

DOCKETED

Docket Number:	16-OIR-05
Project Title:	Power Source Disclosure - AB 1110 Implementation Rulemaking
TN #:	220734
Document Title:	Modesto Irrigation District Comments on CEC Draft Staff Paper For AB1110- Implementation Proposal for PSD
Description:	N/A
Filer:	System
Organization:	Modesto Irrigation District (MID)
Submitter Role:	Public Agency
Submission Date:	8/13/2017 9:55:54 AM
Docketed Date:	8/14/2017

Comment Received From: Dave Olivares

Submitted On: 8/13/2017

Docket Number: 16-OIR-05

MID Comments on CEC Draft Staff Paper For AB1110- Implementation Proposal for PSD

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

Submitted via e-filing system.

Re: AB 1110 Pre-Rulemaking Workshop held July 14, 2017

MID appreciates the opportunity to provide comments on CEC staff's implementation proposal for the reconciliation of the requirements in AB 1110 and the existing PSD program. Developing a single reporting mechanism with multiple inputs is not an easy task, especially when there are multiple programs involved: the existing PSD, the mandatory reporting regulation (MRR) for greenhouse gas emission (GHG) reporting, and the renewable portfolio standard (RPS). Add to that another layer of complexity by considering the various ways in which each of the state electric utilities determine their compliance strategies and you can still get just as many different ways to present information on a power content label (PCL). MID commends staff on the undertaking and provides the following comments for consideration.

GHG Emissions of Firmed and Shaped Electricity Products

Staff's proposal in the Draft Staff Paper (DSP), consistent with the current MRR process, outlines that substituted electricity in a firmed or shaped arrangement for delivery of renewable energy would be assigned a default emissions factor of 0.428 MT CO₂e/MWh. Within the MRR process, electric utilities are able to offset a part of the GHG emissions associated with substitute electricity by using the RPS adjustment protocol which requires the retirement of the renewable energy credits (RECs) associated with the renewable energy that was generated and firmed or shaped for delivery into California.

While the DSP explains that the intention is to report on the entire emissions profile of the electricity that was used to serve the electric utility's load, consideration should be given to the laws and regulations that were in place at the time that those resources were procured. MID is concerned that the full value of the zero emission renewable energy is not recognized by the proposed reporting structure. When the firmed and shaped resources that are currently in MID's portfolio were procured, the procurements were conducted in accordance with the regulations that were in place at that time, with the understanding that those resources would help the state achieve its environmental goals and that MID's customers would receive all the environmental benefits that they are paying for. MID recommends that grandfathered firmed and shaped resources be treated in a manner consistent with the PCL- where each unit of zero emission energy from a bundled renewable energy product that is firmed and shaped is recognized as eligible renewable energy generation in a utility's filing.

Unspecified Sources of Power

While the DSP outlines that emissions from unspecified power sources should be treated in a manner consistent with the MRR, MID notes that the application of the default emission factor does not capture the benefit of the additional renewable energy resources that have been constructed and placed into commission since the default emission factor was developed. For example, between 2009 and 2016, there have been an additional 3,111 megawatts (MWs) of wind generation that have been placed into production within the BPA balancing authority.¹ The latest information from the CEC indicates a similar level of development in wind resources (3270 MWs as of December 31, 2015).² However, the total installed capacity of renewable energy resources within California is 10,082 MWs between 2009 and end of 2015. MID recommends further evaluation of the accuracy of the default emission factor. While it may be difficult to update the default emission factor, MID believes that it would be fruitless to pursue accuracy in other areas of emission reporting when such an outdated assumption persists. For similar reasons, MID also believes that further consideration should be given to applying separate default emission factors for imports and for in-state purchases.

Conclusion

MID appreciates the opportunity to comment in this process and recommends further discussion of the items identified above during future stakeholder meetings.

Sincerely
Modesto Irrigation District



Martin Caballero
Manager, Resource Planning and Development
Modesto Irrigation District
1231 Eleventh Street
Modesto, CA 95352

¹ https://transmission.bpa.gov/Business/Operations/Wind/WIND_InstalledCapacity_LIST.pdf

² http://www.energy.ca.gov/renewables/tracking_progress/documents/installed_capacity.pdf