18 September 2013

VIA E-MAIL DOCKET@ENERGY.CA.GOV; RPS33@ENERGY.CA.GOV

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 11-RPS-01
RPS Proceeding
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Definition of Station Service Load at Eligible Renewable Facilities

Cyrq, Inc. ("Cyrq") appreciates this opportunity to provide comments on the staff issued white paper regarding the definition of station service and hopes these comments will be used to inform those considering revisions to future editions of the RPS Guidebook. This issue is of particular importance to Cyrq and its operating geothermal facilities that provide renewable energy to California utilities.

Cyrq has long contended that geothermal brine is a fuel, and commends staff for agreeing that energy used for offsite fuel transportation should not be considered station service. This position is consistent with FERC policy which Cyrq Energy has always believed is the most appropriate guideline for defining station service. However, the assertion by staff that geothermal brine from a binary geothermal plant is not a fuel is troubling, inconsistent with widely held scientific principles, and creates an uneven playing field for binary geothermal plants when compared to other renewables.

The uneven playing field is further exacerbated by the interpretation that water pumped to flash geothermal steam fields, such as the Geysers (which is geothermal brine once underground) is treated as a fuel and therefore not considered station service, but geothermal brine pumped under pressure to binary geothermal plants is not treated as a fuel and is treated as station service.

As stated above, Cyrq supports using the FERC definition for Station Service so that all renewable technologies are treated similarly and compete on a level playing field in regards to what is and is not considered Station Service. FERC policy is a commonly used platform for developers and financiers, and we are concerned that an overly complex and detailed definition

of station service that contradicts FERC policy will only make it harder to secure financing for renewable energy projects.

Cyrq again proposes the following changes to the Guidebook Changes at pages 58-59 to ensure a level playing field and consistent treatment of what is and is not Station Service for all renewable technologies and clearly articulates that fuel delivery is not Station Service.

2. Station Service

Compliance with the California RPS is based on procurement from electrical generation facilities that are certified by the Energy Commission as eligible renewable energy resources.

Station service, also commonly called parasitic load, generally refers to the electricity consumed by an electrical generation facility for facility operations and does not include the fuel delivery loads such as compressor station loads for pipeline gas; gathering system loads for landfill gas; collection, transportation, chipping and processing of biomass fuel; pumping loads for delivery of water to fuel a geothermal field; and pumping loads to extract and transport geothermal fluids from a geothermal field.

Electricity used by an electrical generation facility for station service is not eligible should not result in the creation of renewable energy credits (RECs) that are used for RPS compliance. Station service is defined in the Glossary of Terms in this guidebook.

Generation to meet station service load as defined in this guidebook is not eligible for California's RPS. This is consistent with the ~~WREGIS Operation Rules~~, Station Service definition articulated by FERC. ~~which do not provide for the creation of RECs for Station service~~.

Cyrq also proposes the following definition for Station Service to replace the definition on page 159 of the Guidebook Changes.

> ***Station Service*** *– the ~~electric supply for the ancillary equipment used to operate a generating station or substation~~ electric energy used for the heating, lighting, air-conditioning, and office equipment needs of the buildings on a generating facility's site, and for operating the electric equipment that is on the generating facility's site such as lights, fans, pumps, electric motors, instrumentation, and pollution control equipment. Station Service does not include fuel delivery loads.*

Cyrq appreciates the Commission's consideration and modification of the Guidebook Changes to create a level playing field by using a consistent Station Service definition for all renewable technologies.

Very truly yours,

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