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LADWP Comments on Updates to the Power Source Disclosure Program Public Workshop

Additional submitted attachment is included below.

**BEFORE THE ENERGY COMMISSION
OF THE STATE OF CALIFORNIA**

In the matter of:)	Docket No. 16-OIR-05
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AB 1110 Implementation Rulemaking)	STAFF WORKSHOP
)	RE: AB 1110 Implementation
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**COMMENTS FROM THE LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) TO
PRE-RULEMAKING WORKSHOP ON UPDATE TO THE POWER SOURCE DISCLOSURE
REGULATION**

The Los Angeles Department of Water and Power (LADWP) appreciates the opportunity to submit written comments on the February 1st, 2018 Pre-Rulemaking Workshop on updates to the Power Source Disclosure Regulation.

The LADWP is a vertically-integrated publicly-owned electric utility of the City of Los Angeles, serving a population of over 4 million people within a 465 square mile service territory that covers the City of Los Angeles and portions of the Owens Valley. The LADWP is the third largest electric utility in the state, one of five California balancing authorities, and the nation's largest municipal utility. The LADWP's mission is to provide clean, reliable water and power in a safe, environmentally responsible, and cost-effective manner.

Below are LADWP comments on the *Revised Assembly Bill 1110 (AB 1110) Implementation Proposal for Power Source Disclosure* that was posted on January 17, 2018.

I. Unbundled RECs should be reported in a separate category in the Eligible Renewable Section of the Power Content Label

AB 1110 requires the disclosure of unbundled RECs. To accomplish this in a transparent manner, LADWP recommends adding a sixth category called "Unbundled RECs" in the Eligible Renewable section of the Power Content label. Reporting the unbundled RECs as a separate category in the Power Mix will provide the desired transparency while still recognizing that unbundled RECs are an RPS eligible product. Unbundled RECs are eligible RPS energy products certified and verified by the CEC and are counted towards the electric utility's renewable targets under state legislation as administered under the CEC's RPS program. RECs represent the generation attributes and emission profile of energy whether bundled or unbundled. Excluding unbundled RECs from the Power Mix would fail to recognize the utility's procurement of an RPS eligible product and negatively skew the renewable percentage on the Power Content Label.

II. Disclosure of Renewable Energy Percentage to Customers

The Power Source Disclosure regulation requires annual disclosure of the electric utility's portfolio power mix, including the percentage of renewable electricity **procured**, to consumers on a Power Content Label. LADWP would like to highlight that it is very important to maintain consistency between the percentages of renewable energy on the Power Content Label and the percentages of renewable energy procured to comply with California's Renewable Portfolio Standard (RPS) program, to minimize confusion to customers. The Power content label is the primary means of communicating to customers that the electric utility is meeting the RPS requirements. Historically, the renewable energy percentage on the Power Content Label has been approximately the same as the renewable energy percentage required by the RPS program, so customers could see how well their electric utility was complying with the RPS program.

However, the proposed removal of unbundled RECs from the Power Mix would negatively skew the actual amount of renewable energy procured on an annual basis to comply with the RPS program. For example, removal of the unbundled RECs from LADWP's 2015 Power Content Label would reduce the renewable energy percentage by 3 percent. This reduction in renewable energy is significant, and customers will be confused over why the percent of renewable energy appears to be going down instead of up and questioning whether their electric utility is achieving the renewable energy percentage required by California's RPS program.

Furthermore, LADWP disagrees with the proposal to retire unbundled RECs prior to including them on the Power Content label. The reporting requirements for RPS compliance periods along with the decision to retire RECs can be driven by a variety of prospective factors. These forward looking factors may dictate different approaches by a utility than the approach for the Power Content Label, which is entirely retrospective in nature.

For example, based on forecasting models for renewable generation along with anticipated renewable energy purchases, a utility may decide not to retire unbundled RECs in any one particular year during a compliance period. Forcing a prospective decision for the Power Content Label changes the very character of the Power Content Label, which is supposed to be a "simple to understand" snap-shot of sources "for the previous contract year," that is a past power mix. Public Utilities Code §§398.1(b) and 398.4(a). Whether a utility retired RECs should be reflected in the Power Content Label, but the Power Content Label shouldn't prematurely force a decision by the utility. Forcing the retiring of unbundled RECs would result in odd percentages in the annual renewable energy percentage compared to the RECs that may be retired at the end of the multi-year RPS compliance period.

III. Timing of Power Source Disclosure Report

If REC retirement is required for unbundled RECs to be included in the Power Source Disclosure (PSD) report, the timing of the PSD report should align with the RPS compliance periods. The annual reports would then match the percentages provided in the final year of the multi-year RPS compliance period. For example, the PSD for 2014 wouldn't be due until after July 1, 2017. This way the RPS report would be consistent with the percentages in the PSD report. Therefore, LADWP recommends delaying the deadline for submitting the annual PSD report.

IV. GHG Emissions should not be assigned to Firmed – and – Shaped Renewable Energy

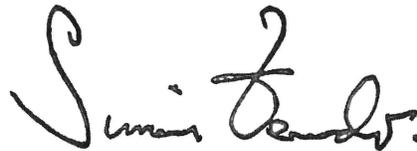
The intent of the Power Content label per bill AB 162 (Statute of 2009) and Senate Bill 1305 (Statutes of 1997) is for electricity suppliers to disclose information to California consumers about the energy resources used to generate the electricity they sell. LADWP disagrees with the proposal to assign default GHG emissions (for unspecified electricity) to zero emission renewable electricity procured that is delivered as a Firmed- and Shaped RPS eligible product because doing so would be inconsistent with the RPS program. The Power Content Label should focus on what type of energy is procured by the electric utility for its customers rather than the form of delivery of the electricity.

The LADWP appreciates the opportunity to submit these comments. If you have any questions, please contact me at (213) 367-2525 or Ms. Sangeetha Losari at (213) 367-2315.

Dated: February 23, 2018

Respectfully Submitted,

By:

A handwritten signature in black ink, appearing to read "Simon Zewdu". The signature is written in a cursive style with a large initial "S".

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