

DOCKETED

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Revised Assembly Bill 1110 Implementation Proposal for Power Source Disclosure

Additional submitted attachment is included below.

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Jordan Scavo
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California Energy Commission
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Subject: **Docket No.16-OIR-05 / Revised AB 1110 Implementation / Needed Inclusion of “Delivered” Energy rather than Energy “Purchases”**

Dear Mr. Scavo:

I appreciate this opportunity to submit comments and proposed revisions to your Revised AB 1110 Implementation document. These suggested revisions are provided from a retail consumer's point of view with sole interest in achieving transparency of energy reporting and power content labels.

Transparency for retail consumers remains a present-day concern; even as AB 1110 is being implemented through the CEC's workshop process, Load Serving Entities (LSEs) and consultants continue practices that are contrary to the known objectives of AB 1110.¹ Resisting transparency underscores the need for comprehensive verification of claimed energy deliveries to retail customers.² This is particularly the case if the reduction of global warming gas emissions is prioritized over LSE financial gains.

Central to the comments in this letter is the need to acknowledge the shortcomings of reporting energy *purchases*, which introduces myriad disclosure, interpretation, and transparency problems for retail consumers. Alternately, the exclusive reference to energy *deliveries* to a California Balancing Authority area (CBO) eliminates opaqueness that is associated with the Power Source *Disclosure* Program (PSDP) and Power Content Labels (PCL). Under any circumstances, whatever processes are implemented pursuant to this workshop, they must be such that robust automated audits can cross-reference all data.

¹ LSE MCE appears ready to revise its GHG emission rate with after-the-fact adjustments. According to MCE's note at bottom of its [price calculator](#) (updated 1-24-2018), MCE waits for PG&E to publish its annual GHG emission intensity (now 14 months after the close of the emission year), then, if needed, adjusts its own GHG emission rate in order to undercut PG&E's annual rate. This behavior continues despite a detailed [review](#) that identified previous revisions to MCE's 2011 GHG emission rate. MCE refers to its after-the-fact revisions as a "true-up". Further, consultant Pacific Energy Advisors -- which performs GHG emission consulting for MCE and many other CCAs that brand themselves as "clean energy" alternatives to IOUs -- continues to promote the use of unbundled RECs as a method of green-washing electricity that is repackaged and sold to retail consumers as "[Green](#)."

² Requests for [procurement records](#) of unspecified sources of electricity were dismissed by MCE. This is contrary to MCE's commitment prior to its business launch that *unlike PG&E, Marin Clean Energy will conduct itself in an open and transparent manner*. Requests for MCE's procurement records were made in order to reconcile its reported volumes of unspecified sources with retired unbundled REC volumes, as well as identification of additional unspecified energy volumes relating to large hydro imports, all as noted in MCE's Integrated Resource Plan and PSDP Schedule 1.

Delivery Confirmation for PCC2 Substitute Power, Large Hydro Imports, and PCC1 Energy

It is understood that CEC staff has not yet determined how LSEs would identify substitute power deliveries to CBO for Portfolio Content Category 2 (PCC2; firm-and-shape energy). I propose that CEC adopt hourly reporting for these imports as was previously adopted by the CPUC for Preliminary 33% RPS Compliance Reports; these RPS reports include [hourly](#) E-Tags (beginning page 20 of 34 (large file) that identify all import energy volumes, including resource name (from which fuel type may be determined). Note that neither the LSE nor the Purchasing Selling Entity is included on these E-Tags, underscoring the need for an automated and robust cross-reference of E-Tags for audit purposes.

1. Because many large hydro contracts include firm-and-shape type substitute energy clauses for imports into California, reporting large hydro and associated substitute energy deliveries should be consistent with PCC2 reporting as noted above, via hourly E-Tags;
2. Imported PCC1 energy deliveries should also be confirmed via hourly E-Tags;
3. In-state PCC1 energy and large hydro deliveries should be reconciled via Resource Adequacy forecasts and generator supply plans;
4. No banking is allowed.

GHG Emissions

GHG emissions should be determined based upon the volume of GHG-emitting energy that is delivered to CBOs; emissions for specific generators would be in accordance with page 10 of the subject document ³ and specifically calculated by:

- A weighted average for GHG emissions would be calculated for PCC2 deliveries to CBO where applicable emission rates would be applied to each GHG-emitting energy source;
- A weighted average for GHG emissions would be calculated for all large hydro contract deliveries (imported energy which typically includes substitute energy clauses), where applicable emission rates from emitting resources would be applied to each GHG-emitting energy source and factored into the LSE's annual GHG emission intensity;
- Applicable GHG emissions from PCC1 resources such as geothermal would be applied to each GHG-emitting source; in-state generation (or imports) would be confirmed by E-Tag (imports), Resource Adequacy forecasts, and generator supply plans;
- On-site renewable generation would require a REC. Applicable GHG emission rates would be a weighted average if multiple generators dispatch energy;
- Unspecified sources would receive CARB's GHG emission rate;
- No banking is allowed.

³ “[CEC] Staff proposes to calculate generator-specific GHG emissions intensities by dividing total GHG emissions of CO₂e by the annual net generation reported to EIA (Form 923).”

RPS Reporting, PSDP Schedule 1, and Power Content Label (PCL) Reporting

RPS reporting should be a separate administrative submittal from energy volumes that are compiled and included into an LSE's PCL and PSDP Schedule 1 as follows:

- Associated eligible renewable energy delivery volumes for PCC1, PCC2, and PCC3 volumes that comply with RPS reporting rules would be fully credited, in accordance with associated megawatt-hours on RECs, toward the LSE's annual RPS. This is consistent with CEC staff's subject document, page 21 – paragraph two.
- Eligible renewable energy volumes, large hydro volumes, and other GHG-free energy volumes, would be reported on PSDP Schedule 1 and PCL only to the extent that these claimed energy volumes are delivered to a CBO within the calendar reporting year. Limits on PCC2 and PCC3 would be consistent with those noted in the subject document.
- Eligible renewable energy volumes, large hydro volumes, other GHG-free energy volumes should only be reported on the PCL and PSDP Schedule 1 to the extent that hourly E-Tags (imports) or Resource Adequacy forecasts and generator supply plans confirm delivery to CBO.
- On-site renewable generation that is self-consumed would require a bundled REC, and would be reported per above.

Power Content Label: Procurement is misnomer -- "Delivery" is key to consumer transparency

Assuming that the purpose of the Power Content Label is to assist consumers with making accurately informed energy choices, consumers are best served by being informed about energy that is actually *delivered* to a CBO on their behalf. This differs from CEC staff's revised draft for PCC2 energy (and large hydro), as identified on page 21 – paragraph 2, "**Power Mix**." However, *delivery* --hence, retail consumption -- is consistent with CEC's website which says:

Just as a nutrition label provides information about the food you eat, the power content label provides information about your electricity.⁴

"Eat" must equate to delivery. Otherwise, CEC's website description of the power content label should be rewritten to read:

Just as a nutrition label implies the contents in your food are as listed, frequently the ingredients are substituted and rebranded, and do not represent what you believe you will be serving to your family for dinner; this is much like the power content label, which does not represent the energy you are led to believe you are consuming in your home or business.

⁴ http://www.energy.ca.gov/pcl/power_content_label.html

Without delivery-consistency between annual GHG emissions intensity and the power content label, consumers will be misled or confused by LSE marketing after publication of a Power Content Label. For instance:

1. Advertisements claiming “According to the Power Content Label, we have the largest Wind content,” when those PCC2 Wind energy volumes are not delivered to CBO, or;
2. How it is that an LSE with “the largest Wind content” has a higher GHG emission intensity than a competitive offering?

Unless energy *deliveries* to CBOs are the central requirement for annual GHG emissions intensity calculations and power content labels, the transparency that AB 1110 seeks to deliver to retail consumers will remain clouded. This is particularly the case given the history of LSEs that have already engaged in marketing campaigns that obfuscate previously released^{5, 6} or soon-to-be released Power Content Labels.¹

Yours sincerely,

Jim Phelps

⁵ Marin Independent Journal, Marin Voice, ["Making informed energy choices."](#) published 7/18/2013, authored by MCE board members Kate Sears and Ford Greene. This Op/Ed is based upon a comparison between MCE's and PG&E's power content labels, as shown in footnote 6, below. Among the Op/Ed claims: (1) *MCE is an effective alternative to our reliance on fossil fuels that drive climate change; it relies on renewable energy, something PG&E struggles to do --* yet, MCE was one of the highest volume fossil-fuel-delivering LSEs in the western U.S., on a per ratepayer basis, when green-washing with unbundled RECs is acknowledged, and (2) *[T]here is no nuclear-specific generated electricity in the MCE mix and thus no issue with the inability to safely dispose radioactive waste –* yet, MCE fails to disclose that it extracts the GHG-free attributes from the nuclear energy in its system power purchases, and then uses those attributes to lower its own annual CO₂e emission intensity factor (see ["Making informed energy choices"](#) link, page 4 of 5).

⁶ MCE – PG&E [comparative PCLs](#) mailer that is the basis of MCE's Op/Ed, “Making informed energy choices,” in footnote 5, above.