

## CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET  
SACRAMENTO, CA 95814-5512  
www.energy.ca.gov



**STATE OF CALIFORNIA  
ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION**

Implementation of Renewables )	Docket No. 02-REN-1038
Investment Plan Legislation )	Renewable Energy Program
and )	
Implementation of Renewables )	Docket No. 03-RPS-1078
Portfolio Standard Legislation )	RPS Proceeding
)	
)	NOTICE OF COMMITTEE WORKSHOP
)	RE: Guideline Revisions for Renewable
)	Energy Program and Renewables Portfolio
)	Standard Implementation

**NOTICE OF COMMITTEE WORKSHOP ON GUIDELINE REVISIONS  
FOR THE RENEWABLE ENERGY PROGRAM AND RPS IMPLEMENTATION**

The California Energy Commission developed guidelines to implement and administer its Renewable Energy Program and its responsibilities under California's Renewables Portfolio Standard (RPS) pursuant to Senate Bill 1038<sup>1</sup> (Sher, 2002) and Senate Bill 1078 (Sher, 2002).<sup>2</sup> These guidelines are set forth in *Guidebooks* and are being revised to address regulatory and market developments. The Energy Commission's Renewables Committee, Commissioner John L. Geesman, Presiding Member and Chairman Jackalyne Pfannenstiel, Associate Member, is holding a workshop to discuss proposed revisions to the following *Guidebooks*:

- The *Renewables Portfolio Standard Eligibility Guidebook*, which describes the criteria and process for renewable facilities to become certified as eligible for the RPS and for supplemental energy payments and describes the Energy Commission's RPS tracking system.
- The *New Renewable Facilities Program Guidebook*, which describes the program requirements to apply for and receive supplemental energy payments to cover the above market costs of eligible new or repowered renewable facilities.
- The *Overall Program Guidebook*, which describes how the Renewable Energy Program is administered and includes general information and requirements that apply overall to the Renewable Energy Program and the program elements.

The workshop will be held:

**WEDNESDAY, SEPTEMBER 26, 2007**

1 p.m.\*

**CALIFORNIA ENERGY COMMISSION**

First Floor, Hearing Room A

1516 Ninth Street

Sacramento, California

(Wheelchair Accessible)

Note: Audio from this hearing will be broadcast over the Internet. For details, please go to: [<http://www.energy.ca.gov/webcast/>]

Parties unable to attend this workshop can comment by conference call. The conference call information is:

USA Toll Free Number: 800-779-9469, at or after 1 pm

Passcode: WORKSHOP Call Leader: Kate Zocchetti

During the Committee workshop, staff will provide a summary of the proposed changes in each *Guidebook*, after which the Renewables Committee will invite public comments on the staff draft *Guidebooks*.

## **Background**

The Energy Commission and the California Public Utilities Commission are charged with implementing California's RPS. The RPS was initiated under SB 1078 and required retail sellers of electricity to increase the amount of renewable energy they procure each year by at least 1 percent until 20 percent of their retail sales are served with renewable electricity by December 31, 2017. Recent legislation (Senate Bill 107,<sup>3</sup> Smitian, 2006) accelerated this RPS goal to 2010. The Energy Commission is charged with certifying eligible renewable energy resources that satisfy RPS procurement requirements, developing an accounting system to verify retail sellers' compliance with the RPS, and awarding supplemental energy payments (SEPs) to cover the above market cost to procure new and repowered eligible renewable energy resources. Renewable energy resources eligible to satisfy RPS procurement requirements may also qualify for funding under other elements of the Renewable Energy Program.

Legislation passed in 2006 (Senate Bill 107, Senate Bill 1250<sup>4</sup> (Perata, 2006) and Assembly Bill 2189<sup>5</sup> (Blakeslee) changed eligibility and funding requirements for the Renewable Energy Program and RPS, resulting in a need to revise the Energy Commission's *Guidebooks*. On March 14, 2007, the Energy Commission adopted revisions to the *Guidebooks* to reflect those changes in law and other regulatory and

---

\*Or upon adjournment of the Energy Commission's Business Meeting that precedes it, should the Business Meeting adjourn after 1:00 pm.

market developments. Since that time, the need for clarifications and recent market developments call for additional changes to the *Guidebooks* described above.

Draft Guidebooks are available on the Energy Commission's Website at: [\[www.energy.ca.gov/portfolio/index.html\]](http://www.energy.ca.gov/portfolio/index.html).

## Summary of Proposed Changes

A descriptive summary of the proposed changes to the above-named *Guidebooks* is provided below. Specific edits to the *New Renewable Facilities Program Guidebook* and *Overall Program Guidebook* are shown with new text in underline and deleted text in ~~strikeout~~ in Attachment A. Please note that proposed changes are not shown for the CEC-SEP Worksheet in the *New Renewable Facilities Guidebook*. Because proposed edits to the *RPS Eligibility Guidebook* are more extensive, those changes are summarized below and shown in their entirety in underline and ~~strikeout~~ format in a September 2007 Staff Draft of the *RPS Eligibility Guidebook*, which is available on-line at the Energy Commission's Website at [\[www.energy.ca.gov/portfolio/index.html\]](http://www.energy.ca.gov/portfolio/index.html).

- Summary of the Proposed Changes to the *RPS Eligibility Guidebook*:
  - Clarify that 100 percent of energy produced from a biomass facility may be eligible for the RPS and for funding from the Existing Renewable Facilities Program or the New Renewable Facilities Program if fossil fuel use does not exceed a de minimus amount. If fossil fuel use exceeds a de minimus amount, then only the generation associated with the renewable fuel is eligible for the RPS and only as specified in the guidelines for "Renewable Facilities Using Multiple Fuels."
  - Modify the discussion in "Renewable Facilities Using Multiple Fuels" to clarify that the exception to allow Qualifying Small Power Production Facilities operational before 2002 to use up to 25 percent fossil fuel and count all the generation as RPS-eligible only applies to facilities that operated on renewable fuel prior to 2002.
  - Clarify the delivery requirements for out-of-state facilities to explain that the deliveries can be from any location in the Western Electricity Coordinating Council (WECC) as long as energy is delivered into California. Also, references to "NERC tags" are revised to "NERC E-Tags" to reflect industry standard terminology.
  - Require retail sellers and renewable facilities participating in the California RPS to begin participating in the Western Renewable Energy Generation Information System (WREGIS) by January 1, 2008.

- Clarify the requirements for renewable facilities using multiple fuels or a combination of fuels, including fossil fuel, by combining the sections previously titled, “Hybrid Facilities” and “Other Renewable Facilities Using Fossil Fuel” into a new section titled, “Renewable Facilities Using Fossil Fuels.”
  - Modify various forms in the *RPS Eligibility Guidebook* to address inconsistencies between the forms in the RPS Eligibility Guidebook and those provided individually on the Energy Commission’s Web site, and to revise information required on certain forms. Additionally, these forms have been re-formatted into protected Microsoft® Word or Excel forms to assist participants in completing and saving the applications electronically.
  - Clarify that the definition of ‘retail seller’ includes small and multi-jurisdictional electrical corporations such as PacifiCorp, Sierra Pacific Power Company, Mountain Utilities, and Golden State Water Company (doing business as Bear Valley Electric Service).
  - Other non-substantive conforming changes.
- Summary of the Proposed Changes to the *Overall Program Guidebook*:
    - Clarify that the definition of ‘electrical corporations’ for purposes of the RPS includes small and multi-jurisdictional electrical corporations such as PacifiCorp, Sierra Pacific Sierra Company, Mountain Utilities, and Golden State Water Company (doing business as Bear Valley Electric Service).
    - Clarify that the definition of ‘electrical corporations’ for purposes of the Existing Renewable Facilities Program Guidebook, New Renewable Facilities Program Guidebook, New Solar Homes Partnership Guidebook, and Emerging Renewables Program Guidebook includes Golden State Water Company (doing business as Bear Valley Electric Service).
    - Modify the definitions of biodiesel, biomass, digester gas, and investor-owned utilities.
    - Add the definitions of balancing authority, biogas, net metering, renewable energy public goods charge, and system operator.
    - Other non-substantive conforming changes.

- Summary of the Proposed Changes to the *New Renewable Facilities Program Guidebook*:
  - Clarify that the definition of ‘retail seller’ includes Golden State Water Company (doing business as Bear Valley Electric Service).
  - Clarify that supplemental energy payments (SEPs) are not available for electricity used to service load that is not subject to the renewable energy public goods charge.
  - Modify the CEC-SEP-WORKSHEET (an Excel Workbook that calculates supplemental energy payments) to calculate the allowed per kilowatt-hour supplemental energy payment to be paid out over 10 years, and to calculate the total supplemental energy payments that may be paid over 10 years if no cap is applied.
  - Other non-substantive conforming changes.

## Public Comments

Interested members of the public are encouraged to review and comment on the staff draft *Guidebooks*. Members of the public may submit written or verbal comments at the workshop on September 26, 2007. Written comments submitted after the workshop must be submitted by September 28, 2007.

Those submitting written comments should provide an original and 11 copies to the Energy Commission’s Docket Unit. Those interested in filing comments by e-mail immediately may send electronic documents to [docket@energy.state.ca.us](mailto:docket@energy.state.ca.us) but will need to follow up with an original copy by mail or delivery to the Docket Unit. If you are providing written comments at the workshop, please make an additional 30 copies available at the beginning of the workshops. Written materials filed with the Docket Unit or provided at the workshop become part of the public record. Please send or deliver written materials to:

California Energy Commission  
**Re: Docket No. 02-REN-1038  
and Docket No. 03-RPS-1078**  
Docket Unit, MS-4  
1516 Ninth Street  
Sacramento, CA 95814-5504

## Process for Adopting Changes to the Guidebooks

The Renewables Committee requests comments on staff's proposed changes to the Guidebooks as described below. The Committee will carefully consider all written comments, workshop discussion, and staff analysis. With this input, the Committee will recommend changes to the Guidebooks for possible adoption by the Energy Commission at a regularly scheduled business meeting to be announced under separate notice. Once adopted by the Energy Commission, changes become effective immediately. The Energy Commission will promptly revise the *Guidebooks* to incorporate the changes, and make the revised *Guidebooks* publicly available.

## Assistance

The Energy Commission's Public Adviser's Office provides assistance regarding participation in Energy Commission activities. Members of the public who would like information on how to participate in the workshops may contact the Public Adviser's Office by phone at (916) 654-4489 or toll free at (800) 822-6228, FAX at (916) 654-4493, or e-mail at [[pao@energy.state.ca.us](mailto:pao@energy.state.ca.us)].

If you have a disability and need assistance to participate in the workshops, please contact Lourdes Quiroz at (916) 654-5146 at least five days before the workshops.

Members of the public who have technical questions regarding this notice may contact Kate Zocchetti, the Energy Commission's RPS Program Lead, by phone at (916) 653-4710 or by e-mail at [[kzocchet@energy.state.ca.us](mailto:kzocchet@energy.state.ca.us)]. News media should direct inquiries to Claudia Chandler, Assistant Director, at (916) 654-4989 or e-mail at [[mediaoffice@energy.state.ca.us](mailto:mediaoffice@energy.state.ca.us)].

Dated: September 14, 2007

**STATE OF CALIFORNIA  
ENERGY RESOURCES  
CONSERVATION  
AND DEVELOPMENT COMMISSION**

---

JOHN L. GEESMAN  
Commissioner and Presiding Member  
Renewables Committee

---

JACKALYNE PFANNENSTIEL  
Chairman and Associate Member  
Renewables Committee

Mass Mail Lists: 5503, 5504, 5506, 5507  
Date Mailed: September 14, 2007

## ATTACHMENT A

### I. NEW RENEWABLE FACILITIES PROGRAM GUIDEBOOK

#### A. “Introduction,” non-substantive changes to page 1, fourth paragraph:

SEPs will be available to cover the appropriate above-market costs of renewable resources selected by retail sellers to fulfill their RPS obligations. For this guidebook, “retail sellers” includes ~~Pacific Gas and Electric Company (PG&E), San Diego Gas and Electric Company (SDG&E), and Southern California Edison Company (SCE)~~ and “electrical corporations”, energy service providers (ESPs) and community choice aggregators (CCAs). ~~PG&E, SDG&E and SCE are also referred to as “e~~Electrical corporations ~~or are also referred to as “Investor-Owned Utilities” (IOUs). The terms used here are defined in the glossary included in the *Overall Program Guidebook for the Renewable Energy Program (Overall Program Guidebook).*~~

#### B. “Program Overview,” non-substantive changes to page 4, third paragraph:

First, these facilities must be certified by the Energy Commission as an eligible renewable energy resource for meeting the state’s Renewables Portfolio Standard and must also be certified as being eligible for SEPs. Second, these facilities must be selected either ~~PG&E, SCE, SDG&E or another~~ by an electrical corporation in a competitive RPS solicitation approved by the CPUC, or by another retail seller, such as an ESP or CCA, a result of a competitive solicitation process that the CPUC deems is consistent with its LCBF process. Additionally, SEPs for the latter must be reasonable in comparison to those paid under similar contracts with other retail sellers. Any contracts proposed by an electrical corporation are subject to CPUC approval. Retail sellers may award power purchase contracts for renewable power to selected facilities. Alternatively, a facility selected for a contract by a procurement entity that procures electricity on behalf of a retail seller and which has a CPUC-approved contract to sell the electricity to the retail seller may also be eligible for SEPs.

#### C. “Eligibility,” non-substantive changes to page 7, third check box:

Facility/facility owner has either:

A power purchase contract for at least 10 years with an electrical corporation that has been approved by the CPUC and resulted from a CPUC-approved competitive RPS solicitation, or with another retail seller that resulted from a competitive solicitation that the CPUC has deemed consistent with its LCBF process:

#### D. “Eligible Generation,” non-substantive changes to page 14, add third bullet:

- Used to service load that is not subject to the renewable energy public goods charge.

## II. OVERALL PROGRAM GUIDEBOOK

### A. “Glossary of Terms,” which begins on page 16, addition to page 16:

***Balancing Authority*** — the responsible entity that integrates load-serving entity resource plans ahead of time, maintains load-interchange-generation balance within a balancing authority area, and supports Interconnection frequency in real time.

### B. “Glossary of Terms,” which begins on page 16, revision to page 16:

***Biodiesel*** — a renewable fuel derived in whole or in part from a biomass feedstock such as agricultural crops and agricultural wastes and residues, including but not limited to animal wastes, remains and tallow; food wastes; recycled cooking oils, and straight pure vegetable oil, or from an eligible solid waste conversion process using municipal solid waste.

### C. “Glossary of Terms,” which begins on page 16, addition to page 16:

***Biogas*** — gas derived from RPS-eligible biomass or digester gas.

### D. “Glossary of Terms,” which begins on page 16, revision to page 16:

***Biomass*** — any organic material not derived from fossil fuels, including agricultural crops, agricultural wastes and residues, waste pallets, crates, dunnage, manufacturing, construction wood wastes, landscape and right-of-way tree trimmings, mill residues that result from milling lumber, rangeland maintenance residues, sludge derived from organic matter, and wood and wood waste from timbering operations.

Agricultural wastes and residues include, but are not limited to, animal wastes, remains and tallow; food wastes; recycled cooking oils; and pure vegetable oil.

### E. “Glossary of Terms,” which begins on page 16, revisions to page 17:

***Digester gas*** — gas from the anaerobic digestion of organic wastes, including, but not limited to animal wastes, remains, and tallow.

### F. “Glossary of Terms,” which begins on page 16, revisions to page 18:

***Electrical corporations*** — Pacific Gas and Electric Company, San Diego Gas and Electric Company, Southern California Edison Company, PacifiCorp, Sierra Pacific Power Company, Mountain Utilities, Golden State Water Company (doing business as Bear Valley Electric Service) Golden State Water Company (doing business as Bear Valley Electric Service) Southern California Water Company (doing business as Bear

Valley Electric Service), or other electrical corporations as defined by Public Utilities Code Section 218. Also referred to as “investor-owned utilities.”

**G. “Glossary of Terms,” which begins on page 16, addition to page 23:**

**System Operator** — responsible for the efficient use and reliable operation of the transmission grid, or a local publicly owned electric utility that does not utilize a System Operator.

**H. “Glossary of Terms,” which begins on page 16, changes to page 19:**

***Investor-Owned Utility (IOU)*** — synonymous with “electrical corporations” as defined herein.

For the *Existing Renewable Facilities Program Guidebook*, *New Renewable Facilities Program Guidebook*, *New Solar Homes Partnership Guidebook*, and the *Emerging Renewables Program Guidebook*, refers collectively to Pacific Gas & Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Bear Valley Electric Service (a division of Golden State Water Company) ~~Southern California Water Company (doing business as Bear Valley Electric Service)~~; the four electrical corporations whose ratepayers are subject to a surcharge for funding various public goods programs, including the Energy Commission’s Renewable Energy Program.

For the ~~*New Renewable Facilities Program Guidebook*~~ and the *Renewables Portfolio Standard Eligibility Guidebook*, refers collectively to Pacific Gas & Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Bear Valley Electric Service, PacifiCorp, and Sierra Pacific Power Company, Mountain Utilities, and Bear Valley Electric Service (a division of Golden State Water Company).

**I. “Glossary of Terms,” which begins on page 16, addition to page 20:**

**Net Metering** — scenario wherein the system owner/generator produces more electricity than is needed to serve the on-site electrical load, and under a net metering agreement or tariff, supplies the surplus to the electrical distribution grid. The generator’s utility meter records the difference, or ‘net,’ between what the utility supplies to the owner/generator and what the owner/generator supplies to the grid.

**J. “Glossary of Terms,” which begins on page 16, addition to page 22:**

**Renewable energy public goods charge** — as defined in Public Resources Code section 25741(d) to mean that portion of the nonbypassable system benefits charge authorized to be collected and to be transferred to the Renewable Resource Trust Fund pursuant to the Reliable Electric Service Investments Act (Article 15 (commencing with Section 399) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code).

## Endnotes

---

<sup>1</sup> SB 1038; Chapter 515, Statutes of 2002. The pertinent provisions of SB 1038 were formerly codified in Public Utilities Code Sections 383.5 and 445, but are now codified in Public Resources Code Sections 25740 through 25751 as a result of Senate Bill 183 (Chapter 666, Statutes of 2003).

<sup>2</sup> SB 1078; Chapter 516, Statutes of 2002. The pertinent provisions of SB 1078 are codified in Public Utilities Code Section 399.11 through 399.15. This law was subsequently amended to add Sections 399.16 and 399.17 pursuant to Senate Bill 67 (Chapter 731, Statutes of 2003) and Assembly Bill 200 (Chapter 5, Statutes of 2005), respectively.

<sup>3</sup> SB 107; Chapter 464, Statutes of 2006. SB 107 amends pertinent provisions in Public Resources Code Sections 25740 through 25751 and Public Utilities Code Sections 399.11 through 399.16.

<sup>4</sup> S-B 1250; Chapter 512, Statutes of 2006. SB 1250 amends pertinent provisions in Public Resources Code Sections 25740 through 25751.

<sup>5</sup> AB 2189; Chapter 747, Statutes of 2006. AB 2189 adds Section 399.12.5 to the Public Utilities Code.

Note: California Energy Commission's formal name is State Energy Resources Conservation and Development Commission.