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M-S-R Comments re Power Source Disclosure Regulation

Additional submitted attachment is included below.

STATE OF CALIFORNIA ENERGY RESOURCES CONSERVATION AND DEVELOPMENT COMMISSION

In the Matter of:	Docket No. 16-OIR-05
AB 1110 Implementation Rulemaking	

M-S-R PUBLIC POWER AGENCY COMMENTS ON PRE-RULEMAKING AMENDMENTS TO THE POWER SOURCE DISCLOSURE PROGRAM

In accordance with the Notice of Proposed Action, dated September 6, 2019, and the Notice of Extension, dated October 10, 2019, the M-S-R Public Power Agency (M-S-R)[1] provides these comments to the California Energy Commission (Commission) on the Modification of Regulations Governing the Power Source Disclosure Program (Proposed Amendments), dated September 6, 2019.

SUMMARY OF CHANGES

M-S-R appreciates the efforts that staff has made to work with stakeholders throughout this process and offers the following comments on the Proposed Amendments:

- The provisions of section 1393(d) should be modified to ensure consistency with the provisions of the renewable portfolio standard regulations as set forth in the Initial Statement of Reasons (ISOR); and
- Generators that already report resource-specific information set forth in section 1392(b) to the Energy Information Administration (EIA) should not have to separately report that data to their balancing authority under section 1392(a).

SECTION 1393(D) – GHG EMISSIONS EXCLUSIONS

M-S-R appreciates that the Proposed Amendments continue to recognize the value of retail seller investments in firmed-and-shaped renewable resources, and supports the language in Section 1393(d) that provides "*Retail suppliers with specified purchases of eligible firmed-and-shaped products under a purchase agreement or ownership agreement, executed prior to January 1, 2019, shall report GHG emissions associated with the delivered electricity and shall identify these emissions as excluded from the calculation of emissions intensity of the electricity*

1 Created in 1980, the M-S-R Public Power Agency is a public agency formed by the Modesto Irrigation District, the City of Santa Clara, and the City of Redding.

portfolio." However, the proposed text goes on to state that this treatment would be altered in the event that a contract is amended or otherwise modified after January 1, 2019. The ISOR notes that this "provision parallels regulatory provisions in the RPS Program dealing with when an extension or modification will remove a contract from the grandfathering provision." (ISOR, p. 23) This language, however, is contrary to both the stated intent of the provision and the language used in the Commission's RPS Regulation. (See Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities, April 2016; Section 3202(a)(2) and (3)).

As the ISOR notes, "These provisions are necessary to acknowledge retail suppliers' early investments in firmed-and-shaped renewables that do not directly serve California consumers, and to recognize that this new methodology should not apply to historical investments in firmed-and-shaped products that were made without the benefit of anticipating changes to the regulatory framework for GHG claims pertaining to electricity products." (ISOR p. 22) And, as M-S-R had previously noted, and which the ISOR recognizes, "Proposals to limit the definition of grandfathered resources or otherwise phase-out the ability to classify these investments as 'grandfathered' over time should be rejected. Doing otherwise would have the same deleterious financial impacts as failing to distinguish these resources in the first place." (*See* ISOR, p. 24; M-S-R March 20, 2019 Comments, pp. 2-3) Yet the proposed text would do just that because it would restrict contract modifications beyond those that are acknowledged in the RPS regulation. By not limiting the kind of amendments or modifications that would negate the ability to exclude emissions from firmed-and-shaped resource from the calculation of the emissions intensity, the Commission greatly constrains the application of the provision in direct conflict with the recognition of the financial investments in these resources and the explanation in the ISOR.

SECTION 1392(A) – REPORTING TO BALANCING AUTHORITIES

In order to avoid duplicative reporting obligations, the regulation should be amended to require only generators that do not already report to EIA to report data to their balancing authority under section 1392. Not only does the information required under section 1392(b) includes extensive amounts of data that most generators report to EIA, but the power content label already requires retail suppliers to report EIA identification numbers (*see* Section 1394(b)), so it would be easy to track and identify the generators at issue. Utilizing data that is already

reported and publicly available is preferable to requiring generators to provide the information twice, as it avoids additional reporting costs and reduces the potential for inconsistencies in reported data. M-S-R urges the Commission to revise section 1392 accordingly.

Section 1392

(a) Method and Timing of Submissions

(1) All submissions to the balancing authority required by subdivision (a)(2) of this section must be provided to the balancing authority by the generator, either directly or through a Scheduling Coordinator, or through information already provided by the generator to the Energy Information Administration (EIA).

(2) Each generator that provides meter data to a balancing authority, either directly or through a Scheduling Coordinator, or through information already provided by the generator to the EIA, shall report the information specified in subsection (b) of this section to the balancing authority within forty-five days of the end of each calendar quarter beginning with the quarter ending December 31, 1998.

CONCLUSION

M-S-R appreciates the opportunity to provide this feedback to the Commission, and urges the Commission to incorporate these revisions into the proposed amendments to the PSD regulation.

Dated October 28, 2019

Respectfully submitted,

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M-S-R Public Power Agency