CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
Sacramento, California 95814

Main website: www.energy.ca.gov

2008 Rulemaking on Implementation of the Waste Heat and Carbon Emissions Reduction Act Pursuant to Assembly Bill 1613	)))))	Docket No. 08-WHCE-1 Notice of Committee Hearing

Electricity and Natural Gas Committee Workshop:
Combined Heat and Power Guidelines

The California Energy Commission's Electricity and Natural Gas Committee will conduct a workshop to discuss the Revised Staff Combined Heat and Power (CHP) Technical Guidelines (the Guidelines) that have been developed under the Waste Heat and Carbon Emissions Reduction Act (the Act).[1] The Guidelines will establish the eligibility of CHP systems for incentive programs to be developed by the California Public Utilities Commission (CPUC) and municipal utilities. Commissioner Jeffrey D. Byron is the Presiding Member of the Electricity and Natural Gas Committee (the Committee), and Vice Chair James D. Boyd is the Associate Member. Other commissioners may attend and participate in this workshop. Commissioners and staff from the CPUC may also attend and participate. The hearing will be held:

MONDAY, OCTOBER 12, 2009
9 a.m.
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
First Floor, Hearing Room A
Sacramento, California
(Wheelchair Accessible)

Remote Attendance

Web Conferencing - Presentations and audio from the meeting will be broadcast via our WebEx web conferencing system. For details on how to participate via WebEx, please see the "Participation through WebEx" section at the end of this notice.

[1] The Act is codified in Sections 2840 through 2845 of the California Public Utilities Code. The Act was enacted through Assembly Bill (AB) 1613 (Blakeslee, Chapter 713, Statutes of 2007) and amended in AB 2791 (Blakeslee, Chapter 2553, Statutes of 2008).

Purpose and Background

The Act encourages new combined heat and power (also known as "cogeneration") systems with generating capacity of not more than 20 megawatts (MW). The Act requires the CPUC and the Energy Commission to establish policies and procedures for the purchase of electricity from new CHP systems that are 20 MW or less and requires the State Air Resources Board (ARB) to report to the Governor and the Legislature by December 31, 2011, on the reduction in emissions of GHG resulting from the increase of new electrical generation that utilizes excess waste heat through CHP systems. In this report, ARB must recommend policies that further the legislation's goals.

The CPUC, in consultation with the California Independent System Operator (California ISO) is responsible for establishing a standard tariff for purchase of excess electricity from a CHP system by an investor-owned utility (IOU). In addition, the CPUC is directed, when approving an IOU procurement plan, to require the inclusion of CHP solutions to the maximum degree that is cost effective compared to other competing forms of wholesale generation and ensure that any planning and upgrades to transmission and distribution systems proposed by utilities are not inconsistent with promoting CHP systems. The CPUC must also establish "pay-as-you-save" pilot programs requiring IOUs to assist in financing the installation of qualifying CHP systems by nonprofit and government entities. Publicly owned utilities (POUs) are also required to establish incentive programs and tariffs for the purchase of excess power generated by CHP facilities that qualify under the Act.

Finally, the Energy Commission is required to adopt guidelines setting forth technical requirements that CHP systems must meet to qualify for the incentive programs developed pursuant to the Act. These guidelines will apply to qualifying CHP systems covered in both IOU and POU programs. The Act further specifies that the Guidelines should ensure that qualifying CHP systems be designed to reduce waste energy whenever it is cost effective, technologically feasible, and environmentally beneficial, especially with regard to reducing GHG emissions. The facilities must be interconnected to the electric transmission and distribution grid, sized to meet the eligible customer-generator's onsite thermal load, and operate continuously in a manner that meets the expected thermal load and optimizes the efficient use of waste heat.

The Revised Staff Combined Heat and Power (CHP) Technical Guidelines will be posted online on September 28, 2009 at [www.energy.ca.gov/wasteheat/].

Issues For Discussion

The following technical criteria and CHP operating requirements will be discussed at the workshop:

- The CHP system shall meet a minimum efficiency standard of 60 percent measured as useful energy output divided by fuel input, based on 100 percent load.

- The CHP system shall be sized to meet the eligible customer-generator's thermal load.
- The CHP system shall operate continuously in a manner that meets the expected thermal load and optimizes the efficient use of waste heat.
- The CHP system shall be cost effective, technologically feasible, and environmentally beneficial, particularly with respect to carbon dioxide and other GHG.
- The CHP system shall comply with GHG emission performance standard (EPS) pursuant to Public Utilities Code Section 8341. For the purposes of calculating compliance with the EPS, a cogeneration power plant's annual average electricity production is the sum of the megawatt-hours (MWh) of electricity produced and the useful thermal energy output expressed in MWh.
- An eligible customer generator shall adequately maintain and service the CHP system so that the system continues to meet or exceed efficiency and NO_x and GHG emissions standards.

Staff is requesting stakeholder positions and perspectives on the following issues:

- Overlap and redundancy in performance standards and suggestions for simplification of the Guidelines
- Integration of and primary agency responsibility for AB 1613 related activities at the Energy Commission, CPUC, and the ARB
- The use of mandated protocols and/or quality assurance procedures for data collection, analyses, and reporting

Written Comments

Written comments on the Guidelines must be submitted by 5:00 p.m. on October 19, 2009. Please include the docket number 08-WHCE -1 and indicate "Combined Heat and Power Technical Guidelines" in the subject line or first paragraph of your comments. Please hand deliver or mail an original copy to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 09-IEP-10
1516 Ninth Street
Sacramento, CA 95814-5512

The Energy Commission encourages comments by e-mail. Please include your name or organization's in the name of the file. Those submitting comments by electronic mail should provide them in either Microsoft Word format or as a Portable Document (PDF) to [docket@energy.state.ca.us]. One paper copy must also be sent to the Energy Commission's Docket Office.

Participants may also provide an original and 10 copies at the beginning of the workshop. All written materials relating to this workshop will be filed with the Dockets Office and become part of the public record in this proceeding.

Public Participation

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this forum, please contact the Public Adviser's Office at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [PublicAdviser@energy.state.ca.us]. If you have a disability and require assistance to participate, please contact Lou Quiroz at (916) 654-5146 at least five days in advance.

Please direct all news media inquiries to the Media and Public Communications Office at (916) 654-4989, or by e-mail at [mediaoffice@energy.state.ca.us]. For questions on the technical subject matter of this workshop, please contact Arthur J. Soinski, Ph.D., Electric Generation System Specialist, at (916) 654-4674 or by e-mail at [asoinski@energy.state.ca.us]. For general questions regarding the proceeding please contact Linda Kelly, Electric Generation System Specialist, at (916) 654-4815 or by e-mail at [lkelly@energy.state.ca.us].

The service list for the Rulemaking on Implementation of the Waste Heat and Carbon Emissions Reduction Act is handled electronically. Those who wish to receive notices and other documents related to this proceeding should sign up for the list server through the website at [www.energy.ca.gov/wasteheat/]. When new information is posted, an e-mail will be sent to those on the energy policy e-mail list server.

Participation through WebEx, the Energy Commission's on-line meeting service

Computer Log on with a Direct Phone Number:

- Please go to [https://energy.webex.com] and enter the unique meeting number **924 350 905**.
- When prompted, enter your information and the following meeting password **CHPGUIDE@101209**. **(Please note, password is case sensitive.)**
- After you log in, a prompt will appear on-screen for you to provide your phone number. In the Number box, type your area code and phone number and click OK to receive a call back on your phone for the audio of the meeting. International callers can use the "Country/Region" button to help make their connection.

Computer Log on for Callers with an Extension Phone Number, etc.:

- Please go to [https://energy.webex.com] and enter the unique meeting number **924 350 905**
- When prompted, enter your information and the following meeting password **CHPGUIDE@101209**. **(Please note, password is case sensitive.)**
- After you log in, a prompt will ask for your phone number. CLICK CANCEL.
- Instead call 1-866-469-3239 (toll-free in the U.S. and Canada). When prompted, enter the meeting number above and your unique Attendee ID number which is listed in the top left area of your screen after you log in. International callers can dial in using the "Show all global call-in numbers" link (also in the top left area).
- Telephone Only (No Computer Access): Call 1-866-469-3239 (toll-free in the U.S. and Canada) and when prompted enter the unique meeting number **924 350 905**. International callers can select their number from [https://energy.webex.com/energy/globalcallin.php].

If you have difficulty joining the meeting, please call the WebEx Technical Support number at 1-866-229-3239. Please be aware that the meeting's WebEx audio and on-screen activity may be recorded.

JEFFREY D. BYRON
Commissioner and Presiding Member
Electricity and Natural Gas Committee

JAMES D. BOYD
Vice Chair and Associate Member
Electricity and Natural Gas Committee

Mail Lists: Combined Heat and Power, Electricity and Natural Gas, Waste Heat, and Distributed Generation

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