

DOCKETED	
Docket Number:	21-OIR-01
Project Title:	Rulemaking to Amend Regulations Governing the Power Source Disclosure Program
TN #:	252720
Document Title:	Turlock Irrigation District Comments - On Rulemaking to Amend Regulations Governing the Power Source Disclosure Program
Description:	N/A
Filer:	System
Organization:	Turlock Irrigation District
Submitter Role:	Public Agency
Submission Date:	10/24/2023 4:39:37 PM
Docketed Date:	10/24/2023

*Comment Received From: Turlock Irrigation District
Submitted On: 10/24/2023
Docket Number: 21-OIR-01*

**TID Comments On Rulemaking to Amend Regulations Governing
the Power Source Disclosure Program**

Additional submitted attachment is included below.

October 24, 2023

California Energy Commission
Docket No. 21-OIR-01
715 P Street
Sacramento, CA 95814

RE: TID Response to September 26, 2023 California Energy Commission Pre-Rulemaking Workshop on Updates to the Power Source Disclosure Procedures

Turlock Irrigation District appreciates the opportunity to comment in response to the California Energy Commission’s (“CEC”) September 26, 2023 workshop to solicit feedback on proposed changes to the Power Source Disclosure (“PSD”) program. TID’s comments will focus on issues related to the recently released Pre-Rulemaking Amendments to the PSD. TID is a publicly owned utility (“POU”) and one of eight Balancing Authorities (“BA”) in California. As a BA, TID has the responsibility to balance customer demands, with local generation production, energy market purchases and sales, transmission maximization, all while providing adequate reserve capacity to maintain grid reliability. The changes proposed to the PSD as a consequence of Senate Bill (“SB”) 1158 will pose a variety of challenges to TID as a BA. The focus of TID’s comments will be to highlight these issues for CEC staff and our recommendations for creating a reporting program that can be feasibly implemented by all LSEs.

A key challenge for the implementation of SB 1158 regulation is not to confuse our customers when viewing the Power Content Label. TID would direct CEC staff to CMUA’s October 24, 2023 Comment letter, a concise explanation of the issue:

The plain language and legislative intent of SB 1158 does not support an interpretation that fully assigns a retail supplier with the GHG emissions associated with oversupply. Public Utilities Code section 398.6(b) specifies the information that retail suppliers must report to the Commission, which includes: “The retail supplier's sources of electricity *used to serve loss-adjusted load* for each hour during the previous calendar year.”¹ The express direction of this code section is for the retail supplier to report the sources of electricity that were used to serve loss-adjusted load, not the retail supplier’s total portfolio of resources during that hour. Had the Legislature intended for retail suppliers to be assigned the GHG emissions for all specified procurement, regardless of whether it is matched to load, the bill would have expressly done so. Instead, SB 1158 is clearly

¹ Cal. Pub. Util. Code § 398.6(b)(1) (emphasis added).

intended ensure that all GHGs are accounted for through either matching with load or through being assigned to unspecified purchases.²

Issue 1. Hourly Emissions Calculation

I. Reporting Template Issues

TID has several concerns to highlight regarding the proposed hourly emissions calculation. First, TID staff have already found a number of issues with the hourly reporting template. The current excel template is problematic because 1.) TID staff would not have a way to automatically pull data together, and 2.) TID staff would be forced to copy and paste 8760 entries for each specified purchase, some of which may be allocated shares and then integrate this massive volume of data into an Excel spreadsheet provided by CEC staff. This process would not only increase the time-consuming administrative burden for utilities but would also increase the likelihood of data errors that TID staff and auditors would be charged with reconciling. Based on past experience with the implementation of AB 1110, the CEC would need to resolve countless data entry issues for many if not all of the LSEs subject to the PSD.

TID has identified several issues with the Excel file that we will work with staff to resolve informally. TID would recommend the CEC work with the utilities on the hourly reporting template by allowing utilities to test any update to the next release of the template in advance of the formal rulemaking process. We also recommend developing guidance documents for auditors charged with sampling and verifying data entries. Providing utilities with the opportunity to be involved in the hourly reporting template development process will minimize administrative burden and reduce errors in the excel file.

II. Hourly Green House Gas Accounting

Correctly attributing GHGs on an hourly basis is the goal of SB 1158. To meet this goal, the hourly accounting structure must not unfairly attribute GHG emissions to a retail supplier. For example, a utility that has procured sufficient renewable and zero carbon resources to meet its customer's load in that hour shouldn't have those emissions attributed to them. Similarly, these regulations must not create a disincentive for retail suppliers to offer to run generating resources that are needed by the grid for reliability purposes. TID recommends that retail suppliers only be allocated the GHG emissions for the specified purchases that are matched to the retail supplier's load in that hour, according to the stacking order set by the retail supplier.

² California Municipal Utilities Association Comments on Pre-Rulemaking Proposed Updates to the Power Source Disclosure Regulations [CEC Docket No. 21-OIR-01]

CEC’s proposed language has all GHGs generated assigned to retail load. This includes energy required for reliability, wholesale sales, and energy needed as a response to grid emergencies. GHG reporting inventory those GHGs are counted once. That assignment seems incorrect to TID.

III. Reliability Concerns

TID would also highlight to the CEC that their proposal for hourly emissions accounting of GHGs has no acknowledgement that BAs are forced to run generators to maintain reliability standards stemming from the Federal Energy Regulatory Commission (“FERC”) and the North American Electric Reliability Corporation (“NERC”) mandates. In some cases, maintaining reliability is not necessarily related to serving load. One example is, for individual BA’s, such as TID, there are rules in place from FERC and NERC that force fossil generation to run during emergency energy shortages. Furthermore, when flex alerts are issued from CAISO during emergency grid situations, utilities must be able to place natural gas or other high GHG emitting resources last in the stacking order without having to worry about penalization from the CEC. Likewise, anytime there is an energy shortage in the market a utility must be allowed to stack their high GHG resources last. Another situation is, at the transmission level TID, as a BA, has a responsibility to support the ISO during a gas system limitation. Also, TID has a number of nomograms it needs to adhere to. These nomograms are a set of constraints relating to transmission flows and generation occurrences or events. During these restricted system limitations, TID may be required to sell energy in to the market due to the mandatory running of a generator. In this situation the GHGs emitted should not count towards TID emissions, if TID was running more resources than needed to supply load within the TID BA area.

Issue 2. GHG Reporting Confusion

IV. RPS Adjustment and Reporting Clarity

The purpose of the Power Content Label (“PCL”) is to provide *reliable*, consistent, and easily understood information about the energy resources used to generate electricity. The PCL in essence should act as a “nutrition label” enabling customers to compare the power “content” of one electricity product to another.

Under the proposed Pre-Rulemaking Amendments to the PSD, GHG emissions will always be higher than what a utility is required to show on their PCL due to the regulation’s treatment of unspecified power. The Pre-Rulemaking Amendments also reflects a lack of recognition of “firmed and shaped” energy through the RPS Adjustment. The proposed Pre-Rulemaking Amendments to the PSD will cause confusion for utility customers who do not understand, nor have definitions for renewable, sustainable, or GHG free energy. This utility customer confusion could be eliminated if the role of the RPS Adjustment and unspecified power are integrated properly into the updated PSD.

TID is concerned that the CEC’s Pre-Rulemaking Amendments to the PSD do not recognize the role of the RPS Adjustment and how CARB treats firmed and shaped energy under their MRR program. In 2008, during the formation of CARB’s Cap and Trade Program and MRR implementation, CARB and stakeholders agreed upon a system to account for firmed and shaped renewable energy produced from early adopted investments by utilities for out of state RPS eligible GHG free resources. Firmed and shaped energy from contracts or ownership agreements executed prior to June 1, 2010 received a Procurement Content Category 0 (“PCC 0”) designation and count in full towards the CEC’s RPS procurement requirements. The RPS Adjustment was based on having the power firmed and shaped so utilities could take the power at a time that didn’t cause reliability issues and was more economic. The process of firming and shaping energy involves the substitution of energy in the same quantity as the contracted or owned RPS-eligible generation that meets the timing and quantity requirements of the POU.

The GHG emissions associated with the energy not delivered to the POU through the firming and shaping of the energy are accounted for through the practices established in CARB’s MRR. This solution developed by CARB and stakeholders harmonized the RPS with the Cap and Trade Program. This harmonization was made possible through the reporting required in MRR and resulted in the avoidance of emissions double counting in the CEC’s Renewable Portfolio Standard (“RPS”). Presently, contracts and ownership agreements executed prior to June 1, 2010, which met the eligible renewable energy resource rules in place at the date the contract or ownership purchase was executed, are able to be conveyed correctly on a utilities PCL. On the PCL to date, firmed and shaped products are counted as eligible renewables and classified according to the fuel type of the RECs. The associated GHG emissions accounting methodology on the PCL reflects the accounting practices established by CARB’s MRR. The CEC’s update to the PSD should recognize this history and not assign a GHG emissions accounting methodology that conflicts with CARB’s MRR program. Specifically, the CEC should apply grandfathering rule to firmed and shaped contracts and allow an RPS adjustment in both the annual and hourly reporting requirements.

V. Conclusion

TID appreciates the opportunity to submit comments on proposed changes to the PSD program. TID further encourages CEC staff to think critically on how utilities would have to convey their resource mix to customers on the PCL as they assess feedback submitted by stakeholders from the September 26, 2023 workshop. TID further would encourage close collaboration between the CEC and the POU’s going forward. SB 1158 requires the CEC to adopt PSD rules by July 2024. To meet this deadline will require transparent collaboration between the CEC and POU’s who are serving load across California BA areas or like TID, serve as their own BA. TID is more than happy to address any utility specific questions the CEC may have in light of TID’s comment letter submission. TID thanks the CEC again for the opportunity to comment.

Respectfully submitted,



Austin Avery
Regulatory Analyst

Austin Avery

Ken Nold
Utility Analyst

Ken Nold