

## DOCKETED

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<b>Project Title:</b>	Power Source Disclosure - AB 1110 Implementation Rulemaking
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*Comment Received From: Danielle Mills*

*Submitted On: 8/11/2017*

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**ACC Comments on AB 1110 Implementation Draft Proposal**

*Additional submitted attachment is included below.*



August 11, 2017

California Energy Commission  
Dockets Office, MS-4  
Re: Docket No. 16-OIR-05  
1516 Ninth Street  
Sacramento, CA 95814-5512

**RE: Assembly Bill 1110 Implementation Proposal for Power Source Disclosure**

Dear Mr. Scavo:

The American Wind Energy Association (AWEA) California Caucus appreciates the opportunity to submit comments on the July 14<sup>th</sup> CEC Staff workshop and the Assembly Bill (AB) 1110 Implementation Proposal for the Power Source Disclosure program. AWEA is the national trade association for the U.S. wind industry, and the AWEA California Caucus (ACC) is a group of member companies interested in directing the economic and environmental benefits of utility-scale wind energy to California customers, while affordably and reliably supporting state energy goals. Members of ACC include global leaders in utility-scale wind energy development, ownership, and operations. Many members also develop and own other energy infrastructure such as transmission lines, utility-scale solar, and energy storage. ACC is unanimous in its commitment to a diverse and balanced portfolio in California to reliably and affordably meet state energy needs and environmental goals.

ACC is concerned that the proposed treatment of imported electricity in the staff paper could severely restrict the ability for retail sellers to procure out-of-state energy that is eligible for the Renewable Portfolio Standard (RPS) in the future, and could render existing contracts less valuable by improperly attributing emissions to renewable sources of electricity that are located outside of California. The proposed treatment could create market uncertainty and disruption, and compromise California's ability to achieve a balanced renewable portfolio to cost-effectively and reliably achieve statewide greenhouse gas and renewable energy targets. As such, we recommend that CEC staff take additional time to discuss market fundamentals with stakeholders, including retail sellers and renewable energy developers, owners, and operators.

As a premise, ACC submits that nothing in AB 1110 implementation should impact the marketing or value of Renewable Energy Credits (RECs). ACC's most pressing concern relates to the proposed treatment of 'firmed and shaped' resources that are RPS-eligible under Procurement Content Category (PCC) 2 resources. We also have more general concerns with the treatment of unbundled RECs, which is inconsistent with best practices

and federal guidance, and could disrupt voluntary renewable energy markets and broader accounting schemes. ACC's fundamental concern with the staff Proposal is that it would assign emissions attributes to entities that do not hold the RECs. The WREGIS Operating Rules make clear that a REC conveys the emissions attributes, and assigning these emissions attributes to market participants that did not pay for the emissions attributes undermines the investment entities procuring RECs have made. When the end user of the RECs is a California Load Serving Entity ("LSE"), the staff proposal would provide misleading information by assigning emissions attributes even though the LSE procured the RECs.

Specifically, the draft proposal suggests using the emissions profile of the substitute (firmed and shaped) power delivered into California to calculate the GHG emissions of the electricity product instead of the emissions profile of the generator from which the RECs were derived. ACC is concerned that this treatment runs counter to California's RPS and the ARB's application of the "RPS Adjustment", both of which acknowledge the greenhouse gas benefits associated with firmed and shaped renewable resources. ACC is concerned that such treatment by the CEC would devalue existing contracts with out-of-state renewable resources and discourage future delivery of high capacity factor wind under PCC 2 by inaccurately attributing emissions of system power to the resource.

ACC appreciates the opportunity to review the staff proposal on implementation of AB 1110 and the additional time offered to stakeholders. We look forward to further discussions with stakeholders and CEC staff prior to finalizing these important rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Danielle", with a long horizontal flourish extending to the right.

Danielle Mills  
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