

DOCKETED

Docket Number:	16-OIR-05
Project Title:	Power Source Disclosure - AB 1110 Implementation Rulemaking
TN #:	222706
Document Title:	Comments of PacifiCorp on Updates to the Power Source Disclosure Regulation
Description:	N/A
Filer:	System
Organization:	PacifiCorp / Rick Link
Submitter Role:	Public
Submission Date:	2/23/2018 2:29:38 PM
Docketed Date:	2/23/2018

Comment Received From: PacifiCorp / Rick Link

Submitted On: 2/23/2018

Docket Number: 16-OIR-05

Comments of PacifiCorp on Updates to the Power Source Disclosure Regulation

Additional submitted attachment is included below.

STATE OF CALIFORNIA

ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

In the matter of:

AB 1110 Implementation Rulemaking

Docket No. 16-OIR-05

**COMMENTS OF PACIFICORP ON UPDATES TO THE POWER SOURCE
DISCLOSURE REGULATION**

Rick Link
Vice President
Resource and Commercial Strategy
PacifiCorp
825 NE Multnomah, Suite 600
Portland, OR 97232
Tel: (503) 813-7163
Email: rick.link@pacificorp.com

Date: February 23, 2018

STATE OF CALIFORNIA

ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

In the matter of:

AB 1110 Implementation Rulemaking

Docket No. 16-OIR-05

COMMENTS OF PACIFICORP ON UPDATES TO THE POWER SOURCE
DISCLSOUR E REGULATION

PacifiCorp appreciates this opportunity to provide comments on the California Energy Commission's (Commission's) January 2018 Draft Staff Paper – Revised Assembly Bill 1110 Implementation Proposal for Power Source Disclosure (Proposal). PacifiCorp's comments mirror the outline of the Proposal. Although PacifiCorp does not address every section of the Proposal at this time, PacifiCorp reserves the right to comment on all matters relevant to this docket in the future.

I. PSD Program Definitions

A. Electricity Portfolio and Electricity Offering

PacifiCorp supports the definitions of *electricity portfolio* and *electricity offering* outlined in Proposal. The Proposal appropriately describes the terms *electricity portfolio* and *electricity offering* as the offering to customers of service from distinct resources. It is important to note that for PacifiCorp, retail customers are served by our entire system; PacifiCorp does not offer customers the ability to choose service from specific resources and therefore has only one portfolio offering. This represents the portfolio of procurement used to serve retail load. Additionally, the Proposal appropriately excludes wholesale sales.

B. Annual Sales

The Proposal correctly interprets *annual sales* to mean retail sales. This interpretation is consistent with AB 1110, which requires that a *retail* supplier's disclosure be based on the percentage of annual sales from various categories of electricity resources. Given that the focus is on retail suppliers, "annual sales" should be equivalent to retail sales. This would exclude wholesale sales (imports) into California, including wholesale sales imported to California via the energy imbalance market (EIM) reported to the Air Resources Board (ARB) under the Mandatory Reporting Regulation (MRR).

II. Data Sources and GHG Emissions Intensity Calculations

PacifiCorp supports using the same emissions intensities used by ARB and EPA. Under the MRR program, PacifiCorp reports both emissions associated with its retail service territory in California as well as emissions associated with wholesale imports into California. Because those wholesale sales reported to ARB do not reflect power sources used by PacifiCorp to serve its customers, wholesale sales reported to ARB under MRR should be excluded from PacifiCorp's power-source disclosure (PSD). As a multi-jurisdictional retail provider under MRR, PacifiCorp reports the emissions associated with its retail service territory by calculating a system emission factor which is multiplied by PacifiCorp's total load in California. PacifiCorp supports the use of this same approach for developing the emissions intensities on the power content label. Notably, under ARB rules, the disposition of the renewable attributes associated with the energy reported does not change the emissions profile of the energy. For the reasons described above, and for consistency, the power content label should reflect this same approach.

III. Renewable –Energy Credits (RECs) and PSD Program Accounting

PacifiCorp supports the Proposal's treatment of RECs in power mix accounting as retail suppliers should be required to report the purchase of eligible renewable energy resources based

on the year that renewable electricity was generated. The purpose of the PSD law is to disclose information on the *sources* of energy that are used to provide electric services and the source of energy remains the same, regardless of any associated REC or the timing of the ultimate disposition of the REC. RECs represent environmental benefits associated with renewable energy and are separate and distinct from the actual provision of electric services and are inappropriate vehicles for reporting the source of electric service.

The Proposal clearly recognizes that the power content label and the RPS compliance reports have fundamentally different purposes: the power content label discloses the source of energy used to provide electric services while the RPS report demonstrates an entity's compliance with RPS mandates. PacifiCorp supports the Proposal as the power content label and the RPS report should not be required to reflect the same information. This will best ensure transparency by presenting customers with information regarding the sources of energy used to provide electric services.

A. RECs in Greenhouse Gas (GHG) Emissions Accounting

GHG emissions should be categorized based on the fuel type of the primary generating resource, which is the emissions profile associated with the generation source of their REC, and what is actually used to provide electric services.

B. Unbundled RECs Under the PSD Program

PacifiCorp generally supports the Proposal's treatment of unbundled RECs. Unbundled RECs should be disclosed separately from the power content label because unbundled RECs (*i.e.*, RECs that are not associated with the procurement of the underlying energy) do not represent the provision of electric service. To the extent possible, the power content label should provide clear information regarding the type of resources used to serve customers as well as the

disposition of the associated renewable attributes. However, renewable attributes should not be reported as if energy associated with those attributes were actually provided to the customer.

IV. Procurement Types and PSD Program Accounting

A. Specified Sources of Electricity

1. Directly Delivered Procurements

PacifiCorp supports the Proposal insofar as it classifies directly delivered procurement for power-mix accounting. Namely, these products should be categorized for power-mix accounting based on the fuel type of the primary generating resource (the renewable facility), which is what is actually used to provide electric services. The disposition of the RECs should be reported separately.

PacifiCorp also supports the Proposal's treatment of directly delivered procurement when assigning the GHG emissions intensity. Again, the approach relies upon the resource actually providing electricity to customers. GHG emissions should be categorized based on the fuel type of the primary generating resource, which is the emissions profile associated with the generation source of their REC, and what is actually used to provide electric services.

2. Null Power

Under the Proposal, specified transactions for null power are assigned the GHG emissions rate of the specified source. With respect to how the Proposal accounts for the GHG emissions intensity, the Proposal's approach is consistent with PacifiCorp's overall recommendation that the PSD program should be designed to disclose the actual sources of energy used to serve customers. The guiding principles for the power content label should be rooted in transparency and accuracy. PacifiCorp's recommendation is therefore to require that the power content label be based on actual fuel source and actual emissions associated with that fuel source to provide the most accurate picture for customers that is tied to the actual fuel they

are consuming. When a REC is sold separately from the underlying renewable energy, it does not change the physical reality or emissions profile of that energy. Importantly, by disclosing that energy is from a particular source, a retail seller is making no environmental claims regarding the energy, therefore preserving the integrity of any associated RECs for use in voluntary markets or for compliance purposes.

The estimated emissions impact and emissions “footprint” associated with the purchase and sale of renewable attributes (whether purchasing or selling RECs) should be reported separately. This may look like a separate disclosure that estimates an emissions footprint or impact associated with the null power; however, it should be clear to customers that what is being reported is an emission assumption associated with energy with renewable attributes that have been sold as opposed to actual measurable smokestack emissions.

B. Unspecified Sources of Electricity

For consistency, PacifiCorp supports the Proposal’s treatment of unspecified power. Namely, the PSD program should use ARB’s default factor for unspecified power.

1. Spot Market Purchases Through the EIM

At this time, PacifiCorp does not opine on the Proposal’s treatment of unspecified electricity purchased through the EIM. Under current MRR requirements, PacifiCorp reports EIM imports as specified in accordance with market reports generated by the California Independent System Operator (CAISO). The emissions intensity factors are set through ARB’s specified facility registration process and based on ARB and Environmental Protection Agency data. Importantly, because EIM imports are reported by PacifiCorp through MRR as the first jurisdictional deliverer, these are wholesale imports and are not used to serve PacifiCorp retail load. These imports should not be reflected in the PSD program. Nonetheless, the Commission should not assign separate or different emission factors to EIM imports than ARB – this would

create regulatory and market confusion and it is unclear what the basis for such different treatment may be.

V. Conclusion

PacifiCorp appreciates this opportunity to provide comments on the Proposal and looks forward to working with the Commission and other parties in revising the PSD program.

Dated: February 23, 2018

Respectfully submitted,



Rick Link
Vice President
Resource and Commercial Strategy
PacifiCorp
825 NE Multnomah, Suite 600
Portland, OR 97232
Tel: (503) 813-7163
Email: rick.link@pacificorp.com