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Southern California Edison Comments on CEC Staff Paper on AB 1110

Additional submitted attachment is included below.

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California Energy Commission
Dockets Office, MS-4
Docket No. 16-OIR-05
1516 Ninth Street
Sacramento, CA 95814-5512

Re: *Docket 16-OIR-05: Southern California Edison Company's Comments on the California Energy Commission's Draft Staff Paper on Assembly Bill 1110 - Implementation Proposal for Power Source Disclosure, and Response to the July 14, 2017 Workshop*

Southern California Edison Company (SCE) respectfully submits the following comments, in accordance with the California Energy Commission's (CEC) notice for the staff pre-rulemaking workshop on updates to the Power Source Disclosure program held on July 14, 2017 and Assembly Bill (AB) 1110 Implementation Proposal for the Power Source Disclosure (PSD) program.

I. Introduction

As indicated on the CEC website, the PSD program was established to provide "accurate, reliable, and simple-to-understand information on the sources of energy that are used to provide electric services" to California consumers.[1] AB 1110 tasked the CEC with implementing regulatory changes to the PSD program to improve transparency and better align the PSD program with California's ongoing climate change activities. SCE recognizes the challenges associated with implementing regulatory changes to the PSD program and appreciates the opportunity to work with the CEC and all interested stakeholders as this process continues.

II. Greenhouse Gas Accounting Methodology

AB 1110 does not require the use of a specific methodology, or data source, for determining emissions intensity. Instead, AB 1110 directs the CEC to consult with the California Air Resources Board (ARB) for purposes of developing a methodology for the calculation of greenhouse gas

[1] Public Utilities Code Section 398.1(b)

(GHG) emissions intensity for individual sources of electricity. "Energy Commission staff proposes to use the most recent publicly available MRR data to develop generator-specific emissions factors."[2]

In support of the CEC's efforts to accurately develop generator-specific emissions factors, SCE cautions the use of the California Air Resources Board's (CARB) Mandatory Reporting Regulation (MRR) may not accurately reflect a Load Serving Entity's (LSE) actual generation used to serve its end-use customers. More specifically, the proposed methodology may result in GHG emissions from unspecified sources of power dispatched by the California Independent System Operator (CAISO) counting against SCE, even though SCE may not be using such power to serve its bundled customers. In addition, the current proposal socializes the GHG emissions from unspecified resources. As a result, the proposed methodology may incentivize some LSEs to more actively participate in the CAISO market. If that occurs, LSEs with larger portfolios of owned or contracted resources will disproportionately share the cost from these unspecified resources. SCE therefore recommends careful use of MRR data to ensure that GHG emissions are properly attributed to those customers whose load is being served.

III. Reporting of Unbundled RECs on the Power Content Label

SCE supports the CEC's proposals for (1) retail suppliers to report unbundled Renewable Energy Credits (RECs) separately in their PSD filings, and (2) reflect the percentage of retail sales associated with unbundled RECs in a footnote on the Power Content Label. SCE also supports the CEC's statement that unbundled RECs neither "represent an electricity source nor convey an emissions profile under California's GHG emissions programs."[3] If adopted, these proposals will provide consumers with a more accurate description of a retail supplier's actual delivery of electrical generation.

IV. Release Date for Power Content Label

Statutory language requires electrical retail suppliers to give consumers a power content label in the first billing cycle within the third quarter. As was noted during the workshop, issues arising out of the approval process and subsequent creation and release of the Power Content Label have created logistical problems for electrical retail suppliers. SCE supports efforts to align the audit of the Power Content Label with the required public disclosures.

V. Consistency with Other Programs

Implementing regulatory changes to the PSD program implicates other regulatory reporting requirements. SCE therefore recommends the CEC consider plans to educate consumers on the differences associated with the PSD program and other LSE reports, such as the Renewable Portfolio Standard.

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[2] AB 1110 Implementation Proposal for Power Source Disclosure, at p. 9.
[3] AB 1110 Implementation Proposal for Power Source Disclosure, at p. 14.

SCE appreciates the opportunity to work with the CEC and all interested stakeholders as this process continues.

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