



2008-2010 RPS Procurement Verification Data Review

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Outline for Presentation

Overview of Energy Commission and the RPS

Overview of RPS Procurement Verification Reports

Limitations of the Interim Tracking System

WREGIS – Western Renewable Generation Information System

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Discussion of Verification Issues:

- Procurement date relative to the vintage of the REC
- Biomethane-related claims for 2008-2010
- Energy delivery for out-of state facilities for 2008-2010



Under the Renewables Portfolio Standard the Energy Commission is charged with:

Certifying eligible renewable energy resources;

Designing and implementing an accounting system to verify Renewables Portfolio Standard (RPS) procurement;

Establishing a system that protects against multiple counting of the same renewable energy credit (REC); and

Developing and implementing RPS regulations for POUs.

RPS Procurement Verification Reports



RPS Procurement Verification Reports through 2010 present the amount of RPS-eligible energy procured and reported by electricity retail sellers toward meeting California's RPS.

Staff is currently verifying years 2008-2010.

- ✓ Draft 2008-2010 RPS Verification Report – End of year 2012
- ✓ Final 2008-2010 RPS Verification Report – First quarter 2013

For 2011 & forward, staff anticipates Compliance Period Verification Reports - One for retail sellers and one for POUs.

Limitations – Interim Tracking System



- ✓ Based on self-reported data.
- ✓ Difficulty in identifying correct facilities because sometimes different names are used for the same facility, or a facility has multiple generating units, but the data is reported under one facility name.
- ✓ Generation may be sold to other parties not reporting to the Energy Commission.
- ✓ Collecting procurement, generation and supporting documentation from multiple sources is often subject to delays.

WREGIS –Western Renewable Energy Generation Information System



WREGIS tracks renewable generation to help ensure the credibility of the "green" value of renewable electricity

WREGIS is a **voluntary, independent** renewable energy registry and tracking system for the Western Interconnection transmission area (14 Western states, 2 Canadian provinces and a portion of Northern Baja, Mexico).

WREGIS launched in June 2007.

Retail sellers, POUs, renewable facilities and third parties participating in California's RPS are required to register with and use WREGIS.

Generation reported by Qualifying Reporting Entities.

➡ **RESULTS as of September 2012:**

More than 537 companies and 2,600 generators are approved to be WREGIS Account Holders.



Transitioning to WREGIS

- ✓ Retail Sellers began transitioning to WREGIS starting in 2008 and by 2010 almost all procurement claims were made using WREGIS.
- ✓ Claims reported on CEC-RPS-Track form and with WREGIS were scrutinized to ensure no double counting.
 - ✓ In some cases procurement analysis extended three years to ensure that kWh did not get rounded into MWh in WREGIS.
 - ✓ CEC-RPS-Track form claims were removed if multi-year analysis demonstrated generation was incorporated into WREGIS certificates.
- ✓ For 2009 and 2010 CEC-RPS-Track claims were accepted provided there was documentation demonstrating that the procurement was not available in WREGIS.



2008-2010 RPS Verification Issues

- 1) Verification of procurement date relative to the vintage of the renewable energy credits.
- 2) Verification of biomethane related claims.
- 3) Verification of energy delivery for out-of state facilities.



1) Verification – Procurement/Vintage Date

While California Public Utilities Commission (CPUC) decisions regarding TRECs and Senate Bill X-1 2 allow for procurement from one year to be applied to a later year (or a compliance period), procurement from contracts executed after 2010 may not be used for compliance in years during the 2008-2010 reporting period.

- For example, 2009 vintage WREGIS certificates procured under a 2011 contract may not be used for compliance until the first compliance period (2011-2013).

In no case can procurement made under a 2011 contract be applied to a compliance obligation prior to 2011.



1) Verification - Vintage/Reporting Year Mismatch

In some cases, staff identified WREGIS certificates with a vintage year different than the reporting year.

This situation occurs when WREGIS certificates were created for more than there was generation and, in order to correct the excess amount of WREGIS certificates, the QRE will need to load the adjustments amount in WREGIS. This amount should represent the total amount of the period.

Adjustment amounts are written to database and any “increases” or “decreases” will be applied to next available WREGIS generation period data.

- For example, 110 WREGIS certificates with a December 2009 vintage were created, but after prior period adjustments are made, only 100 WREGIS certificates should have been created.
- The 10 excess December 2009 vintage certificates would need to be used with the January 2010 vintage certificates.



1) Verification - Vintage/Reporting Year Mismatch

Staff identified 2008 & 2009 vintage year certificates for claims reported for 2010.

While this reporting strategy does not appear to violate any specific RPS requirements, it complicates verification.

- For example, 2008 vintage year certificates for claims reported for 2010 cause over claims for 2010 that can only be resolved by removing the 2008 vintage amount from staff's analysis.

The verification database is not set up to handle vintage and reporting data in this way, so overclaims remain in the database even though there are technically no overclaims.

Staff expects to have a more sophisticated verification system in the future, but for now having vintage year certificates for claims reported for a different reporting year will continue to complicate verification efforts.



1) Verification Determinations

- ✓ In cases where the contract date was 2011 or later, the retail seller was required to remove claims.
- ✓ In cases where the reason for the mismatch vintage/reporting year was WREGIS functionality, staff accepted the claims.
- ✓ In cases where vintage year and reporting year did not match, if staff was able to verify that there was no double counting, staff accepted the claims.

If staff becomes aware of additional cases where the procurement was claimed for an incorrect reporting year, staff will work with the retail sellers to correct the situations and document outstanding issues in the *RPS Procurement Verification Report* as appropriate.



2) Verification of 2008-2010 Biomethane Claims

RPS Eligibility Guidebook Requirements for Biomethane (3rd Ed. To 6th Ed.):

1. Produced from an RPS-eligible resource.
2. Injected into an NG pipeline that is within the WECC or interconnected to an NG pipeline in the WECC that delivers into CA.
3. The energy content of the injected gas and the total pipeline gas used at the electricity generating facility is measured on a monthly basis and reported annually, illustrated by month. The electricity production is also reported annually, illustrated by month.
4. The gas must be designated for use at an RPS Certified Facility.



2) Documentation for Biomethane Verification

Physical Verification Requirements

- ✓ At Biomethane Source Facility
- ✓ At RPS Certified Facility

Contractual Verification Requirements

- ✓ Invoices for Injected Biomethane
- ✓ Proof of Physical Path for Biomethane Delivery



2) Physical Verification Requirements

At Biomethane Source Facility:

- ✓ Meter data showing monthly volume of biomethane produced and injected into the pipeline and monthly average heat content.

OR

Meter data showing monthly total energy of biomethane produced and injected into the pipeline.

Invoices **cannot** be substituted for meter data.



2) Physical Verification Requirements

At RPS Certified Facility:

- ✓ Meter data showing monthly volume and average heat content of all pipeline gas used at the RPS Certified Facility.

OR

Meter data showing monthly total energy of all pipeline gas used at the RPS Certified Facility.

- ✓ Monthly total electrical generation of facility.
Invoices **cannot** be substituted for meter data.



2) Contractual Verification Requirements

Invoices for Injected Biomethane:

- ✓ Monthly evidence that the RPS Certified Facility purchased and is the sole possessor of the biomethane.

Proof of Physical Path

- ✓ Contracts showing a delivery path of the biomethane from the Biomethane Source Facility to the RPS Certified Facility. This includes any transfer of ownership of the biomethane gas.



2) Status of Pending Biomethane Claims

Retail Seller	Facility	Year	Verification Requirements			
			Physical		Contractual	
			Source Facility	Biomethane Facility RPS Certified	Gas Invoices	Path
Pacific Gas & Electric	Humboldt Bay Units 1 and 2	2008	x	x	x	x
Pacific Gas & Electric	Humboldt Bay Units 1 and 2	2009	x	x	x	x
Pacific Gas & Electric	Gateway Generating Station	2009	x	x	x	x
Pacific Gas & Electric	Gateway Generating Station	2010	x	x	x	x
Noble Americas	Pastoria Energy Facility	2010	✓	x*	✓	✓
Pilot Power Group	Pastoria Energy Facility	2010	✓	x*	✓	✓

*This facility used stored biomethane which is taking a bit longer to verify. Otherwise all required documentation has been received.

✓ = required documentation received, x = all sufficient documentation not yet received.

A ✓ or x does not indicate that a claim has been verified, only the current status of data submission.

3) RPS Eligibility Guidebook & Energy Delivery



Through 2010, a matching quantity of electricity must be delivered to an in-state point of delivery consistent with North American Electrical Reliability Corporation (NERC) rules and documented with a NERC e-Tag (e-Tag).

The *RPS Eligibility Guidebook* requires the RPS ID on the e-Tags to demonstrate that a matching amount of substitute energy was delivered into California for the RPS Certified Facility.

3) RPS Eligibility Guidebook & Energy Delivery



The *RPS Eligibility Guidebook* states the annual report to verify delivery must include:

- ✓ The “Source” or “Point of Receipt” located outside CA and within the WECC.
- ✓ The final “Point of Delivery” or load center in CA known as the “sink.”
- ✓ The CA RPS ID of the RPS certified facility or facilities with which the delivered energy is being “matched.” The CA RPS ID must be shown in the Miscellaneous field of the NERC E-Tag.
- ✓ The amount of electricity delivered per month and annually.



3) NERC e-Tags & WREGIS

- ✓ e-Tags are created when energy is scheduled to cross Balancing Authority Area boundaries and are used to track the physical path.
- ✓ e-Tags are pulled into WREGIS if the “RPS_ID” is on the Miscellaneous /Token Field line on the physical path of the e-Tag.
- ✓ In WREGIS, Account Holders can match e-Tags to the corresponding WREGIS Certificates to show that energy was delivered to CA.
- ✓ Retail Sellers submit NERC e-Tag Summary Reports, along with WREGIS Compliance Reports, which provide verification information included on e-Tags.



3) WREGIS NERC e-Tag Summary Report Info.



WREGIS NERC E-Tag Summary Report Information

NERC Tag ID
Start Date
Stop Date
Generator Name – This is the source, first Point of Receipt (POR)
Load – This is the sink, Point of Delivery (POD)
Load Control Area
Generator Control Area
Load Serving Entity – Purchasing Selling Entity (PSE)
Total MWh on Tag
MWh Remaining for Retirement
Miscellaneous Field



3) Energy Delivery Info Not in WREGIS



ITS – Schedule 1 - Energy Delivery Information Not Available in WREGIS

Facility Name
Fuel Type
CEC RPS ID
WREGIS ID
EIA ID
NERC ID
FERC ID
PSE Code
Source/Point of Receipt (POR)
Sink/ Point of Delivery (POD)

ITS – Schedule 2 - Energy Delivery Information Not Available in WREGIS

Facility Name – Fuel Type – CEC RPS ID
Monthly and Annual Procurement Amounts (kWh)



3) RPS ID Not in Misc/Token Field, but on e-Tag

RPS ID not in Misc/Token field, but was in Comment field of e-Tag

Year	Retail Seller	Facility	Justification
2008	Constellation NewEnergy	White Creek Wind 1	• 2 nd Edition of RPS Eligibility Guidebook in the comment section of the NERC e-Tag.
	Direct Energy	White Creek Wind 1	• 2 nd Edition of RPS Eligibility Guidebook in the comment section of the NERC e-Tag.
2009	3Phases Energy Service	Simpson Cogen	• 2 nd Edition of RPS Eligibility Guidebook in the comment section of the NERC e-Tag.



3) No RPS ID on e-Tag

No RPS ID on e-Tag

Year	Retail Seller	Facility Claimed	Justification
2008	PG&E	Rattlesnake Road	•Test Energy –facility did not yet have full certification
	Shell Energy	White Creek Wind 1	•Trader/scheduler failed to enter RPS ID
2009	CNE	Big Horn Wind; Goodnoe Hills	•Capability to get the ID into the tags not in place
	Shell Energy	Klondike Wind III; White Creek Wind 1	•Trader/scheduler failed to enter RPS ID
2010	Shell Energy	Klondike Wind III; White Creek Wind 1	•Trader/scheduler failed to enter RPS ID



3) Review of Supporting Documentation

Staff has been collecting information from retail sellers not meeting the delivery requirement that the RPS ID be in the NERC e-Tag Misc/Token Field.

Staff will determine if claims can be considered verified pending evaluation of supporting documentation.

Public Comments



Parties may now provide verbal comments.

Please submit a blue card and your name will be called to speak.

If you would like to participate via WebEx, please send a request to the coordinator.

Submitting Written Public Comments



Comments are due by Monday, October 1, 2011.

For instructions on submitting comments, please refer to the Workshop Notice.

For More Information:

<http://www.energy.ca.gov/portfolio/notices/index.html>

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