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Filer:	Shawn-Dai Linderman
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CALCCA
ADVANCING LOCAL ENERGY CHOICE

July 11, 2024

California Energy Commission
Docket Unit, MS-4
Re: Docket No. 21-OIR-01
715 P Street
Sacramento, CA 95814-5512

Re: Docket No. 21-OIR-01: Addendum to California Community Choice Association's July 3, 2024, Comments on Proposed Changes to the Power Source Disclosure Program Regulations

Dear Chair Hochschild and Commissioners,

California Community Choice Association (CalCCA) hereby submits this Addendum to its comments filed July 3, 2024, on the California Energy Commission's (Commission) *Proposed Changes (45-Day Language) to the Power Source Disclosure Program Regulations* (Proposed Regulations). This Addendum addresses a potential ambiguity in Proposed Regulation section 1392(b)(2) on excluding losses from a retail seller's electricity portfolio column(s) of the Power Content Label (PCL). CalCCA recommends the following modification (in blackline) to clarify that the prescribed calculation for unspecified power in subsection (b)(2) applies only to the "total power content" calculation:

> Annual purchases of unspecified power <u>for annual total power content reporting</u> shall be calculated as the difference between a retail supplier's loss-adjusted load and the sum of its specified purchases, minus any specified resales.

The recommended revision, explained below, remains consistent with Commission staff remarks at the June 11, 2024, Workshop, and the Initial Statement of Reasons (ISOR) on the Proposed Regulations.

Section 1392 provides the overall accounting methodology for Power Source Disclosure (PSD) reporting. Subsection 1392(b) applies to *annual* accounting and the PCL, while subsection (c) will apply to accounting for the *hourly* reports when due in 2028. Subsections 1392(b)(1)-(3) address calculating the annual fuel mix for retail supplier electricity portfolios *and* total power content:

(1) The fuel mix for each electricity portfolio and for total power content shall be calculated by aggregating net purchases of each fuel type and expressed as percentages of the retail sales of the electricity portfolio or loss-adjusted load for total power content.

(2) Annual purchases of unspecified power shall be calculated as the difference between a retail supplier's loss-adjusted load and the sum of its specified purchases, minus any specified resales.

(3) A retail supplier shall allocate net purchases of specified and unspecified power to each electricity portfolio it offered in the previous calendar year. Remaining procurement in excess of retail sales shall be allocated to total power content.

As communicated by Commission staff at the June 11, 2024, Workshop, the Proposed Regulations are intended to result in reporting on *retail sales in the PCL column for each electricity portfolio*, with *retail sales plus losses (i.e., "loss-adjusted load") in the total power content column*. Commission staff stated at the Workshop:

> Just as a point of clarification, line losses are included in the total power content on the [PCL], but losses aren't included in the columns for individual retail portfolios. The denominator for those columns is just retail sales.[1]

In addition, in response to a question as to whether loss-adjusted load is being incorporated into the individual portfolio reporting, Commission staff stated:

> Losses are only applied to that total category. So[,] the retail proposals are still based on retail sales measures, you know, through customer consumption.[2]

The express language in Proposed Regulation subsection (1) is consistent with the Commission staff remarks, in that it specifies that the fuel mix will be represented on the PCL as "percentages of the *retail sales of the electricity portfolio* or *loss-adjusted load for total power content*."[3] The ISOR confirms this interpretation:

> The specific purpose of [subsection (1)] is to clarify that a fuel mix will be calculated for retail portfolios and the category of total power content. *The fuel mix of retail portfolios will be expressed as a percentage of retail sales while the fuel mix of total power content will be expressed as a percentage of loss-adjusted load.*[4]

The express language in subsection (3) also confirms this interpretation: "[r]emaining procurement in excess of retail sales *shall be allocated to total power content*,"[5] thereby

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1 Docket 21-OIR-01, *June 11, 2024, Workshop Transcript,* at 50.
2 *Id.,* at 37.
3 Proposed Regulations, § 1392(b)(1) (emphasis added).
4 ISOR, at 21 (emphasis added).
5 Proposed Regulations, § 1392(b)(3) (emphasis added).

allocating procurement of losses only to the total power content column. Again, the ISOR confirms this interpretation:

> A retail supplier will allocate specified resources and unspecified power to its retail portfolios such that they match reported *retail sales*. All other specified or unspecified sources that were not allocated to retail portfolios will be disclosed under the *total power content category, which reflects a retail supplier's annual loss-adjusted load.* This subdivision is necessary to establish the method for allocating resources to retail portfolios and total power content.[6]

Subsection (2), however, presents a potential ambiguity as to the application of its calculation of "annual purchases of unspecified power" given it requires "loss-adjusted load" to be deducted from the sum of specified purchases minus resales.[7] If this section is not revised to reflect that "loss-adjusted load" is only to be used as the denominator in the *total power content* column, it could be interpreted as conflicting with subsections (1) and (2) referring to the use of "retail sales" for individual portfolios and "loss adjusted load" for the total power content.

Therefore, CalCCA recommends the following revision (in blackline) to subsection (2) to ensure accuracy and consistency between subsections (1) *through* (3):

> (2) Annual purchases of unspecified power <u>for annual total power content reporting</u> shall be calculated as the difference between a retail supplier's loss-adjusted load and the sum of its specified purchases, minus any specified resales.

Again, while the record (Workshop Transcript and ISOR) reflects the intent to use retail sales in the individual portfolios and "loss-adjusted load" in the total power content reporting, clarifying the ambiguity in subsection (2) will ensure accuracy and consistency in the express regulation language.

Thank you for your consideration of the recommendations in this Addendum letter.

Respectfully,

Evelyn Kahl

CALIFORNIA COMMUNITY CHOICE ASSOCIATION
Evelyn Kahl
General Counsel and Director of Policy

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6 ISOR, at 22.
7 Proposed Regulation, § 1392(b)(2).