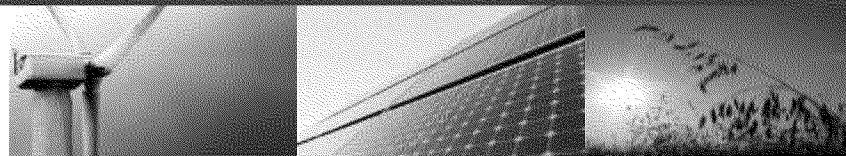

RPS Compliance Reporting Working Group: Portfolio Content Category Classification

Energy Division Staff:
Robert Blackney and Sean Simon

September 19, 2013

1



Agenda

10:00 – 10:15	Overview <ul style="list-style-type: none">• Housekeeping• Introductions• Working Group objectives and scope
10:15 – 10:30 (CEC)	Clarify CPUC and California Energy Commission Responsibilities and Processes
10:30 – 12:00	Summary of PCC Definitions, Criteria and Information Required to Demonstrate a PCC classification
12:00 – 1:15	Lunch
1:15 – 3:15	The Auditable Package - CPUC Compliance Reporting Documents
3:15 – 3:45	Spreadsheet Form and Functionality
3:45 – 4:00	Next steps

Working Group Objectives

Staff propose the following objectives:

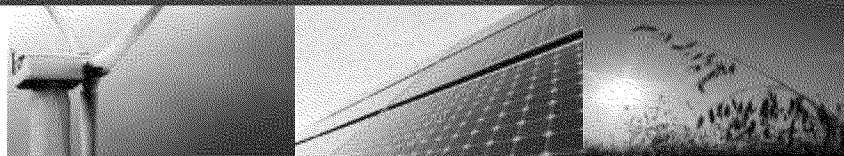
- Collaborative review of compliance requirements, the staff proposal, and stakeholder comments
- Identify appropriate information that retail sellers must provide with RPS compliance reports for all procurement claimed to meet any of the portfolio content categories, consistent with RPS statute and Commission decisions
- Discuss methods to optimize the functionality of RPS compliance spreadsheets- including the staff proposed templates - with an emphasis on methods to efficiently and effectively demonstrate retail seller's RPS procurement properly belongs in the portfolio content category in which it is claimed for RPS compliance

Working Group will not:

- Re-litigate definitions, rules and processes established in D.11-12-052 and D.12-06-038
- Address RPS enforcement rules
- Address confidentiality rules established in D.06-06-066, D.08-04-023

Clarify CPUC and California Energy Commission (CEC) Responsibilities and Processes

4



Defining Agency Roles

Clarify CPUC and California Energy Commission (CEC) Responsibilities and Processes

CEC Roles

Verification

- Certify renewable facilities as RPS eligible
- Design and implement an accounting system to track and verify RPS compliance (WREGIS)
- Verify no RECs are double counted by multiple retail sellers

POU Regulations

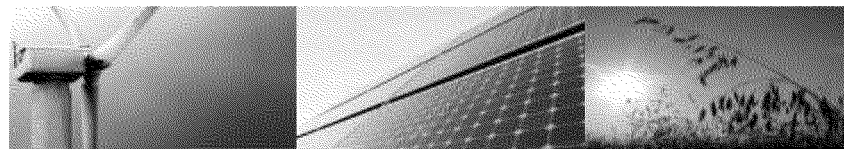
- Adopt regulations for 33% RPS, specifying the enforcement provisions for publicly-owned electric utilities in meeting the RPS
- Issue a notice of violation and correction against a POU for not complying with the RPS
- Refer the POU's violation to the California Air Resources Board for potential penalties

CPUC Roles

Compliance

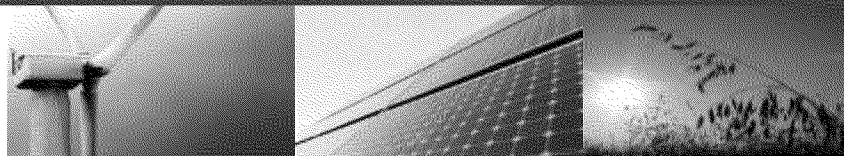
The CPUC determines retail seller compliance with the rules established in Commission Decisions D.11-12-020, D.11-12-052 and D.12-06-038

- Procurement quantity requirement
- Portfolio balance requirement
- 36 month REC retirement rule
- Long-term contracting requirement
- PCC classification requirements
- Determine excess procurement



***Summary of PCC Definitions, Criteria and Information
Required to Demonstrate a PCC classification
(D.11-12-052,D.12-06-038)***

6



Portfolio Content Categories

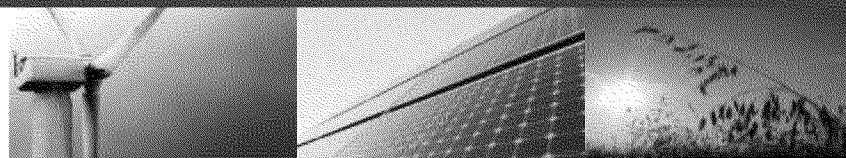
D.11-12-052 and §399.16

In D.11-12-052, the CPUC defined and implemented three PCCs, established in Public Utilities Code Section 399.16

PCC 1 – for RPS procurement from facilities with a first point of interconnection within a CBA, with generation scheduled into a CBA or with generation dynamically transferred into a CBA on an hourly or sub-hourly basis

PCC 2 – for bundled that cannot be delivered to a CBA without substituting electricity from another source

PCC3 – for other electricity products not qualifying as PCC 1 or PCC 2, including unbundled RECs



Procurement Content Category 1

Two Different Types of PCC 1 Transactions

PCC 1 - Directly Interconnected to CBA

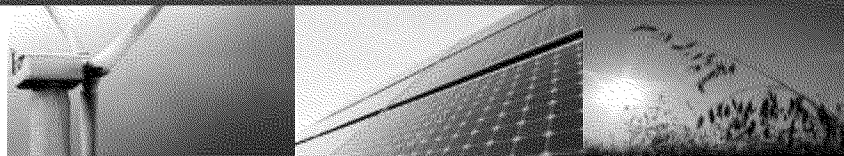
- Generation from a facility with first point of interconnection in the WECC and within the metered boundaries of a CBA

PCC 1 – Not Directly Interconnected to CBA

- Generation from that facility scheduled into a CBA without substituting electricity from any other source

Real-time ancillary services may be required to maintain an hourly or sub-hourly import schedule, but only generation from an RPS eligible facility from may qualify as PCC 1

- Generation from that facility is scheduled into a CBA pursuant to a dynamic transfer agreement



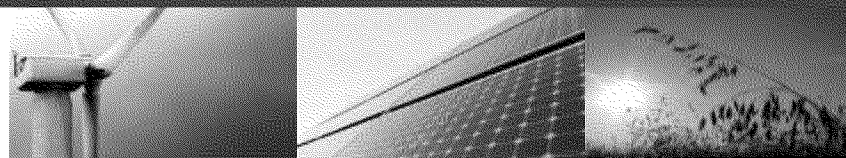
Information Required for a PCC 1 Classification

PCC 1 with First Point of Interconnection in a CBA

Must be an demonstrate a first point of interconnection within a CBA:

Demonstration of PCC 1 interconnected to a CBA:

- *A copy of the facility's transmission system interconnection agreement*
- *A copy of the facility's distribution system interconnection agreement*



Information Required for a PCC 1 Classification

PCC 1 Claims Scheduled into or Dynamically Transferred into a CBA

In order for RECs from a facility scheduling generation into a CBA to qualify as PCC 1, **ALL** of the following conditions must be met:

- Electricity and RECs were procured by the retail seller through PPA (or other transaction)

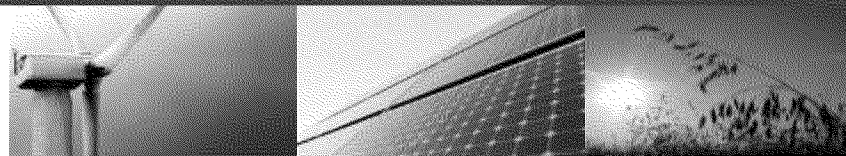
Demonstration: A copy of the original PPA and any additional amendments

- Electricity and RECs were generated by an RPS eligible facility

Demonstration: Facility hourly meter data

- Electricity was scheduled into a CBA

Demonstration: E-Tags and WREGIS Reports



Information Required for a PCC 2 Classification

Claims from Bundled RPS Procurement That Cannot be Delivered Into a CBA Without Substituting Electricity from Another Source

In order for RECs to qualify for PCC 2, **ALL** of the following conditions must be met:

- Energy and RECs were simultaneously purchased from an RPS-eligible generation facility, and purchased energy must be available to the buyer

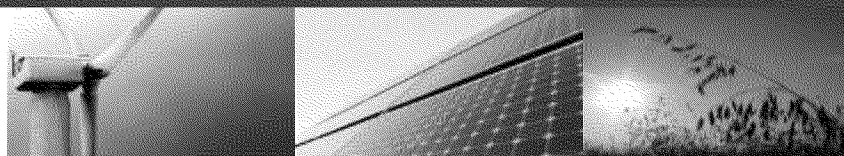
Demonstration: A copy of the original PPA and any additional amendments

- An initial contract for substitute energy is acquired after the RPS-eligible energy is purchased

Demonstration: A copy of the original PPA for substitute/incremental energy and any additional amendments

- The initial contract for substitute energy is acquired before the initial date of generation of the original contract

Demonstration: A copy of the original PPA for substitute/incremental energy and any additional amendments



Information Required for a PCC 3 Classification

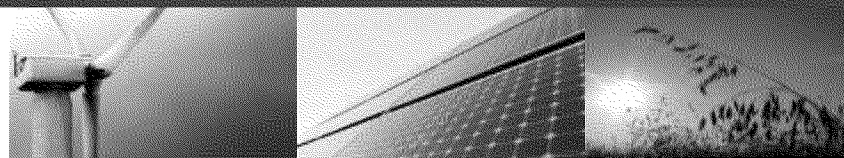
REC Claims Outside of Portfolio Content Category Classifications 1, 2 – Including Unbundled RECs

In order for RECs to qualify for PCC 3, one of the following conditions must be met:

- A procurement contract consisting of unbundled RECs, originally associated with RPS eligible generation
- A procurement contract for RPS eligible generation that does not qualify to be classified as in either PCC 1 or PCC 2

Demonstration of a PCC 3 REC claim:

- A procurement contract*
- Generation over the e-Tag scheduled amount*



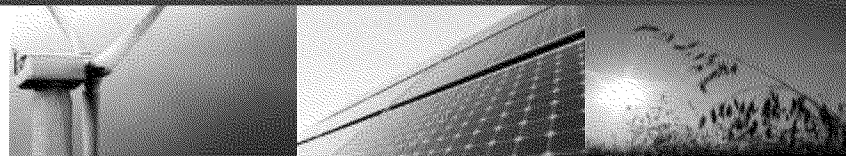
Information Required for a PCC 0 Classification

REC Claims Exempt from the Portfolio Content Category Classifications

RECs from contracts executed before June 1, 2010 (implementation of AB 2187 may impact this date for ESPs), are not subject to the PCC classifications established in D.11-12-052, and will thus be known as PCC 0 RECs.

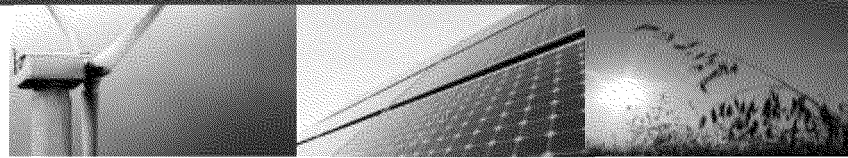
Demonstration of a PCC 0 REC claim:

- *A PPA with contract execution date*
- *An amendment to an original contract executed before June 1, 2010 that does not increase the nameplate capacity or quantities of generation*



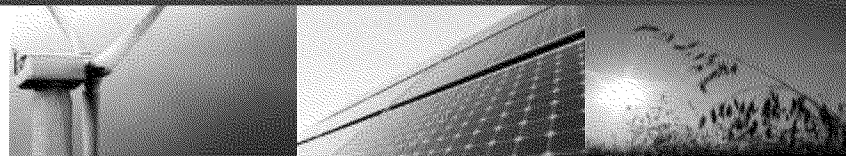
LUNCH BREAK

14



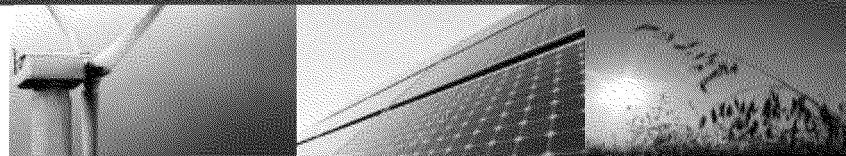
The Auditable Package - CPUC Reporting Documents for Verifying PCC Claims

15



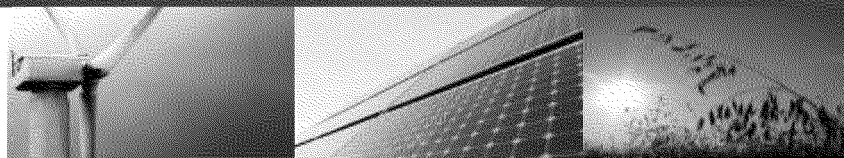
The Auditable Package

Reporting Documents	Compliance Report	WREGIS e-Tag Summary Report	Proposed: Hourly Meter and e-Tag Reconciliation Report	Proposed: RPS Hourly e-Tag Summary Report	WREGIS Compliance Report
Information	<ul style="list-style-type: none"> - Accounting Tab - Procurement Detail Tab - Retirement Detail Tab - 36 Month REC Retirement Tab (Annual) - Proposed: Static Contract Information Tab 	<ul style="list-style-type: none"> - Tracks electricity scheduled into CA (per e-Tag) 	<ul style="list-style-type: none"> -Hourly Reconciliation Tab (per facility) 	<ul style="list-style-type: none"> - e-Tag Information Tab (per facility) 	<ul style="list-style-type: none"> - Tracks RECs retired for use in the RPS program
Function	<ul style="list-style-type: none"> - Determine PCC Classifications - Determine Compliance - Determine Excess Procurement, if any 	<ul style="list-style-type: none"> - Consolidates e-Tag information - Staff will be compare information to the <i>WREGIS e-Tag Summary Report</i> to the information in the <i>Static Contract Information Tab</i> to determine what e-Tags require audit 	<ul style="list-style-type: none"> - Compares e-Tag scheduling information, to hourly facility meter data - Calculates the amount of eligible PCC 1 (lesser of schedule and meter) - Staff will be compare information to the <i>e-Tag Summary Report</i> to determine what e-Tags require audit 	<ul style="list-style-type: none"> - Used in the first compliance period, in the absence of WREGIS e-Tag Summary Report - Consolidates all e-Tags information - Staff will be compare information to the <i>Static Contract Information Tab</i> to determine what e-Tags require audit 	<ul style="list-style-type: none"> - Helps staff determine compliance with 36 Month Rules



The “Static Contract Information” Tab

17

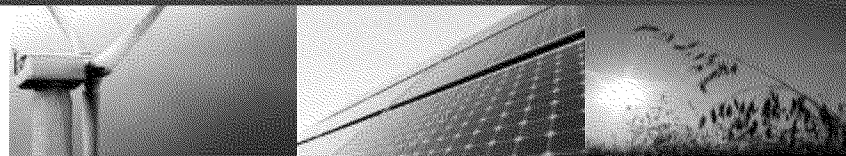


The Auditable Package

Static Contract Information

On June 14, 2013 CPUC staff proposed the addition of a new reporting tab to the Annual RPS Compliance Report

- All PCC classifications require review of RPS contracts
- The “Static Contract Information” tab will report RPS contract information and enable CPUC staff to make accurate validations of retail seller PCC classification claims
- D.06-06-066 provides a window of confidentiality for any contract submission to the CPUC

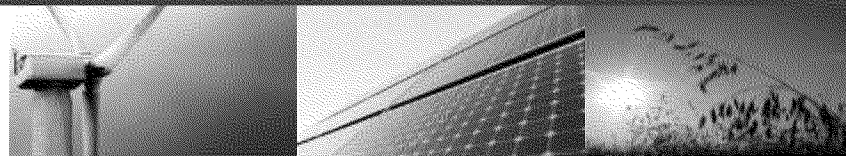


The Auditable Package

Static Contract Information – Process

RPS contracts are necessary for verifying “Static Contract Information”, and required by D.12-06-038, Ordering Paragraph 41:

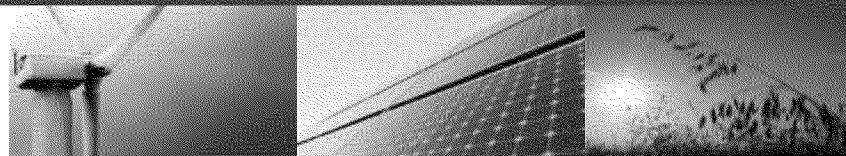
The Director of Energy Division is authorized to require retail sellers to submit appropriate documentation, including but not limited to copies of renewables portfolio standard procurement contracts, to support the information in any report submitted in accordance with the requirements of this decision.



The Auditable Package

Static Contract Information – Process

- Retail sellers submit the “Static Contract Information” with each Compliance Report filing with one or more lines per RPS contract
- Retail sellers will update the “Static Contract Information” tab when a contract is amended
- Retail sellers will update the “Static Contract Information” tab when new contracts are added to their portfolio
- Retail sellers will update the “Static Contract Information” tab with new contracts and/or amendments for each Compliance Report filing



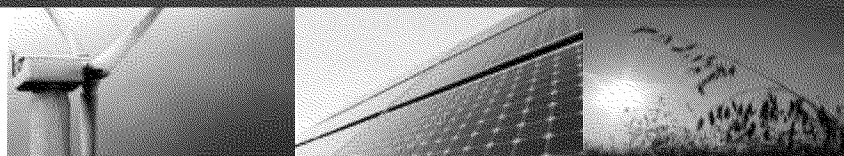
The Auditable Package

Static Contract Information – Comments

Clarifying Question- What is the necessity of the proposed “Static Contract Information” tab:

Several comments note that the CPUC has access to RPS contracts which contain the same information that is requested in the “Static Contract Information” tab.

- Why are retail sellers obligated to provide contract information in the RPS Compliance Report?
- Is there a better way for the CPUC to collect contract information?



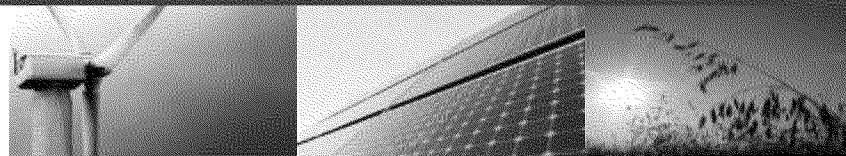
The Auditable Package

Static Contract Information – Comments

Clarifying Question- CPUC Confidentiality:

Some retail sellers have expressed concern with providing the CPUC with PPA information.

- How will documentation submitted to the CPUC be collected?
- How market sensitive information will be kept confidential?

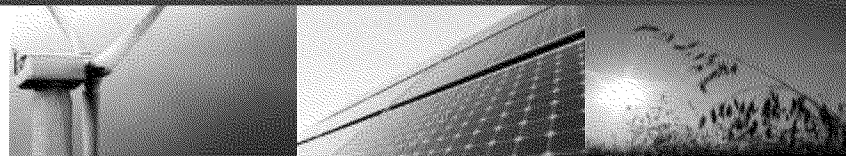


The Auditable Package

Static Contract Information – Process

RPS contracts are protected under the CPUC confidentiality Decision (D.) 06-06-066, Ordering Paragraph 1:

Where we find that data are market sensitive pursuant to Pub. Util. Code § 454.5(g) or otherwise entitled to confidentiality protection, in most cases, we adopt a window of confidentiality for Investor-Owned Utility (IOU) and Energy Service Provider (ESP) data that protects it for three years into the future, and one year in the past.



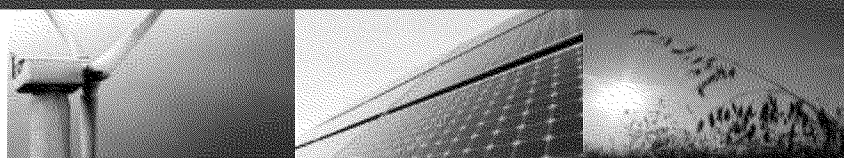
The Auditable Package

Static Contract Information – Comments

Clarifying Question- Demonstration of Facility Point of Interconnection:

Some retail sellers have expressed concern that they might not be able to provide interconnection agreements for facilities interconnected outside of their service territory:

- Can retail sellers provide interconnection agreements for ***all*** facilities?
- In the absence of interconnection agreements how can CPUC verify interconnection?



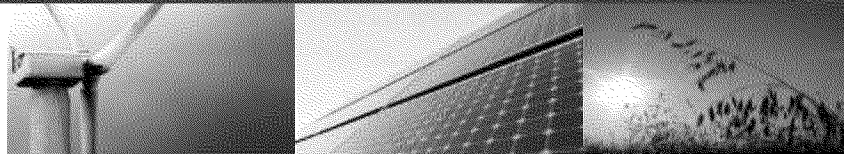
The Auditable Package

Static Contract Information – Comments

Clarifying Question- Purpose/Necessity of Different “Online” Dates:

The staff proposal requests that retail sellers report both the “Facility Beginning Online Date” and “Renewable Technology Online Date” – are both of these dates necessary for the CPUC to determine PCC classification of RPS compliance claims?

- a) “Facility Beginning Online Date”
- b) “Renewable Technology Online Date”



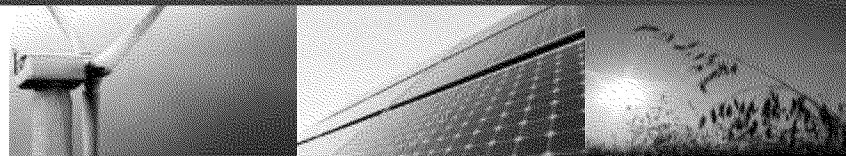
The Auditable Package

Static Contract Information – Comments

Clarifying Question- Facility Source Name and OATI WebRegistry:

The Staff Proposal states that facilities outside a CBA must enter the facility's source name, as registered with OATI's webRegistry.

- Why does the CPUC require OATI webRegistry naming conventions?
- How are facilities that are not in OATI treated - will procurement from such facilities comply with the RPS program?



The Auditable Package

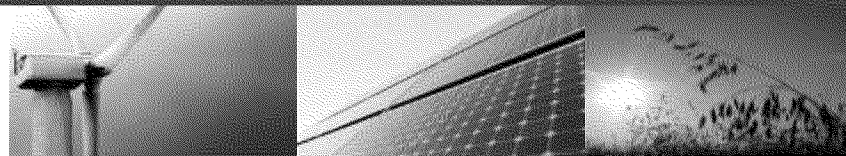
Static Contract Information – Comments

Clarifying Question- Duplicative Reporting Fields

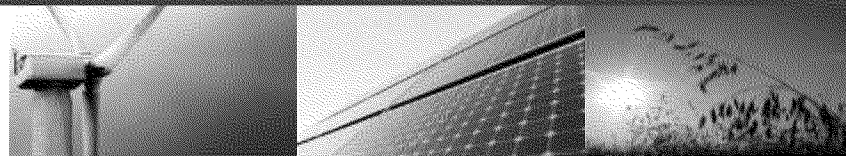
Retail sellers have noted that several reporting requirements in the “Static Contract Information” tab are duplicative with reporting requirements in the “Procurement Detail” tab:

- a)Technology
- b)Expected PCC Classification
- c)Contract Execution Date
- d)Contract Length

- What is the best way to resolve these duplicative reporting requirements - i.e. where do they belong in the compliance report?
- Can all “Static Contract Information” be included in the “Procurement Detail” Tab?



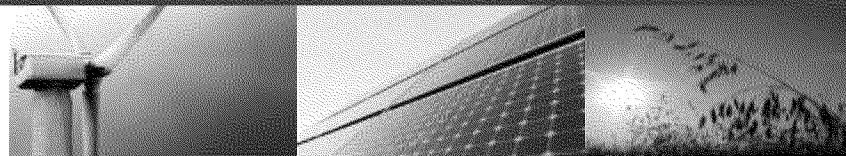
WREGIS e-Tag Summary Report



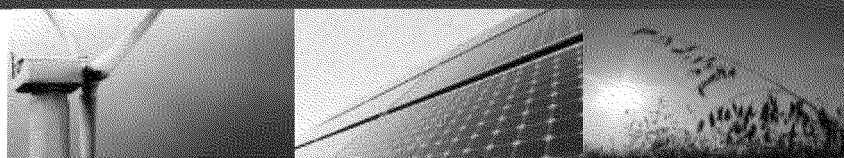
The Auditable Package

WREGIS e-Tag Summary Report

- The WREGIS e-Tag Summary Report is used to demonstrate that electricity was scheduled into California for RPS compliance
- WREGIS e-Tag Summary Report to the information will be compared to information in the Static Contract Information Tab to determine what e-Tags require audit



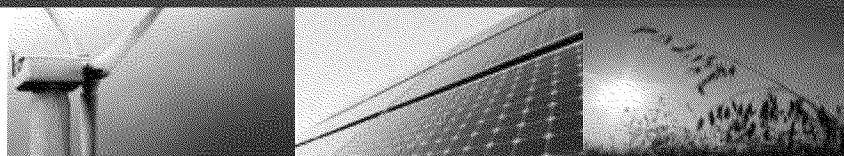
The “RPS Hourly e-Tag Summary Report”



The Auditable Package

RPS Hourly e-Tag Summary Report

- The “RPS Hourly e-Tag Summary Report” is used to synthesize important e-Tag information for the CPUC compliance process
- The “RPS Hourly e-Tag Summary Report” should only be used for RECs that are not reported in the WREGIS e-Tag Summary Report
- The information included in the “RPS Hourly e-Tag Summary Report” should match the information found on individual NERC e-Tags



The Auditable Package

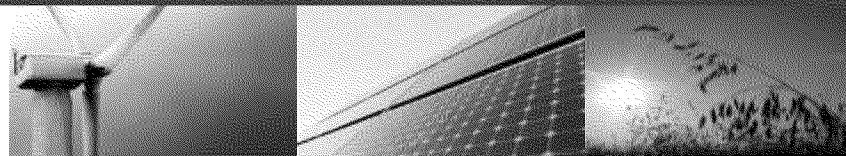
RPS Hourly e-Tag Summary Report – Comments

Accepted Change – Instructions and Data Definitions

Load Serving Entity (PSE Sink) does not correspond with the definitions in report's instructions or the Staff Proposal.

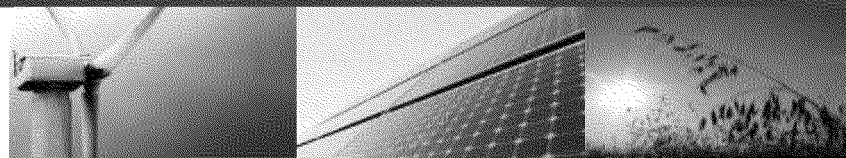
- CPUC staff will fix the instructions within the “RPS Hourly e-Tag Summary Report” to correspond with the column headers

Is there any other information needed in order for the CPUC to verify retail seller e-Tag claims?



The “Hourly Meter and e-Tag Reconciliation Report”

33



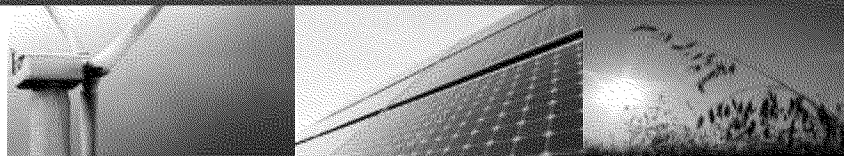
The Auditable Package

Hourly Meter and e-Tag Reconciliation Report

The “Hourly Meter and e-Tag Reconciliation Report” is used to compare hourly meter data with e-Tags schedules

- Real-time ancillary services may be required to maintain an hourly or sub-hourly import schedule
- Only generation from an RPS eligible facility may qualify as PCC 1
- The “Hourly Meter and e-Tag Reconciliation Report” calculates the amount of generation eligible for PCC 1

No more than lesser of hourly generation and e-Tag schedule amount



The Auditable Package

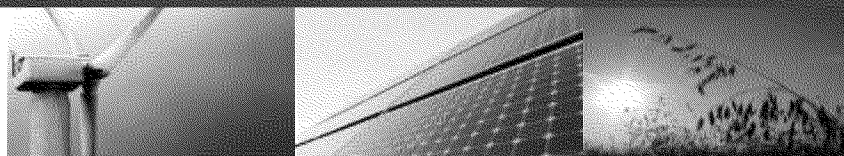
Hourly Meter and e-Tag Reconciliation Report – Comments

Accepted Change – Spreadsheet Form/Function

Data Reporting when Multiple e-Tags are Generated in One Hour

When there are multiple e-Tags in a single hour the current spreadsheet could cause Hourly Meter Data to be reported twice.

- CPUC staff will change the formula options in the next version of “Hourly Meter and e-Tag Reconciliation Report” template



The Auditable Package

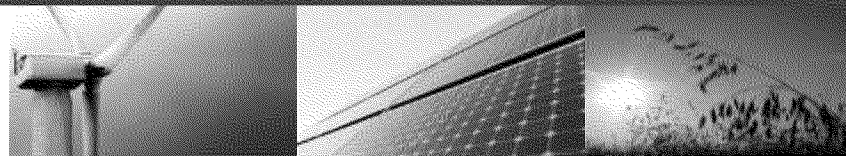
Hourly Meter and e-Tag Reconciliation Report – Comments

Accepted Change – Spreadsheet Form/Function

Percent Share of Final Schedule Versus Fixed Contract Volumes

Retail sellers should be able to choose between the “Percentage Share Volume Contract” or “Fixed Volume Contract” for reporting e-Tags in the “Hourly Meter and e-Tag Reconciliation Report”

- Two ways that CPUC staff can fix this issue:
 1. Adopt the CEC two tab methodology
 2. Adjust the formulas within the CPUC proposed template - all e-tags and meter data reported in one tab



The Auditable Package

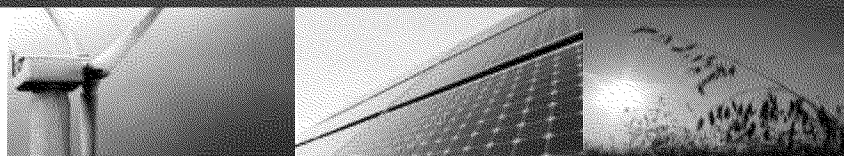
Hourly Meter and e-Tag Reconciliation Report – Comments

Accepted Change – Spreadsheet Form/Function

Significant Figures and Rounding

Eligible PCC1 Volume - To account for rounding, the sum of the reported PCC1 volumes should be reported out to 4 decimal places.

- CPUC staff will change the formula options in the next version of “Hourly Meter and e-Tag Reconciliation Report” template
- This change is consistent with the CEC reporting methods



The Auditable Package

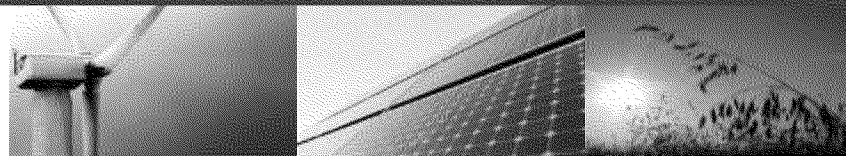
Hourly Meter and e-Tag Reconciliation Report – Comments

Accepted Change – Instructions and Data Definitions

There are some inconsistencies between the defined terms listed in the instructions and some of the column headings.

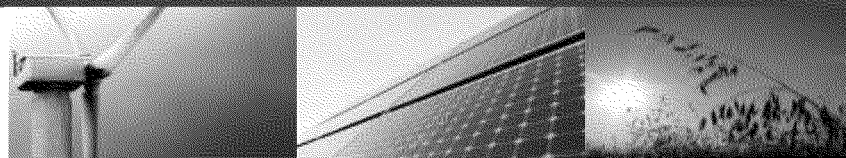
- a)“Used MWh,”
- b)“Amount of Hourly Meter Data Associated with Each Final Hourly Schedule (MWh),”
- c)“Final e-Tag Volume,”
- d)“Percent share of facility’s output.”

•CPUC staff will fix the instructions within the “RPS Hourly Meter and e-Tag Reconciliation Report” to correspond with the column headers



WREGIS Compliance Report

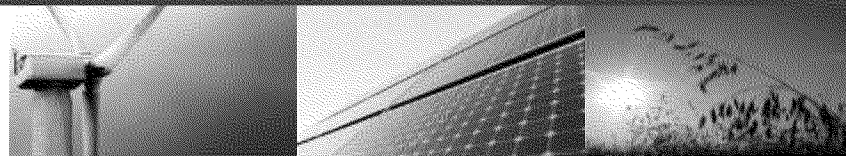
39



The Auditable Package

WREGIS Compliance Report

- The WREGIS Compliance Report provides the quantity of RECs retired and the vintage/retirement date of RECs retired for compliance with the RPS program
- The WREGIS Compliance Report helps staff determine compliance with 36 Month Rules



The Auditable Package

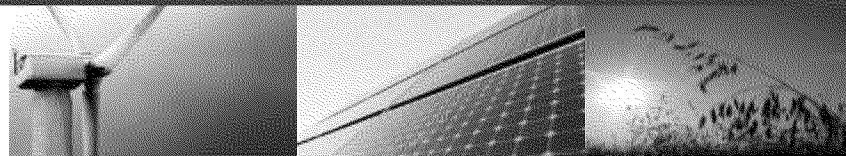
Timing of PCC Reporting

“Static Contract Information” Tab

WREGIS e-Tag Summary Report

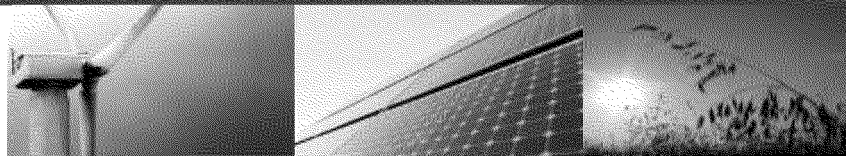
“RPS Hourly e-Tag Summary Report”

“Hourly Meter and e-Tag Reconciliation Report” Tab



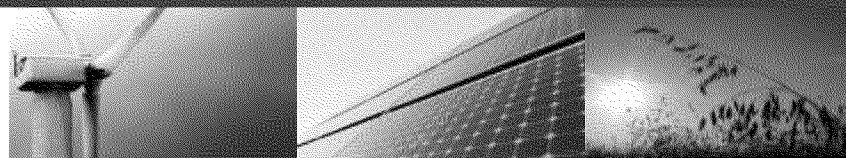
Spreadsheet Form and Functionality

42

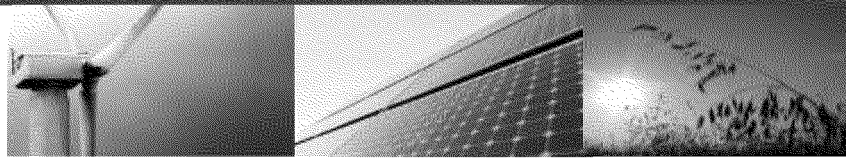


Change Requests for CPUC Reporting Spreadsheets

- Spreadsheet report template is too large (size MB)
- Instructions: Clarify what metric should be used to measure “PCC 2 Contract Length” in static information tab – e.g. years, months, days
- CPUC should remove “Expected Reporting Year” from spreadsheets
- CPUC should remove “Secondary Fuel Type” from spreadsheets
- Data definitions in the “Static Information” tab should match PDSR data definitions (IOUs only)
- CPUC should remove CPUC ID columns
- CPUC should clarify what “Additional Supporting Documentation” is necessary to substantiate “Resale Agreement” and “Contract Termination Date” fields



Next Steps



Next Steps

- Staff will draft a revised RPS compliance spreadsheet, as well as additional PCC reporting documents based today's discussion, and will continue to collaborate with Working Group members as needed
- New drafted compliance spreadsheets, will be issued to the RPS service list (R.11-05-005) for comment upon completion

