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Cal CCA Preliminary Scoping Questions for February 21 Workshop

Additional submitted attachment is included below.

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California Energy Commission
Docket Unit
Re: Docket No. 16-OIR-05
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Preliminary Scoping Questions for February 21 Workshop

California Community Choice Association ("CalCCA") hereby submits its responses to the Preliminary Scoping Questions for February 21 Workshop ("Scoping Questions"). CalCCA looks forward to working with the staff of the California Energy Commission ("CEC") to implement Assembly Bill ("AB") 1110 in a manner that increases consumers' understanding of Greenhouse Gas ("GHG") emissions associated with their electricity products.

I. Introduction

CalCCA represents the interests of California's Community Choice Aggregators ("CCAs") in the legislature and at jurisdictional regulatory agencies, including the CEC. Community choice programs are administered by local governments with a mission to provide competitive alternatives to Investor-Owned Utilities ("IOUs"). CalCCA's current members include Apple Valley Choice Energy, CleanPowerSF, Lancaster Choice Energy, MCE, Peninsula Clean Energy, Redwood Coast Energy Authority, Silicon Valley Clean Energy, and Sonoma Clean Power.

Many CCAs offer at least two electricity products: a default product that competes with the IOU's default electricity product on a rate-related basis while offering renewable energy content in excess of current procurement mandates, and a voluntary 100% renewable product with rates that reflect associated procurement costs for such power sources. As retail sellers, CCAs comply with applicable requirements of the CEC's Power Source Disclosure Program, distributing Power Content Labels ("PCLs") to help their customers understand the energy sources that are procured on their behalf. CalCCA's interest in this proceeding is to ensure that the implementation of AB 1110 results in increased customer awareness of the GHG emissions associated with electric energy use.

II. Responses to Annual Sales Questions

1) What should be the programmatic definition of "annual sales"?

CalCCA recommends remaining consistent with the existing RPS and Power Source Disclosure Program ("PSDP") process by defining "annual sales" as the sum of retail sales at customer meters, expressed in kilowatt-hours within a given reporting year.

2) What should be the programmatic definition of "electricity portfolio"?

Electricity portfolio should refer to the composite of specified and unspecified electric energy purchases that were procured for purposes of serving retail electricity loads of the reporting entity. In other words, the definition of "electricity portfolio" should remain consistent with existing PSDP regulations.

3) What should be the programmatic definition of "electricity offering?"

Electricity offering should refer to a retail service option that is available to customers of the reporting entity during the reporting year. Each electricity offering would have a unique electricity portfolio, as specified by the reporting entity in its PCL. Each electricity offering should have an independent greenhouse gas emissions factor that would be calculated and reported in the reporting entity's PCL.

III. Responses to Renewable Energy Credits Questions

1) Should retail suppliers be required to report the purchase of eligible renewable energy resources based on the year that the renewable electricity was generated or based on the year that the REC is retired, if the two years differ?

The purchase of eligible renewable energy resources should be reported based on the year the REC is retired. In implementing this process, the CEC should acknowledge that the retirement of a REC may occur after the conclusion of a reporting year. For instance, if an entity may retire a large volume of 2016 vintage RECs in early to mid-2017, such RECs may be retired to an account that was created for the 2016 reporting year. In this example, the year associated with the noted retirement account would be referenced when completing pertinent PSDP reporting activities. Such an approach would eliminate potential complications related to "portfolio" contract delivery structures that may allow supply flexibility when delivering renewable energy volumes over multi-year periods.

2) How should firmed and shaped electricity products be categorized for the power-mix percentage calculations? Specifically, should these products be categorized based on the fuel type of their REC or the fuel type of their substitute electricity?

Firmed and shaped products should be categorized based on the fuel type associated with the RECs that were purchased by the buyer of such products. Reporting based on the fuel type of substitute energy would lead to market failure, where the buyer of the REC receives no benefit, while a random recipient of the clean energy would receive a benefit she did not pay for.

3) How should greenhouse gas emissions intensities be calculated for firmed and shaped electricity products? Specifically, should the greenhouse gas emissions intensity for these products be calculated based on the emissions profile associated with the generation source of their REC or based on the emissions profile of their substitute electricity?

The GHG emissions intensities associated with firmed and shaped products should be calculated based on the emissions profile related to the purchased and retired RECs associated with such transactions. For example, CalCCA recommends that the emissions intensity of a Portfolio Content Category 2, or "PCC2," transaction, which results in the delivery of a certain quantity of unspecified electricity volumes as well as an equivalent quantity of RPS-eligible RECs, would be calculated in

consideration of the generating characteristics associated with the noted REC volumes rather than unspecified electricity volumes.

4) Should unbundled RECs (PCC 3) be reflected in the power mix or disclosed separately on the Power Content Label? What factors should be considered in making this determination?

Unbundled RECs should be reflected in the PCL. ,PCC 3 volumes represent valuable renewable energy products which are also eligible for use under California's RPS program. Public Utilities Code Section 399.12(h) states that a REC "includes all renewable and environmental attributes associated with the procurement of electricity from an eligible renewable energy source." This definition would include the RECs' GHG-free attributes. Currently, unbundled RECs are reported within the fuel source that relates to the underlying renewable generating technology, and CalCCA endorses the continued use of this practice. Reporting RECs within the typically-used fuel source categories supports key purposes of the PCL, which is to disclose "accurate, reliable, and simple-to-understand information on the sources of energy" that are delivered to retail customers.

To promote disclosure of unbundled renewable energy transactions, CalCCA recommends the inclusion of a footnote within the PCL or other descriptive language provided in concert with the PCL, which would assist in customers' understanding of RECs and the portion of a portfolio covered by unbundled RECs. The recommended footnote reads as follows, "Renewable energy credits (RECs) are used to track ownership of clean energy generation from renewable resources such as wind, solar, small hydropower and biomass. Unbundled RECs are delivered separate from the electricity that was purchased on your behalf." The CEC could develop a standard for reporting the volume or percentage of unbundled RECs in CalCCA's recommended footnote.

5) How should null power be categorized for the power-mix percentage calculations? How should the greenhouse gas intensity of null power be calculated?

The emissions intensity associated with null power should be reported based on the system power emissions factor that has been established by CARB. This would promote simplicity and consistency during the reporting process. **Responses to GHG Intensity Factor Data and Calculations**

1) AB 1110 defines "greenhouse gas emissions intensity" as the "sum of all annual emissions of greenhouse gases associated with a generation source divided by the annual production of electricity from the generation source." Are there any reasons to consider calculating GHG emissions intensities using greenhouse gases other than those accounted for in both MRR and the EPA's Greenhouse Gas Reporting Program?

GHG emissions factors for qualifying renewable sources such as geothermal and biomass should be based on measured data for the facility as reported to CARB, unless such data are unavailable. Unspecified source energy should be reported as having the default emissions factor from CARB MRR.

2) What are the concerns, limitations, and benefits of relying on GHG emissions reported to the MRR program for the development of GHG emissions intensities for in-state and out-of-state facilities?

The CEC must consider, for example, aligning customer disclosure information with the Power Content Label. Where the CARB MRR can contribute, however, is in defining a standard default emissions factor for unspecified source energy and defining common default emissions factors for RPS-eligible sources, such as biomass and geothermal, when no direct measured emissions data are available.

3) Should GHG emissions classified as non-covered or exempt under the Cap and Trade Program be included in the PSD greenhouse gas intensity calculations?

No. If GHG emissions are classified as non-covered or exempt under Cap and Trade, it would be reasonable to exclude such emissions from PSD calculations to promote consistency amongst California's GHG reporting programs.

4) Should the PSD adopt ARB's default factor as the greenhouse gas intensity for unspecified power?

Yes. The Energy Commission should apply the ARB's default emissions factor for system/unspecified power in the PSD.

5) Energy procured through the Energy Imbalance Market (EIM) is reported under the MRR program as specified electricity. What greenhouse gas intensity factor should be assigned to electricity procured through the Energy Imbalance Market (EIM)?

The CARB MRR default unspecified emissions factor should be used.