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| **Docket Number:** | 21-OIR-01 |
| **Project Title:** | Rulemaking to Amend Regulations Governing the Power Source Disclosure Program |
| **TN #:** | 258457 |
| **Document Title:** | Supplementary Input Regarding the CEC’s Proposed Amendments to the Power Source Disclosure Program Regulations |
| **Description:** | N/A |
| **Filer:** | Jenna Sharp |
| **Organization:** | Peninsula Clean Energy |
| **Submitter Role:** | Public Agency |
| **Submission Date:** | 8/12/2024 2:57:56 PM |
| **Docketed Date:** | 8/12/2024 |

Mr. Jordan Scavo
Technical Lead, Power Source Disclosure
Renewable Energy Division
California Energy Commission
715 P Street
Sacramento, CA 95814-5512

RE: Supplementary Input Regarding the California Energy Commission's Proposed Amendments to the Power Source Disclosure Program Regulations

Docket 21-OIR-01

August 12, 2024

Dear Mr. Scavo,

Peninsula Clean Energy Authority (PCE) requests the California Energy Commission (Commission) delay implementation of the "loss-adjusted load" reporting requirement until 2026. Implementing such a requirement mid-year would raise ratepayer costs while giving a misleading impression to the public about emissions accounting on the Power Content Labels (PCLs).

PCE is a strong proponent of Senate Bill (SB) 1158 and the implementation of hourly methodology; however, the phase-in of these improvements must be done with enough lead time to not be unduly burdensome and drive-up costs for ratepayers. The hourly approach is key to achieving accuracy and decarbonization in all hours, and we recognize the complexity in this transition for emissions account. This is why SB 1158 includes a 2028 timeframe.

The proposed 2025 implementation timeline for shifting to "loss adjusted load" based reporting would be too swift and sudden of a change from current practice. This change would be unduly burdensome to all Load Serving Entities (LSEs) and would certainly elevate ratepayer costs. Creating substantial additional demand for renewable and greenhouse gas (GHG)-free attributes in the final quarter of the year during already constrained market conditions will only exacerbate our present electricity affordability crisis. For example, implementing this reporting requirement mid-year for 2024 would result in an estimated $5 million to $10 million financial impact on PCE, which would in turn increase our customers' rates.

PCE, like other community choice aggregators (CCA), is bound by the regulatory requirements created by our Board of Directors. Such requirements are commonly expressed through the PCL. A change in the procurement accounting methodology that impacts the PCL would also automatically change the binding portfolio requirements set by our Board of Directors. As a result, PCE would need to spend additional funds to ensure we still meet such requirements. If extrapolated statewide, the "loss-adjusted load" reporting could lead to more than $100 million in total costs, given that PCE accounts for less than 2% of California's load.

Moreover, the methodology change will create a great amount of confusion for the intended audience of the PCLs. All LSEs with renewable content targets would be required to procure additional renewable energy in the last quarter of the year to retroactively "cover" line losses incurred in the first three quarters of the year. This shift not only raises concerns about retroactive rulemaking, but also would be deceptive for customers if PCLs suggest that earlier line losses were covered contemporaneously.

To summarize, PCE encourages the Commission to delay the implementation of the "loss-adjusted load" reporting requirement until 2026. The current proposed timeline would lead to burdensome costs and result in a less accurate PCL.

We appreciate the opportunity to provide input to the Commission on the PCL. If you have any questions or additional information is required, please contact Jenna Sharp at jsharp@peninsulacleanenergy.com.

Sincerely,

Jenna Sharp
Regulatory Analyst
Peninsula Clean Energy Authority
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