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02-REN-1038

DOCKET

11-RPS-01

DATE Oct. 27 2011

RECD. Oct. 28 2011

California Energy Commission
Dockets Office, MS-4
RPS Proceeding
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket No. 11-RPS-01
and
Docket No. 02-REN-1038

A staff workshop was held on October 21, 2011 to solicit public comments on the proposed changes to the *Renewables Portfolio Standard Eligibility Guidebook (RPS Guidebook)* and the *Overall Program Guidebook for the Renewable Energy Program (Overall Guidebook)*. We understand the changes are necessary to implement Senate Bill No. X1-2 (Simitian) approved by the Governor April 12, 2011.

Under present standards, hydroelectric projects are limited to a nameplate capacity of 30 MW or less, and two or more sets of generating equipment that share common control or maintenance and located within a one-mile radius of each other have been defined by the Commission as a single project.

Senate Bill X1-2 amended Section 399.12 of the Public Utilities Code to refine the definition of an "eligible renewable energy resource" in several ways, among them increasing the allowable nameplate capacity to 40 MW for a small hydroelectric generating unit operated as part of a water supply or conveyance system if the retail seller or local publicly owned electric utility procured the electricity from the facility as of December 31, 2005. The legislation further states that a new hydroelectric facility that commences generation after December 31, 2005 is not eligible if it causes an adverse impact on instream beneficial uses or causes a change in volume or timing of streamflow.

The revised guidebooks at present do not address all types of cases that will need to be considered. One such situation consists of an addition to an existing facility. Consider the following:

- An existing eligible renewable energy facility, with capacity less than 30 MW where energy was sold to a retail seller prior to December 31, 2005.
- Water delivered is part of a water supply or conveyance system.

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- Changes in water delivery requirements controlled by others have resulted in a need to increase the capacity of the facility above 30 MW, but less than 40 MW.

We therefore suggest adding the following to the *RPS Guidebook* page 29, item a Small Hydroelectric, first bullet, to follow No. 3:

> *4. Additions to existing facilities are RPS eligible provided the facility in total has a nameplate of 40 MW or less, the water delivered is part of a water supply or conveyance system, and the facility does not cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow.*

There was also an indication that the Energy Commission was considering eliminating the option of pre-certifying a facility that is in development and not yet online. Because of the potential differences in interpretation of legislation and guidelines established by the Commission to implement such legislation, and the difference in the value of the energy produced based on RFP eligibility, we consider it essential to obtain an option regarding such eligibility prior to starting construction.

Please contact the undersigned if you have any questions or comments.

Respectfully,

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