

DOCKETED

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PG&E Comments on the Revised 15 Day Language for the Power Source Disclosure Program

Additional submitted attachment is included below.

April 14, 2016

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 2014-OIR-01
1516 Ninth Street
Sacramento, California 95814

Re: Pacific Gas and Electric Company Comments on the Proposed 15-Day Language for the
Power Source Disclosure Program Rulemaking

Pacific Gas and Electric Company (PG&E) welcomes this opportunity to provide input on the California Energy Commission's (CEC) 15-Day Language for the Power Source Disclosure Program (PSDP) Rulemaking, posted on March 29, 2016.

I. Summary of Recommendations

PG&E continues to support the CEC's efforts to update the governing regulations to the PSDP (Revised Regulations), as stated in our July 1, 2015 comments on the Pre-Rulemaking Draft Regulations¹ and our February 5, 2016 comments on the draft regulation Express Terms (February Comments).² PG&E reiterates that the information contained in the Power Content Label (PCL) should be clear as well as consistent with the electricity resource definitions of other California programs, as the PCL is the primary source for customers to learn about their power supplier's portfolio in an easily understandable form.

PG&E commends the CEC for moving forward with the process to update the PSDP, but remains concerned about the outstanding uncertainty on the issue of the disclosure of "unbundled renewable energy credits" (RECs) in the PCL. PG&E offers the following comments and recommendations to the Revised Regulations:

- The CEC should explicitly exclude "unbundled RECs"³ from being displayed on the PCL as a percentage of retail sales, at least until the regulations provide clear guidance on the display of unbundled RECs on the PCL.

¹ [Joint Utility Comments on the California Energy Commission's Power Source Disclosure Program Pre-Rulemaking Draft Regulations](#), Docket 14-OIR-01. July 1, 2015.

² [Comments of Pacific Gas and Electric Company on the Express Terms of California Energy Commission's Power Source Disclosure Program](#), Docket 14-OIR-01. February 5, 2016.

³ For the purposes of these comments, "unbundled RECs" refers exclusively to "unbundled renewable energy credits that do not qualify under the criteria of paragraph (1) or (2)" of Public Utilities Code

- The CEC should initiate a new rulemaking to address the issue of unbundled RECs on the PCL as soon as possible.
- PG&E supports the removal of the proposed terms and definitions of “non-California eligible renewable” and “WREGIS certificate” from the Revised Regulations.

II. Specific Recommendations

1. Remove Unbundled RECs from the PCL and Begin a New Proceeding to Provide Clarity in the PSDP Regulation

Unbundled RECs should be prohibited from display on the PCL at least until the PSDP regulation can be clarified

During this proceeding a number of stakeholders have requested that the CEC provide guidance on the issue of unbundled RECs.⁴ The lack of clear guidance in the original PSDP Regulations and in the Revised Regulations on the counting of unbundled RECs has made it challenging for retail electric suppliers to determine whether to include the purchase of unbundled RECs on the PCL and whether the nature of unbundled RECs is being represented correctly in the PCL. This creates uncertainty around compliance for energy suppliers, and leads to inconsistent information for customers.

In order to address these issues, the CEC should eliminate the use of any unbundled RECs in the PCL at least until the regulations can be clarified. The Revised Regulations maintain the uncertainty for retail sellers, and consequently the lack of clarity for customers. The Revised Regulations should be amended to explicitly exclude unbundled REC purchases from the PCL.

PG&E proposes the following bold and underlined addition to Section 1393(d)(3) the Revised Regulation to codify the treatment of unbundled REC purchases in the PCL:

(3) The calculations identified in this section shall be based on net purchases of all specific purchases and unspecified sources of power acquired during the previous calendar year. **The calculations shall not include unbundled Renewable Energy Credits, as defined by Public Utilities Code section 399.16(b)(3).** Calculations shall be made using the information reported to the Energy Commission in the retail supplier’s annual report as outlined in Section 1394 (a)(2)(A)(2).

The CEC should initiate a new proceeding to clarify the PSDP regulations

section 399.16(b), which are sometimes referred to as “Portfolio Content Category 3 (PCC3) RECs.”

⁴ These include [The Utility Reform Network and Natural Resources Defense Council](#), [Northern California Power Agency](#), and [San Francisco Water, Power and Sewer](#), in addition to [Pacific Gas and Electric Company](#). All these comments can be reviewed at California Energy Commission [Docket 14-OIR-1](#).

Additionally, the CEC should initiate a rulemaking to provide guidance and insight into the issue of unbundled RECs in the PCL. At a minimum, even if the CEC does not adopt PG&E's proposed language, it should initiate this rulemaking to address the uncertainties surrounding this issue. A new rulemaking would allow for a transparent stakeholder process to settle the issue of unbundled RECs for both retail sellers and customers.

The change in definition of "electricity product" to "electric service product" does not address the issue of unbundled RECs

The CEC's RPS regulations define "electricity product" as "either (1) electricity and the associated renewable energy credit generated by an eligible renewable energy resource, (2) an unbundled renewable energy credit." It is unclear whether the replacement of "electricity product" with "electric service product" addresses the issue of automatically counting RECs for inclusion in the PCL. The purpose of this change is ambiguous and does not resolve the question of whether RECs are allowed to be included in the PCL. Further clarification is required with regard to this issue through the new proceeding as suggested above.

2. Removal of "non-California eligible renewable" and "WREGIS certificate"

PG&E commends the CEC for removing the "non-California eligible renewable" and "WREGIS certificate" language from the Revised Regulations. The elimination of the non-California eligible renewable category prevents further confusion for consumers in interpreting the PCL and removes the concern that any resources indicated in this category would be eligible to create RECs for use in the PCL. PG&E also supports the removal of "WREGIS certificate" from the Revised Regulations, as requiring the use of these certificates would result in a substantially greater compliance burden on retail sellers and be duplicative of RPS compliance reporting requirements.

III. Conclusion

PG&E thanks the CEC for the opportunity to submit these comments on the Revised Regulations. PG&E looks forward to continuing to work with the CEC to ensure the successful implementation of these regulations.

Sincerely,

/s/

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