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Frequently Asked Questions for the California Renewables Portfolio Standard for Local Publicly Owned Electric Utilities

http://www.energy.ca.gov/portfolio/documents/rps_verification.html
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To submit a question for staff to consider including in Frequently Asked Questions, please e-mail or call the contact person listed below. If e-mailing, please type "RPS FAQ" in the subject line.

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RPS Guidebook vs. RPS Regulations

1. Both the *RPS Eligibility Guidebook* and the Energy Commission's regulations, *Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities* (*RPS Regulations for POUs*), include RPS rules for POUs to follow. What information does each document cover?

The *RPS Eligibility Guidebook* includes all of the RPS certification and eligibility requirements that facilities and utilities must follow for load serving entities (LSEs) to claim renewable energy credits (RECs) for California's RPS. This includes which resource types are eligible for the RPS, administrative requirements to certify a facility, verification requirements to demonstrate that claimed RECs are RPS-eligible, and submittal requirements for reporting.

The *RPS Regulations for POUs* establishes the requirements for the portfolio content categories (PCCs), count in full electricity products, RPS targets, portfolio balance requirements, POU procurement plan and enforcement program requirements, optional compliance measure requirements, reporting deadlines and required

content, and the process by which the Energy Commission may determine that a POU is in violation of the RPS.

If the *RPS Eligibility Guidebook* and the *RPS Regulations for POUs* conflict, the *RPS Regulations for POUs* prevail.

Portfolio Content Categories

2. When the Energy Commission refers to "Portfolio Content Category (PCC) 0" electricity products, is it referring to "count in full" products?

Yes, "PCC 0" is another term that the Energy Commission uses to refer to electricity products that meet the "count in full" criteria in subsection 3202 (a)(2) of the regulations. "PCC 0" was established for the purpose of naming Western Renewable Energy Generation Information System (WREGIS) subaccounts, and does not occur in the *RPS Regulations for POUs.*

3. Does the electricity product classification change when a POU amends a contract that was executed before June 1, 2010?

If the contract amendment increases nameplate capacity or expected quantities of annual generation, increases the term of the contract, or substitutes a different eligible renewable energy resource, only the MWhs or resources specified in the contract prior to June 1, 2010, will still qualify as "count in full" or as "pre-June 1, 2010, PCC," and only for the term of the contract executed prior to June 1, 2010. The remaining procurement or any electricity products procured after the end of the original contract term, must be classified into PCC 1, 2, or 3, and follow the portfolio balance requirements.

The only exception to the above is an increase in the contract term for "count in full" procurement if the initial term of the contract was 15 years or greater. If such a contract is amended to extend the term, the electricity products would remain "count in full" until the end of the amended term of the contract.

4. Do POUs need to demonstrate delivery for "PCC 0" electricity products located outside a California balancing authority area?

No. For electricity products associated with generation that occurred on or after January 1, 2011, POUs do not have to demonstrate delivery (for example, with an e-Tag), for "PCC 0" electricity products. POUs must, however, demonstrate that the contracts for all "PCC 0" electricity products met all eligibility rules that were in place at the time of execution, including delivery and bundled procurement requirements.

5. Does an electricity product need to be procured bundled by the retiring POU to be classified as PCC 1 or PCC 2?

Yes. To classify an electricity product as PCC 1 or PCC 2, the POU retiring the REC for that product must have procured the electricity and the REC from the eligible renewable energy resource or from a third party as a bundled product.

The definition of "bundled" can be found in section 3201 (e) of the *RPS Regulations for POUs*. This definition was revised in the amendments to the regulations effective April 12, 2016, to clarify that "if the POU claiming an electricity product owns the associated eligible renewable energy resource, then all electricity products, including those associated with electricity consumed onsite, may be considered bundled electricity products."

6. Is the timing of REC title transfer to the POU a determining factor in an electricity product's classification? For example, would a REC title need to be transferred to a POU upon generation of the associated electricity for that POU to claim the REC to meet its PCC 1 portfolio balance requirements?

The REC title transfer must be clearly defined in the terms of the contract, but the actual timing of that transfer is up to the parties involved and will not affect the PCC classification of the electricity product, provided that the POU retires the REC within 36 months of the date of generation, in accordance with section 3202 (c) of the Energy Commission's *RPS Regulations for POUs*.

7. Is an electricity product considered bundled if the electricity is delivered into the California Independent System Operator (CA ISO), which pays the eligible renewable energy resource directly without involvement from the POU?

For an electricity product to be considered bundled, the POU retiring the REC for the electricity product must have procured the REC and the associated electricity as part of the same contract or ownership agreement, and the electricity may not be sold back to the eligible renewable energy resource. The POU can, however, sell the

electricity to a third party without the electricity product losing its "bundled" designation.

8. Can an electricity product be classified as PCC 1 if the associated electricity is not generated in or delivered into the service territory of the POU claiming the electricity product for RPS compliance?

Yes, as long as all PCC 1 criteria from section 3203 (a) of the *RPS Regulations for POUs* are met. Delivery into a POU's service territory is not required for PCC 1 classification.

9. Can an electricity product be classified as PCC 1 if the associated electricity is generated in a California Balancing Authority (CBA) and then scheduled into a non-CBA?

Yes, as long as the electricity product is generated within a CBA and meets all other criteria from section 3203 (a) of the Energy Commission's regulations. The Energy Commission does not collect or verify scheduling information for PCC 1 electricity products generated within a CBA.

10. What happens if the substitute electricity associated with an electricity product that would otherwise meet the requirements of PCC 2 is not scheduled into a CBA within the same calendar year that the electricity from the eligible renewable energy resource is generated?

If the substitute electricity is not scheduled into a CBA within the same calendar year the electricity from the eligible renewable energy resource is generated, then the associated REC would not qualify as PCC 2.

Resale

11. Would an electricity product that initially meets the criteria specified in section 3202 (a)(3) of the regulations continue to meet that criteria if the electricity product is resold?

Unless the resale is specifically included within the terms of the original contract, the resale of an electricity product that met the requirements specified in section 3202 (a)(3) of the Energy Commission's regulations would be considered a new contract

with a new contract execution date. The electricity products being resold must meet the requirements of section 3202 (a)(1) of the regulations to continue to qualify for the RPS.

12. Would an electricity product that initially meets the requirements specified in section 3202 (a)(2) of the regulations count in full if the purchasing POU resells the electricity product?

Unless the resale is specifically included within the terms of the original contract, the resale of an electricity product that met the requirements specified in section 3202 (a)(2) of the *RPS Regulations for POUs* would be considered a new contract with a new contract execution date. The electricity products being resold on or after June 1, 2010, must meet the requirements of section 3202 (a)(1) of the regulations to continue to qualify for the RPS.

Annual and Compliance Reporting

13. How should a POU fill out the "Contracted RPS Facilities Info" tab for facilities with multiple WREGIS IDs? For facilities that came online in multiple stages?

If more than one WREGIS ID number is associated with the RPS-certified facility under contract, complete one row per WREGIS ID number. For electrical generation facilities that commenced commercial operations in phases, indicate the original commercial operations date of the facility.

14. If the POU has already submitted contract information (for example, power purchase agreement or biomethane contract information) as part of the RPS certification process, is it necessary to submit it again with the POU static contract data information in the Compliance Report form?

If contract information has already been provided to Energy Commission staff, particularly in the case of applying for certification for facilities using biomethane, the contract does not need to be resubmitted. Rather, in the "notes" column of the "Static Contract Information" tab of the reporting form, please explain that the contract was previously submitted and, as available, provide the month and year that the contract was submitted to Energy Commission staff.

15. If a POU executes a procurement contract with an investor-owned utility, is the contract execution date the date that the contract was approved by the POU governing board or the date that the contract was approved by the CPUC?

The contract execution date for a contract between a POU and an investor-owned utility would be the date the contract is executed by the POU or the investor-owned utility, whichever is later. If the contract is subject to the subsequent approval of the California Public Utilities Commission (CPUC), and the CPUC does not approve the contract, none of the procurement claimed by the POU under the contract will be allowed for RPS compliance purposes.

16. Must a POU submit an annual report for a given year if there were no RECs retired for that year?

Yes, the Energy Commission requires an annual report every year, even if there were no RECs retired. If there were no RECs retired for a given calendar year, the POU would enter "0" for that year.

17. When submitting the Request and Authorization to Disclose Confidential Information Under Section 13(d) of the WREGIS Terms of Use, who do I submit it to and what contact e-mail address should I provide?

The POU should submit the Authorization to Disclose Confidential Information form to WREGIS so that WREGIS may send the Energy Commission the WREGIS Compliance Reports (retirement subaccount reports). In the Disclosure Information section of the form please include RPSTrack@energy.ca.gov as the contact e-mail address. This is the e-mail address that all WREGIS reports should be sent to. For more information, please see the Reporting Instructions, available here: http://www.energy.ca.gov/portfolio/documents/rps_verification.html

18. How should a POU indicate that information requested in an RPS report has already been reported to the Energy Commission?

If the POU has already reported the same information to the Energy Commission, the POU may reference this information by identifying the name, submittal date, and page number of the prior report, and by including a copy of each referenced page with the submittal of the RPS report to Energy Commission. For example, the RPS Compliance Report form for POUs asks for narrative information on several topics, including the public goods funds collected and a description of the programs, expenditures, and expected and actual results. If a POU has provided this information to the Energy Commission in a prior report, the POU can reference this information by identifying the name, submittal date, and page numbers of the prior report. The name, submittal date, and page numbers of the prior report must be

listed in the space for supporting documents provided on the Attestation tab of the RPS Compliance Report form to ensure the POU's attestation covers the information provided in the referenced report pages.

19. What information should be entered in the "Matched e-Tag ID" field of the CEC-RPS-Track form?

The "Matched e-Tag ID" field of the CEC-RPS-Track form must include the e-Tag IDs associated with the energy delivered into a California Balancing Authority (CBA) to meet the requirements of PCC 1 (Not interconnected to a CBA) and/or PCC 2. Include all the e-Tag IDs used for the claims on this form.

20. Which types of electricity products require demonstration of hourly scheduling and a comparison of hourly scheduling and hourly metered data?

The electricity products that meet the criteria of section 3203 (a)(1)(C) of the *RPS Regulations for POUs* require demonstration of hourly scheduling and a comparison of hourly scheduling and hourly metered data.

For electricity dynamically transferred into a CBA, scheduling into the CBA must be demonstrated via eTags, but a comparison of the hourly scheduling and hourly meter data is not required.

21. Can reporting entities use cut-and-paste functionality in the reporting spreadsheets to copy duplicate information?

Yes, the reporting spreadsheets have copy-and-paste functionality. However, using copy-and-paste may result in removing a cell's formatting, and may cause problems when staff attempts to upload the data into our database.

22. Section 3201 (bb) of the Energy Commission's regulations define "retail sales" to exclude "electricity used by a POU for water pumping." Does this apply to sales of electricity to other pumping agencies (i.e., water districts) that are customers of the POU?

If the electricity is used for the POU's own water pumping, that electricity <u>is not</u> included in the POU's reported retail sales. If, however, the electricity is sold to another water district for that district's pumping, then the electricity <u>is</u> included in the POU's retail sales.

23. The amendments to the *RPS Regulations for POUs* effective April 12, 2016, included a new requirement to report "A description of the energy consumption by the POU, including any electricity used by the POU for water pumping, the purpose of this consumption, the annual amount in MWh, and the annual amount in MWh being satisfied with electricity products" (section 3207 (c)(2)(I)). When will POUs have more information on the format and details of this new reporting requirement?

The additional energy consumption data is included as a narrative option in the revised CEC-RPS-POU form posted for 2015 reporting. Reporting on electricity consumption will be reported through an upload in the RPS Online Database for 2016 reporting.

24. Is there a process under the *RPS Regulations for POUs* to seek a time extension in advance of submitting a report to the Energy Commission?

No. The Energy Commission's regulations do not establish a process for seeking a time extension in advance of a reporting due date. The regulations were drafted with the intent of encouraging the timely submission of required reports.

25. If a POU submits a timely report to the Energy Commission that is determined to be incomplete or incorrect, will the POU be given time to submit the additional information and/or make corrections?

Yes. The Energy Commission's regulations establish a process that allows a POU that has submitted a timely, but incomplete or incorrect report, to submit additional information to address report deficiencies. This process is specified in section 3207 (i) of the *RPS Regulations for POUs*. Under section 3207 (i), a POU that submits a timely, but incomplete or incorrect report, will be notified in writing by the Energy Commission's Executive Director of the report deficiencies and provided 10 business days from receipt of the written notice to provide the missing or correct report information. As part of the process a POU may request additional time from the Energy Commission's Executive Director to submit the missing or correct report information. The Executive Director, based on the POU's demonstration of good cause, may grant the POU up to an additional 30 calendar days to submit the missing or correct report information to the Energy Commission. If the POU provides the missing or correct information to the Energy Commission within the timeframe specified by the Energy Commission's Executive Director, the POU is excused for not submitting a complete and correct report by the original due date.

In light of this process under section 3207 (i), the Energy Commission encourages all POUs to do their best to submit timely and complete reports to the Energy Commission by the due dates specified in the *RPS Regulations for POUs*. For questions on the POU Compliance Spreadsheets, contact Emily Chisholm at emily.chisholm@energy.ca.gov. For questions on the Annual Hourly Comparison, CA RPS e-Tag Summary Report, RPS Track form, or WREGIS Compliance Report, contact Theresa Daniels at theresa.daniels@energy.ca.gov.

Verification Process

26. What happens if RECs are not retired within 36 months of the date of the associated generation?

If a REC is not retired within the timeframe required in section 3202 (c) of the *RPS Regulations for POUs*, then the REC is no longer eligible to meet a POU's RPS procurement requirements.

27. Do dynamically transferred arrangements require a lesser-of analysis of the hourly meter and hourly schedule data?

Electricity products subject to dynamic transfer agreements that meet the criteria of subsection 3203 (a)(1)(D) do not require an hourly analysis, but do require the submittal of e-tags.

28. If a REC is retired within 36 months of generation but the month of generation and retirement fall into two different compliance periods, do the excess procurement rules have to be applied first?

No, a REC can be retired within 36 months even if the compliance period of retirement is different than the compliance period during generation. For example, a March 2016 REC can be retired in March 2019 for the 2017-2020 compliance period. In this example, the excess procurement rules are only applied after the REC has been retired and only to determine if the March 2016 REC can be applied to a compliance period that occurs after 2020.

29. When inadvertent e-tagging errors (for example, a typo) preclude e-Tags from being automatically imported into WREGIS, what steps should be taken and what documentation is needed to ensure the claim can ultimately be verified and determined eligible?

1. Fill out the CA RPS e-Tag report for all e-tags not available using WREGIS (available at: http://www.energy.ca.gov/portfolio/documents/rps_verification.html)
2. Using MS Excel®, compile a list of all e-Tags used for the claim, including those available in WREGIS and those not available in WREGIS. This allows Energy Commission staff to verify the total delivery amount associated with the claims requiring e-Tag data using both WREGIS and the CEC-RPS e-Tag reporting form.
3. Compile electronic copies of all individual e-Tags in question.
4. Submit the above, along with attestations from the POU (and incremental energy supplier, if necessary) to the Energy Commission staff at RPSTrack@energy.ca.gov.

The RPS Identification number on the e-Tag is a way to virtually commit the energy delivery schedule with the REC being used for RPS compliance. While Energy Commission staff does not have authority to approve the claims without Energy Commission adoption of the *RPS Verification Report for POUs*, staff anticipates that, if the contracting requirements and e-Tag information support the claims, the claims will be considered RPS-eligible.

30. What back-up material should a POU keep on hand for verification of procurement claims, and what is the timeframe for retention of such materials?

Record retention requirements are specified in the Energy Commission's *Renewables Portfolio Standard Eligibility Guidebook* (*Guidebook*). Individuals and entities that certify eligible renewable energy resources for the RPS must keep all records that relate to and verify the accuracy of any information included in an RPS certification application or in a report submitted to the Energy Commission pursuant to the *Guidebook*. The POU shall keep these records for no fewer than five years after the end of the calendar year in which the Energy Commission approved the RPS certification or the entity submitted the report to the Energy Commission pursuant to the *Guidebook*, whichever is longer (refer to Chapter VII, B.2., of the *Guidebook*). Back-up materials and other records needed to support procurement claims reported to the Energy Commission pursuant to the *Guidebook* or the *RPS Regulations for POUs,* should similarly be kept for no fewer than five years after the end of the calendar year in which the procurement claim is reported to the Energy Commission. For example, records needed to support procurement claims for the first RPS compliance period (2011 - 2013) reported to the Energy Commission in July 2014 shall be kept until at least December 31, 2019.

Optional Compliance Measures

31. What steps must a POU take to adopt and apply rules allowing for cost limitation of procurement expenditures?

A POU must have adopted rules for cost limitations on the procurement expenditures used to comply with its RPS procurement requirements before the end of the compliance period for which the POU plans to apply the cost limitation. In adopting the cost limitation, the POU must comply with sections 3206 (a)(3)(B), 3206 (a)(3)(C), and 3206 (a)(3)(E) of the *RPS Regulations for POUs*. When applying an adopted cost limitation, a POU must meet the requirements in sections 3206 (a)(3)(D), 3206 (b), 3206 (c), 3207 (d)(6), and 3207 (d)(6)(A). When adopting a cost limitation rule, a POU should consider section 3206 (d) of the regulations, and when applying a cost limitation, a POU should consider section 3206 (e) of the regulations.

32. Can I retire pre-June 1, 2010 RECs as excess procurement?

No, RECs cannot be retired into an "excess procurement" subaccount. POUs can report which retired RECs will be applied towards the target, and which RECs will be excess procurement, if any, at the end of the compliance period. RECs from eligible renewable energy resources procured under contracts executed prior to June 1, 2010, may qualify for excess procurement, except for those RECs that are classified as PCC 3. In addition, RECs that meet the criteria of section 3202 (a)(3) and are associated with contracts of less than 10 years duration will be subtracted from the excess procurement calculation.

33. How can a POU qualify for a partial waiver of its RPS target or portfolio balance requirement shortfall?

If a POU does not meet its RPS target or portfolio balance requirement, it can use one of three optional compliance measures to address all or a portion of the shortfall: delay of timely compliance (section 3206 (a)(2)), cost limitations (section 3206 (a)(3)), or portfolio balance requirement reduction (section 3206 (a)(4)). If the Executive Director determines that the applied optional compliance measure is adequate to excuse the entirety of the shortfall, then the POU may be found in compliance with its RPS requirements for the compliance period in question.

However, the POU's optional compliance measure may be adequate to excuse only a portion of the shortfall. In that case, the POU may be found in violation of the RPS for the portion of the shortfall not excused by the optional compliance measure.

Biomethane Reporting

34. When completing the Biomethane reporting form, what should a facility owner do when information required is from third parties (biomethane source/provider)? Can the attestation be modified to attest to what third parties provide?

The owner of the electrical generation facility is responsible for ensuring the facility satisfies all of the eligibility requirements specified in the *Renewables Portfolio Standard Eligibility Guidebook* when applying for RPS certification of the facility. For an electrical generation facility using biomethane, the facility owner's responsibilities include ensuring delivery of the biomethane fuel to the facility and ensuring transfer of the renewable and environmental attributes associated with the biomethane fuel from the fuel producer to the facility. A facility owner, through its contracts with the biomethane fuel producers and the entities delivering the fuel, is expected to ensure compliance with the fuel delivery and attribute requirements. The attestation for the biomethane reporting forms cannot be modified. The attestation on this form requires the facility owner to declare the information provided is true and correct "to the best of my knowledge." In providing this attestation the facility owner should exercise due diligence in ascertaining the truthfulness of the information provided in the report.

35. Who should complete and submit Biomethane reporting forms? What if the generator is "tolling" biomethane for more than one entity?

The biomethane reporting forms should be completed by an officer or agent of the RPS-certified electrical generation facility, as stated in the general instructions on the form. The RPS-certified electrical generation facility is obligated to make available to the Energy Commission and to the load serving entities to which it provides generation all documentation necessary to verify the aspects of the generation that make it RPS-eligible. This includes all information included on the Biomethane reporting form and the supporting documentation that must be provided with that form such as nomination reports, contracts, etc. If gas tolling through a generating facility occurs, the RPS-certified electrical generation facility should provide to the Energy Commission the necessary documentation (such as nomination reports) to

show that the biomethane was not used at the tolling facility, but was in fact moved on to the facility claiming use of the biomethane.

36. Do the Biomethane reporting forms require daily data?

No. The biomethane forms require monthly data. However, the Energy Commission may require or request more detailed data during the verification process if necessary.

37. On the Biomethane reporting form, when a reporting entity has more than one generating facility for which it is reporting, should the reporting entity submit one form for multiple facilities, or should it submit a separate form for each facility?

The reporting entity should submit a separate form for each facility.