



STAFF WORKSHOP

PROPOSED REVISIONS TO THE RENEWABLES PORTFOLIO STANDARD ELIGIBILITY GUIDEBOOK AND THE OVERALL PROGRAM GUIDEBOOK

Gina Barkalow

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Renewable Energy Office

Hearing Room A

9 a.m.

October 21, 2011

Thank you for your participation – the workshop will begin shortly.

Please take advantage of the WebEx call-back function.



Workshop Agenda

- Welcome & Housekeeping
- Staff Presentation
 - New legislation
 - Overview of proposed guidebook revisions
- BREAK
 - Review of questions for stakeholder comment
- Public comments
- Next Steps



Housekeeping

- Handouts on desk at room entrance
- Restrooms located on 1st floor
- Snack bar on 2nd floor
- Several restaurants within walking distance
- Emergency evacuation procedures
- WebEx
 - For interactive participation use WebEx



WebEx Participation

- WebEx users can:
 - View slides
 - “Raise hand” to ask a question
 - “Chat” to the WebEx host
- WebEx users are muted on entry
- WebEx users will be un-muted during Q&A
- Login details are on page 4 of the Workshop Notice



Ground Rules

- Use blue cards to make speaking request
 - Blue cards available on table at room entrance
 - Submit blue cards to Energy Commission staff
 - Before speaking, provide business card to court reporter
 - Must use microphone at podium to speak
- WebEx and phone-only participants can also ask questions during Q&A



Public Comments

- Comments will be taken in the following order:
 - Audience in Attendance
 - Blue cards
 - WebEx participants
 - Click the “Raise Hand” button to ask a question
 - We can then un-mute your phone line to take your comment verbally
 - Alternatively, you can “chat” your comment to WebEx “Host”
 - Phone-only participants
 - We will un-mute all phone lines for open ‘mic’ comments - Please only un-mute your phone to speak



Purpose of Workshop

- Seeking public input on proposed revisions to the Renewables Portfolio Standard Eligibility Guidebook and Overall Program Guidebook in response to new legislation, CPUC decisions and lessons learned from program implementation.
 - Draft revisions to these guidebooks are proposed by staff with guidance and input from lead Commissioner – Carla Peterman.
- Seeking public input on additional questions for consideration in the final draft guidebooks.



New Legislation Affecting RPS Eligibility

- Assembly Bill 920 (2009)
 - Requires electric utilities to develop a standard contract or tariff for eligible wind and solar generators up to one megawatt.
 - Provides for surplus net metering for electricity produced in excess of onsite load at the end of a 12-month period.
 - The utility may count this surplus generation toward its RPS obligation.



New Legislation Affecting RPS Eligibility

- Senate Bill 32 (2009)
 - Expands the eligible project size of the feed-in tariff from 1.5 MW to 3 MW in size.
 - Raises the statewide program cap from 500 MW to 750 MW.
 - Requires POUs to comply with this requirement.
 - Must be implemented through a CPUC proceeding before projects can utilize the new tariff.



New Legislation Affecting RPS Eligibility – cont'd

- Assembly Bill 1954 (2010)
 - Directs the Energy Commission to set the de minimis quantity of nonrenewable fuels that may be used for each renewable technology at no more than 2 percent, but permits the Energy Commission to adjust the de minimis quantity to a maximum of 5 percent for individual facilities if certain conditions are satisfied.



New Legislation Affecting RPS Eligibility – cont'd

- Senate Bill X1-2 (2011)
 - Increases the RPS procurement requirements from 20 percent by 2010 to 33 percent by 2020
 - Revises the RPS responsibilities of the California Public Utilities Commission (CPUC) with respect to retail sellers of electricity
 - Expands RPS requirements to include California publicly owned electric utilities
 - Requires the Energy Commission to adopt new RPS regulations with respect to POUs
 - Adds language on how the CPUC should determine the renewable feed-in tariff price.



RPS Eligibility and Overall Program Guidebook: Proposed Revisions are Primarily in these Categories

- Publicly Owned Electric Utilities
- Small Hydroelectric
- Distributed Generation
- Multi-Fuel Facilities
- Repowered Facilities
- Out-of-State/Country Facilities
- Energy Delivery
- Unbundled RECs
- Certification Process
- Application Process
- Verification Process
- WREGIS & Interim Tracking System
- Appeal Process
- Glossary of Terms
- New and revised forms



Overview of Proposed Revisions to the Renewables Portfolio Standard Eligibility Guidebook

Mark Kootstra

Renewable Energy Office





RPS Eligibility Guidebook: Proposed Revisions

- **Legislation**
 - Legislation relevant to changes in this guidebook or not yet incorporated is included.
 - Legislation relating to the RPS or having impacts on the RPS is now displayed in Appendix E.
- **Related Guidebooks and Regulations**
 - Includes the Power Source Disclosure Program.
 - Includes the POU Regulations being implemented under SB X1-2.



RPS Eligibility Guidebook: Proposed Revisions

- **Outstanding Issues**

- Renewable Energy Credits (REC) Trading and Customer-Side Renewable Distributed Generation are no longer outstanding issues.
- The discussion of Storage has been expanded to include issues that must be address before the storage of RPS eligible electricity for later use by utilities can play a major role in California's RPS.
- The 33% by 2020 implementation section has been revised to include SB X1-2 and the Energy Commission and CPUC's process for implementing it.



RPS Eligibility Guidebook: Proposed Revisions

- **Re-organization of Guidebook**
 - In current RPS Guidebook, the additional required information for eligibility of each resource is in a different section than primary eligibility information.
 - Whole sections within Staff Draft RPS Guidebook have been moved to combine all informational requirements with primary eligibility requirements.
- **Renewables Portfolio Standard Targets**
 - Information on the revised RPS targets for retail sellers and POU's under SB X1-2 is provided.
- **Table 1: Summary of Requirements**
 - Table has been updated to represent proposed guidebook changes.



RPS Eligibility Guidebook: Proposed Revisions

- **Biogas**
 - Duplicative information regarding the measurement methodology has been replaced with a reference to the section on Renewable Facilities Using Multiple Energy Resources.
- **Biomethane**
 - The Energy Commission is re-examining the RPS requirements for pipeline biomethane.
 - Staff held a workshop on September 20, 2011 and received numerous comments from parties.
 - The Energy Commission may propose revisions to biomethane section after consideration of the comments and input from technical staff.



RPS Eligibility Guidebook: Proposed Revisions

- **Hydroelectric**
 - Incorporates changes in law addressing eligibility of existing small hydroelectric facilities:
 - Implements SB X1-2, allowing RPS eligibility for an existing small hydroelectric facility to exceed 30 megawatts (up to 40 megawatts) if it is operated as a water supply or conveyance system and the electricity was procured by a retail seller or POU as of December 31, 2005.
 - The section on additional required information for hydroelectric applications has been moved to this section and now clearly applies to all applications, including those for precertification.



RPS Eligibility Guidebook: Proposed Revisions

- **Municipal Solid Waste**
 - The Energy Commission is re-examining the requirements for Municipal Solid Waste (MSW) Conversion facilities.
 - The additional required information for MSW applicants was moved to this section.
- **Distributed Generation**
 - This section has been removed from the guidebook; information from this section can be found in the Unbundled Renewable Energy Credits section.



RPS Eligibility Guidebook: Proposed Revisions

- **Multifuel Facilities**
 - This section has been reorganized to emphasize the measurement methodology.
 - Revisions were made to the first option for calculating the nonrenewable energy contribution at facilities using noncombustion, thermal technologies.
 - The new de minimis requirements per AB 1954 are introduced.
 - Previously used de minimis and fossil fuel allowances will apply to facilities certified under previous editions of the guidebook if the facility continues to meet these requirements.



RPS Eligibility Guidebook: Proposed Revisions

- **De Minimis Nonrenewable Fuel Use Re-defined by AB 1954**
 - Facilities using nonrenewable fuels may use up to a de minimis quantity of 2% annually for 100% of the output to count as RPS eligible.
 - Facilities may use a de minimis quantity of 5% non-renewable fuel use for 100% of the output to count as RPS eligible if they can demonstrate that the higher quantity of nonrenewable fuel:
 - Leads to an increase in generation that is significantly greater than generation from the nonrenewable fuel alone
 - Reduces the variability of facility's electrical output in a manner that results in net environmental benefits to the state.
 - The higher quantity of nonrenewable fuel must be limited to either natural gas or hydrogen derived by reformation of a fossil fuel.



- **De Minimis Nonrenewable Fuel Use Re-defined by AB 1954 (cont'd)**
 - Fossil fuel use above an annual de minimis amount is not RPS eligible; in such cases only the generation attributable to the renewable energy input is eligible.
 - Staff is seeking public input on the definition of the term “significant” in the law; see Attachment B to the workshop notice.



RPS Eligibility Guidebook: Proposed Revisions

- **Repowered Facilities**

- The additional required information for repowered facilities has been moved to this section.
- Revisions are proposed to the definition of the prime generating equipment for hydroelectric facilities and solar thermal facilities.
- Staff is seeking public input on specific topics relating to the repowering process; see Attachment B to the workshop notice.



RPS Eligibility Guidebook: Proposed Revisions

• **Out-of-State Facilities**

- SB X1-2 redefines out of state criteria.
 - Facilities with 1st point of interconnection to the transmission system of a balancing authority area primarily located in CA are not subject to out of state requirements for RPS eligibility.
 - Facilities with 1st point of interconnection to the transmission network outside CA can qualify for RPS if the facility:
 - Has its first point of interconnection in WECC.
 - Commences initial commercial operations after 1-1-05.
 - Does not cause or contribute to a violation of a CA environmental quality standard within California.
 - Participates in WREGIS.
 - If located outside the United States, is developed and operated in a manner that is as protective of the environment as a similar facility located in CA.



Out-of-State Facilities (cont'd)

- Out of state facilities that came online before 1-1-05 can still qualify for RPS if:
 - The electricity is from incremental generation resulting from project expansion.
 - The electricity was procured by a retail seller or POU as of January 1, 2010.
- This section was also revised to more clearly state any exemption to the out-of-state facility requirements, including:
 - Facilities serving POUs
 - Multijurisdictional Utilities
 - Existing Out-of-State Facilities



RPS Eligibility Guidebook: Proposed Revisions

- **Out-of-State Facilities (cont'd)**

- The additional required information for Out-of-State facilities has been moved to this section.
- Revisions were made to when a facility must submit the Out-of-Country information.
 - For facilities located outside the United States, but within the WECC, the applicant must demonstrate that the facility is developed and operated in a manner that is as protective of the environment as a similar facility in California.



RPS Eligibility Guidebook: Proposed Revisions

- **Energy Delivery Requirements**
 - SB X1-2 eliminates electricity delivery from the eligibility requirements for RPS.
 - Beginning January 1, 2011, the Energy Commission will no longer verify energy deliveries from out of state resources for RPS eligibility.
 - Depending on the implementation of SB X1-2, the Energy Commission may, in the future, collect delivery or other similar information in the verification process.



RPS Eligibility Guidebook: Proposed Revisions

• **Unbundled Renewable Energy Credits**

- All grid-connected renewable electric generation facilities may be certified as RPS-eligible, including generators serving onsite load, if all eligibility requirements are met.

Requirements include, but are not limited to:

- Participation in WREGIS.
 - Meter accuracy rating of 2 percent or higher accuracy.
 - Only generation occurring after the certification’s “beginning on date” will be considered eligible.
- Information from other sections discussing TRECs and Unbundled RECs has been updated and included in this section.



RPS Eligibility Guidebook: Proposed Revisions

- **Certification Process**

- Explanation of the “Beginning on date” or the “eligibility date” for facilities.
- WREGIS participation
 - All facilities must be tracked in WREGIS to be certified.
 - The WREGIS GU ID for all facilities must be reported to Energy Commission staff by July 1, 2012.
- POU grace period
 - Eligibility and benefits of the grace period.



RPS Eligibility Guidebook: Proposed Revisions

- **Certification and Precertification Types**
 - Individual facilities
 - This is the application process currently allowed
 - Aggregated Facilities
 - For small wind and solar PV facilities only
 - Facilities Serving Multijurisdictional Utilities
 - A similar process to individual facilities
 - Facilities Serving POUs
 - Only for facilities under contract with a POU and not requiring any supplemental information.
 - Old certification or precertification types.



RPS Eligibility Guidebook: Proposed Revisions

- **Application Process**

- Completing Application Forms
 - All information requested in the forms are required unless otherwise specified.
- Submission Requirements
 - Hard copy with all original signatures, electronic copy in excel format to the specified email address.
- Application Review
 - Application must be complete to start review or receive a “beginning on date.”
 - Facilities are awarded an RPS ID if one is not already assigned to the facility.



RPS Eligibility Guidebook: Proposed Revisions

- **Application Process (cont'd)**
 - Notification of Final Determination
 - A certificate indicating the eligibility of the facility as either certified or precertified will be mailed to the applicant.
 - Approval of a precertification application does not guarantee that the facility will be eligible for certification.
 - Amending Certifications or Precertifications
 - Certification and precertifications can be amended by submitting a new application form and indicating that it is an amendment.



Proposed Revisions for RPS Tracking, Reporting, and Verification

Gina Barkalow

RPS Procurement Verification

Renewable Energy Office



RPS Eligibility Guidebook: Proposed Revisions

- Incorporates portions of SB X1-2, including RPS tracking, reporting and verification for POUs.
 - Removes energy delivery data reporting and verification requirements beginning with January 2011.
- However, NERC e-Tag data may be required to verify renewable energy product categories in the future.
 - This guidebook will be revised as appropriate to incorporate new RPS requirements once they are established in the Energy Commission and CPUC's RPS proceedings for implementing SB X1-2.



RPS Eligibility Guidebook: Proposed Revisions

- Clarifies that although SB X1-2 changed annual targets to multi-year compliance periods, retail sellers and POUs must continue to report annually to the Energy Commission on the amount of RPS eligible electricity they procure per month per facility.
- Recognizes that the Energy Commission will prepare RPS Procurement Verification Reports (Verification Reports) based on compliance periods and plans to have one Verification Report for retail sellers and a similar report for POUs.



RPS Eligibility Guidebook: Proposed Revisions

- **Verification Process Envisioned Under SB X1-2**
 - Analyze annual procurement data for the previous year and work with retail sellers and POU's to verify procurement claims.
 - Present verification findings and discuss outstanding issues at a public workshop & post findings on Commission Web site.
 - Following each compliance period, combine verification results for intervening years and present results in two separate Verification Reports (retail sellers & POU's) covering the compliance period.
 - Based on the POU Verification Report, staff will determine POU compliance and produce a POU RPS Compliance Determination Report to submit to the Air Resources Board – process will be further developed in next RPS Eligibility Guidebook.



RPS Eligibility Guidebook: Proposed Revisions

• **Additional POU Requirements**

- RPS Enforcement
 - The governing board of each POU must adopt a program for RPS enforcement on or before January 1, 2012.
- Renewable Energy Resources Procurement Plans
 - Each POU must annually post notice whenever its governing board will deliberate in public on its procurement plan, and notify the Energy Commission of the public meeting details.
 - Each POU must provide to the Energy Commission an electronic copy of its procurement plan, and any other related documents made available to the public and considered at noticed public meetings.
 - POU may provide to the Energy Commission the URL that links to this information for posting the information on the Energy Commission's Web site.



RPS Eligibility Guidebook: Proposed Revisions

- **Interim Tracking System (ITS) – Generation Data Reporting**
 - For POU's, if the ITS is used for reporting procurement, generators (or POU's, if generating facilities are owned by the POU) must report monthly and annual generation data to the Energy Commission on the CEC-RPS-GEN form by June 1 (or the next business day) for the entire previous calendar year for which any WREGIS data are unavailable.
 - POU's do not need to file separate CEC-RPS-GEN forms to report generation for the facilities they certify. Also, since the POU is providing the data, the POU does not need to separately provide third party verification of the generation.



RPS Eligibility Guidebook: Proposed Revisions

- **Test Energy not in WREGIS is not RPS-eligible**
 - Explains that the WREGIS system will only create RECs for generation associated with the earliest active certificate issuance cycle at the time the facility is approved in the WREGIS system. For new facilities with a recent commercial on-line date, this could include “test energy.”
 - Clarifies that beginning on January 1, 2011, test energy not tracked in WREGIS may not be reported using the ITS and will not be counted toward a retail seller’s or POU’s RPS procurement obligations.



RPS Eligibility Guidebook: Proposed Revisions

- **TRECs for RPS**
 - Clarifies that TRECs from facilities certified by the Energy Commission as RPS eligible and tracked in WREGIS for electricity was generated on or after January 1, 2008, can be procured, traded and used for RPS compliance, but may not be claimed before the 2010 compliance year – per CPUC decision.
 - Clarifies that although retail sellers and POUs must report annually to the Energy Commission, they may retire RECs at any time, but within 36 months from their generation month.



RPS Eligibility Guidebook: Proposed Revisions

- **Reporting and Due Dates for Retail Sellers**
 - 2010 Compliance Year – supplemental TREC filings
 - TRECs cannot be used for RPS before the 2010 compliance year.
 - Supplemental 2010 TREC procurement reporting should be submitted to the Energy Commission within 30 days of the posting of this fifth edition final RPS Eligibility Guidebook.
 - 2011 and Subsequent Years
 - WREGIS only must be used for procurement reporting.
 - Reports due June 1, 2012, and June 1 every subsequent year for procurement/retirement in the previous year.



RPS Eligibility Guidebook: Proposed Revisions

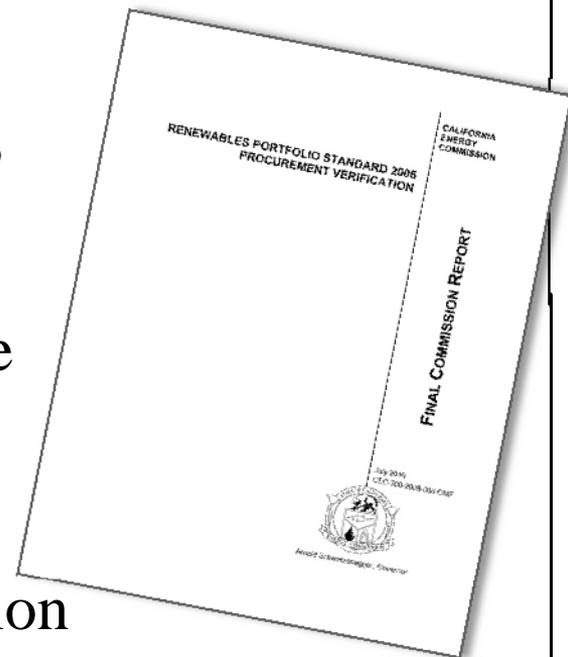
- **Reporting and Due Dates for POUs**
 - 2011 and 2012
 - Annual reports due June 1 for the previous year.
 - If RPS generation is not tracked in WREGIS, POUs may use the Interim Tracking System – CEC-REO-POU form to report RPS procurement/generation.
 - WREGIS must be used to report procurement after June 2012.
 - 2013 and subsequent years
 - WREGIS only must be used to report RPS procurement.
 - Annual reports due June 1 for the previous year.
 - 2014, 2017, and 2021
 - By June 1, of 2014, 2017, and 2021 obligated POUs must submit compliance period report information.



RPS Eligibility Guidebook: Proposed Revisions

- **Retail Seller Verification Reports**

- Staff analyzes annual WREGIS compliance reports to determine:
 - RPS eligibility of procurement claims
 - There is no double-counting of generation
- Energy Commission transmits final Verification Reports on retail sellers to the CPUC





- **Retail Seller Verification Reports (cont'd)**
 - Pre-2011 Compliance Years – Annual Verification
 - Retail sellers submit “Verified Compliance Report” to the CPUC within 30 days
 - CPUC applies flexible compliance rules to determine RPS compliance
 - Post-2011 Compliance Years – Compliance Period Verification
 - CPUC developing new compliance rules, including compliance reporting requirements and excess procurement.



RPS Eligibility Guidebook: Proposed Revisions

- **POU Verification Reports**

Details of the Energy Commission's process for reporting POU procurement will be incorporated into a later edition of this guidebook as the Energy Commission develops regulations specifying the enforcement provisions for POUs.





RPS Eligibility Guidebook: Proposed Revisions

- **Appendix A: WREGIS Reporting Instructions**



- Complete and submit a form authorizing WREGIS to release your POU RPS compliance information to the Energy Commission. The WREGIS authorization form can be downloaded from the WREGIS website: **www.wregis.org**
- Coordinate with Qualified Reporting Entities and generators to ensure that generation data is reported to WREGIS and all appropriate California RPS-eligible WREGIS Certificates are transferred to your WREGIS account for each compliance year.



RPS Eligibility Guidebook: Proposed Revisions

- **Appendix A: WREGIS Reporting Instructions (cont'd)**

Provides information about how to:

- Create at least one CA RPS retirement subaccount for each compliance year – two subaccounts if procurement includes both pre-June 1, 2010 and post June 1, 2010 contract procurement.
 - More details will be provided in the next edition of the RPS Eligibility Guidebook.
- Retire WREGIS Certificates into retirement subaccounts.
- File a State/Provincial/Voluntary Compliance Report to demonstrate monthly procurement claims per facility per year.
- Submit a signed WREGIS State/Provincial/Voluntary Compliance Report Attestation Form.



RPS Eligibility Guidebook: Proposed Revisions

- **Appendix B: RPS Reporting Forms**

Interim Tracking System

- CEC-RPS-GEN
- CEC-RPS-TRACK
- CEC-REO-POU

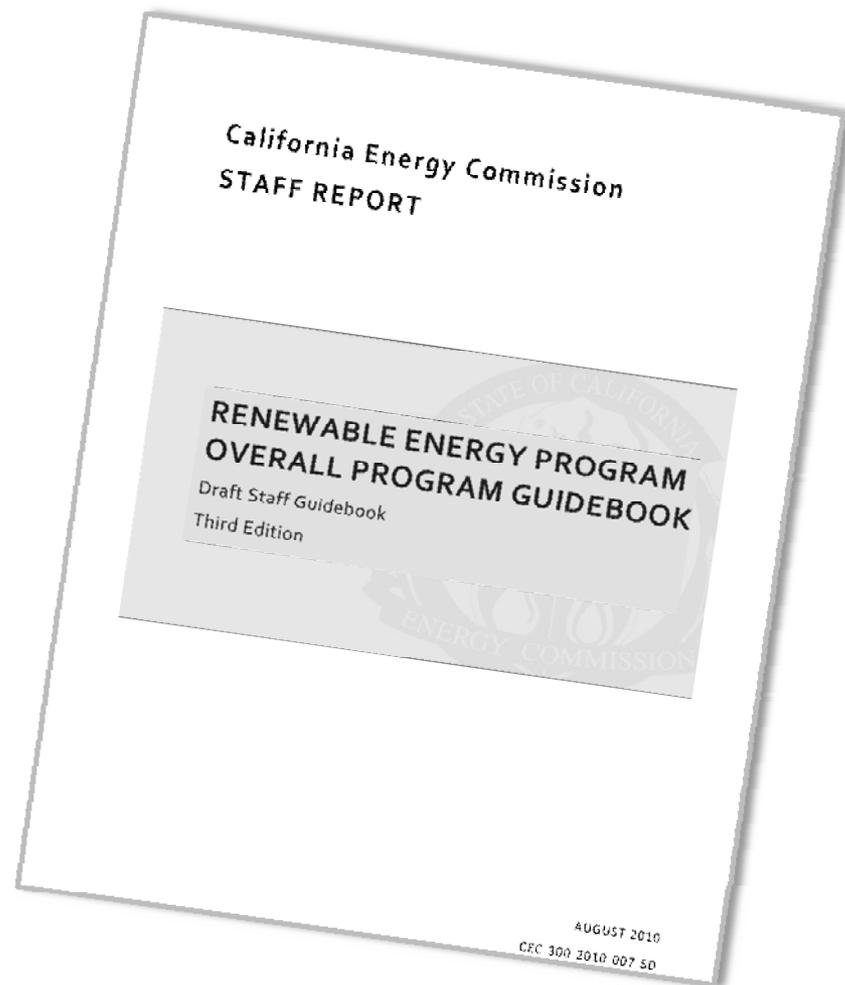
WREGIS

- WREGIS State/Provincial/Voluntary Compliance Report Attestation Form



Overview of Proposed Revisions to the Overall Program Guidebook for the Renewable Energy Program

Kate Zocchetti





Overall Program Guidebook: *Proposed Revisions*

- ***Non-Substantive Changes***
 - Deletes the provision for making non-substantive changes to the Renewable Energy Program guidelines.
- ***Assigned Committee***
 - Changes responsibilities from assigned committees to the Executive Director or the Energy Commission, as appropriate.
- ***Appeals***
 - Revises the process for disputes pursuant to the Energy Commission's regulations for complaints and investigations under Title 20, California Code of Regulations, Section 1230, et seq.



Overall Program Guidebook: *Proposed Revisions*

The following terms have been revised, added or deleted in the Glossary of Terms:

- Annual Procurement Target
- Balancing Authority
- Balancing Authority Area
- Baseline
- Biomass
- California Balancing Authority
- Central station facility
- Distributed generation facility
- Distribution network
- Electrical corporations
- Eligible renewable energy resource
- In-state renewable electricity generation facility
- Investor-owned utility
- Localized electricity generation facility
- Local Publicly Owned Electric Utility



Overall Program Guidebook: *Proposed Revisions*

Glossary of Terms (cont'd)

- Market price referent
- Multijurisdictional Utility
- Procurement
- Procurement entity
- Project
- Renewable Energy Certificate
- Renewable Energy Public Goods Charge
- Renewables Portfolio Standard
- RPS Collaborative Workplan
- Small hydroelectric
- Self-generation
- Water supply or conveyance system



Overall Program Guidebook: *Proposed Revisions*

■ *Balancing Authority Area*

- The collection of generation, transmission, and loads within the metered boundaries of the area within which the balancing authority maintains the electrical load-resource balance.

■ *Biomass*

- Adds as eligible biomass fuels any materials eligible for “biomass conversion” as defined in Public Resources Code §40106.

■ *California Balancing Authority*

- A balancing authority with control over a balancing authority area with more than 50% of its load located in this state and operating for retail sellers and local publicly owned electric utilities and includes the Independent System Operator (ISO) and a local publicly owned electric utility operating a transmission grid that is not under the operational control of the ISO.

■ *Central station facility*

- An electric generation facility that interconnects to the electricity transmission system.



Overall Program Guidebook: *Proposed Revisions*

■ *Distributed generation facility*

- A small-scale electricity generation facility that is interconnected to a distribution network and is generally 20 MW or smaller. Distributed generation facilities may serve on-site load or off-site load or both.

■ *Distribution Network*

- Utility-controlled network of electrical lines that interconnect homes, buildings, and other customer locations to the electricity system. Some of the electricity customers may be customer-generators with electricity generation facilities that serve on-site, offsite, or both on-site and offsite electricity loads.

■ *Localized electricity generation facility*

- A facility that is 20 MW or smaller. The facility may generate electricity for use on-site or be located close to where electricity is consumed. The facility can be constructed without new transmission lines.

NEW!

NEW!



Overall Program Guidebook: *Proposed Revisions*

- ***Local publicly owned electric utility***
 - As defined in Public Utilities Code Section 224.3 and furnishes electric service and which includes a municipality or municipal corporation, utility district, a public utility district, an irrigation district, or a joint powers authority made up of one or more of these entities. Provides PUC Section 224.3.
- ***Multi-jurisdictional utility***
 - An electrical corporation with 60,000 or fewer customer accounts in California as of January 1, 2010, pursuant to SB X1-2, and that serves retail end-use customers outside California, is located in a control area that is not under the control of a California balancing authority, receives the majority of its electrical requirements from generating facilities located outside California, and is subject to the provisions of Public Utilities Code Section 399.17.
- ***Procurement***
 - As defined in Public Utilities Code Section 399.12, Subdivision (f), means to acquire through ownership or contract.



Overall Program Guidebook: *Proposed Revisions*

■ *Procurement entity*

NEW!

Any person or corporation authorized by the CPUC to enter into contracts to procure eligible renewable energy resources on behalf of customers of a retail seller pursuant to Public Utilities Section 399.13(f).

■ *Renewables Portfolio Standard*

- Adds publicly owned electric utilities to the definition of RPS and revises the RPS goals to 33% by 2020.

■ *Small hydroelectric*

- Adds the provision pursuant to SB X1-2 that a small hydroelectric facility of 40 MW or less that is operated as part of a water supply or conveyance system may be an eligible renewable energy resource only if the retail seller or local publicly-owned electric utility procured the electricity from the facility as of December 31, 2005.

■ *Water supply or conveyance system*

NEW!

Engineered hydrologic and hydraulic collection, treatment, storage, and distribution networks. Distribution is by pipes, ditches, flumes, siphons, tunnels, canals, conduits, or other human-made channels operated to distribute water for a beneficial use.



Questions and Comments about Proposed Guidebook Revisions?





Break



Outstanding Issues under Consideration for the Renewables Portfolio Standard Eligibility Guidebook

- Multi-fuel facilities and the De Minimis Quantity of Nonrenewable Fuels
- Repowering
- Pre-certification



Conditions for Adjusting the De Minimis Amount of Non-Renewable Fuels from 2 to 5 Percent

For multi-fuel facilities seeking to adjust their allowable de minimis quantity of non-renewable fuel from 2% up to the maximum level of 5% of the total contribution to the facility's annual electricity output, one condition that must be met is that *the higher quantity of nonrenewable fuel will lead to an increase in generation that is significantly greater than generation from the nonrenewable fuel alone.*

- “De minimis” is often defined as “insignificant.” Since the law considers up to 5% to be a de minimis amount, the Energy Commission proposes to define “significant” as *at least greater than 5 percent of generation from the non-renewable fuel alone.*
- Merriam-Webster defines “significant” as “of a noticeably or measurably large amount.”
- ▶ • **How should “significant amount” be defined for this purpose?**



Repowered Facilities and the RPS – Why Does it Matter?

- A facility with its 1st point of interconnection to the WECC outside the state is not eligible for the RPS unless it commences initial commercial operation after January 1, 2005, with two exceptions:
 - The electricity is from incremental generation resulting from expansion or **repowering** of the facility.
 - Electricity generated by the facility was procured by a retail seller or POU as of January 1, 2010. (SB X1-2)



Repowering Requirements

- Applicants seeking to certify a facility as repowered must submit documentation confirming:
 - **Prime Generating Equipment:** Facility's prime generating equipment is new and that the repowered facility re-entered commercial operations on or after January 1, 2005. Applicants for repowered small hydroelectric facilities and conduit hydroelectric facilities must document the facilities re-entered commercial operations on or after January 1, 2006.
 - **Capital Investments:** The value of the capital investment made to repower the facility equals at least 80 percent of the total value of the repowered facility.
 - Capital investments were made not more than two years before the date that the facility re-entered commercial operations.
 - Capital investments may only be considered for meeting the 80 percent threshold if they were made for that portion of the facility that contributes directly to the production of electricity.



Repowering: Prime Generating Equipment

- Wind: the entire wind turbine, including the generator, gearbox (if any), nacelle, and blades.
- Biomass: the entire boiler. Stoker boilers may be replaced with boilers using improved stoker technology or fluidized bed technology.
- Geothermal: the entire steam generator, including the turbine rotors, shaft, stationary blades, and any gear assemblies.
- Small and conduit hydroelectric: the entire turbine **and structures supporting the turbine (proposed)**.
- Solid waste conversion: the entire gasifier (gasifying equipment) and combustion turbine.
- Landfill gas: the entire internal combustion engine or combustion turbine as applicable.
- Digester gas: the entire digester unit and internal combustion engine or combustion turbine as applicable.
- Solar thermal: the entire steam turbine **and solar boiler (proposed)**.



Repowering Issues & Questions

A repowered facility with new prime generating equipment increases the efficiency of the existing power plant. The Energy Commission encourages repowering but must ensure that repowering efforts are significant and additional to the existing facility for RPS eligibility.

- ▶ **With SB X1-2 adding the eligibility exception for existing out-of-state facilities with generation procured as of January 1, 2010, is the repowering option still needed? If so, do the current RPS eligibility requirements reflect all possible repowering opportunities?**
 - Is 80% the appropriate minimum level of capital investment to qualify an existing plant as a “new” facility and eligible for RPS?
 - Are the definitions of “prime generating equipment” appropriate for each technology?
 - Can the goals of repowering be achieved through efficiency and process improvements? If so, should these measures qualify an existing plant as “new” for RPS?



Precertification Issues & Questions

The Energy Commission does not award RPS certification until a facility is commercially operational. *Precertification is not a guarantee of being awarded RPS certification.*

- ▶ **What value does precertification provide if it is not a guarantee of RPS certification in the future?**
- Precertification is provided to facilities not yet online based on limited information available at the time of precertification, and if the facility meets the requirements in the current RPS Eligibility Guidebook.
 - More than 650 facilities are precertified; many have been precertified for more than 5 years and have not applied for certification, yet their estimated online dates have passed.
 - WREGIS will not approve registration of facilities until they have declared commercial operations.
 - The Energy Commission applies the RPS Eligibility Guidebook that is in place when a facility (including a precertified facility) applies for certification. ⁶⁵



Questions and Comments about Outstanding Issues?





Next Steps

- **Public comments are due by 5 pm on Nov. 2, 2011**
- Follow filing instructions in Workshop Notice
- Staff will revise these draft guidebooks to incorporate public comments, as appropriate, with direction from the Renewables Committee
- Final Draft guidebooks planned for adoption at Energy Commission's Business Meeting in December 2011/January 2012
- Guidebooks become effective immediately upon adoption



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