



California's **Renewables** Portfolio Standard



Heather Raitt
California Energy Commission

May 12, 2005



CA Renewables Portfolio Standard

- Designed to increase diversity, reliability, public health and environmental benefits of California's energy mix
- Legislative goal of 20% of retail sales from renewables by 2017, increase by at least 1% per year
- California's 2003 Joint Energy Action Plan recommends accelerating goal to 20% by 2010
- Energy Commission's Integrated Energy Policy Report recommends more ambitious goal for post-2010
- Governor Schwarzenegger's goal is 33% by 2020
- CPUC and Energy Commission are implementing RPS collaboratively



California Energy Commission's RPS Roles

- Certify eligible renewable resources
- Make Supplemental Energy Payments to generators for above market costs for eligible new and repowered facilities (begin or re-start commercial operations Jan. 1, 2002 or later)
- Design and implement an accounting system to track and verify RPS compliance



RPS Certification

- Pre-certification for proposed projects
- Certification for on-line facilities
- Cert status must be updated every 2 years
- Certified facilities are posted on the Energy Commission's website
- Applicants sign attestation under penalty of perjury that information is true and correct
- Applicants are subject to audit



RPS Eligibility

- Must meet fuel specific criteria given in law
- Facilities located out-of-California must:
 - Secure contract to sell to investor owned utility or CA Independent System Operator
 - Deliver to in-state market hub or substation
- Participate in tracking system



Renewable Energy Certificate & CA RPS

- Allows the use of RECs for accounting purposes only
- CPUC Decision www.cpuc.ca.gov/word_pdf/FINAL_DECISION/27360.doc

“...we will need a clear showing that a REC trading system would be consistent with the specific goals of [CA’s RPS including providing public health, economic development, job creation, and environmental benefits to California], would not create or exacerbate environmental justice problems, and would not dilute the environmental benefits provided by renewable generation.”
- Various bills introduced this year proposed allowing unbundled RECs for RPS compliance, but such provisions were struck out
- CA RPS Standard Contract Terms and Conditions define “Environmental Attributes”
www.cpuc.ca.gov/Published/Final_decision/37401.htm June 9, 2004



Delivery Requirement

- RECs and electricity must be sold together as a bundled product to satisfy CA RPS compliance
 - www.cpuc.ca.gov/word_pdf/FINAL_DECISION/27360.doc June 19,2003
 - Adopts "...the general presumption that all environmental and renewable attributes associated with the production of electricity be transferred to the utility and retired..."
 - The transfer of environmental attributes for RPS compliance need not include fuel related subsidies or local subsidies received by the generator for the destruction of particular pollutants
- Delivery requirement applies to in-state and out-of-state facilities
- Out-of-state facilities annually report to CEC their compliance with NERC tag delivery requirements



Tracking and Verification

- Interim system:
 - Generators submit third-party verified monthly meter reads on annual basis
 - Utilities submit monthly procurement per facility on an annual basis
 - CEC compares generation data against utility procurement claims to verify amount of eligible procurement
- Long-term: Utilities will file compliance reports through the electronic tracking system, Western Renewable Energy Generation Information System (WREGIS)
www.westgov.org/wieb/wregis
- To determine RPS compliance, CPUC compares CEC's verification analysis with the Annual Procurement Target that is set by the CPUC



How WREGIS Works

- For each MWh of renewable energy generated by a participating generator, WREGIS issues a WREGIS certificate
- The WREGIS certificate will be transferred between accounts when the buyer and seller notify WREGIS
- WREGIS certificates can be retired to show compliance with various regulatory and voluntary programs



What Does WREGIS Do?

- Verifies generator characteristics
- Issues certificates to generators based on data received from Reporting Entities
- Verifies transfer of WREGIS certificates in specific accounts
- Protects against double counting
- WREGIS is not a trading platform



Energy Commission RPS Guidelines

- *Renewable Portfolio Standard Eligibility Guidebook* describes the criteria and process for certifying renewables as eligible for California's RPS & SEPs (Publication #500-04-001F)
- *New Renewable Facilities Program Guidebook* describes the requirements applicants must satisfy to receive SEPs (Publication #500-04-026)
- *Overall Program Guidebook for the Renewable Energy Program* describes how the Renewable Energy Program will be administered (Publication #500-04-026)
- Available at: www.energy.ca.gov/portfolio
click "documents page"



For More Information

www.energy.ca.gov/portfolio

Heather Raitt

916-654-4735

hrait@energy.state.ca.us