

STATE OF CALIFORNIA

ENERGY RESOURCE CONSERVATION AND DEVELOPMENT COMMISSION

In the matter of:

Rulemaking to Consider Modifications to the
Electricity Generation Source Disclosure Regulations.

Docket No. 14-OIR-01

California Energy Commission

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**COMMENTS OF PACIFICORP ON THE
POWER SOURCE DISCLOSURE PROGRAM REGULATIONS**

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PacifiCorp provides these comments on the Power Source Disclosure Program Pre-Rulemaking Draft Regulations (Draft PSD Regs). PacifiCorp is California’s sole multi-jurisdictional utility (MJU), serving retail customers in northern California counties located within its balancing authority. Because of this MJU status, elements of the initial draft PSD regulations from 2011 did not suit the nature of PacifiCorp’s integrated, multi-state operations. When working on the previous iteration of the PSD regulations in 2011, PacifiCorp met with Staff and discussed an approach that better reflects the nature of its operations and provided suggested language revisions. PacifiCorp also provided written comments on the earlier draft PSD regulations seeking to provide meaningful information regarding the mix of resources PacifiCorp uses to serve its California retail customers with an approach that is administratively efficient and that will minimize potential inconsistencies with resource reporting made to other California agencies as well as other jurisdictions PacifiCorp serves.

Although reasonable progress was made with Staff in discussing and revising the PSD regulations, the Draft PSD Regs do not incorporate the necessary revisions needed to address PacifiCorp’s unique status as California’s only MJU. Accordingly, PacifiCorp recommends,

consistent with its previous recommendations, that the Draft PSD Regs be further revised to account for PacifiCorp's unique status as an MJU and to ensure that accurate and meaningful information is provided to the California Energy Commission (Commission) and PacifiCorp's customers.

I. The Draft PSD Regs Must Account for PacifiCorp's Status as an MJU and the Existence of its Multi-State Service Territory

PacifiCorp's primary concern with the Draft PSD Regs, as well as its primary concern with the previous iteration of the PSD regulations, is how reporting will be calculated in light of PacifiCorp's allocation approach for resources and costs. PacifiCorp operates an integrated system across its six-state service territory, and, with narrow exceptions, allocates the resources and associated costs across its retail customers in proportion to their share of retail loads. Under PacifiCorp's allocation methodology, less than two percent of system-wide generation is allocated to California retail customers. To accommodate this MJU status and allocation methodology, PacifiCorp proposes an MJU-specific calculation approach for Sections 1393 and 1394.

A. Section 1393(c) Must be Clarified to Address and Account for PacifiCorp's Resource Allocation Methodology

Although PacifiCorp appreciates the addition of language in proposed Section 1393(c)(1)(I), the proposed revision does not fully address the PSD reporting applicable to PacifiCorp. Currently, the language added as Section 1393(c)(1)(I) clarifies that MJUs provide information reflecting "the allocation of fuel mix of the entire portfolio of resources providing electricity to the retail consumers of the multijurisdictional utility." However, this additional clarity only applies to Section 1393(c)(1), and not other requirements (such as fuel mix) for power content labels. For consistency, the clarifying language of Section 1393(c)(1)(I) should be included in Section 1393(c) to ensure that accurate and appropriate information is provided by

PacifiCorp in its power content label, including the fuel mix aspect of the power content label, not just with respect to the fuel type attributes. PacifiCorp’s specific recommendations to clarify this Section are included in Attachment A.

B. Section 1391(w) Must be Clarified to Account for the Fact that PacifiCorp has No Imports

To avoid potential confusion, it should be clear that for an MJU, the power source disclosure should reflect the set of resources allocated to its California retail customers. For example, the definition of “total California system electricity” (Section 1391(w)) does not work with PacifiCorp’s system resource allocation because there are no “net imports” to serve PacifiCorp’s California load since PacifiCorp’s California service territory is part of PacifiCorp’s balancing authority area. Similarly, the disclosure required under Section 1393(c)(2), which references Section 1391(x)¹, is problematic. To address this issue, PacifiCorp proposes a modification of the “total California system electricity” definition, provided in Attachment A, that will allow it to simply report the resources allocated for its California load.

C. Sections 1394(a)(2)(A)(1) – (2) Should Not Apply to PacifiCorp

PacifiCorp also notes that the new language appearing in Sections 1394(a)(2)(A)(1)-(2) will require revisions in light of its MJU operations. PacifiCorp’s resource planning and operations are done on an integrated basis across its six-state service territory. Resources operated within this integrated service territory are not tracked in a way that can show any particular generation source delivering to PacifiCorp’s California customers. Moreover, although PacifiCorp does make wholesale sales and purchases at numerous market hubs throughout the western United States to cost effectively balance its integrated system loads and resources, PacifiCorp does not make wholesale sales or purchases to specifically serve its

¹ It should be noted that the reference to Section 1391(x) should be updated to reference Section 1391(w).

California customers. The new language at the end of Section 1394(a)(2)(A)(1) calls for the reporting of “each wholesale sale of electricity it [the retail supplier] makes, including identification of any generating facility to which the sold electricity is traceable.” PacifiCorp should be exempt from this requirement as it is exceedingly burdensome and would require PacifiCorp to report transactions that are not specific to its California retail load. As previously noted, PacifiCorp has retail operations in a number of states, and California’s share of resources falls below two percent of PacifiCorp’s total system generation. Moreover, because PacifiCorp’s wholesale transactions are not specific to serving California retail load, requiring PacifiCorp to report its wholesale sales will not advance the purpose of disclosing to California customers their sources of power.

Similarly, Section 1394(a)(2)(A)(2) requires reporting of unspecified sources of power, including “purchases of unspecified sources of power resold or consumed on-site” This language requires clarification. PacifiCorp makes contracted and owned resources available to its system, and consistent with the allocation methodology described above, resources are not allocated to any particular customer in any of the six states that PacifiCorp serves. For this reason, all “power resold or consumed on-site” would be considered unspecified. Accordingly, PacifiCorp should not be obligated to provide this information.

D. Section 1394(a)(2)(A)(3) Must Account For PacifiCorp’s Multi-State Service Territory and Resource Allocation Methodology

Section 1394(a)(2)(A)(3) requires reporting of “REC only” purchases (WREGIS Certificates without purchase of electricity) as well as “unspecified sources of power” purchases (purchases of electricity from resources used to create WREGIS Certificates, but where those WREGIS Certificates are not conveyed). Classifying electricity purchases as “unspecified sources of power”, when such purchases come from a specific facility with a specific fuel type,

can mislead customers, particularly for PacifiCorp based on its allocation of resources across multiple states with varying regulatory programs. For example, in addition to its standard CPUC-tariffed retail service, PacifiCorp offers its California customers its “Blue Sky” product, where the customer can subscribe for procurement of a block of renewable energy credits (REC), separate and distinct from its energy use. Similarly, RECs may be allocated to other states, retained for future use, sold, or never acquired by PacifiCorp, while the underlying electricity is provided to California customers. In these cases, although the RECs may not be applied to California’s RPS program, the RECs are still being utilized for renewable purposes within PacifiCorp’s service territory. Additionally, the electricity provided to PacifiCorp’s customers can still be traced back to a specific resource using a specific fuel type. Classifying such procurement as “unspecified” effectively deprives customers of this information and deceives customers about the generation sources providing their power. Therefore, in the instance where PacifiCorp purchases electricity for which WREGIS Certificates are issued but where those WREGIS Certificates are not assigned to PacifiCorp’s California RPS procurement obligations, Section 1394(a)(2)(A)(3) should not require PacifiCorp to classify such procurement as unspecified sources of power, but instead should allow the classification of such electricity by fuel type, provided a disclaimer is included to show that no RECs were procured with the electricity product. Accordingly, Section 1394(a)(2)(A)(3) should be modified in accordance with the recommendations in Attachment A.

II. Additional Clarifications

A. Sections 1392(c)(2)(A) and (B) Must be Updated

Currently, Sections 1392(c)(2)(A) and (B) limit CEC access to data submitted “under subdivision (c)(2)” and “subdivision (c)”. These references do not make sense and should instead relate to the section addressing fuel use. Accordingly, these references should be revised

to reflect the original language: “under subdivision (b)(3)”, which relates to fuel information.

These Sections should therefore be modified in accordance with the recommendations in Attachment A.

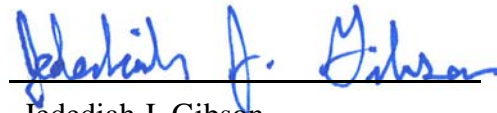
III. Conclusion

PacifiCorp thanks Staff for its attention to this matter. Should there be any questions concerning these comments, please do not hesitate to contact me.

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Respectfully submitted,

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Attachment A – Proposed Revisions to Draft PSD Regs

Proposed Section 1391(w) should be modified to read:

(w) “Total California system electricity” means, for retail suppliers other than multijurisdictional retail suppliers, the sum of all in-state generation and net electricity imports by fuel type, and for multijurisdictional retail suppliers, means that portion of the multijurisdictional retail supplier’s generation portfolio allocated to its retail California customers.

Proposed Section 1392(c)(2)(A) should be modified to read:

(A) The balancing authority is not required to provide the Energy Commission with any information submitted under subdivision ~~(eb)(23)~~ of this section that specifies the amount of fuel consumed at a generating facility.

Proposed Section 1392(c)(2)(B) should be modified to read:

(B) The balancing authority is not required to provide the Energy Commission with any information submitted under subdivision ~~(eb)(3)~~ of this section for out-of-state power.

Proposed Section 1393(c)(1)(I) should be moved, modified, and inserted into Section 1393(c) so that it reads as follows:

(c) Each retail supplier shall use a power content label to provide marketing disclosures and annual disclosures for each electricity product offered. For multijurisdictional retail suppliers, information included in the power content label from subdivisions (c)(1) and (2) shall reflect the allocation of fuel mix calculated on Schedule 2 as specified in Section 1394(a)(2)(E). The retail supplier shall include the following information on power content labels:

Proposed Section 1393(c)(1)(C) should be modified to read as follows:

(C) For each electricity product, the percentage of each fuel type category or subcategory that is specified shall be calculated by dividing net purchases of each fuel type by total retail sales. If total net purchases differ from total retail sales, a ratio for the difference between total net purchases and total retail sales shall be applied to each fuel type category or subcategory, then the product divided by total retail sales, as shown in the following formula: $[(\text{total retail sales}/\text{total net purchases})(\text{purchases for specific fuel type category})]/(\text{total retail sales})$. For multijurisdictional retail suppliers, the percentage of each fuel type category or subcategory (including the Unspecified category) shall be calculated on Schedule 2 as specified in Section 1394(a)(2)(E).

Proposed Section 1394(a)(2)(E) should be modified to read:

(E) Purchases: In complying with the requirements of subdivision (a)(2)(A) of this section, multijurisdictional retail suppliers shall provide the following information for systemwide purchases and generation on the current version of Schedule 1 prepared by the Energy Commission:

Facility or Counterparty Name

Fuel Type (when specified)

Location (when available)

EIA Number (when available)

Gross kWh Purchased or Generated, California allocation

Retail Sales: In complying with the requirements of subdivision ~~(a)(2)(A)–(C)~~ (a)(2)(B) of this section, multijurisdictional retail suppliers shall provide California retail load on Schedule 2 prepared by the Energy Commission base their information on the percentage of total retail sales that is consumed in California.

Calculation of Purchases and Sales for the Annual Power Content Label: In complying with the requirements of subdivision (a)(2)(C), on Schedule 2 multijurisdictional retail suppliers shall calculate the Pro-Rata Net Purchases based on Retail Sales (kWh) by multiplying the total of purchases and generation for each fuel type by the ratio of California retail load to California allocation of systemwide purchases and generation: [purchases & generation for fuel type]*([California retail load]/[California allocation of systemwide purchases and generation])