

DOCKETED

Docket Number:	16-OIR-05
Project Title:	Power Source Disclosure - AB 1110 Implementation Rulemaking
TN #:	222700
Document Title:	Comments from The City of Pasadena, Water & Power Department on the AB 1110 Implementation Proposal for Power Source Disclosure
Description:	N/A
Filer:	System
Organization:	City of Pasadena, Water and Power
Submitter Role:	Public Agency
Submission Date:	2/23/2018 1:23:47 PM
Docketed Date:	2/23/2018

Comment Received From: Mandip Samra

Submitted On: 2/23/2018

Docket Number: 16-OIR-05

Comments from The City of Pasadena, Water and Power Department on the AB 1110 Implementation Proposal for Power Source Disclosure

Additional submitted attachment is included below.

February 23, 2018

California Energy Commission (CEC)
Dockets Office, MS-4
RE: Docket No. 16-OIR-05
1516 Ninth Street
Sacramento, CA 95814

DOCKET# 16-OIR-05

Submission Type: efile

RE: Comments from The City of Pasadena, Water and Power (“PWP”) Department on Assembly Bill (“AB”) 1110 Implementation Proposal for Power Source Disclosure (“PSD”) dated January 17, 2018, the Proposed Annual Report Form and the February 1, 2018 Workshop on the Updates to the PSD

In response to the Revised AB 1110 Implementation Proposal for PSD (“Revised Proposal”) dated January 17, 2018, the Proposed Annual Report Form, and the February 1, 2018 Workshop on the Updates to the PSD, PWP respectfully submits the following comments for review and consideration. These comments supplement the comments submitted by PWP on August 3, 2017.

As stated in previous comments, over the years, many changes have been made to the PSD Program. PWP commends the California Energy Commission (“CEC”) for its efforts on AB 1110 compliance and the stakeholder process.

Revised AB 1110 Implementation Proposal for PSD dated January 17, 2018

PWP appreciates the CEC’s consideration of stakeholder comments on the Revised Proposal.

Customer Confusion

PWP appreciates the CEC’s explanation about the RECs in Mix Accounting on Page 14 of the Revised Proposal. However, PWP still recommends that the CEC clearly inform customers about the need for additional requirements resulting from AB 1110, otherwise it will continue to lead to customer confusion. Specifically, on Page 28 of the Revised Proposal, the proposed Power Content Label (“PCL”) should include a mandatory statement explaining the difference between AB 1110 Reporting and the State Renewable Portfolio Standard (“RPS”) reporting requirements. Many retail suppliers, such as PWP, have an active customer base that look at this data very closely. It is confusing when an entity reports one % of renewable resources in the PCL and a different % of renewable resources based on the State RPS reporting.

The difference between the timing and requirements of the renewable 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, MRR and RPS reporting requirements and reference the specific mandate. This language should be determined through a stakeholder process, and ultimately issued and approved by the CEC.

Inconsistency with MRR

The MRR 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 the Revised Proposal is written, the consistency between the MRR and PCL for this matter, is unclear.

On Page 23 of the Revised Proposal, it states “...Energy Commission staff is not aware of a simple and reliable method of distinguishing between in-state and imported sources of specified electricity purchased through open market transactions. Furthermore, Energy commission staff analysis indicated that the average GHG emissions factor of in-state marginal generation did not substantially deviate from CARBS GHG default emissions for imported sources of unspecified electricity.” Again, in-state GHG’s, as part of the MRR, are the responsibility of the entity that is the FPOD or the generator itself. This GHG emissions factor is not consistent with the MRR rule.

On Page 23 of the Revised Proposal, it states “Staff proposes that unspecified electricity, including any electricity that may be transacted through the EIM, be assigned CARB’s default emissions...” This is inconsistent with the MRR, as CAISO purchases are not assigned a GHG emissions factor. The GHG emissions associated with CAISO purchases are the responsibility of the generator/operator. PWP feels that these GHG emissions should not be included in the PCL.

As mentioned in previous comments, PWP recommends that this item be discussed in detail at the next workshop, as it may impact many LSEs.

Other Proposed Program Changes

On Page 26 of the Revised Proposal, it states, “...Section 1394(b)(2) of the current PSD regulations will be clarified to establish an October 1 due date for a retail supplier that is a public agency to submit the minutes from the public meeting in which the governing board approved the annual report to the Energy Commissions.... the auditing procedures in Appendix A will be simplified....” Currently, PWP hires an auditor to review the data and it would be helpful to review the proposed changes to Appendix A to understand the impact of these changes We appreciate the CEC’s continued flexibility in the approval/auditing process for the PSD documents.

PWP strongly supports the CEC’s recommendation to exclude GHG emissions with a retail supplier’s self-consumption, as well as transmission distribution, power wheeling, and transmission-interconnected energy storage.

PWP appreciates the clarification on the PSD Program Accounting, as provided on Page 19 of the Revised Proposal.

Proposed Power Content Label (PCL)

PWP supports the numerical appearance of the PCL, as proposed on Page 28 of the Revised Proposal 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.

However, as mentioned earlier, there needs to be a clear statement about the difference between the PCL, State RPS and MRR on the PCL. Additionally, some clarification on the PCL changes (from the current version to the AB 1110 version) on the actual PCL, would be helpful.

Proposed Annual Report Form

PWP thanks the CEC for allowing entities to review and provide comments on the Proposed Annual Report Form.

Schedule 4

PWP does not recommend the inclusion of Biogenic CO₂ Emissions Intensity as a report item on the PCL, as implied in Schedule 4. Many utilities throughout the state are mandated to procure biomass, per SB 859, which was signed into law on September 14, 2016. SB 859 requires large utilities (with more than 100,000 electric customers) to procure a share of 125 MW from biomass facilities. If this CO₂ data is required, there should be a mandatory statement about the regulation requiring the purchase of biomass resources. Without this statement, it implies that utilities willingly entered into these resources knowing there was a CO₂ obligation. This is both unfair and inaccurate. The Revised Proposal references that the Biogenic CO₂ will only be listed as a footnote on the PCL and not included in the overall GHG intensity. Though this is a step in the right direction, PWP proposes that this item be excluded all together. We understand that this is consistent with the mandatory reporting rule ("MRR") regulations, however, there needs to be a clear signal that some entities entered into biomass contracts as a result of SB 859.

In Schedule 4, the reference to Biogenic is inconsistent. The value refers to biomass and biowaste. Why not label all of these resources Biogenic to reduce confusion? However, as stated above, we do not think that the CO₂ for biogenic resource should be included. If the CEC decides to continue to list this, it should be referred by the same name throughout the filings (either biogenic or biomass/biowaste).

Generator GHG Emissions Factors

As referenced in previous comments, the GHG emissions factors are not consistent with the year the data is being reported for the PCL. The GHG emissions factors will be one year behind this report. Though emissions factors may not vary much- there is a possibility of entities entering into biomethane or biofuel contracts for natural gas facilities, which may not be captured in this tab. Due to the one year lag, there needs to be an option to modify this data if there is a significant

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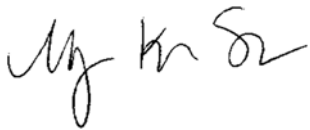
change in the emissions output, year to year, to capture accurate data. Page 13 of the Revised Proposal implies that the GHG emissions factors do not vary much from year to year, so a one year delay in MRR data is minor. PWP strongly recommends some flexibility to this calculation, especially in case when there is a big discrepancy in GHG emissions data, year to year. This should be considered on a case by case basis.

Conclusion

PWP appreciates the opportunity to submit comments in response to the Revised AB 1110 Implementation Proposal for PSD (“Revised Proposal”) dated January 17, 2018, the Proposed Annual Report Form, and the February 1, 2018 Workshop on the Updates to the PSD

Should you have any questions, please contact me.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Mandip Kaur Samra". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

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