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Comments on the October 9, 2018, AB 1110 Implementation Proposal

Please see attached.

Additional submitted attachment is included below.

October 25, 2018

California Energy Commission
Docket No. 16-OIR-05
Docket Office
1516 Ninth Street
Sacramento CA 95814

Submitted Electronically to Docket 16-OIR-05

Re: CalWEA Comments on the October 9, 2018, AB 1110 Implementation Proposal for Power Source Disclosure, Third Version

The California Wind Energy Association (CalWEA) offers the following comments on the above-referenced proposal by Energy Commission staff ("staff proposal" or "proposal").

First, CalWEA continues to support the proposed treatment of unbundled renewable energy credits (RECs). We agree that RPS rules are not appropriate for application to Power Content Labels because RECs do not represent actual delivered energy, and because RPS compliance does not occur on an annual basis.

Second, and consistent with the proposed treatment of RECs, we urge the Commission to conduct further analysis and stakeholder discussion regarding the feasibility of implementing the Clean Net Short (CNS) methodology, as many stakeholders recommended at the last public workshop. Since that time, the California Public Utilities Commission (CPUC) has developed the CNS methodology that it is now using to measure each load-serving entity's (LSE's) attainment of greenhouse-gas-emission goals as part of the Integrated Resource Planning process.[1] Moreover, that methodology has been implemented and used by LSEs in their initial Integrated Resource Plans submitted to the CPUC in August 2018. This progress, by many newly formed LSEs within the very first IRP

[1] See CPUC Decision 18-02-018 (February 8, 2018) and the CPUC's Ruling in Rulemaking 16-02-007 (April 3, 2018).

cycle, would appear to undercut the statement that the CNS methodology would be "exceptionally burdensome." (Staff proposal, p. 21.)

Given this progress, we believe that greater effort by this Commission is warranted to address the implementation challenges that were identified in the proposal. Alignment of accounting methodologies across the agencies should be a priority goal, and the methodology developed by the CPUC is far preferable to the staff proposal because it tracks what LSEs are actually using on an hourly basis to serve their customers. Customers should be informed of the same physical reality in Product Content Labels.

As CalWEA has previously argued in support of the Clean Net Short Methodology, California cannot rely on paper accounting to truly demonstrate how an economy can reduce its reliance on GHG-emitting resources; it has to demonstrate how it will actually serve load with GHG-free resources. Therefore, each LSE should procure clean resources that serve its load as much as possible. Further, if the sum of portfolios does not match their associated loads, the result could be system overgeneration and curtailment and/or the dumping of exports on neighboring states, while California loads are actually served with system power containing higher GHG emissions. Mismatched portfolios and loads could also lead to the need for more storage to ensure system reliability, making it more expensive to achieve our GHG goals. The CNS methodology will encourage LSEs to assemble resource portfolios that are capable of physically serving their loads.

For these reasons, we strongly encourage this Commission to work more closely with the CPUC and the Air Resources Board (ARB) to develop consistent accounting methodologies that are also the most accurate representation of what consumers are actually paying for and consuming.

Sincerely,

/s/

Nancy Rader
Executive Director
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