

CALIFORNIA'S RENEWABLES PORTFOLIO STANDARD

(Public Utilities Code section 399.11 and following)

Goals of the RPS program set by statute

Original goals

- reduce dependence on fossil fuels
- reduce retail electric price volatility associated with fossil fuel use
- improve air quality
- protect public health
- stimulate economic development

Additional goals (will be added if pending revision to statute is enacted)

- reduce greenhouse gas emissions
- contribute to resource adequacy and grid reliability

Targets for renewable energy set by statute

Original target

- 20% of electricity at retail to be renewable by December 31, 2010

Revised targets (if pending revision to statute is enacted)

- 20% renewable electricity by December 31, 2013
- 25% renewable electricity by December 31, 2016
- 33% renewable electricity by December 31, 2020 and thereafter

Energy providers covered by statute

- Investor-owned utilities (e.g., Pacific Gas & Electric Company)
- Energy service providers (privately owned retail energy sellers)
- Community choice aggregators (municipal agencies selling electricity)
- Publicly owned utilities (e.g., Los Angeles Department of Water & Power)
 - CPUC does not regulate publicly owned utilities

Eligible energy resources defined by statute

- solar, wind, small hydro (<30 MW), geothermal, biomass, biogas, ocean
- eligibility determined by *California Energy Commission (CEC)*

Methods of compliance (subject to pending revision)

- purchase eligible renewable energy from generator within Western Electricity Coordinating Council (WECC)
- purchase credit for renewable energy generated within WECC
 - renewable energy credits, also called **RECs** or **TRECs** (tradable renewable energy credits)

REC market and RPS compliance mechanism

- Western Renewable Generation Information System (**WREGIS**)
- CEC verifies generation and REC purchases using WREGIS data

Comprehensive RPS web site:

<http://www.cpuc.ca.gov/PUC/energy/Renewables/index.htm>.