

DOCKETED

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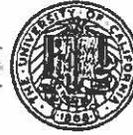
Comment Received From: Cynthia Clark

Submitted On: 3/6/2018

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UCRegents Comments on Power Source Disclosure Revised Implementation Proposal

Additional submitted attachment is included below.



OFFICE OF THE PRESIDENT

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March 6, 2018

California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket No. 16-OIR-05, The Regents of the University of California's Comments on the Revised Implementation Proposal for Power Source Disclosure

Dear Energy Commission,

The Regents of the University of California, in its role as an Electric Service Provider ("UC") respectfully submits the following comments to the California Energy Commission ("Commission") regarding the Draft Staff Paper entitled "*Revised Assembly Bill 1110 Implementation Proposal for Power Source Disclosure*" ("Revised Proposal").

UC is comprised of ten campuses and five academic medical centers throughout California with over 238,000 graduate and undergraduate students and more than 190,000 faculty and staff. In 2013, UC announced its Carbon Neutrality Initiative, committing UC to net zero greenhouse gas emissions ("GHGs") by 2025. This goal is a first for any major research university and significantly expands upon the state's GHG reduction and renewables portfolio standard ("RPS") goals. In addition to the Carbon Neutrality Initiative, each individual UC campus has adopted its own sustainability goals leading to substantial investments in energy efficiency and behind-the-meter renewable generation. To help achieve the ambitious goals of UC's Carbon Neutrality Initiative, UC registered as an Electric Service Provider ("ESP"), operating under The Regents of the University of California (CPUC ESP#1389), which in 2015 took over the role of providing Direct Access ("DA") service to approximately 500 UC accounts spanning all or a portion of seven campuses and three medical centers. Approximately 25 percent of UC's total purchased electricity load is now served by UC.

A goal of the Power Source Disclosure ("PSD") program and the corresponding Power Content Label ("PCL") is to inform consumers about the power they consume in a simple and accessible format. The Commission's website describes the PCL to be "a simple, quick check of your electric retail supplier's power sources and renewable

energy profile, and its performance relative to other retail suppliers and the state as a whole.” The website also states, to consumers, that “your electricity choice does make a difference, because you decide what kinds of electricity are fed into the electricity grid.” In light of these statements, implementation of the contemplated Revised Proposal could be confusing to consumers, and potentially contain misleading information.

Separate rules: By establishing separate rules for power mix accounting versus GHG emissions intensity accounting, the Revised Proposal may create the situation where consumers are presented with Power Content Labels that can have a similar energy resource mix but different GHG emissions intensities. This has the potential to create confusion.

Environmental Attributes: UC believes that the Commission’s implementation of AB 1110 should be generally consistent with the eligibility protocols in California’s RPS program. In particular, the RPS structure allows compliance using procurement of unbundled RECs, where those RECs represent generation from Commission-certified, renewable facilities that are tracked in the Western Renewable Energy Generation Information System (“WREGIS”), to ensure that the renewable nature of the generation is claimed once and only once. A REC includes the right to claim procurement of renewable electricity, and the right to claim the emissions attributes of that electricity. Whether a REC is bundled or unbundled is a contractual matter that has no bearing on the emissions attributes of the REC. While AB 1110 requires the addition of a GHG intensity to the Power Content Label and identification of the portion of annual sales derived from unbundled RECs, it does not require a change in the treatment of unbundled RECs.

Consistency: Under current regulations it is possible to maintain relative consistency between a retail supplier’s RPS reports and their PCL by annually retiring most or all prior year vintage RECs for RPS compliance. Such alignment will not be possible under the Revised Proposal unless load serving entities restrict their procurement activities to transactions for which the PSD regulations recognize both the fuel type and GHG intensity of the associated generator. Since the Revised Proposal only confers such treatment to specified purchases that are directly delivered to a California balancing authority, retail suppliers will have to either (A) pursue only direct delivery transactions, or (B) be faced with a significant customer communication challenge.

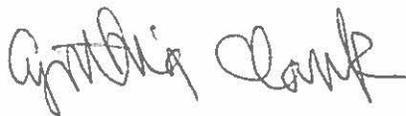
With (A), demand and cost for directly-delivered renewable power may rise and renewable resources located in the Western Electricity Coordinating Council (“WECC”) region, for which direct delivery is not possible or feasible, may be devalued. On a practical level, unequal treatment of such WECC resources may work against needed regional cooperation associated with California’s GHG reduction goals.

With (B), organizations such as UC could be faced with unnecessary complications when reporting progress towards our system-wide carbon neutrality goal. We could be in a position where we have fully mitigated UC's carbon footprint, as calculated under other legal standards, while reporting a PCL that suggests a non-zero carbon footprint. Such complications could discourage others from embracing initiatives similar to UC's Carbon Neutrality Initiative and from actively engaging with California renewable energy markets.

UC respectfully urges the Commission to reconsider the current proposal's alignment with the California Air Resources Board's ("CARB") Mandatory Reporting Requirements ("MRR") and Cap and Trade Program. The CARB programs are source and first-import based compliance structures, not load-serving entity procurement structures. Strict conformance with MRR and Cap and Trade principles is not required by AB 1110, may introduce market distortions, and from a consumer-facing perspective could foster less accurate power content information.

Thank you for the opportunity to comment.

Regards,

A handwritten signature in black ink, appearing to read "Cynthia Clark". The signature is written in a cursive, flowing style.

Cynthia Clark
Renewable Energy Manager
University of California Office of the President