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PG&E Supplemental Comments Regarding GHG Methodology

Additional submitted attachment is included below.



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California Energy Commission
Dockets Office, MS-4
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Re: Docket 16-OIR-05: Pacific Gas and Electric - Supplemental Comments Regarding GHG Intensity Reporting Issues Discussed with California Energy Commission Staff

Pacific Gas and Electric Company (PG&E) met with the California Energy Commission's (CEC) Deputy Director for Renewables, Courtney Smith, and the Assembly Bill (AB) 1110 implementation lead, Jordan Scavo, on August 7, 2017. The primary purpose of the meeting was to expand upon previous discussions regarding the complexity in reporting the greenhouse gas (GHG) emissions intensity of resources used to serve load. PG&E also clarified PG&E's proposed methodology as filed in written comments on July 28, 2017. PG&E provided Staff with a visual representation of the proposed "Clean Net Short" metric, which is attached to this letter.

PG&E shared its concerns that current rules for Power Source Disclosure Reports, as well as Staff's proposed methodology for updating the Power Source Disclosure Report, understate the GHG emissions associated with the portion of a load-serving entity's portfolio that relies heavily on market purchases to meet its load. These current and proposed rules could lead to a procurement situation where load-serving entities are incentivized to over rely on market purchases to lower their calculated GHG emissions intensity, which may have downstream effects on overall system reliability.

PG&E's proposed methodology would help avoid customer confusion by averting the potential discrepancy where load-serving entities' Power Content Labels show near-zero GHG emissions due to the procurement situation described above, while the California Air Resources Board's reporting reflects the reality that fossil plants are running and emitting GHG emissions in California.

Additionally, PG&E discussed potential implementation challenges of its proposal and possible solutions to simplify the calculations. PG&E looks forward to further refining its proposed methodology and continuing to work with Staff on this important issue.

Sincerely,

/s/

Wm. Spencer Olinek