

DOCKETED

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Additional submitted attachment is included below.

August 11, 2017

California Energy Commission
Docket Office, MS-4
Docket No. 16-OIR-05
1516 Ninth Street
Sacramento, CA 95814

Submitted Electronically

Re: Docket 16-OIR-05: Powerex’s Comments on Staff Pre-Rulemaking Workshop on Updates to the Power Source Disclosure Regulations.

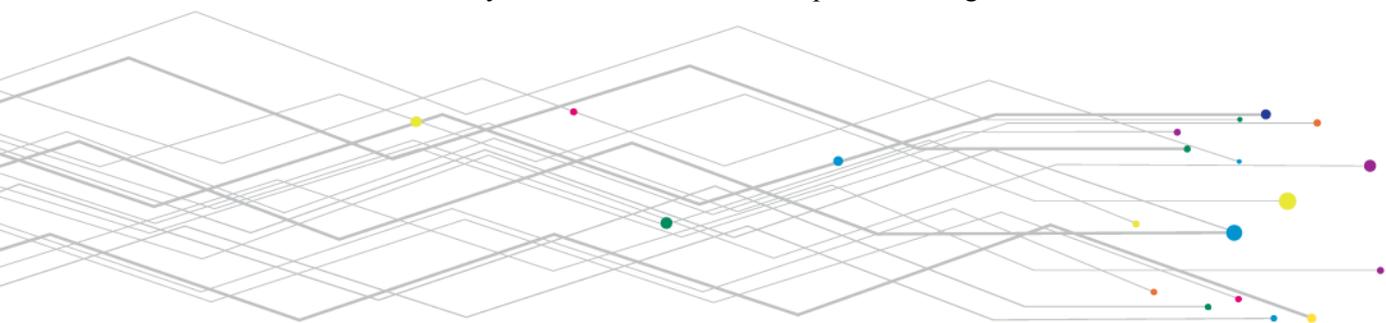
Powerex Corp. (“Powerex”) appreciates the opportunity to submit comments on the California Energy Commission (“CEC”) July 2017 *Draft Staff Paper on Assembly Bill 1110 Implementation Proposal for Power Source Disclosure* (the “Staff Paper”).

Powerex is a corporation organized under the *Business Corporations Act* of British Columbia, with its principal place of business in Vancouver, British Columbia, Canada. Powerex is the wholly-owned energy marketing subsidiary of the British Columbia Hydro and Power Authority (“BC Hydro”), a provincial Crown Corporation owned by the Government of British Columbia. Powerex sells wholesale power in the United States pursuant to market-based rate authority granted by the Federal Energy Regulatory Commission (“FERC”) in September 1997, renewed most recently on August 29, 2014.

Powerex sells power from a portfolio of resources in the United States and Canada, including Canadian Entitlement resources made available under the Columbia River Treaty, BC Hydro system capability, and various other power resources acquired from other sellers within the United States and Canada. Powerex has been delivering power to California since shortly after receiving its market-based rate authorization and is currently registered with the California Air Resource Board (“CARB”) as an Asset Controlling Supplier (“ACS”).

Pursuant to AB 1110, the CEC is required to adopt a methodology, in consultation with CARB, for the calculation of greenhouse gas (“GHG”) emissions intensity on the Power Source Disclosure (“PSD”) label for electricity supplied by retail suppliers to their customers.

Powerex is generally supportive of the approach outlined in the Staff Paper to align a retail supplier’s GHG emissions intensity factor based on data reported through and methods used under CARB’s



Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (the “MRR”). The determination of a consumption-based emission intensity factor is a complex issue and Powerex appreciates the work that CEC staff has done to date.

Powerex submits these comments with respect to the treatment of electricity that is sourced from an ACS.

Treatment of Electricity from an Asset Controlling Supplier

Powerex is supportive of assigning CARB’s ACS-specific GHG emission intensity to transactions from ACS systems.¹ Using the ACS greenhouse gas emission intensity will allow load-serving entities to account for the GHG emission intensity of electricity sourced from ACS systems, reduce the regulatory burden on PSD program participants, and maintain consistency with CARB’s key emissions reporting and compliance programs.

However, for power mix purposes, the Staff Paper proposes to categorize an ACS transaction as an unspecified source. As discussed below, Powerex encourages the CEC to modify its proposal and treat ACS transactions as a specified source for power mix purposes. Electricity sourced from an ACS system could be disaggregated into its respective resource mix (e.g. large hydro, small hydro, wind, solar, etc.) based on similar data that an ACS provides to CARB.

CARB has developed a robust reporting framework in order to determine the GHG emission factors for ACS systems. Pursuant to Section 95111(f) of the MRR, owners or operators of electricity generating facilities or exclusive marketers for certain generating facilities may apply for an ACS designation from CARB. The MRR provides for certain reporting requirements in order for CARB to calculate and publish the supplier’s ACS system emission factor. These reporting requirements include generation data, specified and unspecified purchases delivered into the ACS system, and specified sales out of the ACS system.

As the Staff Paper properly recognizes, ACS have system mixes composed primarily of large hydroelectric plants with a small portion of other generation sources. California customers should rightly be informed that the electricity sourced from an ACS system is composed primarily of large hydroelectric resources, with a small percentage coming from other generation types, as well as being informed of an ACS system’s low GHG intensity.

Additionally, the PSD label is a consumer facing program. Aligning the ACS emission intensity for GHG purposes with a disaggregated ACS system mix for power mix purposes would avoid unnecessary consumer confusion. Such an approach would provide California customers with a better reflection of the sources of the electricity that they consume, even when this electricity is sourced from an ACS system.

The CEC should develop a reporting framework so that electricity from ACS systems could be disaggregated into its respective resource mix. For example, an entity that is approved by and registered with CARB as an ACS could provide generator data aggregated based on generation type to the CEC. As an ACS supplier since 2013, Powerex believes its experience with the CARB reporting framework would be of assistance to CEC staff in developing a suitable reporting framework.

¹ See Section 95111(b)(3) of the MRR for the methodology used to calculate the ACS emission factor.

Powerex appreciates the opportunity to submit these comments and thanks you for your consideration. If you have any question, please do not hesitate to contact the undersigned.

Kind regards,

/s/

Michael Benn
Energy Trade Policy Analyst
Powerex Corp.
mike.benn@powerex.com
604.891.6074