Lead Commissioner WORKSHOP

RPS Guidebook Scoping Workshop

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Renewable Energy Division

Hearing Room A

9:30 a.m.

January 28, 2014

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

Please take advantage of the WebEx call-back function.

Workshop Agenda

- Welcome & Housekeeping
- Discussion of Topics Identified by the Energy Commission
- Lunch ~ 12 pm to 1 pm
- Continued Discussion of Topics Identified by the Energy Commission
- Discussion of Stakeholder Presented Topics
- Next Steps

Housekeeping

- Handouts on the table at room entrance
- Restrooms located on 1st floor
- Snack bar on 2nd floor
- List of restaurants within walking distance on the table at room entrance
- 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 at the appropriate time
- Login details in Workshop Notice (page 4) [www.energy.ca.gov/portfolio/notices/index.html]

Proposing Additional Topics

To propose an additional topic(s)

- Identify the topic
- Provide a brief description of the topic
- Identify yourself and the entity you represent

Proposing Additional Topics

- **In-person Participants:** Fill out the "Additional Topic Suggestion Form" available at the table at the entrance or by raising your hand.
- **WebEx and Phone Participants:** Email your topic to [RPSTrack@energy.ca.gov] with the subject line: RPS Scoping Workshop Additional Topics.
- Due to time constraints, additional topics not provided before the lunch break or before we begin the fifth topic, whichever is earliest, may not be considered due to time constraints.

Progression of Events

For each topic there will be:

- Rearrangement of seating
- A short staff presentation
- Discussion among in-person participants
- Comment period for WebEx attendees and phone in participants

In Person Participation

- Please sit at the table if possible
- Use the name cards
- Give the court reporter your business card
- Use the microphone to speak so WebEx participants can hear
- Always state your name before speaking

WebEx and Phone Participation

- WebEx participants
  - Click the “Raise Hand” button to ask a question
    - WebEx “Host” will un-mute your phone line
  - Alternatively, you can “chat” your comment to WebEx “Host”
- Phone-only participants
  - We will un-mute all phone lines for open ‘mic’ comments
  - Please keep your phone muted until you wish to speak to reduce feedback and background noise

Purpose of Workshop

- Create an open dialogue on the direction of the next *RPS Guidebook* revision process.
- Seek public input on the specific questions raised in the notice.
- Provide an opportunity for stakeholders to raise and propose changes to the *RPS Guidebook*.

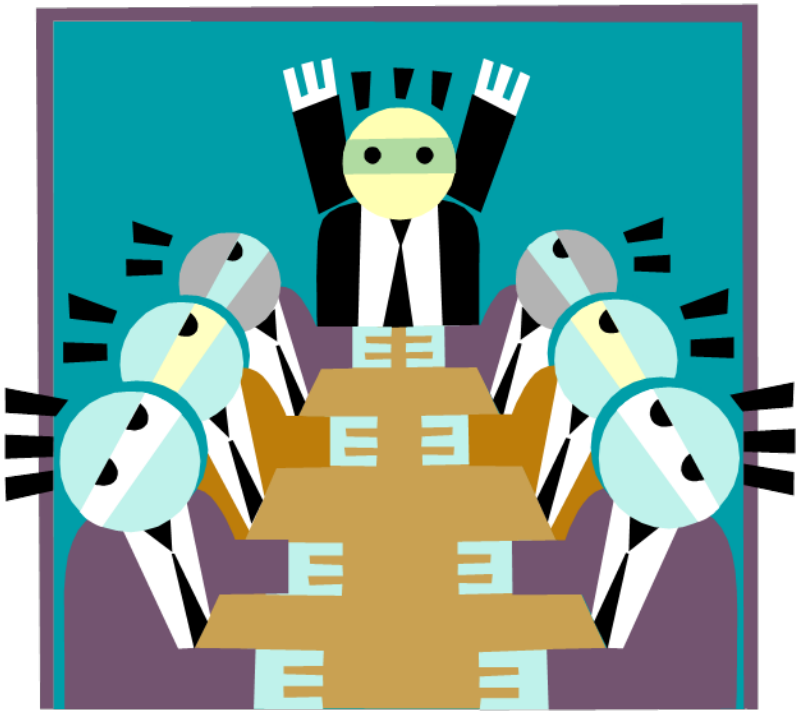
Topics to be Covered

- Repowering: Prime Generating Equipment
- Eligibility Date: Revisions
- Biomethane: Dedicated Pipeline
- Energy Storage
- Precertification
- Changes in Law
- Stakeholder Presented Topics

What will not be Covered

- Station Service
- POUs Regs or CPUC Decisions, including
  - Portfolio Content Categories
  - Portfolio Balance Requirements
  - Historic Carryover
- Future Legislation
- Specific Facility Application Reviews

Preparation for the First Topic



A presentation on repowering : prime generating equipment will commence in a few moments.

Repowering: Prime Generating Equipment

- Repowering has two requirements:
  1. Replacement of the prime generating equipment
  2. Capital investments equal to 80 percent of the repowered facility

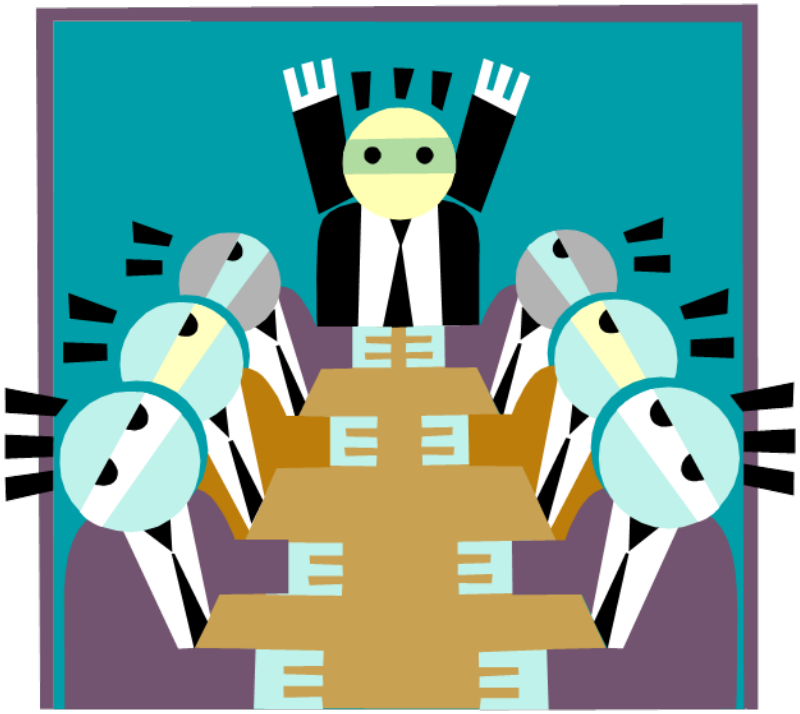
Repowering: Prime Generating Equipment

- "Digester gas: the entire digester unit and internal combustion engine or combustion turbine as applicable." (*RPS Guidebook*, *Seventh Edition*, page 58)
- "Landfill gas: the entire internal combustion engine or combustion turbine as applicable." (*RPS Guidebook*, *Seventh Edition*, page 58)

Repowering: Prime Generating Equipment

1. What is the appropriate definition of the prime generating equipment for a facility using biomethane from digester gas? From landfill gas? Should the definitions be the same?
2. Should this definition be different for a biomethane facility receiving gas from either a dedicated pipeline (including onsite) or a common carrier pipeline? Why or why not?
3. Should any distinction be made for separate ownership of the gas collection or process equipment and the electricity generation facility using biomethane? If so, how?

Preparation for the Next Topic



A presentation on eligibility date revisions will commence in a few moments.

Eligibility Date: Revisions

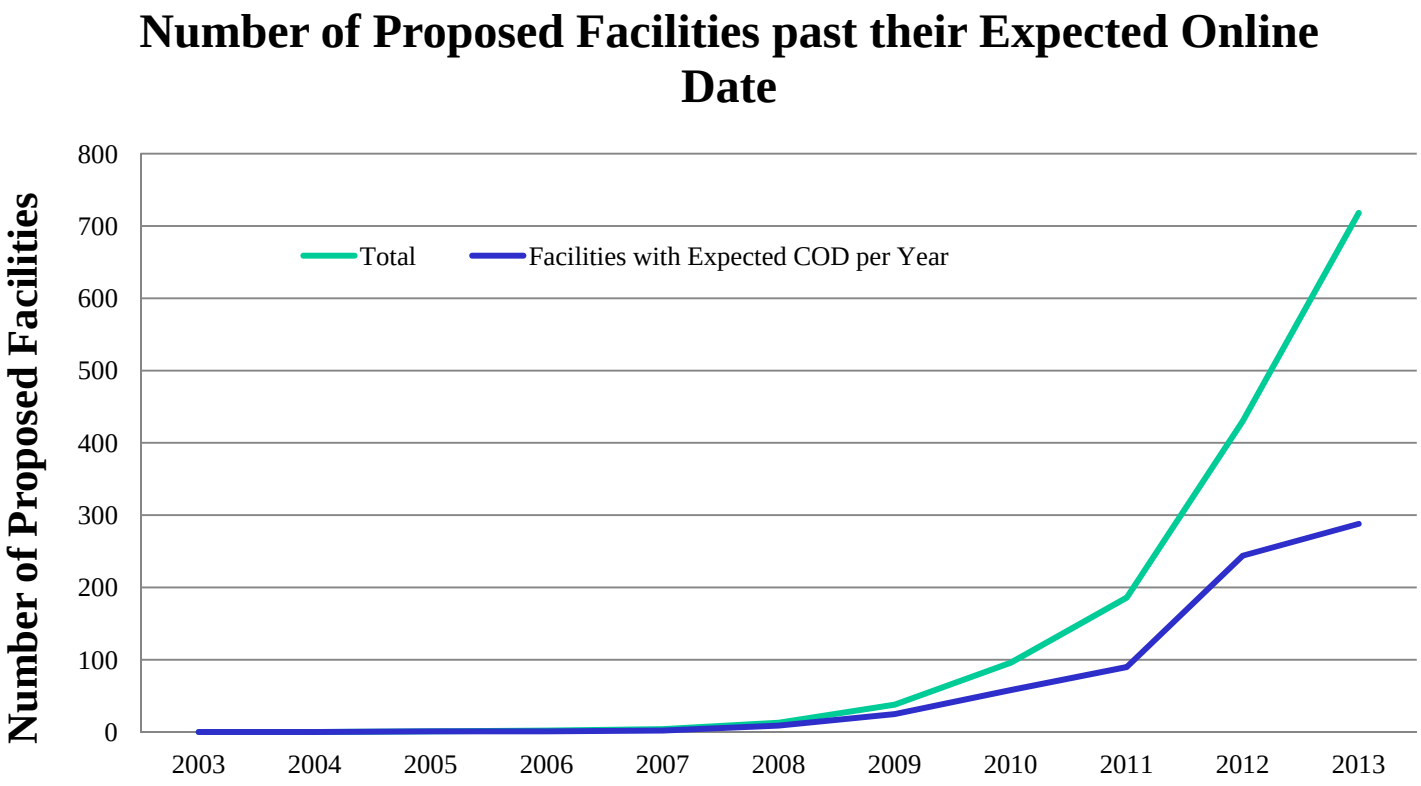
- Eligibility date is the first month in which generation from a facility may be eligible for California's RPS.

- Date generally coincides with date the first approved application for certification or precertification is received.

Eligibility Date: Revisions

- Date can change due to:
  - Failure to submit a certification application within 90 days of COD, if precertified.
  - Failure to submit an amended certification application with 90 days requiring an amendment, including termination of a utility contract for utility certified facilities.
  - Other reasons relating to the ineligibility of the facility.

Eligibility Date: Revisions



Eligibility Date: Revisions

- Deadlines were added to ensure quality of data and timely completion of the verification process.
- Resulted in unanticipated negative consequences to facility owners.

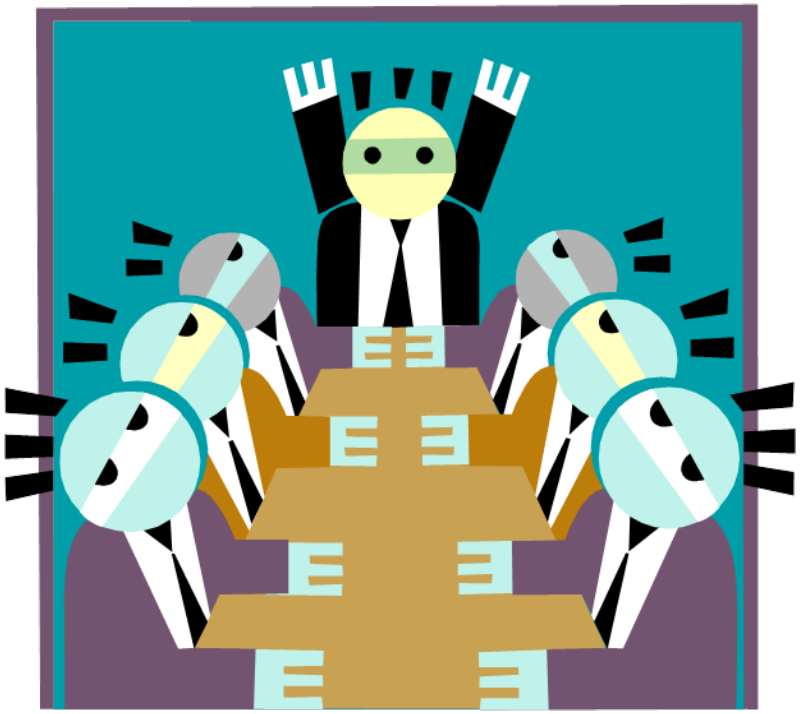
Eligibility Date: Revisions

- Possible alternatives include:
  - Extend deadlines (e.g., 180 days).
  - Allow deadline waivers if good cause can be demonstrated.
  - Removal of requirement; if facility is not certified by the utility reporting deadline, generation cannot be reported until the next reporting period.

Eligibility Date: Revisions

1. Is this a reasonable requirement? Why or why not? If not, is there a more reasonable timeframe for applying for certification?
2. Is there another approach to ensure the Energy Commission receives important facility information in a timely manner?
3. Should a facility remain precertified if the estimated commercial operations date passes and the facility does not submit an application for certification within the specified timeframe?

Preparation for the Next Topic



A presentation on biomethane: dedicated pipeline will commence in a few moments.

Biomethane: Dedicated Pipeline

- AB 2196 has three classifications of biomethane facilities.
  1. Biomethane produced on the generation site
  2. Biomethane transported via a dedicated pipeline
  3. Biomethane transported via a common carrier pipeline

Biomethane: Dedicated Pipeline

- ***"Dedicated pipeline*** — for purposes of RPS eligibility of biomethane, refers to a gas conveyance pipeline that is not part of a common carrier pipeline system, that conveys biomethane from a specific biomethane producer to a specific electrical generation facility and to no other end users." (*RPS Guidebook*, *Seventh Edition*, page 118)

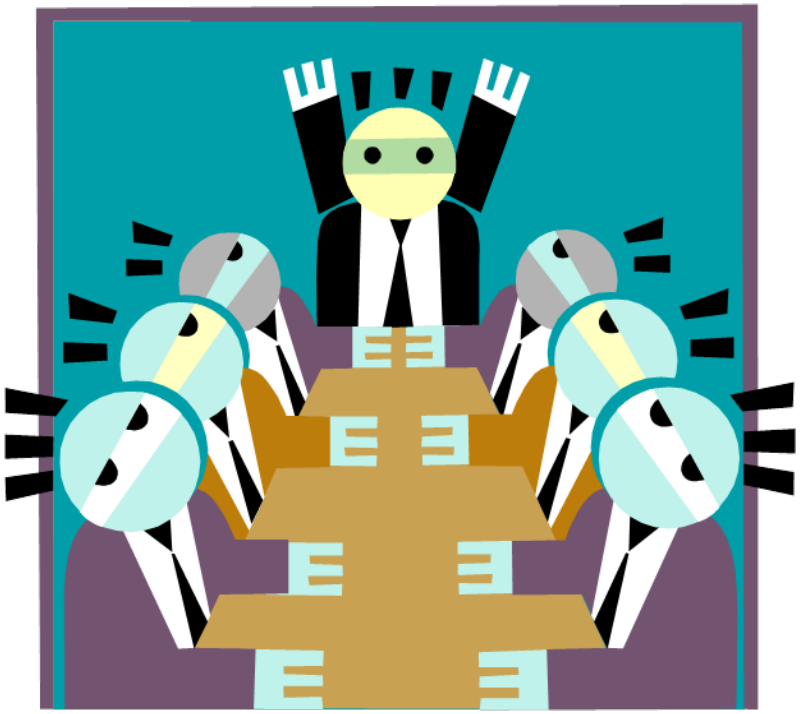
Biomethane: Dedicated Pipeline

- Objective: Ensure that the biomethane delivered via a dedicated pipeline is consumed at the designated facility, and at no other facility or for no other purpose.

Biomethane: Dedicated Pipeline

1. Does the Energy Commission's definition of dedicated pipeline achieve the objective? If not, please propose an alternative definition.
2. Is the Energy Commission's definition of dedicated pipeline too narrow? If so, how could it be expanded while still achieving the objective?

Preparation for the Next Topic



A presentation on energy storage will commence in a few moments.

Energy Storage

- Energy storage devices metered as part of a renewable generator may be included as part of an electrical generation facility.

- Those not operated as part of an electrical generation facility are not eligible for participation in the RPS.

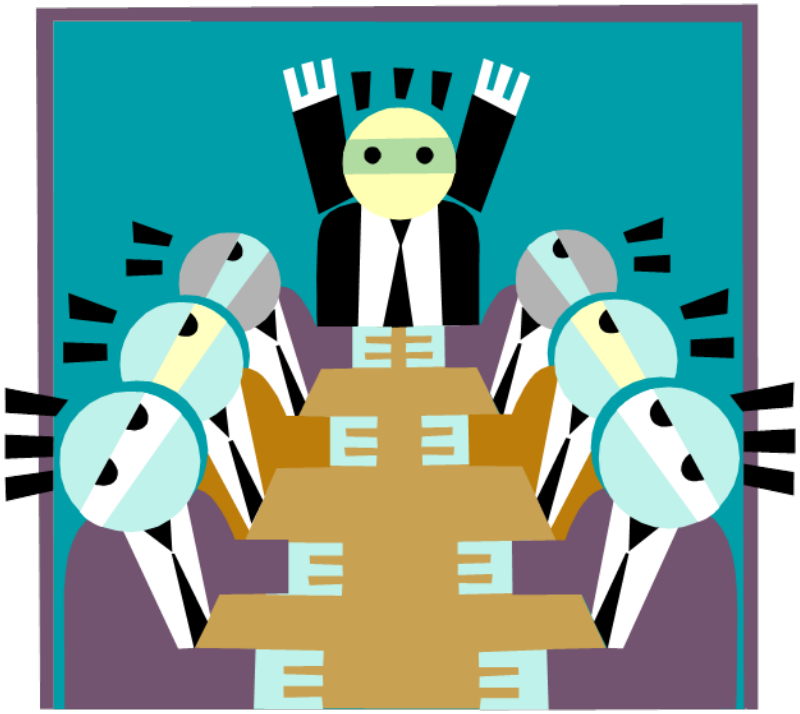
Energy Storage

- Stand alone energy storage devices or facilities are not electrical generation facilities. They simply store energy for later use.

Energy Storage

1. Should energy storage facilities not directly connected to or metered as part of a renewable electrical generation facility be eligible for RPS certification? If so, how can the Energy Commission ensure that the output of the energy storage device is from a renewable electrical generation facility, and that no double counting of the renewable generation occurs?
2. Given the inherent energy losses in storing electricity, is there any benefit for utilities to procure renewable energy that has been stored in an energy storage device rather than directly procuring it from the renewable generator and allowing generic grid electricity to be stored? Explain. Do these benefits remain if delivery to the energy storage device requires firm transmission, or another delivery arrangement similar to electrical generation facilities not interconnected to a California Balancing Authority to provide a Portfolio Content Category 1 product?
3. Should energy storage devices be allowed to shift delivery times for Portfolio Content Category 1 deliveries? Why or why not? If yes, explain how this could be verified.

Preparation for the Next Topic



A presentation on precertification will commence in a few moments.

Precertification

- Precertification is for facilities that are:
  - Not operational commercially
  - Not using a renewable energy resource, but plan to use a renewable energy resource
  - Not meeting one or more operational requirement of the *RPS Guidebook*, but plan to change operations

Precertification

- Precertification offers:
  - An eligibility date prior to the COD
  - An evaluation of the expected potential to certify the facility once operational as described in the application.

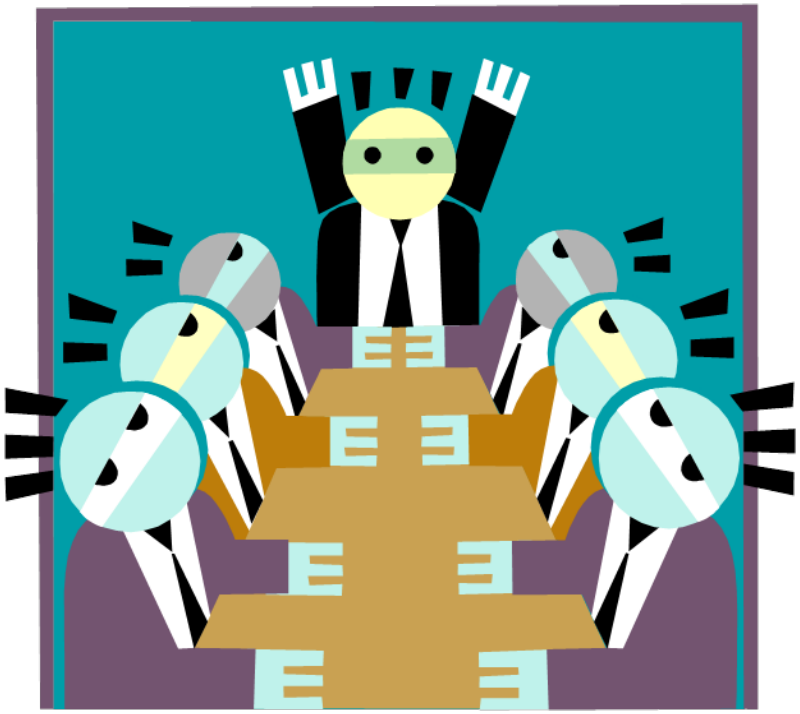
Precertification

- Precertification does not guarantee a facility will:
  - Become certified
  - Be evaluated for certification under the same *RPS Guidebook* as the precertification
  - Receive a shortened review when represented in a certification application
  - Ever produce electricity that can be used for the RPS

Precertification

1. Are market participants aware of the intent of precertification, or is precertification being represented as having some additional value?
2. Could the renewables market reasonably adjust to the elimination of the precertification process? Why or why not?
3. Could test energy (generated before a facility commences commercial operations) be made RPS-eligible without precertification? How?
4. What should the Energy Commission do to ensure that applicants for precertification fully intend to complete the development of the planned facility and commence commercial operations?
5. Can the precertification process be revised to provide greater assurance to developers and the renewable electricity market? Can greater assurance be provided without guarantying the certification of a precertified facility or without evaluating the certification application under the edition of the *RPS Guidebook* used to precertify the facility?

Preparation for the Next Topic



A presentation on changes in law will commence in a few moments.

Changes in Law

- Historically, the Energy Commission has applied changes in law impacting RPS eligibility only to facilities that are not yet certified or have undergone significant changes in their operation.
- Facilities that are certified generally remain certified.

Changes in Law

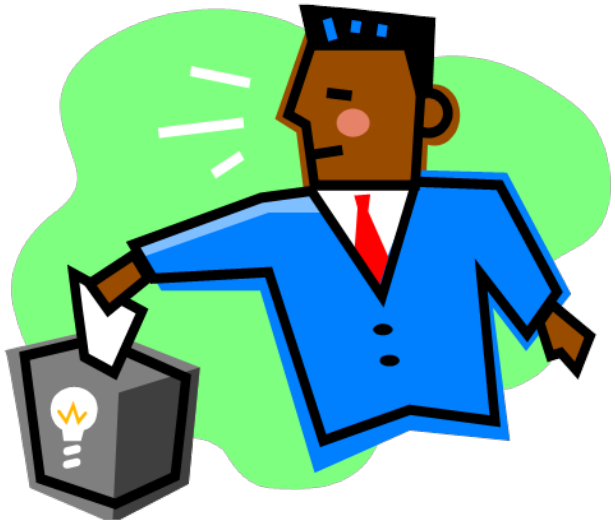
- The following changes in law have impacted RPS eligibility:
  - Assembly Bill 1954 (Chapter 460, Statutes of 2010)
  - Assembly will 3048 (Chapter 558, Statutes of 2008)
  - Senate Bill X1-2 (Chapter 1, Statutes of 2011, First Extraordinary Section)

Changes in Law

1. Should the Energy Commission apply new RPS requirements retroactively to existing RPS-certified facilities and require them to recertify? Why or why not?
2. What would be the impacts on utilities and facility owners if RPS-certified facilities are required to recertify to meet new requirements?
3. If a facility's eligibility is rescinded or revised due to a change in the *RPS Guidebook* or law, when should the change in the eligibility go into effect? When the law went into effect, upon adoption of the revised *RPS Guidebook*, or at some other time?
4. To implement such requirements should RPS-certified facilities be required periodically re-certify, or re-certify due to the adoption of a new guidebook or the close of an existing contract?

Stakeholder Proposed Topics

- The following topics have been proposed by various stakeholders.



Stakeholder Proposed Topics

- Certification Reviews
- Incremental Generation
- Retroactive WREGIS Certificate creation and the use of the ITS
- Distributed Generation
- Biomethane Issues
- Interaction between the *RPS Guidebook* and the POU Regs

Stakeholder Proposed Topics Not Covered

- Modifications to grandfathered contracts

Certification Reviews

- Assign the eligibility date based on the postmarked date
- Set a timeline for certification reviews

Incremental Generation

- The most appropriate method for determining incremental generation from hydroelectric facilities, and other resources types.

ITS/Retroactive RECs

- Retroactive WREGIS Certificate Creation
- Extend the use of the ITS

Distributed Generation

- Participation in the RPS
- Metering requirements (should revenue quality metering be required)

Biomethane

Interaction of the *RPS Guidebook* and POU Regs

Next Steps

- Staff will work with Commissioner Hochschild to:
  - Determine what topics will be addressed in the next edition of the *RPS Guidebook*
  - Develop proposed outcomes for each topic to be presented as part of a workshop on draft language to the *RPS Guidebook*

Submitting Comments

- **Comments are due by 4 pm on Feb 18, 2014**
- Electronic submission to both:
  - docket@energy.ca.gov and RPS33@energy.ca.gov
- Paper Copies to

California Energy Commission

Dockets Office, MS-4

Re: Docket No. 11-RPS-01

1516 Ninth Street

Sacramento, CA 95814-5512

- Detailed filing instructions are in the Workshop Notice

RPS Guidebook Revision Timeline

- The Energy Commission expects to hold workshop on proposed language for the *RPS Guidebook* in the 2nd/3rd quarter 2014.
- Adoption expected in the 3rd/4th quarter 2014.

Contact Information

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