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FINAL STATEMENT OF REASONS

Rulemaking to Amend Regulations Governing the Power Source Disclosure Program
Docket No. 21-OIR-01
Notice Published on May 17, 2025

I. UPDATE OF THE INITIAL STATEMENT OF REASONS

Government Code section 11346.9(a)(1) requires the Final Statement of Reasons (FSOR) to include an update of the information contained in the Initial Statement of Reasons (ISOR). Other than the changes noted below, no other changes to the ISOR are necessary and items from the ISOR that are not addressed below are incorporated by reference.

Statement of Specific Purpose and Necessity

1391 Section Header, "Definitions"
The section header provided in the existing regulation is "Definitions," but was inadvertently presented as "Definition" in each version of the express terms. The missing letter "s" has been restored as a non-substantive grammatical change.

"Biogenic fuels"
The specific purpose of this change is to clarify that biogenic fuels are derived from biomass and biomethane.

The change is necessary to improve the clarity and accuracy of the regulations.

In addition, a deletion to this section inadvertently left a comma so the passage reads, "biomass, and biogas." Removal of this comma is non-substantive but needed for grammatical clarity.

"CPUC"
The specific purpose of this change is to add the abbreviated name for the California Public Utilities Commission (CPUC).

This change is necessary to make the regulations simpler to understand and to improve readability.

“Electricity from Unspecified Sources of Power”
The specific purpose of deleting the section of this definition describing unspecified power as “derived primarily from natural gas and other fossil fuels” is because, as explained below, staff has proposed to calculate and display the percentage of unspecified power derived from either renewables and zero-carbon resources or from fossil fuels starting in 2026.

This change is necessary to ensure the definition and usage of this term are consistent in the regulations.

“Eligible firmed-and-shaped product”
In the Initial Statement of Reasons, the clarifying changes to this subdivision were described erroneously as non-substantive. Those changes were substantive but do not change the meaning or treatment of eligible firmed-and-shaped products under these regulations.

“Emerging Technologies”
The specific purpose of this new definition is to enable power source and emissions disclosure of recently deployed generators utilizing technologies or fuel types not currently identified in the regulations or on the power content label (PCL).

This change is necessary to provide a temporary fuel type classification for new technologies that have not yet been defined under this program.

“Power Charge Indifference Adjustment”
The specific purpose of this new subdivision is to define a CPUC accounting mechanism that is referenced under these proposed regulations.

This change is necessary to make the regulations simpler to understand.

This definition was included in the Express Terms released on May 17, 2025, but was inadvertently excluded from the summary of changes in the ISOR. This definition was included and appropriately marked-up under 45-Day Update to the Express Terms released on October 4, 2025, and the 15-Day Updated Language released on December 9, 2025. To address this mistake, staff have included the purpose and necessity of this definition under this FSOR.

“Scheduling Coordinator”
In the Initial Statement of Reasons, the clarifying changes to this subdivision were described erroneously as non-substantive. Those changes were substantive but do not change the meaning or treatment of scheduling coordinators under these regulations.

“Voluntary Allocation and Market Offer”
The specific purpose of the amendment to this definition is to correctly underline a portion of this definition that was inadvertently incorporated without an underline in the

express terms from May 17, 2024. Additionally, the definition was moved above the Western Electricity Coordinating Council to ensure that definitions in this section are arranged in alphabetical order.

These changes are necessary to ensure the proposed content is properly denoted and correctly positioned.

Authority and Reference notes
The Authority section of these notes mistakenly refers to “Sections 398.4,” but should have presented that as the singular “Section 398.4.” This non-substantive change was made to correct grammar.

1391.1(d)(2)(C)
Since the initial express terms in May 2024, a semicolon has been unintentionally included at the end of this subdivision. It presented without underlining indicating added text. That semicolon has been struck as a non-substantive grammatical change.

1391.1(d)(3)
Since the initial express terms in May 2024, this subdivision has included a change that was unintentional and unmarked: the word “they” had been replaced with “he or she.” To correct this, “he or she” has been struck and “they” has been added back to the regulation.

1392(a)(3)
In the Initial Statement of Reasons, this explanation referred to text that was “deleted” but should have been characterized as “struck.”

1392(a)(3-4) (struck)
In the Initial Statement of Reasons, these subdivisions were characterized as “deleted” but should have been characterized as “struck.”

1392(a)(4)
The specific purpose of the amendment to this subdivision is to state that electricity purchased from a renewable generator without the associated RECs will be both “classified and reported” as unspecified power. This updates the express terms proposed on May 17, 2024, which had changed the regulations to state that electricity from a renewable generator purchased without the associated RECs would be “reported” rather than “classified” as unspecified power.

This change is necessary to clarify the treatment of renewable energy purchased without the associated RECs in the regulations.

In addition, in the Initial Statement of Reasons, this explanation referred to text that was “deleted” but should have been characterized as “struck.”

1392(a)(4)(A-B) (struck)

In the Initial Statement of Reasons, these subdivisions were characterized as “deleted” but should have been characterized as “struck.” In addition, that explanation referred to text that was “deleted” but should have been characterized as “struck.”

1392(a)(5) (struck)
In the Initial Statement of Reasons, this subdivision was characterized as “deleted” but should have been characterized as “struck.”

1392(a)(5)
In the Initial Statement of Reasons, this explanation referred to text as “deleted” but should have characterized that text as “struck.”

1392(a)(5)(B)
The specific purpose of the amendment to this subdivision is to state that electricity purchased from a renewable generator without the associated RECs will be both “classified and reported” as unspecified power. This updates the express terms proposed on May 17, 2024, which had changed the regulations to state that electricity from a renewable generator purchased without the associated RECs would be “reported” rather than “classified” as unspecified power.

This change is necessary to clarify the treatment of renewable energy purchased without the associated RECs in the regulations.

1392(a)(6) (struck)
In the Initial Statement of Reasons, this subdivision was characterized as “deleted” but should have been characterized as “struck.”

1392(a)(6)(A)
Since the initial express terms in May 2024, a struck comma has been inadvertently deleted from the document rather than presented in strikethrough. That comma has been added and marked in strikethrough to correct this non-substantive grammatical change.

1392(a)(6)(D)
The specific purpose of the amendment to this subdivision is to update an internal reference. This change is necessary to ensure the internal consistency of the regulations.

1392(a)(6)(E)
The specific purpose of the amendment to this subdivision is to add specificity to the external reference to a federal data collection form with the name of the federal agency authorized to collect that data, and to provide a citation to the applicable federal code. This change is necessary for clarity.

The specific purpose of the additional amendment to this subdivision is to remove a redundant use of the word “data” from the explanation of the calculation for determining the fuel consumption and GHG emissions attributable to a cogenerating unit. This change is necessary to improve the clarity of the regulations. The subdivision already states that the CEC will use “the most recent final data on fuel consumption and GHG emissions” from the Energy Information Administration (EIA) to perform these calculations.

1392(a)(6)(F)
The specific purpose of the amendment to this subdivision is to update an internal reference. This change is necessary to ensure the internal consistency of the regulations.

1392(a)(6)(G)
The specific purpose of the amendment to this subdivision is to update an internal reference. This change is necessary to ensure the internal consistency of the regulations.

1392(a)(7)
In the Initial Statement of Reasons, this explanation referred to text as “deleted” but should have characterized that text as “struck.”

1392(a)(7)(F)
In the Initial Statement of Reasons, this explanation referred to text as “deleted” but should have characterized that text as “struck.”

1392(a)(7)(G) (struck)
In the Initial Statement of Reasons, this subdivision was characterized as “deleted” but should have been characterized as “struck.”

1392(a)(8)(A)
The specific purpose of the amendment to this subdivision is to apply transmission and distribution loss factors to each specified resource and to unspecified power, rather than applying a single loss factor to a retail supplier’s load. This proposed revision returns to a concept CEC staff provided as proposed language in September 2023 under pre-rulemaking.

This change is necessary to improve the accuracy and flexibility of loss accounting under this program.

Updates to this subdivision further clarify that CEC staff will calculate and publish loss factors for in-state resources and for imports and explains how staff will perform these calculations. The specific purpose of this amendment is to provide guidance on the development and use of loss factors. This change is necessary for clarity.

1392(a)(8)(B)
The specific purpose of the amendment to this subdivision is to require CEC staff to calculate default loss factors for specified in-state and imported resources and unspecified power based on annual data collected under federal law by the U.S. Energy Information Administration (EIA). It replaces the previous proposal to use loss factors derived from the Integrated Energy Policy Report Demand Forecast. The CEC will publish default loss factors and the underlying calculations prior to the reporting period each year.

This change is necessary to provide specific guidance for loss accounting.

1392(a)(8)(C)
The specific purpose of the amendment to this subdivision is to allow retail suppliers to calculate transmission and distribution loss factors for any of their specified resources, rather than calculating and reporting a single loss factor to apply to their load.

This change is necessary to allow diverse approaches to loss accounting to be reflected in the reporting of line losses, which will provide flexibility to retail suppliers and provide data for CEC staff to identify best practices for loss accounting in the future.

1392(b) (struck)
In the Initial Statement of Reasons, this subdivision was characterized as “deleted” but should have been characterized as “struck.”

1392(b)(2) (struck)
In the Initial Statement of Reasons, this subdivision was characterized as “deleted” but should have been characterized as “struck.” This explanation also referred to a section as “deleted” but should have characterized that section as “struck.”

1392(b)(3) (struck)
In the Initial Statement of Reasons, this subdivision was characterized as “deleted” but should have been characterized as “struck.”

1392(b)(3)
The specific purpose of the amendment to this subdivision is to clarify that retail suppliers shall allocate net specified purchases and unspecified power to their electricity portfolios, losses, and other end uses. Any remaining specified procurements are not to be allocated to total power content, but rather to oversupply.

These changes are necessary to provide specific guidance for allocating resources to various end-use dispositions while ensuring that coal resources remain allocated to the original procuring party and are displayed on the PCL.

This subdivision includes a further amendment that disallows the removal of coal from a retail supplier’s inventory due to oversupply. The purpose of this change is to ensure

that coal procurements remain attributed to the retail supplier that procured such resources, which is consistent with the treatment of coal under the regulations currently in effect. This change is necessary because this treatment of coal was previously included under Section 1392(b)(4), which has been struck.

1392(b)(4) (struck)
CEC staff intended to remove this subdivision as part of the express terms proposed on May 17, 2024, to allow retail suppliers to choose their stacking order of resources under the initial rulemaking package. The removal of this subdivision reaffirms staff's pre-rulemaking intention to allow retail suppliers to determine how they stack their resources.

This change is necessary to ensure the regulations do not feature conflicting guidance about the stacking order of resources.

1392(b)(4)(renumbered)
The specific purpose of the amendment to this subdivision updates an internal reference. This change is necessary to ensure the internal consistency of the regulations.

1392(b)(5)
In the Initial Statement of Reasons, this explanation referred to text as "deleted" but should have characterized that text as "struck.

1392(c) (struck)
In the Initial Statement of Reasons, this subdivision was characterized as "deleted" but should have been characterized as "struck."

1392(c)(1)
The specific purpose of the amendment to this subdivision is to clarify that specified procurements of coal cannot be removed from a retail supplier's inventory due to oversupply. The previous language stated that "GHG emissions associated with specified coal procurements" may not be removed, which could be interpreted as allowing retail suppliers to exclude coal procurements from their inventory through oversupply while being attributed the emissions from those resources.

The updated language is necessary to clarify this potential ambiguity.

1393(c)(3)
In the Initial Statement of Reasons, this explanation referred to text as "deleted" but should have characterized that text as "struck.

1392(c)(6)(A)

The specific purpose of the amendment to this subdivision is to update an internal reference. This change is necessary to ensure the internal consistency of the regulations.

1392(d)(1-2) (struck)
In the Initial Statement of Reasons, these subdivisions were characterized as “deleted” but should have been characterized as “struck.”

1392(a-b) (struck)
In the Initial Statement of Reasons, these subdivisions were characterized as “deleted” but should have been characterized as “struck.”

1393(a)
The template title, “Resource Report,” has been deleted in two instances and replaced with the term “template” in one instance. These non-substantive changes are necessary for conformity with the forms exemption pursuant to Government Code 11340.9(c).

1393(a)(1)
The template title, “Resource Report,” has been deleted and replaced with the term “template” in one instance. This non-substantive change is necessary for conformity with the forms exemption pursuant to Government Code 11340.9(c).

1393(a)(3)
The specific purpose of the amendment to this subdivision is to update an internal reference. This change is necessary to ensure the internal consistency of the regulations.

1393(b)
The template title, “Resource Report,” has been deleted. This non-substantive change is necessary for conformity with the forms exemption pursuant to Government Code 11340.9(c).

1393(b)(2)(A)
The specific purpose of this subdivision is to state that a retail supplier must report its total load as part of the requirement to report its loss-adjusted load.

This change is necessary for clarity and to ensure that retail suppliers report the appropriate data.

1393(b)(2)(B)
The specific purpose of this subdivision is to establish January 1, 2026, as the starting date for reporting transmission and distribution losses associated with each procurement. This subdivision further clarifies that only losses associated with retail sales and other end uses will be included in a retail supplier’s loss-adjusted load, which

ensures that a retail supplier is not ascribed losses from oversupplied resources that it did not use to meet its loss-adjusted load.

The change to the start date for loss accounting is necessary to provide a retail supplier with sufficient time to procure clean energy resources to cover its transmission and distribution losses prior to the start of loss reporting, if they so choose.

1393(c)(1)(A)
The specific purpose of the amendment to this subdivision is to update an internal reference. This change is necessary to ensure the internal consistency of the regulations.

1393(c)(1)(C)
The specific purpose of the proposed change is to correct a typographical error, which is necessary for the accuracy of the regulations.

1393(c)(2)
The specific purpose of the proposed change is to correct a typographical error, which is necessary for the accuracy of the regulations.

1393(c)(3)(A-E) (struck)
In the Initial Statement of Reasons, these subdivisions were characterized as “deleted” but should have been characterized as “struck.”

In addition, that explanation referred to text as “deleted” but should have characterized that text as “struck.

1393(e)(1)
The specific purpose of the amendments to this subdivision is to cite the statute and the CPUC decisions regarding the allocation of resources subject to the Power Charge Indifference Adjustment and their attribution to investor-owned utilities.

These changes are necessary to properly identify the legal structure governing the Power Charge Indifference Adjustment.

1393(e)(2)
The specific purpose of the amendment to this subdivision is to cite the CPUC decision regarding the reporting of unallocated GHG-free energy attributes from the Diablo Canyon Power Plant.

This change is necessary to properly identify the legal structure governing the allocation of GHG-free energy attributes from Diablo Canyon Power Plant.

1393(e)(3)

The specific purpose of an amendment to this subdivision is to cite the CPUC decision regarding the allocation of large hydroelectric resources. Additionally, this section clarifies that retail suppliers must report the Renewables Portfolio Standard (RPS) facility identification number associated with the reported renewable energy credits (RECs), if applicable.

These changes are necessary to properly identify the legal structure governing the allocation of hydroelectric resources and to ensure that retail suppliers provide the identification number demonstrating that a resource is RPS-eligible renewable.

1393(f)
In the Initial Statement of Reasons, this explanation referred to text as “deleted” but should have characterized that text as “struck.

1393(g)(1)
The adopted express terms included the word “maybe,” but it is clear in context this should have read, “may be.” Adding a space between “may” and “be” is non-substantive but necessary for grammatical clarity.

1393(g)(3)
The specific purpose of this new subdivision is to allow large hydroelectric resources to be reported in aggregate and for retail suppliers to use proxy data tools developed by CEC staff to estimate hourly production profiles of large hydroelectric resources.

This provision is necessary to minimize the hourly reporting burden as required under Public Utilities Code (PUC) Section 398.6(k).

1393(j)
The specific purpose of this new subdivision is to provide that multijurisdictional electrical corporations may report resources using the most current cost allocation methodology approved by the CPUC pursuant to PUC Section 451, which requires the CPUC to determine whether a utility’s proposed rates, services, and charges are just and reasonable. This subdivision updates and replaces an existing provision under 1393.1(e) and simply reaffirms the reporting method already used by multijurisdictional electrical corporations.

This change is necessary to improve the clarity of reporting guidance for multijurisdictional electrical corporations.

1393.1 (header)
Underlining was inadvertently omitted from the last portion of this section header. The added double-underlining rectifies this; the proposed numbering of this section has not changed.

1393.1(a)(3)

The specific purpose of this subdivision is to build upon the statutory provision under PUC 398.4(g)(2), which requires the PCL to include an aggregated statewide total of all retail suppliers' retail sales data. The specific purpose of the additional change in this subdivision is to provide updated guidance to account for the inclusion of each retail supplier's loss-adjusted load on the PCL starting in 2026 (loss-adjusted load includes retail sales, energy covering line losses, and other electricity end uses). To that end, this subdivision has replaced the phrase "California's total statewide retail electricity sales" with "total California loss-adjusted load" and noted that the inclusion of total California loss-adjusted load on the PCL will start in 2026." Since loss-adjusted load data will not be reported in 2025, an aggregated total of every retail suppliers' loss-adjusted load cannot be included in the PCLs that year; instead, for just the interim year of 2025, staff will rely on the statutory provision under PUC 398.4(g)(2) for the aggregated total on the PCL to reflect only retail sales data.

The 2026 start date for loss accounting is necessary to provide a retail supplier with sufficient time to procure clean energy resources to cover its transmission and distribution losses prior to the start of loss reporting, if they so choose. Total California loss-adjusted load will represent an aggregated total of loss-adjusted loads for every retail supplier; it will not include loads that were not served by a retail supplier.

This change is necessary to correspond with the broader program update to include the total power content of a retail supplier's loss-adjusted load on the PCL, as specified under subdivision (c)(1).

1393.1(c)
The specific purpose of the proposed amendment to this subdivision is to state that retail suppliers shall begin reporting information about their total power content in 2026.

The change to a 2026 start date for a retail supplier's total power content is necessary to provide a retail supplier with sufficient time to procure clean energy resources to cover its transmission and distribution losses and other end uses prior to the start of loss reporting, if it so choses.

In addition, since the initial express terms in May 2024, this subdivision has included a change that was unintentional and unmarked: the word "every" had been replaced with "all." To correct this, "all" has been struck and "every" has been added back to the regulation.

1393.1(c)(1)(A)-(G) and 1393.1(c)(2) (struck)
In the Initial Statement of Reasons, these subdivisions were characterized as "deleted" but should have been characterized as "struck."

1393.1(c)(1)

The specific purpose of the amendment to this subdivision is to replace the phrase “California’s total statewide retail electricity sales” with “total California loss-adjusted load.”

This change is necessary to improve the clarity of the regulations, as recommended by stakeholders, and because the CEC has proposed to calculate the GHG emissions intensity of the state’s total loss-adjusted load based on the loss-adjusted loads reported by all California retail suppliers, starting in 2026.

In addition, since the initial express terms in May 2024, this subdivision has included non-substantive changes that were unintentional and unmarked: the phrase “listed in this subdivision:” had been added without underlining and a comma had been deleted rather than marked in strikethrough. To correct this, “listed in this subdivision:” has been struck and the comma has been added and marked in strikethrough.

1393.1(c)(1)(C)
The specific purpose of the amendment to this subdivision is to reject the terminology proposed in the original express terms, restoring the existing term “eligible hydroelectric.”

This change is necessary to ensure consistency with the fuel type categories identified under PUC Section 398.4(h).

1393.1(c)(1)(J)
The specific purpose of an amendment in this subdivision is to remove the parenthetical describing unspecified power as “primarily fossil fuels.” The subdivisions in this section also clarify that the parenthetical descriptor will identify the primary fuel type of unspecified power (either “Fossil Fuels” or “Renewables and Zero-Carbon Resources”). Beginning in 2026, the parenthetical descriptor will include the percentage of the primary fuel group.

These changes are necessary to ensure the information about unspecified power on the PCL is accurate and simple-to-understand.

1393.1(c)(1)(K)
The specific purpose of this subdivision is to add a new category of “Emerging Technologies” for power source and emissions disclosure about recently deployed generators utilizing technologies or fuel types not currently included on the PCL.

This change is necessary to provide a temporary fuel type classification for new technologies that have not yet been defined under this program, as further explained in new language in Section 1393.1(c)(2)(C).

1393.1(c)(2)
Updates to this subdivision are non-substantive and clarificatory. However, the word “in” was inadvertently struck under 15-day changes, which results in incorrect grammar. Inclusion of the word “in” is non-substantive, but necessary for clarity.

1393.1(c)(2)(A)
The specific purpose of an amendment to this subdivision is to specify the fuel types that correspond with renewables and zero-carbon resources. A further amendment clarifies that only the portion of unspecified power corresponding to those fuel types will be included in the Renewables and Zero-Carbon Resources supercategory. Finally, an amendment updates “Zero Carbon” to “Zero-Carbon” for consistency with SB 1158.

These changes are necessary to ensure the information about unspecified power on the PCL is accurate and simple to understand.

1393.1(c)(2)(B)
The specific purpose of the amendments to this subdivision is to specify the fuel types that correspond with Fossil Fuels and clarify that only the portion of unspecified power corresponding to those fuel types will be included in the Fossil Fuels supercategory.

These changes are necessary to ensure the information about unspecified power and fossil fuels on the PCL is accurate and simple to understand.

1393.1(c)(2)(C)
The specific purpose of this new subdivision is to provide guidance for classifying emerging technologies under the supercategories identified under 1393.1(c)(2). It allows CEC staff to evaluate the resources reported as emerging technologies and determine if they should be grouped within the categories of either “fossil fuels” or “renewables and zero-carbon resources” on the PCL, or if they should be classified in a third supercategory labeled “Emerging Technologies.”

This change is necessary to ensure the information on the PCL is accurate and reliable.

1393.1(c)(3)
The specific purpose of the amendment to this subdivision is to replace the phrase “California’s total statewide retail electricity sales” with “total California loss-adjusted load.”

This change is necessary to improve the clarity of the regulations, as recommended by stakeholders, and because the CEC has proposed to calculate the GHG emissions intensity of the state’s total loss-adjusted load based on the loss-adjusted loads reported by all California retail suppliers, starting in 2026.

1393.1(c)(5) (struck)
In the Initial Statement of Reasons, this subdivision was characterized as “deleted” but should have been characterized as “struck.”

1393.1(c)(5)
The specific purpose of the amendment to this subdivision is to restore a proposed deletion that corresponds with a struck proposal under Section 1393(l)(1). This change ensures that unbundled RECs will continue to be disclosed as a separate line item on the PCL.

This change is necessary to ensure the information about unbundled RECs on the PCL is simple to understand.

1393.1(c)(6)
The specific purpose of this subdivision is to provide guidance about which electricity end uses are associated with the disclosure of the statewide fuel mix and retail suppliers’ electricity portfolios and total power content.

This proposed subdivision is necessary to ensure the disclosures on the PCL are accurate and reliable.

A further amendment to this subdivision replaces the phrase “California’s total statewide retail electricity sales” with “total California loss-adjusted load.”

This change is necessary to improve the clarity of the regulations, as recommended by stakeholders, and because the CEC has proposed to calculate the GHG emissions intensity of the state’s total loss-adjusted load based on the loss-adjusted loads reported by all California retail suppliers, starting in 2026.

1393.1(c)(7)
The specific purpose of this subdivision is to incorporate a stakeholder recommendation to move existing content about unspecified power previously found in 1393.1(c)(1)(J) to this new subdivision.

This change is necessary to improve the clarity of the regulations.

1393.1(d)(2)(B)
The specific purpose of the amendment to this subdivision is to update internal references. This change is necessary to ensure the internal consistency of the regulations.

1393.1(e)
The specific purpose of the amendment to this subdivision is to align this subdivision with updated reporting guidance for multijurisdictional electrical corporations proposed under Section 1393(j).

This change is necessary to improve the clarity of reporting guidance for multijurisdictional electrical corporations.

1391.1(l)
Since the initial express terms in May 2024, this subdivision has included a non-substantive change that was unintentional and unmarked: the words “statements and” had been added without underlining. To correct this, “statements and” has been struck.

1393.1(l)(1)
The specific purpose of the amendment to this subdivision is to rephrase the footnote contents explaining the distinct treatment of unbundled RECs in RPS and Power Source Disclosure (PSD) accounting and to eliminate the proposal to move unbundled RECs disclosure to the footnotes.

These changes are necessary to ensure the information about unbundled RECs on the PCL is accurate and simple to understand.

1393.1(l)(2) (struck)
The specific purpose of the amendment to this subdivision is to remove a proposed footnote that described the concept of total power content.

This change is necessary to ensure the PCL is simple and accessible; the proposed footnote was unnecessary because the concept of total power content is sufficiently clear in the context of the other disclosures on the PCL.

1393.1(l)(2)
The specific purpose of the amendment to this subdivision is to add grandfathered imports of firmed-and-shaped energy to the resources whose GHG emissions are excluded from the PCL.

This change is necessary to ensure the accuracy of the PCL. The GHG emissions exclusion for grandfathered firmed-and-shaped imports is a pre-existing regulation but was not previously included in the footnote of the express terms from May 17, 2024.

A further amendment clarifies that the weblink points to the CEC website. This change is necessary for clarity.

1393.1(l)(3)
The specific purpose of this amendment is to restore a footnote, with modifications, stating that unspecified power is purchased on the open market. The express terms from May 17, 2024, removed this footnote with the statement of necessity that the proposed description of unspecified power as “primarily fossil fuels” provided consumers a better understanding of the energy sources associated with unspecified power. Subsequent 45-day and 15-day changes have refined this understanding of unspecified power by identifying the primary and secondary fuel type supercategories of

unspecified power—either fossil fuels or renewables and zero-carbon resources—by their percentages.

However, based on stakeholder feedback, the CEC has determined that the description of unspecified power as “electricity purchased from a genericized pool on the open market” is necessary because it provides context and clarity to consumers about the distinction between unspecified power purchases and specified resources displayed on the PCL.

A further amendment states that the secondary resource group (as identified under Section 1393.1(c)(2)(A)-(B)) serving unspecified power will be displayed as a percentage, as recommended by stakeholders. This change is necessary to provide consumers a full accounting of both resource group supercategories on the PCL.

1394 (b)(2) (struck)
In the Initial Statement of Reasons, this subdivision was characterized as “deleted” but should have been characterized as “struck.”

II. LOCAL MANDATE DETERMINATION

If adopted, the proposed regulations would impose a mandate on local agencies, but not school districts. Pursuant to Government Code section 17566(d), the costs would not be required to be reimbursed because the local agencies have the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program or increased level of service. Public Utilities Code sections 10001, 11501, 15501, and 20500 et seq. provide resources for the affected entities to recoup any costs incurred through compliance with these proposed regulations.

III. UPDATED INFORMATIVE DIGEST

Pursuant to Government Code section 11346.9(b), other than as discussed below, there have been no changes in applicable laws or to the effect of the proposed regulations from the laws and effects described in the Notice of Proposed Action (NOPA).

After the NOPA was filed on May 17, 2024, the CEC published a notice of postponement of adoption on September 30, 2024. On January 31, 2025, a new notice for a February 12, 2025, public hearing was published.

IV. CONSIDERATION OF ALTERNATIVE PROPOSALS

In the ISOR, the CEC discussed alternatives considered during pre-rulemaking activities and incorporates that discussion here by reference.

Beyond the alternatives addressed in the ISOR, the CEC has considered the following additional alternatives.

Do not postpone loss accounting
The 45-day update to the express terms proposes to delay the implementation of transmission and distribution loss reporting and disclosure until 2026, as stated under Section 1393(b)(2)(B). While considering this change, staff also contemplated making no changes or making line loss reporting and disclosure optional until 2026 as alternatives. However, staff determined there was little interest in optional reporting among the retail suppliers. Furthermore, as noted by stakeholders, line losses represent a new layer of consumer disclosure and implementing this new requirement in 2025 would mean retail suppliers would not have the option to procure clean energy resources to cover their transmission and distribution losses for the previous year.[1] For these reasons, staff proposes to delay the implementation of transmission and distribution loss reporting and disclosure until 2026.

No emerging technologies fuel type
Stakeholders have noted that new technologies like green hydrogen and carbon capture and sequestration (CCS) systems will be deployed in the coming years.[2] Staff already considered and dismissed one alternative of proposing definitions for specific emerging technologies like green hydrogen and CCS.[3] Instead, the 45-day update to the express terms proposes a new fuel type, "emerging technologies," which would provide a more fitting label for such resources than using the "other" category. As an alternative to this proposed fuel type, staff contemplated making no changes. However, the deployment of a utility-scale emerging technology represents substantial investment on the part of the retail supplier and the lack of an appropriate fuel type may limit a retail supplier's ability to effectively market emerging technologies to consumers. Consequently, staff proposes the new fuel type, "emerging technologies," to provide a stopgap until State agencies are better positioned to develop specific definitions for particular emerging technologies.

No aggregated reporting of renewables or large hydroelectric resources allocated under a CPUC-administered process
Under pre-rulemaking, stakeholders advocated for simplified rules governing the reporting of IOU resources that have been allocated to other retail suppliers through a CPUC-administered process.[4] In response, staff proposed guidance for aggregating procurements under Section 1393(g)(2) in the initial express terms. Subsequent stakeholder comments on the initial express terms recommended a similar treatment for CPUC-administered allocations of large hydroelectric resources.[5] Staff agrees with this and proposes simplified rules for reporting such large hydroelectric resources under Section 1393(g)(3). As an alternative to this approach, staff considered making no changes. However, such an approach would complicate the reporting burden for dozens of retail suppliers by requiring them to each report allocations from the same set of renewable or large hydroelectric resources subject to the allocation process, Instead, as

[1] See, for example CalCCA Comments, July 3, 2024.
[2] See, for example, SMUD comments, July 3, 2024.
[3] See Initial Statement of Reasons, May 17, 2024, pg. 54.
[4] See, for example, CalCCA comments, October 24, 2023.
[5] See SFPUC comments, July 3, 2024.

noted above, staff concluded that detailed reporting of such resources is unnecessary because the allocation quantities for the relevant retail suppliers are already known to CPUC, so aggregated reporting of these resources would be an appropriate action to minimize the reporting burden on retail suppliers.

No percentage of primary fuel group for unspecified power

The express terms proposed to include a parenthetical descriptor noting that unspecified power is "primarily fossil fuels." Stakeholders argued that a fixed descriptor is inappropriate because the composition of unspecified power will change over time. An actual percentage would better meet staff's intent to provide additional information about the sources of electricity serving unspecified power.[6] Staff agrees with this argument and proposes to include the actual percentage of the primary resource group (renewables and zero-carbon resources or fossil fuels) and to update it each year. (This percentage display will start in 2026 because staff cannot perform this calculation until line loss reporting has started in 2026). As an alternative to this approach, staff contemplated updating the parenthetical descriptor each year to identify the primary resource group, but without actual percentages. Although such an approach would ensure the parenthetical information about unspecified power is accurate each year, it would not provide enough detail to allow consumers to see the makeup of unspecified power change over time. Given the lack of clarity about unspecified power, staff believes the inclusion of the actual percentage of the primary resource group each year would give valuable insight to consumers, policy makers, and researchers, in addition to ensuring the PCL provides accurate and simple-to-understand information about unspecified power. Consequently, staff proposes to include actual percentages of the primary resource group in the parenthetical description of unspecified power, as expressed under Section 1393.1(c)(1)(J).

V. ALTERNATIVES THAT WOULD LESSEN ADVERSE ECONOMIC IMPACT ON SMALL BUSINESSES

The CEC considered impacts to small businesses and alternatives in the NOPA and ISOR, and hereby incorporates these discussions by reference. The CEC did not identify any small businesses that will be adversely impacted by the adopted regulations. The adopted regulations will not have a significant adverse economic impact on small business and no alternatives were proposed that would lessen any adverse economic impact on small business. For the purposes of this analysis, the CEC used the consolidated definition of small business in Government Code section 11346.3(b)(4)(B).

VI. DOCUMENTS RELIED UPON

No additional documents have been relied upon.

[6] See, for example, CMUA comments, July 3, 2024.

VII. INCORPORATION BY REFERENCE

Pursuant to Section 20 of Title 1 of the California Code of Regulations, the following documents have been incorporated by reference because it would be unduly burdensome to incorporate these documents into the regulations.

- California Public Utilities Commission. Decision 06-07-030. *Decision Regarding Direct Access and Departing Load Cost Responsibility Surcharge Obligations.* July 20, 2006. https://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/58302.PDF

- California Public Utilities Commission. Decision 21-05-030. *Power Charge Indifference Adjustment Cap and Portfolio Optimization.* May 20, 2021. https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M385/K738/385738144.PDF

- California Public Utilities Commission. Decision 23-12-036. *Decision Conditionally Approving Extended Operations at Diablo Canyon Nuclear Power Plant*. December 14, 2023. https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M521/K496/521496276.PDF

- California Public Utilities Commission. Decision 23-06-006. *Decision Addressing PCIA.* June 8, 2023. https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M511/K378/511378919.PDF

VIII. STATUTORY AUTHORITY AND REFERENCE

The Notice of Proposed Action provided an abbreviated list of the statutes that these regulations would implement, interpret, and make specific.

Listed in full, these proposed regulations would implement, interpret, and make specific provisions of Public Utilities Code sections 398.1, 398.2, 398.3, 398.4, 398.5, and 398.6.

IX. SUMMARY OF RESPONSE TO PUBLIC COMMENTS RECEIVED

LEGEND

Commenter	Comment Nos./Date
Ava Community Energy	1A.1-3: July 3, 2024
CalCCA	2A.1: June 27, 2024 (email to staff) 2B.1-3: July 3, 2024

	2C.1: July 11, 2024 2D.1-4: November 19, 2024 2E:1-7: January 3, 2025
Californians for Green Nuclear Power, Inc.	3A.1-3: July 22, 2024
California Municipal Utilities Association	4A.1: June 11, 2024 4B.1-10: July 3, 2024 4C.1: September 16, 2024 4D.1: October 4, 2024 (email to staff) 4E.1-8: November 19, 2024 4F.1-2: January 3, 2025
Center for Resource Solutions (CRS)	5A.1: June 11, 2024 5B.1-5: July 2, 2024 5C.1-6: November 19, 2024
Clean Power Alliance	6A.1-2: June 11, 2024
Los Angeles Department of Water and Power	7A.1-7: July 3, 2024 7B.1-8: November 19, 2024 7C.1-6: January 6, 2025
Pacific Gas & Electric	8A.1-2: July 3, 2024 8B.1: October 17, 2024 (email to staff) 8C.1-2: November 15, 2024 8D.1-3: February 12, 2025
PacifiCorp	9A.1-2: July 3, 2024 9B.1-2: October 28, 2024
Peninsula Clean Energy	10A.1: August 12, 2024 10B.1: August 22, 2024
Regents of the University of California	11A.1: June 11, 2024
Sacramento Municipal Utility District	12A.1: June 11, 2024 12B.1-9: July 3, 2024 12C.1: February 12, 2025
San Francisco Public Utilities Commission	13A.1: June 11, 2024 13B.1-18: July 3, 2024 13C.1: June 14, 2024 (email to staff)
Shayna Levia	14A.1: June 11, 2024
Steve Uhler	15A.1: June 24, 2024 15B.1: June 24, 2024 15C.1: June 27, 2024 15D.1: July 26, 2024 15E.1: October 2, 2024 15F.1-3: October 7, 2024 15G.1: December 10, 2024
Southern California Public Power Authority (SCPPA)	16A.1: June 17, 2024 16B.1: February 12, 2025
San Diego Gas & Electric	17A.1-2: July 3, 2024 (email to staff)
Southern California Edison	18A.1: June 24, 2024 (email to staff)
EnergyTag	19A.1-4: November 18, 2024

	19B.1: February 12, 2025
James Hendry	20A.1-4: November 20, 2024 20B.1-4: November 20, 2024
Powerex	21A.1: December 18, 2024
Caton Mande	22A.1: February 12, 2025 (email to staff and public advisor)

Note: Responses to comments are indented. Responses apply to all comments grouped together above, including situations in which multiple paragraphs are grouped above one response.

SECTION 1391: "Delivered electricity"

COMMENT NO. 15F.1: The commenter requested that the CEC explain how the use of the term "product" in this definition meets APA consistency requirements and is consistent with Fong v. Pacific Gas and Electric Company (1988). The commenter recommended changing the word "product" in this definition to "electricity."

> **RESPONSE:** No change to the regulations. In the context of these regulations, "product" refers to electricity products, which include metered retail electricity and associated products such as Renewable Energy Credits (RECs). "Electricity products" is used in several places in the enabling statutes for these regulations, such as under PUC Section 398.4(h).

SECTION 1391: "Electricity portfolio"

COMMENT NO. 15F.2: The commenter requested that the CEC explain how the use of the term "product" in this definition meets APA consistency requirements and is consistent with Fong v. Pacific Gas and Electric Company (1988). The commenter recommended changing the word "product" in this definition to "electricity."

> **RESPONSE:** No change to the regulations. In the context of these regulations, "product" refers to electricity products, which include metered retail electricity and associated products such as RECs. "Electricity products" is used in several places in the enabling statutes for these regulations, such as under PUC Section 398.4(h).

SECTION 1391: "Emerging technologies"

COMMENT NO. 12B.1: The commenter requested that the CEC commit to a timeline for considering amendments to address emissions associated with emerging resources.

COMMENT NO. 4C.1: The commenter recommended adding a fuel mix category for "emerging technologies" on the PCL to ensure that retail suppliers are able to provide information to their customers about their investments in new technologies.

RESPONSE: Staff considered the topic of emerging resources in the ISOR as a reasonable alternative but concluded that the development of guidance for specific emerging technologies must be done in coordination with our sister agencies. Consequently, staff cannot commit to an implementation timeline for specific emerging technologies because this work depends on timing at our sister agencies. However, in response to comments, the generic fuel type category "emerging technologies" was added in the 45-day update to the express terms to serve as a stopgap until specific definitions are available for various emerging technologies.

COMMENT NO. 4E.1: The commenter strongly supported the proposed definition for "emerging technologies." The commenter urged the CEC to clarify in the Final Statement of Reasons that this provision includes technologies such as carbon capture and sequestration (CCS) and hydrogen from renewable or zero-carbon electricity. Additionally, the commenter requested that if the CEC fails to update its regulations to incorporate a specific emerging technology within five years of its first utility-scale operation, retail suppliers will still be able to report CCS and renewable hydrogen as "emerging technologies."

RESPONSE: No change to the regulations. CCS and hydrogen will be covered under the "emerging technologies" category when applicable. If CEC does not update its regulations within five years of utility-scale operation to define a particular emerging technology, reporting entities would necessarily continue to rely on the "emerging technologies" category until CEC updates the regulations.

SECTION 1391: "Loss-adjusted load"

COMMENT NO. 15A.1: The commenter requested that loss-adjusted load be defined as more than line losses in the regulations. The regulations should include known reactive losses, such as inductance and capacitance losses, in the loss-adjusted load definition and calculations.

RESPONSE: No change to the regulations. The intent of the regulations is to capture all losses from the point of grid interconnection to customer delivery. The losses noted above do not need to be included in the definition of loss-adjusted load because they are subtypes of transmission and distribution losses.

SECTION 1391.1(b)(3)(C)

COMMENT NO. 20A.1, 20B.1: The commenter recommended that the CEC update this subdivision to include the category "Emerging Technologies."

RESPONSE: No change to the regulations. This subdivision reflects the content and format of submissions to balancing authorities. The "emerging technologies" temporary category is for marketing claims; there is no need to use the temporary "emerging technologies" category for reporting to balancing

authorities. Retail suppliers must use fuel categories that are recognized by their balancing authorities.

SECTION 1392(a)(7)(C)

COMMENT NO. 5B.1, 5C.1: The commenter recommended that the CEC use a residual mix emissions factor or select from a CRS-recommended method to accurately reflect the emissions associated with both hourly and annual unspecified electricity imports.

COMMENT NO. 19A.1: The commenter recommended that the CEC assign a residual mix emissions factor to all unspecified load. However, the CEC's proposed approach of an essentially fossil-only mix is the best alternative to a true residual mix unless WREGIS starts tracking all generation.

RESPONSE: No change to the regulations. The comments 5B.1, 5C.1, and 19A.1 all call for CEC to use a residual emissions factor. However, there is not sufficient data to calculate a residual mix of out-of-state electricity, let alone an hourly residual mix. Moreover, the set of generators from which unspecified imports may be derived is known and this determined the default emissions factor for unspecified imports, as established by CARB under the Mandatory Greenhouse Gas Reporting Regulation (MRR) and incorporated under PSD. Finally, the multijurisdictional operations of WREGIS are outside the scope of this rulemaking.

SECTION 1392(a)(8)(A)

COMMENT NO. 4B.9: The commenter recommended that retail suppliers should be able to submit either a single loss factor or loss factors on a resource-specific basis.

COMMENT NO. 12B.2: The commenter recommended that retail suppliers should be able to submit either a single loss factor or loss factors on a resource-specific basis.

COMMENT NO. 13B.1: The commenter requested that hourly reporting allow for a separate transmission and distribution loss factor to be reported for each facility, rather than having a single loss factor applied to load. Alternatively, the CEC should revert to the EIA loss factors proposed in pre-rulemaking as the default.

COMMENT NO. 8A.1: The commenter recommended applying losses to generation sources rather than load because this method of loss accounting would be more precise and equitable. Applying losses to load equates in-state and out-of-state generation, which benefits retail suppliers that rely more on imports.

RESPONSE: The comments 4A.9, 12B.2, 13B.1, and 8A.1 each call for resource-specific loss factors to be applied to generation sources. In response to stakeholder comments, staff updated the express terms to require the use of resource-specific loss factors rather than require a single systemwide loss factor.

The 4B.9 and 12B.2 comments further call for flexibility to report either a single loss factor or resource-specific loss factors. In response, staff notes that retail suppliers will be allowed to aggregate resource-specific loss factors into a single loss factor that reflects the losses of all resources within that retail supplier's system.

COMMENT NO. 2D.1: The commenter supported using EIA Form-861 data as the source for determining default loss factors for specified resources and unspecified power, though recommended that the CEC clarify its methodology for calculating these loss factors.

COMMENT NO. 4E.2: The commenter recommended clarifying language about the calculation of default loss factors from EIA Form-861 data.

RESPONSE: In response to stakeholder comments 2D.1 and 4E.2, staff updated the express terms under 15-day changes to clarify that default loss factors for in-state resources, specified imports, and unspecified power will be based on estimated losses divided by total energy disposition reported in the most recent final statewide data released via EIA-Form 861. The CEC will publish default statewide loss factors and the underlying calculations prior to the reporting period each year.

COMMENT NO. 7A.1: The commenter recommended allowing retail suppliers the ability to directly report their loss-adjusted load as an alternative method for determining loss-adjusted load. Retail suppliers already calculate "net energy for load," which is comparable to loss-adjusted load and may be simpler for a retail supplier to directly report.

RESPONSE: No change to the regulations. Net Energy for Load does not include losses associated with imports, so it is not sufficient means for determining losses for reporting under the PSD program. Moreover, this concept represents a systemwide approach to loss factors, which is a concept the updated express terms have moved away from in response to stakeholder comments.

COMMENT NO 9B.1: In commenting on the 45-day update, the commenter recommended that the CEC allow retail suppliers to submit a systemwide loss factor, or include modified requirements for multijurisdictional electrical corporations. The change in the 45-day update to the express terms that requires the use of resource-specific loss factors will make it difficult for this commenter to calculate its own loss factors.

RESPONSE: No change to the regulations. Reporting entities will be allowed to submit a systemwide loss factor as requested by this commenter. As noted above, a retail supplier will be able to calculate resource-specific loss factors itself as an alternative to using the default loss factors provided by CEC staff.

This includes calculating alternative default loss factors that reflect the losses of all resources within a retail supplier's system.

SECTION 1392(a)(8)(B)

COMMENT NO. 4A.1: The commenter requested further information about the IEPR demand forecast transmission and distribution loss factors.

COMMENT NO. 4B.10: The commenter proposed that retail suppliers be allowed to use loss factors that are specific to their particular system.

COMMENT NO. 7A.2: The commenter recommended that if IEPR will be the default for loss factors, retail suppliers should be able to use IEPR Form 1.2 to determine their losses since this form requires retail suppliers to calculate their losses using actual data, rather than forecasts. Losses in the IEPR demand forecast are calculated as the difference between total energy to serve load and total consumption. But some of this difference includes other end uses like self-consumption, EIM transfers, and wheel-through energy.

COMMENT NO. 13B.2: The commenter suggested that the proposed systemwide loss factors need further analysis and appear high. Additionally, allowing retailer suppliers to provide their own loss factors (which the commenter supports) calls into question the validity and general applicability of these default systemwide factors.

COMMENT NO. 13B.3: The commenter requested that retail suppliers be allowed to use separate transmission and distribution loss factors contained within IEPR depending on the voltage level at which a customer receives service. For example, PG&E's total loss factor is 9.1 percent, but supporting IEPR documentation shows a transmission loss factor of only 2.5 percent.

RESPONSE: The comments 4A.1, 4B.10, 7A.2, 13B.2, and 13B.3 all recommend refinements or alternatives to CEC staff's proposal to use IEPR-based statewide loss factors. Yet these comments were conditional because none of these commenters expressed support for the general approach to use IEPR-based statewide loss factors, favoring instead an approach that allows loss accounting that is tailored to a retail supplier's specific system of resources.

As explained under Section 1392(a)(8)(A), staff has discarded the IEPR-based statewide loss factor approach in favor of resource-specific loss factors, so suggestions for refinements or alternatives within that statewide loss factor framework are no longer applicable.

Additionally, as explained above, staff retained the related subdivision Section 1392(a)(8)(C) to allow retail suppliers to use their own loss factors, including an aggregated systemwide loss factor for individual retail suppliers, as recommended by comment 4B.10 and 13B.2. The use of resource-specific loss

factors will also allow retail suppliers to differentiate resources that are interconnected at the distribution level, rather than the transmission level, as called for by comment 13B.3.

COMMENT NO. 4D.1: The commenter requested confirmation that the default transmission and distribution loss factors would be calculated annually using the Operational Data Table on the most recent EIA 861 report and dividing Total Energy Losses by Total Disposition.

COMMENT NO. 4E.3: The commenter requested further information in the regulations about how default loss factors will be calculated. The commenter also recommended updated language stating that default loss factors will be calculated for each individual retail supplier based on EIA 861 data.

RESPONSE: No change to the regulations. In response to Comment 4D.1, staff confirms that it will calculate loss factors using Table 10, "Source-Disposition," of the EIA State Electricity Profile for California. In response to Comment 4E.3, staff will not calculate loss factors for individual retail suppliers using EIA 861 data because losses are not always consistently apportioned among individual retail suppliers in this dataset. For example, IOUs are at times assigned the losses associated with the CCAs in their service territory, while these CCAs are assigned zero losses. After further consultation with the EIA, CEC staff determined that statewide EIA 861 data would provide a more accurate baseline for calculating default losses. Consequently, loss factors shall be calculated using statewide data by dividing Total Energy Losses by Total Disposition. The loss factor for imports shall be 2 percent higher than the loss factor for in-state resources to align with CARB's line losses approach for imported electricity. As noted in 1392(a)(8)(C), retail suppliers also have the option to calculate and provide their own loss factors for any specified resource.

COMMENT NO. 2E.1: The commenter requested that the CEC publish default loss factors in advance of the procurement year rather than in advance of the "reporting period" to avoid retail suppliers having to estimate losses that they must procure for in a year.

RESPONSE: No change to the regulations. This approach may undermine the flexibility staff has sought to provide for the calculation of line loss factors. Still, a reporting entity would be allowed to calculate alternative systemwide loss factors for its own use prior to the procurement year. Section 1392(a)(8)(C) allows entities to calculate alternative loss factors for individual facilities, which means they can calculate alternative loss factors for all their facilities and those losses could be expressed as systemwide loss factors. Staff concludes that the commenter's rationale for the development and use of loss factors prior to procurement is reasonable grounds for alternative loss factors to that effect.

COMMENT NO. 2E.2: The commenter recommended that the CEC clarify that "estimated losses" means "total estimated losses" at the statewide level for all resources, rather than for each retail supplier based on the resources they procure.

> **RESPONSE:** No change to the regulations. The meaning of this term is clear in the context of this regulation. This subdivision already uses the term "statewide" in two instances to describe loss accounting provisions. Nothing in this subdivision suggests that default loss factors would be calculated using retailer-specific data rather than statewide data.

COMMENT NO. 7C.1: The commenter supports the language of this subdivision. It recommends that the CEC should publish the underlying loss factor calculations each year and continue working with stakeholders to refine the loss calculation methodology.

> **RESPONSE:** No change to the regulations. The language requires the loss factor to be published prior to the reporting period, which provides the opportunity for the reporting entities to review, comment, and seek clarification on their calculation. This is the same as the regular program practice of providing the annual facility emissions intensities under Sections (a)(6)-(7) in advance for stakeholder review.

SECTION 1392(a)(8)(C)

COMMENT NO. 4B.1: The commenter recommended that the CEC provide more flexibility and clarity for the use of alternative line loss factors.

COMMENT NO. 16A.1: The commenter suggested that it would be helpful for the CEC to describe its expectations for retail suppliers to "accurately" determine their own systemwide line loss factor.

COMMENT NO. 7A.3: The commenter suggested that the CEC should provide guidance on types of supporting documentation expected and the timeline for submittal, review, and acceptance of this documentation.

> **RESPONSE:** No change to the regulations. Staff's approach is meant to ensure flexibility. Loss factors must be accurate and reliable; in its supporting documentation, a retail supplier must demonstrate that its approach to loss factors is conceptually sound, mathematically correct, and based on verifiable data.

COMMENT NO. 7A.4: The commenter suggested that the ISOR had underestimated the costs that the new reporting requirements would impose on both retail suppliers and the CEC itself. The commenter discussed the calculation of custom loss factors as an example of a process that would require a non-trivial amount of resources for retail suppliers to calculate and for the CEC to review.

RESPONSE: No change to the regulations. The regulations provide the flexibility for retail suppliers to calculate custom loss factors for some or all of their specified resources if they have accurate and verifiable data to do so. Moreover, the updated express terms replaces the use of systemwide loss factors for resource-specific loss factors, and it is easier to calculate loss factors for individual resources using publicly available data. Finally, the updated express terms do not require retail suppliers to calculate custom loss factors to comply with the regulations. Retail suppliers may instead rely on the default loss factors that CEC staff will calculate annually.

COMMENT NO. 13B.4: The commenter requested that the CEC pre-approve the use of loss factors that are already in FERC-approved tariffs because these losses are specified, already litigated, reasonable, and part of a federally enforceable tariff agreement.

COMMENT NO. 20A.2, 20B.2: The commenter recommended that the CEC allow retail suppliers to use the loss factors set by them through federally approved wholesale distribution tariffs (WDTs).

RESPONSE: No change to the regulations. As requested by comments 13B.4, 20A.2, and 20B.2, retail suppliers will be allowed to use alternative loss factors, including those established in tariff proceedings, if appropriate documentation is provided and the calculation is aligned with the definition of loss provided in these regulations.

COMMENT NO. 13B.5: The commenter requested that utility on-site generation be assigned a zero-loss factor because they avoid transmission and distribution, resulting in negligible losses.

RESPONSE: No change to the regulations. Retail suppliers will be able to report self-calculated loss factors (including a zero-loss factor) for cases such as this.

COMMENT NO. 20A.3, 20B.3: The commenter recommended that retail suppliers be allowed to calculate a loss factor based on both resources and load. Loss factors are also influenced by voltage levels, so load served at the transmission level would have a loss factor one-third that of load served at the distribution level.

RESPONSE: No change to the regulations. Retail suppliers have the flexibility to report self-calculated alternative loss factors and may incorporate the impact of voltage levels in their calculations.

SECTION 1392(b)(1)

COMMENT NO. 5A.1: The commenter requested that losses and generation not serving retail sales be included in the category of total power content but be excluded from retail electricity portfolios.

RESPONSE: No change to the regulations. The express terms already state that losses and other end uses beyond retail sales will be represented in the total power content category and not included in retail sales portfolios.

SECTION 1392(b)(2)

COMMENT NO. 2C.1: The commenter recommended modifying the regulatory language in this subsection to clarify that the calculation of unspecified power as the difference between loss-adjusted load and net specified purchases only applies "for annual total power content reporting." The commenter suggested that the proposed language for calculating unspecified power is ambiguous because there are two denominators in annual reporting: retail sales for individual portfolios, and loss-adjusted load for total power content.

RESPONSE: No change to the regulations. Unspecified power procurements will be calculated as the difference between loss-adjusted load and net specified purchases. The regulations permit the retail supplier to determine where its unspecified power is allocated across its retail portfolios and other end uses in its annual resource report.

SECTION 1392(b)(2) and SECTION 1392(c)(2)

COMMENT NO. 13A.1, 20A.4, 20B.4: The commenters requested clarification on the treatment of null power/unspecified resales in the hourly methodology. The commenter suggested that not including null power in the hourly methodology would lead to inaccurate reporting.

COMMENT NO. 13B.6: The commenter suggested that changing "MWh resold" to "specified resales" in the regulations would mean that unspecified resales were not accounted for. This change would distort fuel mixes, GHG intensities, and oversupply because retail suppliers would get to claim the gross clean energy they procured even if they resold it as an unspecified resale.

RESPONSE: No change to the regulations. Unspecified resales represent procurement in excess of a retail supplier's load and contribute to the supply of unspecified power available to other retail suppliers. Pursuant to Sections 1392(b)(3) and 1392(c)(7), unspecified resales will be treated as oversupply and therefore will be covered through oversupply analysis in the annual resource report. Only specified resales need to be directly reported.

SECTION 1392(b)(3) and Section 1392(c)(3)(C)

COMMENT NO. 15B.1: The commenter asked how the CEC defines oversupply and requested that this definition be included in the regulations.

RESPONSE: No change to the regulations. Oversupply means resources in excess of those needed to meet loss-adjusted load. As described in Sections

1392(b)(3)-(4), 1392(c)(1), 1392(c)(3)(C), 1392(c)(6) and 1392(c)(7), this term is sufficiently described given its connection to the defined term of undersupply and through the specific use cases of the term oversupply discussed in the regulations.

COMMENT NO. 15C.1: The commenter asked why a retail supplier would procure additional electricity from specified and unspecified sources in an hour. The commenter requested an example of such case, where the excess electricity went, and why this would not indicate an error in calculating loss-adjusted load.

RESPONSE: No change to the regulations. A retail supplier may procure more specified electricity than it needed to serve its loss-adjusted load, in which case the excess electricity would be classified as oversupply and would be factored into unspecified power. Or a retail supplier may procure additional unspecified electricity to meet the portion of its loss-adjusted load that was not served by specified resources. In either case, the retail supplier would only procure and retain enough electricity to meet its loss-adjusted load.

SECTION 1392(b)(4) (struck)

COMMENT NO. 8A.2: The commenter noted that during periods of oversupply, the proposed regulations would remove natural gas first and then all other resources proportionally, except for coal; however, the sample template did not scale back resources in this order.

COMMENT NO. 12B.3: The commenter recommended clarifying in the regulations how procurements from natural gas paired with CCS should be reduced when specified procurements exceed annual load. Generators without CCS should be reduced before other gas resources.

RESPONSE: CEC staff intended to remove this subdivision as part of the express terms proposed on May 17, 2024, to allow retail suppliers to choose their stacking order of resources. The removal of this subdivision reaffirms staff's pre-rulemaking intention to allow retail suppliers to determine how they stack their resources.

COMMENT NO. 1A.1: The commenter requested that excess procurements be proportionally reduced across all resources, rather than reducing natural gas first.

RESPONSE: No change to the regulations. CEC staff intended to remove this subdivision as part of the express terms proposed on May 17, 2024, to allow retail suppliers to choose their stacking order of resources. As discussed under Section 1392(c)(1) and in the Reasonable Alternatives section in the ISOR, retail suppliers that operate gas generators provide electricity to the grid that supports the broader market demand. Imposing a stacking order that proportionally reduces all resources would introduce a significant disadvantage to these retail

suppliers by forcing them to claim some gas generation and associated GHG emissions that served the load of other parties. Consequently, CEC staff proposed to eliminate any prescribed stacking order and instead allow retail suppliers to determine how to stack their resources toward their load.

SECTION 1392(b)(4)

COMMENT NO. 13C.1: The commenter requested clarification on if the proposed calculation of unspecified power emissions based on unclaimed in-state natural gas, unspecified imports, and oversupply would be used for the data displayed on the PCL and begin with the 2024 reporting year.

RESPONSE: As explained below in Section 1393(b)(2)(B), the CEC has delayed the inclusion of annual loss-adjusted load data on the PCL until 2026 (2025 reporting data). This method of calculating unspecified power emissions will be used for the PCL when annual loss-adjusted load accounting begins.

SECTION 1392(c)

COMMENT NO. 4B.2: The commenter strongly supported the overall structure of the hourly accounting rules proposed and urged the CEC to adopt this language. The commenter particularly supported the ability of retail suppliers to determine their stacking order of resources and only be attributed GHG emissions serving their loss-adjusted load, while having GHG emissions associated with their oversupply used in the calculation of each hour's unspecified power emissions factor.

COMMENT NO. 12B.4: The commenter supported the proposed hourly accounting requirements for load matching, including allowing retail suppliers to choose their stacking order for resources and to attribute emissions associated with oversupply to unspecified power.

RESPONSE: No change to the regulations. CEC staff appreciates these statements of support.

COMMENT NO. 5B.2: The commenter recommended that the CEC request for the Western Renewable Energy Generation Information System (WREGIS) to expand to track all generation in the west on an hourly basis.

COMMENT NO. 5C.2: The commenter recommended that the CEC request for WREGIS to expand to track all generation in the west on an hourly basis.

RESPONSE: No change to the regulations. WREGIS is a regional system controlled by a governing board that represents the governments and industry of several states in the West. This recommendation exceeds the scope of this rulemaking.

COMMENT NO. 19A.2, 19B.1: The commenter recommended that the CEC adopt EnergyTag's hourly Energy Attribute Certificates (EAC) registry standard for hourly accounting.

> **RESPONSE:** No change to the regulations. The CEC has not identified a need to rely on an independent hourly EAC registry to implement SB 1158's hourly accounting requirements.

COMMENT NO. 6A.1: The commenter requested clarification about if a retail supplier's hourly load would be assigned to distinct portfolios or calculated as total load.

> **RESPONSE:** No change to the regulations. Hourly load will not be divided into distinct electricity portfolios. Instead, a retail supplier's total loss-adjusted load will be compared to total net procurements during each hour, as specified under Section 1392(c)(3)(A).

COMMENT NO. 13B.7: The commenter suggested that the ISOR underestimated the cost to retail suppliers and the CEC itself that the new hourly reporting requirement would impose.

> **RESPONSE:** No change to the regulations. The economic impact assessment found that the primary cost to retail suppliers would be in the increased staff time required to obtain and submit hourly data. However, this hourly reporting requirement does not apply equally to all reporting entities. POUs and rural electrical cooperatives with less than 700 GWh of annual load are exempt from reporting hourly data. Additionally, PUC Section 398.6(l) grants the CEC the authority to modify reporting requirements for electrical corporations with 60,000 or fewer accounts in the state or any retail supplier with an annual load of less than 1,000 GWh. The express terms allow entities in this category to only report proxy hourly data derived from their annual procurement data. Only the largest quarter of obligated parties (representing approximately 80 percent of retail supplier load) are required to submit hourly data for all of their electricity procurements, yet even for these entities, the express terms allow for the reporting of proxy hourly data when hourly data for a specified resource is not obtainable. The CEC has further simplified reporting requirements by allowing hourly data from asset-controlling suppliers and from the Central Valley Project hydro to be reported in aggregate. Additionally, renewable and large hydro resources allocated through a CPUC-administered process may be reported in aggregate. Throughout the pre-rulemaking and rulemaking process, the CEC has worked to reduce the reporting burden for hourly data significantly.
>
> SB 1158's hourly reporting requirement provides a retrospective assessment of the extent to which retail suppliers matched their hourly procurements to their hourly loss-adjusted load. But as noted in the economic impact assessment, the law does not mandate changes in retail supplier procurement, which "will

continue to be driven by the myriad of more important influences..., primarily cost, reliability, safety, and separate pre-existing regulatory goals."

The other most significant cost of the hourly reporting requirement will be to the state through the allocation of CEC staff resources to the development of reporting forms, data collection and analysis, loss factor and emissions intensity calculations, and summary information performed annually. The CEC anticipates that its staff will be able to perform the work necessary to meet all of SB 1158's obligations.

Staff believes the economic impact analysis it performed represents reasonable and representative assumptions for the cost to implement SB 1158, and the Department of Finance reviews the fiscal and economic impact analysis supporting this rulemaking to ensure the CEC used reasonable assumptions and performed accurate analysis.

SECTION 1392(c)(3)(A)

COMMENT NO. 15D.1: The commenter suggested that the proposal to allow retail suppliers to determine their stacking order of resources may conflict with non-California electric system policies. The commenter recommended stacking carbon-emitting resources first.

RESPONSE: No change to the regulations. As noted under the Reasonable Alternatives section of the ISOR, a stacking order that designates carbon-emitting resources as oversupply first would unfairly attribute GHG emissions to the party that supplied the electricity to the grid rather than the party that consumed it.

SECTION 1392(c)(4)(B)

COMMENT NO. 19A.3: The commenter recommended using a methodology to track the fuel type and GHG emissions attributes of electricity discharged from storage facilities.

RESPONSE: No change to the regulations. Under the proposed accounting system, storage charging increases a retail supplier's hourly load, which means that a retail supplier must procure additional specified or unspecified resources to meet the added hourly load. Any GHG emissions associated with those specified or unspecified resources will be reported at the point of electricity procurement. Consequently, it is unnecessary to assign storage discharging a fuel type or GHG emissions because all power sources and GHG emissions associated with a storage facility have already been counted under this systemwide accounting methodology.

SECTION 1392(c)(6)(A)-(B)

COMMENT NO. 4B.3: The commenter recommended that the CEC should require staff to publish its initial calculations of hourly unspecified power and give the public an opportunity to provide input on these calculations.

> **RESPONSE**: No change to the regulations. The language specifies the calculation of the hourly GHG emissions intensities for unspecified power, and those calculations will be made available in the annual resource report template provided by the CEC pursuant to Sections 1393(a) and 1393(b)(4). XXXX, The reporting entities may review, comment, and seek clarification on these calculations.

SECTION 1392(c)(7)(B)

COMMENT NO. 5B.3: The commenter recommended using a different term for "avoided emissions" factor, such as "displaced hourly renewables" or "hourly null power from renewables."

COMMENT NO. 5C.3: The commenter recommended using a different term for "avoided emissions" factor, such as "displaced hourly renewables" or "hourly null power from renewables."

> **RESPONSE:** No change to the regulations. "Avoided emissions" is the term provided and defined in PUC Section 398.6 and its usage in this context is apt.

COMMENT NO. 5B.4: The commenter recommended assigning avoided emissions based on the unclaimed resources in an hour, rather than using a fixed unspecified power emissions factor to determine avoided emissions.

> **RESPONSE:** No change to the regulations. Avoided emissions represent GHG emissions that would have occurred if a particular resource had not been deployed. Avoided emissions are not determined until oversupply analysis is completed and all resources have been allocated to serve loss-adjusted load somewhere on the California system. Since unclaimed resources will have been allocated already, such resources would not be available to use as the alternate electricity source when determining avoided emissions. Instead, the alternate electricity source must be external to the system, which means unspecified imports or curtailed renewables (solar and wind) must be the alternative when determining avoided emissions. Since unspecified imports and curtailed renewables each have a fixed emissions intensity, the treatment of avoided emissions under these regulations is appropriate.

COMMENT NO. 13B.8: The commenter suggested that avoided emissions should be calculated based on a lbs/MWh format like reported GHG emissions intensities. Because avoided GHG emissions reduce the overall emissions on the grid, they are equally valuable to achieving California's clean energy goals.

RESPONSE: No change to the regulations. Avoided emissions are inherently tied to oversupplied resources and their associated emissions. The GHG emissions associated with oversupply in an hour will be factored into the emissions intensity of undersupplied retail suppliers in that hour. This means avoided emissions should not be presented in a format that suggests they are additive to the retail supplier's GHG emissions intensity because that would result in double-counting. Moreover, the definition of "avoided emissions" in PUC Section 398.6 describes this metric as a measure of emissions, not an emissions intensity.

COMMENT NO. 5C.4: The commenter recommended that avoided emissions should not be used to alter or adjust a retail supplier's GHG emissions intensity, nor should avoided emissions be attributed directly to a retail supplier to avoid possible double-counting.

COMMENT NO. 19A.4: The commenter recommended that retail suppliers not be attributed avoided emissions based on their oversupplied power. The emissions reduction benefits of such power would be accounted for in the calculation of unspecified power; attributing avoided emissions to the oversupplying retail supplier risks double-counting the emissions benefits of that electricity.

RESPONSE: No change to the regulations. SB 1158 requires the reporting of the "annual total of avoided greenhouse gas emissions" from each retail supplier (PUC Section 398.6(b)(4)) while also stating that avoided emissions will not be included in the calculation of a retail supplier's overall GHG emissions (PUC Section 398.6(b)(2)). The regulations align with these requirements by calculating the extent to which a retail supplier's oversupply reduced the emissions intensity of hourly unspecified power while stipulating: "Avoided emissions shall not alter or adjust a retail supplier's GHG emissions intensity."

SECTION 1393(a)

COMMENT NO. 9A.1: The commenter recommended that the CEC publish templates that can accommodate up to 400 resources for the 2025 reporting template and publish a separate template for multijurisdictional corporations exempt from hourly reporting for 2028. The commenter also sought clarification about how unspecified power should be reported in the 2025 template.

RESPONSE: No change to the regulations needed. Staff will continue to work with retail suppliers to streamline reporting and ensure reporting tools are comprehensive and well-defined.

COMMENT NO. 2D.2: The commenter requested that the CEC issue revised templates as soon as possible. This is necessary to allow retail suppliers to see how the proposed regulations translate into new reporting requirements and to ensure retail suppliers can properly procure and optimize their 2025 portfolios.

COMMENT NO. 2E.3: The commenter requested that the CEC issue a new template reflecting the latest proposed amendments prior to the first procurement period after the adoption of the proposed regulations.

> **RESPONSE:** No change to the regulations. Staff published up-to-date templates on November 22, 2024. Staff will continue to make the latest templates available in a timely manner.

SECTION 1393(a)-(b)

COMMENT NO. 12B.5: The commenter recommended that the CEC work with retail suppliers to develop a more streamlined process for transferring and reporting hourly data.

> **RESPONSE:** No change to the regulations needed. Staff will continue to work with retail suppliers to streamline reporting and ensure reporting tools are comprehensive and well-defined.

COMMENT NO. 13B.9: The commenter requested that the template allow for separate reporting for each stand-alone storage facility, rather than aggregated storage reporting.

> **RESPONSE:** No change to the regulations. Standalone storage accounting is not needed to calculate a retail supplier's GHG emissions intensity for the year using hourly data. Incorporating that level of storage accounting would increase the reporting burden but would not change a retail supplier's GHG emissions intensity.

SECTION 1393(a)(2)

COMMENT NO. 12B.6: The commenter recommended updating the language in this section to state that "to the best of the authorized agent's knowledge," the report submitted is true and correct.

> **RESPONSE:** No change to the regulations. The regulations already reference the Standards for Attestation.

SECTION 1393(a)(3)

COMMENT NO. 17A.1: The commenter recommended the following clarifying language to this subdivision about the commencement of hourly reporting and the data required to be submitted in 2028: "Beginning January 1, 2028, for the 2028 reporting year presenting 2027 MWh..."

COMMENT NO. 8B.1: The commenter requested clarification about if the start date of January 1, 2028, represented the beginning of when retail suppliers should begin collecting hourly data for 2029 reporting, or if 2028 will be the starting year for the reporting of 2027 hourly data.

COMMENT NO. 8C.1: The commenter recommended the following clarifying language: "For the reporting year ~~B~~beginning January 1, 2028, retail suppliers shall report the data identified in subdivision (b)(2)-(7) for each hour of the year."

COMMENT NO. 4F.1: The commenter recommended that the CEC clarify the start date of hourly reporting through a regulatory advisory.

COMMENT NO. 7C.2: The commenter recommended that the CEC clarify the start date of hourly reporting through an advisory document or other form of documented guidance.

COMMENT NO. 8D.1: The commenter requested clarification about the initial reporting year for the new hourly reporting requirements.

COMMENT NO. 12C.1: The commenter requested clarification about the initial reporting year for the new hourly reporting requirements.

> **RESPONSE:** No change to the regulations. The express terms state that hourly reporting will commence on January 1, 2028, which is the starting date established by SB 1158. Sections 1393(a)-(b) establishes the actual due date, requiring Resource Reports containing data from the previous calendar year to be submitted by June 1 each year. Consequently, for those entities required to submit hourly data, Resource Reports due by June 1, 2028, will contain hourly information from the previous calendar year of 2027.

COMMENT NO. 7C.3: The commenter recommended that the CEC continue working with stakeholders to minimize the burden of reporting hourly data. In the short term, the CEC should allow generation data to be more easily imported into the reporting template. In the long term, the CEC should consider developing an online data submission portal for PSD data.

> **RESPONSE:** No change to the regulations. Staff will continue to seek ways to minimize the reporting burden and will continue to consult reporting entities to that end. At present, staff is unaware of a method for importing hourly data more easily while maintaining the calculations and other functionality of the reporting template. For the longer term, staff is in the early stages of developing an online data submission portal.

SECTION 1393(b)(2)(A)

COMMENT NO. 18A.1: The commenter requested clarification about how to report hourly retail sales, since its sales data is based on monthly bills.

> **RESPONSE:** Retail suppliers will not be required to report their hourly retail sales, but must report their total hourly loads. To clarify the hourly reporting requirements, the CEC added this subdivision in the 45-day update to the express terms requiring that retail suppliers report their total load. As stated in

Section 1393(a)(3), retail suppliers will begin reporting their total load on an hourly basis beginning January 1, 2028.

SECTION 1393(b)(2)(B)

COMMENT NO. 2B.1: The commenter recommended that the reporting of losses should be deferred until 2026. Because Community Choice Aggregators (CCAs) are not transmission and distribution owner-operators, they do not have easily available data to calculate alternative loss factors and will need to work with the IOUs to obtain such data. Otherwise, CCAs will be disadvantaged relative to IOUs and POUs.

COMMENT NO. 10A.1: The commenter requested to delay the reporting of annual loss-adjusted load data until 2026. The commenter argued that implementing this requirement for 2025 reporting would be unduly burdensome for reporting entities and require a substantial increase in renewable and GHG-free procurements in the final quarter of 2024 during constrained market conditions. The commenter also suggested that the sudden change would raise concerns about retroactive rulemaking and would create confusion about the PCL among consumers.

COMMENT NO. 13B.10: The commenter requested that the inclusion of losses in PSD reporting begin in 2026.

COMMENT NO. 14A.1: The commenter requested clarification about when the annual methodology would begin using loss-adjusted load.

RESPONSE: In response to comments about the implementation of annual loss-adjusted load accounting being unduly burdensome to retail suppliers, the CEC revised this section so that annual loss-adjusted load accounting begins in 2026.

COMMENT NO. 1A.2: The commenter requested that the incorporation of transmission and distribution losses into PSD accounting begin in 2028 to align with the statutory timeline in SB 1158.

RESPONSE: No change to the regulations. The reporting of hourly data, established under SB 1158 and set to commence in 2028, is a separate activity from the reporting of annual data and the development of annual power content labels. The timeline under SB 1158 only applies to hourly reporting. As discussed under the Reasonable Alternatives in the ISOR, staff has identified a significant need for the inclusion of line losses on the power content label and consumers deserve to see this critical improvement implemented in a timely manner.

COMMENT NO. 2D.3: The commenter supported delaying annual loss-adjusted load accounting until 2026, but recommended that if the regulations are not adopted until 2025, loss-adjusted load accounting should be delayed until 2027.

COMMENT NO. 2E.4: The commenter recommended that the CEC delay loss-adjusted load reporting until 2027 if the regulations are not adopted in 2025.

> **REPONSE:** No change to the regulations. Staff proposed to delay annual loss-adjusted load accounting to 2026 to provide sufficient notice for retail suppliers to plan for the new accounting method, including any plans to decarbonize their line losses. Staff first signaled its intent to include line losses on the PCL in a pre-rulemaking staff paper in September 2023. Staff formally proposed that action in May 2024, and CEC adopted the regulations in February 2025.

COMMENT NO. 8C.2: The commenter recommended the following clarifying language: "For the reporting year ~~B~~beginning January 1, 2026, retail suppliers shall report transmission and distribution losses associated with each procurement."

> **RESPONSE:** No change to the regulations. This provision already contains the language "shall report," indicating the provision pertains to the reporting year, not the procurement year.

SECTION 1393(e)(1)

COMMENT NO. 2B.2: The commenter requested that the regulations not allow IOUs to exclude PCIA resources from their PSD resource reports. While CAM resources are procured on behalf of all customers and are allocated proportionally to retail suppliers, PCIA resources are fully owned by the IOU and should not be treated similarly to CAM resources.

COMMENT NO. 13B.11: The commenter requested that the regulations not allow IOUs to exclude PCIA resources from their PSD resource reports. Almost all of an IOU's "PCIA-eligible" resources will be claimed by the IOU or allocated to other retail suppliers as specified sales through the VAMO process. Any remaining PCIA resources can be offloaded as oversupply or treated as "unspecified sales" in accordance with SFPUC's proposal of that reporting category.

> **RESPONSE:** No change to the regulations. As discussed under the Reasonable Alternatives section of the ISOR, requiring GHG emissions to be attributed to the original procuring party would unfairly benefit undersupplied utilities reliant on marginal fossil generation while disadvantaging retail suppliers that operate natural gas facilities to support external demand and grid reliability.

SECTION 1393(e)(3)

COMMENT NO. 13B.12: The commenter recommended that the regulations allow for the reporting of allocated resources from IOUs that are similar to VAMO resources. For example, the CPUC's recent decision (D.23-06-006) allows IOUs to allocate GHG attributes of hydro generation to CCAs and ESPs in their service territory.

> **RESPONSE:** In response to comments, the CEC has updated this subdivision under 45-day language to allow retail suppliers to report CPUC-administered

allocations of large hydroelectric resources in aggregate. Starting in 2028, IOUs will be required to share these allocations for each hour of the year.

SECTION 1393(g)(2)

COMMENT NO. 17A.2: The commenter requested that the sample reporting template be updated to allow the reporting of aggregated renewable VAMO resources, as described in this section of the express terms.

RESPONSE: No change to the regulations. Future templates will incorporate this aggregated reporting functionality described in the express terms.

SECTION 1393(j)

COMMENT NO. 9A.2: The commenter recommended that the regulations include a provision stating: "Multijurisdictional electrical corporations may report resources based on a cost allocation methodology approved by the California Public Utilities Commission."

RESPONSE: In response to comments, the CEC has updated this subdivision under 45-day language to enable multijurisdictional electrical corporations to report resources based on the most current CPUC cost allocation methodology pursuant to Section 451 of the Public Utilities Code.

COMMENT NO. 9B.2: The commenter supports the 45-day change allowing multijurisdictional electrical corporations to report resources based on a cost allocation methodology approved by the CPUC.

RESPONSE: No change to the regulations. CEC staff appreciates this statement of support.

SECTION 1393.1(a)(3)

COMMENT NO. 4F.2: The commenter recommended that the CEC clarify the intent of the changes to this subdivision about the disclosure of loss-adjusted load on the PCL. The commenter suggested that this be clarified through a regulatory advisory or some other form of public guidance.

COMMENT NO. 7C.4: The commenter recommended that the CEC clarify through a regulatory advisory when the effective date will be for the disclosure of loss-adjusted load information on the PCL.

COMMENT NO. 8D.2: The commenter requested clarification about the start date for the inclusion of loss-adjusted load on the PCL.

RESPONSE: No change to the regulations. This subdivision provides sufficient detail, and notes that CEC will provide fuel mix and GHG intensity information for California's loss-adjusted load. It also clarifies this accounting will not begin until

2026, since retail suppliers will not provide loss data until 2026. Therefore, the PCLs issued in 2025 will only reflect retail sales data.

SECTION 1393.1(c)

COMMENT NO. 5B.5: The commenter requested that the PCL disclose that "total power content" represents all power sources and GHG emissions that a retail supplier used to cover its annual loss-adjusted load and is not representative of a specific portfolio that delivered retail supply to a customer.

RESPONSE: No change to the regulations. "Total power content" is defined in the express terms, and the PCL will differentiate between portfolios based on retail sales, and total power content reflecting retail sales, other end uses, and losses, based on those terms as defined in the regulations.

COMMENT NO. 4B.4: The commenter requested that non-retail loads be excluded from the PCL because this reflects the plain language of PUC Section 398.4.

COMMENT NO. 12B.7: The commenter requested that the category of total power content only include aggregated retail sales data and exclude non-retail loads.

COMMENT NO. 13B.13: The commenter recommended excluding loss-adjusted load and total power content from the PCL because the statute limits the PCL to the percentage of annual sales derived from specified and unspecified sources. The Legislature included losses in the new hourly reporting requirement but did not add this to annual reporting. PUC Section 398.1(a) established PSD to provide "information regarding fuel sources for electric generation offered for retail sale in California."

RESPONSE: No change to the regulations. Each of these comments recommend excluding various loads from the retail disclosure required in the program. As noted under the Reasonable Alternatives section of the ISOR, the CEC has found that attempts to reconcile the discrepancy between the PSD program's two layers of disclosure—retail sales to consumers and total electricity purchases—has produced a PCL that does not meet the program's legislative purpose of providing information that is accurate, reliable, and simple to understand as required by Public Utilities Code 398.1(b). The current regulations for retail disclosure produces a PCL that misrepresents the full emissions impact of providing electric services by disproportionally excluding fossil fuel generation needed to cover energy losses or to support a utility's operations. Moreover, losses and other end uses are part and parcel to retail electric service; customers have the same vested interest and right to disclosure for these resources as they do for metered consumption because the associated costs are passed on to ratepayers. The express terms in this rulemaking results in total resource disclosure on the PCL, and these are necessary improvements to ensure the label fulfills its legislative purpose to be an accurate, reliable, and simple-to-understand consumer information tool.

COMMENT NO. 7A.5: The commenter requested that the total power content category only provide a total GHG emissions intensity and not a fuel mix to avoid customer confusion.

> **RESPONSE:** No change to the regulations. Excluding the fuel mix corresponding to total power content would lead to consumer confusion and would undermine the PCL's accuracy and reliability.

COMMENT NO. 7B.1: The commenter recommended revising the language of this section to distinguish between the PCL data disclosure requirements of retail suppliers and the CEC.

> **RESPONSE:** No change to the regulations. The specific purpose of this section is to describe what must be disclosed on the PCL, not which entity calculates or adds that data. Other sections in the express terms are sufficiently detailed to describe which entity calculates or provides the specific data elements that are ultimately reflected on the PCL.

SECTION 1393.1(c)(1)

COMMENT NO. 7B.2: The commenter recommended replacing the phrase "total California statewide retail electricity sales" with "total California loss-adjusted load" to ensure this section is consistent with Section 1393.1(a)(3).

> **RESPONSE**: In response to this comment, staff modified this subdivision by replacing ""total California statewide retail electricity sales" with "total California loss-adjusted load." Staff agrees this term more aptly describes the measure in question.

COMMENT NO. 7B.3: The commenter recommended removing the term "total power content" from this section because the language proposed in 1393.1(c) sufficiently conveys both the required information and intended implementation date for total power content.

> **RESPONSE:** No change to the regulations. This subdivision lists the levels of disclosure to include on the power content label; "total power content" needs to be included in this list to avoid ambiguity.

COMMENT NO. 13B.14: The commenter requested that retail suppliers be given the flexibility to display fuel mix percentages on the PCL in tenths of a percent.

> **RESPONSE:** No change to the regulations. The PCL is meant to be a high-level snapshot, so staff must balance the need for precision with the need for clarity. Featuring fuel mix percentages down to the first decimal place significantly increases the number of characters included in the PCL table but provides only a slight improvement to accuracy. Given the level of added noise such a change

would add to the PCL, especially for people using a screen reader, staff concludes that leaving the decimal place off the PCL strikes the best balance between precision and clarity.

SECTION 1393.1(c)(1)(C)

COMMENT NO. 4B.5: The commenter suggested that the proposed category of "small hydroelectric" could lead to the inaccurate reporting of certain RPS-eligible resources with a capacity greater than 30 MW as large hydroelectric. The commenter recommended amending the terminology, such as by subclassifying hydroelectric generation as either "small and other eligible hydroelectric" or "other hydroelectric."

COMMENT NO. 13B.15: The commenter requested that the regulations and the PCL maintain the category of "eligible hydroelectric" because PUC Section 398.4 requires disclosure of "eligible renewable resources," including "eligible hydroelectric."

RESPONSE: In response to comments, the CEC removed the proposal to reclassify "eligible hydroelectric" resources as "small hydroelectric" under 45-day changes to the express terms.

SECTION 1393.1(c)(2)

COMMENT NO. 22A.1: The commenter recommended replacing the proposed green/orange color scheme displayed in the proposed PCL with a different color scheme that is easier to distinguish for people with colorblindness.

RESPONSE: No change to the regulations. The proposed regulations do not necessitate a specific color scheme on the PCL. The CEC will work to ensure that the color scheme differentiating renewables and zero-carbon resources from fossil fuels on the PCL meets accessibility standards and is easier to distinguish for people with colorblindness.

SECTION 1393.1(c)(2)(A)

COMMENT NO. 4E.4: The commenter recommended adding language stating that emerging technologies will be categorized in the "Renewables and Zero-Carbon Resources" supercategory if the resource is predominantly a zero-carbon resource.

RESPONSE: In response to comments, staff has added guidance under Section 1393.1(c)(2)(C) for staff to evaluate particular emerging technologies and either categorize a technology according to the supercategories under subdivisions (c)(2)(A)-(B) or to use "emerging technologies" as a third category alongside the supercatories under subdivisions (c)(2)(A)-(B).

SECTION 1393.1 (c)(2)(A)-(B)

COMMENT NO. 13B.16: The commenter recommended grouping resources into three categories on the PCL: eligible renewables; zero-carbon resources; and fossil fuels and unspecified power. This categorization would reflect the fact that SB 100 established the goals of 60 percent renewable energy and 100 percent GHG-free energy by 2045.

RESPONSE: In response to comments, staff revised the regulations to ensure the PCL identifies the renewables eligible under RPS and the renewables and zero-carbon resources that will contribute to the SB 100 goal.

SECTION 1393.1(c)(3)

COMMENT NO. 7B.4: The commenter recommended replacing the phrase "total California statewide retail electricity sales" with "total California loss-adjusted load" to ensure this section is consistent with Section 1393.1(a)(3).

RESPONSE: In response to this comment, staff modified this subdivision by replacing ""total California statewide retail electricity sales" with "total California loss-adjusted load." Staff agrees this term more aptly describes the measure in question.

COMMENT NO. 7B.5: The commenter recommended removing the term "total power content" from this section because the language proposed in 1393.1(c) sufficiently conveys both the required information and intended implementation date for total power content.

RESPONSE: No change to the regulations. This subdivision lists the levels of disclosure to include on the power content label; "total power content" needs to be included in this list to avoid ambiguity.

SECTION 1393.1(c)(5)

COMMENT NO. 4B.6: The commenter recommended that unbundled RECs should be disclosed in association with an electricity portfolio and not be moved to a footnote.

COMMENT NO. 12A.1: The commenter suggested that moving unbundled REC disclosures to a footnote would provide less information and transparency to customers about the products that they have purchased.

COMMENT NO. 12B.8: The commenter recommended that unbundled RECs should be disclosed in association with an electricity portfolio and not be moved to a footnote.

COMMENT NO. 15E.1: The commenter recommended including in the regulations the format in which unbundled RECs will be disclosed.

RESPONSE: In response to comments, staff revised the express terms by removing the proposal to move unbundled REC disclosures to a footnote. Unbundled RECs will continue to be disclosed on the PCL as a distinct line item in association with an electricity portfolio.

SECTION 1393.1(c)(6)

COMMENT NO. 1A.3: The commenter suggested returning to a pre-rulemaking proposal to display the category of "other electricity uses" on the PCL. Without this

category, the commenter contended, the difference between retail portfolios and the total power content information displayed on the PCL would be confusing to customers.

COMMENT NO. 4E.5: The commenter recommended that the CEC include a footnote describing what is included in the category of total power content to avoid confusion for customers.

COMMENT NO. 5C.5: The commenter recommended that the CEC include clarifying information on the PCL stating that total power content is not representative of a customer's portfolio but includes all power sources and associated emissions that a retail supplier used to cover its total annual loss-adjusted load.

> **RESPONSE:** The CEC revised the express terms to ensure the PCL clearly differentiates between retail sales portfolios and total power content, which will be categorized on the PCL as representing the fuel mix and GHG emissions intensity of "retail sales, other end uses, and losses."

SECTION 1393.1(c)(7)

COMMENT NO. 4B.7: The commenter suggested that unspecified power should not be classified as "primarily fossil fuels" because its composition will change over time. The commenter requested that the regulations should direct CEC staff to reevaluate the primary fuel source of unspecified power each year and update this fuel source as necessary.

COMMENT NO. 2A.1: The commenter requested that the PCL clarify that unspecified power is primarily fossil fuel generation, "but may include other resources."

COMMENT NO. 2B.3: The commenter requested that the PCL explicitly state that unspecified power may include other resources besides fossil fuels.

COMMENT NO. 2D.4: The commenter requested that unspecified power should be characterized as "primarily fossil fuel generation but may include other resources," as was shown in a pre-rulemaking PCL mockup. If the CEC chooses to display the dominant group of unspecified power sources, the commenter recommended: 1) using the quote above to characterize unspecified power in 2025, 2) displaying both the percentages of fossil fuels and renewables and zero-carbon resources starting in 2026, and 3) clarifying in the regulations that the CEC will calculate the percentages of unspecified power sources and provide the data and calculations used.

COMMENT NO. 4E.6: The commenter recommended that to avoid consumer confusion, the PCL should display the percentage of both fuel type supercategories that comprised unspecified power (fossils fuels, and renewables and zero carbon resources).

COMMENT NO. 7A.6: The commenter suggested that unspecified power should not be classified as "primarily fossil fuels" because its composition will change over time. It

recommended that CEC staff be allowed to adjust the characterization of unspecified power each year without requiring an amendment to the regulations.

COMMENT NO. 12B.9: The commenter recommended that unspecified power should not be classified as "primarily fossil fuels" because its composition will change over time. It suggested removing any characterization of unspecified power, but if the CEC views this as necessary, a PCL footnote should disclose the fuel mix of unspecified power annually using actual data.

COMMENT NO. 13B.17: The commenter suggested an amendment that would not categorize unspecified power as "primarily fossil fuels" but instead allow CEC staff to update the footnote for unspecified power each year to reflect current market conditions, including expressing the percentage of unspecified power derived from natural gas and other fossil fuels for the reporting year.

COMMENT NO. 7B.6: The commenter recommended moving information in this section, originally found in 1393.1(c)(1)(J), to a new section such as 1393.1(a)(4), to clarify the implementation timeline for this PCL information.

> **RESPONSE:** In response to each of these comments, the CEC first revised this section under 45-day changes to the express terms. Staff will calculate and update the primary fuel source of unspecified power as either fossil fuels or renewables and zero-carbon resources. Starting in 2026, the percentage of the primary fuel source will be displayed on the PCL. The CEC further revised this section under 15-day changes to display the secondary source of unspecified power as a percentage in a PCL footnote. Finally, the CEC moved information to this section, from 1393.1(c)(1)(J), to improve clarity about the information displayed on the PCL.

COMMENT NO. 2E.5: The commenter recommended that the CEC revert back to the definition of unspecified power as "primarily fossil fuels but may include other resources."

> **RESPONSE:** No change to the regulations. Use of the term "primarily" already means that other resources may be included.

COMMENT NO. 21A.1: The commenter suggested clarifying in the regulations that unclaimed in-state natural gas, unspecified imports, and oversupply will be used to calculate the percentage of unspecified power sources from either fossil fuels or renewables and zero-carbon resources.

COMMENT NO. 2E.6: The commenter recommended that the CEC clarify what data will be used to calculate the resource group percentages for unspecified power.

> **RESPONSE:** No change to the regulations. This language is already included in the express terms under Section 1392(b)(2). That description for determining the

resources serving unspecified power applies both to the GHG intensity and the fuel mix of unspecified power.

SECTION 1393.1(d)(1)

COMMENT NO. 6A.2: The commenter requested clarification on if the exclusion of geothermal GHG emissions would begin in the 2024 reporting year for the resource report due June 1, 2025.

RESPONSE: No change to the regulations. If the regulations are in effect by June 1, 2025, then the exclusion of geothermal emissions on the PCL would apply to 2024 geothermal procurements reported on June 1, 2025.

COMMENT NO. 16B.1: The commenter supported excluding geothermal emissions from the GHG intensities displayed on the PCL. The commenter stated that this better aligns PCL emissions with emissions reported to CARB while avoiding customer confusion.

RESPONSE: No change to the regulations. CEC staff appreciates this statement of support.

SECTION 1393.1(d)(2)

COMMENT NO. 4B.8: The commenter requested that GHG emissions exclusions for eligible firmed-and-shaped products under a purchase agreement or ownership arrangement executed prior to January 1, 2019, should be extended to the new hourly accounting requirements.

COMMENT NO. 7A.7: The commenter requested that GHG emissions exclusions for eligible firmed-and-shaped products under a purchase agreement or ownership arrangement executed prior to January 1, 2019, should be extended to the new hourly accounting requirements.

RESPONSE: No change to the regulations. The exclusion of GHG emissions for eligible firmed-and-shaped products applies to the disclosure of GHG emissions on the PCL. The PCL does not display any hourly data, so there is no corresponding exclusion to extend for hourly data disclosures on the PCL. Further, the exclusion of emissions from firmed-and-shaped resources does not apply to reporting; there is no exclusion for reporting these GHG emissions on an annual basis under this program, nor should there be for reporting these emissions on an hourly basis.

COMMENT NO. 15F.3: The commenter requested clarification on if “eligible firmed-and-shaped products” are retail products. If these are not retail products, the commenter recommended changing this term to “eligible firmed-and-shaped electricity” wherever it appears in the regulations for consistency.

RESPONSE: No change to the regulations. In the context of these regulations, "product" refers to electricity products, which include metered retail electricity and associated products such as RECs. "Electricity products" is used in several places in the enabling statutes for these regulations, such as under PUC Section 398.4(h).

SECTION 1393.1(i)

COMMENT NO. 10B.1: The commenter recommended the following ways to improve the accessibility of the PCL: present the PCL in text presentation to be useable by a screen reader; avoid using .jpeg or other image files as main tables; use "plain text" to code tables and column headings to help screen readers; and code any information in an image as a navigable table.

RESPONSE: No change to the regulations. Staff will continue to work with retail suppliers to improve PCL accessibility. The express terms proposal allowing the CEC to generate PCLs on behalf of retail suppliers will help in this effort by offering the CEC greater flexibility to include these accessibility features on the PCL.

COMMENT NO. 13B.18: The commenter requested that the CEC provide a proposed PCL template for stakeholders to review, as was done during the AB 1110 rulemaking. The sample PCL posted is marked as only a staff design and not an official proposal.

RESPONSE: No change to the regulations. Staff will post an updated PCL template for stakeholder review prior to adoption of these regulations.

SECTION 1393.1(j)

COMMENT NO. 11A.1: The commenter requested clarification about if the proposed regulations had altered the process for a retail supplier to submit additional information related to the sources of its unbundled RECs for inclusion on the PCL.

RESPONSE: No change to the regulations. The express terms altered the due date of this additional information from May 1 to June 1, and it altered the CEC review deadline from June 15 to July 1. The express terms also changed the reviewer of this additional information from the CEC Executive Director to CEC staff.

SECTION 1393.1(l)(1)

COMMENT NO. 4E.7: The commenter requested that the CEC restore a footnote on the PCL explaining the different accounting methodologies of PSD and RPS to avoid consumer confusion.

COMMENT NO. 7B.7: The commenter requested that the CEC restore a footnote on the PCL explaining the different accounting methodologies of PSD and RPS to avoid consumer confusion.

RESPONSE: In response to comments and to avoid consumer confusion, staff restored footnote language on the PCL noting that PSD and RPS use different accounting methodologies.

COMMENT NO. 7C.5: The commenter supported the proposed footnote clarifying that the PCL does not reflect RPS compliance.

RESPONSE: No change to the regulations. CEC staff appreciates this statement of support.

SECTION 1393.1(l)(2)

COMMENT NO. 4E.8: The commenter requested that the CEC restore a footnote on the PCL explaining retail suppliers' "total power content" figures to avoid consumer confusion.

RESPONSE: No change to the regulations. Subsequent layout and format changes to the PCL make the meaning of "total power content" clear without a footnote.

COMMENT NO. 7B.8: The commenter recommended that the CEC add to the PCL footnote on GHG emissions exclusions by noting that emissions from eligible firmed-and-shaped energy are also excluded from the PCL.

RESPONSE: Staff agrees with this comment—all excluded GHG emissions should be referenced in the footnote in question. Staff has modified this footnote language to note that GHG emissions of some firmed-and-shaped energy is excluded from the PCL.

COMMENT NO. 7C.6: The commenter supported the proposed footnote regarding which emissions are excluded from the PCL.

RESPONSE: No change to the regulations. CEC staff appreciates this statement of support.

SECTION 1393.1(l)(3)

COMMENT NO. 5C.6: The commenter requested that the CEC restore the footnote describing unspecified power as energy purchased through open-market transactions because this information would help consumers better understand their energy mix.

RESPONSE: Based on stakeholder feedback, the CEC has restored the footnote, with slight modifications, describing unspecified power as energy purchased on the open market.

COMMENT NO. 2E.7: The commenter requested that the CEC explicitly define "secondary resource group" in this subdivision.

No change to the regulations. Section 1393.1(c)(7) provides guidance on the disclosure of the "primary resource group" serving unspecified power, and that subdivision explicitly names the two resource groups of "fossil fuels" and "renewables and zero-carbon resources." In that context, the two resource groups under Section 1393.1(c)(2)(A)-(B) referenced in this subdivision are clearly meant to embody the primary and secondary resource groups serving unspecified power. Since unspecified power can only be served by these two groups, the secondary resource group must be the resource group that was not the primary resource group in a given year

COMMENT NO. 15G.1: The commenter requested the postponement of the PSD rulemaking until the RPS guidebook is adopted to ensure that CEC's use of RECs agrees with the standards of the U.S. Environmental Protection Agency.

RESPONSE: No change to the regulations. The commenter has referenced updated U.S. EPA standards with respect to the use of separate retirement accounts for RPS compliance and for voluntary purposes. This does not pertain to PSD, which counts all RECs irrespective of the retirement accounts used.

COMMENT NO. 3A.1-3: The commenter suggested that PacifiCorp may be avoiding California's SB 1368 (Perata, 2006) emissions performance standard through its reliance on unspecified power purchased on the daily spot market. The commenter notes that PacifiCorp has made three filings in a separate proceeding requesting exemptions from reporting the emissions associated with the firm's unspecified power supplied to California.

RESPONSE: No change to the regulations. Much of this comment is outside the scope of this rulemaking. For CEC's reasoning for excluding multijurisdictional retail suppliers such as PacifiCorp, please see Section 1393(g)(3) of the Initial Statement of Reasons, pg. 34.

GENERAL COMMENTS

COMMENT NO. 8D.3: The commenter expressed appreciation for the collaboration between CEC staff and regulated entities.

RESPONSE: No change to the regulations. CEC staff appreciates this statement of support.