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*Comment Received From: Katherine Ramsey*

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**Sierra Club Comments - AB 1110 Revised Implementation Plan (2018-02-23)**

*Additional submitted attachment is included below.*



February 23, 2018

*Via online filing*

California Energy Commission  
Dockets Office, MS-4  
1516 Ninth Street  
Sacramento, CA 95814-5512

**RE: Sierra Club Comments on Assembly Bill 1110 Revised Implementation Proposal for Power Source Disclosure (Docket No. 16-OIR-05)**

Dear California Energy Commission Staff:

The Sierra Club provides these comments on the Commission's *Assembly Bill 1110 Revised Implementation Proposal for Power Source Disclosure* ("Revised Staff Paper"). Sierra Club continues to support the Staff's approach, and in particular, supports the decision to include biogenic CO<sub>2</sub> emissions in a footnote. The Power Source Disclosure ("PSD") program is a consumer transparency program, and including this information improves that transparency. Sierra Club agrees with Commission Staff that, consistent with this overall goal, the PSD program should focus on increasing disclosures to consumers about electricity sources. The Revised Staff Paper fulfills the legislature's intent and will beneficially increase suppliers' accountability to their customers on power procurement.

**1. Requiring informational disclosure of biogenic CO<sub>2</sub> emissions through a footnote improves customer transparency, but still does not meet statutory requirements.**

The Revised Staff Paper proposes that CO<sub>2</sub> emissions from biogenic sources will be disclosed through a footnote on power content label, but not included in the overall greenhouse gas (GHG) emissions intensity of an electricity portfolio.<sup>1</sup> This revision to the Staff Paper is a marked improvement in improving consumer transparency with respect to biogenic electricity emissions, but does not go far enough as to meet statutory requirements. AB 1110 requires that "the sum of all annual emissions of greenhouse gases associated with a

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<sup>1</sup> Revised Staff Paper at 2, 9.

generation source” be included in the intensity calculation.<sup>2</sup> The plain language of the statute requires that the biogenic carbon emissions should be included in the disclosed GHG intensities—not merely noted in a footnote.

The Revised Staff Paper notes that geothermal—but not biogenic— CO<sub>2</sub> emissions will be included in overall GHG emissions intensity. This leads to disparate treatment for geothermal and biogenic resources. Previous comments from the Center for Biological Diversity and Sierra Club California detailed how national and state greenhouse gas emissions inventories track emissions from biogenic electric sources, albeit within categories other than the electric sector.<sup>3</sup> Which category contains the emission is immaterial to whether the Power Source Disclosure Label should include the information. AB 1110 is clear that *all* emissions from the generation source should be disclosed in the GHG intensity—not separately by footnote.

In addition, the biogenic emissions footnote is likely to cause customer confusion without explanation. By relegating biogenic emissions information out of the GHG emissions intensity and into a footnote, the Power Content Label would generate a uniquely odd treatment for biogenic source emissions, without any additional explanation to customers.

For all these reasons, Sierra Club recommends that biogenic emissions be included in the GHG source intensity rather than in a footnote.

## **2. Imported electricity should be subject to a transmission loss correction factor of 1.02 to accurately reflect its actual GHG emissions.**

The original Assembly Bill 1110 Implementation Proposal for Power Source Disclosure (“Draft Staff Paper”) included a proposal to adopt CARB’s line loss adjustment factor for imported electricity, but the Revised Staff Paper eliminated it.<sup>4</sup> CEC staff noted that this change was made due to stakeholder feedback regarding the complexity and impact of accounting for emissions that are upstream of retail sales.<sup>5</sup> Sierra Club recommends that this proposal be added back into the final version of the implementation proposal.

Sierra Club considers the original line loss adjustment factor for imports to be the right balance between practicality and accuracy, because (1) the transmission line adjustment factor

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<sup>2</sup> California Pub. Util. Code § 398.2(a).

<sup>3</sup> See Center for Biological Diversity & Sierra Club California Comments on Draft Staff Paper re AB 1110 Implementation (Aug. 11, 2017) at 3-5 (“under both California and U.S. inventories—both of which follow IPCC guidance—and the MRR program, biomass CO<sub>2</sub> emissions from energy production are reported in order to provide accurate and comprehensive information, even if those emissions are technically assigned to a different economic sector in the overall inventory.”).

<sup>4</sup> *Id.*

<sup>5</sup> Transcript of Staff Pre-Rulemaking Workshop on Updates to Power Source Disclosure (Feb. 1, 2018) at 22, lines 14-17.

would better reflect line loss impacts than no multiplier at all, and (2) retail suppliers would have the option to rebut the multiplier. The Draft Staff Paper correctly noted that the transmission loss correction factor of 1.02 to imported electricity provided a “more complete accounting of the GHG emissions associated with generation serving California load,” and would be consistent with current CARB practice under the Mandatory GHG Reporting Regulation (MRR).<sup>6</sup> Transmitting electricity across long distances causes actual losses, requiring slightly more generation (and for non-renewable resources, additional greenhouse gas emissions) at the source in order to serve distant load. The line loss multiplier would improve the accuracy of GHG emissions associated with imported electricity by capturing the GHG impacts of line losses, whereas eliminating the proposal turns a blind eye to the reality of line losses.

In addition, the original line loss adjustment proposal allowed retail suppliers to rebut the default multiplier by documenting that transmission losses had been accounted for.<sup>7</sup> Each retail supplier would only be subject to additional accounting complexities if they chose to take additional action. The line loss adjustment factor would therefore impose no additional accounting complexity on a retail supplier unless they chose to further refine the line loss adjustments.

Therefore, in order to improve the accuracy of the GHG intensity calculations while allowing suppliers the flexibility to further improve the accuracy, Sierra Club recommends reinstating the proposal to include a line loss adjustment factor for imported electricity.

Thank you for your consideration of these comments. Sierra Club looks forward to working with Energy Commission staff and other parties in the formal rulemaking to develop regulations that improve transparency, educate consumers, and move California closer to an energy system powered entirely by carbon-free energy.

Respectfully,  
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<sup>6</sup> Draft Staff Paper at 14.

<sup>7</sup> Draft Staff Paper at 14-15.