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### PASADENA WATER AND POWER

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# RE: Comments from The City of Pasadena, Water and Power Department on the Draft Staff Paper on Assembly Bill (AB) 1110 - Implementation Proposal for Power Source Disclosure, and Response to the July 14, 2017 Workshop

In response to the Draft Staff Paper ("DSP") on Assembly Bill ("AB") 1110 - Implementation Proposal for Power Source Disclosure ("PSD"), and the July 14, 2017 workshop, the City of Pasadena, Water and Power Department ("PWP") respectfully submits the following comments for review and consideration.

Over the years, many changes have been made to the PSD. PWP commends the California Energy Commission ("CEC") for its efforts on AB 1110 compliance and the stakeholder process.

#### **Customer Confusion**

PWP recommends that the CEC clearly inform customers about the need for additional requirements resulting from AB 1110. Specifically, on Page 21 of the DSP, the proposed power content label ("PCL") should include a mandatory statement explaining the rationale for the change. Many retail suppliers, such as PWP, have an active customer base that look at this data very closely. The continuing difference between the timing and requirements of the renewable portfolio standard ("RPS") compliance reporting and the mandatory reporting regulation ("MRR") for greenhouse gas ("GHG") emissions reporting, will continue to cause confusion for customers. The statement about the changes should be written in a manner that delineates the difference between the PCL, GHG and RPS reporting requirements. This should be determined through a stakeholder process, and ultimately issued and approved by the CEC.

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#### **Fugitive Emissions**

PWP is concerned about the geothermal generator fugitive emissions reporting requirements proposed on Page 8 of the DSP. This analysis is based on the MRR. However, under the MRR, generators inside California are liable for and report their own emissions. If a retail seller is not liable for emissions in the MRR, is it still required to report these emissions on the PCL? Additionally, retail suppliers will not have access to this dataset until officially published by the California Air Resources Board ("CARB") the following year. On Page 10 of the DSP, the timing of the availability of emissions intensity data for resources is discussed. For Calendar Year 2019 PSD reporting (which is due in 2020), the emissions intensity for in-state resources is based on 2018 data. Though it is possible that the emissions intensity may not change, it is still relies on inaccurate data, which will lead to customer confusion. As written, PWP cannot support this requirement. PWP recommends that the PSD reporting requirements be consistent with the MRR requirements, whereas, if a retail seller is not liable for the emissions, it should not be reported on the PCL. Since a large number of retail sellers might be affected, PWP would like more clarification on the geothermal fugitive emissions requirement and recommends that this item be discussed in detail at the next workshop.

#### Firmed and Shaped Resources

PWP is concerned with the requirements of firmed and shaped resources. Page 12 of the DSP states, "...for determining a retail supplier's GHG emissions intensity (but not its power mix), staff proposed to categorize firmed-and-shaped transactions based on the emissions profile of the substitute electricity." This analysis is based on the MRR, which only applies to entities that are the first point of delivery ("FPOD"). This means that the entity that has the first point of delivery in California is liable for the emissions associated with that resource. If a retail supplier is not the FPOD (and is not subject to MRR reporting for this resource), should the GHG emissions intensity be reported on the PCL? This lack of clarification is of concern. PWP recommends that the PSD reporting requirements be consistent with the MRR requirements, whereas, if a retail seller is not liable for the emissions, it should not be reported on the PCL. As written, PWP cannot support this requirement. Additionally, PWP recommends that this item be discussed in detail at the next workshop, as it may impact many LSEs. As written, the DSP would require all retail suppliers that report such firmed and shaped resources on their PCL to show a GHG emissions intensity (if it exists). Lastly, collecting the data for this task would be cumbersome, as it is not required by the MRR and entities may not have a method to collect this data on a regular basis.

#### **Transmission and Distribution Losses**

PWP is concerned with transmission losses reported on Page 14 of the DSP; specifically, the 2 percent import adjustment or increase. Without additional details describing the rationale for this decision, PWP cannot support this action and recommends further discussion at the next workshop.

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## Proposed Power Content Label (PCL)

PWP supports the appearance of the PCL, as proposed on Page 21 of the DSP and also supports the start date of 2020 (for calendar year 2019) for the AB 1110 PCL. This provides ample time for stakeholder engagement on PCL issues.

#### Conclusion

PWP appreciates the opportunity to submit comments in response to the DSP on Assembly AB 1110 - Implementation Proposal for Power Source Disclosure, and on the July 14, 2017 Workshop.

Should you have any questions, please contact me.

Respectfully Submitted,

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