

DOCKETED

Docket Number:	21-OIR-01
Project Title:	Rulemaking to Amend Regulations Governing the Power Source Disclosure Program
TN #:	254635
Document Title:	SCE Comments on Pre Rulemaking for Power Source Disclosure Comments
Description:	21-OIR-01 SCE Comments on Pre Rulemaking for Power Source Disclosure
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Organization:	Southern California Edison
Submitter Role:	Applicant
Submission Date:	2/22/2024 11:37:11 AM
Docketed Date:	2/21/2024

February 21, 2024

California Energy Commission
Docket Office, MS-4
Re: Docket No. 21-OIR-01
1516 Ninth Street
Sacramento, CA 95814-5512
docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the California Energy Commission's Power Source Disclosure Program Docket No. 21-OIR-01

Dear Commissioners:

RE: Pre-Rulemaking Amendments to the Power Source Disclosure Program

Southern California Edison (SCE) hereby submits these comments on the California Energy Commission's (CEC) *Pre-Rulemaking Amendments to the Power Source Disclosure Program*, docketed on January 31, 2024 (Revised Amendments). SCE believes that the Revised Amendments are better aligned with the intent of Senate Bill (SB) 1158 and provide customer transparency, ensure accurate reporting for retail suppliers in California, and maintain environmental integrity of the electric sector's contribution to California's clean energy goals through hourly generation and emissions reporting.

SCE generally supports the revisions to the CEC's Power Source Disclosure (PSD) regulations, including:

- Removing the greenhouse-gas (GHG) emissions intensity from oversupplied resources from a retail supplier's specified purchases and factoring those into the hourly unspecified power emissions factor to attribute to undersupplied retail suppliers.
- Allowing the investor-owned utilities (IOU) to only report their proportional share of all natural gas resources subject to the Power Charge Indifference Adjustment (PCIA) rate mechanism.
- Allowing retail suppliers to stack specified purchases by preference when reporting hourly data; and
- Identifying a process for allocation reporting for resources procured pursuant to Public Utilities Code Sections 365.1.

SCE appreciates the CEC's thoughtful consideration of its October 24, 2023, comments and the important work being undertaken by both the CEC and other key stakeholders in support of implementing the statutory directives under SB 1158.

In these comments, SCE requests clarification on the allocation reporting process for certain generation resources and proposes additional revisions to the CEC's PSD regulations.

I. Allocation of Procured Resources and Reporting

Through multiple decisions issued by the California Public Utilities Commission (CPUC), the investor-owned utilities have been ordered to procure and/or manage and allocate the costs and attributes of certain generation resources on behalf of other retail suppliers (e.g., load serving entities). These include generation resources procured pursuant to Public Utilities (P.U.) Code Sections 365.1.

To account for these generation resources in the context of the PSD Program, the Revised Amendments propose that the IOUs submit a report of all resources that are allocated to other retail suppliers in their respective service territory areas.¹

a. P.U. Code Section 365.1

For resources procured pursuant to P.U. Code Section 365.1 (e.g., resources with cost recovery through the CPUC's Cost Allocation Mechanism (CAM)), SCE understands the Revised Amendments to require the IOUs to report only their proportional share of all of the generation of these resources, including natural gas generation.² SCE continues to support these regulations. However, SCE believes that the Revised Amendments should be modified to also require non-IOU retail suppliers to report their proportional share of resources procured pursuant to P.U. Code Section 365.1 as part of their hourly generation and emissions intensity reporting. As it currently stands, the Revised Amendments would allow a non-IOU retail supplier to avoid reporting any generation and emissions intensity from these resources, including natural gas generation. In SCE's view, this is problematic because these resources have been procured on behalf of all retail suppliers within an IOU's respective service territory to meet grid reliability needs and is thereby being used to serve all customers' needs - both IOU and non-IOU customers. Modifying the Revised Amendments will allow the CEC to clearly attribute GHG emissions intensity from certain natural gas generation that was procured on behalf of all customers and would further achieve the goals of providing customer transparency and accurate reporting.³

Besides natural gas generation, the IOUs also procure energy storage resources under the CPUC's CAM cost recovery mechanism. As such, SCE believes that modifications are also needed to the PSD regulations to ensure that the PSD program appropriately allocates the charging load of CAM-eligible energy storage resources to all applicable retail suppliers.

b. Concerns About Confidentiality of Hourly Data

In its October 24, 2023, comments, SCE agreed with the Staff Paper that there is a need to develop rules for allocating generation either sold to multiple buyers or allocated through the CPUC's Voluntary Allocation and Market Offer (VAMO) framework. As such, the Revised Amendments include a process for doing so in Section 1393 – Annual submission to the Energy Commission. SCE appreciates the CEC developing an initial process but continues to have concerns with publishing each retail suppliers' proportional share of each resource, subject to the CPUC's VAMO framework, specifically at the hourly level.

This level of granularity being made publicly available could place a majority of retail suppliers at a competitive disadvantage given the significant amount of reportable generation in California. As such, SCE requests that the CEC continue to work with stakeholders to develop a process in which the publication of this data be aggregated - if it is made publicly available - and/or only shared individually with each retail supplier at the hourly level. This will help balance and verification while maintaining the confidentiality of market-sensitive information.

Conclusion

SCE thanks the CEC for consideration of the above comments. Please do not hesitate to contact me at (626) 302-0905 or Dawn.Anaiscourt@sce.com or Raffi.Minasian@sce.com with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/

Dawn Anaiscourt