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STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

IN THE MATTER OF: Rulemaking to Amend Regulations Governing the Power Source Disclosure Program	DOCKET NO. 21-OIR-01 RE: Power Source Disclosure

AVA COMMUNITY ENERGY'S COMMENTS ON REVISED PRE-RULEMAKING AMENDMENTS TO THE POWER SOURCE DISCLOSURE PROGRAM

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COMMENTS ON REVISED PRE-RULEMAKING AMENDMENTS TO THE POWER SOURCE DISCLOSURE PROGRAM

Ava Community Energy ("Ava") (formerly East Bay Community Energy)[1] appreciates the opportunity to provide comments on the California Energy Commission ("Energy Commission") *Pre-Rulemaking Amendments to the Power Source Disclosure Program*.[2] Ava is a public agency serving customers in Alameda and San Joaquin Counties, providing electric generation service to approximately 640,000 accounts across residential and commercial customers.[3] We provide renewable and emission-free energy at competitive rates for our customers.

In addition to the comments provided below, Ava supports the comments submitted by the California Community Choice Association.

[1] *See East Bay Community Energy Authority's Comments on the Pre-Rulemaking Proposed Updates to the Power Source Disclosure Regulations*, dated October 24, 2023 (TN# 252718).
[2] *Pre-Rulemaking Amendments to the Power Source Disclosure Program*, dated January 31, 2024 (TN# 254257) ("Revised Proposal").
[3] Ava's expansion to serve additional communities in San Joaquin County starting in 2025 is expected to increase the number of customer accounts to approximately 750,000. *See [Ava] Addendum No. 3 to the Community Choice Aggregation Implementation Plan and Statement of Intent to Address [Ava] Expansion to the City of Lathrop (2023)*, available at https://cdn.sanity.io/files/pc49kbjr/production/6d2851e338d5272d3c1bb06421c995131095ad43.pdf

I. INTRODUCTION

Ava continues to support the objective of Senate Bill ("SB") 1158 to achieve accurate, reliable, easily comprehensible information about the greenhouse gas ("GHG") emissions used to generate electricity serving California energy needs.

II. COMMENTS ON REVISED PROPOSALS

A. Accounting Methodology for Storage

The Revised Proposal's accounting methodology for storage is a welcome change that Ava believes will simplify the hourly accounting of GHG emissions from electric generation. Ava understands the Revised Proposal to view storage resource charging, whether distribution or transmission-connected, as *additive* to a load-serving entity's ("LSE") loss-adjusted load; thereby simplifying the determination of the electric generation "fuel type [and] GHG emissions attributes . . . associated with storage charging and discharging."[4] Meaning that an LSE's hourly electric generation emissions (or lack of emissions) would be matched to the hourly loss-adjusted load (inclusive of storage resource charging). Ava welcomes the Revised Proposal's shift to the treatment of storage charging as an increase to retail load will simplify LSE hourly emission accounting while facilitating the contribution that storage plays in displacing GHG-emitting energy sources.

B. Accounting Methodology for Hydrogen-fueled Electric Generation

The Revised Proposal would treat electricity generated from hydrogen fuel sources differently than is proposed for energy storage resources, namely that the electricity generated from hydrogen fuels would be "assigned the fuel type and emissions intensity of the specified

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[4] *Pre-Rulemaking Amendments to the Power Source Disclosure Program*, dated January 31, 2024 (TN# 254257) ("Revised Proposal") p. 19 (§1392(c)(5) Accounting Methodology for Storage).

resource contracted and used to produce the hydrogen."[5] Ava views the emissions associated with the production of hydrogen and the electricity generated from hydrogen fuels, as well as the broad effort to account for hourly emissions, through the lens of the World Resource Institute's GHG Protocol standards (the "GHG Protocol"): with Scope 1 emissions derived from direct economic activity such as the generation of electric energy using GHG-emitting fuels, and Scope 2 emissions as the indirect result of economic activity.[6] Typical hydrogen fuel *combustion* results in no GHG emissions whereas the selected method for *producing* hydrogen fuels may be highly GHG-emission-intensive. Regardless of the administrative difficulty of maintaining chain of custody over the hydrogen fuel molecules, Ava believes a more effective treatment for hydrogen-fueled electricity generation is akin to the Revised Proposal's treatment of energy storage charging and discharging.

Where electricity is used to produce hydrogen fuels, this would be Scope 1 emissions under the GHG Protocol: the electrical energy consumed to produce the hydrogen fuel would be incorporated into an LSE's loss-adjusted load. Where hydrogen fuels are produced using other means, these would be Scope 2 emissions under the GHG Protocol and may have a GHG emissions associated with the commodity's value chain, but those emissions should not be included in the 'direct' GHG emissions associated with the electricity generated with this fuel.

C. Publication of Avoided Emissions

Ava requests clarification as to how the Energy Commission proposes to update the Power Content Label to include information about avoided emissions caused by an LSE's resource procurement. The Revised Proposal would use avoided emissions from oversupply to

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[5] *Id.* p. 10 (§1392(a)(6) (General Accounting Provisions applicable to hydrogen-fueled electricity generation).
[6] *See, e.g.*, Corporate Value Chain (Scope 3) Accounting and Reporting Standard, p. 5 Figure 1.1, available at https://ghgprotocol.org/corporate-value-chain-scope-3-standard.

reduce the GHG emissions factor of unspecified power in that hour, excluding avoided emissions from an LSE's GHG emission intensity but still attributing those avoided emissions to the LSE.[7] SB 1158 specifies that the Energy Commission's published summary of aggregated LSE reporting data will exclude (and must not consider) avoided GHG emissions associated with an LSE's electric generation sources;[8] while also providing an annual total of that LSE's avoided GHG emissions.[9]

Ava is concerned that providing a single annual total of avoided GHG emissions would not communicate seasonal variation in the levels of avoided emissions from an LSE's resource portfolio. As a method for communicating the avoided emissions resulting from an LSE's resource procurement, Ava recommends including a footnote detailing that LSE's avoided emissions information in the updated Power Content Label.

III. CONCLUSION

For the reasons stated above, Ava encourages the Energy Commission (1) to proceed with the proposed treatment of charging of storage resource energy as additive to loss-adjusted load while treating storage resource discharge as have no emissions attributes; (2) to adopt a similar treatment for energy used in the production of hydrogen fuel as for energy storage; and (3) clarify how avoided emissions will be reflected in the Power Content Label.

Respectfully submitted,

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[7] See *Revised Proposal*, p. 19 (oversupply and avoided emissions, §1392(c)8(A) and (B)).
[8] Cal.P.U.C. §398.6, subd. (e)(3) & (4) ("The total emissions of [GHG] associated with all electricity used to serve loss-adjusted load" excluding "avoided [GHG] emissions"; and "[t]he average [GHG] emissions intensity of all electricity used to serve loss-adjusted load.")
[9] *Id.* at (e)(5).