

California Energy Commission

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Via E-Mail and U.S. Mail

Kevin Chou  
Power Source Disclosure/Power Content Label  
California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814-5512Re: Comments of Shell Energy North America (US), L.P. on  
Power Source Disclosure Program Pre-Rulemaking Draft Regulations

Dear Mr. Chou:

Shell Energy North America (US), L.P. (“Shell Energy”) provides comments on the Commission Staff’s proposed text of draft regulations for the Power Source Disclosure Program. Shell Energy’s comments address Section 1393 (“Retail Disclosure to Consumers”) as well as Section 1394 (“Annual Submission to the Commission”).

**I.****INTRODUCTION**

The stated purpose of the “Power Content Label” (and the “Annual Disclosure”) is to notify consumers, and the Commission, of a retail supplier’s fuel mix (electricity products by fuel type). The draft regulations refer to a retail supplier’s purchases “during the previous calendar year.” It cannot be assumed, however, that specific purchases of electricity products made in one year (the “previous calendar year”) will be used to provide sales to the retail supplier’s customers in the same year.

For this reason, the Commission should not anticipate that a retail supplier’s purchases that contribute to the power content label reflect electricity products procured “during the previous calendar year.” It should not matter, for purposes of developing a retail supplier’s fuel mix information, in what calendar year the retail supplier procured the energy.

## II.

### SPECIFIC COMMENTS

#### A. Section 1393: Retail Disclosure to Consumers

The proposed text of the “annual disclosure” requirement in the draft regulations is predicated on the assumption that a retail supplier’s energy purchases, including its “specific purchases,” correspond with the retail supplier’s total retail sales during the previous calendar year. See Section 1393(c)(1). This predicate is incorrect. Because some of the specified sources provide delivery flexibility, a retail supplier’s procurement may cover a multi-year period. Accordingly, the mix of a retail supplier’s procurement quantities in one year (i.e., the “previous calendar year”) may not match the mix of its retail sales quantities in the same year.

If a retail supplier must provide its purchases in the previous calendar year, its purchases and sales may compare “apples and oranges,” and may not accurately reflect the percentage of supplies from specific resources (or from specific fuel types) in a retail supplier’s electricity portfolio. The Commission should be aware that the fuel mix of a retail supplier’s purchases in a particular year may not match the fuel mix in the supplier’s retail sales in that year.

#### B. Section 1394: Annual Submission to the Energy Commission

The purpose of the retail supplier’s annual submission to the Commission is to provide information supporting a retail supplier’s disclosure of sales to retail customers from specific fuel types, as well as “unspecified sources of power,” in its annual disclosure to its retail customers. See Section 1394(a)(2). In its annual submission to the Commission, a retail supplier should not be required to provide information that is not relevant to the data provided in connection with its annual disclosure to its retail customers. On this basis, Shell Energy provides the following comments on specific subsections under Section 1394:

1. Section 1394(a)(2)(A)(1) (Purchases) directs a retail supplier to “identify each wholesale sale of electricity it makes, including identification of any generating facility to which the sold electricity is traceable.” The information requested in this provision is not relevant to a retail supplier’s purchases of electricity for its retail customers. A retail supplier should not be required to provide information regarding its wholesale sales of electricity.

2. Section 1394(a)(2)(A)(2) (Purchases) directs a retail supplier to identify its “net purchases of unspecified sources of power.” Given the availability of the CAISO’s fuel mix by generation type,<sup>1</sup> the Commission should include an additional category whereby retail suppliers may alternatively populate unspecified purchases from the CAISO. To satisfy the objective to establish a retail supplier’s net purchases of unspecified sources of power, the language of the regulation should be revised to allow retail suppliers to provide their purchases of CAISO Power during the relevant period.

3. Section 1394(a)(2)(A)(3) (Purchases) provides that a retail supplier shall identify as “unspecified sources of power” any electricity purchased by the retail supplier for which WREGIS certificates were issued, but for which the WREGIS certificates were not purchased by the retail supplier. In the same section, the draft language states that the retail supplier “shall disclose the facility from which the electricity was purchased.” These two requirements are inconsistent.

Section 1391(x) provides the definition of “unspecified source of power,” which is electricity from “transactions that are not traceable to specific generation sources by any auditable contract trail or equivalent . . . .” If a retail supplier is able to disclose the facility from which electricity (stripped of the REC) was purchased, the transaction is traceable to a specific generation source. This electricity is not from an “unspecified source of power.” If electricity stripped of the REC is deemed to be from an unspecified source of power, the retail supplier should not be directed to disclose the facility from which the electricity was purchased.

### III.

## CONCLUSION

Thank you for your consideration of these comments. If you have questions regarding the issues raised in these comments, please do not hesitate to contact the undersigned.

Best regards,



John W. Leslie  
On behalf of  
Shell Energy North America (US), L.P.

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<sup>1</sup> <http://www.aiso.com/Documents/2014AnnualReport-MarketIssue-Performance.pdf>