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**CALIFORNIA COMMUNITY CHOICE ASSOCIATION'S COMMENTS
ON THE STAFF PRE-RULEMAKING WORKSHOP ON UPDATES
TO THE POWER SOURCE DISCLOSURE REGULATIONS WORKSHOP
December 7, 2021**

**Docket 21-OIR-01
Rulemaking to Amend Regulations Governing the Power Source Disclosure Program**

I. INTRODUCTION

The California Community Choice Association (CalCCA)¹ submits these comments on the *Staff Pre-Rulemaking Workshop On Updates To The Power Source Disclosure Regulations Workshop* (Workshop), held on December 7, 2021.

II. COMMENTS

At the Workshop, Commission staff proposed several redlines to the Power Source Disclosure (PSD) regulations, including audit requirements for public agencies, Power Content Label (PCL) due dates and formatting, new community choice aggregator (CCA) greenhouse gas (GHG) reporting requirements, and unbundled Renewable Energy Credit (REC) reporting requirements.² These redlines increase the clarity of the PSD requirements and improve administrative efficiency, thus benefiting all stakeholders. Therefore, the Commission should adopt all of them, especially the proposal that new CCAs have 24 months after serving their first customer to report GHG emissions data.³ This proposal appropriately

¹ California Community Choice Association represents the interests of 23 community choice electricity providers in California: Apple Valley Choice Energy, Baldwin Park Resident Owned Utility District, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Lancaster Choice Energy, Marin Clean Energy, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

² California Energy Commission. *Proposed Updates to the PSD Program Regulations* at 8-12, located at <https://efiling.energy.ca.gov/GetDocument.aspx?tn=240842&DocumentContentId=74676>.

³ *Id* at 10.

recognizes that newly formed CCAs need time to build up their portfolios and establish long-term contracting positions.

At the Workshop, Commission staff solicited input on handling Power Charge Indifference Adjustment (PCIA) resource allocations in the PSD program.⁴ Three recommendations on how to implement this are below.

First, the Commission should continue its current calculation approach for the interim GHG-free allocations that load serving entities (LSE) have elected to take as part Phase 2 of the PCIA Order Instituting Rulemaking (PCIA OIR) at the California Public Utilities Commission (CPUC).⁵ Currently, if an LSE receives a GHG-free allocation from the investor-owned utility (IOU), they can count the corresponding large hydro or nuclear resources as carbon-free in their PCL. This current approach is reasonable and there is no reason for the Commission to deviate from it in future versions of the PCL calculations.

Second, the Commission should attribute the Renewable Portfolio Standard (RPS) value of future IOU allocations of renewable energy under the Voluntary Allocation and Market Offer (RPS VAMO)⁶ to the LSEs electing to receive the allocation. This is a logical extension of the current rules for counting the interim GHG-free allocations, which as described above allow an LSE to count a GHG-free allocation towards their PCL. There is no reason that RPS VAMO resources should not be also counted in the PCL.

⁴ *Id* at 13.

⁵ These interim GHG-free allocations are already implemented via IOU advice letters (see PG&E 5705-E, located at https://www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5705-E.pdf and SCE 4194-E, located at https://www.sce.com/sites/default/files/inline-files/GHGFEA_4194-E.pdf). For more context, see *Final Report Of Working Group 3 Co-Chairs: Southern California Edison Company (U-338E), California Community Choice Association, And Commercial Energy*, section V-C at 30: “GHG -Free Voluntary Allocation.”

⁶ The RPS VAMO was adopted in CPUC Decision (D.) 21-05-030. See Ordering Paragraph 2 at 63.

Third, the Commission should treat different Portfolio Content Category (PCC)⁷ resources in a VAMO allocation as follows: (i) PCC 1 resources should be treated as “Directly Delivered Renewables” in Schedule 1 in the PSD Annual Report template;⁸ (ii) PCC 2 resources should be treated as “Firmed-and-Shaped Imports” in Schedule 1; (iii) PCC 3 resources should be treated as “Retired Unbundled RECs” in Schedule 2; and (iv) PCC 0 resources should be assigned as determined by the CPUC.⁹

To simplify PSD reporting, the Commission could create a separate VAMO allocation portfolio section in the template that CCAs and Energy Service Providers (ESPs) can use to report their energy sources. This avoids the need for each CCA/ESP to separately list its proportional share of each of the allocated resources. As both Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE) have several hundred RPS-eligible contracts, this would create both a substantial reporting burden for the CCA/ESPs and an equally complex compliance verification process for Commission staff.

III. CONCLUSION

CalCCA appreciates Commission staff’s efforts in Docket 21-OIR-01 and looks forward to further collaboration on this topic.

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⁷ D.21-05-030 at 27 defers to the CEC on the treatment of these resources in the PCL: “It is reasonable and consistent with existing Commission decisions on RPS contracts to preserve the bundled nature of energy and associated RECs through sales contracts. PCL attributes are within the jurisdiction of the California Energy Commission.”

⁸ This is the Microsoft Excel template that calculates PCL portfolio mix and GHG emissions, based on a set of contracts that the LSE enters.

⁹ For more information on different PCC types, see: <https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/documents/energy/rps/pcc-book2020.docx>.