

California's RPS Guidebook 10th Edition: What Developers Need to Know

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On December 8, 2025, the California Energy Commission (“CEC”) posted the final Renewables Portfolio Standard (“RPS”) Eligibility Guidebook, 10th Edition (the “Guidebook”).¹ The CEC formally adopted the revised Guidebook on December 19, 2025. Much has changed in California and the renewables industry since the previous edition of the Guidebook was published over eight years ago. The Guidebook seeks to harmonize the CEC’s RPS rules with modern development practice, in order to provide clearer treatment for renewable-plus-storage configurations, to modernize metering expectations, to refine verification practices, and to implement eligibility updates that reflect recently enacted legislation.



Location Eligibility: Clarity for Offshore Wind and Out-Of-State Projects

Chapter 3.3 of the Guidebook specifies the locational requirements for renewable facilities to qualify for RPS eligibility. The Guidebook maintains the program’s focus on interconnection while explicitly clarifying that a facility’s physical siting can be outside the Western Interconnection. The prior version of the Guidebook lacked explicit references to physical location in the Western Electricity Coordinating Council (“WECC”) service area and to offshore facilities. Chapter 3.3 of the updated Guidebook resolves this ambiguity and lays out the eligibility criteria for projects physically located outside of the Western Interconnection, including projects located in “California state waters,”² the United States’ “Exclusive Economic Zone”³ (“U.S. EEZ”), and even beyond the U.S. EEZ. The following facilities are eligible for RPS:

- Facilities that are within California state waters (*i.e.* within 3 nautical miles from California’s coastal baseline) are considered to be physically located within California and are not required to satisfy additional locational eligibility criteria.
- Facilities that are physically located outside of California, including areas beyond California state waters, must demonstrate that either the facility has its first point of interconnection to a California Balancing Authority (“CBA”) or that it satisfies all of the following criteria:⁴

¹ [Renewables Portfolio Standard - RPS | California Energy Commission](#)

² Guidebook Glossary of Terms defines “California State waters” as “offshore territory generally 3 nautical miles out from California’s coastal baseline extending north to Oregon and south to Mexico as detailed in the Submerged Lands Act of 1953 (43 U.S.C. Section 1301 et seq.) and United States v. California, 574 U.S. 105 (2014), within which California is granted title to all lands, minerals, and other natural resources underlying the Pacific Ocean.”

³ Guidebook Glossary of Terms defines “Exclusive Economic Zone” as “the area of the ocean, generally extending 200 nautical miles beyond a nation’s territorial sea, within which the nation has jurisdiction over living and nonliving resources.”

⁴ Guidebook, Section 3.3(a)-(c).

- One of the following is true: (1) The facility commences initial commercial operations on or after January 1, 2005; (2) Electricity generated by the facility was procured by a retail seller or POU as of January 1, 2010; (3) The facility underwent an expansion or repowering on or after January 1, 2005, and only RPS certification of the resulting incremental generation is being sought. (See Chapter 3.5: Incremental Generation.); or (4) The facility qualifies as a repowered facility under Chapter 3.4: Repowered Facilities and recommenced commercial operations on or after January 1, 2005;
- The facility does not cause or contribute to any violation of California environmental quality laws, ordinances, regulations, or standards (LORS) within California (see Chapter 3.3.1: LORS Requirement); and
- The facility has the first point of interconnection to the WECC service area.⁵
- Facilities that are located outside of the United States, including areas beyond the U.S. EEZ, must demonstrate compliance with the Out-of-Country requirements of Chapter 3.3.2.⁶

Storage Loss Accounting: The Updates Clarify How Project Configuration Impacts Generation of RECs

The previous Guidebook stated that energy storage technology is considered an “addition or enhancement” to a renewable energy resource under two scenarios: when the energy storage is either “integrated into the facility” or “directly connected to the facility,” as illustrated by two corresponding metering diagrams.⁷ In either configuration, any losses from energy storage were required to be subtracted from the generation of the eligible renewable facility for purposes of generating RECs. The previous Guidebook did not expressly address how to treat the presence of an energy storage system at an eligible renewable facility where the energy storage system and the renewable generation are metered separately. In practice, so long as the renewable generation and energy storage system were separately metered, then the CEC did not require the generator to subtract energy storage losses from the generation of the eligible renewable facility.

CEC Staff updated Chapter 3.6 of the Guidebook because of an unprecedented increase in energy storage systems and confusion over the accounting requirements regarding storage losses. CEC Staff proposed removing prescriptive metering configuration diagrams from the Guidebook to avoid “incentivizing/disincentivizing configurations,” and to clearly distinguish how metering configurations of hybrid or co-located projects impact the generation of RECs at a facility:⁸

- An energy storage system can be paired with a renewable facility, if it is behind a single point of interconnection, as either an “addition or enhancement” or as a stand-alone energy storage device.⁹
 - An energy storage system is considered an “addition or enhancement” to a renewable facility if the energy storage device is paired with a renewable energy resource and is located behind the meter used to report generation to both WREGIS and the Energy Commission.
 - A standalone energy storage system behind the same point of interconnection but not located behind the meter used to report a facility’s generation to WREGIS is not considered an addition or enhancement to an eligible renewable facility.

⁵ Guidebook, Chapter 3.3, fn. 39 (“Projects may be physically outside of the Western Interconnection, but must still have its first point of interconnection to the Western Interconnection.”).

⁶ Guidebook, Chapter 3.3.

⁷ 9th Edition Guidebook, Chapter 3(F)

⁸ CEC Staff Workshop Presentation, Item 4, Rationale, pg. 37.

⁹ Guidebook Chapter 3.6.1.

The Guidebook now clearly states that only storage counted as an “addition or enhancement” behind the same reporting meter as the renewable facility generation would trigger loss netting. In such case, any round-trip efficiency losses from the energy storage system must be subtracted or “netted” from the generation of the renewable facility when determining the quantity of RPS-eligible energy and associated RECs. Where standalone energy storage is designated and metered separately from the meter at which the renewable facility reports the RPS-eligible generation to WREGIS and the storage is not “behind” that meter, then the Guidebook makes clear that the renewable facility generation is not reduced to account for losses from the energy storage system. Interconnection losses (transformer/line) remain netted, and any eligible electricity used as an input (e.g., pumped storage) must still be netted out.¹⁰

Metering Rules: AC and DC Explicitly Allowed; Tighter Accuracy

Renewable facilities must meet certain metering requirements in order to be certified as an RPS-eligible resource.¹¹ CEC staff updated the metering requirements because the previous Guidebook did not distinguish between AC and DC meters, and the metering accuracy requirements are not aligned with industry standards.

The Guidebook now explicitly states that both AC and DC metering is permitted, updates accuracy requirements from $\pm 2\%$ to $\pm 0.5\%$, and requires generation to be measured at the first point of interconnection or adjusted to reflect delivery at the high side of the transformer.¹² Notably, CEC Staff stated in its October workshop that existing meters installed before adoption of the Guidebook do not need to be retrofit to comply with the new standards.¹³ These updates allow for additional flexibility when choosing whether AC or DC technology is appropriate for your project.

Eligibility Updates: Incorporation of Recent Legislation

The Guidebook implements numerous state laws that impact how certain resource types are treated in the RPS program.

Senate Bill 100 (“SB 100”) established a landmark policy requiring renewable energy and zero-carbon resource to supply 60 percent of electric retail sales in California by 2030, and 100 percent by 2045. While the RPS program does allow RPS certification for certain technologies that are *not* zero-carbon resources,¹⁴ including facilities that generate electricity using biodiesel derived from biomass feedstock, biomass fuel, or biomethane derived from a digester gas or landfill gas,¹⁵ these facilities reduce air emissions relative to traditional fossil-based diesel and methane. Because air emissions are lower than the traditional baseline, use of these fuels is in line with the SB 100 goal of “[r]educing air pollution, particularly criteria pollutant emissions and toxic air contaminants, in the state.”¹⁶ The Guidebook seeks to ensure RPS facilities are providing the intended benefits of SB 100 to California and maintain flexibility for evolving technology by implementing specific emissions documentation requirements for facilities with air emissions that are subject to a permit to operate under Title V of the Clean Air Act.¹⁷ The Guidebook also includes updated language allowing for a Title V facility to have its RPS certification revoked if it fails to comply with its Title V permit.¹⁸

Assembly Bill 1921 revised the definition of “renewable electrical generation facility” in Public Resources Code § 25731 to include linear generators using renewable fuels.¹⁹ And instead of implementing separate rules for fuel cells, the Guidebook synchronizes fuel cell eligibility with linear generator eligibility – both technologies are RPS-eligible if the facilities use either RPS-eligible renewable energy resource, qualifying hydrogen gas, or both.

¹⁰ CEC Staff Workshop Presentation, Item 4 Energy Storage, pg. 35.

¹¹ Guidebook, Chapter 3.1.2.

¹² Guidebook, Chapter 3.1.2.

¹³ CEC Staff Workshop Presentation, Item 5 Metering Requirements, pgs. 40–42.

¹⁴ See e.g. Public Utilities Code § 399.12.6 (biomethane eligibility).

¹⁵ Guidebook, Chapters 2.1 – 2.3.

¹⁶ Public Utilities Code § 399.11(b)(3).

¹⁷ Guidebook, Chapter 3.7.

¹⁸ Guidebook, Chapter 8.4.1.

¹⁹ Assembly Bill 1921 (Papan, Chapter 556, Statutes of 2024).

Pseudo-Ties: Less E-Tag Rigidity, But Watch For “Additional Information” Caveat

The Guidebook clarified reporting requirements for Publicly Owned Utilities (“POU”) such that e-Tags are no longer required to claim RECs from facilities that utilize a pseudo-tie arrangement. CEC Staff reasoned that pseudo-tie resources do not need to provide e-Tags because those resources are fully under the control of its respective Attaining Balance Authority. Dynamically scheduled resources must still provide e-Tags to claim RECs because those resources are under the control of its respective host Balancing Authority Area. However, the CEC may request e-Tag or hourly data “where additional information is needed” to verify scheduling into a California Balancing Authority.²⁰

Change in Facility Ownership: Shifting Risk to the Purchaser

The Guidebook implements a new requirement that the purchaser of an RPS-eligible resource must complete a facility’s change of ownership application in the RPS Online system no later than 180 days after the previous organization withdraws the facility from its account.²¹ Non-compliance can have serious implications for acquired operational resources.

When an RPS certified facility changes ownership, a new owner must submit an application on the RPS Online system to add the newly acquired facilities to an existing organization or establish a new account. The previous owner must also withdraw the facility from its organizational account “within a reasonable period.” However, if the previous organization withdraws the facility before the new owner submits its application, the new facility owner will have 180-days from the date of the withdrawal to submit a new application in order to retain the original eligibility date for the facility. For developers and asset owners, the key is to act quickly and timely document the change of ownership because keeping the original eligibility date, and the value tied to it, now depends on meeting the 180-day transfer milestone and following the outlined steps in the RPS Online System. By establishing a clear, trackable 180-day transfer deadline in the RPS Online system, the Guidebook reduces uncertainty and helps developers and asset owners protect a facility’s original eligibility date—and the value tied to it—by promoting timely, well-documented ownership transitions.

This alert is provided for information purposes only and does not constitute legal advice and is not intended to form an attorney client relationship. Please contact your Sheppard attorney contact for additional information.

²⁰ Guidebook, Chapter 7.2.1.

²¹ Guidebook, Chapter 4.2.3.

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