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California Energy Commission
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California Energy Commission
Dockets Office No. 11-RPS-01
Docket No. 02-REN-1038
RPS Proceeding
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Cyrq Energy's Comments on Proposed Changes to the Renewables Portfolio Standard Eligibility Guidebook

Dear Energy Commission:

My law office represents Cyrq Energy. Attached for consideration are Comments on the Proposed Changes to the Renewables Portfolio Standard Eligibility Guidebook submitted by Cyrq Energy.

Sincerely,

Willie L. Brown, Jr.

March 23, 2013

VIA E-MAIL DOCKET@ENERGY.CA.GOV; RPS33@ENERGY.CA.GOV

California Energy Commission
Dockets Office No. 11-RPS-01
Docket No. 02-REN-1038
RPS Proceeding
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Cyrq Energy's Comments on Proposed Changes to the Renewables Portfolio Standard Eligibility Guidebook

Dear Energy Commission:

Cyrq, Inc. ("Cyrq") appreciates this opportunity to provide comments on the March 2013 Proposed Changes to the Renewables Portfolio Standard Eligibility Guidebook ("Guidebook Changes"). Cyrq further appreciates the California Energy Commission ("Commission") for creating a definition for Station Service. Nonetheless, the definition included in the Guidebook Changes creates a contradiction with FERC guidelines and does not treat all renewables consistently. Cyrq proposes changes to the definition so that all renewable technologies are treated similarly and compete on a level playing field in regards to what is and is not considered Station Service.

The Guidebook Changes rely upon a document developed by the Western Renewable Energy Generation Information System (WREGIS) that treats different renewable energy fuel delivery systems inconsistently. Fuel delivery systems for biogas as articulated in detail in the Guidebook Changes are not counted as Station Service. Neither are fuel delivery systems for biomas or flash geothermal treated as Station Service, which Cyrq believes is correct and consistent with industry practice. Cyrq is concerned that binary geothermal is singled out and treated differently in the WREGIS document referenced in the Guidebook Changes at Footnote 81. In order to create a consistent definition and a level playing field the Commission should change its reliance upon WREGIS and instead follow the definition articulated by the Federal Energy Regulatory Commission (FERC). FERC articulated application of its Station Service definition for binary geothermal projects for a California geothermal project selling energy to Southern California Edison. (108 FERC P 61,299 [Sept. 22, 2004].)

> In the April Order, the Commission recertified Ormesa's facility as a 15.22 MW net capacity small power production facility. The Commission found that, consistent with the decision in *Geo East Mesa Limited Partnership*, [FN2] the power for the extraction and transportation of geothermal brine is not a necessary and integral part of the production process and, therefore, not auxiliary load. Accordingly, the power to do this did not need to be subtracted from the gross capacity.

By following WREGIS, the Commission creates a direct conflict with a FERC determination for a California binary geothermal project. Thus, consistency in California's Station Service definitions requires following FERC. By following FERC the Commission also treats all renewable fuel delivery systems consistently and not included in Station Service.

Cyrq proposes the following changes to the Guidebook Changes at pages 58-59 to ensure a level playing field and consistent treatment of what is and is not Station Service for all renewable technologies and clearly articulates that fuel delivery is not Station Service.

2. Station Service

Compliance with the California RPS is based on procurement from electrical generation facilities that are certified by the Energy Commission as eligible renewable energy resources.

Station service, also commonly called parasitic load, generally refers to the electricity consumed by an electrical generation facility for facility operations and does not include the fuel delivery loads such as compressor station loads for pipeline gas; gathering system loads for landfill gas; collection, transportation, chipping and processing of biomass fuel; pumping loads for delivery of water to fuel a geothermal field; and pumping loads to extract and transport geothermal fluids from a geothermal field.

Electricity used by an electrical generation facility for station service is not eligible should not result in the creation of renewable energy credits (RECs) that are used for RPS compliance. Station service is defined in the Glossary of Terms in this guidebook.

Generation to meet station service load as defined in this guidebook is not eligible for California's RPS. This is consistent with the ~~WREGIS Operation Rules~~, Station Service definition articulated by FERC. ~~which do not provide for the creation of RECs for Station service~~.

Cyrq also proposes the following definition for Station Service to replace the definition on page 159 of the Guidebook Changes.

> ***Station Service*** *– the ~~electric supply for the ancillary equipment used to operate a generating station or substation~~ electric energy used for the heating, lighting,*

> *air-conditioning, and office equipment needs of the buildings on a generating facility's site, and for operating the electric equipment that is on the generating facility's site such as lights, fans, pumps, electric motors, instrumentation, and pollution control equipment. Station Service does not include fuel delivery loads.*

Cyrq appreciates the Commission's consideration and modification of the Guidebook Changes to create a level playing field by using a consistent Station Service definition for all renewable technologies.

Very truly yours,

Nicholas Goodman

Nicholas Goodman