



California Public Utilities Commission

RPS Compliance

Frequently Asked Questions (FAQs)

1. Does the RPS requirement apply to all electricity retail sellers?

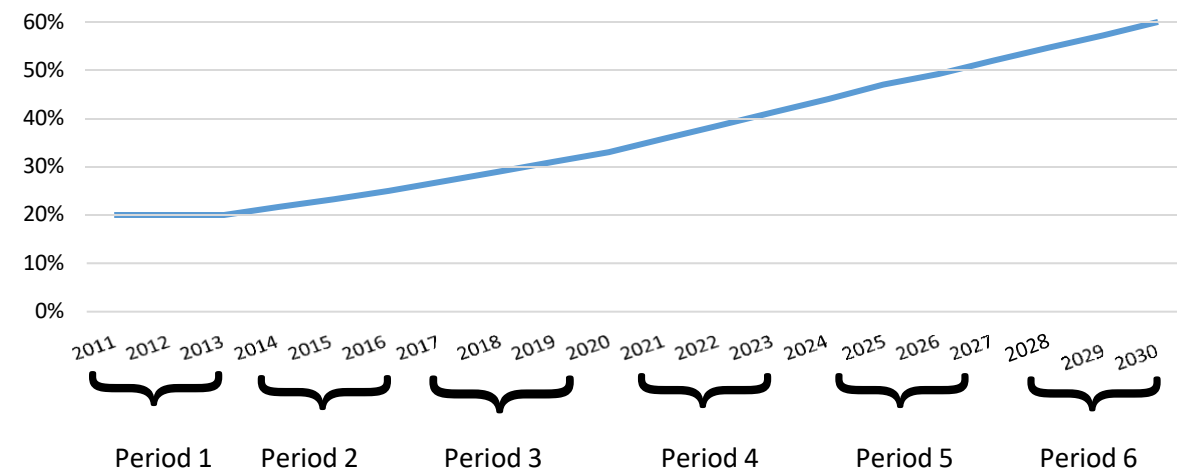
Yes, the RPS requirements apply to all retail sellers serving electricity load in California. According to Public Utilities Code § 399.12(j)(1)(2)(3), investor owned utilities, community choice aggregators (CCAs) and electric service providers (ESPs) must participate in the RPS program subject to the same terms and conditions applicable to an electrical corporation.

RPS requirements also apply to publicly owned utilities (POUs). The CEC determines compliance for the Publicly Owned Utilities. See the CEC's [website](#) for more information.

2. When is compliance with the RPS program assessed and why do retail sellers need to submit annual compliance reports?

Compliance with the RPS program is determined by the CPUC for multi-year compliance periods that are set in statute and adopted in CPUC decisions. While formal compliance with the program is not determined annually, retail sellers are required to submit annual preliminary Compliance Reports to the CPUC that contain historical and forecasted data about their renewable procurement. The CPUC evaluates these annual reports to ensure progress is being made towards the interim annual targets.

RPS Compliance Period Requirements



Note: The SB 100 mandate for a 60% RPS has not yet been formally implemented by the Commission.

3. Do I need to submit the RPS compliance report even if I did not serve load?

Yes.





4. When is the annual RPS compliance reporting deadline?

The annual RPS Compliance Report is due to the CPUC on August 1 each year. The CPUC is authorized to extend the reporting deadline if necessary.

Annual RPS Compliance Reports submitted by retail sellers include qualitative and quantitative elements, as required by the Public Utilities Code Section 399.13 and Commission decisions, notably, D. 11-12-020, D.11-12-052, D.12-06-038, D.14-12-023, and D.16-12-040.

5. When are the Final RPS Compliance Report reporting deadlines?

Per D.12-06-038, Final RPS Compliance Reports are due to the CPUC 30 days after the approval of the Retail Seller Verification Report by the CEC. After the Retail Seller Verification Report is approved, it will be posted on the CEC's website and sent to CPUC Commissioners and staff. Retail sellers will then have 30 days to submit final Compliance Reports for the compliance period in question.

6. Do retail sellers have to serve public versions of the Compliance Report to the RPS service list? What about paper copies?

Yes. Retail sellers must serve public versions of the Compliance Report to the service list of the RPS proceeding and should not attempt to formally file the report with the CPUC Docket Office. Retail sellers must also submit confidential versions of the Compliance Report and any supporting documents to Energy Division staff electronically. Energy Division staff has eliminated the requirement for paper copy submissions of the annual RPS Compliance Report and only electronic submissions are required. For Final RPS Compliance Reports, a paper copy of all documents served by e-mail service must be provided to the assigned Administrative Law Judge pursuant to [CPUC Rules of Practice and Procedure](#).

7. Do retail sellers have to register with the Western Renewable Energy Generation Information System (WREGIS) to have their RPS procurement count for compliance?

Yes, retail sellers must have all RECs tracked through WREGIS for them to count for RPS compliance and are required to use WREGIS. Retail sellers should also request that WREGIS send reports to the CPUC each annual reporting cycle.

8. Aside from the RPS Compliance Report, what are the other supporting documents retail sellers must submit to the CPUC for compliance review?

The specific information required to complete the compliance review will depend on the PCC classification claimed by the retail seller, but may consist of three other reporting documents:

- Hourly Meter and e-Tag Reconciliation Report
- WREGIS NERC e-Tag Summary Report and/or RPS Hourly e-Tag Summary Report
- WREGIS Compliance Report

For more information on the supporting documents, please visit the RPS Compliance [website](#) and see the *Portfolio Content Category Classification Review Process Handbook*.





9. How should retail sellers send compliance documents (e.g. Compliance Reports, supporting documents, contracts) to staff?

Retail sellers should follow the submission instructions located on the “Instructions” tab of the RPS Compliance Report template.

Due to the large file size of the compliance reports, retail sellers are directed to use the CPUC’s secure File Transfer Protocol (FTP) to send all compliance related documents to rpscompliance@cpuc.ca.gov. Retail sellers should create an account on the FTP website: <https://kwftp.cpuc.ca.gov/>.

10. What is the RPS compliance determination process?

The CPUC works closely with the CEC to manage the RPS program. Official compliance evaluations and compliance determinations by the CPUC can only take place after the CEC verifies a retail seller’s annual REC claims for the compliance period in question.

The CEC receives reports from retail sellers generated by the [Western Renewable Energy Generation Information System \(WREGIS\)](#) describing the amount of renewable electricity generated by every RPS-eligible facility. The CEC analyzes WREGIS reports to determine eligibility of the facility, the quantity of RECs created from each RPS-eligible facility, and retail sellers’ RPS procurement claim to ensure each claimed REC is eligible for compliance with the RPS and that it is only counted once.

Once the CEC has verified the number of RPS eligible RECs, a retail seller can use those RECs to meet their RPS compliance obligations, and those RECs are considered “retired”. The CPUC is then responsible for reviewing how a retail seller’s RPS procurement is classified into categories (PCCs) and is consistent with the portfolio balance requirement (PBR) and the procurement quantity requirement (PQR).

11. What is the penalty if an LSE does not meet the RPS requirements?

The penalty amount is \$50 per REC that is out of compliance with the program. If an LSE needed to procure 10,000 MWh of RPS energy and only procured 5,000 MWh, the penalty would be \$250,000.

Decision reference: D.18-05-026

12. Is there an Alternative Compliance Payment?

No.

13. Can I ask for a waiver or reduction in RPS compliance requirements?

Yes, retail sellers that are out of compliance with the program may submit a waiver request to the Commission up to 30 days after the compliance determination has been made.

Decision reference: D.14-12-023 and D.18-05-026





14. Does the retail seller determine what portfolio content category (PCC) classification the REC falls into?

No. When a retail seller claims RPS procurement for a portfolio content category (PCC), CPUC staff must determine whether the procurement in fact complies with the requirements of the portfolio content category for which it is claimed.

The CPUC's enforcement of RPS procurement quantity requirements is based on the CEC-verified total RPS-eligible procurement of each retail seller (D.06-10-050). The CPUC determines compliance with specific RPS procurement requirements (e.g., portfolio content categories; portfolio balance requirements; requirements for use of short-term contracts; portfolio quantity requirements; long-term contracting requirements) based on the compliance reports and supporting information provided by each retail seller per D.11-12-052.

In order for Energy Division staff to make a compliance determination on procurement claimed by a retail seller for a particular portfolio content category, all retail sellers must provide to Energy Division staff documentation adequate to demonstrate that the retail sellers' procurement in fact meets the criteria of the portfolio content category in which the procurement is claimed. Although ESPs and CCAs are not required to make upfront showings of the potential portfolio content category of their planned procurement in the form of an Advice Letter, all retail sellers must maintain documentation from the inception of a procurement contract to its conclusion. In making its compliance determinations, Commission staff should be able to review the entire course of an RPS procurement transaction for all retail sellers. Please see the PCC Classification Handbook on the RPS Compliance [website](#).

15. What are the general portfolio content category (PCC) rules?

California's RPS program defines all renewable procurement acquired from contracts executed after June 1, 2010 into one of three PCCs. The PCC requirements are instrumental in determining a retail seller's compliance with the RPS program. Please see the RPS Procurement Rules [website](#) for more information.

16. What are the long-term contracting requirements?


For Compliance Periods prior to 2021: In order to count procurement from any short-term contracts signed after June 1, 2010 for compliance with the RPS requirements, a retail seller is required to sign long term contracts equal to at least 0.25% of its retail sales in the immediately prior compliance period.

Decision reference: D.12-06-038

For Compliance Period 4 (2021-2024) and beyond: In order to count procurement from short term contracts, each retail seller must procure at least 65 percent of the renewable energy credits that it counts toward RPS compliance from long-term contracts (i.e., contracts that are at least 10 years in duration with eligible renewable energy resources)

Decision reference: D.17-06-026





Early Compliance: In the Commission’s decision revising compliance requirements in accordance with SB 350 (D.17-06-026), retail sellers were given the opportunity to elect early compliance with the new long-term contracting requirements. The new SB 350 provisions apply to all retail sellers beginning in Compliance Period 4 (2021-2024) and for retail sellers who elect to early comply they apply in Compliance Period 3 (2017-2020).

Decision reference: D.17-06-026

17. What are the “Excess Procurement” rules?

RECs that are not used to fulfill RPS obligations in one compliance period may be “banked” and used in subsequent compliance periods and are classified as “excess procurement”. The calculations for excess procurement rely on a combination of the PCC classification of the RECs and whether the RECs are associated with short-term or long-term contracts.

For excess procurement rules for compliance periods prior to 2021, RECs in PCC 1 or PCC 2 that are excess after a retail seller has met its PQR can be counted as excess procurement only if they are associated with long-term contracts; RECs in PCC 3 cannot be counted as excess procurement at all. RECs from short-term contracts must be subtracted before excess procurement is calculated. PCC 3 RECs in excess of their PBR percentage for that compliance period must also be subtracted from the number of RECs otherwise available to be counted as excess procurement.

Decision reference: D.12-06-038, D.17-06-026

For excess procurement rules for Compliance Period 2021-2024 and beyond, all excess PCC 1 RECs can be banked, regardless of whether they are associated with short or long-term contracts; no PCC 2 or PCC 3 RECs can be banked.

Decision reference: D.17-06-026

Please send any questions related to RPS Compliance and Compliance Reporting to rpscompliance@cpuc.ca.gov.

