a lot of issues that still needs to be resolved before
10 RPS electricity can be successfully stored in facilities
11 before than being re-exported to the grid. With this and
12 all cases for storage only the electricity that enters the
13 facility that is RPS eligible is allowed to count
14 percentage wise and coming out of that facility only the
15 electricity that is produced from the storage facility
16 would then be able to count toward RPS. So there's going
17 to be an inherent loss in all cases of RECs but given the
18 setup it may be worth it for people to store electricity
19 that way.

20 The 33 percent implementation is also more
21 thoroughly discussed. It went from being a theoretical or
22 hoping something happens or the 33 percent regs from the
23 ARB to we have a law now. So a lot of that information is
24 included here and I believe that this is also where we
25 note that we tried to include as much as possible in the

1 guidebook as actual eligibility issues but, to be honest,
2 we cherry picked the easy stuff that's been clear and
3 stuff that doesn't need to have CPUC decisions or need to
4 go through the POU process with the Energy Commission.

5 As you go through this guidebook there's a lot
6 of reorganization that occurred. You'll notice that the
7 Additional Information section was deleted out of the
8 Certification section and that information has been
9 incorporated in the Eligibility section so that when you
10 look at hydro, for example, or MWS all that information is
11 there. You don't have to look through multiple parts,
12 especially for out of this state this should hopefully
13 clarify things and make sure people don't miss important
14 aspects when they're going through the guidebook.

15 The Renewables Portfolio Standard Targets are
16 listed here. We listed this only for information
17 purposes. We do not implement these targets in the RPS
18 guidebook portion of the program. For POUs we'll do that
19 through the regs but we do not want to supersede regs or
20 the POU process. This is just informational purposes so
21 you can get everything you need in one spot.

22 We also updated Table 1: Summary of
23 Requirements. Some of those changes there, especially
24 changes to forms, I'll go over later. It shouldn't be
25 anything too big or surprising especially if you'd read

1 the rest of the guidebook.

2 Biogas. As you know, we had a workshop on
3 September 20. We have not yet incorporated any changes,
4 if any changes will be made, as a result of that workshop.
5 We thank you very much for all the comments that have been
6 presented. In accordance with that we just need more time
7 to look at that and we wanted to be able to get this
8 guidebook workshop off the ground to talk about the other
9 issues. We did make some changes to this section as a
10 whole.

11 Not so much the biomethane section. We did make
12 some minor changes there to be in alignment with the
13 guidebook such as the changes in the forms. But biogas as
14 a whole. We just really the main change was removing a
15 duplicate of information concerning the fossil fuel
16 measurement methodology and we targeted you to look at the
17 actual Multi-fuel Methodology section of the guidebook so
18 that we don't have the possibility of duplicative
19 information that counteracts or confuses anyone.

20 Changes to hydroelectric. The biggest one that
21 you'll note is the change to allow small hydro to be up to
22 40 MW. Staff looked at the law and we're approaching it
23 as desiring 40 MW cap to be allowable for some POUs. The
24 first facilities serving POUs were welcomed to have
25 comments on that and these conditions are laid out there.

1 Again, as I said earlier, we also moved the
2 additional information section here and we also clarified,
3 and I think we did this in other areas as well, that the
4 POUs – or that the precertification applications must
5 include all of the information that we’re requiring there.
6 If not – if facilities don’t have that information
7 available such as licenses or permits or online dates
8 because the facility is not yet online, we expect that
9 you’re able to provide us with an estimate for when that
10 will be provided and information on what you expect to
11 come out of those processes.

12 Municipal solid waste. We didn’t make a lot of
13 changes here, just some coordinating changes with the rest
14 of the guidebook. This along with the Biomethane section
15 has been grayed out. We’re looking at potential changes
16 to that section but we don’t have a draft language to
17 present to you at this time.

18 Distributed generation. As a lot of you may
19 notice, we’ve removed this section from the eligibility.
20 It’s been incorporated – a lot of the information in here
21 has been incorporated into the unbundled REC section.
22 Given the way that we’re treating DG, especially customer-
23 sided DG, it’s more appropriate to put it in the unbundled
24 REC section and there’s no need to duplicate that
25 information multiple times.

1 Multi-fuel facilities. This section saw some
2 major recognition. It used to start off talking about all
3 the possibilities for de minimis or fossil fuel allowances
4 which allow you to count 100 percent of that electricity
5 at that facility as renewable. Since most of these are no
6 longer valid that's been moved to the bottom and we're
7 focusing now on methodology to measure that fossil fuel
8 and to calculate that use because really that's the most
9 important - is how you're doing it.

10 After that we looked at the AB 1954 requirements
11 to allow you to have de minimis at the 2 percent and then
12 potentially up to 5 percent. I would like to point out
13 that we added some language about WREGIS and how there's
14 potential for WREGIS to allow different methodology than
15 what we're requiring. In all cases you need to be
16 focusing on the stringent of the two. Obviously in order
17 to be in WREGIS you need to follow their rules and in
18 order to be with us you need to follow our rules. So in
19 the event, and we're hoping that this doesn't really
20 happen, in the event that WREGIS is allowing something
21 different in this category than what we allow you need to
22 be sure that you're meeting the more stringent of the
23 standards and you need to have some way of assuring us
24 that you're not counting or allowing to count, or trying
25 to, nonrenewable fuel that is not eligible per the Energy

1 Commission's rules even though WREGIS will track it as a
2 renewable fuel.

3 AB 1954, as I've said before, it sets us, it
4 caps us, at our ability to set a de minimis at 2 percent
5 and allows us to move up to 5 if certain conditions can be
6 met and the facility can demonstrate these conditions.

7 These are the following conditions, I think
8 they're taken very straight from the law for the most
9 part:

10 The first is that it needs to lead to an
11 increase in generation from that facility that is
12 significantly greater than generation that will result in
13 the fossil fuel use alone. So if you're trying to argue
14 that going from 2 to 5 percent is great because it allows
15 you to get 1 more MWH out of a 300 MW facility, that's
16 probably not going to meet that definition but we are
17 requesting information in Appendix B specifically on the
18 definition of significant because we do not have one at
19 this time.

20 One of the other requirements is that the
21 facility has to reduce variability – or the extra fossil
22 fuel must reduce the facility's variability in electrical
23 output in a manner that results in a net environmental
24 benefits to the state.

25 The last has to be either natural gas or

1 hydrogen from the reformation of a fossil fuel.

2 Again, we're seeking public input in Attachment
3 B on this and we do have listed in the guidebook the old
4 requirements or the abilities to use higher amounts of
5 fossil fuel. If you're currently certified using more
6 than the de minimis rules would allow you, you will
7 continue to have that treatment going forward unless a
8 significant change happens in your operations. For the
9 most part the significant change, let's say you're an
10 existing QF allowed to burn up to 25 percent. A
11 significant change would be you're burning more than 25
12 percent. You're going to need to come to us and reapply
13 and notify us. That's the same with any kind of fossil
14 fuel changes. If you're a biomass plant that uses 10
15 percent fossil fuel doesn't apply for any de minimis
16 treatment or allowing any of the nonrenewables to count as
17 eligible, a small change of 2 to 5 percent, you don't need
18 to necessarily come talk to us but if you're changing it
19 to 30 or 40 percent. For your own benefit, you're going
20 to want to tell us. It makes our life easier and yours
21 when we go through the verification process if we have any
22 questions.

23 On the reverse side of that, if you're burning
24 24.9 percent fossil fuel and you move to 25.1, you're
25 going to want to let us know even though that's very

1 small. If you're an existing QF because that's a
2 significant change and really, for most thing, it's better
3 if we know it early and if we have - any information that
4 we have should be as accurate as possible. If, in the
5 event of an audit, if we find even little things that's a
6 trigger that we need to be digging deeper because you'
7 haven't been as forthright as we expect in a self-
8 certification process.

9 The Repower Facility section has been moved.
10 Again, from the Certification section into Eligibility.
11 We haven't made a lot of changes here. We are requesting
12 public input in Attachment B. We did propose a couple of
13 changes in the definition of the prime generation
14 equipment, specifically the solar thermal we added to the
15 entire steam turbine, the steam boiler. The solar thermal
16 boiler is part of the prime generation equipment and for
17 hydroelectric we removed the structure supporting the
18 turbine. Hopefully that gives more clarity. We've had
19 some problems trying to interpret what that means. Some
20 people have argued that's just what's physically holding
21 the turbine directly but you can interpret it to mean that
22 the entire dam has to be replaced and I don't believe that
23 was anyone's intention at the time.

24 Out-of-state facilities. This is another
25 section that has been impacted by SB X1-2. It's changed

1 the requirements for what it has called to be an in-state
2 facility. Previously and under the current guidebook, in-
3 state facility is one that is physically located inside of
4 California or its first point of WECC interconnection is
5 within the state. SB X1-2 changes that to the facility
6 must be first interconnected to a California balancing
7 authority. A California balancing authority is explained
8 in more detail in the guidebook but I believe there's only
9 five of those currently and, unfortunately, for a lot
10 people, PacifiCorp not one of them, that would be a big
11 benefit for making stuff in-state.

12 Out-of-state facilities, the first point of
13 interconnection if it's within the WECC but outside of the
14 state, they have additional rules that they need to meet:

15 One, they have to come online after January 1,
16 2005.

17 Cannot cause or contribute to a violation of a
18 California's environmental standards. This is not that it
19 must meet California's environmental standards but it is
20 not causing or contributing to a violation in California.

21 Participates in WREGIS.

22 Slightly different. Out-of-country facilities
23 have to prove that they're as protective as the
24 environment as a facility built in California. Out-of-
25 states do not.

1 The facilities have to participate in WREGIS.
2 That's the case for all facilities. So that shouldn't be
3 any kind of surprise.

4 And it has to be, if it's outside the state,
5 operated in a manner that's as protective of the
6 environment.

7 Some other additional changes that have
8 happened. Excuse me. Is that the baseline allowance for
9 facilities serving POU's or retail sellers as of the
10 baseline year that has been removed from the law. So we
11 are no longer able to certify facilities as part of the
12 baseline once this law and guidebook go into effect but
13 they did make some changes to allow that electricity, if
14 it was procured by a retailer seller POU as of January 1,
15 2010 is still able to be certified if it came online
16 before January 1, 2005.

17 The allowance for the electricity would be from
18 incremental generation from project expansion is still
19 there so it's still an option but that it not the entire
20 output of the facility.

21 We also revised the section more clearly to
22 state the exceptions for facilities serving POU's,
23 multijurisdictional utilities and the out-of-state in
24 general.

25 If, just so everyone is clear, if you were

1 certified as part of the baseline previously you will
2 still be certified. That's not something that we're going
3 to retroactively go back and change, just in case anyone
4 has questions on that.

5 More information on out-of-state. There are
6 quite a few changes. All the additional information is
7 now in this section. There weren't a lot of changes to
8 that but you should be aware that it's been moved. And
9 the out-of-country information has been changed. The law
10 now requires that facilities, not just classified as out-
11 of-country for our program but physically located out-of-
12 country, must prove that they are as protective of the
13 environment as facilities built in California. For
14 facilities in Canada, this isn't a problem. This is stuff
15 they've already been doing. This may become an issue for
16 facilities built in Mexico that have an interconnection to
17 a California balancing authority. Previously those have
18 been considered in-state and have not needed to meet this
19 requirement. Going forward they will need to meet this
20 requirement. Because of this change facilities that are
21 located in another country but can be treated as in-state
22 facilities will not have to meet the LORS information of
23 the out-of-state information even though they'll have to
24 meet the out-of-country information.

25 The energy delivery requirements with the

1 passing of SB XI-2. The Energy Commission no longer is
2 required to verify delivery of energy into the state.
3 This is something that the CPUC is going to handle for the
4 retail sellers and the Energy Commission will still likely
5 handle for the POUs but how that's going to work is still
6 be to be determined and will be done so in the respective
7 regulation processes. It may come about that some of this
8 information, the way we've collected it in the past, is
9 required again going forward so don't automatically drop
10 out of everything in WREGIS that allows you to track this.
11 But we are not requiring it for eligibility going forward.
12 We will not be verifying it in the verification process at
13 this time.

14 Unbundled Renewable Energy Credits. So in this
15 section this lumps together the DG section previously as
16 well as the Tradable REC section. A lot of the
17 information here is just information on the history of the
18 TREC decision process at the CPUC as well as the adoption
19 of law allowing for tradable RECs, slightly different than
20 how the CPUC allows it.

21 In this section we do state that customer-sided
22 DG facilities can become RPS eligible even if they are not
23 allowed to sell a bundled product. So we will no longer
24 be using whether or not you collected funds from a
25 ratepayer funded program to build this facility in this

1 certification process. We will still collect us because
2 it provides us with valuable information as to whether or
3 not you meet the requirements of that program. That makes
4 life easier on our RPS certification side but it is not
5 going to be something that bars you from participating in
6 the RPS program.

7 I would like to point out that all facilities if
8 they are planning to participate in the RPS must
9 participate in WREGIS and they must have an independently-
10 verified electricity meter with an accuracy rating of
11 percent or better. And they must – Only generation
12 occurring after the certification's "beginning on date"
13 will be considered eligible. And I'll go into what I mean
14 by "beginning on date" in a few more slides.

15 Certification Process apparently was the next
16 slide. So the "beginning on date" for the most part in
17 the past what this has meant is the date that we receive
18 your RPS precertification or certification application we
19 date stamp it. From that day forward, as long as the
20 facility receives RPS certification, any generation from
21 that date forward will be considered RPS eligible if it
22 meets all of the requirements at the time. So long as
23 that facility does become finally certified.

24 In the event that between the submission of that
25 first application and the certification of that facility,

1 the facility is disapproved for precertification or
2 certification or rejected or any of this type of things
3 happens, that eligibility date will be reset. So if you
4 lose your certification for whatever reason, any
5 generation from the day you lose that and the effected
6 date of that loss of eligibility to when you apply again
7 is lost.

8 You must participate in WREGIS. That's kind of
9 a given.

10 Sorry. I want to go back to the "beginning on
11 date." For aggregated facilities, so for these DG folks,
12 we're requiring aggregation. I'll go into a little more
13 on that. The "beginning on date" for that is going to
14 correspond with the date that the aggregated group applies
15 for certification and that facility has applied for
16 certification as part of that group. So if a DG facility
17 applies as part of an aggregated group in 2011, later
18 drops out of that group in 2012 and in 2013 joins another
19 group, any generation between when it dropped out of that
20 other group and when it started in the new group is going
21 to be lost. Because the facility was not certified as
22 California RPS eligible.

23 WREGIS is required. We added this requirement
24 in there that the WREGIS GU ID for all facilities must be
25 reported to Energy Commission staff by July 1, 2012. In

1 most every case, a facility that's applying for
2 certification now must have that WREGIS GU ID in order to
3 become certified. This is mainly for those facilities
4 that have been certified for years but still have not
5 provided us with the WREGIS GU ID. We want that
6 information to make our verification process easier and it
7 also allows us to submit to WREGIS information saying that
8 RECs produced by this facility are RPS eligible. Again,
9 that is not saying that every REC in that facility is
10 eligible. It's just an indication to help out the final
11 word on whether or not a REC is eligible is our
12 verification process not what WREGIS RECs say.

13 We also included information on the POU grace
14 period. This is to allow for facilities that have been
15 serving POUs for long periods of time but have not yet
16 applied for certification. If they apply by the time
17 specified in the guidebook, and I believe it's July 1,
18 2012, they can have eligibility going back all the way to
19 January 1, 2011 to align with the requirements and law
20 that you start serving your retail load with RPS eligible
21 electricity. This eligibility extension would only work
22 for POUs. It would not - if you meet these requirements,
23 you get certified and the eligibility date applies back to
24 there. For the POUs it doesn't apply for retail sellers
25 so if you're able to get certified tomorrow but PG&E wants

1 to buy you back to 2011 they can't, SMUD however could.

2 Certification and Precertification Types. So
3 this is some more changes that we've had there. We've
4 tried to make it clear so that everybody understands what
5 kind of certification they should be applying for but
6 given their facility and what that means.

7 Individual facility applications. This is
8 really what we've been doing now for the most part. If
9 the facility is applying for certification or an applicant
10 on its behalf and that application applies only to that
11 facility and only that facility is considered when
12 applying – or when determining whether or not that
13 facility is eligible.

14 Aggregated Facilities. This is primarily and
15 solely for small wind and solar PV facilities. And I
16 believe we put some caps on if you've received ratepayer
17 funds. That if you're below 20 kW in size you must apply
18 as part of an aggregated group and if you're participating
19 in AB 920 that cap is increased to 50 kW. This is to help
20 us accommodate the influx that we believe will happen with
21 these applications. It is our understanding that there's
22 somewhere between 50-70 or 80,000 DG facilities in the
23 state that may become eligible with these changes to the
24 guidebook. Just to give you a ballpark we currently have
25 about 1,700 facilities that have applied into the RPS

1 program so we're trying to streamline this so we don't'
2 have further delays. As most of you are probably aware
3 right now, the certification process takes a lot longer
4 than we'd like. We don't want to make that even worse.

5 Facilities Serving Multijurisdictional
6 Utilities. This is something that is currently going on.
7 This is very similar to the individual facilities but
8 there are some differences that are allowed for the
9 multijurisdictional facilities. This is really PacifiCorp
10 and the corporation that took over California's part of -
11 Sierra Pacific, I think. I apologize. I don't know that
12 name of that corporation offhand. Essentially it allows
13 you to have some leeway about the online date and the out-
14 of-state requirements. More information is in the
15 guidebook.

16 Facilities Serving POU's. In the past we allowed
17 POU's - or facilities serving POU's to apply for RPS
18 precertification even though they're online if they -
19 actually, sorry. This is part of the old precertification
20 certification. But we allowed them to apply for
21 precertification, get a special suffix indicating that we
22 believe they would be eligible if they were serving an
23 IOU. This is to make life easier on them. Let them know
24 that because of changes in the law we're allowed to
25 certify you but the guidebook hasn't been changed yet.

1 This bullet point for facilities serving POUs,
2 we are allowing for a mass certification form for
3 facilities serving POUs. This is restricted to facilities
4 that do not have supplemental information requirements.
5 This throws out hydroelectric facilities, out-of-state
6 facilities, biomass facilities. It's really restricted to
7 in-state geothermal, wind and solar that aren't using
8 multiple resources. This is just to make life easier for
9 everyone. It's going to be very similar to the RPS 2 form
10 where we collect all - the RPS 2 form was a mass form we
11 used several years ago for the IOUs. It's going to
12 collect all the same information that we require for
13 individual facilities. It's just going to be essentially
14 an Excel spreadsheet where you can list 50, 100 or however
15 many are necessary to make life quicker and easier
16 hopefully for everyone and get the POUs caught up with
17 certification.

18 The other old certification that we have is the
19 RPS 2 form for IOUs. This again is no longer being
20 offered as it wasn't in the last guidebook.

21 The application process. We've also outlined
22 how we treat the applications and what needs to go on
23 throughout the entire process. I still get a number of
24 questions on this so we felt like it was worthwhile to
25 outline this more clearly, to be sure that everybody knows

1 what's going on and also when you have questions about
2 what happens in the application process you're able to see
3 it in the guidebook and see it in writing so that we have
4 a planned outline.

5 Initially you need to complete the RPS
6 applications, that should be a given. Any information on
7 the application that is not specifically stated as not
8 required is considered required. And we're going to be
9 better about that in the applications and notifying you if
10 something is application or if it's just beneficial
11 information. There's not a lot of that right now. It's
12 primarily facility identification numbers but just so
13 you're aware. We're going to have more information on
14 that.

15 Submission requirements. We require the
16 hardcopy of that application with original signatures to
17 be mailed to us and an electronic copy in Excel format.
18 So we do not want the scanned, signed PDF of the
19 application. If you want to send that to us, great.
20 Anymore information that I can get I enjoy having but I
21 really want the electronic copy. This will allow us to
22 upload that information instead of having to data entry it
23 by hand and hopefully again speed up the process.

24 The application review. So, as I've talked
25 about before, when we receive that first application we

1 give it a "beginning on date", we typically will evaluate
2 facilities in the order they are received. If we have a
3 lot of clarifying things that need to go through,
4 sometimes that will bump you back in the queue but we try
5 not to make that too significant.

6 Facilities, once they're awarded an RPS, they
7 will receive - they will retain that ID. For individual
8 facilities or any utility-scale facilities, aggregated
9 facilities there's a potential for a change in RPS ID if
10 you're changing what aggregated group you're in but that's
11 not something that will hopefully happen on a huge scale
12 but you'll be notified.

13 I would like to point out too, now that I think
14 about it, with the forms for aggregated facilities. In
15 order to keep things straight, any facility that's ever
16 been part of the aggregated facility will stay on that
17 application at all times. Even if it's no longer a part
18 of it. There will be a place to indicate that it's not a
19 part. You will be able to see the applications before we
20 adopt the guidebook. We just haven't had a chance to
21 finalize them to the point where we're comfortable with
22 it. There will also be more detailed instructions to help
23 ease the process.

24 The notification / final determination. So once
25 we've gone through that whole review process. We've

1 reviewed the application, it's gotten its signature.
2 We'll send a certificate to the applicant listed on the
3 application and also the facility owner. This is
4 something that we want to be sure that the facility owner
5 knows that they're RPS certified and that they know that
6 they information that's been provided about their
7 facility. So if there's any errors they can notify us.

8 Most of you have probably seen an RPS
9 certificate. These certificates are going to be updated
10 to include more information to be a lot more information
11 instead of just saying it's eligible as of this date.
12 It'll give you more information. Perhaps if there's a
13 fuel source that's listed in the application that
14 specifically will be listed on the certificate to make
15 sure that everything's a lot clearer and to help ease the
16 process of checking if someone has questions about the
17 facility.

18 For amending certifications or
19 precertifications, in all cases, amending the
20 certification or precertification you just need to
21 resubmit the form.

22 We've changed the forms a bit. We've actually
23 eliminated the 1A and the 1B forms and we've made it into
24 a 1 form so both certification and precertification take
25 place on the same form to hopefully make life easier and

1 you'll have a stored copy of the precertification file
2 that you can use again later. But really there's just a
3 checkbox that says "Amended" you fill out and give us all
4 this information. In the case where substantial changes
5 have happened at this facility, you've had large changes
6 in the fuel consumption or if it's a precertification and
7 you've changed from a solar thermal to a solar PV or some
8 other changes like that. We will, likely, have to apply
9 the guidebook – we will have to apply the guidebook that
10 is applicable at the time of the new submission to make
11 life easier. It's a full submission. In the event, too,
12 that anyone – that everyone listed on that application as
13 an eligible person to make changes, if all of those are
14 gone or no longer there, you're going to need to give us
15 an amended certification. Just notify us this is why
16 things have changes. We're trying to keep a stronger tie
17 to who has authority to make these changes so that nobody
18 is out there usurping someone else's precertification or
19 certification.

20 With that I'm going to hand it over to Gina to
21 talk about the Verification section.

22 MS. BARKALOW: Hi. I'm Gina Barkalow and I'm
23 the lead for the Verification portion of the RPS program
24 here at the Energy Commission. I'm going to talk to you
25 today about the proposed revisions to this section of the

1 guidebook on RPS Tracking, Reporting and Verification.

2 The guidebook now incorporates portions of SB
3 X1-2, including RPS tracking, reporting and verification
4 for POU's. With the passage of SB X1-2, the Energy
5 Commission is responsible for adopting regulations
6 specifying the enforcement provisions of the 33 percent
7 renewables by 2020 requirement for the publicly owned
8 utilities or the POU's.

9 Another change from SB X1-2 is that the energy
10 delivery, reporting and verification requirements end
11 starting January 2011. So this means that beginning with
12 January 2011 the Energy Commission will no longer verify
13 energy deliveries from out-of-state facilities and, thus,
14 we will no longer require the NERC e-Tag information
15 occurring after December 31, 2010.

16 However, it's worth noting that the NERC e-Tags
17 may be required to verify energy product categories in the
18 future. So the guidebook will be revised as appropriate
19 to incorporate new RPS requirements once they are
20 established at the Energy Commission and CPUC's RPS
21 proceedings for SB X1-2.

22 The guidebook clarifies that although SB X1-2
23 changed annual targets to multi-year compliance periods,
24 retail sellers and POU's will need to submit annually to
25 the Energy Commission on the amount of RPS eligible

1 electricity they procure per month per facility.

2 It recognizes that the Energy Commission will
3 prepare RPS Procurement Verification Reports based on
4 compliance periods and we plan to have one Verification
5 Report for retail sellers and a similar report for POUs.

6 The Verification Process Envisioned Under SB X1-
7 2 would have staff analyzing procurement data for the
8 previous year and work with retail sellers and the POUs to
9 verify procurement claims.

10 We will present verification findings and
11 discuss outstanding issues at a public workshop and we
12 will post findings on the Energy Commission's website.

13 And just as a reminder the Energy Commission
14 does not determine compliance for retail sellers. That's
15 the CPUC that does that. But under SB X1-2 we will do
16 that for POUs.

17 Following each compliance period, we'll combine
18 verification results for intervening years and present
19 results in a Verification Report, one for retail sellers
20 and one for POUs, covering the compliance period.

21 And then for the POUs, based on the Verification
22 Report, staff will determine POU compliance and will
23 produce a POU RPS Compliance Determination Report or
24 something along those lines to submit to the Air Resources
25 Board. This process will be further developed as the

1 regulations for the POUs get developed.

2 SB X1-2 has additional POU requirements. The
3 first one is that the governing board of each POU must
4 adopt a program for RPS enforcement on or before January
5 1, 2012.

6 The next bullets here are taken from the
7 legislation and basically saying that the POUs must
8 publicly notice when they're going to have discussions on
9 their procurement plans and they must notify the Energy
10 Commission of the meeting details.

11 The POUs must provide to the Energy Commission
12 electronic copies of its procurement plans, and other
13 related documents. And we envision establishing a webpage
14 specifically for POUs on our website linking to all of
15 this information.

16 This slide is on the Interim Tracking System for
17 Generation Data Reporting. Although this generation data
18 reporting process is not really changed it now applies to
19 POUs because POUs are allowed to use the interim tracking
20 system through June 2012 to report procurement.

21 So if a POU reports using the interim tracking
22 system - or generators or POUs, if the facility is owned
23 by the POU, must report monthly and annual generation data
24 to the Energy Commission on the CEC-RPS-GEN form by June 1
25 for the entire previous calendar year for which any WREGIS

1 data are unavailable.

2 Energy Commission staff may request that the
3 facility submit additional information showing the amount
4 of energy procured from the facility as an attachment to
5 the RPS-GEN form.

6 When reporting for facilities that they own or
7 certify POU's do not need to file separate RPS-GEN forms to
8 report generation and they do not need to separately
9 provide third party verification of the generation.

10 Test Energy. This has changed in the guidebook.
11 Test energy not in WREGIS is not RPS eligible.

12 The guidebook explains that the WREGIS system
13 will only create RECs for generation associated with the
14 earliest active certificate issuance cycle at the time the
15 facility is approved in the WREGIS system. So this is part
16 of our transitioning from the interim tracking system to
17 the WREGIS.

18 To test energy in this guidebook refers to
19 preproduction electricity generation that occurs during
20 the testing period of a facility before it begins
21 commercial operations.

22 The guidebook clarifies that beginning January
23 1, 2011, test energy not tracked in WREGIS may not be
24 reported using the interim tracking system and it will not
25 be counted toward a retail seller's or POU's RPS

1 procurement obligations.

2 Tradable renewable energy credits for RPS. The
3 guidebook clarifies that TRECs from facilities certified
4 by the Energy Commission as RPS eligible and that are
5 tracked in WREGIS for electricity was generated on or
6 after January 1, 2008, can be procured, traded and used
7 for RPS compliance, but may not be claimed before the 2010
8 compliance year. And this is per CPUC decision.

9 The guidebook clarifies that in order to be
10 considered RPS eligible however the TRECs must be retired
11 within 36 months from the month of generation. That's a
12 requirement from SB X1-2.

13 The way this will work is that the year for
14 which the TRECs are reported is the year for which the
15 TRECs will be counted.

16 Reporting and Due Dates for Retail Sellers.
17 Retail sellers have already reported procumbent for the
18 2010 Compliance Year. This guidebook will allow them to
19 file a supplemental TREC filing in case there are any
20 TRECs they want to claim for 2010.

21 The supplemental filing should be submitted to
22 the Energy Commission within 30 days of the posting of
23 this fifth guidebook.

24 For 2011 and Subsequent Years WREGIS only must
25 be used for procurement reporting.

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And reports will be due June 1, 2012 for the 2011 year and then June 1 every subsequent year.

Reporting and Due Dates for POU's. For 2011 and 2012 the reports are due June 1 for the previous year.

If RPS generation is not tracked in WREGIS, the POU's may use the Interim Tracking System which is the CEC-REO-POU form to report RPS procurement.

And then WREGIS must be used to report procurement after June 2012.

For 2013 and future years WREGIS only may be used to report RPS procurement.

And the annual reports will be due June 1 for the previous year.

For years 2014, 2017, and 2021 by June 1, obligated POU's must submit compliance period report information.

So the reason that these years are a little different is that this represents the end of the compliance period and we will require additional information from the POU's at that time but these details will be worked out as the POU regulations are developed and then incorporated into a later edition of a guidebook.

So Retail Seller Verification Reports. Staff analyzes annual WREGIS compliance report information to

1 determine the eligibility of the procurement claims and
2 that there's no double-counting. The Energy Commission
3 then transmits the final Verification Reports on the
4 retail sellers to the CPUC.

5 For pre-2011 compliance years retail sellers
6 must submit "Verified Compliance Report" to the CPUC
7 within 30 days of the finalization of the verification
8 report.

9 And then the CPUC applies flexible compliance to
10 determine RPS compliance.

11 After 2011 or with the 2011 compliance years
12 there will be compliance periods and the CPUC is
13 developing new compliance rules, including compliance
14 reporting requirements and then excess procurement. So
15 flexible compliance is changing and there will be new
16 rules relating to excess procurement.

17 For POU Verification Reports, as I mentioned,
18 details will be worked out and incorporated into a later
19 edition of this guidebook as the Energy Commission
20 develops regulations specifying the enforcement provisions
21 for POUs.

22 Appendix A. So this isn't really new
23 information either but it might be new for POUs. So for
24 POUs not yet in WREGIS you will need to authorize WREGIS
25 to release your POU RPS compliance information to the

1 Energy Commission. You will also need to coordinate with
2 Qualified Reporting Entities and generators to ensure that
3 generation data is reported to WREGIS and all appropriate
4 California RPS-eligible WREGIS Certificates are
5 transferred to your WREGIS account for each compliance
6 year.

7 Appendix A includes reporting instructions for
8 using WREGIS and it will say that for 2011 reporting
9 entities should create at least two subaccounts if they
10 have procurement from pre-June 1, 2010 contract
11 procurement or post June 1, 2010. So we'd like to at
12 least separate it out by those two different categories as
13 more details and information is known about the different
14 product categories we may include additional subaccounts.
15 And that will be included in a later guidebook.

16 Appendix A provides information about retiring
17 WREGIS Certificates into retirement subaccounts and then
18 how to file a State/Provincial/Voluntary Compliance Report
19 to the Energy Commission as well as submitting a signed
20 WREGIS Attestation. So when you file the
21 State/Provincial/Voluntary Compliance Report it's actually
22 WREGIS that sends us that information but the reporting
23 entities are obligated to send us a signed Attestation for
24 that report.

25 Appendix B will have the following Reporting

1 Forms.

2 That concludes my presentation. Thank you.

3 MS. ZOCCHETTI: So we also have the Overall
4 Program Guidebook which governs the renewable energy
5 program including the Renewables Portfolio Standard.

6 We have revised just a few sections in that
7 guidebook. Most of our changes are in the glossary of
8 terms but we have removed the section that previously
9 allowed the passage of non-substantive changes as what we
10 call them which is really conforming an editorial changes
11 to the overall program guidebook that don't require a full
12 workshop and a process such as this. It would just
13 require going to a Business Meeting with non-substantive
14 changes. We have deleted that section and now all changes
15 to the guidebooks will be determined to be substantive, if
16 you will, and will go through the process similar to what
17 we're doing today.

18 We've also changed the responsibilities from
19 what used to be Energy Commission committees which were
20 committees of two Commissioners overseeing all the
21 programs at the Energy Commission. The Overall Program
22 Guidebook now gives those responsibilities to either the
23 Executive Director or to the Energy Commission, as
24 appropriate throughout the guidebook.

25 We've also proposed changes to the appeals

1 process for disputes and that's under the Energy
2 Commission's regulations for complaints and investigations
3 under Title 20, California Code of Regulations.

4 We have quite a long list of different terms
5 that have been revised. This just gives you a snapshot in
6 case you want to focus in on any specific terms of
7 interest to you. I'll go through the major changes
8 briefly here.

9 We've added some of these new terms are because
10 of terms in SB X1-2: balancing authority area – you can
11 read these for yourself. I won't read them all of these
12 but I just wanted to mostly point out these changes. You
13 can read them in underlined strikeout format in the
14 guidebook. We've slightly revised the definition of
15 biomass.

16 We have added a new term California Balancing
17 Authority. Mark was mentioning that there are a handful
18 of California Balancing Authorities. This applies to the
19 procurement criteria for the procurement content
20 categories and so when we say that it's a California
21 Balancing Authority we're saying that that's a balancing
22 authority that has more than half of its territory within
23 California.

24 We've revised the definition of Central Station
25 Facility, Distributed Generation Facility. These are

1 slight medications. We've added a definition of
2 distribution network. We've added a Localized electricity
3 generation facility. We've modified the definition to a
4 local POU to a multijurisdictional facility to the term
5 procurement and we've added procurement entity. Of course
6 we've revised Renewables Portfolio Standard now to reflect
7 the 33 percent by 2020 goals. We've modified Small
8 hydroelectric in terms of the existing small hydroelectric
9 facilities. This is under SB X1-2 where now a small
10 hydroelectric facility of 40 MWs or less that is operated
11 as part of a water supply or conveyance system can be RPS
12 eligible as long as the retail seller or POU was procuring
13 the electricity as of December 31, 2005.

14 Because of that we've added – we've proposed a
15 definition for water supply or conveyance system so that
16 that helps us define the eligible facilities that fall
17 under that 40 MWs provision.

18 You can, again, read the rest of them. I don't
19 want to read them for you but I'm happy to discuss them.

20 Now we'd like to take comments on any of the
21 proposed changes to both RPS Eligibility Guidebook and the
22 Overall Program Guidebook. We'll take them in the order
23 of the blue cards first. Mark, if you wouldn't mind
24 joining me for questions. Thank you.

25 So, again, as a reminder please hand your blue

1 cards to staff. Are there any here that need to go first?
2 Okay. Another reminder, please give the Court Reporter
3 your business cards. I'd like to call Randy Howard from
4 LADWP to the podium.

5 MR. HOWARD: Good morning. My name is Randy
6 Howard. I'm the Director of Power System Planning and
7 Development for Los Angeles Department of Water and Power.
8 I want to thank the staff for all of their work and effort
9 in working on the guidebook. We have several general
10 comments in three specific areas of concern that we wanted
11 to raise this morning.

12 LADWP has transitioned from approximately 3
13 percent renewables in 2003 to 20 percent renewables in
14 2010. Our priorities really are to protect our ratepayers
15 from the unnecessary rate impacts and to ensure that we
16 have reliable operation as we integrate these renewables
17 going forward. One of our issues, as with many utilities
18 now in California, we do expect minimal load growth
19 through 2020 and so as we add renewables, we're really
20 just straining existing resources and so we take that into
21 consideration as we go forward.

22 We know that the staff has taken comments on
23 biogas but we have several concerns related biogas going
24 forward. LADWP just did groundbreaking on six 100 quick
25 start gas turbines a couple of weeks ago as we expect to

1 invest about \$750 million into new turbines that will help
2 us integrate in additional renewable resources into our
3 system and biogas was a key component as to using these
4 turbines going forward to help balance the baseload
5 requirements with the variables of wind and solar going
6 forward. We have a long history of using biogas, both in
7 landfills within the City of Los Angeles as well as using
8 digester gas at the Hyperion Treatment Plant to generate
9 electricity. We have several contracts feeding into our
10 facilities and we've been in negotiations on other
11 contracts as well as we look at converting our coal
12 resources to natural gas in the future or to alternative
13 resources. We have about 40 percent coal resources in our
14 system and our expectation is to transition those out.

15 Currently, we are one of the largest gas users,
16 end users, in the state of California. We expect that to
17 double in order to transition out of coal. Several of
18 those facilities are located out of state. Some of that
19 transition into natural gas can occur from out-of-state
20 facilities. We would like to be able to use some of the
21 biogas to hedge our gas requirements going forward. We
22 have substantial price and supply risk by transitioning to
23 so much natural gas going forward and we think that biogas
24 is a very solid hedge for that position. With the biogas
25 contracts we're able to lock in pricing for 10 or so

1 years. We can have facilities built on some of these
2 landfills. We have another viable source that is not
3 fossil fuel. It's not causing fracking issues. It's not
4 additional drilling. It's using waste streams that we
5 think are very important. It should be considered going
6 forward as we continue to make a lot of investments.

7 One of the other issues that we saw in the
8 guidebook that was of concern is related to small hydro.
9 LADWP has an aqueduct system where we have hydroelectric
10 generation on that aqueduct system. Some of those units
11 have been in place for almost 100 years. Currently, as
12 proposed in the guidebook, the terminology utilizes the
13 words small hydroelectric facility yet in SB X1-2 in
14 Section 399.12 it clearly states that an existing small
15 hydroelectric generation unit with a nameplate capacity
16 not exceeding 40 MWs would be considered renewable. We
17 would hope that the staff reconsiders the language that's
18 currently in the guidebook. We think that is an incorrect
19 interpretation and that those facilities should be
20 included as renewable.

21 The last major issue for us is how the
22 grandfathered resources are handled within the guidebook.
23 We believe that the SB X1-2 simply states that the Energy
24 Commission, pursuant to this Article, would consider these
25 existing facilities to be renewable electric generation

1 facilities as defined in Section 25741 of the Public
2 Resources Code. We've made substantial investments in a
3 number of existing resources that were approved by our
4 governing authority under existing laws. We think the way
5 it's characterized in the guidebook is incorrect and we
6 would ask that there be reconsideration there.

7 Lastly, on test energy. This was relatively new
8 as I was listening to the presentation. As we're building
9 out large wind farms and solar farms into the future one
10 of the opportunities that we have, because these are very
11 large developments, is as they're being constructed we can
12 typically take a level of production as they're being
13 constructed. A construction phase could incur over a two
14 year period but it's not a final certification of a
15 facility. We believe that production as the project is
16 being constructed, while we call it test energy, should
17 qualify under WREGIS and under the RPS definition. So
18 it's just a way we do development these projects.

19 So, again, we thank you for the work that's been
20 done to date and we hope that you consider our comments.
21 Thank you.

22 MR. HERRERA: Mr. Howard, can I ask you a
23 question, please?

24 MR. HOWARD: Yes, of course.

25 MR. HERRERA: Just concerning the hydroelectric

1 definition. So the Energy Commission staff does recognize
2 that the law uses different terminology.

3 MR. HOWARD: Correct.

4 MR. HERRERA: Generation facilities, 30 MWs.
5 Generation units, 40 MWs. We were, in developing these
6 guidelines, trying to strike a balance from what we
7 thought was the intent to limit small hydro eligibility to
8 the 30 MW cut that's been in the law for such a long time
9 relative to this new provision dealing with 40 MW
10 generating units. I'd be interested in getting some
11 specific comments on your aqueducts and how those are
12 developed or operated in the context of our current
13 definition of 30 MWs. Just to see if we can carve out
14 some specific exemptions that might apply to those but
15 then not open it up to very, very large hydro facilities
16 that might be comprised of three or four multiple
17 generating units all of which are less than 40 MWs in size
18 but the sum capacity of all of them could be 100 MWs.
19 That was one of our concerns in looking at those
20 provisions in the statute.

21 MR. HOWARD: We will certainly comment and
22 respond to your questions in our written comments. One
23 point, I think if you were to look at the legislative
24 history and a lot of the discussion that took place in the
25 hearings, I think there was clear legislative intent that

1 these facilities would be inclusive in the definition of
2 renewables going forward.

3 MS. ZOCCHETTI: Thank you. I'd like to call Ira
4 Pearl of Renewco.

5 MR. OGELSBY: While you're walking up – some of
6 you may have heard that loud noise a short while ago and
7 be curious as to what it might be. We have bicycles that
8 park in the atrium area outside and one of the tires
9 exploded. So it was pretty loud and I know that everyone
10 jumped a bit. Everything is fine.

11 MR. PEARL: Well, good morning. My name is Ira
12 Pearl. I'm the President of Renewco, a renewable gas
13 developer. We are a subsidiary of AGL Resources. We will
14 also be submitting written comments under the AGL
15 Resources letterhead. I appreciate the work and efforts
16 of the Commission and the staff to host the previous
17 month's workshop on Renewable Biogas and Pipeline
18 Biomethane and also to host this workshop. It's a little
19 difficult to comment on changes that have not yet happened
20 in the guidebook. But there were a couple small changes.

21 I'd like to make a general comment and that is
22 we would prefer that the biogas provisions – the pipeline
23 biomethane provisions of the guidebook not change so as to
24 provide more certainty and continuity for the developers
25 of these projects.

1 What a lot of folks don't realize it that the
2 gestation periods for one of these projects, such as a
3 landfill gas project, could be three or four years.
4 Sometimes it takes over a year to just negotiate the gas
5 rights with the landfill owner and then two to three years
6 to actually develop the project before you're online.
7 That's a longtime of development time and if the rules are
8 changing during that period it creates quite a bit of
9 consternation and, in fact, it sometimes becomes an
10 unmanageable risk whereby the developers may choose to no
11 longer participate in that market.

12 There are a couple of comments within the
13 guidebook that I did notice that I would like to mention.

14 I think the grace period exemption for the POUs
15 is a positive step forward, it provides certainty and
16 confidence for both the POU and the project developer and
17 that should be retained.

18 But one addition that I found in Section 3B
19 (4) would provide significant uncertainty to the POU and is
20 hereby respectfully requested to be removed. That
21 requires that the facilities that meet the eligibility
22 requirements set forth in the addition of the RPS
23 Eligibility Guidebook in place at the time that the
24 Commission receives the application for certification
25 regardless of when the facility had previously been

1 certified. What, in effect, that amount to is a moving of
2 the goalpost. When you begin the process of developing a
3 project you need to manage risks such as commodity risks,
4 get your transactions lined up upfront. And if you
5 believe that the guidebook requirements, in effect, at the
6 time that you begin to make a multimillion dollar
7 investment will no longer or could no longer be in effect
8 at the time of application for certification, which as I
9 described could be two to three years later, that's very
10 challenging. A good analogy is when we all went to
11 college there was a curriculum catalog that you started
12 under and right when you were to graduate they were to
13 evaluate whether or not you meet those requirements. They
14 don't require that you meet the requirements of a new
15 curriculum guidebook that came out two months before
16 graduation. In the case of the college student that might
17 me a couple extra semesters. In the case of a project
18 developer that could means tens of millions of dollars
19 that you've invested that can no longer be certified for
20 use and your contracts are of no value.

21 Beyond that there were several questions related
22 to certification and precertification that were asked. We
23 will be responding to those in writing but a couple of
24 quick points, if I may.

25 Precertification is an absolutely necessity.

1 Large corporations do not like to take naked commodity
2 risks. To understand that you have a contract that waits
3 for you to sell your gas at the end of the project
4 requires some level of assurance that that project will be
5 allowed to proceed and that gas will qualify for renewable
6 portfolio standard credit when consumed in an in-state
7 power facility. So I recognize that it's difficult for
8 the Commission staff to manage precertification
9 applications that go nowhere, that sit and sit and sit and
10 they are not developed. I think that it is reasonable to
11 allow a precertification to expire after a finite period
12 of time. Certainly nothing shorter than five years but
13 certainly longer if the project developer can demonstrate
14 continued forward process on the project. There can be
15 any number of permitting or other delays that result in
16 delay but doesn't mean the project is not moving forward.
17 I empathize with the Commission's challenge in those
18 regards.

19 Furthermore, it's an absolute necessity, as I
20 described earlier, that the precertification guidebook,
21 when that is applied for, is maintained throughout the
22 process of certification if those requirements are upheld.
23 Again, the moving of the goalpost makes it very
24 challenging for project developers.

25 There are a number of other comments that I

1 would like to make but I will reserve those, in the
2 interest of time, for our written comments we will be
3 submitting to the Commission. I appreciate your time and
4 attention, happy to answer any questions that you might
5 have.

6 MR. HERRERA: Thank you.

7 MS. ZOCCHETTI: Thank you. Jim Harlan with
8 Rockland Capital.

9 MR. HARLAN: I'm Jim Harlan with Rockland
10 Capital and we work with Northwest forest products
11 companies. The repower – the definition of repower is
12 important to, in particular, the pulp and paper industry.
13 They have a complicated process. They typically all have
14 multiple boilers instead of just one boiler. Having a
15 more flexible definition of the prime generating equipment
16 is important to them. There is a capability of providing
17 a fairly large of baseload renewable power but the
18 economics have to work out for them so the definition of
19 repower is our prime focus.

20 I don't have any comments specifically today but
21 will have comments before the deadline. Thanks.

22 MS. ZOCCHETTI: Thank you. Sara Birmingham with
23 Solar Alliance?

24 MS. BIRMINGHAM: Hi. Good morning. My name is
25 Sara Birmingham with The Solar Alliance. The Solar

1 Alliance is a trade association of solar manufacturers,
2 developers and installers. We work on state level
3 policies.

4 My comments today are going to be very brief and
5 they pertain to the Behind the Meter Distributed
6 Generation section or the TRECs and I just want to thank
7 and acknowledge the staff for incorporating and making
8 those eligible for RPS compliance. We believe that's
9 consistent with previous CPUC decisions and it will become
10 increasingly important as we move to a post-CSI world
11 where projects may need an additional economic kicker to
12 have the projects move forward.

13 We only have one minor recommendation at this
14 point and it's regarding the metering requirements. We
15 would recommend that the metering requirements are
16 consistent with the current California Solar Initiative
17 and that's for the smaller solar systems, the less than 30
18 kW systems, have a plus or minus 5 percent meter rather
19 than the plus or minus 2 percent that's currently
20 required.

21 So, thank you very much. I appreciate it.

22 MS. ZOCCHETTI: Thank you. Gregory Reichert,
23 Friant Power Authority.

24 MR. REICHERT: Good morning. My name is Greg
25 Reichert and I'm an Engineer with URS Corporation on care

1 on behalf of Friant Power Authority which is a group of
2 seven irrigation districts and one municipal utility
3 district that operates three small hydroelectric projects
4 at the base of Friant Dam.

5 SB X1-2 amends sections of the Public Utilities
6 Code to refine the definition of an eligible renewable
7 energy resource in several ways. Among them is to
8 increase the allowable nameplate capacity to 40 MWs for
9 hydroelectric generating units operate as part of a water
10 supplier conveyance system. That's if the retail seller
11 or public owned utility procures the energy from the
12 facility as of December 31, 2005.

13 The rules also say that something – a facility
14 is not eligible if it causes an adverse impact to instream
15 beneficial uses or causes a change in volume or timing of
16 stream flow. Now the guidebook does not address all types
17 of cases that need to be considered.

18 Once a situation is an addition to an existing
19 facility, consider the following which is at Friant. As
20 an existing, eligible renewable energy facility, less than
21 30 MWs where it was sold prior to December 31, 2005. The
22 water is delivered as part of a water supplier conveyance
23 system but there have been changes to the water delivery
24 requirements that are entirely controlled by others that
25 have resulted in the need to increase capacity of the

1 facility above 30 MWs but it's still less than 40.

2 This has to do with the agreements that have
3 been made on operation of the San Joaquin River, water
4 which used to go to the Friant Canal or to the Madera
5 Canal will now be released to the base of Friant Dam. So
6 the facility that's at the base of Friant Dam is too small
7 to handle the increased water that's being released.

8 We therefore suggest adding the following to the
9 RPS guidebook and this is under the small hydroelectric
10 first bullet to follow number three, and it will be an
11 Item 4 that says:

12 "Additions to existing facilities are RPS
13 eligible provided the facility in total has a
14 nameplate of 40 MWs or less. The water is
15 delivered as part of a water supplier conveyance
16 system and the facility does not cause an
17 adverse impact on instream beneficial uses or
18 cause a change in the volume or timing of stream
19 flow."

20 So that's the request. It was, another speaker
21 also said, talked about how important it was for
22 precertification process and we know that to be absolutely
23 true for us to get financing, to build this project we
24 have to know what the value of the power is going to be
25 and so if there's not a precertification process we won't

1 know what that value may be to a power purchaser and so we
2 – the financing would be very difficult. Thank you.

3 MS. ZOCCHETTI: Thank you, Mr. Reichert. Are
4 you going to be submitting written comments since you've
5 given us a recommendation for specific language? That
6 would be great. Thank you.

7 MR. KOOSTRA: I'm actually going to take this
8 opportunity right now to remind everyone that how to
9 supply written comments is outlined in the notice. Please
10 be sure that you both mail in a copy or hand deliver a
11 copy to the Dockets Office as well as supply them with an
12 electronic version. I believe they require PDF. If at
13 all possible you're submitting the comments to CC one of
14 the RPS staff so that we're able to get them as soon as
15 possible because Dockets has to process them. It may take
16 them a few days after you submit them for us to see them.
17 We'd like as much time with your comments as possible.

18 MS. ZOCCHETTI: Absolutely. I'm so glad, Mark,
19 you remembered that. If you would like, if you would CC
20 RPS-Track which many of you are familiar with. Many of us
21 have access to that as a proxy email and then they'll all
22 be in one place. That would be great. Comments are due
23 November 2. We will be getting to that but we should have
24 mentioned that before.

25 So I'd like to call next Bruno Jeider, Burbank

1 Water & Power.

2 MR. JEIDER: Good morning. My name is Bruno
3 Jeider. I'm the Power Resources Manager with Burbank
4 Water & Power. I have a couple of brief comments,
5 primarily focused on the area of biogas and biomethane.
6 My job at Burbank is basically to try to implement RPS
7 procurement strategies. So one of the things that really
8 gives me a lot of concern is uncertainty. Along with
9 that I was happy to see an attempt to add some new
10 language in the new guidebook about how the certification
11 process would go forward. However, what's not in there is
12 basically what happens now that we're in the time between
13 the fourth guidebook and the fifth guidebook.

14 A particular concern is four contracts that we
15 have before the Commission with respect to biomethane.
16 We've heard through the grapevine perhaps that those
17 things are on hold until the new guidebook comes out. We
18 really hope that's not the case. We would like to see
19 stuff processed in a timely manner. It took us well over
20 a year to negotiate those. We started getting delivery
21 from those facilities this summer. They're very critical
22 to us in terms of trying to meet the goals for the first
23 compliance period.

24 That sort of just hits a little bit on the
25 process that you have here. It's not clear to me exactly

1 what the entire benefit of the precertification process
2 is. As Mr. Pearl noted it's very handy for people doing
3 developments to have a contract locked up ahead before
4 they go ahead and expand funds, the same thing for us. If
5 you trigger, sort of, the last event when certification
6 takes place which is generally after gas, say, starts to
7 flow. You have all this work. Now you're 90 percent of
8 the way there but you still don't know if you have
9 anything. That's just really problematic and really
10 creates a lot of uncertainty. So maybe some kind of a
11 timeframe that you're precerts are good for would be
12 something you should consider.

13 Similarly, I know it's not a direct issue at
14 this item in the guidebook and it has to do with SB X1-2
15 and regards this bucket question. If we take biomethane,
16 for example, and a number of people read it differently.
17 I think the vast majority would probably argue that
18 biomethane burned in a plant in California is a bucket one
19 product. If, for some reason down the road, that gets
20 changed and the criteria changes from where the generation
21 facility is located, say to where the fuel comes from,
22 that's a significant impact because bucket one you can
23 pretty much have as much of bucket one that you can use
24 but your amount of three is very limited. So you could be
25 in a contract thinking that you can count, say, biomethane

1 as bucket one when all of a sudden you really get in a
2 problem because you can't use all of the, say, bucket
3 three if that's what it ends up being.

4 We definitely want to see certainty and it
5 really would be nice to have some kind of language, maybe
6 prefacing, the guidebook. Indicating that stuff entered
7 in good faith at the time that this particular guidebook
8 was a new factor, or that a certain law or regulation was
9 a new factor, would be kind of honored or grandfathered
10 for at least the duration of the contract. That would be
11 just as a policy thing very helpful to have.

12 Last comments just generally speak to biogas. I
13 know you guys have not included that right now but we
14 would certainly like to see a basic treatment of it
15 continue, that includes out-of-state biogas as well as in-
16 state biogas. We think biomethane, or biogas, is a very
17 competitive resource. We certainly think it has some of
18 the lower impacts. It uses existing generation, existing
19 transmission. Without people buying it, the resource
20 would probably be flared and we think that's got negative
21 impact to flare it. We also think it doesn't make a lot
22 of sense to say flare biogas and spend a bunch of time
23 developing wind farms that take hundreds of acres or
24 thousands of acres for perhaps wind farms or photovoltaic
25 in other places.

1 Thank you for your time and your comments.

2 MR. KOOSTRA: I'd like clarify real quick and
3 apologize for any confusion over the certification of
4 biomethane facilities. They are not actually on hold.
5 Given the size of the application queue effectively
6 anything that was submitted after the guidebook notice
7 went out it would take just quite awhile to go through the
8 queue. We've since pulled those out to make sure we can
9 track those because we know there's been a lot of issues
10 regarding the ARB and how that treatment will work. So
11 we're trying to accommodate as best as we can but we're
12 also not trying to overly benefit one type of
13 certification over others. Sorry. This is Mark Koostra.

14 MS. ZOCCHETTI: Thank you, Mark. I'd like to
15 call Rosalie Mulé from Waste Management.

16 MS. MULÉ: You actually got the pronunciation
17 proper, thank you very much. I appreciate it. Good
18 morning and thank you for the opportunity to talk to you
19 and comment on the eligibility guidebook.

20 My name is Rosalie Mulé and I'm the Government
21 Affairs Director for Waste Management. I'd like to start
22 off by saying that Waste Management strongly supports the
23 state's aggressive 33 percent RPS goal. As a company we
24 are prepared to make significant investments to help
25 California meet that goal.

1 But absent some frustrating regulatory obstacles
2 we would currently be investing about \$50 million addition
3 during the next 12 months in new landfill gas energy
4 projects at four of our Northern California landfills that
5 would produce 20 MWs of renewable energy. I might add
6 that Waste Management currently has nationwide about 130
7 landfill gas energy projects.

8 In order for Waste Management or any company for
9 that matter to make an investment in California the state
10 must set clear legislative policy and regulatory guidance
11 that creates a certainty that we've heard about previously
12 for the renewable energy market.

13 Today our industry does not have a functional
14 regulatory system that makes the in-state investments in
15 renewable energy possible. I'd like to cite some examples
16 of that.

17 First of all, some of our air districts are
18 recommending emission standards for landfill gas energy
19 projects that are not achievable and several of those
20 projects have been stalled for years.

21 Second, it's likely that we'll actually be
22 required to shut down some of our existing energy
23 production facilities at our landfills in the South Coast
24 Air District.

25 Third, as far as we know California is the only

1 state that prohibits putting treated landfill gas in the
2 pipeline system. Thus, instead switching from engines to
3 pipeline, we may end up flaring even more landfill gas
4 that could be better used to meet our RPS goals.

5 So if California has any hope of utilizing
6 landfill biomethane to help meet our RPS goal we do need
7 to work together to overcome these and other regulatory
8 obstacles.

9 As you all know at the Commission, there are
10 strong arguments to be made for building biomethane into
11 our short and long term renewable energy strategy. And
12 some of these comments were made earlier. So compared to
13 some other options it's relatively inexpensive in today's
14 energy market, it can be stored and used to supplement
15 other variable forms of renewable energy such as solar and
16 wind and obviously creating that baseload supply of
17 renewable energy. And, again, as I mentioned earlier in
18 every state but California biomethane can be distributed
19 to power generation facilities through the existing
20 natural gas pipeline network which is a far more efficient
21 and cost effective way to produce biomethane fuel or
22 renewable energy.

23 And, finally, there is substantially more energy
24 to be tapped from solid waste landfills in California.
25 CalRecycle estimates that only 53 percent of California's

1 landfill gas that is currently collected is used
2 beneficially to produce power fuel. The other 47 percent
3 is simply flared and wasted. This gas can be used not
4 only to create renewable energy but to help us meet our AB
5 32 greenhouse gas reduction goals.

6 So before the state, the Commission considers
7 any actions that would limit or discourage this small but
8 important RPS contributions from out-of-state biomethane
9 we urge a careful yet expedited review to determine how to
10 maximize in-state investments in landfill gas energy
11 projects, and the positive role that out-of-state
12 biomethane could play in helping achieve our RPS goal.

13 Again, as was mentioned earlier, current out-of-
14 state biomethane delivery contracts are helping utilities
15 to manage those costs and to reduce the rate shock.
16 They're directing more treated, landfill gas via the
17 pipeline to combined cycle natural gas power plants is an
18 efficient and clean alternative for landfill gas.

19 So we're estimated that out-of-state methane
20 will provide about 300 MWs of electricity, about 4 percent
21 of the 7,500 MWs are renewable electricity needed to meet
22 that 2020 RPS goal. Again, it's a small but nonetheless
23 an important contribution.

24 So in closing I'd like to reiterate that Waste
25 Management supports the state's aggressive 33 percent RPS

1 goal. We believe that meeting this aggressive goal
2 includes removing regulatory inconsistencies among
3 agencies and creating regulatory certainty, again as was
4 mentioned by some of the others speakers. We believe that
5 this will foster the development of renewable energy – the
6 renewable energy industry which in turn will further the
7 development of California’s green economy. We strongly
8 believe that there is a solution here that benefits the
9 environment, the California economy and the taxpayers. We
10 would like to work with the Commission in correcting that
11 solution and we feel that part of that solution must be a
12 clear recognition that pipeline distributed biomethane is
13 an eligible renewable energy resource within the meaning
14 of the California Renewable Portfolio Standard. Thank
15 you.

16 MS. ZOCCHETTI: Thank you. Peter Weiner.
17 BrightSource Energy.

18 MR. WEINER: Thank you. I’m Peter Weiner from
19 the law firm of Paul Hastings. I’m here today on behalf
20 of BrightSource Energy and also Abengoa Solar, Inc.

21 At Paul Hastings I’ve had the honor for years
22 and years now to represent all sectors of the renewable
23 energy economy, virtually every technology that has come
24 before you today. One of the biggest contributors to RPS
25 compliance and satisfaction of our goals has been the

1 utility scale solar area.

2 BrightSource has a facility under construction
3 now that will provide 370 MWs. Abengoa has a facility
4 under construction now that will provide 250 MWs.

5 BrightSource has applications that would produce another
6 1,250 MWs in the next few years. These contributions to
7 our RPS are huge compared with many other technologies.

8 All of these technologies that I'm speaking of
9 right now are solar thermal. They have the advantage of
10 providing less intermittency and better grid integration
11 than many other technologies with a minimum or total
12 absence of greenhouse gases.

13 The reason for it is what you are doing with
14 solar thermal is you are heating either water or a fluid
15 that, in turn, creates steam and turns a turbine. Even
16 when clouds come over the water in a large tank, as you
17 know, remains hot for quite a long time.

18 The other thing that these facilities can do is
19 store energy. They do it generally through a technology
20 called molten salt and what you do is you have excess
21 capacity during the day which heats up the salt and at
22 night you can then use the energy from the salt to create
23 further renewable energy.

24 This technology is key to our RPS compliance and
25 as we go to a grid that will have more energy use at night

1 as we go toward electric vehicles it will be key to have
2 the storage mechanism.

3 The first thing I'd like to talk about today, as
4 a result, and just going in order in the edibility
5 guidebook is on page 10 you talk about storage
6 technologies and you mention that at the moment the only
7 ones that are eligible are pumped storage, hydroelectric
8 and fuel cells.

9 Your fourth bullet mentions eligibility of
10 storage facilities that use a potential to generate
11 electricity that is directly created an RPS eligible
12 resource without first generating electricity. That's
13 exactly what molten salt is. You're using the sun's fuel
14 to heat the salt and then you are simply taking that
15 energy out of the salt to create electricity when the sun
16 goes down.

17 We do not have significant storage using molten
18 salt in California at this time in part because -

19 MS. ZOCCHETTI: Sorry about that.

20 MR. WEINER: I said the wrong thing.

21 [LAUGHTER]

22 MR. WEINER: We don't have a lot of storage in
23 California right now because of our time-of-use pricing
24 system from the PUC which results in such a low price at
25 night for energy that it is not encouraged storage. But

1 as an example in Arizona where air conditioning is used
2 much later at night and much more of the year the Abengoa,
3 for example, is building a six hour molten salt storage.
4 BrightSource is also looking at molten salt storage.
5 These things should be in your guidebook and we don't
6 think should be part of the question of eligibility. It
7 should be very clearly stated that it is eligible.

8 We do think, just to repeat, that those kind of
9 storage will provide better integration and require
10 significantly fewer peaker facilities to integrate
11 variable production schedules compared to other renewable
12 technologies such as wind and other solar technologies.

13 So that's my first comment.

14 Next, I'd like to turn to a bill that everybody
15 today seems to be mentioning the legislation that just
16 passed. I don't know why. I'd like to talk a little bit
17 about AB 1954.

18 AB 1954 changes the language in
19 399.12(e)(3) regarding use of de minimis fossil fuels in a
20 renewable energy generation facility. The first question
21 is why do you allow fossil fuels at all? Why count that
22 at all and still have 100 percent credit for renewable
23 energy? The answer in part is practicality. My
24 understanding, although I can't find anyone who can tell
25 me the exact history, is that 2 percent was originally

1 derived by staff from a biomass technology example where
2 the 2 percent would be used for flame stabilization within
3 the biomass production facility. And that it was
4 necessary to do that in order to maximize the amount of
5 energy you'd get from that facility.

6 But de minimis amounts of fossil fuel can be
7 used generally to reduce our overall reliance on fossil
8 fuels on the system. Because if you have consistent
9 generation as opposed to variable or intermittent you
10 reduce the requirement for fairly expensive and not always
11 as efficient as possible peaker facilities around the
12 state and, at the moment, we're looking at least from the
13 IOU point of view at the construction of significant MW
14 generation potential in peakers as a result of some of our
15 intermittent resources which are necessary for RPS but do
16 create that problem.

17 We also, by the use of the de minimis amount of
18 fossil fuels, reduce overall GHG generation. And we do
19 that, again, in the same way by reducing the need for
20 other facilities as part of the system.

21 AB 1954. Why was it necessary? We already had
22 the issue of de minimis in up to 2 percent in the
23 guidebook.

24 The reason was twofold. One was obviously to
25 allow an increase to the 5 percent which is one of the

1 outstanding issues which I assume we'll address later
2 because you have a separate comment period for the
3 outstanding issues.

4 But the other reason was to clarify how you
5 count the 2 percent in that it's only the nonrenewable
6 fuel "used to generate electricity in the same process
7 through which the facility converts renewable fuel to
8 electricity."

9 So there's two aspects to it. One, it's the
10 same process and two, it's used to generate electricity.

11 From what we can see in the guidebook, proposed
12 guidebooks, starting at page 45 or so and actually
13 starting at page 42 in terms of multiple energy resources,
14 you've addressed the issue of it being in the same
15 process. So let's talk about the same process first.

16 What you're not going to count is the fossil fuel that is
17 used to take workers to a solar facility or to take wood
18 to a biomass facility. Those fossil fuels don't count.
19 That's not the same process. Now you could have said the
20 entire thing is a process. You could have said let's do
21 lifecycle analysis on renewable energy to make sure that
22 we only have electrical vehicles bringing workers or fuel
23 to any renewable energy resource. It's not how you
24 interpreted the law, it's certainly not how I interpreted
25 the law. We're talking about a process to convert fuel to

1 electricity.

2 The other issue, and I think you've addressed
3 that, the other issue is that it's used to generate
4 electricity. Instead, from our point of view, when we
5 start looking on page 42 of the guidebook you talk about
6 the annual contribution of each fuel and energy resource
7 type and when we get to page 44, again, when you're
8 measuring renewable generation from multi-fuel facilities,
9 you're talking about contribution of each energy resource
10 and, finally, when we get to page 45 you talk about all
11 fuels contributing thermal energy to the system that
12 generates electricity. You include freeze protection,
13 flame stabilization, supplemental firing and any input of
14 thermal energy meant to maintain, increase or control the
15 decrease of the thermal energy of the system.

16 We agree that some of those examples are places
17 where fossil fuel is used to help generate electricity.
18 Flame stabilization is just one of the obvious ones and in
19 the solar context if a cloud comes over and reduces your
20 temperature of your water or your fluid if you used gas to
21 substitute and generate electricity so that you have a
22 stable output. Same thing. That counts. That's used to
23 generate electricity.

24 On the other hand there are several examples
25 where that's not true. Most obvious example, and it's not

1 clear that it is covered and meant to be included by you
2 in your guidebook, is a thermal blanket that is used not
3 for – to maintain water temperature but to ensure that the
4 turbines don't crack. That's not thermal energy put into
5 a system as far as I can determine from your examples so
6 it probably wouldn't count. But there are lots of other
7 examples that probably would count and from our point of
8 view should not because of the way AB 1954 reads.

9 To start off with if we talk about the examples
10 of what we're talking. If we are using –

11 We are taking a technical break. Excuse me.

12 MS. ZOCCHETTI: It seems that we have lost our
13 WebEx participants.

14 MR. WEINER: They're just bored.

15 MS. ZOCCHETTI: They're just bored?

16 [LAUGHTER]

17 MS. ZOCCHETTI: We have quite a few other folks
18 that want to speak so – well, I'd like them to be able to
19 hear you and so if we could take a 10 minute break until
20 11 o'clock. It's probably a good time for a break anyway
21 and when we come back we'll ask you to be brief in your
22 comments. Thank you very much and we'll see you in 10
23 minutes.

24 [RECESS TAKEN AT 10:47 A.M.]

25 [WORKSHOP RESUMES AT 11:01 A.M.]

1 MS. ZOCCHETTI: Okay. I believe we have our
2 WebEx participants back on the line. We apologize for the
3 technical problems there. As a reminder for those of you
4 on WebEx that might have missed a couple of the commenters
5 we are recording this, there will be a transcript
6 available on our website in a week or two so hopefully you
7 can catch up that way.

8 We'd like to reconvene and apologize to our
9 speaker here and have you finish your comments Mr. Weiner.
10 Thank you for your patience.

11 MR. WEINER: Thank you, Kate. I'm afraid I put
12 WebEx to sleep.

13 [LAUGHTER]

14 MR. WEINER: To recapitulate without repeating I
15 did cover some issues having to do with solar thermal
16 technology and the storage issue and we are now talking
17 about the de minimis use of fossil fuels.

18 What I was saying was that we really need to
19 restrict what counts as fossil fuel use as that to
20 generate electricity. The words at the moment that have
21 to do with contribute thermal energy to this system are
22 not necessarily which is consistent - is not consistent
23 with the statute which says to generate electricity.

24 We do have our recommendation which we'll put in
25 writing and we will put in comments. But the comment is

1 for – what it should say is that for all thermal
2 conversion technologies and all fuels or energy resources
3 contributing thermal energy that add net enthalpy and – I
4 understand that’s kind of energy in the form of heat and
5 pressure that is to be converted to electrical energy that
6 is used to generate electricity must be accounted for as
7 contributing the increment degeneration resulting from
8 that net enthalpy.

9 We’ll go into more detail on our comments as to
10 how that plays out and the implications of it but I think
11 generally I’ve already spoken about it.

12 The other thing that I want to talk about for a
13 moment is what we call the clawback. At the moment the
14 way the eligibility guidebook reads, assuming that you’re
15 at 2 percent and not – you’re not eligible for the higher
16 number if you’re – it’s an annual review that’s
17 retroactive as to whether you’re at 2 percent or more.
18 And, at the moment, the way the guidebook reads, if you
19 were a 2.1 percent the entire 2 percent that you used
20 would be counted against you. It wouldn’t be counted as
21 renewable. We don’t think that’s fair and any retroactive
22 revocation will penalize buyers who are counting on buying
23 renewable energy, creates major financing burdens.

24 When we talked previously with one of the
25 Commissioners at a previous workshop and in meetings, one

1 of the things that he said was, "Well, if you become a
2 multi-fuel facility where it's really a hybrid and you're
3 using it on a 20 percent, 30 percent, 10 percent of fossil
4 fuel as well then we think we should do it as a strict
5 proportion." But at some point if you're at 2.1 percent
6 or a 3 percent or something like that because of
7 variability during the year then you should still get to
8 count up to 2 percent as 100 percent renewable energy and
9 let's deduct the overage. So if you were 3 percent you'd
10 deduct the 1 percent. What percentage that would be is
11 allowed to be a de minimis overage, if you will, is
12 something within your discretion. But there's gotta be
13 something like that. At the very least, or most, what you
14 should do within that range that I would probably say is
15 within kind of 2 percent to 5 percent range or something
16 like that is require someone to buy makeup RECs. But to
17 penalize them on the entire 2 percent that they're trying
18 to meet seems to us as unfair and creates uncertainty for
19 both financing and for the buyers of the RECs of the
20 renewable energy that would be investing to this
21 technology.

22 We do have some comments on what is a
23 significantly greater generation for purposes of AB 1954
24 but that seems to be during the outstanding issues portion
25 of the comments so we're going to reserve that for now.

1 We'll be delighted to submit written comments. Thank you.

2 MR. HERRERA: Peter, can I ask you a quick
3 question? So concerning your last point, wouldn't it be
4 possible for the facility operator to keep track of how
5 much fossil fuel they're using and if they were
6 approaching that 2 percent limit in the last month of the
7 calendar year they could tweak it back to make sure they
8 stayed within that two percent limit. Is this an issue in
9 terms of control?

10 MR. WEINER: Absolutely. Just to give you the
11 extreme of that, you're also just shut down the facility
12 at the last month but there's significant financial
13 penalties with doing that and, indeed, just with cutting
14 out the use of the de minimis fossil fuel use. Nor is it
15 a good policy for the system.

16 So, for example, what you're - suppose that
17 you're using the fossil fuel on a cloudy day and you're
18 using it to actually generate electrons, to generate
19 electricity, from noon to 1 p.m. Now what you're telling
20 me is Oh, we're right up against the limits so let's not
21 do it today.

22 For that period of time, you're just not
23 producing energy let's say. That's going to cause the
24 immediate startup of the peaker to get that energy to the
25 system and etcetera. At least from what we can tell

1 that's not an efficient use of fossil fuel. You're going
2 to use a lot more fossil fuel for that than to keep your
3 temperature at 212 rather than 210. Because you're going
4 to be, in a sense, spilling the solar fuel You'll be not
5 using the solar fuel that you had that heated up the
6 system and really it's just about producing energy and
7 instead you're shutting it down for that reason.

8 We do have climate variability in California as
9 elsewhere so the other thing that you would have to do is
10 try to save up so in March for 15 minutes you wouldn't do
11 it because you're afraid of what's going to happen in
12 December. I think that everyone is going to try to keep
13 it at a certain level, whatever level they're allowed to
14 do, but if you get marginally over that level why would
15 you deprive them of the 2 percent that was baseline and
16 allowed. It's just an all or nothing system that doesn't
17 make a lot of sense to us administratively.

18 What you'd really think - I mean normally if you
19 can use up to 2 percent to count as 100 than anything over
20 that is what's subtracted. What you've done is create an
21 incredible penalty on that. Does that?

22 MR. HERRERA: Yeah. No. I understand. Thank
23 you.

24 MR. KOOSTRA: This is Mark Koostra with the
25 Energy Commission. I just want to clarify some of my

1 statements on energy storage, especially those where the
2 storage that's onsite such as thermal storage for storage.

3 The Outstanding Issue section was really meant
4 to be individual storage facilities and not storage
5 onsite, especially not for solar. It's readily apparent
6 that energy stored up is the solar energy and that's the
7 purpose of it. The main issue with describing renewable
8 resources that directly produce the storage potential
9 instead of going to electricity first would be such as a
10 biogas pump pumping hydro – water up through hydro. What
11 kind of resource you count that as and how you look at it.
12 Those are the types of issues – storage at that same side
13 of the facility is a lot more clean cut though battery
14 storage at a wind facility isn't as clean cut as storage
15 with molten salts.

16 MS. ZOCCHETTI: I'd like to Susie, I think it's
17 Berlin, with NCPA.

18 MS. BERLIN: Good morning. Thank you. I have
19 just a few comments that I want to flag that we'll address
20 further in written comments.

21 One of the things that was also raised by LADWP
22 earlier this morning is the treatment of the resources
23 under Section 399.16(d), the pre-June 2010 resources, I
24 think we all need to look a little more closely at the
25 definition and how it impacts legislative intent to use

1 the resources for the publicly owned utilities.

2 The other thing I wanted to point out was a typo
3 on page 17 where it says that the law requires the POUs to
4 adopt and implement their RPS procurement plan by January
5 1, 2012 and 399.38 doesn't state that, the January 1, 2012
6 deadline is in 399.30(e) for the program for enforcement
7 so those are two totally separate items.

8 Finally, we'd like to just see a little greater
9 flexibility and we can discuss further with regard to the
10 deadline for registration of POU resources in WREGIS for
11 those – the July 1, 2012 deadline. Thank you.

12 MS. ZOCCHETTI: Thank you, Susie. Will you be –
13 I didn't quite catch all that with the typo and I'm so
14 glad you have an eagle eye if we did indeed make a
15 mistake. Would you be able to provide that in writing?
16 Thank you.

17 Susan Patterson with Gas Technology Institute.

18 MS. PATTERSON: Good morning. My name is Susan
19 Patterson with GTI. Thank you for the opportunity to
20 comment today.

21 We've been working with the Energy Commission
22 for over 10 years to develop new energy technologies that
23 are cleaner, cheaper and more efficient and also to
24 provide technical and analytical information that can
25 assist decision makers when addressing current and new

1 energy policy.

2 One recent area of interest to GTI has been the
3 emergence of a renewable natural gas market. And I hope
4 that I don't sound like a broken record from some folks
5 who have already spoken on the subject but largely we're
6 concerned, as someone said, a revision that may not be
7 made or has not been made, but just the comment here on
8 your slide that the Commission may propose revisions to
9 the Biomethane section after consideration of the comments
10 and input from technical staff.

11 I just have a couple of things to say hoping
12 that you'll keep the guidebook the way it is.

13 With the nation's most aggressive RPS,
14 California should encourage many means to meet this
15 target. For years when solar geothermal biomass and
16 others have provided the electricity for the RPS. Since
17 the bulk of the low hanging fruit has been picked and many
18 sources provide much less than 50 percent capacity,
19 California should develop policies that have flexibility
20 and can utilize many forms of renewable fuels to meet your
21 ambitious 33 percent renewable portfolio standard goals.

22 Renewable natural gas from renewable sources
23 like dairy digesters and landfills can be a reliable
24 source of renewable fuel that can power the cleanest and
25 most efficient electricity generation facilities in

1 California.

2 In fact, RNG was rated the lowest carbon
3 producing fuel through the CEC's proceedings for the Low
4 Carbon Fuel Standard.

5 Currently in-state electricity produced from RNG
6 delivered through the nation's natural gas pipeline system
7 is a means to meet California's RPS. The rules governing
8 the purchase and transportation of RNG delivered to
9 in-state electricity producers were developed by the CEC
10 and done in a thoughtful and scientific manner.

11 The Commission has balanced the need for
12 information regarding the RNG transfer and purchase while
13 understanding that RNG, like natural gas, is a fungible
14 product that can be delivered through our nation's
15 pipeline system and stored for use as firming for
16 intermittent resources such as wind and solar.

17 Some will suggest that since some RNG is
18 produced out-of-state it should not be provided the same
19 policy benefits as other renewables. But the renewable
20 electrons to meet the RPS are being produced in
21 California. RNG should not be treated differently than
22 other renewable fuels like wood chips simply because it
23 has the advantageous capability of being transported
24 through our nation's natural gas pipeline system. For

1 example, if wood chips from construction waste from Nevada
2 were utilized in an electricity-producing bio-gas facility
3 in California, existing law would consider those electrons
4 produced in California. The same should hold true for RNG
5 delivered into the state. Additionally, because RNG has
6 such extremely low carbon life-cycle emissions, electrons
7 produced by its combustion should receive the most
8 favorable RPS incentives.

9 Changing the incentive rules for electricity
10 generated from out-of-state RNG will not encourage in-state
11 projects, because various barriers will still exist.

12 Changing the incentive structure now will only harm the
13 companies that are producing the existing quantities of
14 RNG. These are the same companies which are working to
15 reduce, change or eliminate the current in-state barriers
16 to RNG production. Creating more onerous regulatory and
17 incentive rules now, would only be counterproductive.

18 GTI is in the final stages of producing a report
19 which will quantify the degree to which RNG from landfill
20 gas can produce a product that meets California's needs
21 for injection into the existing natural gas pipeline
22 infrastructure.

23 The results of this Guidance Document can assist
24 in addressing existing barriers and in formulating

1 solutions that will likely lead to more in-state
2 production and pipeline injection of RNG.

3 We expect this report will be finished in
4 December.

5 Due to California's ambitious 33 percent RPS and
6 a likelihood of a California energy future where more
7 renewable fuel will be needed to meet more ambitious
8 renewable electricity and low carbon transportation fuel
9 mandates GTI recommends no change to the existing rules
10 covering the eligibility and level of incentives for
11 renewable electricity generated from out of state produced
12 RNG that is delivered through our nation's natural gas
13 pipeline infrastructure.

14 Thank you.

15 MS. ZOCCHETTI: Thank you, Susan. Bawa from
16 Pasadena Water & Power.

17 MR. BAWA: My name is Gurchuran Bawa. I'm with
18 City of Pasadena. I'm Assistant General Manager of Power
19 Supply. I want to appreciate the staff's work in
20 preparing this draft. It's no easy task and SB X1-2
21 definitely far more complexity.

22 Pasadena is a relatively small publicly owned
23 utility and we do support 33 percent goal by 2020.
24 Internally in 2009 Pasadena adopted a 40 percent RPS by

1 2020 and we're moving along with that. It's important for
2 us to while meet the regulatory requirements have also a
3 balance for the ratepayer impact with affecting the
4 realiability of the delivery of electricity. We are a
5 fully resourced utility right now and any additional
6 renewables that we had caused some of our existing
7 contracts or ownership of power plants to get stranded.

8 Biomethane is a very important part of the power
9 mix, the renewable power mix, in our portfolio. We have
10 some applications pending with the CEC right now and I was
11 very happy to hear that they would be looked upon. I
12 understand that you have a backlog and I hope they would
13 be reviewed in light of the fourth edition, the current
14 edition that we have today. Is that the correct
15 understanding?

16 MS. ZOCCHETTI: That is my understanding as
17 well.

18 MR. BAWA: Okay. Thank you very much. So
19 having said that we understand that given the complexity
20 of the biomethane issue those particular – that particular
21 section has not been revised in this draft but it's
22 important for us and many others that you heard today that
23 at you're earliest possible timeframe we would like to see
24 those revisions be inserted into the draft so that we have
25 enough time to review and be part of the discussion.

1 Getting to the draft itself, in the Overall RPS
2 Guidebook, I think the definition of project definition –
3 the definition of project needs a little bit more
4 clarification and the clarification is we'll be happy to
5 provide the comments but the clarification relates to
6 typically in a utility setup you would have a number of
7 generating units on one location. They are owned by one
8 utility or could be owned by a consortium of utilities but
9 generally operated by one entity. Each unit has its own
10 fuel meter. The fuel meter are, generally speaking,
11 either approved by EPA Part 75 guidelines or the local air
12 quality district requirements. Nevertheless they are
13 regulated fuel meters. They may not be the revenue great
14 – they're equally, generally speaking, revenue great
15 meters but they're not by definition revenue meters.

16 One the electrical output side all the units
17 invariably have their own dedicated output meters which
18 generally are revenue great meters. Most of the units
19 connect to the transmission grid so either the balancing
20 authoring whether it's ISO or any other balancing
21 authority would have requirements with regard to the
22 accuracy of those meters.

23 In our view each of unit is a facility by itself
24 but when we look at the definition of the project which is
25 also referenced to as a facility there could be a little

1 bit of confusion.

2 On page 17 of the Section 2 of RPS guidebook,
3 under the RPS targets, there's some discussion about what
4 the compliance requirements are, targets are and under
5 what circumstances the local governing board through their
6 - either the procurement plan or the enforcement program
7 may have a flexible compliance. I think the unmet demand
8 has not been addressed and that we would suggest that the
9 Commission take a look at that.

10 There's also an issue related to the
11 certification. Certification, generally, is applied when
12 the qualifying facility is in operation and if we take a
13 (inaudible) of biomethane the facilities are in operation
14 for a long time, they were just burning natural gas at
15 that time. Once the biomethane is introduced than we'll
16 apply for certification.

17 One of the requirements, as stated in the
18 guidebook, is to provide a percentage ratio of multiple
19 fuels. It's very difficult because if I have 5, in
20 Pasadena for example, we have 5 units on one facility.
21 They all have different connector sticks in terms of heat
22 waves, some could quick start or some would take 3 days to
23 start. So when we get the biomethane on a day-to-day
24 basis we have to determine which unit is going to run, how
25 it's going to be scheduled and how much of the biomethane

1 would go to that unit.

2 It's very hard, for us, to put an actual number
3 to say, as required in your guidebook, to say that on
4 annual basis X would be the percentage of the renewable
5 gas versus natural gas. We can certainly provide our best
6 estimate but it will not be actual. It will change. It
7 will change month-to-month. It will change year-to-year
8 depending on how the different requirements are on those
9 units in terms of electrical need.

10 That percentage should not, in our view, be
11 considered a significant information change because you'll
12 probably be receiving applications from us every month.
13 It's, realistically speaking, a problem.

14 You also have a question in the guide to the
15 relationship between precertification and certification
16 and you did hear some of the speakers talk about how
17 important it is for seller or a project developer or a
18 buy, like us, to have some sort of certainty. I fully
19 understand that your dilemma is that some of the projects
20 get precertified on a conceptual basis and you have no
21 handle on how they're progressing. But from our
22 perspective when we enter into any contract, we certainly,
23 when we prescreen the availability of projects we look at
24 are they precertified or not. Precertified, in our mind,
25 is a good level of assurance that if an applicant makes a

1 project operational will do exactly what they said they
2 would do in the precertification process, they will get
3 certified.

4 I understand that there could be a very long
5 delay between two and the rules of the game could change
6 between but we certainly would support some level of
7 assurance, a guarantee would definitely be very helpful.
8 These contracts tend to be long term contracts and they
9 tend to be – have millions of dollars of investment in
10 them.

11 In the multi-fuel, and I was very happy to hear
12 that, Mark, that you're changing some of the certification
13 format or how the certification would be issued. My
14 understanding is that it will stay the unit, the
15 electrical unit's information, and then if it's, suppose,
16 a multi-fuel situation is than you would hopefully be
17 listing the multi-fuel type and the source. Was that the
18 intent or?

19 MR. KOOSTRA: This is Mark. I think the intent
20 is to have as much information on there as it actually
21 relevant and for that particular facility certification.
22 So if it is a multi-fuel the multi-fuel information will
23 likely be listed as well as if it's biomethane. It's
24 quite possible that the individual sources the individual
25 sources will be listed. But as far as a wind facility,

1 we're not going to need to list multi-fuel stuff so it'll
2 likely change to one degree or another depending on the
3 type of facility and application.

4 MR. BAWA: Right. So in our situation we would
5 have, we actually have, an electrical unit that burns two
6 different types of renewable pipeline biomethane fuels.
7 There are perhaps three or four sources from where these
8 gases come. And currently - so we obviously [inaudible]
9 type of biogas or pipeline biomethane. We applied for the
10 certification. Now as subsequent sources or subsequently
11 different types of biomethane in the sense that
12 underlying biogas is different from the biomethane, those
13 resources come in. We would apply for the certification
14 and my hope is that as we get the certifications they
15 would list all of the approved underlying biogas sources
16 and also I don't know how you'd refer to the contracts or
17 the source from where the gas is coming but in other words
18 we would like, at any time if we get audited five years
19 from today let's say, we should be able to demonstrate
20 that this particular unit was certified for X, Y, Z
21 sources.

22 MR. KOOSTRA: This is Mark again. I think that
23 that's something that's quite likely. I'm hoping that
24 we'll have an example certificate for some of the more
25 complicated facilities in the next draft or at least with

1 it but I can't guarantee anything depending on time.

2 MR. BAWA: Okay. Thank you very much. That
3 concludes my comments.

4 MS. ZOCCHETTI: Thank you. Kurt Grossman,
5 Genergy, LLC.

6 MR. GROSSMAN: Hello, my name is Kurt Grossman.
7 I'm the CEO of Genergy, LLC. I am an inventor of a new,
8 renewable energy system that's an extrapolation of
9 hydroelectric systems.

10 I have the distinction of also having appeared
11 in the appeal process here in front of the Commissioners
12 Peterman and Boyd because we applied under the existing
13 guidelines as a small hydroelectric system. That was due
14 to the fact that I understood, in order to be considered
15 an RPS with a new technology we would have to go to the
16 legislature to change or add a completely new type of
17 technology.

18 As an intermittent step we made some minor
19 modifications and made it comply. Unfortunately that
20 process involved being denied a precertification and we
21 went through the appeal process and fortunately the
22 Commissioners agree with us and categorized us as small
23 hydroelectric. However to this date we do not have our
24 precertification.

25 I'm very glad that I attended today because I am

1 hearing from a number of different people the amount of
2 complexity that's involved and these are with existing
3 technologies. Things that actually have working plants
4 that you can see. So y if you can imagine an idea, the
5 complexity, the type of risk that's associated with a new
6 innovative technology is not just two times - it's 1,000
7 times greater.

8 According to what I read, and I'm not going to
9 say that this is verbatim, but the California Energy
10 Commission was created in order to promote innovative,
11 renewable technologies because we have a number of
12 scientific experts in the world who believe that it's a
13 better policy for our future to reduce and ultimately
14 perhaps almost eliminate our reliance on fossil fuels
15 because of the pollution mainly but also the economic and
16 political issues that are associated with fossil fuels are
17 extremely problematic, to say the least.

18 So I've been through the application process
19 with the staff and found the process very uncomfortable.
20 Our company is delayed and, I believe from what I've heard
21 from other companies, that this process needs to have more
22 open, public comments from people who actually spend 9-5
23 every single day working on projects, developing them,
24 going out to people to take their money and then invest it
25 into accomplishing what our government - what our Governor

1 and the legislature has said is going to be the policy for
2 California.

3 I grew up in California and been around the
4 world. Most people around the world, mostly Europe I'll
5 concede, California to be the wacky, creative, inventive
6 type of people. They tell me, still to this day, "You can
7 see Californians walking down the Champs-Élysées and you
8 can pick them out a mile away." We're just a different
9 sort of people. Hollywood is here for a reason. We're
10 creative people and business has a bottom line. They have
11 to account to investors and shareholders. I don't believe
12 it's in the best interest to the state of California to
13 have staff make decisions that affect so many other people
14 when I don't believe they understand the uncertainty, the
15 risk and the problems that are associated with our job in
16 employing people, in running a business to try and make
17 these laudable goals happen.

18 There's an existing infrastructure that's doing
19 quite fine. The utility business is one of the most
20 lucrative and powerful establishments and my experience
21 with them to this day has been that they have people who
22 are complying with the letter of the law, to the letter of
23 the law and they're doing it as a sort of a - with this
24 fly on the windshield attitude. It's basically - it is
25 law. They have to comply with it. They just deal with

1 it. But they have billions of dollars to work with. They
2 have thousands of staff members and when you're talking
3 about a small developer or an inventor like myself we
4 don't.

5 I would say in my public comment that it's
6 really important to make this process that the staff goes
7 through much more open. I would say that the appeals
8 process should be easier. I think that there should be
9 more accountability and after hearing all of this which, I
10 frankly, did not know about I would encourage the
11 formation of a public one-year committee where people
12 could be voted on from the commercial side of this
13 equation and if they chose to dedicate their time on a
14 volunteer basis that they would have a one-year term where
15 they could be involved on a regular monthly basis in
16 helping the staff to accommodate the needs of us as
17 business owners and entrepreneurs to do what we do which
18 is create new technology, get people to give us money,
19 employ people, build things and then make things happen.

20 I do not think it is at all in the best interest
21 of this state to have any authority removed from the
22 Commission. I think it's better that we have a more open
23 process and I, for one thing after hearing the comments, I
24 wouldn't require paper in anything. One thing that I
25 found actually kind of comical is I've spent hundreds of

1 reams of paper printing things and here I am, I'm trying
2 to work for renewable, clean, recyclable economy and I
3 constantly have to print things out when in everyday
4 business I use digital signatures for everything. We have
5 WebEx, we have people talking. There's no reason we
6 should require paper for anything. I get emails everyday
7 that say, "Please think before you print." But when it
8 comes to government I print four copies of everything. I
9 just don't think that we're seeing the big picture. I
10 think we're seeing the little picture and after this
11 meeting I can say my own personal experience is this
12 should not be this hard. I should not have to work this
13 hard to be innovative. It's enough to have to deal with
14 the physicists and engineers and convince them that I'm
15 not a wacky, freak who has made some errors in scientific
16 calculations but then to go through the process on a
17 regulatory basis and have to fly up from Orange County to
18 appear and take months and months and months to have my
19 application processed and not have the decision of the
20 Commission implemented, to me, has been extremely
21 frustrating. I've been told by Counsel the only other
22 thing I have to do if things don't - is to go to the
23 Superior Court. It just shouldn't be this hard. The very
24 first page of the workbook that I read said encourage.
25 This is not encouraging. This is discouraging. This is

1 counterproductive to investment. There are a lot of
2 people who are looking for good investments. They would,
3 because of the scientific and political issues associated
4 with clean energy, they would dive in with their
5 investment dollars if they knew that the people who are
6 doing the projects had a clear path, a clear understanding
7 of what they needed to do so that they could invest the
8 money and at the end they would get a return on their
9 investment. What I'm hearing here is even big, large
10 corporations are afraid of the risks associated with
11 regulatory change. That should not be done in secret.
12 That should not be done with just staff. It should be
13 done with the Commission, the staff and I encourage you to
14 definitely get public participation in the entire process.
15 Not after the fact but in the creation of your guidebook
16 changes, if any, you should have public builders,
17 developers helping you come up with anything so that you
18 don't have to go through a situation where you have 10 or
19 20 people basically saying instead of encouraging us
20 you're encouraging more risk.

21 My final comment is just because I'm not sure if
22 you understand. In the financial markets, risk equals
23 dollars. If you go to the bank, you get 1 percent on your
24 money because it's guaranteed by the federal government.
25 These banks have billions in dollars of assets. There's

1 very little risk. If you go to a venture capitalist who
2 is going to invest \$8 million in your new idea with a few
3 pieces of paper and a little model, they will take between
4 55 and 75 percent of your company and they won't give you
5 a penny personally. They will tie you up with – because
6 they know there's a likelihood that 1 out of 20 or 30 of
7 those companies that they're investing in is going to
8 actually make it. It's going to turn into a product.
9 It's going to be a bottle of water or a microphone. Risk
10 is the basis for how much things cost. If you encourage
11 risk you're telling every person in California, "You will
12 pay more money for your electric bill." And we shouldn't
13 have to do that so I would encourage the staff to think
14 very, very carefully before you limit any appeals process.
15 Thank you.

16 MS. ZOCCHETTI: Thank you. Jeremy Weinstein.

17 MR. WEINSTEIN: Thank you, Kate. My name is
18 Jeremy Weinstein. I'm appearing here on behalf of
19 PacifiCorp. I don't have a business card. I don't even
20 have a listed phone number.

21 I'm glad I'm speaking after the last speaker
22 because I actually really take serious issue with some of
23 the implications that were said in that. I'll deviate
24 from what I planned to say and really address that first.

25 I think staff works incredibly hard. I think

1 staff is very accessible. My impression of staff is that
2 it's not a black box. I feel that in all of my
3 experiences you can get staff on the phone, talk to them
4 about what's going on. I think staff describes the
5 process. I may disagree with the process. I may not like
6 the result that I get but on all occasions I felt that
7 even those with whom I've argued most vociferously I felt
8 that okay, well. Gabe explains, "Look. I sat down with
9 the Commissioners. I walked them through it and this is
10 what happens." I don't get the feeling that it's just
11 staff making it up and writing their own rules.

12 In PacifiCorp's experience the two compliance
13 issues that we had, the first was a public notice and I
14 felt that staff called us, talked to us about it, walked
15 us through the process. Staff involved other
16 stakeholders. Staff held a meeting here in a hearing room
17 to walk us through the process. Again, very open, very
18 accessible and it was not a black box. The other item
19 that we had, I don't want to get into the details because
20 this is public, but the other inquiry that we had about
21 compliance staff worked with us for a period that took 8
22 months of working with a federal agency that was not
23 responsive and staff was very helpful and did everything
24 it could to give us as much time as possible. Staff was
25 calling us basically as their deadline was getting to the

1 printer to get it. So I just take issue with any
2 statement that staff is doing anything other than the best
3 possible job that they can do.

4 So, having said that - [inaudible]. Again, this
5 is a great result. It's a lot of years that have gone
6 into it. A lot of years have gone into writing it. You
7 get to kind of the star of the program which was staff was
8 presented with "Figure this out. Do it." And here's the
9 result.

10 I want to talk about a few of the concepts that
11 are in here, just really kind of more general. One of the
12 issues that has come up is the precertification versus
13 certification. The time that is taken up by
14 precertification of projects and is that the best
15 allocation of staff's time and, really, what I think
16 people who participate in the process are looking for are
17 two things. I think anything that works to accomplish
18 these two things is probably going to work.

19 The two things are people want to know, "Okay,
20 well, if I'm going to spend money, \$100 million on this
21 project, is it going to qualify?" So is there a way to
22 say that - to get some sort of opinion or some sort of
23 statement or something that says, it doesn't even have to
24 rise to the certification level, just something that says,
25 "If what you've described to me is true, this meets the

1 requirements of the RPS guidebook as of today.”

2 But that goes to the next part which is, “Okay,
3 well, how do I know that I’ve locked myself down?” The
4 precertification process today doesn’t offer that. So you
5 basically have got to meet whatever the requirements are
6 when you go for the certification. So I think people
7 would be looking for some sort of ability to say, “Okay.
8 I’m locked down and I’m locked down and I’m locked down.”
9 Maybe you can’t get that last part but that’s part of what
10 people want. Is my investment worthwhile?

11 And the next part that people want is just very
12 practical and very prosaic which is I want my RECs to
13 count. So I think since the rule is that we start
14 counting RECs based on the date that precert or cert
15 arrives. What people are doing is they want to send this
16 in as soon as possible so they don’t have to fret about
17 whether or not, “Oh my god, I didn’t send the
18 certification in on time and I’m going to be losing 6
19 months of RECs. Terry is going to be yelling at me. Why
20 didn’t you get that in?” I think to the extent that
21 there’s some sort of ability to say look, “Okay. We will
22 pre-date the RECs to when WREGIS starts counting them.”
23 In other words, if we certify the facility and once the
24 facility is certified you just go back to when WREGIS has
25 started counting the RECs and those RECs count.

1 I'm just putting it on the table for discussion.
2 But in terms of if you want to deal with allocation of
3 staff time, an idea for you to think about is some sort of
4 ability to have a process where people can say, "If this
5 is what it is, yeah, it qualifies under the current
6 rules." A lawyer could do that too but maybe a bank wants
7 it or whatever. The other is to say well, okay, how do
8 you deal with the grandfathering of - not the
9 grandfathering but the assurance that the RECs that are
10 generated at the time are going to qualify?

11 That kind of brings me to the next part which is
12 the test energy - deletion of the test energy part. I
13 think that's right. I think that's got to be very black
14 and white, not talk about test energy, just talk about
15 whether it's in WREGIS. I think part of what needs to
16 happen to accomplish that is to, and Mark and I have
17 talked about this many times, is kind of work with the
18 definition of commercial operation.

19 Is there an ability to say, You know what? You
20 can file your application, because the application
21 currently is written, you're swearing that it's reached
22 commercial operation. So you're swearing that you've
23 reached this limit so you're kind of saying, "Okay. I'm
24 not allowed to submit it when it's test energy and, you
25 know, my lawyer is not willing to play fast and loose and

1 say oh, don't worry about it. By the time it gets there
2 you can call it commercial." The commercial operation
3 definition in a typical PPA, especially if it's a PPA
4 resource or a [inaudible] loan transfer, there's hurdles
5 it's generating and the buyer needs to protect itself.
6 The unit really is generating renewable energy during that
7 period. So is there a way to kind of like say, "Well, you
8 know, the rule on when you can submit your application
9 doesn't have to be when it's commercially operational."
10 Let's just – that's just kind of play with that and not
11 have the test energy and just kind of have generation
12 that's measured in WREGIS.

13 So getting to a few specifics that are in here.
14 One of the items that I don't want to talk about
15 biomethane beyond this is I'm reading the, on page 18 of
16 the draft, the concept that the Energy Commission is not
17 responsible for the POU compliance as described by the
18 Energy Commission and if you go to the bottom of page 24
19 and the only reason, again, that I highlight this and
20 bring it up is that this is non-shaped language so I'm
21 assuming that this is something that is suitable for input
22 today. I'm just wondering – I kind of repeat the comment
23 that I made on the last page of my biomethane comment
24 letter which is if the CPUC is not taking us up on the
25 last sentence of the definition of green attributes and

1 just providing some sort of regulatory certainty on how
2 many carrots need to be transferred with RECs for a
3 biomethane project if the landfill project is getting
4 carrots, can the CEC take the first step by saying I've
5 got in this room POU buyers and these are the initial ones
6 who are actually going out and doing it and so let me, as
7 part of my compliance process [inaudible]and I haven't
8 participated at all so may you're already doing it say,
9 "Okay. We're going to provide you some regulatory
10 certainty on that." That's just for your consideration.

11 One item and I don't know whether or not it's
12 already in here or it's already implied but in the course
13 of Mark's presentation, I was agitated by it and I'm just
14 wondering if there's a way to explain it or provide some
15 sort of certainty but there used to be this concept of the
16 every other year, every two years, you had to get
17 recertification to stay in. Thank god, you don't have it
18 anymore because then you'd have to clone six of Mark.

19 The issue is, is there a need for clarity to
20 say, "Look. Once you're certified, if the law doesn't
21 change, you're certified. You don't have to worry about
22 your certification kind of falling out by, kind of,
23 technical changes to the requirements." I've just put
24 that for your consideration if that's something that's
25 worth specifying.

1 I want to compliment the staff and staff counsel
2 for the change on top of page 60 which is you removed the
3 extra territoriality reference so that's great.

4 On page 66 I think there's a typo in that first
5 paragraph after the heading. It says, "all grid-connected
6 renewable electric." I think it's all WECC grid-connected
7 electricity. I think that's what's meant.

8 MS. ZOCCHETTI: Thank you.

9 MR. WEINSTEIN: That's all I have.

10 MS. ZOCCHETTI: This is Kate. I'm sure that was
11 just to make it clear that it does have to be connected to
12 the grid. It can't be a standalone facility that's
13 unconnected.

14 MR. WEINSTEIN: Okay.

15 MS. ZOCCHETTI: Thank you for that.

16 MR. WEINSTEIN: Anything for me?

17 MS. ZOCCHETTI: I did. This is Kate Zocchetti.

18 On the test energy issue, I just want to clarify that
19 WREGIS does as, Jeremy, you know, we worked a lot on
20 WREGIS calls together. WREGIS will kind of – so once the
21 facility has declared commercial operations, you're
22 exactly right. You can't apply to the Energy Commission
23 for certification nor can you get your facility certified
24 in WREGIS until you've confirmed commercial online date.

1 But once you do that, WREGIS will go back about 3 months,
2 give or take, and allow you to upload those data so long
3 as it's within the same reporting period. I just want to
4 clarify that we will count those RECs. As long as the
5 facility has been – as long as we have received the
6 application for certification. So I just want to clarify
7 that –

8 MR. WEINSTEIN: So you're saying that – but the
9 application date actually has to predate the WREGIS
10 retroactive date, right?

11 MS. ZOCCHETTI: No.

12 MR. WEINSTEIN: Okay. So you've changed it?

13 MR. KOOSTRA: Let me step in. I think – in the
14 case where we're talking about test energy, we assume that
15 the facility has applied for precertification so the
16 eligibility date doesn't so much come into play. In the
17 event that, I think, where we envisioned if
18 precertification does go away for whatever reason that may
19 be an option is if a facility applies for certification
20 within a specific timeframe of coming online we'd allow
21 all that WREGIS information to be eligible to account for
22 the fact that there's 3 months that, up to 3 months that
23 WREGIS is going to track that isn't under the eligibility
24 data of certification but would have been if we still
25 allowed the precertification. If that makes sense.

1 MR. WEINSTEIN: That does make sense. And
2 that's actually what I've been advocating and you stated
3 much more succinctly than how I put it but that's what I
4 was suggesting. Thank you very much.

5 MS. ZOCCHETTI: Thank you. Jed Gibson,
6 PacifiCorp.

7 MR. GIBSON: Good morning. Jed Gibson for
8 PacifiCorp. I just wanted to raise a couple more points
9 in addition to what Jeremy brought up. The first relates
10 to the implementation and interpretation of SB X1-2.
11 There were some definitional issues – it looks like staff
12 tried to incorporate the definition of an MJU under
13 Section 399.17(a). This is on page 55 of the guidebook
14 and page 25 of the overall guidebook. The statute itself
15 is an either or requirement. There's two ways that you
16 can meet the requirements of Section 399.17(a). The
17 definitions in the guidebooks incorporate all of those
18 requirements together so we would just ask for
19 clarification that there is in fact a distinction and two
20 different ways to meet those requirements.

21 We'll be submitting written comments and have
22 some suggested language on how to address that.

23 The other issue that I wanted to bring up on
24 page 78 of the guidebook. There is discussion of contract
25 amendments to QF contracts. If the QF had been certified

1 using the RPS 2 form, a contract amendment would void the
2 certification of the facility. I was just hoping that you
3 could kind of speak to that a little bit more. What the
4 rationale is behind that.

5 MR. KOOSTRA: Yeah, absolutely. This is Mark.
6 This is actually language that's been in the guidebook
7 since the RPS 2 form was introduced. Part of the
8 rationale behind it is the RPS 2 facilities that have been
9 applied for certification on the RPS 2 were applied for by
10 the utility. This certification only covered the
11 generation procured under that contract. Logically if
12 that contract disappears no generation is considered
13 eligible. That's essentially what we're going for. It's
14 underlined and strike out here but only because we've
15 moved it.

16 MR. GIBSON: Okay. Okay. Thank you. That's
17 all.

18 MS. ZOCCHETTI: Thank you. Chuck Helget,
19 Republic Services.

20 MR. HELGET: Good morning. Chuck Helget
21 representing Republic Services, Inc. I get to be your
22 lunchtime speaker, I guess, today. My comments are going
23 to be mercifully brief and directed at the grey area in
24 the guidebook covering biomethane.

25 My client, Republic, is a leader in renewable

1 energy from renewable gas generated from our landfills.
2 Nationwide we have 70 landfill gas energy projects that
3 produce roughly 325 MWs of renewable power and about
4 55,000 cubic feet per minute of fuel that displaces
5 natural gas or is processed into biomethane. In
6 California we have 6 operating landfill gas energy
7 projects, 3 more in the permitting design stage right now
8 and the operating projects provide 36.3 MWs and the
9 projects in the design stage will hopefully produce about
10 40 MWs more.

11 So, naturally, Republic supports further
12 development of in-state and out-of-state biomethane
13 resources as an essential part of California's renewable
14 portfolio standard eligibly in our renewable energy mix.
15 The need for flexible RPS standards will be essential to
16 ensure that California has a reliable, affordable and
17 environmentally sustaining renewable energy mix. We
18 believe that biomethane will compliment other energy,
19 other renewable energy resources, such as solar, wind and
20 geothermal by providing a clean, reliable resource that
21 can help offset issues such as reliability, intermittency
22 and storage.

23 Republic has renewable landfill gas biomethane
24 projects under development at several of our landfills in
25 the United States. While most of those projects are in

1 other states, we would actively pursue similar projects at
2 our California landfills if impediments to pipeline
3 injection were removed. Our experience with biomethane
4 projects in other states will allow RSI to be more
5 prepared and to more rapidly pursue biomethane projects at
6 our California landfills should those impediments to
7 pipeline injection be removed.

8 At many landfills across the country, it is
9 required by law and is common practice to flare landfill
10 gas as a means of destruction. In California roughly over
11 40 percent of our landfill gas is flared and that number
12 is higher nationally. Where possible, RSI has contracted
13 with energy producers to use landfill gas for electricity
14 production. However, ever increasing air quality standard
15 and, poor economics where no RPS exists are making those
16 projects more difficult to complete. In many cases, our
17 only option, other than flaring. is biomethane injection
18 projects. In the current energy economic environment the
19 only mechanism that supports these renewable gas projects
20 at our landfills is the California RPS.

21 In closing, we support the current guidebook
22 provisions on biomethane. Thank you.

23 MS. ZOCCHETTI: Thank you. Tim Tutt with SMUD.

24 MR. TUTT: I think I can actually say, "Good
25 afternoon" now. I wanted to just make a few comments on

1 the revisions to the guidebook. I know that this is a
2 hard process and a necessary process as laws change, and
3 they certainly have.

4 I wanted to go back to page 17 where it was
5 pointed out earlier this morning that the guidebook, the
6 draft, refers to POUs adopting a procurement plan by the
7 end of the year rather than an enforcement plan.

8 There are other issues on that page so I just
9 want you guys to – recommend that you go back and look at
10 how you’re talking about SB X1-2 in the guidebook. As an
11 example the page talks about the second and third
12 compliance periods and it implies that the 25 percent and
13 33 percent requirements are for the entire compliance
14 period. I believe that’s incorrect. Also, the page talks
15 about timely compliance issues as if that’s part of the
16 law separately from the POUs option to adopt cost
17 constraints. It’s really a similar option. POUs can
18 adopt those timely compliance things and it just makes it
19 seem as if it’s more definitive in reading the law than it
20 actually is, I believe.

21 Secondly, I guess what I was encouraging is that
22 you look at the other SB X1-2 changes that you’re going to
23 make in the portfolio content categories, etc and do those
24 as quickly as possible. I think you’ve been asked to do
25 that before. But I’ll just give you an example of how it

1 shows up here in a way that might have to be changed
2 later. And that is you've moved distributed generation in
3 this guidebook under unbundled RECs. That is actually a
4 matter of contention among the portfolio content
5 categories whether they're distributed generation that's
6 within the state is part of category 1 or category 3, the
7 unbundled RECs category. I hope that by moving it to
8 unbundled RECs you're not presaging a decision or an
9 opinion on where that should fall because I think that's
10 still open and there's still a lot of people arguing that
11 distributed generation is actually, when it's located in-
12 state, meets the requirements of those category 1
13 resources. Just to drive the point home you mentioned,
14 back in that section on unbundled RECs, you talk about the
15 net surplus compensation law that requires utilities to
16 pay net surplus compensation and – has the proposed PUC
17 decision on product content categories, they distinguish
18 those net surplus content amount of energy as category 1
19 resources. They take other distributed generation
20 sometimes and put it under the unbundled REC category but
21 that's still up in the air. It's not a final decision but
22 at least that portion of it shouldn't even be talked about
23 in the unbundled RECs category, it doesn't belong in
24 there.

25 Another thing that I wanted to raise was on page

1 74 you talk about some criteria for the POU grace period.
2 One of the criteria that you use is that the generation
3 has to happen before January 1, 2011. I think you should
4 remove that criterion because I think that's also not a
5 settled issue. There certainly have been discussions at
6 the legislature and will be discussions as you go through
7 the RPS process, regulatory process here, as to what
8 amount, if any, grandfathered POU resources can be carried
9 over from the old RPS. I don't think it's premature to
10 have that criterion in here for the POU grace period
11 option.

12 I wanted to reiterate that I'm looking forward
13 to working with the staff and the Commission on any
14 changes to biomethane. We support the current biomethane
15 requirements and don't think that they need to be changed
16 as a results of SB X1-2. I understand that there's
17 language in the guidebook that indicates that you're still
18 considering potential changes and we would encourage that
19 you leave the requirements as they are.

20 And then, finally, Gina mentioned in her
21 verification presentation a possibility of a POU
22 compliance report that would be sent to the ARB. That may
23 be fine but I think all you're required to do is report
24 violations to the ARB not necessarily provide a full on
25 report about all POU compliance. It just might take some

1 burden off of you. It doesn't necessarily need to be a
2 full POU compliance report. Thank you.

3 MS. ZOCCHETTI: Thank you, Tim. This is Kate.
4 I would like to take this opportunity because you raised
5 some really good points to clarify that it truly isn't our
6 intention in the guidebook to prescribe what the POU's are
7 going to be. We were worried about that so I'm really
8 glad you brought these different points out. We were
9 worried that - what we're trying to do is balance between
10 putting as much information in the guidebook as we can as
11 informative but that the rules themselves will be
12 developed as part of the POU regulatory process which I
13 know you're very familiar with but I want to make sure
14 that everyone knows that we have this parallel process at
15 the Energy Commission for developing the POU rules for
16 enforcement and that's where all of these things will be
17 decided and portrayed and to the extent that they're
18 reflected in the guidebook. Number 1 mostly it would be,
19 as Tim, mentioned things about eligibility reporting.
20 Things that the retail sellers also have to do. And
21 that's where we're trying to make that a one stop shop for
22 those issues and then mentioning POU things. But it's not
23 our intention to have decided those issues already. Thank
24 you for bringing that to our attention. WE need to be
25 more careful with the way we word things and perhaps even

1 we'll remove some things with that insight so thank you.

2 I know everyone is aware that it's a little
3 after noon. I still have 7 or 8 comments cards and then
4 we do have a little more to discuss with our outstanding
5 issues. With a show of hands, I guess, who would like to
6 break and then I'll ask who would like to just stay and
7 power through? So, first of all how many of you would
8 like to take a break until 1 o'clock or so until lunch and
9 continue? Wow. Don't be shy. Well, I guess I have to
10 ask the other question. How many just want to power
11 through? Okay. I'm sorry you hungry people are going to
12 have to power through. We do have a snack bar on the
13 second floor. How about does anybody want to take a 20
14 minute break and grab something to eat? I don't want you
15 to be like dying in your seats here. All right. I'll ask
16 you again at 1 o'clock. How's that? We'll see if you're
17 still sitting upright. So thank you for that, I'm sorry
18 for the minority folks.

19 All right. I'd like to call up David
20 Branchcomb, please. Sierra Pacific.

21 MR. BRANCHCOMB: My name is David Branchcomb.
22 I'm here today for Sierra Pacific Industries. We are
23 primarily a forest products company. We operate five
24 cogeneration facilities, biomass-fired cogeneration
25 facilities, in California associated with saw mills.

1 My comments today will be refreshingly brief. I
2 appreciate the work staff's done, especially on the
3 unbundled RECs issue. This is something that we've been
4 following for quite some time and it appears that after
5 several years of arm wrestling here and at the PUC we
6 might actually see something come to fruition.

7 My comment is quite simple and that is on the
8 second paragraph in this section on page 66 the text says
9 that "eligibility requirements in this guidebook
10 including, but not limited to, participation in WREGIS and
11 reporting eligible generation based on a meter with an
12 independently verified accuracy rating of 2 percent or
13 higher accuracy."

14 We would like to see the language modified just
15 very slightly to say "a meter or meters" or "metering" of
16 2 percent or higher. In our facilities we have several
17 internal processes that pull off the generator, large log
18 mills, small log mills, planer mills and so forth. So "a
19 meter" could prove to be unduly restrictive. And, Kate,
20 you're familiar with this. We sorted this out at WREGIS a
21 year or so ago. I just want to get the language so we
22 don't get tripped up down the line on this.

23 With that, I appreciate the opportunity to
24 address you.

25 MS. ZOCCHETTI: Thank you. Lily Mitchell,

1 SCAPPA.

2 MS. MITCHELL: Thank you. Lily Mitchell for the
3 Southern California Public Power Authority. I'll just
4 make some brief comments in support of the comments that
5 have been made previously about the biogas and also about
6 precertification as well as we support the previous
7 comments on those issues.

8 Secondly to echo the comments on Bawa of the use
9 of renewable fuel at a multi-fuel facility with several
10 separate units. We want to be able to treat each unit as
11 a separate facility for the purposes of recording the
12 amount of renewable fuel at that unit.

13 And just as a final question we weren't sure if
14 the purpose of including joint power agencies in the
15 definition of POU in the overall guidebook given that
16 SCAPPA is a JPA but doesn't have any retail sales, not
17 sure what the purpose is by including us as a POU with POU
18 obligations. We also noted the issue on page 17 of the
19 procurement plan being required by the 1st of January 2012
20 which is inconsistent with SB X1-2.

21 Thank you.

22 MS. ZOCCHETTI: Thank you, everyone, for
23 pointing out that error. If we only had one error I would
24 be very happy.

25 Mandip Samra from the City of Anaheim.

1 MS. SAMRA: Hi. My name is Mandip Samra, City
2 of Anaheim Public Utilities Department. I'm an Integrated
3 Resources Planner and I'm currently working on a lot of
4 the RPS mandates specifically under SB X1-2.

5 First of all, I would like to thank CEC staff
6 for working really hard on the RPS aspects and the
7 guidebook. We really appreciate it. Additionally, we do
8 support the 33 percent manmade that it specifically listed
9 in SB X1-2 and like others have stated, we too, are over
10 procured and fully resourced so we definitely have to
11 figure out our standard resources once we comply with the
12 renewable mandate.

13 As a municipal utilities one of our goals is to
14 meet legislative requirements that least impacts our
15 ratepayers. We would like to echo the sentiments that
16 were stated earlier by other commenters specifically with
17 the biomethane requirements. We would like to keep the
18 Biomethane section unchanged and agree with others that
19 biomethane is viable option to meet the RPS requirements.
20 Compliance period one is slowly approaching on closing in
21 there's only years left and without certainty of
22 biomethane being counted toward either bucket one or the
23 RPS requirements it does make it difficult for us to
24 continue with some of our negotiations. It makes it
25 difficult to plan effectively to meet compliance

1 obligations on a least cost basis so we don't impact our
2 ratepayers.

3 Lastly, we would like to make sure that the CEC
4 process with other CEC legislative requirements as well as
5 CARB requirements are synchronized so going forward there
6 aren't too many inconsistencies. Thank you so much.

7 MS. ZOCCHETTI: Thank you. James Hendry, San
8 Francisco Public Utilities Commission.

9 MR. HENDRY: Good afternoon. My name is James
10 Hendry. I'm with the San Francisco Public Utilities
11 Commission.

12 First off, I'd just like to thank the Energy
13 Commission for including distributed generation and behind
14 the meter resources as being RPS eligible. I think there
15 are a number of details though that we're concerned about
16 that still need to be worked in order to get the full
17 value of these resources.

18 The issue of the medium requirements and whether
19 they're too strict and will exclude a lot of facilities
20 that came in under the California Solar Initiative is one
21 issue that was identified earlier.

22 Tim Tutt raised the issue of lumping them all
23 into all being unbundled renewable energy credits and the
24 concern that I think San Francisco has is that a lot of
25 the narrative description focuses on the California Solar

1 Initiative and various CPUC programs and the variety of
2 sort of separate one-off net metering programs that have
3 been established through legislation. San Francisco has
4 one through AB 594, AB 2573, the City of Davis has one,
5 there's one for small waste water facilities. So I think
6 the intent is there to cover them all and we'll try to
7 address in comments how to make sure that it's broadly
8 written to address those issues.

9 The second sort of general comment is in
10 drafting the regulations is to kind of stay within the
11 confines of what the statute actually says where as
12 possible. I think, again, Tim raised the point in the
13 narrative description of what SB X1-2 does there this
14 tradeoff between trying to explain that simply or
15 concisely and avoiding all the details of the legislation
16 but in doing that you end up creating a lot of ambiguities
17 that we'll probably be in this room later one debating
18 about. I think that it's good to have that narrative
19 description in there but maybe that should be added to the
20 guidebook, after the guidebook is approved and then when
21 the other portions of the program are approved so what
22 goes into the guidebook is consistent with and is fully
23 vetted and can cross reference back to the POU compliance
24 areas and things like that.

25 Second area I think about trying to adhere to

1 the statute goes to trying to use consistent terminology.
2 The guidebook, for example, talks about projects although
3 the RPS legislation refers to facilities. I think that's
4 potentially an area of ambiguity that could come down the
5 road.

6 Then, third, I think trying to be kind of
7 consistent on where the definitions are used. One that we
8 flagged and would comment on is on page 28 where for small
9 conduit hydroelectric units it claims that they're
10 ineligible – they're not eligible for RPS implementation
11 if the incremental upgrades if they're part of a water
12 supplier and conveyance system which is a bit odd because
13 all small conduit hydro is part of a water conveyance
14 system and the statutory language for water supplier
15 conveyance is actually in a different section and, as far
16 as I know, is not applicable to the small conduit
17 hydroelectric.

18 So, again, I think the concept is where possible
19 to go back to the actual statutory language as it is and
20 then just carry that forward into the guidelines.

21 The third issue I think is a broader one of the
22 transition from the fourth guidebook to the fifth
23 guidebook and an issue that I'd ask the Commission to
24 consider is on how far back you can go. The current
25 proposal seems to be for 2011 you can get credit for that

1 which is in the fourth guidebook but not for that which is
2 in the fifth guidebook. I think it is within the
3 Commission's ability to go back and say what is in the
4 fifth guidebook can count for the 2011 period. I think
5 that's consistent with the legislation which is imposing
6 an obligation even though the bill is now effective back
7 to 2011. I think the same sort of benefit of resources
8 are eligible under the fifth guidebook should be carried
9 backwards as well to 2011 as well. And so I think that is
10 something that would require changing, I think, the
11 language on page 74 and I think is within your ability to
12 do so.

13 Thank you.

14 MS. ZOCCHETTI: Thank you, Mr. Hendry. If
15 you're available afterwards can we chat about that one
16 sentence? I want to make sure that I'm understanding your
17 concern because it looks correct to me - about conduit.
18 Thank you.

19 Are there any other commenters in the room? I
20 have three folks on WebEx that wish to comment. Did we
21 miss anyone in the room that did not give us a blue card?
22 Okay.

23 So I was going to, I think, read their comments.
24 Is that what they want? Okay. We have Arthur Haubenstock
25 on WebEx who we're going to unmute your line.

1 MR. HAUBENSTOCK: Great. Thank you very much.
2 There was a question earlier on, and I don't want to take
3 up too much time, about whether an operator using a de
4 minimis quantity of gas could simply stop using it once -
5 stop using gas once they have reached a limit.

6 There are two central problems with it. The
7 limit is an annual limit and you don't know what your
8 actual percentage is until you know what your annual
9 output is. So you could have, for example, a bad spring
10 when you had bad weather and you would want to use gas to
11 avoid intermittency and to provide less of a burden to the
12 system. If you had an unplanned outage later in the year
13 or you had bad weather later in the year, your annual
14 power supply to the grid from renewable resources could be
15 substantially less. You would find that your de minimis
16 nonrenewable fuel usage was greater than expected. There
17 wouldn't really be anything that you could do about it.

18 The amount of augmentation that you use depends
19 on variable weather and, being a variable resource, your
20 renewable energy output is variable on the weather. This
21 is again a backwards looking analysis. It's not that easy
22 to predict and it is quite possible under a variety of
23 scenarios that you would go over the limit unintentionally
24 and not be able to do course correction midstream. This
25 would be disadvantageous as Peter Weiner was saying to not

1 just the operator but to the buyers who were recording the
2 renewable energy credits and assuming that they were in
3 compliance if there was a retroactive revocation of those
4 credits. It would be more stable for the system if this
5 was inadvertent due to circumstances going over the limit
6 that you would have to make up those credits on a going
7 forward basis.

8 Thank you very much for the opportunity.

9 MS. ZOCCHETTI: Thank you. I have SCE. I don't
10 know the individual person's name on WebEx. Are they
11 still there? I will read their question.

12 "Can you clarify the repowering requirement for
13 out-of-state facilities? For example, if an existing out-
14 of-state facility was in PG&E's portfolio as of January 1,
15 2010 but now wishes to pursue a contract with SCE without
16 repowering, will this facility be considered eligible?"

17 And I don't know, Mark, if you want to do this
18 off of otherwise individual questions about individual
19 scenarios would be best dealt with offline so that we
20 don't have to think on our feet and so that we can sit
21 down and carefully go over the guidebook. But it sounds
22 like Mark has an answer.

23 MR. KOOSTRA: This is Mark. In general, if a
24 facility has been certified without any requirements on
25 who gets to procure from it and this is typically only in

1 the case of facilities certified through the RPS 2, there
2 is no requirement on who they sell to in the future. So
3 once it's certified typically, and this isn't every case,
4 it's not going to matter if it changes their contracting
5 party. It's the facilities eligible. There are a few
6 cases where that's not the case but in the vast majority
7 of cases once you're certified your certified to sell to
8 anyone.

9 MS. ZOCCHETTI: Thank you. Another WebEx
10 participant. Jason McKenzie. Executive Director of the
11 Coalition to Advance Renewable Energy through Bulk
12 Storage.

13 His comment is, "I just wish to clarify what the
14 presenter stated earlier that there is an inherent loss in
15 cases from storage facilities of the RECs or maybe stated
16 better that in all cases there will be an inherent loss of
17 RECs from storage facilities.

18 I would like to add that there are different
19 types of storage facilities and the treatment of RECs from
20 them need to be considered on the basis of system
21 characteristics."

22 So thank you for that comment. Are there any
23 other commenters on WebEx?

24 And on the phone lines? We should open the
25 phone lines and if anyone has a comment or a question.

1 Standby while I get the nod. So folks that are calling
2 in, the line is unmuted. Does anyone want to share any
3 comments or have any questions that's on the phone?

4 MS. WATTS: Yes. This is Linda Watts with San
5 Diego Gas & Electric.

6 MS. ZOCCHETTI: Hi Linda.

7 MS. WATTS: Hi. My question is do we have any
8 idea, I know you said that you would be taking comments on
9 the guidebook up to November 2. Do you have any idea when
10 it might become finalized or some timeline?

11 MS. ZOCCHETTI: Yes. We were hoping to adopt
12 this guidebook at a Business Meeting by the end of this
13 year which means the final draft would come out a couple
14 of weeks before that, if possible. But being that we did,
15 many of you may know, we delayed this workshop for a
16 couple of weeks to we are still going to shoot for that
17 but I would say no later than the end of January,
18 hopefully. So sometime in that time period, end of the
19 year - beginning of next year.

20 MS. WATTS: Thank you, Kate.

21 MS. ZOCCHETTI: Thank you. Any other callers?
22 Okay, hearing none we're going to move onto our next topic
23 which refers to Attachment B and the topics are: the
24 multi-fuel facilities and the de minimis amount of
25 nonrenewable fuels which we've heard a lot about today,

1 repowering and certification. All those. A lot of folks
2 have probably already provided your comments on these
3 questions as part of your other comments. Don't feel that
4 you need to necessarily repeat those again. We will
5 definitely consider all of your comments. This is kind of
6 a busy slide. But I wanted to set the background for
7 everyone who's many not as familiar with the specific
8 issues.

9 So in the blue box there on the slide it says,
10 "For multi-fuel facilities seeking to adjust
11 their allowable de minimis quantity of non-
12 renewable fuel from 2% up to the maximum level
13 of 5% of the total contribution to the
14 facility's annual electricity output, one
15 condition that must be met is that the higher
16 quantity of nonrenewable fuel will lead to an
17 increase in generation that is significantly
18 greater than generation from the nonrenewable
19 fuel alone."

20 This is language from the statute. We have put
21 forward our proposed requirements for meeting these except
22 we weren't sure how to define significant amount. We are
23 proposing here that it be something larger than 5 percent
24 since the law considers up to 5 percent to still be
25 considered a de minimis amount. So we would consider that

1 but I put in here Merriam-Webster defines "significant" as
2 "of a noticeably or measurably large amount."

3 As opposed to de minimis which should be an
4 insignificant amount. So we would like your thoughts on
5 how significant should be defined, if it should be other
6 than 5 percent or, excuse me, greater than 5 percent.

7 And, again, we'll take the blue cards and let us
8 know - I'm sorry. I know but we have to try to be a
9 little organized here. So I'm going to move through these
10 three topics and then we'll take your comments.

11 Repowered Facilities and the RPS -Why Does it
12 Matter? So a facility with its 1st point of interconnection
13 to the WECC outside the state, as we mentioned earlier, is
14 not eligible unless it meets certain conditions. One of
15 the conditions is that if the electricity is from
16 incremental generation resulting from expansion or
17 repowering of the facility. So that's where we want to
18 focus for this issue. So that's why it matters. If
19 you're a facility that's existing, in other words
20 operating before January 2005 you can't play in the
21 California RPS game unless you're, supposedly, new
22 otherwise known as came online after January 2005 unless
23 you were repowered.

24 So you can certainly read this in your hand out,
25 the repowerment requirements. This just comes from the

1 RPS eligibility guidebook to give you some background on
2 what some of the requirements are. Basically you have to
3 replace the generating equipment or the prime mover with
4 new equipment and you have to make a fairly large
5 investment in the repowering.

6 The Energy Commission staff are proposing two
7 changes to the prime generating equipment requirements as
8 Mark mentioned earlier for small and conduit hydro instead
9 of mentioning the structures supporting the turbine we
10 were just going to say the entire turbine.

11 We've had some discussions with hydro developers
12 that that is kind of problematic and, as Mark mentioned,
13 where do you draw the line there. We're not quite sure
14 that the structures are intended to be part of the prime
15 mover.

16 On solar thermal we wanted to add the solar
17 boiler to the entire stream turbine. Part of these
18 proposals are also to better align all the technologies in
19 terms of the criteria in being that they're all different
20 technologies and they operate differently. We're trying to
21 get at the main central reason and the goal of repowering.

22 Sorry for the little overlap there.

23 Folks have come to us to ask this question in
24 blue:

25 "With SB X1-2 adding the eligibility exception

1 for existing out-of-state facilities with
2 generation procured as of January 1, 2010, is
3 the repowering option still needed? And, if so,
4 do the current RPS eligibility requirements
5 reflect all possible repowering opportunities?"

6 Is 80 percent the appropriate minimum level of
7 capital investment, for example. Are the definitions that
8 we've proposed or even those that have been in the
9 guidebook, should they be reexamined? Are they
10 appropriate for each technology? And then should we be
11 looking at other ways to get at the benefits that you get
12 from repowering a facility such as efficiency
13 improvements. And, if we should look at those and
14 consider those to be repower, how would we measure those
15 changes?

16 And then the precertification issue. As Jeremy
17 mentioned our current process is to evaluate an
18 application whether it's precertification or certification
19 we evaluate it in terms of the RPS eligibility guidebook
20 that is in place at the time that we receive the
21 application. Years ago we added precertification
22 opportunities because parties told us they wanted
23 something to be able to take to their financing company.
24 They thought it might help with negotiations with
25 utilities and so forth. We tried to create something that

1 would help them and still not be the stamp of approval
2 that I'm hearing a lot of you would like to have for
3 regulatory certainty which says you're in, you're good,
4 we're not going to ever change that. It was more
5 envisioned to be a snapshot in time. As was mentioned,
6 we're looking at this now. It looks like from the
7 information that you've given us which in some cases is
8 quite minimal depending on the stage of development it
9 looks like it's good to go but you need to come back to us
10 when you're online and we'll look at it again. And if the
11 guidebook has changed then we need to look at it under the
12 new guidebook.

13 As we mentioned at the beginning of this
14 workshop there are many issues that cause us to revise the
15 guidebook. Number one a change in law. We obviously have
16 to apply the law at the time. But perhaps more grey area
17 are if there are changes in policies, changes in the way
18 things are done that cause us to change our guidebook
19 requirements, that could affect whether or not that
20 facility would still be eligible. Lessons learned and so
21 forth.

22 So we're trying to balance out the benefit to
23 you that you told us about for precertification and still
24 keep a robust RPS program where not until a facility has
25 come online do we evaluate its RPS eligibility so that

1 RECs can count and be sold to a utility and be used for
2 RPS obligation.

3 We're asking – we mostly want to know – we just
4 haven't looked at this in awhile. What value does
5 precertification provide if it is not a guarantee? If
6 folks are going to the bank and telling their financial
7 officer it is a guarantee and then they don't get
8 certified. I'm sure that's not a good thing and that's
9 not our intention. If we take it away, however, then you
10 don't have that.

11 So one question I would have is knowing that
12 it's not a guarantee is it still a valuable thing for you
13 to have so that the institution can say, "Well. At least
14 it's better than nothing. Looking at this we know that
15 you meet the current guidelines. That's all we can ask
16 for." We can't promise regulatory certainty as a
17 government agency, even though it's frustrating. We
18 understand that it's expensive.

19 I would appreciate hearing from you. If not in
20 your comments today, in your written comments. I wanted
21 to just kind of go here before I lose many more of you to
22 remind you that comments are due November 2. The workshop
23 notice does have steps that you should take, as Mark
24 mentioned. Our next steps are to consider all your
25 comments very carefully. We will post them on the

1 website. I think last time when we had our biomethane we
2 were kind of posting them as they came in and a lot of
3 people got concerned because theirs weren't up yet. I
4 would like this time instead kind of wait until they've
5 all come from our Dockets unit and gather them up and I'll
6 post them. Sometimes it takes more than a week so don't
7 get anxious if you don't see them there.

8 We will consider the comments, discuss with
9 Commissioners and propose final draft guidebooks. They
10 will still show underline strikeout but it will only show
11 the changes relative to the current guidebook. Okay? Not
12 the draft guidebook so if we make changes and then
13 unchanged them, you won't see that. You'll see the only
14 change relative to the guidebook that is in place
15 currently.

16 As I mentioned on the phone too we're trying to
17 get this done by the end of the year. The more
18 contentious things are, the more discussions that we have.
19 We want to resolve those things as much as we can but, as
20 you can imagine, that would push the date back a little
21 bit.

22 We know that unbundled RECs and those folks want
23 to get their facility certified so we're trying to balance
24 that out and get the guidebook adopted. The guidebook
25 does become effective immediately upon this adoption by

1 the Energy Commission at a Business Meeting.

2 So I'll go back to the questions and comments.

3 I have one blue card. Please make sure that you give me a
4 blue card if you want to answer any of these questions.

5 Again, we really do want to know the answers to these. We
6 may be incorporating changes to these 3 issues in the
7 final draft guidebook so I encourage you to let us know
8 your thoughts.

9 I have a card from Peter Weiner, BrightSource.

10 MR. WEINER: Thank you. You have my card. I
11 just wanted to comment, very briefly, I admit to you when
12 I first read what you proposed to do on this issue of
13 significance, I was so confused that I just must disagree
14 with it.

15 MS. ZOCCHETTI: Okay.

16 MR. WEINER: But in reading it further, I just
17 want to clarify it. I think I totally agree but — I think
18 what you have to do is figure out what would be the
19 generation from nonrenewable fuel alone and then look at
20 what the increment is. And is that what you're proposing
21 to do? That's how you would do it?

22 MR. KOOSTRA: This is Mark. Yeah. We would
23 essentially look at — well, take for example, that you're
24 using 5 percent fossil fuel at your plant or that's the
25 proposal. You'd have to look at how much fossil fuel — or

1 how much electricity that that would generate at another
2 facility and then say, "Okay. We need to at least be
3 greater than that and we should probably be this much
4 greater than that in order to find at as significant."

5 MR. WEINER: Right. And what you're proposing
6 as this much greater is 5 percent greater?

7 MR. KOOSTRA: It would be 5 percent of the total
8 facility generation we're meeting not so if it's a 5
9 percent natural gas it wouldn't be equivalent to 1 or some
10 very small portion of what the natural gas adds as opposed
11 to - essentially if you take a facility that's not
12 generating using natural gas and it adds 5 percent natural
13 gas we'll assume that the generation turns from 100 MWhs
14 to 105. In order to find a significant then, in this
15 example, it would have to generate 110 in total in order
16 to count that generation significantly more. That's the
17 way we're looking at it there.

18 MR. WEINER: So if you add - you were going to
19 generate 100. Okay. I have to do the arithmetic again.

20 MR. KOOSTRA: Yeah. Essentially what it comes
21 down to is you take whatever the fossil fuel would add,
22 you kinda need to double that. Not completely but that
23 type of concept -

24 MR. WEINER: That's how it comes out. It
25 becomes doubling.

1 MR. KOOSTRA: Depending on how efficient that
2 fossil fuel is, yeah.

3 MR. WEINER: Because when I thought about it I
4 was thinking okay the fossil fuel would generate 5 MWh so
5 what you really want to make sure you do, from what you
6 were saying, is 5 percent more than 5 in addition.

7 MR. KOOSTRA: We would actually look at the
8 entire facility because 5 percent significantly more. I
9 think our way of looking and looking at the law as Kate
10 described the definition of significance means that it's
11 of a large enough value to be considered and de minimis
12 typically means not large enough to be considered. So if
13 you're making the argument that 5 percent is de minimis it
14 wouldn't be logical to say that greater than 5 percent is
15 significant and no number less than 5 percent can be
16 considered significant.

17 MR. WEINER: I think generally speaking that the
18 de minimis quantity is set at 2 percent. The maximum
19 level is 5 if you can show that you're — that the higher
20 quantity being up to 3 percent from 2 percent will lead to
21 an increase in generation, it's at the margin. It's a
22 marginal issue that is significantly greater than the use
23 of the nonrenewable fuel law. It's a marginal issue
24 rather than a whole issue. Do you see what I'm saying?

25 MR. KOOSTRA: I think I do.

1 MR. WEINER: (indiscernible) increase. And so
2 that's why I was confused and now I'm not sure I do agree
3 because what the laws says is that you're looking at the
4 margin. That the use of the extra, up to 3 percent,
5 generates more than what you would get from just that 3
6 percent alone. So that's what it's saying and it says
7 significantly greater and then you have to know what
8 significant means but it's still a marginal tool. It's
9 not an overall you would have generated 100, let's see
10 what you generate now. And so I think you need to – we'll
11 consider this in our comments but I think you need to
12 consider it in terms of it being a marginal rather than a
13 total wavering kind of thing because that's what the law
14 says. It may –

15 MR. KOOSTRA: That's one of the reasons why
16 we're asking questions about how to define 'significant'
17 and what to look at in that.

18 MR. WEINER: Yeah. Okay. It's hard. Thank
19 you.

20 MS. ZOCCHETTI: Thank you. Bawa again from
21 Pasadena Water & Power.

22 MR. BAWA: This is Gurchuran Bawa with Pasadena
23 Water & Power. Kate, you know we're certainly interested
24 in having the new guidebook being adopted and the
25 timeline, to me, looks a little bit aggressive considering

1 the biomethane portion which in our view is a significant
2 portion as you heard today and you heard in the last
3 workshop, it's a significant interest in that particular
4 issue.

5 When do you think we would see some kind of a
6 draft on that particular matter?

7 MS. ZOCCHETTI: So I don't know the answer to
8 your question. We would post it in enough time for
9 parties to consider everything before it gets adopted but
10 I'd like to also suggest though another option might be
11 that if there are outstanding issues that have not yet
12 been decided that perhaps this guidebook would get adopted
13 and we fully expect to turn right around and start another
14 guidebook change, I'm sorry to tell all of you, because of
15 SB X1-2 in part and all of the developing rules and
16 requirements here at the Energy Commission and at the CPUC
17 that we'll need to incorporate. So we are already
18 planning to do another guidebook. I don't know. We have
19 not decided how that will go but that's another
20 possibility. That this guidebook could keep moving
21 through and then if any changes are made to the biomethane
22 or the MSW conversation sections that's also possible they
23 could be addressed in the next version. I wish I knew but
24 we don't know ourselves.

25 MR. BAWA: No, I understand some of the

1 uncertainties and some of the other surrounding issues
2 with respect to the biomethane gas.

3 If I could suggest, just in case, if you have
4 the biomethane draft ready but the other changes that
5 you're proposing that you might consider making to this
6 draft are not ready it may be, it's just one suggestion,
7 that you may want to put the Biomethane section out there
8 and then on the heels of that, whenever you're ready with
9 the other changes that could come to provide a little bit
10 more time.

11 MS. ZOCCHETTI: I think that's a great
12 suggestion or we may just provide another comment
13 opportunity and not go to a Business Meeting until later
14 so that if we have the final draft rather than have it
15 just be, say, 10 days or 2 weeks before a Business Meeting
16 that we provide a longer comment period even if we don't
17 have another workshop perhaps we would have a comment
18 period. Or maybe just a section as you suggested, that's
19 a good idea. We'll look at all our options.

20 MR. BAWA: Thank you.

21 MS. ZOCCHETTI: We want to make sure that
22 everyone has an opportunity to provide their comments.

23 MR. BAWA: Understand. Thank you very much.

24 MS. ZOCCHETTI: Thank you. Are there any other
25 comments? Anyone on WebEx? We have no comments on WebEx.

1 We're going to unmute the telephone lines and if anyone is
2 on the phone I'll let you know in a moment when we're able
3 to take your comment or question.

4 Sounds like we are unmuted. Is anyone on the
5 phone have a comment or question?

6 MR. MAUNEY: Hi, yeah, this is David Mauney with
7 Sustainable Energy Solutions.

8 MS. ZOCCHETTI: David, could you repeat your
9 name, please

10 MR. MAUNEY: I'm sorry. My name is David Mauney
11 with Sustainable Energy Solutions.

12 MS. ZOCCHETTI: Go ahead.

13 MR. MAUNEY: Given, and I appreciate the
14 Commission's time today and this is round two of all of
15 our comments and support, trying to figure out where we're
16 going with this and my question is based on the previous
17 comment from everybody here, do you have – and I know that
18 this is a question that you've already tried to address
19 but given your current look at biomethane, can you give us
20 any indication now that you're stating you're going to be
21 doing another guidebook and you have not commented on
22 biomethane yet since our September 21 meeting we have
23 projects on hold. Thos projects are sitting ready to
24 either – they're in partial stages of construction or
25 they're in development stages. Are we to sit by and this

1 is a six month is this a 10 month or is this just a 4
2 month process while we wait on you review of all of the
3 comments and all of the insight into biomethane coming
4 into the state.

5 MS. ZOCCHETTI: So that's a good question. I
6 really don't know how long a process will take but I
7 would, in terms of being on hold, I would just be aware of
8 Commissioner Peterman's comments a month or so ago when
9 she encouraged folks not to rush to the Energy Commission
10 to submit applications in hopes of kind of getting locked
11 in, quote unquote. That that could trigger some kind of
12 suspension perhaps and so I'd like to reiterate that for
13 those of you who might not have heard her comments.

14 I hope that it doesn't take 6-9 months. We've
15 done a lot of work already. We've heard from a lot of
16 parties. We had very good attendance at the biomethane
17 workshop. I would hope that it would be resolved within
18 the less amount of time that you mention four months,
19 hopefully not even sooner than that.

20 Are there any other comments or questions on the
21 phone? And if you are not speaking if you could mute your
22 own line please. Thank you.

23 MS. WATTS: Hi Kate. It's Linda Watts again
24 with SDG&E. Will this PowerPoint presentation be posted
25 on your website?

1 MS. ZOCCHETTI: Yes.

2 MS. WATTS: Thank you.

3 MS. ZOCCHETTI: Thank you, and thank you for the
4 reminder to do that.

5 Any other comments on the phone? It sounds like
6 someone might be trying but if you're not I'm going to
7 adjourn.

8 Okay. I'm going to adjourn this meeting. Thank
9 you so much for your participation, both here at the
10 Energy Commission and remotely. We really, really
11 appreciate your participation and giving us all your good
12 feedback. As I said, we will be posting your comments.
13 Please remember to CC RPS Track that way we can really
14 dive in earlier than waiting for them to go through the
15 dockets which can take a week or two.

16 With that, safe travels and I hope you get some
17 lunch. Thank you.

18 (Whereupon, at 12:40 p.m., the workshop was
19 adjourned.)

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