

California's RPS Status and Challenges

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Background

- RPS signed into law 2002
- Requires retail sellers to procure 20% of retail sales from renewable sources
- Publicly owned utilities allowed to set own goals/targets/structure
- RPS administered by CEC and CPUC
 - CEC certifies eligible facilities and verifies generation
 - CPUC approves utility procurement, sets baselines/targets, rules for flexible compliance, standard contract terms, approves/rejects contracts

Eligible Technologies

- Bioenergy
 - Biodiesel
 - Biomass
 - Digester gas
 - Landfill gas
- Fuel cells
- Geothermal
- Ocean wave, ocean thermal, tidal current
- Hydroelectric
 - 30 MW or less
 - Conduit
 - Incremental
- Solar
 - PV
 - Solar thermal electric
- Wind

Status

- 600 facilities certified as RPS eligible with 10,260 MW capacity
- 32,000 GWhs generation in 2008 (10.6% of statewide generation)
- CPUC has approved 129 contracts for 10,271 MW of RPS-eligible generation; about 900 MW on-line to date
- Investor-owned utilities 13% renewable (aggregate)
- Publicly owned utilities behind but showing progress

RPS Changes

- Governor's Executive Orders expanding RPS to 33% by 2020
 - Established Renewable Energy Action Team to develop plan for development in sensitive desert habitat
 - Directed California Air Resources Board to adopt regulations for 33% by 2020 by July 31, 2010

Challenges

- Will not meet 20% by 2010; 2013 likely
- Load growth exceeding renewable development
- Integrating large amounts of renewables into system while maintaining reliability
- Inadequate transmission infrastructure
- Environmental permitting of transmission/generation
- Maintaining baseline of existing facilities
- Incentive funding for new facilities
- Uncertainty about eligibility of tradable RECs
- Expansion of direct access market

Successes

- Many renewable projects in queue for development
- Signed contracts
- Tie-in to GHG emissions
- Expansion to 33%
- ARRA funding



Questions???